

VISION CAPITAL TAKE

The Muscat Stock Exchange ("MSX") conducts an annual revision of the indices' constituents on the beginning of July every year. The key selection criteria that determine inclusion in the index are Market Capitalization (40% weightage), Liquidity (45% weightage) & Return on Investment (15% weightage). The MSX announced the updated MSX30 Index on 02 June 2024 which will come into effect at the beginning of July 2024 for the next 12 months. We have conducted an analysis on the updated MSX30 index to determine the proposed weights based on the free float market capitalization and capping factor for each constituent stock. The free float factor for each stock has been taken from the last published MSX index publication (Free Float & Capping Factors – 31 March 2024). We outline the change in weights of the existing MSX30 constituents once the new index comes into effect on 1 July 2024:

| S.No | Security | Sector | Status | Vision Capital Est weight (1 July 2024) | Existing Weight (30 May 2024) | Change in weight on 1 July 2024 |
|--------------|----------------------------------|------------|-------------|---|-------------------------------|---------------------------------|
| 1 | Bank Muscat | Financial | Existing | 10.00% | 9.37% | 0.63% ▲ |
| 2 | OQ Gas Networks | Services | NEW | 10.00% | 0.00% | 10.00% ▲ |
| 3 | Oman Telecom | Services | Existing | 10.00% | 9.81% | 0.19% ▲ |
| 4 | Sohar International Bank | Financial | Existing | 10.00% | 12.30% | -2.30% ▼ |
| 5 | Bank Dhofar | Financial | Existing | 9.63% | 9.30% | 0.33% ▲ |
| 6 | National Bank of Oman | Financial | Existing | 8.30% | 10.13% | -1.83% ▼ |
| 7 | Bank Nizwa | Financial | Existing | 6.34% | 7.88% | -1.54% ▼ |
| 8 | Ahli Bank | Financial | Existing | 5.29% | 6.58% | -1.29% ▼ |
| 9 | Ominvest | Financial | Existing | 5.27% | 6.58% | -1.31% ▼ |
| 10 | Abraj Energy | Services | Existing | 4.07% | 5.10% | -1.02% ▼ |
| 11 | Oman Cables | Industrial | NEW | 3.43% | 0.00% | 3.43% ▲ |
| 12 | Ooredoo | Services | Existing | 3.14% | 3.95% | -0.81% ▼ |
| 13 | Renaissance Services | Services | Existing | 2.09% | 2.54% | -0.44% ▼ |
| 14 | Sembcorp Salalah | Services | Existing | 1.64% | 2.08% | -0.44% ▼ |
| 15 | Oman Cement | Industrial | Existing | 1.45% | 1.80% | -0.35% ▼ |
| 16 | Galfar Engineering & Contracting | Industrial | Existing | 1.29% | 1.11% | 0.18% ▲ |
| 17 | Phoenix Power | Services | Existing | 0.97% | 1.20% | -0.23% ▼ |
| 18 | Al Anwar Ceramic | Industrial | Existing | 0.94% | 1.18% | -0.24% ▼ |
| 19 | SMN Power Holding | Services | Existing | 0.82% | 1.04% | -0.22% ▼ |
| 20 | Voltamp Energy | Industrial | NEW | 0.65% | 0.00% | 0.65% ▲ |
| 21 | Al Suwadi Power | Services | Existing | 0.65% | 0.80% | -0.16% ▼ |
| 22 | Al Batinah Power | Services | Existing | 0.59% | 0.73% | -0.14% ▼ |
| 23 | National Gas | Services | Existing | 0.55% | 0.28% | 0.27% ▲ |
| 24 | Al Anwar Investment | Financial | Existing | 0.50% | 0.62% | -0.12% ▼ |
| 25 | Madina Takaful | Financial | Existing | 0.47% | 0.59% | -0.11% ▼ |
| 26 | Barka Water & Power | Services | NEW | 0.43% | 0.00% | 0.43% ▲ |
| 27 | Oman National Engineering | Services | Existing | 0.41% | 0.51% | -0.10% ▼ |
| 28 | Global Financial Investment | Financial | NEW | 0.39% | 0.00% | 0.39% ▲ |
| 29 | United Finance | Financial | Existing | 0.38% | 0.46% | -0.08% ▼ |
| 30 | A Saffa Foods | Industrial | Existing | 0.31% | 0.38% | -0.07% ▼ |
| | Shell Oman Marketing | Services | EXIT | 1.84% | 0.00% | -1.84% ▼ |
| | Gulf Mushroom | Industrial | EXIT | 0.14% | 0.00% | -0.14% ▼ |
| | Jazeera Steel | Industrial | EXIT | 0.98% | 0.00% | -0.98% ▼ |
| | Muscat Finance | Financial | EXIT | 0.46% | 0.00% | -0.46% ▼ |
| | Al Maha Ceramics | Industrial | EXIT | 0.27% | 0.00% | -0.27% ▼ |
| Total | | | | 100.00% | 100.00% | 0.00% |

Vision Capital Key Observations

- The new entrants in the MSX30 index are OQ Gas Networks (10.0%), Oman Cables (3.4%), Voltamp Energy (0.7%), Barka Water & Power (0.4%) & Global Financial Investment (0.4%).
- The exits from the MSX30 index are Shell Oman Marketing (1.8%), Gulf Mushroom (0.9%), Jazeera Steel (0.5%), Muscat Finance (0.3%) & Al Maha Ceramics (0.1%).
- The key gainers are estimated to be OQGN (10.0%), Oman Cables (3.4%) & Voltamp Energy (0.7%) while the key decliners are Sohar International Bank (2.3%), National Bank of Oman & Shell Oman Marketing (1.8% each).
- As of 30 May 2024, the cumulative weight of stocks exiting the index is 3.7% while the cumulative weight of stocks entering the index on 1 July 2024 is estimated at 14.9%.
- The financial sector is estimated to lose its weightage in the updated index while the industrial & services sector will gain weightage. The primary reason for the same is the entrance of OQGN in the new index at a weightage of 10.0%.
- Given the strong fundamentals, robust business model, attractive valuations, sustainable dividend yield & higher weightage in the upcoming index, we are positive on the performance outlook of OQGN & Oman Cables.**

Sector wise changes – Weightage of MSX30 index stocks

| Sector | Vision Capital Est weight (1 July 2024) | Existing Weight (30 May 2024) | Change on 1 July 21024 |
|--------------|---|-------------------------------|------------------------|
| Financial | 56.6% | 64.3% | -7.7% ▼ |
| Industrial | 8.1% | 5.9% | 2.2% ▲ |
| Services | 35.4% | 29.9% | 5.5% ▲ |
| Total | 100.0% | 100.0% | 0.0% |

Sector wise changes - Number of stocks

| Sector | New Index (1 July 2024) | Existing Index (30 May 2024) | Change on 1 July 21024 |
|------------|-------------------------|------------------------------|------------------------|
| Financial | 11 | 11 | - |
| Industrial | 6 | 7 | -1 |
| Services | 13 | 12 | +1 |

New Entrants & Exits

| S.No | New Entrants | Weightage | Exits | Weightage |
|------|-----------------------------|-----------|----------------------|-----------|
| 1 | OQ Gas Network | 10.00% ▲ | Shell Oman Marketing | -1.84% ▼ |
| 2 | Oman Cables | 3.42% ▲ | Gulf Mushroom | -0.98% ▼ |
| 3 | Voltamp Energy | 0.65% ▲ | Jazeera Steel | -0.46% ▼ |
| 4 | Barka Water & Power | 0.42% ▲ | Muscat Finance | -0.27% ▼ |
| 5 | Global Financial Investment | 0.39% ▲ | Al Maha Ceramics | -0.14% ▼ |

Key Gainers & Decliners

| S.No | Key Gainers | % Gain | Key Decliners | % Decline |
|------|----------------|----------|--------------------------|-----------|
| 1 | OQ Gas Network | 10.00% ▲ | Sohar International Bank | -2.30% ▼ |
| 2 | Oman Cables | 3.42% ▲ | Shell Oman Marketing | -1.84% ▼ |
| 3 | Voltamp Energy | 0.65% ▲ | National Bank of Oman | -1.84% ▼ |
| 4 | Bank Muscat | 0.63% ▲ | Bank Nizwa | -1.54% ▼ |
| 5 | Bank Dhofar | 0.50% ▲ | Ominvest | -1.31% ▼ |

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