



الخليجية بادر للأسواق المال ش.م.ع.م
Gulf Baader Capital Markets S.A.O.C.



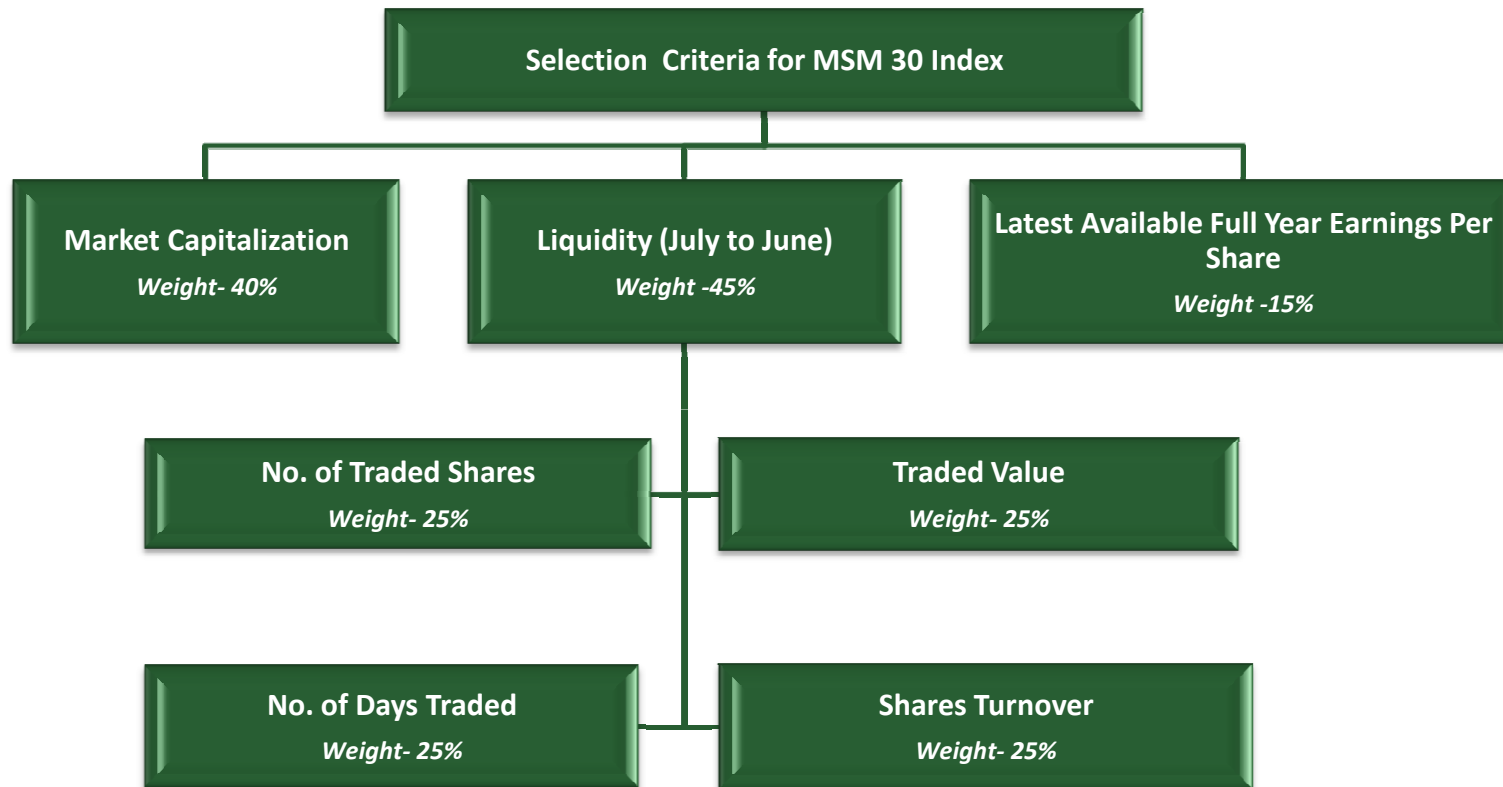
Investor Insight on MSM 30 Index - 2010

Changes effective July 2010

June 17, 2010



• MSM 30 Index – The Selection Criteria





• MSM 30 Index – Free Float Definition

Free Float Market Capitalization considers shares that are free for trading and excludes:

- ✓ Founder Shares (only for the first two year period of formation)
- ✓ Government Holdings (Excluding Pension Funds)
- ✓ Strategic Holding (Holdings more than 10%)
- ✓ Locked in Shares, which are not tradable for at least three months.



• MSM 30 Index – Selection Criteria

- ✓ MSM 30 Index - moved to Free Float Market Capitalization effective July 2009
- ✓ Reduction of cap from 20% to 10%; No limits on Sectoral Allocation (July 2009)
- ✓ Annual review on the selected parameters (Liquidity, Market Cap & EPS), the MSM 30 Index would be revised effective July 2010
- ✓ Effective July 2010, the MSM 30 Index would have 15 companies from Banking & Inv sector, 9 from Industry and 6 from Services & Insurance sector.



• MSM 30 Index – Selection Criteria

Source: Muscat Securities Market

S.No	Company Name	Liquidity (out of 45)	EPS (out of 15)	Market cap (out of 40)	Final score (out of 100)
1	Bank Muscat	39.0%	6.2%	40.0%	85.5%
2	Oman Telecommunication	25.0%	15.0%	34.5%	74.5%
3	Al Anwar Holding	45.0%	2.6%	0.8%	48.2%
4	Al Jazeera Services	44.0%	2.8%	0.5%	47.5%
5	Nat. Aluminium Products	40.0%	6.8%	0.5%	47.1%
6	Bank Dhofar	19.0%	3.1%	23.7%	45.7%
7	Oman And Emirate Inv. Om	45.0%	0.0%	0.5%	45.5%
8	Raysut Cement	20.0%	12.9%	11.5%	44.9%
9	Bank Sohar	35.0%	0.7%	8.0%	44.1%
10	Renaissance Services	28.0%	8.0%	7.6%	43.6%
11	National Bank Of Oman	26.0%	1.8%	14.0%	41.4%
12	Oman Cement	25.0%	6.6%	8.5%	40.3%
13	Shell Oman Marketing	19.0%	11.7%	6.9%	37.5%
14	Onic Holdign	30.0%	4.4%	2.7%	36.8%
15	Gulf Investment Ser	35.0%	0.6%	0.2%	35.9%
16	Galfar Engineering And Con.	30.0%	1.6%	3.7%	35.8%
17	Al Anwar Ceramic Tiles	30.0%	4.0%	1.8%	35.7%
18	Global Financial Investment	33.0%	0.7%	0.9%	34.1%
19	Oman Investment And Finance	30.0%	1.8%	1.1%	33.0%
20	Oman Cables Industry	22.0%	6.6%	3.8%	32.8%
21	Oman International Bank	20.0%	2.1%	10.1%	31.9%
22	Al Hassan Engineering	27.0%	3.2%	1.4%	31.3%
23	Al Jazeera Steel Products	28.0%	0.0%	1.4%	29.8%
24	Ahli Bank	20.0%	1.1%	7.1%	27.9%
25	Ominvest	18.0%	5.1%	3.7%	27.2%
26	Oman Flour Mills	18.0%	4.4%	4.0%	26.5%
27	Dhofar Int.Dev.And Inv. Hold	18.0%	4.4%	3.0%	25.8%
28	Financial Services	24.0%	0.4%	0.3%	24.8%
29	Oman Fisheries	22.0%	1.1%	0.6%	24.0%
30	Voltamp Energy	18.0%	3.9%	0.9%	23.1%
31	Oman Oil Marketing	13.0%	7.5%	2.3%	22.7%
32	Construction Materials Ind	22.0%	0.5%	0.2%	22.5%
33	Salalah Mills	13.0%	8.6%	1.0%	22.5%
34	Oman United Insurance	18.0%	3.4%	0.7%	22.2%
35	Transgulf Ind. Inv. Holding	21.0%	0.9%	0.2%	22.2%
36	Al Maha Petroleum Products	12.0%	7.4%	2.1%	21.7%
37	Port Ser Corporation	14.0%	5.1%	2.1%	21.0%
38	Sohar Power	17.0%	1.1%	1.5%	19.1%
39	Oman Chlorine	13.0%	4.0%	0.8%	17.6%
40	Dhofar Insurance	14.0%	1.6%	1.9%	17.3%
41	United Finance	16.0%	0.4%	1.1%	17.2%
42	Oman Holding International	9.0%	6.6%	1.4%	16.9%
43	Al Batinah Dev. Inv. Holding	16.0%	0.0%	0.2%	16.1%
44	Majan Glass	6.0%	8.4%	1.0%	15.2%
45	Dhofar Cattle Feed	14.0%	0.0%	0.6%	14.5%



• MSM 30 Index – Additions / Deletions

What Goes Out?

Company	Sector	Current Weightage
Al Maha Petroleum	Services	1.62%
Port Services Corp	Services	1.37%
United Finance	Banking & Inv.	0.55%
Transgulf Inv.	Banking & Inv.	0.29%
Construction Materials	Industry	0.23%
Total		4.06%

Source: Muscat Securities Market , ** current index based on revision done in Mar 10

What Comes In?

Company	Sector	New Weightage
Nat. Aluminium Products	Industry	NA
Gulf Investment Services	Banking & Inv.	NA
Dhofar Int. Dev & Inv. Holding	Banking & Inv.	NA
Global Financial Investment	Banking & Inv.	NA
Financial Services	Banking & Inv.	NA

Source: Muscat Securities Market , NA – Not Available

- ✓ Four new entrants from Banking & Investment sector and one new entrant in the Industry sector
- ✓ Two deletions each from Banking & Inv. Sector and Services Sector, while one is removed from the Industry
- ✓ Aggregate weight of stocks moving out - 4.06% (on current index, based on coefficient revision done in March 2010)



• MSM 30 Index – July 2010

MSM30 Index sample for 2010

Bank Muscat
Oman Telecommunication
Al Anwar Holding
Al Jazeera Services
Bank Dhofar
Oman & Emirates Inv. Om
Raysut Cement
Bank Sohar
Renaissance Services
National Bank Of Oman
Oman Cement
Shell Oman Marketing
ONIC. Holding
Galfar Engineering And Con
Al Anwar ceramic Tiles
Oman Investment and Finance
Oman Cables Industry
Oman International Bank
Al Hassan Engineering
Al Jazeera Steel Products
Ahli Bank
Ominvest
Oman Flour Mills
Oman Fisheries
Voltamp Energy
Nat. Aluminum Products
Gulf Investment Ser.
Dhofar Int. Dev. & Inv. Hold
Global Financial Investment
Financial Services
Muscat Securities Market

Added to the MSM30 Index



Dropped from the MSM30 Index

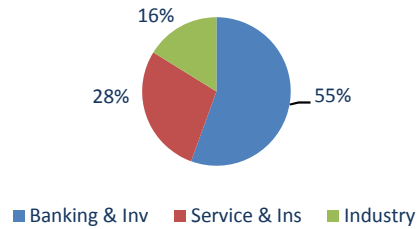


Source: Muscat Securities Market

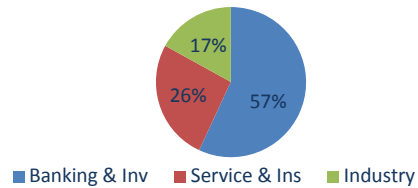


• MSM 30 Index – Sectoral Distribution

MSM Sector Contribution - 2009



MSM Sector Contribution - 2010



	No. of Companies - New Index	No. of Companies - Current Index
Banking & Investment	15	13
Industry	9	9
Service & Insurance	6	8
MSM 30 Index	30	30

Sector Contribution (Market Cap)	Weight in New Index	Weight in Current Index
Banking & Investment	17%	16%
Industry	26%	28%
Service & Insurance	57%	55%
MSM 30 Index	100.0%	100.0%

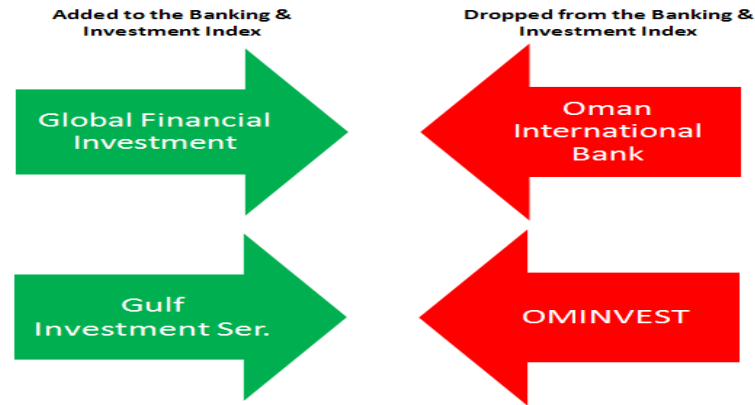
Source: Muscat Securities Market

- ✓ For 2010, weightage of Banking & Inv. sector increases to 57% as compared to 55% in 2009
- ✓ Industry sector weight increased to 17%
- ✓ Service & Insurance sector weight reduced to 26% from 28%

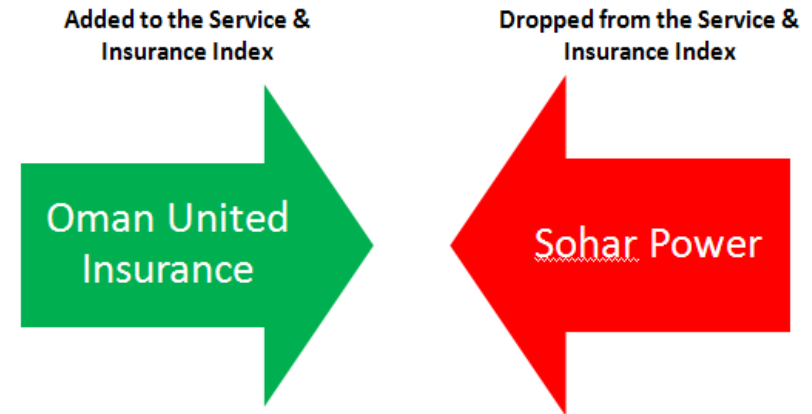


• MSM 30 Index – Sectoral Distribution

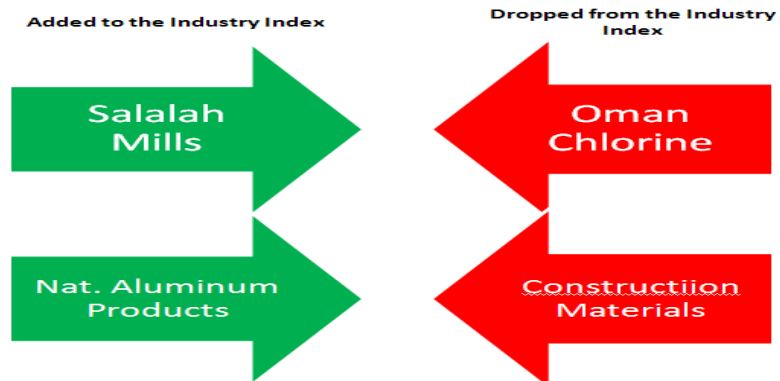
Banking & Investment Index



Services & Insurance Index



Industry Index





• MSM 30 Index – Outlook

Outlook

- ✓ Portfolio adjustments to be done by Index trackers
- ✓ Market weight gainers to strengthen in short to medium term

Caveat: Corporate fundamentals key than existence in benchmark Index

MSM 30 - Recommendations

- ✓ Positive on DIDIHC and NAPI
- ✓ Neutral on Gulf Inv. Services, Financial Services and Global Financial Inv.



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