

# M&A ACTIVITY MAY SUPPORT GULF, RATE HIKE HIT EGYPT

**DUBAI:** Stock markets in the Gulf may be buoyed yesterday by a rare burst of mergers and acquisitions activity, while a larger-than-expected interest rate hike could weigh on Egypt.

MSCI's all-country world stock index ended Friday up 0.5 percent while Brent oil rose back above \$49.0 a barrel as jitters over this week's referendum on Britain leaving the European Union eased slightly, though the outcome of the vote remains very much in doubt.

National Bank of Abu Dhabi and First Gulf Bank have held preliminary talks on a merger,

two sources with knowledge of the matter told Reuters on Thursday, in what would create the largest bank by assets in the Middle East and Africa.

JPMorgan Cazenove said in a report that it was too early to take positions in either stock since "visibility remains low as yet on factors like strategic rationale for undertaking the transaction from both sides, the form and timeline that this transaction could take and the size of synergies".

But local investors may nevertheless welcome the idea of an Abu Dhabi banking champion.

"We see strong merits of this potential transaction for both parties," said Arqaam Capital, adding that FGB would benefit from a stronger wholesale banking proposition while NBAD was underrepresented in retail banking.

Arqaam said NBAD was undervalued versus FGB, but JPMorgan said current valuations suggested FGB shares offered a better risk-reward balance.

Meanwhile, an investment group led by prominent Dubai businessman Mohamed Alabbar agreed to buy a majority stake in Kuwait Food Co (Americana) from the Kharafi

family at 2.650 dinars each.

That is well above Americana's last market price of 2.1 dinars; after the Dubai group completes the purchase of the stake, it will launch a mandatory takeover offer to remaining Americana shareholders at 2.650 dinars under Kuwaiti securities rules.

Americana shares have been suspended since Thursday. But stocks in other companies in which the Kharafis own major stakes - National Investment Co and Zain - rose on Thursday after Reuters reported that talks on the deal had revived, and these stocks could continue climbing yesterday.

In Egypt, the central bank raised its key interest rates by 100 basis points after the close on Thursday to their highest levels in years, in order to rein in surging inflation and ease downward pressure on the Egyptian pound.

Analysts had been roughly evenly split on whether the central bank would tighten policy and few analysts who expected a tightening had predicted such a large hike, so the decision may hurt the stock market, especially since many economists think more tightening and currency depreciation are likely in the second half of this year. —Reuters

Daily Kuwait Stock Exchange Report						
Sunday 19 June 2016						
Index	Change	Closing	Last Closing	High	Low	
Price Index	▲ 62.67	5,457.51	5,394.84	5,457.51	5,305.54	
Weighted Index	▲ 6.20	357.89	351.69	358.53	353.32	
KSX 15	▲ 15.75	822.69	806.94	826.52	813.30	

  

Volume	131,740,789
Value (KWD)	17,244,759
Number of Trades	2,870

  

Security	Trades					
	High	Low	Volume	Value (KD)	Trades	Change
MARIN	0.0	0.0	0	0	100	▲ 0.0
IKARUS	41.0	40.5	114,321	4,630	7	▲ 0.5
IPG	0.0	0.0	0	0	0	▲ 0.0
NAPESCO	0.0	0.0	0	0	730	▲ 0.0
ENERGYH	54	52	143,225	7,558	22	▲ 0.0
GPI	43.5	42.5	1,785,517	70,608	48	▲ -0.5
ARAR	100	100	500	50	1	▲ 2.0
<b>Oil &amp; Gas</b>			<b>2,043,563</b>	<b>80,840</b>	<b>70</b>	<b>▲ 0.39</b>
KFOUC	188	182	492,205	91,297	52	▲ 10.0
BPCC	510	500	1,307,591	653,856	44	▲ 10.0
ALKOUT	650	650	373	242	2	▲ 20.0
ALQURAIN	208	204	96,529	19,905	10	▲ 2.0
<b>Basic Materials</b>			<b>1,896,698</b>	<b>765,359</b>	<b>108</b>	<b>▲ 22.55</b>
KCEM	390	385	20,000	7,701	2	▲ 15.0
REFRI	0.0	0.0	0	0	0	▲ 0.0
CABLE	430	425	926,406	397,749	69	▲ 20.0
SHIP	166	162	678,721	112,481	35	▲ 8.0
PCEM	1,000	980	81,500	80,641	7	▲ -10.0
PAPER	285	285	6,250	1,781	1	▲ 10.0
MRC	0.0	0.0	0	0	0	▲ 0.0
ACICO	300	290	13,010	3,838	8	▲ -10.0
HCC	0.0	0.0	0	0	0	▲ 0.0
KBMM	0.0	0.0	0	0	0	▲ 0.0
NICBM	210	210	3,000	630	2	▲ -2.0
EQUIPMENT	0.0	0.0	0	0	0	▲ 0.0
NCCI	0.0	0.0	0	0	0	▲ 0.0
GYPSUM	0.0	0.0	0	0	0	▲ 0.0
SALBOOKH	73	72	137,490	9,949	14	▲ 7.0
AGLTY	500	480	1,978,000	974,413	54	▲ 15.0
EDU	0.0	0.0	0	0	0	▲ 0.0
CLEANING	0.0	0.0	0	0	0	▲ 0.0
KGL	47.5	47.0	50,800	2,388	3	▲ 0.0
KPC	0.0	0.0	0	0	0	▲ 0.0
HUMANISOFT	0.0	0.0	0	0	0	▲ 0.0
NAFAIS	0.0	0.0	0	0	0	▲ 0.0
SAFWAN	0.0	0.0	0	0	0	▲ 0.0
GFC	0.0	0.0	0	0	0	▲ 0.0
MAYADEEN	27.0	26.0	10,338,918	270,488	85	▲ 0.5
CGC	780	780	9,970	7,777	1	▲ 0.0
MTCC	68	67	49,520	3,319	8	▲ 1.0
UPAC	690	690	981	677	2	▲ 0.0
ALAFCCO	210	206	95,147	19,790	9	▲ 2.0
MUBARRAD	61	60	193,532	11,049	6	▲ 1.0
LOGISTICS	0.0	0.0	0	0	0	▲ 0.0
SCEM	0.0	0.0	0	0	0	▲ 0.0
GCEM	78	76	300,298	23,172	16	▲ 4.0
QIC	0.0	0.0	0	0	0	▲ 0.0
CEM	74	73	2,055,000	150,970	27	▲ 1.0
RKWC	91	89	152,151	13,846	9	▲ -3.0
SPEC	0.0	0.0	0	0	0	▲ 0.0
<b>Industrials</b>			<b>17,090,694</b>	<b>2,093,258</b>	<b>357</b>	<b>▲ 5.85</b>
KSH	0.0	0.0	0	0	0	▲ 0.0
NSH	0.0	0.0	0	0	0	▲ 0.0
PAPCO	0.0	0.0	0	0	0	▲ 0.0
CATTL	194	182	89,316	16,438	11	▲ 6.0
DANAH	0.0	0.0	0	0	0	▲ 0.0
POULT	178	178	659	117	1	▲ 0.0
FOOD	0.0	0.0	0	0	0	▲ 0.0
<b>Consumer Goods</b>			<b>89,975</b>	<b>16,555</b>	<b>12</b>	<b>▲ 9.98</b>
MHC	0.0	0.0	0	0	0	▲ 0.0
ATC	0.0	0.0	0	0	0	▲ 0.0
YIACO	210	210	500	105	1	▲ 2
<b>Health Care</b>			<b>500</b>	<b>105</b>	<b>1</b>	<b>▲ 1.43</b>
KCIN	0.0	0.0	0	0	0	▲ 1,700
KHOT	0.0	0.0	0	0	0	▲ 0
SULTAN	60	59	60,315	3,559	4	▲ 59
CABLETV	23.0	23.0	2	0	1	▲ -2
EYAS	0.0	0.0	0	0	0	▲ 385
IFAHR	0.0	0.0	0	0	0	▲ 198
OULAFUEL	110	108	3,086	334	2	▲ 110
MUNTAZAHAT	88	85	504,166	43,172	15	▲ -2
JAZEERA	910	890	31,557	28,686	5	▲ 910
SOOR	110	110	7,458	820	3	▲ 110
FUTUREKID	0.0	0.0	0	0	0	▲ 112
ALRAI	164	160	98,943	15,945	8	▲ 164
ZIMAH	42.0	41.5	1,356,426	56,253	32	▲ 41.5
UFIG	0.0	0.0	0	0	0	▲ 140
Mezzan	1,120	1,080	374,511	409,625	27	▲ 1,100
<b>Consumer Services</b>			<b>2,435,464</b>	<b>558,395</b>	<b>97</b>	<b>▲ -0.27</b>
ZAIN	355	345	2,871,143	1,004,457	93	▲ 345
OOREDOO	1,100	1,100	220	209	1	▲ 1,100
HITSTELEC	38.0	37.0	4,629,711	173,513	87	▲ -1
VIVA	950	930	191,263	181,015	35	▲ 950
<b>Telecommunications</b>			<b>7,692,346</b>	<b>1,369,264</b>	<b>216</b>	<b>▲ 612.64</b>
NBK	640	630	8,014,194	5,074,206	148	▲ 630
GBK	238	238	4,951,500	1,188,554	45	▲ 238
CBK	430	425	36,390	15,640	6	▲ 430
ABK	335	330	258,649	86,004	4	▲ 335
ALMUTAHED	410	400	231,000	93,655	17	▲ 405
KIB	196	196	295,946	50,005	11	▲ 196
BURG	315	305	627,215	192,971	24	▲ 315
KFIN	465	465	792,500	306,447	33	▲ 465
BOUBYAN	400	395	70,706	28,056	6	▲ 395
AUB	192	190	46,108	8,811	3	▲ 192
ITHMR	38.5	37.0	2,247,049	83,411	30	▲ 37.5
WARHABANK	1/4	1/2	1,425,012	247,125	67	▲ 172
<b>Banks</b>			<b>18,996,269</b>	<b>7,422,886</b>	<b>403</b>	<b>▲ 810.74</b>
KINS	300	300	857	295	1	▲ 300
GINS	0.0	0.0	0	0	0	▲ 700
AINS	0.0	0.0	0	0	0	▲ 475
WINS	106	104	38,324	4,046	4	▲ 104
KUWAITIRE	0.0	0.0	0	0	0	▲ 190
FTI	0.0	0.0	0	0	0	▲ 50
WETHAQ	31.0	31.0	14,209	440	3	▲ -0.5
BKIKWT	0.0	0.0	0	0	0	▲ 355
<b>Insurance</b>			<b>53,420</b>	<b>4,752</b>	<b>8</b>	<b>▲ 1033.87</b>

  

Security	High	Low	Volume	Value (KD)	Trades	Last	Change
SOKOUK	37.5	36.5	2422100	89,059	49	36.5	▲ 0.0
KRE	57	55	2,713,143	150,295	36	56	▲ 1.0
URC	0.0	0.0	0	0	0	0	▲ 0.0
NRE	89	87	671,000	59,240	16	89	▲ 1.0
SRE	0.0	0.0	0	0	0	0	▲ 0.0
TAM	550	485	3,944	2,038	5	550	▲ 50.0
AREEC	138	138	1,000	138	1	138	▲ 0.0
MAGALEH	0.0	0.0	0	0	0	0	▲ 0.0
ARABREC	32.0	31.5	533,000	17,006	18	31.5	▲ -0.5
ERESCO	53	51	2,660,000	136,395	20	51	▲ 0.0
MABANCE	780	770	20	16	3	780	▲ 20.0
INJAZZAT	74	73	8,690	634	2	74	▲ 1.0
INVESTORS	22.5	22.0	7,420,607	160,470	09	22.5	▲ 0.5
IRC	32.5	32.0	208,815	6,727	6	32.5	▲ 0.5
ALTJARIA	76	75	570,850	43,721	17	76	▲ 1.0
SANAM	0.0	0.0	0	0	0	0	▲ 0.0
AAYANRE	63	63	55,000	3,465	2	63	▲ 0.0
AQAR	0.0	0.0	0	0	0	0	▲ 0.0
ALQARIA	25.5	25.5	1	0	1	25.5	▲ 0.5
MAZAYA	122	120	814,750	97,920	10	122	▲ 2.0
ADNC	0.0	0.0	0	0	0	0	▲ 0.0
THEMAR	0.0	0.0	0	0	0	0	▲ 0.0
TJARA	0.0	0.0	0	0	0	0	▲ 0.0
TAAMEER	23.0	22.5	52,000	1,171	2	23.0	▲ 1.0
ARKAN	0.0	0.0	0	0	0	0	▲ 0.0
ARGAN	152	148	10,500	1,556	2	148	▲ 2.0
AYAAAR	24.0	23.0	2,439,000	57,003	33	23.5	▲ 0.5
MUNSHAAT	57	55	1,932,700	108,363	48	55	▲ 1.0
FIRSTDUBAI	70	66	452,955	31,078	20	69	▲ 2.0
KBT	41.0	40.0	1,275,432	51,560	28	40.5	▲ 0.5
REAM	166	166	150	25	1	166	▲ 20.0
MENA	0.0	0.0	0	0	0	0	▲ 0.0
ALMUDON	0.0	0.0	0	0	0	0	▲ 0.0
MAR							