

### Market Performance

Kuwait's All Share Index closed **2.3%** lower at 5,649.1 points in February 2021. Total traded volume slightly decreased **0.1%** MoM to 6.0bn; the number of deals fell **4.4%** MoM to 206,689 and total value traded decreased **1.2%** MoM to KWD834.8mn.

As per the second estimate released by the Bureau of Economic Analysis (BEA), the real GDP of the US grew at an annualized rate of 4.1% QoQ in Q4 2020, driven by the increase in exports, non-residential fixed investments, personal consumption expenditures (PCE), residential fixed investments, and private inventory investments. Personal income sharply climbed by 10.0% MoM in January 2021, compared with the 0.6% MoM rise in December 2020, beating the consensus estimate of 9.5%. The increase in personal income was primarily attributed to the USD600.0 stimulus checks issued by the government to millions of Americans. As a result, PCE jumped by 2.4% MoM in January 2021, after declining by **0.4%** MoM in December 2020. However, this was below the market expectation of 2.5% rise. Trade deficit of the US fell to USD66.6bn in December 2020, representing a **3.5%** MoM decline compared with the revised deficit of USD69.0bn in November 2020. Compared with November 2020, total exports increased by 3.4% MoM to USD190.0bn, while total imports increased by USD3.8bn MoM to USD256.6bn in December 2020.

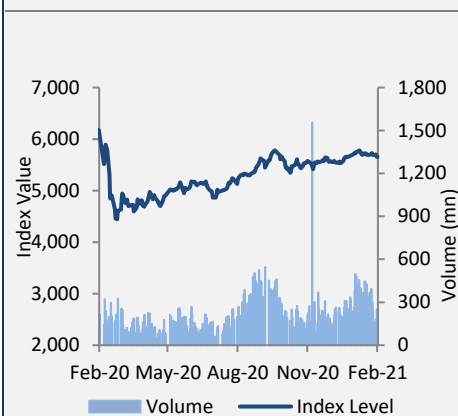
As per the revised flash estimates released by Eurostat, the seasonally adjusted GDP of the Euro area decreased by **0.7%** QoQ during Q4 2020, amid pandemic-induced lockdowns. The annual inflation in the Euro area rose to 0.9% YoY in February 2021, which was stable compared with that in January 2021. The Euro area's goods trade was boosted by EUR29.2bn in December 2020, compared with the surplus of EUR22.6bn in December 2019. Exports of goods increased by 2.3% YoY, while imports dropped by **1.3%** YoY. As per the latest data released by the Office for National Statistics, annual inflation rate in the UK was at 0.9% YoY in January 2021, up from 0.8% YoY in December 2020. The largest contributions to the annual inflation rate came from the recreation and culture sector. On a monthly basis, inflation decreased by **0.1%** in January 2021 versus the 0.2% rise in December 2020.

In Asia, as per the data released by the National Bureau of Statistics, China's Consumer Price Index (CPI) fell **0.3%** YoY in January 2021, compared with 0.2% YoY growth in December 2020. The decline was largely ascribed to the lower cost of non-food items, transport, rent, fuel, utilities, clothing, and other goods and services. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) eased to 50.6 in February 2021 from 51.3 in January 2021. As per the Statistics Bureau of Japan, the country's CPI fell **0.6%** YoY in January 2021 compared with the **1.0%** YoY decline in December 2020.

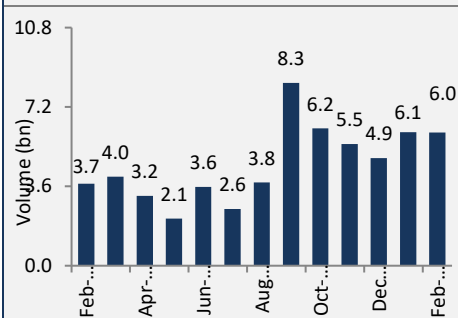
Kuwait Market Summary	February, 2021	January, 2021	Change (%)
Open	5,778.30	5,549.87	4.1
High	5,790.03	5,784.92	0.1
Low	5,639.68	5,505.40	2.4
Close	5,649.16	5,780.03	(2.3)
Volume traded (mn)	6,047.06	6,050.97	(0.1)
Value Traded (KWD mn)	834.75	844.91	(1.2)
No. of deals	206,689	216,199	(4.4)
No. of advances	55	115	(52.2)
No. of declines	96	38	152.6
No. of unchanged	20	18	11.1

### Kuwait Index Performance

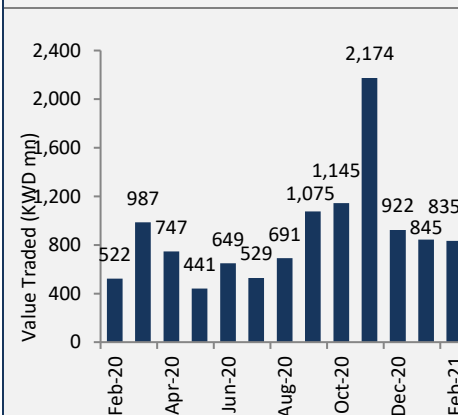
#### Benchmark Index and Volume Traded



#### Monthly Volume Traded (bn)



#### Monthly Value Traded (KWD mn)



### Top Gainers and Losers

The market breadth was negative; 55 stocks firmed-up and 96 declined, while 20 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)
Kuwait Business Town Real Estate Co.	55.90	37.68	41.52	35.07	122.23	0.52	9.08	29.08	0.51
First Investment Company	58.50	34.48	36.05	26.09	709.83	(0.10)	9.89	NM	0.58
Arzan Financial Group For Financing And Investment	98.00	30.32	75.63	76.81	469.62	(0.02)	7.91	NM	0.78
Credit Rating & Collection	28.00	30.23	27.27	4.62	0.53	(0.00)	32.51	NM	0.91
National Shooting Company (K.P.S.C)	28.50	24.45	52.41	7.99	65.29	(0.02)	18.46	NM	0.53

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Kuwait Reinsurance Company	391.00	(29.93)	87.08	79.12	0.05	0.04	3.64	15.59	1.42
Gulf Insurance Group	640.00	(24.53)	(20.69)	128.27	0.42	0.01	1.70	7.59	1.09
Tamdeen Investment Co.	235.00	(23.20)	(24.19)	80.32	1.49	(0.02)	1.50	NM	0.35
Sanam Real Estate Co.	28.00	(17.65)	(18.84)	3.40	0.16	(0.00)	13.25	NM	0.37
United Projects Co.	210.00	(14.98)	(27.59)	79.31	0.78	0.00	68.29	NM	14.34

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
First Investment Company	58.50	34.48	36.05	26.09	709.83	(0.10)	9.89	NM	0.58
Arzan Financial Group For Financing And Investment	98.00	30.32	75.63	76.81	469.62	(0.02)	7.91	NM	0.78
International Financial Advisers Holding	107.00	17.58	78.93	26.67	328.11	0.03	0.05	3.17	2.40
Aayan Leasing & Investment Co.	116.00	10.48	26.22	92.99	266.39	(0.02)	12.40	NM	1.44
Al-Madina For Finance And Investment Co.	17.00	6.25	8.28	6.92	246.40	0.09	0.04	1.60	0.43

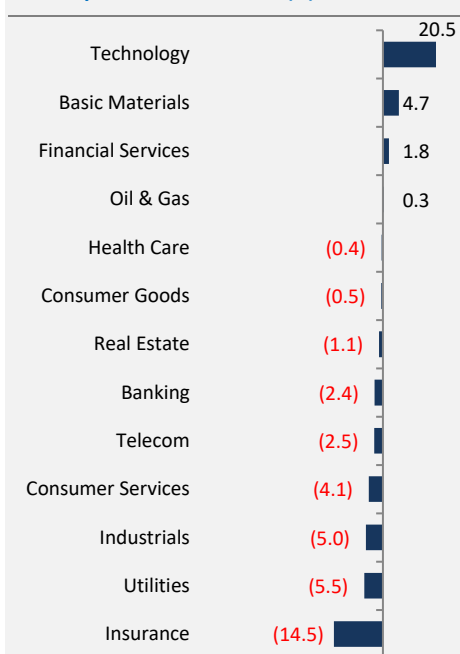
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

### Performance by Sector

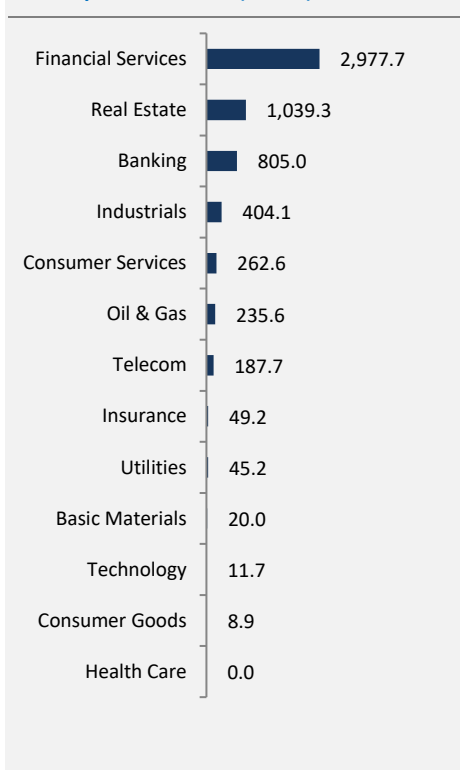
- Banks:** The sector closed **2.4%** lower at 1,274.3 points during the month. Al-Ahli Bank Of Kuwait (down **6.7%**) was the top decliner, followed Kuwait International Bank (down **6.6%**), while Burgan Bank (up 1.4%) was the only gainer. The sector was leading position on the index in terms of turnover (KWD313.1mn). The volume traded and number of deals stood at 805.0mn shares and 37,023, respectively.
- Basic Materials:** The sector closed 4.7% higher at 982.7 points during the month. Boubyan Petrochemical Co. (up 7.8%) was the top gainer, followed by Qurain Petrochemical Industries Co. (up 3.4%). The number of shares traded, and total turnover stood at 20.0mn and KWD10.2mn, respectively, while total transactions stood at 3,931.
- Consumer Goods:** The sector declined **0.5%** to end at 737.7 points during the month. Livestock Transport & Trading Com. (down **1.0%**) declined the most. Total volume, turnover, and deals made stood at 8.9mn shares, KWD3.8mn, and 1,512, respectively.
- Consumer Services:** The sector closed **4.1%** lower at 809.5 points during the month. Among stocks, Alrai Media Group Company (down **11.5%**) led the decliners, followed by Ifa Hotels & Resorts Co. (down **10.1%**), while Al Eid Food Co. (up 13.2%) was the top gainer. Total volume, turnover, and transactions stood at 262.6mn shares, KWD16.5mn, and 10,401, respectively.
- Financial Services:** The sector closed 1.8% higher at 989.8 points during the month. First Investment Company (up 34.5%) was the top gainer, followed by Arzan Financial Group For Financing And Investment (up 30.3%), while Tamdeen Investment Co. (down **23.2%**) was the top loser. Total volume, turnover, and deals made stood at 2,977.7mn shares, KWD230.0mn and 66,172, respectively.
- Healthcare:** The sector ended **0.4%** lower at 813.2 points. Yiacco Medical Co. (down **10.6%**) was the top loser. There were 22 deals; Quantity and value traded stood at 5,975 and KWD3,893, respectively.
- Utilities:** The sector closed **5.5%** lower at 673.7 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down **5.5%**) only listed stock ended in red. The sector recorded 4,464 transactions. Total volume and value traded stood at 45.2mn and KWD11.9mn, respectively.

### Market Composition

#### Monthly Sector Index Returns (%)



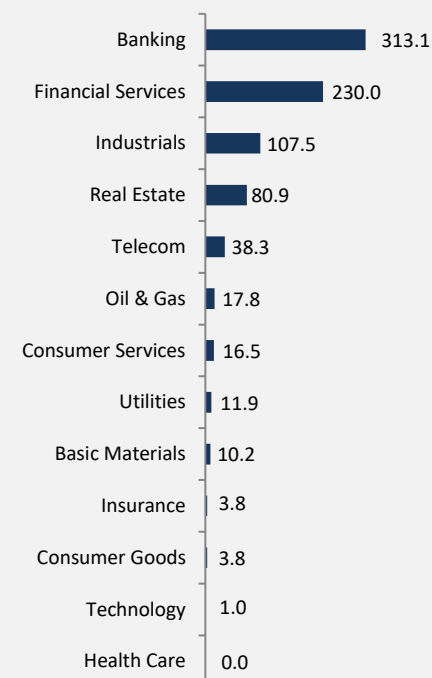
#### Monthly Volume Traded (million)



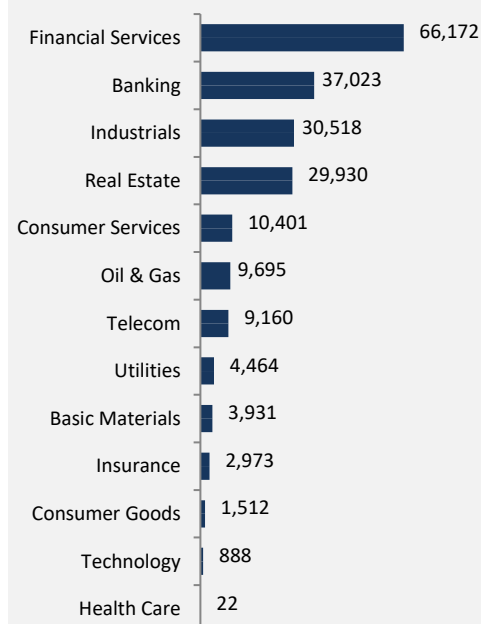
- Industrials:** The sector closed **5.0%** lower at 888.3 points during the month. United Projects Co. (down **15.0%**) was the top loser, followed by Agility Public Warehousing Company (down **12.4%**), while National Shooting Company (K.P.S.C) (up 24.5%) was the top gainer. Total volume, turnover, and deals made stood at 404.1mn shares, KWD107.5mn and 30,518, respectively.
- Insurance:** The sector closed **14.5%** lower at 1,188.2 points during the month. Kuwait Reinsurance Co. (down **29.9%**) was the top decliner, followed by Gulf Insurance Group (down **24.5%**), while Warba Insurance Company (K.S.C.P) (up 20.0%) was the top gainer. Total volume, turnover, and deals made stood at 49.2mn shares, KWD3.8mn and 2,973, respectively.
- Oil & Gas:** The sector closed 0.3% higher at 1,242.3 points. Senergy Holding Company (up 13.9%) was the top gainer, followed Burgan Co. For Well Drilling Trading & Maint (up 12.2%), while Gulf Petroleum Investment (down **8.5%**) was the top decliner. Total volume, turnover, and number of transactions stood at 235.6mn shares, KWD17.8mn, and 9,695, respectively.
- Real Estate:** The sector closed **1.1%** lower at 996.5 points during the month. Sanam Real Estate Co. (down **17.6%**) was the top decliner, followed by The Commercial Real Estate Co. (down **13.6%**), while Kuwait Business Town Real Estate Co. (up 37.7%) was the top gainer. Total volume, turnover, and deals made stood at 1,039.3mn shares, KWD80.9mn and 29,930, respectively.
- Technology:** The sector closed at 632.2 points, up 20.5% from the previous month. Automated Systems Company (up 20.5%) was the only gainer. The sector recorded 888 transactions during the month. Total volume and value traded stood at 11.7mn and KWD1.0mn, respectively.
- Telecom:** The sector closed **2.5%** lower at 1,147.2 points. National Mobile Telecommunications Co. (down **5.0%**) was the top decliner, followed by Kuwait Telecommunications Co. (down **3.8%**). Total turnover of KWD38.3mn was generated by 187.7mn shares traded through 9,160 transactions.

### Market Composition

#### Monthly Value Traded (KWD mn)



#### Number of Deals

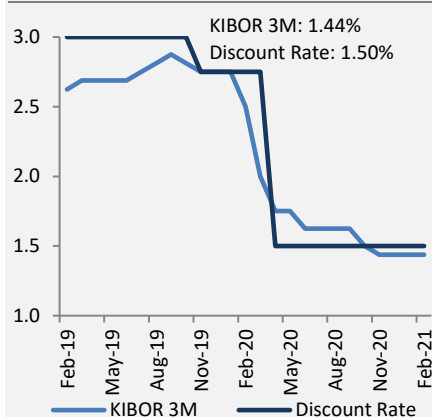


### Kuwait – Economy and Industry News

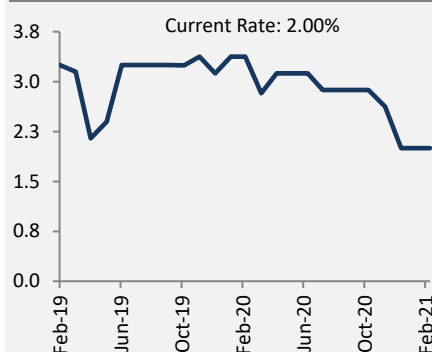
- Kuwait's All Share Index closed **2.3%** lower at 5,649.1 points in February 2021. Total traded volume slightly decreased **0.1%** MoM to 6.0bn; the number of deals fell **4.4%** MoM to 206,689 and total value traded decreased **1.2%** MoM to KWD834.8mn.
- Kuwait's government submitted a draft law to the parliament requesting permission to withdraw KWD5.0bn (USD16.5bn) annually from the sovereign wealth fund to finance a rising deficit.
- Finance Minister Khalifa Hamada said the government expects a cumulative budget deficit of KWD55.4bn (USD183.0bn) in the five fiscal years ending March 31, 2025.
- As per the latest data released by the Central Statistical Bureau (CSB), Kuwait's annual inflation increased by 3.0% YoY in January 2021. Prices of food and beverages increased the most at 9.8% YoY. Conversely, prices in the education sector decreased by **15.5%** YoY.
- According to the latest data from the Central Bank of Kuwait (CBK), the official reserves increased 21.1% YoY to KWD14.7bn during December 2020, compared with KWD12.1bn in December 2019.
- Kuwait's monetary gold position remained unchanged at KWD31.7mn in December 2020, the IMF reserve position increased sharply by 32.3% YoY to KWD219.2mn from KWD165.7mn in December 2019, while special drawing rights inched up 0.1% YoY to KWD564.5mn.
- CBK's total assets increased 20.3% YoY from KWD11.6bn in December 2019 to KWD14.0bn in December 2020.
- The National Bank of Kuwait (NBK) expects credit growth of 4% to 5% in 2021 on account of rebound in economic growth and higher government spending. The bank also estimated annual average inflation rate to be at 1.5% in 2021.
- According to the latest data from the Central Bank of Kuwait (CBK), Kuwait's total employment registered **4.2%** YoY decline in 2020, largest decline in the last 30 years. The decline was due to a moderation in hiring activity among Kuwaiti nationals and a sharp fall in expat jobs. The country has reported 4.9% YoY growth in 2019.

### Monetary Indicators

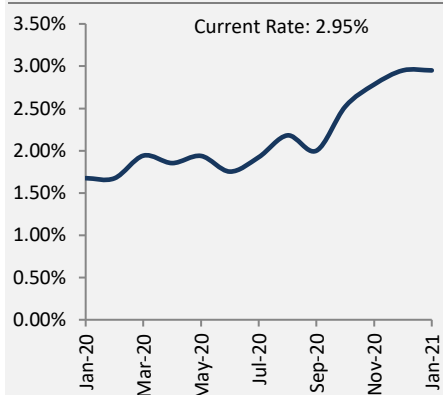
#### Interest Rate (%)



#### Deposit Rate (%)



#### Inflation Rate



Source: Bloomberg

## GCC Markets Performance

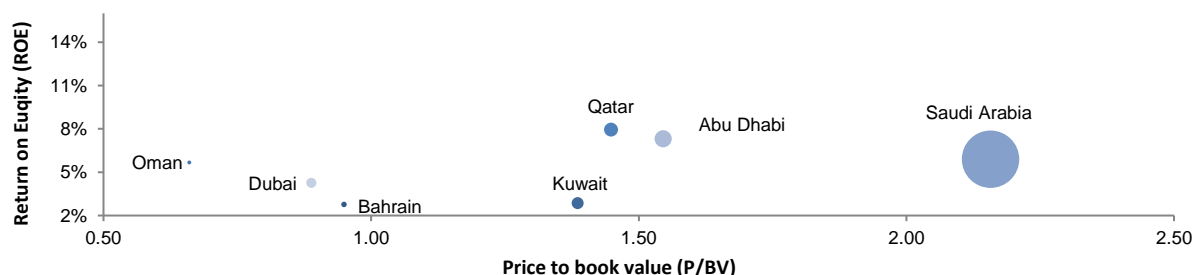
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,466.43	0.26	(1.57)	14.20	4.58
Kuwait (KSE)	5,649.16	(2.26)	1.86	50.10	3.44
Oman (MSM)	3,612.38	(1.12)	(1.27)	11.26	7.55
Qatar (DSM)	10,145.99	(3.13)	(2.78)	18.66	3.66
Saudi Arabia (TASI)	9,144.99	5.08	5.24	36.18	2.31
UAE (ADX)	5,663.62	1.25	12.26	22.70	4.32
UAE (DFM)	2,551.54	(3.86)	2.39	20.87	3.81

Of the seven GCC indices, three ended in positive territory and four of them closed lower, during the month of February. Saudi Arabia's TASI index (up 5.1%) was the top gainer. Conversely, UAE's DFM (down 3.9%) was the top loser.

- Bahrain's BAX closed 0.3% higher at 1,466.4 points. Among sectors, Insurance (up 4.5%) and Industrial (up 3.4%) were the top gainer. Among stocks, APM Terminals Bahrain B.S.C (up 12.5%) increased the most, followed by Bahrain Kuwait Insurance Co (up 10.0%), while Ithmaar Holding B.S.C. (down 16.9%) was the top decliner.
- Kuwait's All Share Index closed 2.3% lower at 5,649.2 points. Among sectors, Insurance (down 14.5%) led the decliners. On the contrary, Technology (up 20.5%) increased the most. Among stocks Kuwait Reinsurance Co. (down 29.9%) was the top loser, followed by Gulf Insurance Group (down 24.5%), while Kuwait Business Town Real Estate Co. (up 37.7%) was the top gainer.
- Oman's MSM lost 1.1% to close at 3,612.4 points. Among sectors, Services (down 2.8%) was the top loser. Among stocks, Sohar International Bank (down 10.1%) was declined the most, followed by Al Sharqia Investment (down 8.2%), while Ominvest (up 5.0%) was the biggest gainer.
- Qatar's DSM declined 3.1% to close at 10,146.0 points. Among sectors, Telecoms (down 5.7%) declined the most, followed by Real Estate (down 4.7%). Among stocks, Qatari Investors Group (down 8.8%) was the top loser, followed by Baladna Company (down 8.7%), while Doha Insurance (up 28.7%) increased the most.
- Saudi Arabia's TASI rose 5.1% to close at 9,145.0 points. Among sectors, Diversified Financials (up 27.6%) was the top gainer, followed by Software & Services (up 23.0%), while Utilities (down 3.5%) declined the most. Among stocks, Etihad Atheeb Telecommunication (up 182.6%) led the gainers, followed by Al Jouf Agricultural Development Co (up 106.5%). Allied Cooperative Insurance Group (down 15.7%) declined the most.
- The ADX ended 1.3% higher at 5,663.6 points. Among sectors, Consumer Staples (up 26.3%) lifted the index, followed by Services (up 6.8%). Among stocks, Al Dhafra Insurance Co. (up 29.9%) was the top gainer, followed by AGTHIA Group (up 28.9%), while Al Wathba National Insurance Co. (down 30.0%) declined the most. The DFM ended 3.9% lower at 2,551.5 points. Among sectors, Investment & Financial Services (down 9.6%) was the top decliner, followed by Transportation (down 5.5%). Among stocks, Al Sagr National Insurance Company (down 37.7%) led the decliners, followed by Dubai Financial Market (down 13.1%), while Dubai Insurance Co, PSC (up 78.6%) increased 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 of Statistics (GASTAT), Saudi Arabia's annual consumer price inflation rose to 5.7% YoY in January 2021. The increase in inflation was mainly attributed to the 12.3% rise in prices of food and beverages, followed by a 9.6% increase in prices of transportation.
- Saudi Arabia's non-oil exports fell 7.7% YoY to SAR 18.43bn in December 2020, according to the latest data released by GASTAT.
- Saudi Arabia's inflation rate is expected to rise in Q1 2021 versus Q1 2020, according to the latest quarterly report released by the Saudi central bank (SAMA).
- As per the latest data released by GASTAT, Saudi Arabia's oil exports in December 2020 dropped by 30.0% compared with the previous year.
- Saudi Arabia's trade exchange with the UAE, Bahrain, Kuwait, and Oman fell by 6.1% in 2020 compared with the previous year. The Kingdom's trade exchange with the four GCC states stood at SAR98.1bn, as per the latest data released by GASTAT.

#### UAE

- According to the Federal Competitiveness and Statistics Authority, the UAE's consumer price index fell 2.1% YoY in December 2020, compared to a 2.4% YoY decline in November.
- The Governor of the Central Bank UAE, Abdulhamid M. Saeed Alahmadi, forecasted a strong rebound in GDP growth for 2021.
- As per the Abu Dhabi media office, the total value of Abu Dhabi's non-oil trade with Kuwait reached AED 51.3bn over the past five years.

#### Qatar

- Qatar's foreign merchandise trade balance exceeded QAR24.7bn in Q4 2020, but down from QAR38.4bn seen in Q4 2019, decreasing 35.7% YoY.
- Qatar's imports amounted to QAR49.1bn, decreasing 25.4% YoY.

#### Bahrain

- As per the Information & eGovernment Authority, Bahrain's inflation rate fell 2.7% YoY in January 2021 compared with the 1.6% YoY decline in December 2020. Prices in the recreation and culture sector decreased the most at 34.1% YoY.

#### Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation rate fell by 1.6% YoY in January 2021, ascribed to the 6.9% YoY decline in prices in the transportation sector.
- Oman's producer price index (PPI)-based inflation dropped by 22.9% in Q4 2020 compared with Q4 2019 due to the fall in oil and gas prices, as per the latest data from the NCSI.

### GCC Corporate Developments

#### Saudi Arabia

- **Tihama Advertising** and Public Relations Co. signed an agreement to acquire an additional 35.0% stake in its subsidiary, Integrated Production Company for Audiovisual Media Production, for a total consideration of SAR7.25mn.
- **Al Moammar Information Systems Co (MIS)** will enter into an investment agreement as a founding shareholder with a consortium of several commercial entities to establish a Sharia-compliant digital bank in the Kingdom. MIS will contribute SAR25mn to the bank's capital.
- **BinDawood Holding Co.** announced that Arab Dalla Co. filed a lawsuit against one of its subsidiaries, Danube Co. for Foodstuffs & Commodities, for patent infringement and asked for a compensation of SAR124.1mn and legal fee of SAR0.3mn.
- **Dr Sulaiman Al Habib Medical Group** signed a SAR 71mn deal with MASAH Construction Co. for conducting structural works of a new hospital operated by its subsidiary, Gharb Al-Takhassusi Hospital.
- Riyadh-based **Public Investment Fund (PIF)** acquired more than USD3.0bn worth of shares of three US video-game makers during Q4 2020.

#### UAE

- **Dubal Holding**, a subsidiary of Investment Corporation of Dubai, acquired 60% stake in Dubai Industrial City-based OSE Industries, an aluminum extrusion company.
- As per the company's press release, the Board of **Agthia Group** has accepted to acquire a majority stake in Nabil Foods, a producer of frozen and chilled processed protein products in Jordan.
- One of the affiliates of **Investcorp** acquired the majority stake in KSM Consulting, a US data analytics, technology, and digital transformation company, from Renovus Capital Partners.

#### Bahrain

- A consortium of Prism Group and Abu Dhabi's Royal Strategic Partners is holding discussions over a possible merger with Bahrain's **BFC Group Holdings** to establish a regional fintech with the license to operate in over 30 countries.

#### Kuwait

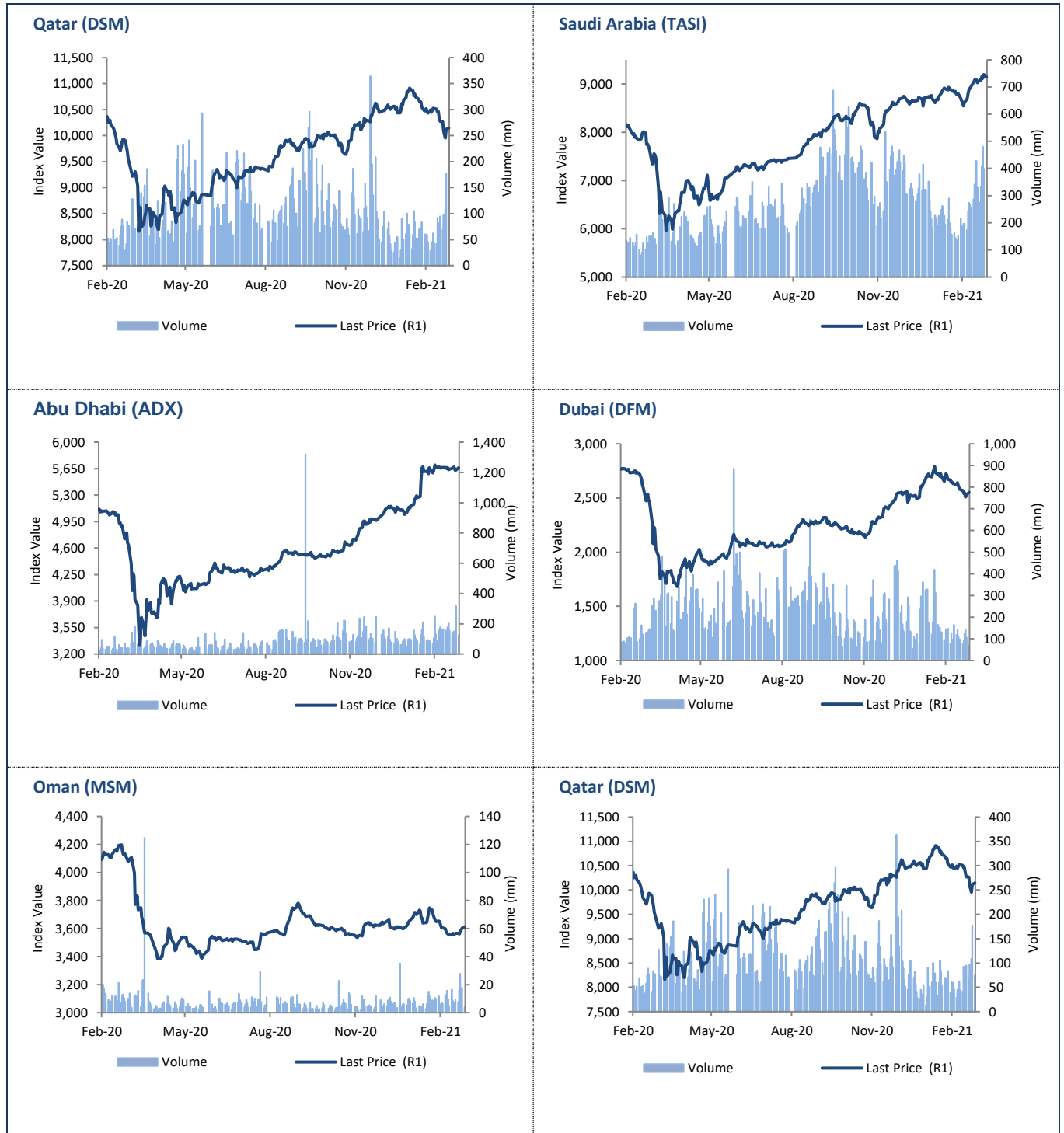
- Elsewedy Electric Transmission and Distribution, a subsidiary of Elsewedy Electric Co, signed a new contract with **Kuwait's Ministry of Electricity and Water**. The deal includes the supply and installation of 400-kV overhead transmission lines for Boubyan's main substation.

#### Qatar

- Moody's affirmed the long-term issuer rating of National Mobile Telecommunications Company (Ooredoo) at 'A2', with stable outlook. The rating reflects Ooredoo's strong performance in 2020 despite the economic impact of the COVID-19 pandemic.



### GCC Benchmark Indices– Market Movement



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