



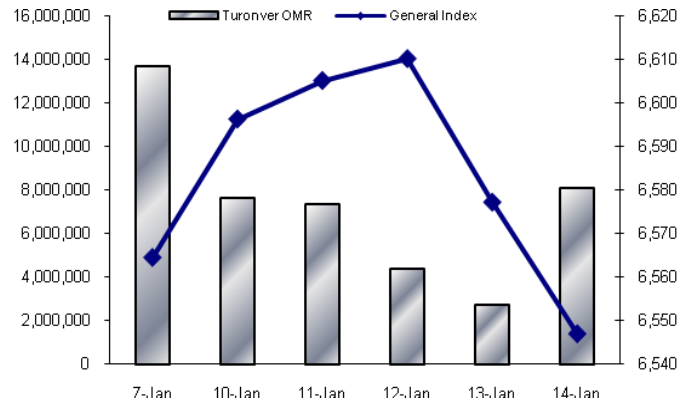
MARKET OVERVIEW

The MSM stocks started witnessing profit booking this week and especially on the fourth day of trading this week, after the MSM 30 Index hitting the highest level in two months on Tuesday to report marginal declines on Wednesday and Thursday. The announcement of unaudited results from Bank Sohar and Bank Dhofar for FY 2009 ending 31 December 2009 towards the end of the week boosted trading activity in these stocks as these results beat analysts' expectations. The positive results however and Al Ahli Bank increase could not support the positive momentum in the index as other heavy weight stocks pulled the index down and it shed the gains to close marginally down by 0.27% at 6547 points compared to the previous week. At the end of the week, GCC Investors were net buyers for RO 729K while Omani investors were net sellers for RO 441K followed by foreign investors for RO 222K and Arab for RO 66K worth of shares.

All subsectors, declined at the end of the week where the Banking & Investment Sector Index was the top loser among sub-sectors to close up by 1.96% at 9630.40 points, followed by the Industry Sector Index that lost by 0.85% and the Service & Insurance Sector Index that declined by 0.77%.

Market on Wednesday witnessed the lowest trading activity during the month in terms of volume of shares traded as well as the turnover. Total turnover at the end of the week reached RO 30.212mn down by 33.46% as compared the previous week. Volume traded declined by 38% to reach 75.126mn as compared to the previous week. A total of 13,805 trades were executed by the end of the week as compared to 18,453 in the previous week. Market Capitalization stood at RO 9.279bn as compared to RO 9.312bn in the previous week. A total of 71 companies traded during the week, of which 24 inclined, 34 declined and 13 remained unchanged.

We expect the market to maintain its momentum and look for stock specific performance taking cues from fourth quarter result announcements. The early result announcements from two banks indicate good performance numbers can be expected from other sector players as well. An extension of fourth quarter performance from the banking sector would pitch for positive economic performance during the year ahead. We expect banking liquidity to be on a higher side during the year, as evident from the books of Bank Dhofar and Bank Sohar. Companies which have already announced their results have posted good results and were in line with our expectations. We expect this fundamental trend to continue with the rest of the companies as well. We expect the market to focus its attention to corporate performance numbers, dividend declaration for the financial year ended 31 December 2009, and also on the commodity prices that have posted early gains during the year.



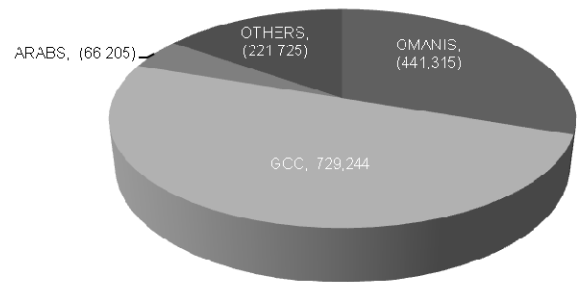
Market Summary

Index	Value	Change %	PE	P/BV	Div.%
MSM30 Index	6,547.000	▼ -0.27%	10.63	2.10	4.27%
Banks & Investment	9,630.400	▼ -1.96%	13.64	1.74	2.90%
Services & Insurance	2,741.460	▼ -0.77%	8.98	2.71	5.68%
Industry Index	7,678.830	▼ -0.85%	12.57	2.75	3.69%

	Current Week	Previous Week	Change %
Market Turnover RO:	30,212,143	45,406,533	▼ -33.46%
Volume:	75,125,636	121,169,931	▼ -38.00%
Trades	13,805	18,453	▼ -25.19%
Market Cap. RO bn	9.279	9.312	▼ -0.35%

	Up	Down	Unchanged
	24	34	13

Nationalities Trading



Regional Market		Close of the Week	Y-T-D %
Muscat Securities Market	MSM	6,547.00	2.80%
Qatar Exchange	DSM	6,854.59	-1.50%
Saudi Stock Exchange (Tadawul)	TASI	6,262.83	2.30%
Dubai Financial Markets	DFM	1,707.37	-5.33%
Abu Dhabi Securities Exchange	ADX	2,707.20	-1.33%
Bahrain Stock Exchange	BSE	1,470.61	0.85%
Kuwait Stock Exchange	KSE	6,986.30	-0.27%



MSM 30 Index Stocks						
	CMP (RO)	PE	PBV	Dividend Yield (%)	Mkt Cap (RO.'000)	Market Index Weightage (%)
Ahli Bank	0.232	19.34	1.75	2.16%	157,403	3.02%
Al Anwar Holding	0.265	4.74	1.45	1.89%	29,150	0.53%
Bank Dhofar	0.744	18.61	2.75	2.08%	550,255	10.28%
Bank Muscat	0.861	8.62	1.32	2.32%	927,409	10.08%
Bank Sohar	0.237	35.56	2.31	0.00%	237,000	6.20%
Oman & Emirates Investment	0.249	37.45	1.34	0.00%	30,349	0.53%
National Bank of Oman	0.333	13.15	1.45	5.26%	359,973	7.17%
Oman International Bank	0.295	12.30	1.63	9.15%	269,409	7.55%
Oman Inv & Finance Co	0.331	7.20	2.24	3.36%	33,100	0.74%
OMINVEST	0.496	6.77	1.21	2.02%	99,200	2.51%
ONIC Holding	0.558	7.55	2.05	0.00%	87,774	1.39%
Trans-Gulf Industrial Investment	0.118	11.80	1.01	0.00%	7,375	0.29%
United Finance	0.132	49.52	1.03	7.58%	30,869	0.68%
Banking and Investment Sector		13.64	1.74	2.90%	2,623,619	50.97%
Al Jaziera Services	0.278	4.18	1.63	0.00%	31,059	0.96%
Al Maha Petroleum Products	10.272	11.35	2.46	4.87%	70,877	1.70%
Galfar Engineering & Contracting	0.561	12.76	1.90	3.57%	168,300	4.02%
Oman Fisheries	0.140	11.67	1.15	0.00%	17,500	0.53%
Oman Telecommunications	1.342	6.99	2.51	7.45%	1,006,500	9.96%
Port Services Corporation	0.663	10.16	1.88	7.54%	63,012	1.43%
Renaissance Services	0.776	10.81	1.59	1.29%	218,902	6.13%
Shell Oman	2.001	14.72	7.85	5.75%	200,100	4.40%
Services and Insurance Sector		8.98	2.71	5.68%	1,878,684	29.12%
Al Anwar Ceramics	0.416	8.94	2.67	0.00%	46,547	0.95%
Al Hassan Engineering	0.427	15.29	2.59	2.81%	32,115	0.48%
Al Jazeera Steel Products	0.329	-35.34	1.40	2.13%	41,093	0.62%
Construction Materials Industry	0.108	13.51	0.84	0.00%	9,180	0.08%
Oman Cables	1.605	30.87	3.82	1.25%	143,969	2.33%
Oman Flour Mills	0.691	8.23	2.56	2.89%	108,833	2.12%
Oman Cement	0.745	10.78	1.89	2.95%	246,499	4.86%
Raysut Cement	1.603	9.97	3.14	6.24%	320,600	7.86%
Voltamp Energy	0.597	15.45	2.09	5.86%	29,850	0.60%
Industry Sector		12.57	2.75	3.69%	1,000,370	19.91%
INDEX TOTAL (Weight Adjusted)		10.63	2.10	4.27%	10,046,655	100.00%

NA – Not Applicable

Top Gainers			
Company	Week's Close (OMR)	Previous Close (OMR)	Change %
DHOFAR CATTLE FEED	0.231	0.204	13.24%
NATIONAL MINERAL WATER	0.180	0.167	7.78%
AHLI BANK	0.232	0.216	7.41%
OMAN CHEMICAL INDUSTRIES	0.119	0.111	7.21%
NAT. ALUMINIUM PRODUCTS	0.544	0.513	6.04%

Top Decliners			
Company	Week's Close (OMR)	Previous Close (OMR)	Change %
THE FINANCIAL CORPORATION	2.214	2.460	-10.00%
TRANSGULF IND. INV. HOLDING	0.118	0.129	-8.53%
OMAN AND EMIRATES INV. OM	0.249	0.269	-7.43%
AL SHARQIA INV. HOLDING	0.120	0.128	-6.25%
VOLTAMP ENERGY	0.597	0.634	-5.84%

Most Active in Volume			
Company	Week's Close (OMR)	Traded Volume	% of Total Volume
GLOBAL FINANCIAL INVESTMENT	0.108	12,204,375	16.25%
AL ANWAR HOLDING	0.265	6,043,561	8.04%
NAT. ALUMINIUM PRODUCTS	0.544	6,022,324	8.02%
BANK SOHAR	0.237	5,357,579	7.13%
AHLI BANK	0.232	4,563,457	6.07%

Most Active in Turnover			
Company	Week's Close (OMR)	Traded Turnover (OMR)	% of Total Turnover
NAT. ALUMINIUM PRODUCTS	0.544	3,242,071	10.73%
BANK MUSCAT	0.861	3,011,933	9.97%
OMAN CABLES INDUSTRY	1.605	1,753,117	5.80%
RAYSUT CEMENT	1.603	1,695,757	5.61%
AL ANWAR HOLDING	0.265	1,654,059	5.47%
RENAISSANCE SERVICES	0.776	1,463,115	4.84%

Major news announcements during the week

- National Beverage has reached a settlement with Majan Glass for RO 232,500 against their claim of RO 315,339. (MSM)
- The Sultanate's inflation index decreased by 0.7 per cent in November last year as compared to 12.8 per cent during the corresponding period in 2008, according to a statistical report issued by the National Economy Ministry. Although the General Index for Consumer Prices rose by 0.5 per cent during November 2009 as compared to the previous month. ONA
- With regards to the accordance to the agreement for the sale of the land between Oman National Dairy Products and Al Meera Investments LLC on 14th Oct 2009 for an entire sum of sale value of RO 8.7 million, the ownership of the land has been transferred to Al Meera Investments LLC. Once the process was completed on Sunday 10th January 2010. (MSM)
- Sunday 24 January 2010 at 12pm in Oman Flour Mills Company SAOG office the Extraordinary General Meeting (EGM) & the Ordinary General Meeting (OGM) of Sohar Poultry Company SAOG will be held. The Extraordinary General Meeting: To amend Articles of the Articles of Association. The Ordinary General Meeting: To elect a new Board of Directors (from among the shareholders and non-shareholders) in view of the resignation of the current Board members.
- The Supreme Court judgment has issued a verdict in the favour of National Beverages Co in reference to the Land case which was raised against the company by Salim Bin Ahmed Bin Mohamed Al Sulti – Case No. 434/2007. (MSM)
- The Tender Board has awarded projects worth RO 87.52mn in their first meeting of the year. (Observer)
- Oman Investment & Finance Company has entered into a Memorandum of Understanding (MOU) to acquire majority shares of a company working in the field of Money Exchange business, subject to approval by the concerned authorities, and the legal and financial due diligence is being started to determine the value to enable acquisition of shares of this company. (MSM)
- The Board of Directors of Voltamp Energy considered the Management's request for further investment of QR 15mn in Voltamp Manufacturing Company WLL (VMCQ) in Qatar; a 51% subsidiary of Voltamp Energy SAOG after careful examination of all facts noted: There was a delay in getting factory approval. The product of VMCQ is not yet approved in Qatar by the local utility company KAHRAMA and hence they are unable to sell in the local market currently. Accumulated loss as per provisional accounts of VMCQ as on 31.12.09 is QR 8,537,578. VMCQ has suffered substantial losses in last two years which has eroded the capital of the Company by 57%. Based on this the Board decided not to invest further as the same will not be in the best interest of the Company and Voltamp Energy Shareholders and advised the representative directors on VMCQ Board to explore all options within the next couple of weeks to limit further losses to the Company. The Board also resolved that Voltamp Energy will honor its commitments to date. (MSM)
- Bank Sohar reported FY2009 net profit of RO 8.02 million as against net loss of RO 2.26 million during the year earlier period. Loans and advances increased by 24.0% to reach at RO 787 million while deposits increased by 51.9% to reach at RO 832 million at the end of the year. Net worth stood at RO 105 million. (MSM)
- Bank Dhofar reported FY2009 net profit of RO 28.06 million as against net profit of RO 23.69 million during the year earlier period. Loans and advances increased by 17.6% to reach at RO 1,197 million while deposits increased by 13.3% to reach at RO 1,101 million at the end of the year. (MSM)
- Hotels Management Company reported FY2009 earnings before tax of RO 3.30 million as against EBT of RO 4.25 million during the year earlier period. Revenues stood at RO 9.46 million compared to RO 11.88 million during FY2008.
- Oman National Engineering Company has been awarded a contract from Rural Areas Electricity Co for The Electrical Distribution Works (Network Extension to Feed Power Supply to AL Nahdah Planned Area in Wilayat Misirah in AL Shrqiya Region) for the sum of RO 445,920,300. The company anticipates realization of reasonable profit margin. (MSM)
- Oman National Engineering Company has been awarded a contract from Rural Areas Electricity Co. for the contract for Operation & Maintenance of AL Hallaniat Power & Desalination Plants for the sum of RO 436,213. The company anticipates realization of reasonable profit margin. (MSM)
- National Finance reported annual net profit of RO 2.321 million during the financial year ended December 2009 as against profit of RO 1.995 million during previous fiscal. (MSM)

Third Market

Security Name	Volume	Turnover	Trades	High	Low	Close Pr.	Prev. Close	Diff %	Diff (OR)	Last Pr.	Last Offer	Last Bid	Market Cap	Par Value
OMAN CHEMICAL INDUSTRIES	19,630	2,271	8	0.120	0.111	0.119	0.111	7.207	0.008	0.120	0.119	0.110	297,500,000	1.000
ABRASIVES MANUFACTURING	0	0	0	0.100	0.100	0.100	0.100	0.000	0.000	0.000	0.000	0.000	100,000,000	1.000
AI AHLIA CONVERTING IND(50)	0	0	0	0.200	0.200	0.200	0.200	0.000	0.000	0.000	0.300	0.250	240,000,000	1.000
AL AHLIA DETERGENT	0	0	0	0.300	0.300	0.300	0.300	0.000	0.000	0.000	0.300	0.000	351,600,000	1.000
AL BATINAH INTERNATIONAL	0	0	0	0.200	0.200	0.200	0.200	0.000	0.000	0.000	0.000	0.000	105,589,000	1.000
AL-OUULA COMPANY	0	0	0	0.499	0.499	0.499	0.499	0.000	0.000	0.000	0.000	0.000	2,544,900,000	1.000
CEMENT AND GYPSUM PRO.	0	0	0	1.000	1.000	1.000	1.000	0.000	0.000	0.000	0.000	0.000	1,500,000,000	1.000
DHOFAR FISHERIES IND.	0	0	0	1.279	1.279	1.279	1.279	0.000	0.000	0.000	0.000	0.000	3,248,660,000	1.000
DHOFAR POULTRY	1,000	273	1	0.273	0.273	0.273	0.273	0.000	0.000	0.273	0.273	0.000	819,000,000	1.000
MUSANDAM MARKETING AND INV.	0	0	0	0.200	0.200	0.200	0.200	0.000	0.000	0.000	0.000	0.000	150,000,000	1.000
OMAN CERAMIC COMPANY	0	0	0	0.749	0.749	0.749	0.749	0.000	0.000	0.000	0.000	0.000	1,417,254.804	1.000
OMAN FOODS INTERNATIONAL	743	97	2	0.130	0.130	0.124	0.124	0.000	0.000	0.130	0.000	0.130	768,889.404	1.000
OMANI EURO FOODS INDUSTRIES	4,000	4,000	2	1.000	1.000	1.000	1.000	0.000	0.000	1.000	0.000	0.000	5,100,000,000	1.000
OMAN NAT. DAIRY PRODUCTS	0	0	0	1.250	1.250	1.250	1.250	0.000	0.000	0.000	0.000	0.000	3,071,381.250	1.000
SOHAR POULTRY	0	0	0	0.080	0.080	0.080	0.080	0.000	0.000	0.000	0.000	0.000	411,060.800	1.000
SWEETS OF OMAN	300	1,200	4	4.000	4.000	4.000	4.000	0.000	0.000	4.000	4.000	3.700	2,800,000.000	1.000
Sum:	25,673	7,841	17											

Bonds Market

Security Name	Volume	Turnover	Trades	High	Low	Close Pr.	Prev. Close	Diff %	Diff (OR)	Last Pr.	Last Offer	Last Bid	Market Cap	Par Value
BANK MUSCAT SUBORDINATED BONDS	20,000	21,200	1	1.060	1.060	1.060	1.052	0.760	0.008	1.060	0.000	1.037	79,500,000.000	1.000
BANK MUSCAT CONVERTABLE BONDS7	128,590	117,014	32	0.911	0.900	0.911	0.910	0.110	0.001	0.911	0.935	0.912	29,438,064.021	1.000
AHLI BANK. BOND NON GUARANT	0	0	0	1.022	1.022	1.022	1.022	0.000	0.000	0.000	0.000	0.000	6,132,000.000	1.000
BANK MUSCAT BONDS 6.25	0	0	0	1.030	1.030	1.030	1.030	0.000	0.000	0.000	0.000	0.000	30,696,945.800	1.000
BANK MUSCAT BONDS-NONGUARANT 7	58,000	60,610	1	1.045	1.045	1.045	1.045	0.000	0.000	1.045	0.000	1.027	26,125,000.000	1.000
GOVT. BONDS ISSUE 31TH	0	0	0	103.450	103.450	103.450	103.450	0.000	0.000	0.000	0.000	0.000	72,415,000.000	100.000
GOVT. BONDS ISSUE 34TH	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	52,000,000.000	100.000
GOVT. BONDS ISSUE 35TH	0	0	0	102.568	102.568	102.568	102.568	0.000	0.000	0.000	0.000	0.000	82,054,400.000	100.000
GOVT. BONDS ISSUE 36TH	0	0	0	100.000	100.000	100.000	100.000	0.000	0.000	0.000	0.000	0.000	50,000,000.000	100.000
TAAGEER FINANCE BONDS	0	0	0	0.101	0.101	0.101	0.101	0.000	0.000	0.000	0.000	0.101	4,359,190.199	0.100
Sum:	206,590	198,824	34											

Weekly Summary

Traded Volume	Total Turnover	Market Cap	Trades	up	Down	Equal	Sec. Traded
75,125,636	30,212,143	9,279,208,492.927	13,805	24	34	13	71

Indecies

Index	Highest	Lowest	Index Value	Prev Val	Diff	Diff %
MSM30 Index	6,630.96	6,547.00	6,547.00	6,564.54	-17.54	-0.27
Banks and Investment Index	9,909.62	9,630.16	9,630.40	9,823.16	-192.76	-1.96
Services and Insurance Index	2,777.54	2,741.46	2,741.46	2,762.66	-21.20	-0.77
Industry Index	7,909.95	7,678.83	7,678.83	7,744.74	-65.91	-0.85

Nationalities Trading

Group	Buy Vol %	Buy Val %	Sell Vol %	Sell Val%
OMANIS	85.88 %	79.33 %	80.02 %	80.80 %
GCC	7.55 %	12.61 %	13.22 %	10.20 %
ARABS	2.78 %	2.44 %	2.42 %	2.66 %
OTHERS	3.79 %	5.62 %	4.34 %	6.35 %