

### Market Performance

Kuwait's All Share Index closed 0.7% higher at 6,873.6 points in September 2021. The total traded volume declined by **14.3%** MoM to 5.8bn, the number of deals fell by **8.0%** MoM to 225,922, and the total value traded decreased by **22.1%** MoM to KWD990.9mn. The growth in the market was mainly driven by consumer staple and financial services sector.

As per the third estimate released by the Bureau of Economic Analysis, US's real GDP grew at an annualized rate of 6.7% QoQ in Q2 2021, driven by an increase in personal consumption expenditures (PCEs), non-residential fixed investments, and state and local government spending. GDP growth was partly offset by a decrease in private inventory investments, residential fixed investments, and federal government spending. Personal income is estimated to have increased 0.2% MoM in August 2021 from the revised 1.1% MoM rise in July 2021, primarily due to the continued economic recovery, reopening of establishments, and government's response to the COVID-19 pandemic. Real PCE grew 0.8% MoM in August 2021, after a **0.1%** (revised) MoM fall in July 2021. Current account deficit increased to USD73.3bn in August 2021 from USD70.1bn in July 2021. Total exports increased 0.5% MoM to USD213.7bn in August 2021 and total imports grew 1.4% MoM to USD287.0bn.

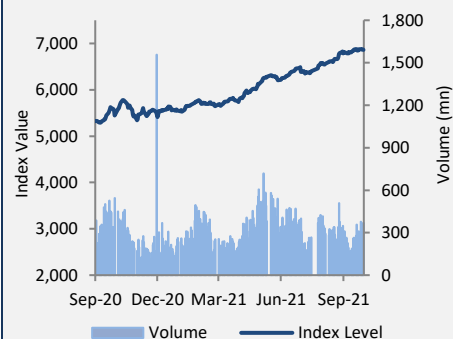
According to flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose 2.2% QoQ in Q2 2021, after declining **0.3%** in Q1 2021. As per the estimates, annual inflation in the area is likely to grow to 3.4% YoY in September 2021 from 3.0% in August 2021. The area's trade surplus decreased to EUR20.7bn in July 2021 from EUR26.8bn in July 2020. Exports of goods increased 11.4% YoY, while imports rose 17.1% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK increased to 3.2% YoY in August 2021 from 2.1% YoY in July 2021. The rise in inflation in several nations could be attributed to higher oil prices, shipping issues, and shortage of components for cars and other goods.

In Asia, the latest data released by the National Bureau of Statistics showed that China's Consumer Price Index (CPI) rose 0.8% YoY in August 2021, after rising 1.0% YoY in July 2021. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) contracted to 49.6 in September 2021 from 50.1 in August 2021. According to the Statistics Bureau of Japan, the country's CPI declined **0.4%** YoY in August 2021, after declining **0.3%** YoY in July 2021.

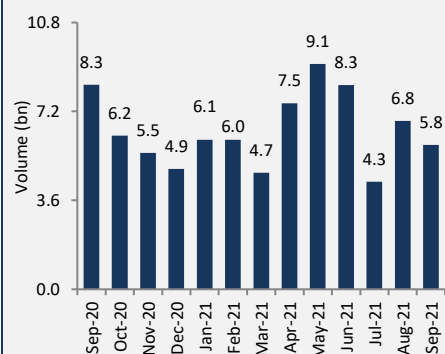
Kuwait Market Summary	September, 2021	August, 2021	Change (%)
Open	6,798.58	6,587.78	3.2
High	6,887.30	6,831.25	0.8
Low	6,759.66	6,526.87	3.6
Close	6,873.57	6,828.35	0.7
Volume traded (mn)	5,843.00	6,818.11	(14.3)
Value Traded (KWD mn)	990.85	1,272.65	(22.1)
No. of deals	225,922	245,628	(8.0)
No. of advances	93	69	34.8
No. of declines	57	80	(28.8)
No. of unchanged	15	15	0.0

### Kuwait Index Performance

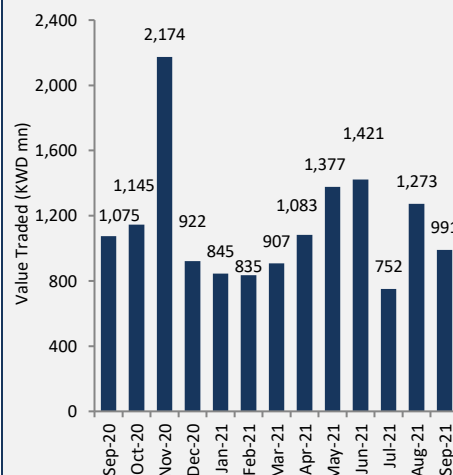
#### Benchmark Index and Volume Traded



#### Monthly Volume Traded (bn)



#### Monthly Value Traded (KWD mn)



### Top Gainers and Losers

The market breadth was mostly positive; 93 stocks firmed up and 57 declined, while 15 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)
National Consumer Holding Co.	183.00	124.82	274.23	16.47	189.65	(0.01)	12.56	NA	2.30
Hilal Cement Co.	180.00	98.24	97.80	9.00	0.04	(0.03)	5.27	NA	0.95
Gulf Franchising Holding Co.	59.90	86.60	-0.17	2.39	0.32	0.01	18.52	NA	1.11
Warba Capital Holding Co.	128.00	64.74	163.37	12.80	15.14	(0.01)	12.45	NA	1.59
Real Estate Trade Centers Co.	67.50	43.62	144.57	9.37	1.01	(0.00)	6.13	NA	0.41

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Al-Madar Finance And Investment Co.	108.00	(21.74)	18.55	22.36	1.01	(0.00)	9.59	NA	1.04
Metal & Recycling Co.	121.00	(15.97)	127.87	10.90	0.00	(0.02)	11.46	NA	1.39
Investors Holding Group Co.	14.80	(13.45)	(15.43)	9.22	1.81	(0.02)	49.65	NA	0.73
Arabi Holding Group Co.	148.00	(11.90)	(25.25)	24.42	0.20	0.24	5.45	35.16	0.81
Alkout Industrial Projects Co.	449.00	(10.20)	(33.48)	45.30	NA	(0.01)	4.17	NA	1.87

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Investors Holding Group Co.	14.80	(13.45)	(15.43)	9.22	350.04	(0.02)	49.65	NA	0.73
Al-Mazaya Holding Co.	76.50	(1.29)	33.74	48.16	349.36	(0.01)	9.64	NA	0.74
Gfh Financial Group (B.S.C)	65.80	(1.20)	36.80	248.46	297.19	0.14	13.32	9.28	0.88
Kuwait Real Estate Company	152.00	7.04	39.45	140.62	290.65	0.19	7.20	28.46	1.09
National Consumer Holding Co.	183.00	124.82	274.23	16.47	189.65	(0.01)	12.56	NA	2.30

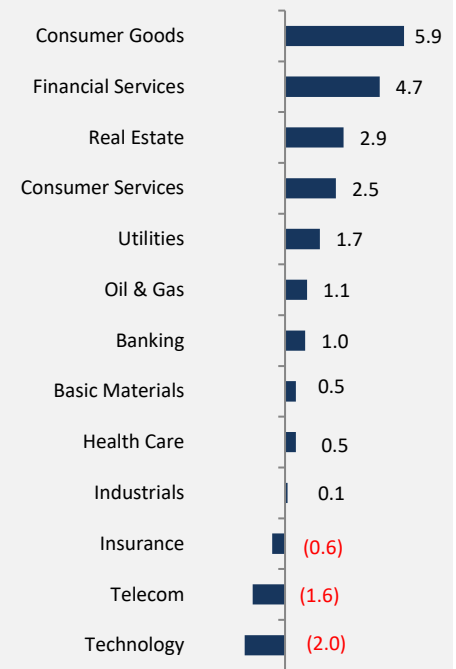
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

### Performance by Sector

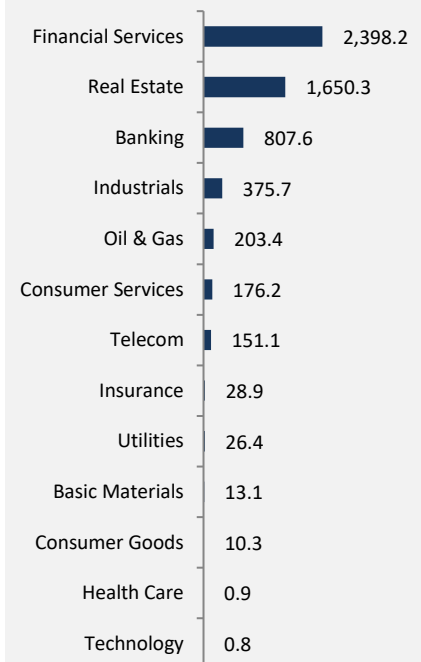
- Banks:** The sector closed 1.0% higher at 1,576.2 points during the month. Ahli United Bank (B.S.C) (up 7.5%) was the top gainer, followed by National Bank Of Kuwait (up 1.8%), while Boubyan Bank (down 1.9%) was the top decliner. Total turnover stood at 326.5mn. The volume traded and number of deals stood at 807.6mn shares and 31,175, respectively.
- Basic Materials:** The sector closed 0.5% higher at 1,088.7 points during the month. Boubyan Petrochemical Co. (up 3.1%) was the top gainer, while Alkout Industrial Projects Co. (down 10.2%) was the top loser. The number of shares traded, and total turnover stood at 13.1mn and KWD8.4mn, respectively, while total transactions stood at 2,837.
- Consumer Goods:** The sector ended 5.9% higher at 783.5 points during the month. Mezzan Holding Co (up 6.9%) increased the most. Total volume, turnover, and deals made stood at 10.3mn shares, KWD6.0mn, and 1,285, respectively.
- Consumer Services:** The sector closed 2.5% higher at 1,117.2 points during the month. Among stocks, Kuwait Hotels Company (up 47.9%) led the gainers, followed by Ifa Hotels & Resorts Co. (up 20.5%), while Sultan Center Food Products Co. (down 5.9%) was the top decliners. Total volume, turnover, and transactions stood at 176.2mn shares, KWD21.1mn, and 10,925, respectively.
- Financial Services:** The sector closed 4.7% higher at 1,318.9 points during the month. National Consumer Holding Co. (up 124.8%) was the top gainer, followed by Gulf Franchising Holding Co. (up 86.6%), while Al-Madar Finance And Investment Co. (down 21.7%) was the top loser. Total volume, turnover, and deals made stood at 2.4bn shares, KWD316.7mn and 84,154, respectively.
- Healthcare:** The sector ended 0.5% higher at 795.9 points. Advanced Technology Company (up 3.0%) was the top gainer. There were 312 deals; Quantity and value traded stood at 899,145 and KWD561,775, respectively.
- Utilities:** The sector closed 1.7% higher at 623.7 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (up 1.7%) only listed stock ended in green. The sector recorded 1,986 transactions. Total volume and value traded stood at 26.4mn and KWD6.2mn, respectively.

### Market Composition

#### Monthly Sector Index Returns (%)



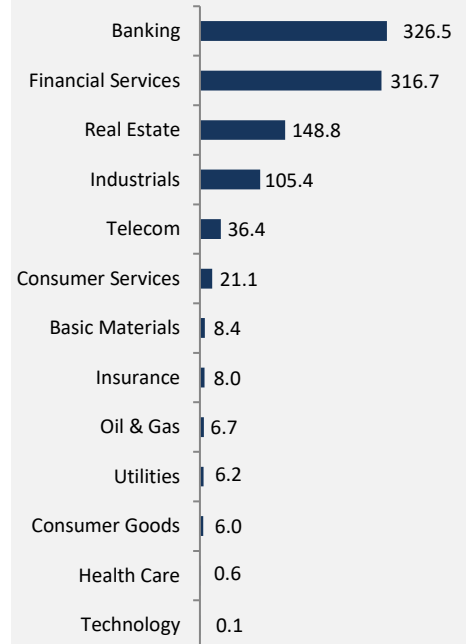
#### Monthly Volume Traded (million)



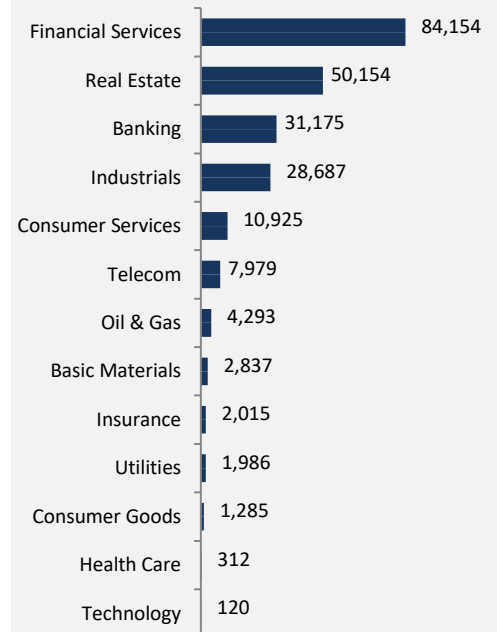
- Industrials:** The sector closed 0.1% higher at 1,167.1 points during the month. Hilal Cement Co. (up 98.2%) was the top gainer, followed by Equipment Holding Co. (up 39.8%), while Metal & Recycling Co. (down 16.0%) was the top loser. Total volume, turnover, and deals made stood at 375.7mn shares, KWD105.4mn and 28,687, respectively.
- Insurance:** The sector closed 0.6% lower at 1,450.1 points during the month. First Takaful Insurance Company (down 6.6%) was the top loser, followed by Kuwait Insurance Company (down 5.0%), while Warba Insurance Company (K.S.C.P) (up 18.3%) was the top gainer. Total volume, turnover, and deals made stood at 28.9mn shares, KWD8.0mn and 2,015, respectively.
- Oil & Gas:** The sector closed 1.1% higher at 1,376.8 points. Senergy Holding Company (K.S.C.P) (up 12.6%) was the top gainer, followed The Energy House Co (up 6.3%), while Burgan Co. For Well Drilling Tradhing & Maint (down 0.6%) was the top loser. Total volume, turnover, and number of transactions stood at 203.4mn shares, KWD6.7mn, and 4,293, respectively.
- Real Estate:** The sector closed 2.9% higher at 1,279.4 points during the month. Real Estate Trade Centers Co. (up 43.6%) was the top gainer, followed by Kuwait Real Estate Holding Co. (up 24.9%), while Investors Holding Group Co. (down 13.5%) was the top loser. Total volume, turnover, and deals made stood at 1.7bn shares, KWD148.8mn and 50,154, respectively.
- Technology:** The sector closed at 714.4 points, down 2.0% from the previous month. Automated Systems Company (down 2.0%) was the only loser. The sector recorded 120 transactions during the month. Total volume and value traded stood at 844,717 and KWD84,211060, respectively.
- Telecom:** The sector closed 1.6% lower at 1,095.6 points. Aan Digital Services Co. (down 2.1%) was the top loser, followed by Mobile Telecommunications Company (down 2.0%). Total turnover of KWD36.4mn was generated by 151.1mn shares traded through 7,979 transactions.

### Market Composition

#### Monthly Value Traded (KWD mn)



#### Number of Deals

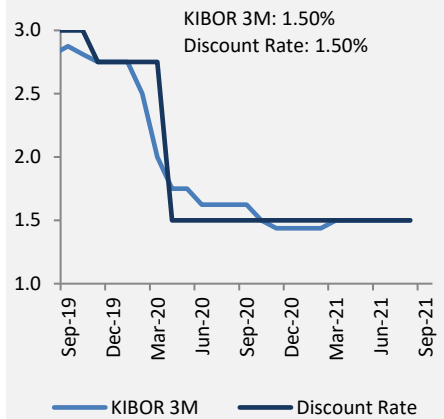


### Kuwait – Economy and Industry News

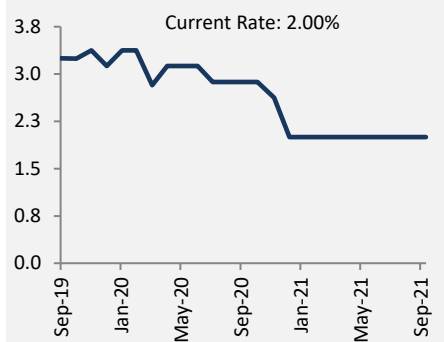
- Kuwait's All Share Index closed 0.7% higher at 6,873.6 points in September 2021. The total traded volume declined by **14.3%** MoM to 5.8bn, the number of deals fell by **8.0%** MoM to 225,922, and the total value traded decreased by **22.1%** MoM to KWD990.9mn. The growth in the market was mainly driven by consumer staple and financial services sector.
- Kuwait's domestic credit increased 3.5% YoY in July 2021, on continued expansion in household credit (+11.1% YoY). The credit provided to the business sector witnessed a modest growth of 0.3% YoY in July 2021.
- The Kuwaiti government is undertaking several economic measures including plans to reduce ministry spending and increasing fees on government services to mitigate the liquidity crisis.
- The Central Bank of Kuwait (CBK) reported the preliminary data of the State of Kuwait's Balance of Payments (BoP) for 1Q 2021 and restated data for 4Q 2020. In 1Q 2021, Kuwait registered a surplus of KWD 1,599.5mn in the current account against a surplus of KWD 3,648.1mn in 4Q 2020.
- Kuwait's trade surplus with Japan almost quadrupled from a year earlier to USD482mn in August 2021, aided by robust exports. The trade surplus surged by 292.7%, up for the fifth consecutive month.
- Kuwait's imports stood at KWD2.32bn in Q2 2021, as per the latest data issued by the government.
- Kuwait's overall exports to Japan soared by 209.3% YoY to USD562mn, up for fifth month in a row. Imports from Japan also swelled by 35.1% to USD80mn for the sixth straight month of expansion.
- Data provided by the Central Bank of Kuwait (CBK) showed that official reserves decreased by **4.9%** YoY to KWD13.2bn in July 2021 from KWD13.9bn in July 2020. Kuwait's monetary gold position remained unchanged at KWD31.7mn in July 2021.
- The IMF's reserve position rose by 10.4% YoY to KWD236.5mn in July 2021 from KWD214.2mn in July 2020, while special drawing rights rose by 1.6% YoY to KWD573.4mn.
- CBK's total assets decreased by **4.8%** YoY to KWD12.6bn in July 2021 from KWD13.2bn in July 2020.
- Kuwait's money supply contracted 1.43% YoY in July 2021, while bank lending to the private sector grew 3.51% YoY during the same period.

### Monetary Indicators

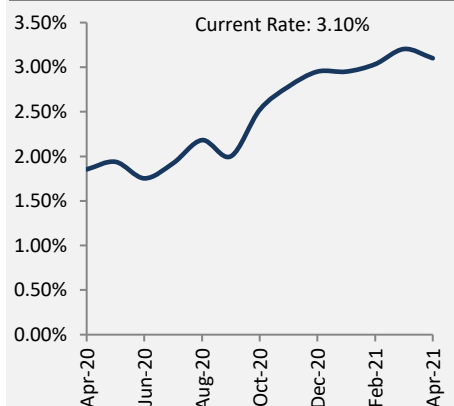
#### Interest Rate (%)



#### Deposit Rate (%)



#### Inflation Rate



Source: Bloomberg

Note: Inflation data available till April 2021.

### GCC Markets Performance

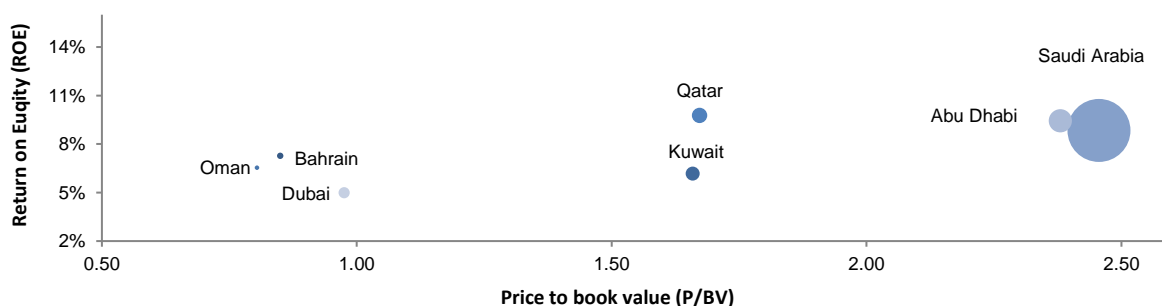
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,705.56	3.66	14.48	12.00	3.24
Kuwait (KSE)	6,864.83	1.15	23.78	27.50	1.87
Oman (MSM)	3,942.50	(0.61)	7.75	11.73	3.96
Qatar (DSM)	11,485.23	3.54	10.05	17.47	2.55
Saudi Arabia (TASI)	11,495.76	1.56	32.29	27.86	2.29
UAE (ADX)	7,698.82	0.18	52.59	23.86	3.00
UAE (DFM)	2,845.49	(1.98)	14.19	21.01	2.74

Of the seven GCC indices, five ended in positive territory and two of them closed lower, during the month of September. Bahrain's BAX index (up 3.7%) was the top gainer, followed by Qatar's DSM (up 3.5%).

- Bahrain's BAX closed 3.7% higher at 1,705.6 points. Among sectors, Communications Services (up 4.6%) and Financials (up 3.8%) were the top gainer. Among stocks, Ahli United Bank (up 8.0%) increased the most, followed by Bahrain Telecommunications Co (up 4.7%), while INOVEST (down 9.6%) was the top loser.
- Kuwait's All Share Index closed 1.2% higher at 6,864.8 points. Among sectors, Consumer Staple (up 5.9%) led the gainers. On the contrary, Technology (down 2.0%) decreased the most. Among stocks National Consumer Holding Co. (up 124.8%) was the top gainer, followed by Hilal Cement Co. (up 98.2%), while Al- Al-Madar Finance And Investment Co. (down 21.7%) was the top loser.
- Oman's MSM was down 0.6% to close at 3,942.5 points. Among sectors, Finance (down 1.4%) was the top loser. Among stocks, Asaffa Foods (down 26.8%) was declined the most, followed by Oman United Insurance (down 11.3%), while Oman Refreshment (up 31.6%) was the top gainer.
- Qatar's DSM increased 3.5% to close at 11,485.2 points. Among sectors, Industrials (up 13.8%) increased the most, while Insurance (down 2.4%). Among stocks, Industries Qatar (up 20.2%) was the top gainer, followed by Investment Holding Group (up 14.9%), while Qatar Cinema & Film Distributing (down 7.0%) decreased the most.
- Saudi Arabia's TASI rose 1.6% to close at 11,495.8 points. Among sectors, Materials (up 9.0%) was the top gainer, followed by Commercial & Professional Services (up 6.4%), while Pharma, Biotech & Life Science (down 11.8%) declined the most. Among stocks, SABIC Agri-Nutrients Co. (up 38.0%) led the gainers, followed by Sahara International Petrochemical Co. (up 31.5%). Al Sagr Cooperative Insurance Co. (down 15.1%) declined the most.
- The ADX ended 0.2% higher at 7,698.8 points. Among sectors, Banks (up 3.6%) lifted the index, followed by Telecommunication (up 0.9%). Among stocks, Sharjah Group (up 186.4%) was the top gainer, followed by Ras Al Khaimah Poultry & Feeding Co. (up 83.8%), while Abu Dhabi National Hotels Co. (down 20.5%) declined the most. The DFM ended 2.0% lower at 2,845.5 points. Among sectors, Transportation (down 8.9%) was the top loser, followed by Services (down 8.5%). Among stocks, National International Holding Company (up 71.8%) led the gainers, followed by Mashreqbank PSc (up 16.7%), while Al Mazaya Holding Company (down 26.1%) decreased the most.

### Valuation

Size of the bubble represents Market Capitalization



Source: Bloomberg

### GCC Markets – Economy and Industry News

#### Saudi Arabia

- According to the General Authority for Statistics (GASTAT), Saudi Arabia's GDP grew 1.8% YoY in Q2 2021, higher than the 1.5% indicated previously by the official flash estimates.
- Annual consumer price inflation rose by 0.3% YoY in August 2021, mainly due to a 6.5% increase in prices of transportation and a 1.9% increase in prices of food and beverages.
- S&P Global Ratings affirmed Saudi Arabia's A- (minus) sovereign rating with a stable outlook, expecting the economy to rebound in 2021, on higher oil prices, continued relaxation of OPEC+ cuts and a large vaccine rollout.
- Saudi Arabia's GDP jumped by 1.8% to SAR608.8bn in Q2 2021 compared with SAR597.8bn a year earlier, as per the General Authority for Statistics (GASTAT).
- The Saudi Real Estate Refinance Company (SRC) signed a refinancing deal worth SAR2.0bn (USD533.35mn) with the General Organization for Social Insurance of Saudi Arabia (GOSI).

#### UAE

- The UAE's economy is expected to grow 2.1% in 2021 and 4.2% in 2022, according to central bank's latest quarterly economic review report.
- The UAE' seasonally adjusted IHS Markit PMI edged lower to 53.8 in August 2021 from a two-year high of 54.0 a month earlier. Business activity continued to grow, with output rising at the fastest rate since July 2019, amid an improvement in demand as Covid-19 restrictions were lifted.
- The UAE's tourism sector expected to thrive in the coming months, particularly during the Expo 2020 Dubai, which is set to be held during 1 October 2021–31 March 2022, the Emirates News Agency (WAM) reported.
- Dubai's economy is estimated to record a growth rate of 3.1% in 2021 and 3.4% in 2022, the Crown Prince of Dubai and Chairman of The Executive Council of Dubai, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, announced.

#### Qatar

- Qatar's annual inflation declined to 2.95% in August 2021 from 3.13% in July 2021, as food & beverages inflation eased to a four-month low.
- Qatar's foreign merchandise trade balance was in surplus by QAR19.2bn in August 2021, as exports totaled QAR27.3bn (up 94.3% YoY) and imports stood at QAR8.1bn (up 13.6% YoY).

#### Bahrain

- According to the Information & e-Government Authority, Bahrain's inflation declined by 0.3% YoY in July 2021 compared with a 0.6% YoY increase in June 2021.

#### Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's GDP increased by 10.1% to reach at market prices OMR15.3bn in 2Q 2021 compared to OMR13.9bn at the end of the second quarter of 2020.

## GCC Corporate Developments

### Saudi Arabia

- **The Saudi Real Estate Refinance Company (SRC)** signed a refinancing deal worth SAR2.0bn (USD533.35mn) with the **General Organization for Social Insurance of Saudi Arabia (GOSI)**.
- Saudi Research and Media Group signed a contract worth SAR252.0mn with its subsidiary **Taoq Public Relations Company** to provide operational services to multiple media platforms.
- An affiliate of **Kingdom Holding Company** signed an agreement to sell half of its stake in **Four Seasons Holding Company**, while retaining 23.75% ownership of Four Seasons.
- **Saudi Chemical Holding Co.**, through its subsidiary **AJA Pharmaceutical Industries Ltd. (AJA Pharma)**, signed an MoU with **Eli Lilly Saudi Arabia Ltd.**

### UAE

- **Amanat Holdings** acquired the real estate property of Cambridge Medical and Rehabilitation Centre's (CMRC) facility in Abu Dhabi for AED46.0mn and launched its social infrastructure platform.
- **Emirates Integrated Telecommunications Company** launched two new data centers to provide next-generation digital infrastructure to companies across the UAE.
- **Alpha Dhabi Holding**, a subsidiary of **International Holdings Company**, completed the acquisition of 95% stake in Abu Dhabi-based **Emirates Gateway Security**.
- Fitch Ratings and Moody's Investor Services assigned **Masdar**, a subsidiary of **Mubadala Investment Company**, long-term rating of A2 and A+, respectively, with a stable outlook.

### Qatar

- **Qatar First Bank (QFB)** announced the acquisition of Fourteen555, a class AA office building located in the desirable Lower Tollway Corridor in Dallas, Texas.
- **Baladna** signed a memorandum of understanding with Liberty Packing Manufactures to supply materials and cartons for dairy and juice packaging.

### Bahrain

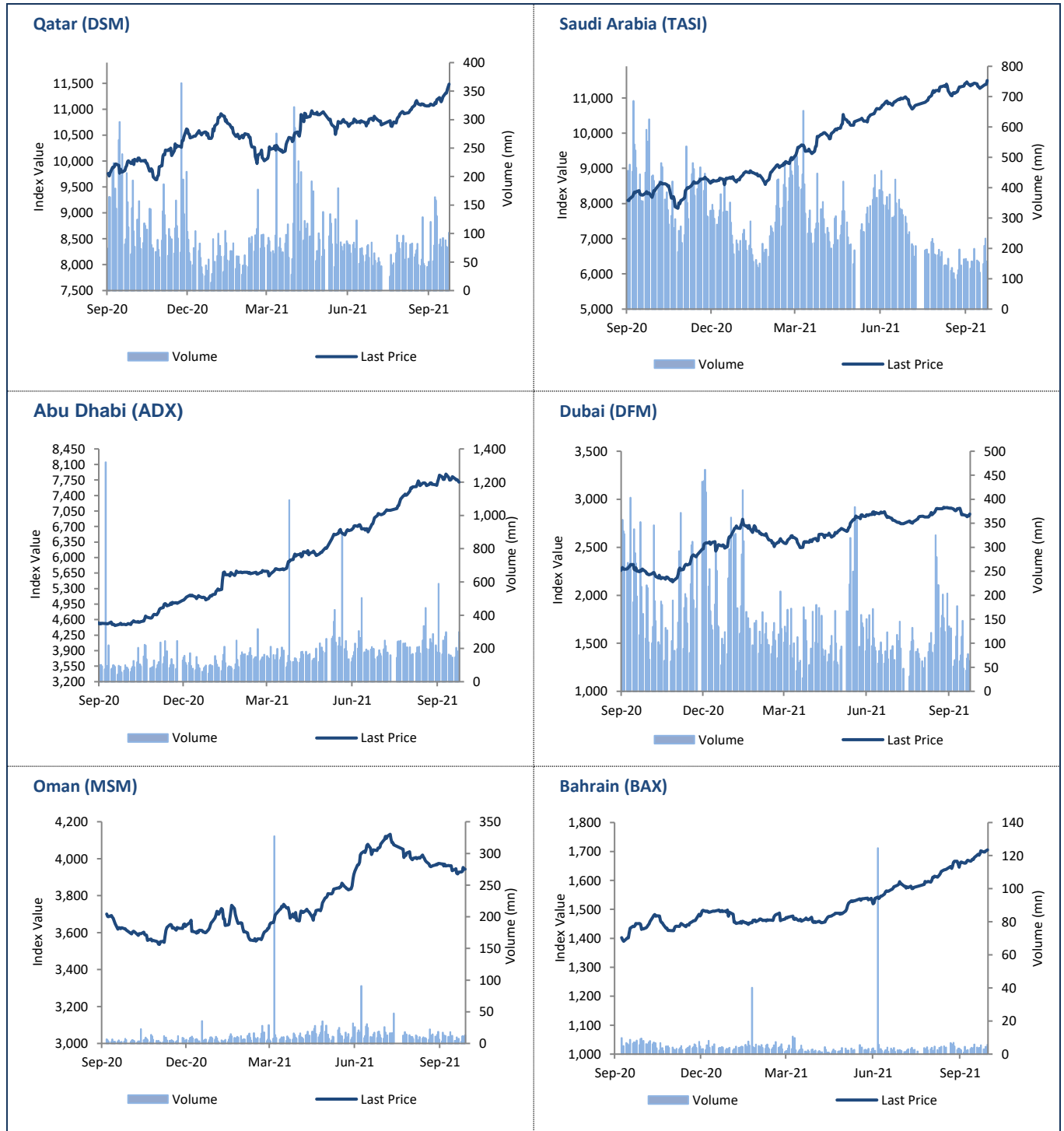
- **GFH Financial Group** signed a real estate deal with US-based real estate specialist Carroll to acquire two multifamily residential sites in Las Vegas for USD200.0mn.

### Oman

- **Oman Development Bank (ODB)** pumped more than OMR16.0mn into value-added economic projects in Al Wusta Governorate, including OMR8.0mn for the Special Economic Zone in Duqm (Sezad).



GCC Benchmark Indices– Market Movements



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