

Market Performance

Kuwait's All Share Index closed 3.5% higher at 7,107.7 points in October 2021. The total traded volume gained 58.5% MoM to 9.3bn, the number of deals rose 37.6% MoM to 310,848, and the total value traded increased 25.3% MoM to KWD1,241.3mn. The growth in the market was mainly driven by the consumer and financial services sector.

The International Monetary Fund (IMF) expects the global economy to grow 5.9% in 2021, slightly below its earlier forecast of 6.0% in July, due to risks associated with debt, inflation, and supply chain issues in advanced economies.

As per the advance estimate released by the Bureau of Economic Analysis, US real GDP grew at an annualized rate of 2.0% YoY in Q3 2021, slowest increase since the 31.2% plunge in the Q2 2020. The increase was driven by rise in private inventory investment, personal consumption expenditure (PCE), state and local government spending, and nonresidential fixed investment. GDP growth was partly offset by a decline in residential fixed investment, federal government spending, and exports. PCE increased 1.6% YoY in Q3 2021, after rising 12% in Q2 2021. Personal income decreased 1.0% MoM in September 2021 from the revised 0.2% MoM rise in August 2021, primarily due to a fall in government social benefits in unemployment benefits and other benefits. The IMF slashed its growth forecasts for the US and now expects the economy to advance 6.0% this year compared with its July estimate of 6.1%. However, IMF raised its growth forecast for 2022 to 5.2% from the previously estimated 4.9%.

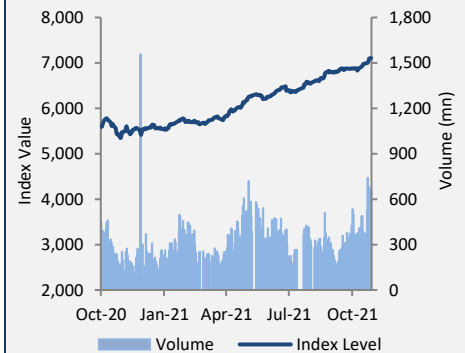
According to preliminary flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose 2.2% QoQ in Q3 2021, after rising 2.1% in Q2 2021. As per the estimates, annual inflation in the area is likely to increase to 4.1% YoY in October 2021 from 3.4% in September 2021. The area's trade surplus decreased to EUR4.8bn in August 2021 from EUR14.0bn in August 2020. Exports of goods increased 18.2% YoY, while imports rose 26.6% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK increased by 2.9% YoY in September 2021, down from 3.0% YoY in August 2021. The largest upward contribution to the inflation rate in September 2021 came from transport (0.91%). The IMF slashed its growth forecasts for the UK and now expects the economy to grow 6.8% this year, down from the previous estimate of 7.0%.

In Asia, the latest data released by the National Bureau of Statistics showed that China's consumer price index (CPI) rose 0.7% YoY in September 2021, after rising 0.8% YoY in August 2021. Meanwhile, China's manufacturing purchasing managers' index (PMI) contracted to 49.2 in October 2021 from 49.6 in September 2021. According to the Statistics Bureau of Japan, the country's CPI rose 0.2% YoY in September 2021, after declining 0.4% YoY in August 2021.

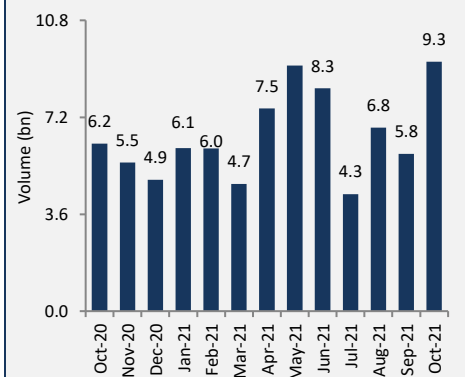
Kuwait Market Summary	October, 2021	September, 2021	Change (%)
Open	6,871.96	6,798.58	1.1
High	7,133.24	6,887.30	3.6
Low	6,808.84	6,759.66	0.7
Close	7,107.72	6,864.83	3.5
Volume traded (mn)	9,263.28	5,843.00	58.5
Value Traded (KWD mn)	1,241.31	990.85	25.3
No. of deals	310,848	225,922	37.6
No. of advances	125	93	34.4
No. of declines	23	57	(59.6)
No. of unchanged	17	15	13.3

Kuwait Index Performance

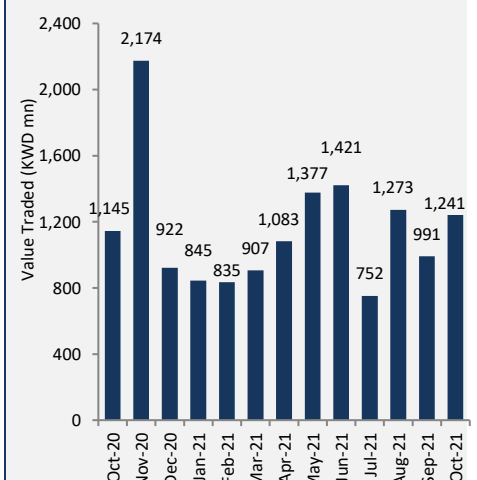
Benchmark Index and Volume Traded



Monthly Volume Traded (bn)



Monthly Value Traded (KWD mn)



Top Gainers and Losers

The market breadth was mostly positive; 125 stocks firmed up and 23 declined, while 17 remained unchanged.

Top Five Gainers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Mena Real Estate Company	90.70	123.95	226.26	12.34	305.80	NA	8.52	NA	0.77
Kuwait Syrian Holding Co	57.50	83.12	80.25	10.14	31.13	0.99	24.57	56.76	1.41
Real Estate Trade Centers Co.	115.00	70.37	316.67	15.96	12.78	(0.00)	6.13	NM	0.71
Wethaq Takaful Insurance Company	41.10	64.40	101.47	4.53	103.89	0.49	9.04	20.12	0.37
Palms Agro Production Co.	79.50	52.01	23.07	4.16	0.64	(0.01)	8.83	NM	0.70

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Umm Al Qaiwain General Investments Company P.S.C	77.00	(12.50)	2.67	27.95	0.45	0.10	6.85	7.68	0.53
Hilal Cement Co.	160.00	(11.11)	75.82	8.00	0.11	(0.03)	12.14	NM	1.94
National Consumer Holding Co.	164.00	(10.38)	235.38	14.76	91.31	(0.01)	12.56	NM	2.06
Kuwait And Middle East Financial Investment Co.	138.00	(9.80)	13.11	30.36	0.95	0.09	8.86	12.03	1.22
Warba Capital Holding Co.	116.00	(9.38)	138.68	11.60	27.11	(0.00)	12.65	NM	1.47

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Aan Digital Services Co.	17.30	26.28	39.52	15.09	694.19	(0.00)	37.08	NM	0.64
Gfh Financial Group (B.S.C)	78.70	19.60	63.62	297.17	692.25	0.14	13.31	11.09	1.05
Sokouk Holding Co.	33.60	42.98	44.21	19.21	349.56	(0.03)	23.04	NM	0.77
Mena Real Estate Company	90.70	123.95	226.26	12.34	305.80	NA	8.52	NA	0.77
First Investment Company	89.10	5.07	107.21	39.74	261.83	(0.00)	9.64	NM	0.86

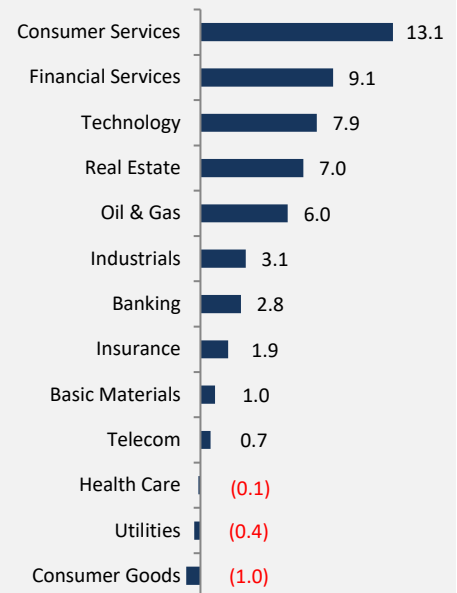
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

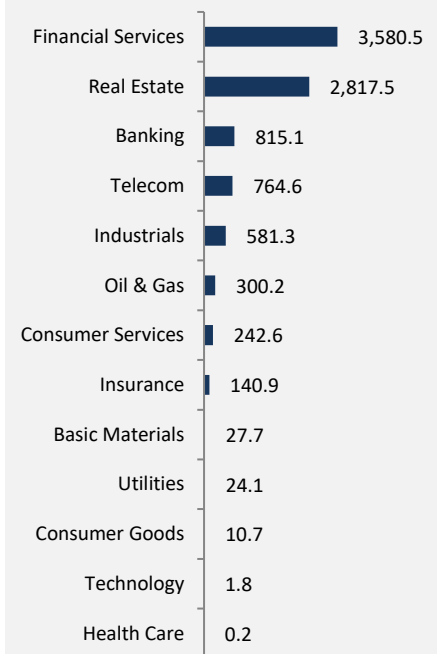
- Banks:** The sector closed 2.8% higher at 1,619.9 points during the month. Al-Ahli Bank of Kuwait (up 9.0%) was the top gainer, followed by Warba Bank (up 7.5%), while Kuwait International Bank ended flat. Total turnover stood at 333.4mn. The volume traded and number of deals stood at 815.1mn shares and 34,382, respectively.
- Basic Materials:** The sector closed 1.0% higher at 1,099.5 points during the month. Boubyan Petrochemical Co. (up 2.3%) was the top gainer, while Kuwait Foundry Co. (down 5.9%) was the top loser. The number of shares traded, and total turnover stood at 27.7mn and KWD14.7mn, respectively, while total transactions stood at 4,362.
- Consumer Goods:** The sector closed 1.0% lower at 776.0 points during the month. Mezzan Holding Co (down 1.3%) decreased the most. Total volume, turnover, and deals made stood at 10.7mn shares, KWD6.0mn, and 1,263, respectively.
- Consumer Services:** The sector closed 13.1% higher at 1,264.0 points during the month. Among stocks, Palms Agro Production Co. (up 52.0%) led the gainers, followed by Jazeera Airways Co. (up 26.8%). The sector's all shares ended in green. Total volume, turnover, and transactions stood at 242.6mn shares, KWD42.7mn, and 14,551, respectively.
- Financial Services:** The sector closed 9.1% higher at 1,438.3 points during the month. Kuwait Syrian Holding Co (up 83.1%) was the top gainer, followed by Amar For Finance And Leasing Co. (up 38.8%), while Investments Company P.S.C (down 12.5%) was the top loser. Total volume, turnover, and deals made stood at 3.6bn shares, KWD399.8mn and 108,042, respectively.
- Healthcare:** The sector ended 0.1% lower at 794.9 points. Advanced Technology Company (down 0.8%) was the top loser. There were 71 deals; Quantity and value traded stood at 157,067 and KWD148,031, respectively.
- Utilities:** The sector closed 0.4% lower at 621.1 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 0.4%) only listed stock ended in red. The sector recorded 1,619 transactions. Total volume and value traded stood at 24.1mn and KWD5.7mn, respectively.

Market Composition

Monthly Sector Index Returns (%)



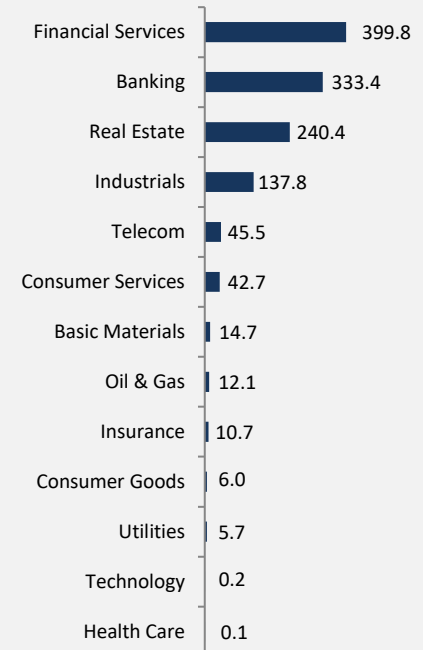
Monthly Volume Traded (million)



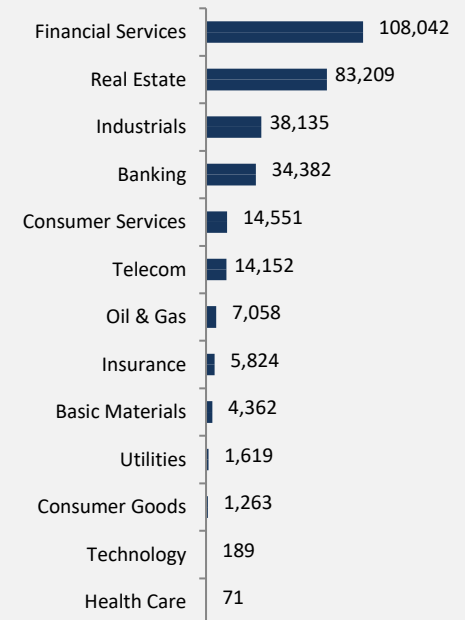
- Industrials:** The sector closed 3.1% higher at 1,203.1 points during the month. Ras Al Khaimah Co. For White Cement Construction Materials (up 51.4%) was the top gainer, followed by Equipment Holding Co. (up 30.9%), while Hilal Cement Co. (down 11.1%) was the top loser. Total volume, turnover, and deals made stood at 581.3mn shares, KWD137.8mn and 38,135, respectively.
- Insurance:** The sector closed 1.9% higher at 1,477.4 points during the month. Wethaq Takaful Insurance Company (up 64.4%) was the top gainer, followed by First Takaful Insurance Company (up 21.5%), while Warba Insurance Company (K.S.C.P) (down 4.8%) was the top loser. Total volume, turnover, and deals made stood at 140.9mn shares, KWD10.7mn and 5,824, respectively.
- Oil & Gas:** The sector closed 6.0% higher at 1,458.9 points. The Energy House Co (up 21.4%) was the top gainer, followed Gulf Petroleum Investment (up 18.1%). The sector's all shares ended in green. Total volume, turnover, and number of transactions stood at 300.2mn shares, KWD12.1mn, and 7,058, respectively.
- Real Estate:** The sector closed 7.0% higher at 1,369.2 points during the month. Mena Real Estate Company (up 124.0%) was the top gainer, followed by Real Estate Trade Centers Co. (up 70.4%), while Dalqan Real Estate Co. (down 6.6%) was the top loser. Total volume, turnover, and deals made stood at 2.8bn shares, KWD240.4mn and 83,209, respectively.
- Technology:** The sector closed at 771.2 points, up 7.9% from the previous month. Automated Systems Company (up 7.9%) was the only gainer. The sector recorded 189 transactions during the month. Total volume and value traded stood at 1,760,413 and KWD184,310 respectively.
- Telecom:** The sector closed 0.7% higher at 1,103.2 points. Aan Digital Services Co. (up 26.3%) was the top gainer, followed by Hayat Communications Company (up 12.1%). Total turnover of KWD45.5mn was generated by 764.6mn shares traded through 14,152 transactions.

Market Composition

Monthly Value Traded (KWD mn)



Number of Deals

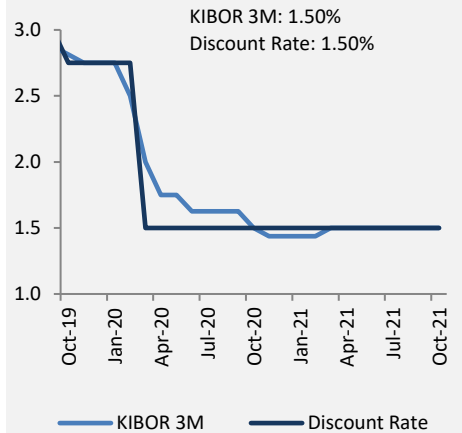


Kuwait – Economy and Industry News

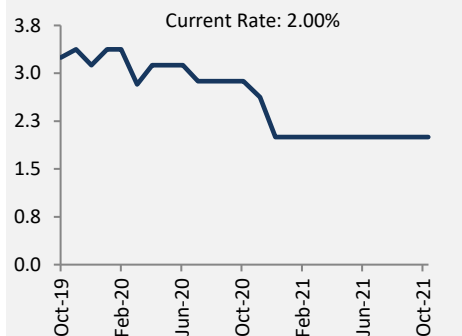
- Kuwait's All Share Index closed 3.5% higher at 7,107.7 points in October 2021. The total traded volume gained 58.5% MoM to 9.3bn, number of deals rose 37.6% MoM to 310,848, and total value traded went up 25.3% MoM to KWD1,241.3mn. Growth in the market was mainly driven by the consumer and financial services sector.
- The International Monetary Fund (IMF) in its latest projection revised the country's GDP growth forecasts upward by 20bps to 0.9% in 2021, while it expects a faster recovery in 2022 would push growth to 4.3%, 110 bps higher than its previous forecast.
- Non-oil GDP growth is projected to grow 3.0% in 2021 on gradual recovery in economic activity.
- The fiscal balance in FY 2021/22 is projected to reach a surplus of 2.0% of GDP, mainly due to a rebound in oil prices and withdrawal of some COVID-related fiscal measures.
- Kuwait's domestic credit increased 3.8% YoY in August 2021 on continued expansion in household credit (+10.2% YoY).
- Kuwait's trade surplus with Japan surged 180.7% YoY to USD566mn in September 2021 aided by strong exports. Overall exports to Japan went up 110.1% YoY to USD653mn for the sixth straight month of expansion. Imports from Japan declined 20.0% to USD87mn, down for the first time in seven months.
- Data provided by the Central Bank of Kuwait (CBK) showed that official reserves depleted 7.2% YoY to KWD13.4bn in August 2021 from KWD14.4bn.
- Monetary gold position remained unchanged at KWD31.7mn in August 2021.
- The IMF's reserve position rose 10.3% YoY to KWD236.3mn in August 2021 from KWD214.2mn, while special drawing rights increased 1.6% YoY to KWD573.4mn.
- CBK's total assets decreased 7.1% to KWD12.7bn in August 2021 from KWD13.7bn in August 2020.
- The daily average amount of housing loans obtained by Kuwaiti citizens from commercial banks during August, excluding loans granted by the Credit Bank (which totals about KWD196.0mn), was KWD6.3mn per loan, according to official data issued by the CBK.

Monetary Indicators

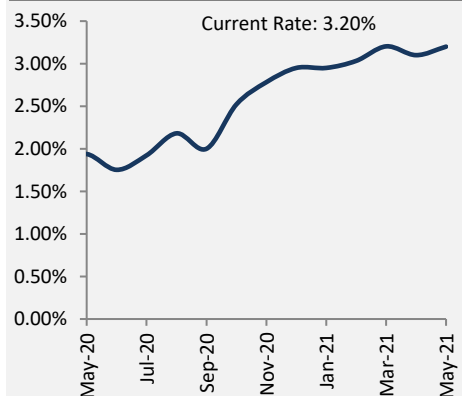
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

Note: Kuwait Inflation data available till May 2021.

GCC Markets Performance

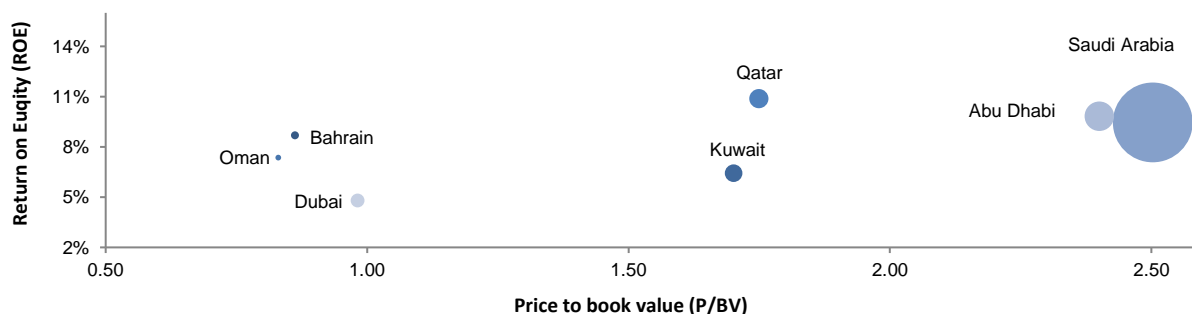
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,743.06	2.20	17.00	10.02	3.17
Kuwait (KSE)	7,107.72	3.54	28.16	26.89	1.91
Oman (MSM)	4,075.00	3.36	11.38	11.00	3.83
Qatar (DSM)	11,764.77	2.43	12.73	16.39	2.51
Saudi Arabia (TASI)	11,704.14	1.81	34.69	25.95	2.17
UAE (ADX)	7,865.12	2.16	55.89	23.18	2.89
UAE (DFM)	2,864.21	0.66	14.94	20.53	2.72

All the seven GCC indices ended in positive territory during the month of October. Kuwait's KSE index (up 3.5%) was the top gainer, followed by Oman's MSM (up 3.4%).

- Bahrain's BAX closed 2.2% higher at 1,743.1 points. Among sectors, Materials (up 5.1%) and Financials (up 2.3%) were the top gainers. Among stocks, Bahrain Cinema Co (up 23.9%) increased the most, followed by GFH Financial Group (up 14.4%), while ass Corporation B.S.C. (down 15.0%) was the top loser.
- Kuwait's All Share Index closed 3.5% higher at 7,107.7 points. Among sectors, Consumer Discretionary (up 13.1%) led the gainers. On the contrary, Consumer Staple (down 1.0%) decreased the most. Among stocks Mena Real Estate Company (up 124.0%) was the top gainer, followed by Kuwait Syrian Holding Co (up 83.1%), while Umm Al Qaiwain General Investments Company P.S.C (down 12.5%) was the top loser.
- Oman's MSM was up 3.4% to close at 4,075.0 points. Among sectors, Finance (up 2.7%) was the top gainer. Among stocks, Oman Qatar Insurance (up 23.5%) was rose the most, followed by Sohar International Bank (up 14.4%), while Asaffa Foods (down 34.0%) was the top loser.
- Qatar's DSM increased 2.4% to close at 11,764.8 points. Among sectors, Transportation (up 4.1%) increased the most, while Telecoms (down 3.4%) declined the most. Among stocks, Mannai Corporation (up 18.0%) was the top gainer, followed by Gulf International Services (up 16.6%), while Ooredoo (down 5.2%) decreased the most.
- Saudi Arabia's TASI rose 1.8% to close at 11,704.1 points. Among sectors, Banks (up 7.94%) was the top gainer, followed by Utilities (up 7.88%), while Pharma, Biotech & Life Science (down 8.3%) declined the most. Among stocks, International Company for Water and Power Projects (up 30.4%) led the gainers, followed by Al Rajhi Bank (up 13.4%). Naseej International Trading Co. (down 15.3%) declined the most.
- The ADX ended 2.2% higher at 7,865.1 points. Among sectors, Industrial (up 29.4%) lifted the index, followed by Telecommunication (up 6.6%). Among stocks, Ras Al Khaimah Cement Investment Company P.S.C. (up 126.0%) was the top gainer, followed by Al Qudra Holding (up 111.4%), while Ras Al Khaimah Poultry & Feeding Co. (down 26.3%) declined the most. The DFM ended 0.7% higher at 2,864.2 points. Among sectors, Transportation (up 12.1%) was the top gainer, followed by Services (up 8.0%). Among stocks, National International Holding Company (up 59.5%) led the gainers, followed by National Industries Group Holding (S.A.K.) (up 32.1%), while Al Firdous Holdings PJSC (down 38.6%) decreased the most.

Valuation

Size of the bubble represents Market Capitalization



GCC Markets – Economy and Industry News

Saudi Arabia

- The IMF expects the Kingdom's real GDP to grow 2.8% in 2021 from its previous estimate of 2.4%, supported by higher non-oil GDP.
- Saudi Arabia's consumer price index (CPI) rose 0.6% YoY in September 2021, mainly driven by higher food and transport prices.
- Saudi Arabia's international investment assets jumped 4.1% YoY to SAR4.439tn in Q2 2021 from SAR4.264tn.
- The unemployment rate of Saudi residents 15 years old and above dropped to 6.6% in Q2 2021 from 9% in the same period last year, as per the General Authority for Statistics (GASTAT).
- Saudi Arabia's seasonally adjusted Purchasing Managers' Index (PMI) rose to 58.6 in September 2021 from 54.1 in August 2021. This 4.5 points gain is the highest jump in the Kingdom's non-oil sector since August 2015.
- Total assets of private portfolios in KSA rose to SAR187.0bn (USD49.8bn) by the end of H1 2021, as per the Capital Market Authority.
- Foreign investment in Saudi Arabia grew 16% YoY to SAR2.256tn in Q2 2021 from SAR1.951tn, according to the latest data by the central bank (SAMA).

UAE

- As per revised estimates released by the IMF, the real GDP growth rate for the UAE is expected to be at 2.2% this year and 3% in 2022.
- Dubai's CPI fell 1.49% to 101.77 points in September 2021 compared with that in the same month of 2020, according to recent data from Dubai Statistics Centre (DSC).
- The seasonally adjusted IHS Markit UAE PMI edged down to 53.3 in September 2021 from 53.8 in August 2021.
- The Dubai Airport Freezone Authority (DAFZA) contributed 11% to Dubai's non-oil foreign trade in H1 2021.
- The Dubai government announced a diversified portfolio of public-private joint projects worth AED25.0bn, as reported by the Dubai Media Office.

Qatar

- Qatar's annual inflation went up 2.71% YoY in September 2021, mainly due to a 13.4% increase in recreation and culture, and 4.1% in food & beverage.
- Qatar's foreign merchandise trade balance was in surplus by QAR19.3bn in September 2021, as exports totaled QAR28.0bn (up 108.9% YoY) and imports stood at QAR8.8bn (up 25.7% YoY).

Bahrain

- According to the Information & e-Government Authority, the inflation rate in Bahrain decreased to 0.1% in August from 0.3% in July 2021.

Oman

- Oman's inflation rate increased 2.46% in September 2021 compared with the last-year period. However, the inflation rate fell 0.06% compared with that in August 2021, according to data from the National Centre for Statistics and Information (NCSI).

GCC Corporate Developments

Saudi Arabia

- **Al-Khaleej Training and Education Company** signed a sale and purchase agreement to acquire 60% of the ownership stake of **Al-Roqi National Schools Company**.
- **Arabian Centres Company** and **Fawaz Abdulaziz Alhokair Company** completed the acquisition of 51% equity in e-commerce platform **VogaCloset Limited**.
- **Saudi Real Estate Infrastructure Co. (Binyah)**, a 60% owned subsidiary of Saudi Real Estate Co. (Al Akaria), signed a contract worth SAR432.06mn with Diriyah Gate Development Authority to carry out infrastructure work at Wadi Hanifa.
- **Al Hammadi for Development and Investment** purchased 35% of **Sudair Pharmaceuticals' shares**.
- **Sumou Real Estate Company** acquired an 80% stake in **Al-Mahafel Trading and Contracting Company**.

UAE

- **Multiply Group**, a subsidiary of **International Holdings Company (IHC)**, acquired 100% stake in UAE-based marketing and communications company **Viola Communications**.
- **Aramex**, a Dubai-listed courier firm, sold its 20.15% stake to GeoPost, the express parcel arm of French Groupe La Poste, according to a regulatory filing.
- **Etisalat** signed a binding agreement with **Group42 (G42)** to combine their data centers to create the biggest data center provider in the UAE.
- A wholly owned subsidiary of **Abu Dhabi Investment Authority (ADIA)** signed an agreement with **GoTo Group**, an Indonesia-based digital company, to invest USD400.0mn in GoTo's pre-IPO fundraising.

Qatar

- **Nakilat** and **Karpowership** signed a Memorandum of Understanding (MoU) to collaborate in the LNG-to-power market and jointly own and operate floating storage regasification units (FSRUs).
- State-owned oil and gas firm **QatarEnergy** announced it signed a deal for a 40% stake in one of **ExxonMobil's** major offshore explorations in Canada.

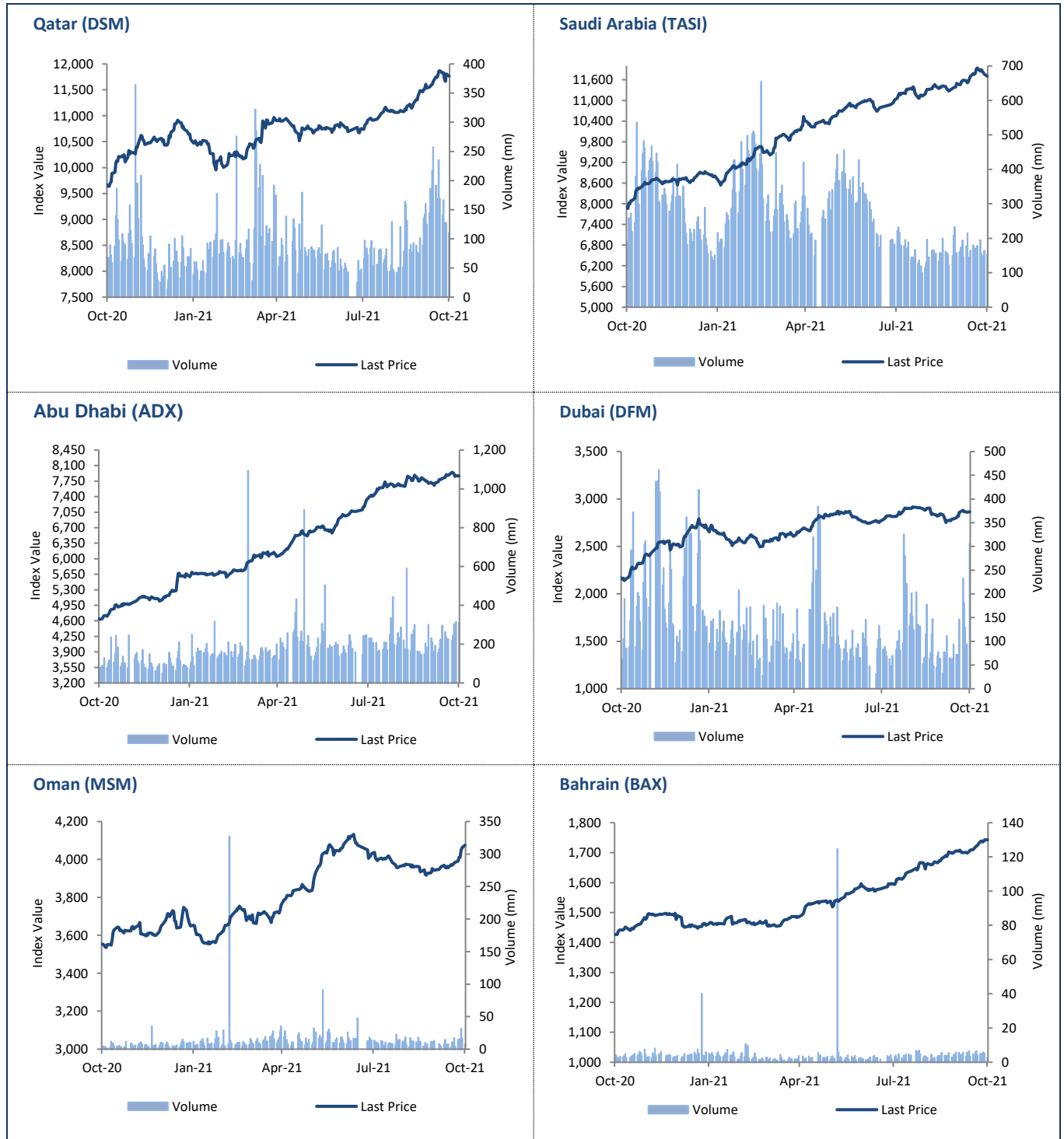
Bahrain

- **GFH Financial Group** announced its satisfaction of preconditions and its firm intention to make an offer to acquire up to 100% of the issued and paid-up ordinary shares of **Khaleeji Commercial Bank (KHCB)**.

Oman

- **National Finance**, the sultanate's largest finance company, partnered with **Nafath Renewable Energy** – an Omani company specializing in renewable energy – to provide home solar power solutions.

GCC Benchmark Indices– Market Movements



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