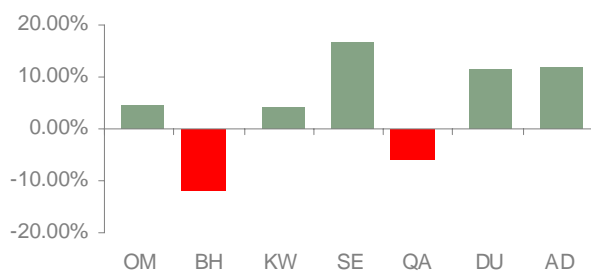


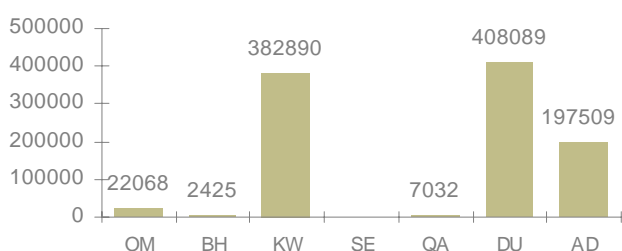
Market Snapshot

Index	Close	Change			
		Daily	WTD	MTD	YTD
OM ▲	5690.82	0.37%	-0.1%	1.4%	4.6%
BH ▲	1590.57	0.09%	-1.4%	0.6%	-11.8%
KW ▲	8107.60	0.11%	-0.4%	0.3%	4.2%
SE	Mkt Closed	0.00%	-0.2%	0.1%	16.6%
QA ▲	6474.16	1.04%	-2.8%	-0.3%	-6.0%
DU ▲	1821.19	0.61%	-2.0%	2.1%	11.3%
AD ▲	2671.29	1.62%	1.7%	1.5%	11.8%

YTD Change (%)



Trading Activity ('000 shares)



Market Movers

	Exch.	Curr.	Close	Chg
ABQK	▲ QA	QAR	47.300	+10%
ALSALAMSUDAN	▲ DU	AED	2.670	+9%
RAKWCT	▲ AD	AED	0.980	+9%
ARKAN	▲ AD	AED	4.540	+8%
HITSTELEC	▲ KW	KWD	0.132	+8%
FCI	▼ AD	AED	3.250	-10%
RAKBANK	▼ AD	AED	3.260	-10%
EKTTITAB	▼ DU	AED	0.990	-7%
DCFI	▼ OM	OMR	0.309	-6%
ARIG	▼ KW	KWD	0.150	-6%

Market Commentary

July 02, 2009

Markets across the GCC continued to close higher on Thursday led by rising oil prices and expectation of positive earnings in 1H09. Abu Dhabi and Qatar emerged stronger today after previous day's dismal performance. Demand for blue chips helped Oman cement its position in the green for the third-straight day. Bahrain and Kuwait closed with marginal gains. Elsewhere, Saudi was closed for the weekend.

Bahrain

Amidst lackluster trading, the BASI closed flat, ending 1.46 points or 0.09% up at 1,590.57. The Commercial Bank sector ended 7 points higher, whereas Investment and Service slipped slightly. Of the 49 listed securities, only 10 were traded today. Al Salam Bk, today's lone gainer, moved up 6%, while Gen Trdg & Food Proc lost 3% and Bah Comml Facilities dipped 2%

Oman

Oman closed 0.37% higher at 5,690.82, with most trading witnessed in market favourites. The Services & Insurance sector added 1%, while Banking & Investments and Industry slipped fractionally. Telecom giant Omantel (+2%) continued to attract investors and has risen 4% in three days. Galfar Engg rose 3% and Bk Muscat added 0.4%. Oman Fisheries (+3%) topped the market volumes. The market breadth was however negative with 14 advancers and 22 decliners. Dhofar Cattle Feed declined 6% and Oman Chlorine fell 3%.

Kuwait

After trading lower for most part of the day, gains in Industrial (+36.3 points), Services (+52.7 points) and Food (+60.5 points) sectors helped the KSE Index (+0.11%) to finish a tad higher. Hits Telecom soared 8%, Kout Food climbed 5% and Gulf Cable & Electrical edged up 1.5%. On the other hand, the Investment sector shed 22 points after Kuw Finl Centre pared 2%. Logistics giant Agility (-2%) and Kuw Fin House (-2%) slipped on profit-booking.

Qatar

Day-long buying across sectors pulled Qatar back onto the black, gaining over 1%. The Banking & Financial sector recovered 140.37 points after Al-Ahli Bk hit its upper circuit of 10%. Comml Bk of Qat and Al Khalij Comml Bk jumped around 3% each. Qat E-city & Water rose another 5% taking its cumulative gains to 19% since June 28. Interestingly, the rebound saw key stocks, such as Industries Qat (-0.2%), Qtel (-0.1%) and Barwa RE (-0.3%) being left out.

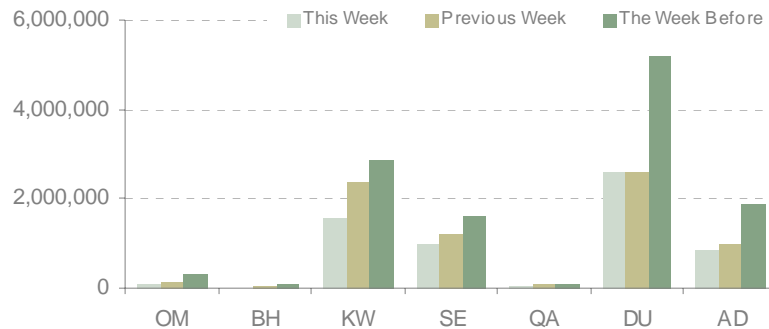
Dubai

Across the board buying, especially in the last hour of trade, kept the DFM in the green for the second day running, ending 11.04 points up at 1,821.19. Investors continued to flock the Aramex (+1%) counter, which was today's volume and value leader – the stock scaled up 34% since June 23. Alsalam Sudan rose 9% while Takaful House added 4%. The Utilities (2%) sector gained the most on Tabreed 2% gain. Out of the 24 traded stocks, 3 closed down - Ektitab lost 7%, Emirates NBD dropped 3% and Drake & Scull Intl pared 1%.

Abu Dhabi

With key sectors closing higher, Abu Dhabi ended about 2% up at 2,671.29. The Banking sector rose over 2% with First Gulf Bk, AD Comml Bk and Bk of Sharjah advancing 8%, 7% and 6%, respectively. However, the Health Care and Industrial sectors closed lower with Gulf Med Proj. and AD Aviation falling 6% and 5%, in that order. Overall volumes of 197.51 million shares improved from yesterday's 142.42 million shares.

Weekly Volume Trend



Corporate News

SA: USD28bn investment plan to raise capacity: SEC ...

Saudi Electricity Co. (SEC) is planning to invest USD 28 billion in the next 3 years to meet rising demand in the economy. The company official said that the major projects are under construction which will add about 13,000MW of power in its total output. Moreover, the company has a plan to invest USD 70 billion by 2018 to add 25,000MW to match demand driven by a USD 400 billion, five-year government-spending program and a growing population.

SA: Almarai to take over Hadco ...

Saudi-based Almarai Co. has offered to takeover poultry firm Hail Agricultural Development Co. (Hadco) for USD 253.2 million in its bid to gain entry into the Saudi poultry business. The company is offering Hadco's shareholders one new Almarai share and SAR 2.5 for each five Hadco shares. The two firms have fixed a November 30, 2009 deadline for conclusion of the acquisition.

KW: KFH's Bahraini unit launches student financing product ...

Kuwait Finance House - Bahrain (KFH) has launched a student financing product based on the Islamic finance principles of Ijarah. Through this Shariah-compliant mode of funding, the company wants to encourage and facilitate entry into higher education by financing tuition fees in Bahrain.

KW: Alafco to deliver 11 aircrafts in 2H09 ...

Kuwait's Aviation Lease & Finance Co. will deliver 11 Airbus aircrafts in the second half of 2009 as the company arranges finance from international banks, European export credit agencies and local Islamic institutions. Saudi Arabian Airlines will receive 6 of the new planes, Greek Pantheon Airways will take 4 and Kuwait's Wataniya Airways has leased one aircraft. Alafco has already delivered seven Airbus and two Boeing aircrafts in the 1H09.

QA: Nakilat added another Q-Flex LNG carrier to its fleet ...

Qatar Gas Transport (Nakilat) has added another carrier in its fleet which is the world's largest and most advanced Q-Flex LNG carrier, Al Kharaitiyat, delivered by the Hyundai Heavy Industries. The Al Kharaitiyat has a capacity of 216,000 cumt and has been chartered on a long-term contract to Qatargas 3.

AD: TAQA ends relationship with S&P's ...

The Abu Dhabi National Energy Co. (TAQA) has terminated its relationship with Standard & Poor's effective June 30, 2009 after the ratings agency placed it on a negative credit watch. The company official said that they did not agree with the S&P's new revised methodology for government-related entities.

Corporate Action

DU: Aramex to change ownership rules ...

Dubai-based logistics company Aramex got an approval from the regulators to modify its ownership rules. The Ministry of Economy and the Emirates Securities & Commodities Authority (ESCA) have recently said that the shareholders from the GCC nations would be considered as locals rather than foreigners. Under existing UAE laws, a minimum of 51% of a company's shares must normally be owned by UAE citizens.

Other News

SA: GOSI invests SAR60bn ...

State run Saudi pension fund General Organization for Social Insurance (GOSI) is said to have invested SAR 40 billion in 60 companies this year compared to SAR 2 billion in 7 companies last year. In March, GOSI had got approval to start the Hassana Investment Co. to invest in local, regional and international stock markets.

QA: Qatar private sector lending dropped ...

Qatari banks' lending to the private sector and money supply declined in April 2009, for the first time in at least three years. Money supply (M2) declined 5.7% to QAR 176.89 billion in April compared to the same period last year whereas on a monthly basis the total credit to the private sector declined 0.8% in April compared with March 2009.

QA: Qatar domestic cement demand surpasses production in 2009: Credit Suisse ...

Qatar's total cement production is expected to more than double to 6.52 million tonnes per annum (mtpa) in 2009 but will still not be enough to satisfy the local demand estimated at 6.8 mtpa., according to a Credit Suisse report. It also said that in 2010 and 2011 the country's total cement production capacity is expected to be stable at 6.52 mtpa.

AD: ADCCI launched its first stockbrokers group ...

Abu Dhabi Chamber of Commerce & Industry (ADCCI) launched its first stockbrokers group to promote their business and upgrade performance within an ongoing drive to bring various professional sectors under one umbrella. According to the ADCCI, the body comprises of representatives from the about 100 authorised stockbrokerage firms in Abu Dhabi.

DU: GCC, Japan trade up by 43% in 2008 ...

According to the latest figure released from the Dubai office of Japan External Trade Organisation (Jetro) the trade between the Gulf Cooperation Council (GCC) and Japan grew 43% in 2008, to USD 172 billion. The GCC's exports to Japan jumped 46.3% to USD 144.2 billion, while imports from Japan increased 28.4% to USD 27.6 billion in 2008.

DU: UAE banks have USD3bn exposure to Saudi firms ...

UAE banks have revealed an exposure of over USD 3 billion through syndicated and bilateral transactions to Saudi groups, Saad and Algotaibi. Abu Dhabi Commercial Bank (ADCB) has USD 395 million in its deal with Saad Group, and has USD 40 million outstanding with Algotaibi Group, where as for Mashreq Bank, these numbers add up to USD 160 million and USD 50 million, respectively.

DU: FlyDubai, GE inks USD320 mn financing deal ...

Dubai's low-budget carrier FlyDubai has secured USD 320 million in financing with a unit of General Electric (GE) for four Boeing 737-800 aircrafts, which will be delivered later this year. The sale and leaseback agreement covers the aircrafts due to be delivered this year, with two expected in July, one in October and one in December.

DU: Dubai Bank, SALAMA partners for Takaful products...

To expand its portfolio of Islamic insurance Dubai Bank has entered into a strategic alliance with Islamic Arab Insurance Co. (Salama), a leading provider of Shariah-compliant insurance solutions provider. Under the terms of the agreement, Salama will offer Dubai Bank customers a wide range of Shariah-compliant unit-linked funds through lumpsum investments as well as systematic investment plans.

DU: Bank lending in GCC remains tight despite deposit growth ...

The loans and advances offered by more than 150 banks in the six-nation Gulf Cooperation Council (GCC) either declined or sharply slowed down in late 2008 and the first few months of 2009 despite a growth registered in a total deposit, according to the latest data published by the government body.

PUBLIC ISSUE TRACKER

	Type	Country	Industry	Eligibility	Shares offered	Price/Unit	Open Date	Close Date
Saudi Steel Pipes	IPO	Saudi Arabia	Mining & Metals	-	31.4%	-	June 27	July 3
Saudi National Petrochemical Co.	IPO	Saudi Arabia	Oil & Gas	-	50%	SAR 10	July 18	July 24
AL Mouwasat Medical Services Co.	IPO	Saudi Arabia	Healthcare	-	30%	-	Aug 15	Aug 21
Al Alamiya for Commerce & Services	IPO	Saudi Arabia	Financial Services	-	30%	SAR 10	Oct 03	Oct 09
Buruj Cooperative Insurance Co.	IPO	Saudi Arabia	Insurance	-	40%	-	-	-
Gulf General Insurance Co.	IPO	Saudi Arabia	Insurance	-	40%	-	-	-
Coast Cement Co.	IPO	Saudi Arabia	Construction	-	50%	SAR 10	1H'09	-
Al-Mutakamilah	IPO	Saudi Arabia	Telecommunications	-	25%	-	1H'09	-
Al Tayyar Travel Group	IPO	Saudi Arabia	Leisure & Tourism	-	30%	-	2H'09	-
Solidarity Saudi Takaful Co.	IPO	Saudi Arabia	Financial Services	-	40%	-	2H'09	-
Mazaya Qatar Real Estate Development Co.	IPO	Qatar	Real Estate	-	50%	QAR 10	2H'09	-
Esdarat Holding Co.	IPO	Kuwait	Financial Services	-	189 million	-	4Q09	-
Istikhlaf Bank	IPO	Bahrain	Financial Services	-	35%	-	4Q09	-

TAIB FUNDS MONITOR

	Latest NAV* (US\$)	Reported Date	YTD Returns
TAIB Islamic Fund (GCC)	62.65	23 Jun 2009	6.25%
TAIB GCC Blue Chip Fund (GCC)	103.05	23 Jun 2009	11.08%
TAIB Everest Fund (India)	21.18	15 May 2009	-31.81%
TAIB Golden Horn Fund (Turkey)	53.74	30 Dec 2008	-62.84%

*Based on internal estimates

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