



## GBCM Research

### Survey on

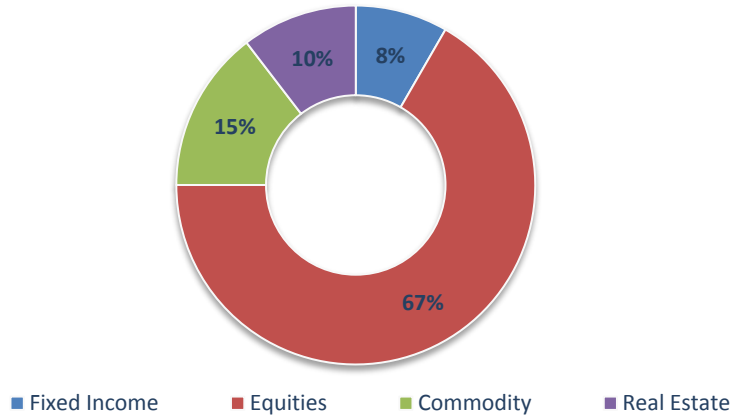
# Oman Economy and Markets Outlook - 2011



## Background, Objectives & Methodology

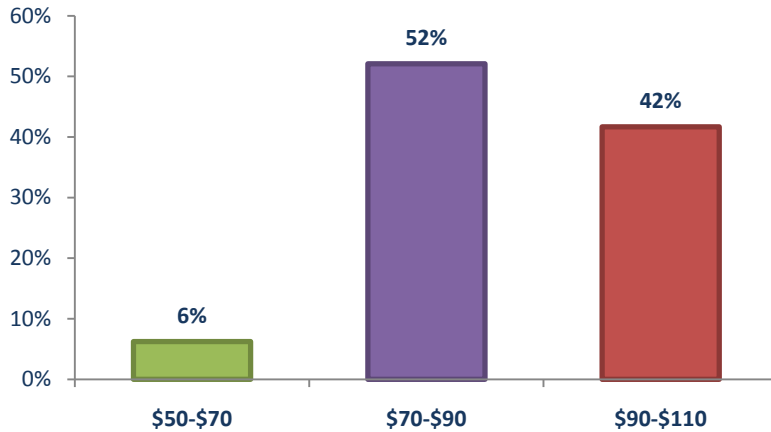
- Overall rationale of the survey is to obtain feedback from the market participants includes Brokers, Fund Managers and Local Institutions on how they foresee,
  - Growth in Oman economy for 2011
  - Market Outlook in Oman for current fiscal year
- Study aims to find out the market players perception to what extent the domestic economy and markets are influenced by the Local and Global factors.
- Breakup of Survey Participants
  - Brokers – 33%
  - Fund Managers – 27%
  - Analysts – 22%
  - Institutions – 18%
- Participants were sent an email invitation in the online survey (Source: [www.surveymethods.com](http://www.surveymethods.com)) which was conducted during the last week of December 2010.
- Total number of Survey Participants: 48

## Asset Class - 2011



- 67% of the participants favour equities as an asset class for investment in 2011
- Commodities came as second favourite for the local investors forming 15%
- About 10% of the population favour Real Estate sector and 8% look for fixed income assets in 2011
- Survey shows that the local investors preference shift to equities in the current fiscal year

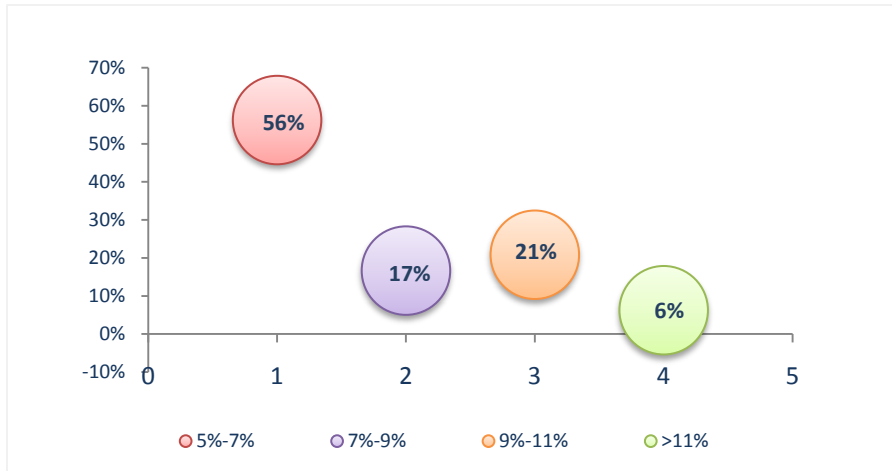
## Crude Oil Prices Outlook - 2011



- About 52% of the population expects crude to trade between USD 70 to 90 per barrel
- 42% expects the crude prices to trade between USD 90 to 110 per barrel
- Only 6% expects the crude to trade within USD 50 to 70 per barrel.
- Survey reveals the presence of more optimistic outlook on crude prices in 2011

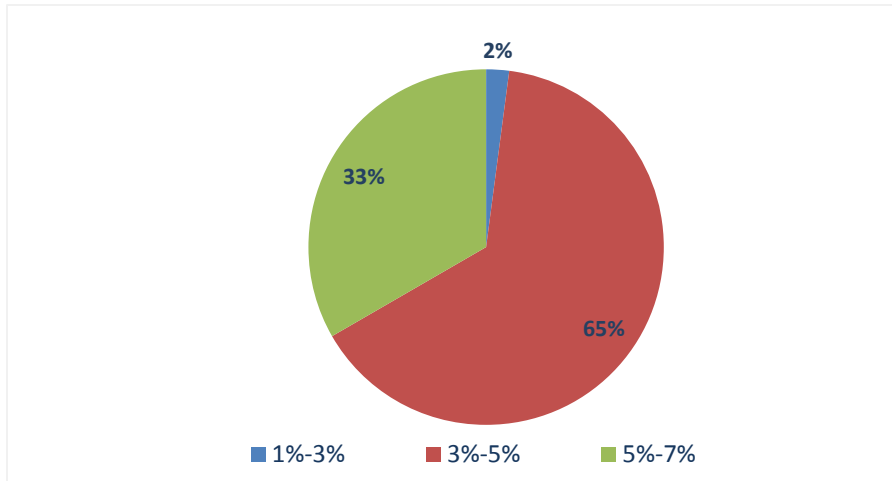
# Oman - Economic outlook for 2011

## Oman - Nominal GDP Growth outlook for 2011



- About 56% of the survey participants expects Oman Nominal GDP growth rate (FY11) to be about 5 to 7%
- About 21% of local market players anticipates GDP growth of about 9 to 11%
- Survey discloses about 17% expect GDP growth between 7% to 9%
- Only 6% of the population expects Nominal GDP to increase above 11%
- Survey shows that the Oman Economy would continue to grow at Steady pace during FY11.

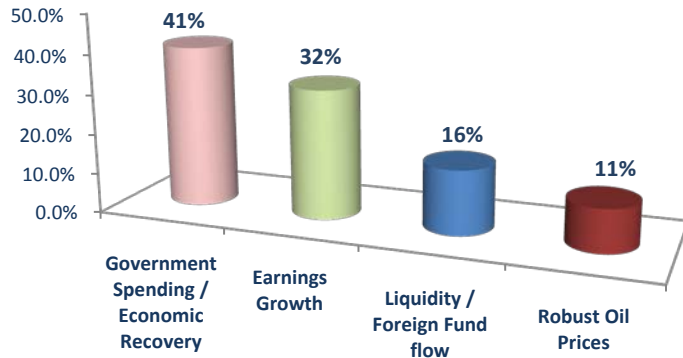
## Oman - Inflation outlook for 2011



- An overwhelming 65% of the survey population expects Oman inflation to stay between 3 to 5%
- A total of 33% expects 2011 Oman inflation to be about 5 to 7%
- Meagre 2% expects the inflation to stay between 1 to 3% levels
- Survey reveals that the market consensus for inflation stays about 5% levels during 2011

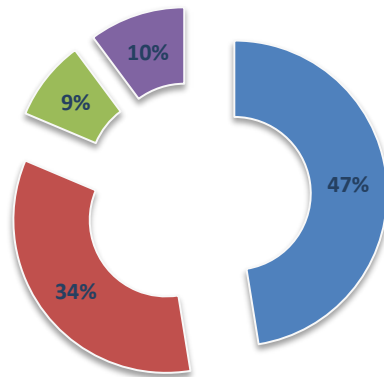
# MSM Outlook for 2011

## MSM - Drivers for 2011



- Government Spending and Economic recovery path to be the key drivers for MSM (41% respondents)
- 32% expects the trigger in the form of Earnings growth in MSM listed entities
- While about 16% feels that the market may witness improved liquidity thereby going for re-rating in 2011
- About 11% feels that the uptrend in Oil prices to trigger performance in MSM
- Study reveals that the Macro Economic factors along with Infrastructure spending to drive local equity markets

## Apprehensions - 2011

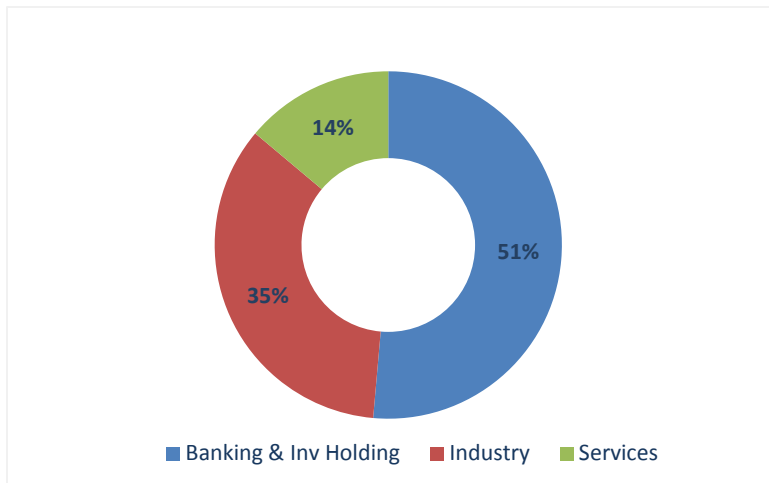


■ Global Economic Slowdown ■ Euro Zone Concerns ■ Real Estate ■ Flattening Earnings

- About 47% of the respondents feels that the Global Economic Slowdown to put pressure on equities
- 34% anticipates the Euro Zone concerns and Sovereign Debt default to be a key apprehension for 2011.
- 10% of the sample expects the flattening corporate earnings to impact the index performance.
- While about 9% feels that the declining Real estate prices to impact the construction market.
- Survey shows that the market players are concerned towards external factors (*Recession, EU etc.*) rather than domestic factors

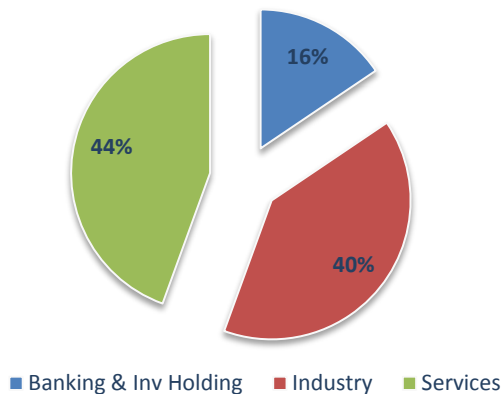
# Sector outlook for 2011

## Omani Markets - Best Performing Sector



- Around 51% of the participants expects Banking sector to perform well under the Banking & Inv Index.
- 35% feels Stock specific / Bottom up approach to be followed in the Industry sector during the current year.
- While 14% consider the Services sector to outperform in 2011 especially Oil marketing, Infrastructure and Utilities sectors.
- Survey reveals the Banking & Investment sector to emerge as the Best Performing Sector in Oman for 2011.

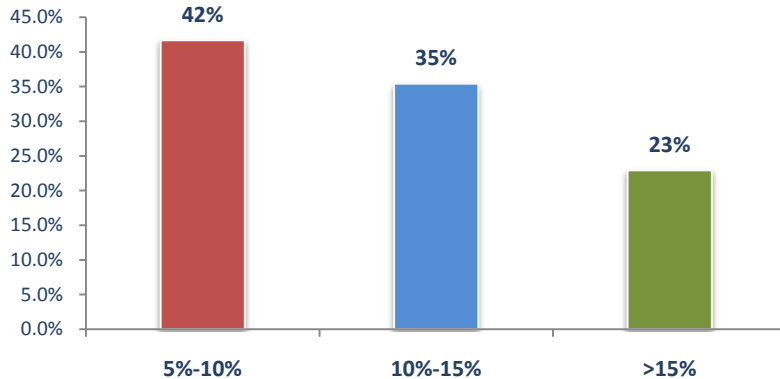
## Omani Markets - Worst Performing Sector



- About 44% of survey participants anticipates Telecom and Insurance sector to reel under pressure due to competition
- While, 40% says Industry Index to underperform esp. Cement sector due to cut throat competition in the segment.
- 16% of the survey sample feels that Investment Holding companies would be performing worst under the Banking & Inv.
- As per survey, the market players expects the services sector to underperform during 2011

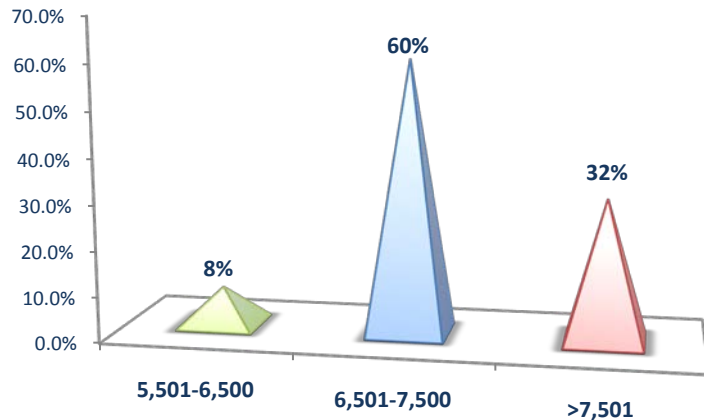
# MSM - Outlook for 2011

## MSM - Corporate Earnings Growth for 2011



- Around 42% of the participants expects the corporate earnings for 2011 to grow by 5% to 10%.
- 35% presume that the corporate earnings to grow between 10% to 15%.
- Only 23% foresee the corporate earnings to grow more than 15%.
- Survey reveals that the participants are moderately optimistic on the corporate earnings growth.

## MSM Index - 2011 Target



- Over 60% of the participants expects the MSM Index to trade between 6,501 to 7,500 points during the current year.
- While 32% expects the benchmark Index to breach 7,500 levels during the year.
- Only 8% of the survey sample feels that the benchmark index to trade between 5,501-6,500 points.
- Survey shows that the market players remain fairly optimistic on MSM Index Outlook for 2011.

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