

Market Performance

Kuwait's All Share Index closed 6.7% higher at 8,146.7 points in March 2022. Total volume traded increased 8.6% MoM to 5.6BLN, number of deals rose 7.8% MoM to 273,539, and total value traded was up 20.1% MoM to KWD 1,559.0MM. Growth in the market was mainly driven by the banking and financial services sectors.

As per the third estimate released by the Bureau of Economic Analysis, real GDP of the US grew at an annualized rate of 6.9% YoY in Q4 2021 compared to 2.3% YoY in Q3 2021. Real PCE decreased 0.4% MoM in February 2022, after the 2.1% MoM revised increase in January 2022. Personal income rose 0.5% MoM in February 2022 vis-à-vis the 0.1% MoM revised increment in January 2022. It was primarily led by higher compensation of employees (both private and government wages and salaries), which was partly offset by a reduction in government social benefits. The current account deficit decreased by less than 0.1% YoY to USD 89.2BLN in February 2022. Total exports went up USD 228.6BLN in February 2022, USD 4.1BLN more than that in January 2022. On the other hand, total imports stood at USD 317.8BLN in February 2022, USD 4.1BLN more than that in January 2022. The annual inflation rate in the US increased to 7.9% in February 2022 (7.5% in January 2022). This was the highest reading since January 1982 and was in line with market expectations, where energy remained the biggest contributor (25.6% vs 27% in January), with gasoline prices surging 38% (40% in January).

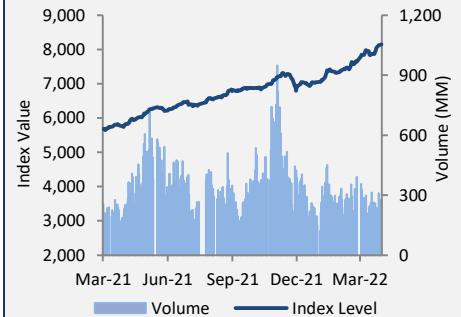
According to a flash estimate released by Eurostat, seasonally adjusted current account of the balance of payments recorded a surplus of GBP 49.6BLN (1.3% of GDP) in Q4 2021, down from the surplus of GBP 69.6BLN (1.9% of GDP) in Q3 2021 and GBP 125.4BLN (3.6% of GDP) in Q4 2020. As per Eurostat, the Euro area's annual inflation rate was expected to be 7.5% in March 2022, up from 5.9% in February 2022 (revised). Trade deficit decreased to EUR 27.2BLN in January 2022 from a surplus of EUR 10.7BLN in January 2021. Exports of goods increased 18.9% YoY, while imports rose 44.3% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate (Consumer Price Inflation - CPI) in the UK climbed 6.2% YoY in February 2022 from 5.5% YoY in January 2022, whereas CPI – including owner occupiers' housing costs (CPIH) – climbed 5.5% YoY in February 2022 from 4.9% YoY in January 2022.

Based on the latest data released by the National Bureau of Statistics, China's CPI stood at 0.9% in February 2022. This was unchanged from January 2022 but still recorded the lowest inflation rate since September 2021 owing to the falling food price, which declined 3.9% YoY in February. China's GDP is expected to grow 5% in 2022 and 4.3% YoY in Q1 2022, according to an average of estimates from 30 economists in a March survey by Nikkei and Nikkei Quick News. According to the Statistics Bureau of Japan, CPI rose 0.9% YoY in February 2022, following the 0.5% YoY rise in January 2022, marking the sixth straight month of increase and being the highest rise since April 2019.

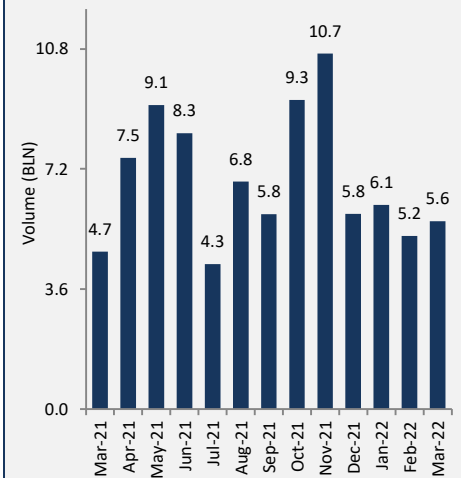
Kuwait Market Summary	March, 2022	February, 2022	Change %
Open	7,679.00	7,365.30	4.3
High	8,151.41	7,681.82	6.1
Low	7,657.37	7,359.70	4.0
Close	8,146.69	7,637.55	6.7
Volume traded (MM)	5,630.87	5,185.87	8.6
Value Traded (KWD MM)	1,558.98	1,298.53	20.1
No. of deals	273,539	253,862	7.8
No. of advances	75	68	10.3
No. of declines	70	81	(13.6)
No. of unchanged	20	18	11.1

Kuwait Index Performance

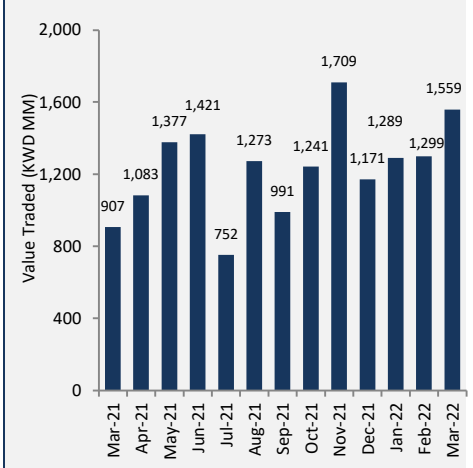
Benchmark Index and Volume Traded



Monthly Volume Traded (BLN)



Monthly Value Traded (KWD MM)



Top Gainers and Losers

The market breadth was largely mixed; 75 stocks firmed up and 70 declined, while 20 remained unchanged.

Top Five Gainers									
	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
Kuwait Hotels Company	123.00	52.23	75.71	6.94	0.49	0.09	12.54	11.64	1.54
Alsafat Investment Company	250.00	35.14	95.31	67.24	85.43	0.19	11.61	46.82	2.90
Tamdeen Investment Co.	498.00	26.72	31.40	170.20	2.09	0.07	1.06	32.79	0.53
National Investments Company	444.00	23.68	102.74	354.25	98.09	0.03	3.65	14.49	1.62
National Consumer Holding Co.	138.00	16.95	15.00	12.42	43.29	NA	12.64	NA	1.74

Top Five Losers									
	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
Al-Maidan Clinic For Oral Health Services Co.	615.00	(50.40)	(50.40)	153.75	1.72	0.03	4.96	16.52	3.05
Jiyad Holding Company	46.80	(42.01)	(42.01)	8.60	122.71	NA	9.57	NA	0.45
Gulf Franchising Holding Co.	87.40	(31.18)	(8.86)	3.49	0.46	NA	19.08	NA	1.67
Arabi Holding Group Co.	333.00	(18.58)	14.43	54.94	23.21	NA	4.59	NA	1.53
Kuwait Finance & Investment Co.	76.10	(17.73)	(12.33)	23.50	9.21	0.66	7.46	50.60	0.57

Top Five by Volume									
	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
GFH Financial Group (B.S.C)	104.00	4.31	4.21	370.52	711.83	0.13	11.85	13.13	1.23
Ahli United Bank (B.S.C)	332.00	11.04	19.42	3,364.65	681.65	0.06	7.46	19.51	2.48
Kuwait Projects Company (Holding)	201.00	3.61	41.55	521.39	451.84	1.02	7.68	204.81	1.54
Kuwait Finance House	1,071.00	13.45	28.73	8,965.05	205.69	0.04	4.77	37.53	4.64
National Bank Of Kuwait	1,099.00	4.17	10.23	8,300.01	146.32	0.02	2.13	24.05	2.34

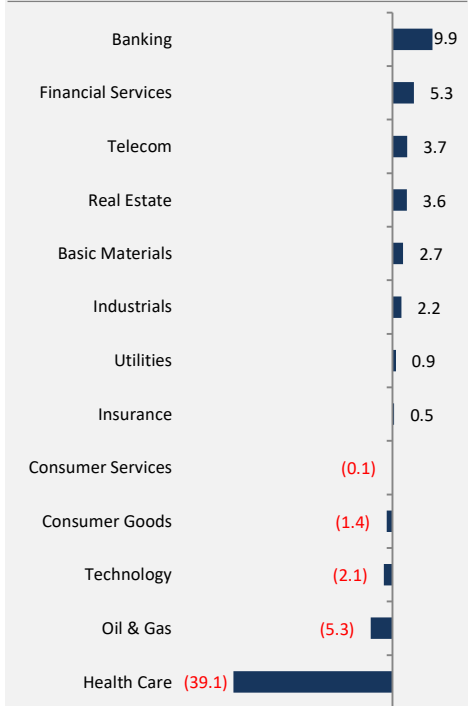
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

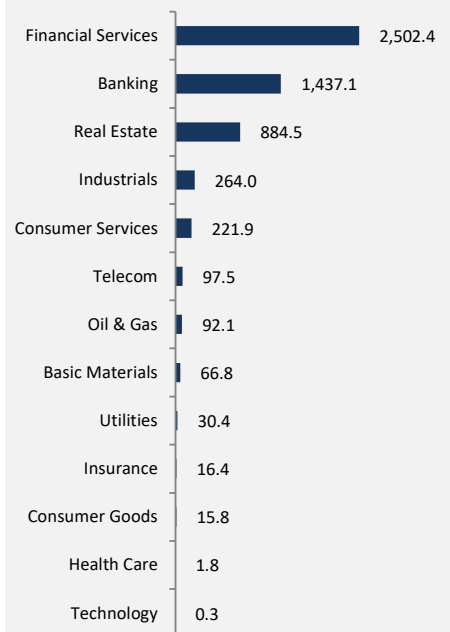
- Banks:** The sector closed 9.9% higher at 1,930.2 points during the month. Boubyan Bank (up 14.1%) rose the most, followed by Kuwait Finance House (up 13.5%), while Commercial Bank Of Kuwait (down 4.6%) was the top loser. Total turnover stood at KWD 711.6MM. The volume traded and number of deals stood at 1.4BLN shares and 64,688, respectively.
- Basic Materials:** The sector closed 2.7% higher at 1,161.7 points during the month. Boubyan Petrochemical Co. (up 7.1%) was the top gainer, while Kuwait Foundry Co. (down 5.7%). The number of shares traded, and total turnover stood at 66.8MM and KWD 35.7MM, respectively, while total transactions stood at 5,741.
- Consumer Goods:** The sector ended 1.4% lower at 711.8 points during the month. Livestock Transport & Trading Co. (down 1.8%) declined the most, followed by Mezzan Holding Co (down 1.4%). Total volume, turnover, and deals made stood at 15.8MM shares, KWD 9.0MM, and 1,656 respectively.
- Consumer Services:** The sector closed 0.1% lower at 1,543.0 points during the month. Among stocks, Jiyad Holding Company (down 42.0%) decreased the most, followed by Kuwait Resorts Company (down 3.2%), while Kuwait Hotels Company (up 52.2%) was the top gainer. Total volume, turnover, and transactions stood at 221.9MM shares, KWD 33.7MM, and 14,699, respectively.
- Financial Services:** The sector closed 5.3% higher at 1,660.8 points during the month. Alsafat Investment Company (up 35.1%) was the top gainer, followed by Tamdeen Investment Co. (up 26.7%), while Gulf Franchising Holding Co. (down 31.2%) was the top loser. Total volume, turnover, and deals made stood at 2.5BLN shares, KWD 398.6MM and 86,682 respectively.
- Healthcare:** The sector ended 39.1% lower at 495.0 points. Gulf Franchising Holding Co. (down 50.4%) was the top loser, followed by Advanced Technology Company (down 1.4%) was the top loser. There were 142 deals; quantity and value traded stood at 1.8MM and KWD 2.1MM, respectively.
- Utilities:** The sector closed 0.9% higher at 586.8 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (up 0.9%) only listed stock ended in red. The sector recorded 1,897 transactions. Total volume and value traded stood at 30.4MM and KWD 6.8MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



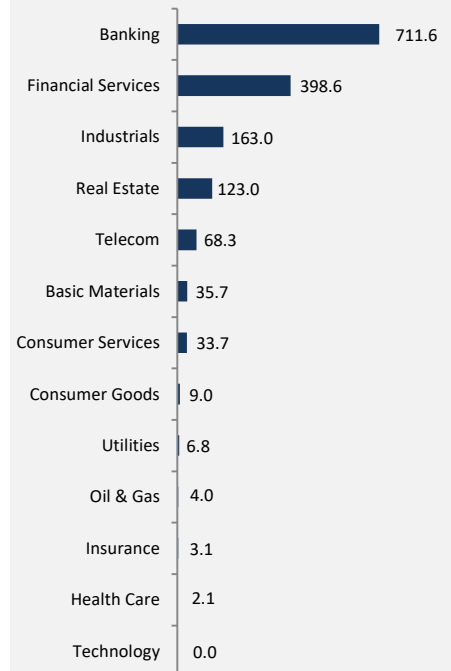
Monthly Volume Traded (Million)



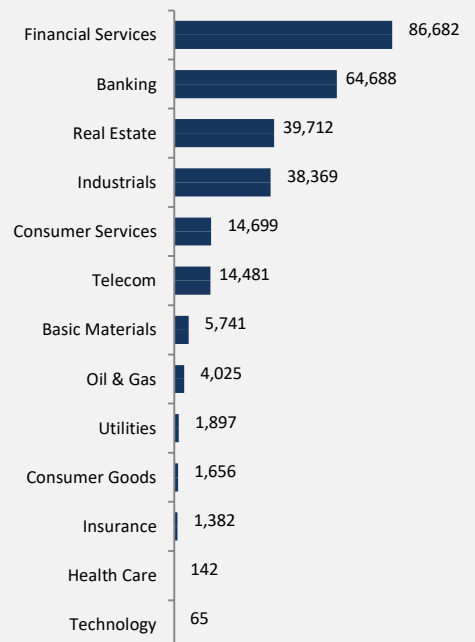
- Industrials:** The sector closed 2.2% higher at 1,295.0 points during the month. Shuaiba Industrial Co. (up 12.2%) was the top gainer, followed by Agility Public Warehousing Company (up 8.8%), while Acico Industries Co. (down 13.7%) was the top loser. Total volume, turnover, and deals made stood at 264.0MM shares, KWD 163.0MM and 38,369, respectively.
- Insurance:** The sector closed 0.5% higher at 1,621.2 points during the month. Kuwait Insurance Company (up 1.9%) was the top gainer, followed by Kuwait Reinsurance Company (up 1.3%), while Wethaq Takaful Insurance Company (down 14.0%) was the top loser. Total volume, turnover, and deals made stood at 16.4MM shares, KWD 3.1MM and 1,382, respectively.
- Oil & Gas:** The sector closed 5.3% lower at 1,298.8 points. Independent Petroleum Group (down 14.1%) was the top loser, followed by The Energy House Co. (down 11.8%). Total volume, turnover, and number of transactions stood at 92.1MM shares, KWD 4.0MM, and 4,025, respectively.
- Real Estate:** The sector ended 3.6% higher at 1,395.2 points during the month. United Real Estate Company (up 16.4%) was the top gainer, followed by Al-Enma A Real Estate Co. (up 13.8%), while Land United Real Estate Company (down 13.5%) was the top loser. Total volume, turnover, and deals made stood at 884.5MM shares, KWD 123.0MM and 39,712, respectively.
- Technology:** The sector closed at 676.6 points, down 2.1% from the previous month. Automated Systems Company (down 2.1%) being the only company in the sector. The sector recorded 65 transactions during the month. Total volume and value traded stood at 0.3MM and KWD 26,668 respectively.
- Telecom:** The sector closed 3.7% higher at 1,262.2 points. Kuwait Telecommunications Co. (up 10.9%) was the top gainer, followed by National Mobile Telecommunications Co. (up 8.8%), while Hayat Communications Company (down 12.0%) was the top loser. Total turnover of KWD 68.3MM was generated by 97.5MM shares traded through 14,481 transactions.

Market Composition

Monthly Value Traded (KWD MM)



Number of Deals

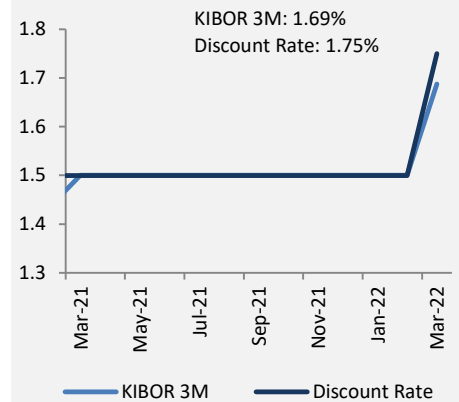


Kuwait – Economy and Industry News

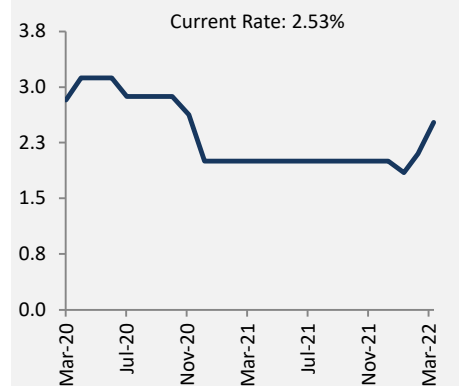
- Kuwait's All Share Index closed 6.7% higher at 8,146.7 points in March 2022. Total volume traded increased 8.6% MoM to 5.6BLN, number of deals rose 7.8% MoM to 273,539, and total value traded was up 20.1% MoM to KWD 1,559.0MM. Growth in the market was mainly driven by the banking and financial services sectors.
- As per the Central Statistical Bureau of Kuwait, the annual consumer price index rose 4.37% YoY and 0.24% MoM in February 2022, led by higher prices of food resources and education.
- The Central Bank of Kuwait (CBK) raised the discount rate (USD interest rate) by 0.25% to 1.75% from 1.50%, with effect from March 17, 2022. This was done in response to CBK's vigilant monitoring of the domestic and international economic and geopolitical developments, along with monetary policy trends in global economies, and considering the Federal Reserve's decision.
- CBK reported that broad money supply (M2) increased to KWD 39.67BLN in January 2022 from KWD 38.96BLN in December 2021.
- In addition, Japan's aggregate import of crude oil from Kuwait climbed 8.5% YOY to 2.08MM bpd in February 2022, whereas Kuwait's crude oil exports to Japan dropped 4.7% YoY to 6.67MM barrels, marking the first decline in two months.
- The global credit rating agency Fitch downgraded Kuwait's long-term rating to AA- from AA due to the ongoing impasse in the political decision-making process and structural challenges related to heavy dependence on oil, a generous welfare state, and a large government sector.
- Ministry of Electricity, Water and Renewable Energy (MEW) is working on increasing water production capacity of 900MM imperial gallons per day by 2030.
- As per the statistics issued by the German data company Statista, Kuwait ranks seventh in the world in terms of volume of oil reserves (102BLN barrels) and market share (6%).
- The Ministry of Finance raised the volume of taxes expected to be collected in Kuwait in FY 22–23 to about KWD 565MM (KWD 526.1MM in FY 21–22), i.e., 7% YoY increase, mainly driven by the rise in the taxes on income, profits and capital gains by 21%.

Monetary Indicators

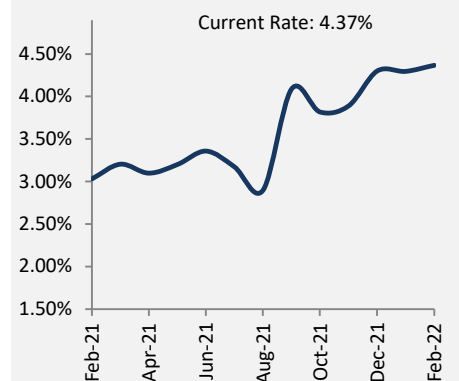
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

Note: Kuwait Inflation data available till Feb. 2022.

Kuwait Corporate Developments

- Agility Public Warehousing's subsidiary, Tristar Transport signed a USD 215MM (KWD 65MM) agreement to acquire China-based HNA Group's 51% stake in HG Storage International Limited. According to the agreement Tristar will own HG Storage International's majority portfolio of storage assets across eight countries across Europe, the Middle East, Africa, and the Americas; this would add 3 MM cubic meter of fuel storage capacity to the Tristar portfolio and thereby impact the company's financials in 2Q 2022.
- Infracorp, the infrastructure and sustainability arm of GFH Financial Group, has issued a USD 900MM green Sukuk listed on the London Stock Exchange, with a goal to support the development of sustainable infrastructure across MENA and South Africa and generate long-term returns for investors.
- Kuwait Petroleum Corporation and Japanese Nippon Export Investment Insurance (NEXI) signed a Memorandum of Understanding to fund projects for the corporation and subsidiary companies with an estimated value of USD 1BLN.
- Heavy Engineering Industries and Shipbuilding Company (HEISCO) won a contract from Kuwait National Petroleum Company (KNPC) worth KWD 5.8MM; the 24-month contract aims to upgrade the north pier at Ahmadi refinery to facilitate export of crude oil and hydrocarbon products.
- Kuwait National Petroleum Company (KNPC) announced launch of the 5th liquified gas line at Mina Al-Ahmed Refinery. The pipeline, which is the company's second largest project, reinforces production of liquified gas (up 30%) by adding 805 MM square feet of gas and 106,000 barrels of condensates.
- Kuwait Projects Company (Holding) KSCP and Qurain Petrochemical Industries Company KSCP entered an initial agreement for their merger by way of amalgamation of both entities.
- Fitch upgraded Commercial Bank of Kuwait (CBK)'s Viability Rating (VR) to BB+ from BB but retained Long-Term Issuer Default Rating at A.
- Fitch has affirmed Burgan Bank KSCP's Viability Rating (VR) at BB and Long-Term Issuer Default Rating at A.
- GFH Financial Group announce that, the infrastructure and sustainability arm of GFH, Infracorp has issued and listed USD 900.0MM green Sukuk listed on London Stock Exchange.
- United Real Estate Company KSCP announced that an initial agreement was signed regarding the readiness of each of United Real Estate Company KSCP and United Towers Holding Company KSCC and Al Dhiyafa Holding Company KSCC to enter into a merger process by way of amalgamation whereby United Real Estate Company KSCP is the merging company and United Towers Holding Company KSCC and Al Dhiyafa Holding Company KSCC are the merged companies.

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