

ABK CAPITAL
KUWAIT
MARKET
MONTHLY
REPORT

2023



Kuwait Market Monthly Report

April 2023

Market Performance

Kuwait's All Share Index closed 1.3% MoM higher at 7,142.5 points in April 2023. The total volume traded fell **16.6%** MoM to 2.1BLN, the number of deals decreased **16.5%** MoM to 150,621, and the total value traded declined **27.6%** MoM to KWD 0.6BLN. The rise in the market was mainly due to the financial services and real estate sectors.

The International Monetary Fund (IMF) stated that the US gross domestic product (GDP) is expected to grow 1.6% and 1.1% in FY23 and FY24, respectively. As per the advance estimate, US GDP is likely to grow at 1.1% YoY in 1Q 2023 compared with 2.6% YoY in 4Q 2022. Personal income went up 0.3% MoM in March 2023, same as in February 2023. The increase was primarily attributed to growth in compensation, mainly from wages and salaries.

IMF projections on Euro Area's GDP is expected to grow 0.8% and 1.4% in FY23 and FY24, respectively. The Euro Area's international trade surplus was EUR 4.6BLN in February 2023 as opposed to the deficit of **EUR 9.4BLN** in February 2022. The Euro Area exported goods worth EUR 232.7BLN to the rest of the world, up 7.6% YoY from February 2022, while imports increased to EUR 228.1 BLN, up 1.1% YoY. According to IMF projection, the UK's GDP is expected to decrease **0.3%** in FY23 and increase 1.0% in FY24. CPI rose 10.1% YoY in March 2023, down from 10.4% in February 2023. CPI including owner occupiers' housing costs (CPIH) went up 8.9% YoY in February 2023 as against the 9.2% YoY rise in January 2023.

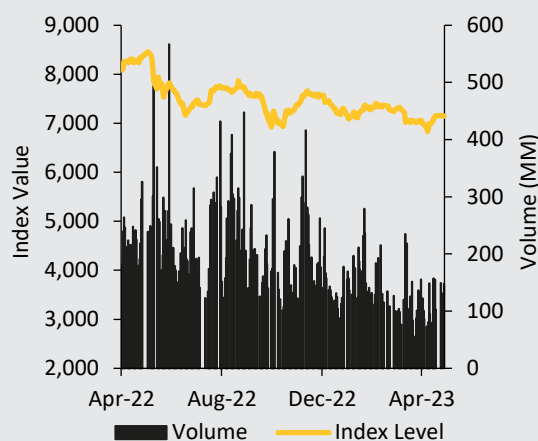
IMF expects China's GDP to grow 5.2% and 4.5% in FY23 and FY24, respectively. The country's annual inflation rate came in at 0.7% in March 2023 compared with the market consensus of 1.0% YoY, the weakest reading reported since September 2021. Consumer prices also fell **0.3%** MoM for the second straight month.

According to IMF projection, GDP of Japan is likely to grow 1.3% and 1.0% in FY23 and FY24, respectively. The annual inflation rate inched down to 3.2% in March 2023 from 3.3% in February 2023. The decline was attributed to the low rise in the cost of transport and a drop in the prices of fuel, electricity, and water. Consumer prices edged up 0.3% MoM in March 2023 from the **0.6%** MoM fall in February 2023.

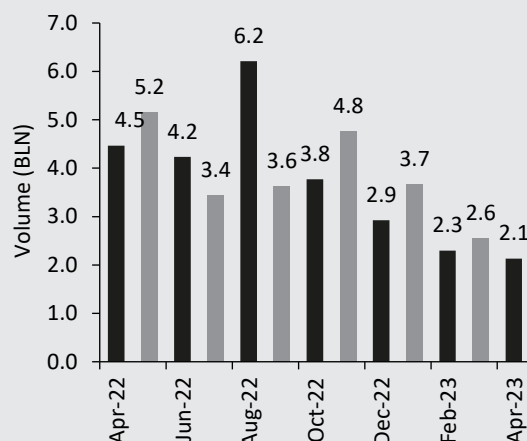
Kuwait Market Summary	April, 2023	March, 2023	Change (%)
Open	7,049.99	7,256.33	(2.8)
High	7,185.39	7,346.18	(2.2)
Low	6,827.17	6,984.07	(2.2)
Close	7,142.45	7,050.76	1.3
Volume traded (MM)	2,128.37	2,552.07	(16.6)
Value Traded (KWD MM)	642.89	887.99	(27.6)
No. of deals	150,621	180,431	(16.5)
No. of advances	84	32	162.5
No. of declines	52	107	(51.4)
No. of unchanged	15	14	7.1

Kuwait Index Performance

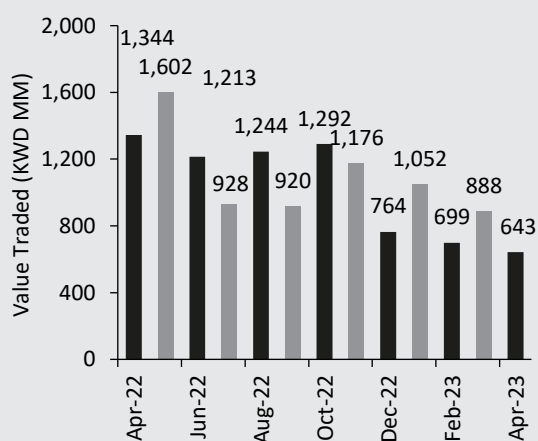
Benchmark Index and Volume Trade



Monthly Volume Traded (BLN)



Monthly Value Traded



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Top Gainers and Losers

The market breadth was broadly positive; 84 stocks firmed up and 52 declined, while 15 remained unchanged.

Top Five Gainers

Particulars	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
First Investment Company	42.00	35.05	(33.23)	18.73	22.49	NA	17.97	NA	0.75
Sultan Center Food Products Co.	116.00	30.34	6.42	32.41	7.32	0.10	5.43	11.71	0.63
Munshaat Real Estate Projects Co	65.00	28.97	6.56	20.93	0.85	0.27	30.68	17.32	1.99
Jiyad Holding Company	20.50	28.93	(11.64)	3.77	156.10	0.09	9.92	1.76	0.20
Credit Rating & Collection	21.00	26.51	(3.67)	3.46	0.95	2.04	32.60	42.86	0.68

Top Five Losers

Particulars	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
Equipment Holding Co.	35.90	(22.29)	(21.96)	2.87	0.09	NA	17.50	NA	0.63
Kuwait Emirates Holding Company K.S.C.P	31.00	(18.42)	(18.42)	5.46	0.60	5.13	8.32	158.97	0.26
KFIC Invest (K.S.C.P)	61.00	(11.59)	(6.01)	18.84	0.72	0.70	7.53	42.63	0.46
Senergy Holding Company (K.S.C.P)	29.50	(10.61)	(34.30)	5.89	0.90	NA	NA	NA	NA
Kuwait Finance House	741.00	(10.29)	(9.96)	10846.87	275.14	0.03	3.09	22.11	2.29

Top Five by Volume

Particulars	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
Kuwait Finance House	741.00	(10.29)	(9.96)	10846.87	275.14	0.03	3.09	22.11	2.29
Kuwait Projects Company (Holding)	132.00	7.32	17.86	660.33	192.76	0.17	7.70	22.84	1.02
Jiyad Holding Company	20.50	28.93	(11.64)	3.77	156.10	0.09	9.92	1.76	0.20
Agility Public Warehousing Company	616.00	(0.81)	(14.44)	1572.24	94.42	0.04	1.59	22.99	0.98
GFH Financial Group (B.S.C)	77.30	0.65	1.71	269.89	86.74	0.12	11.44	9.51	0.88

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

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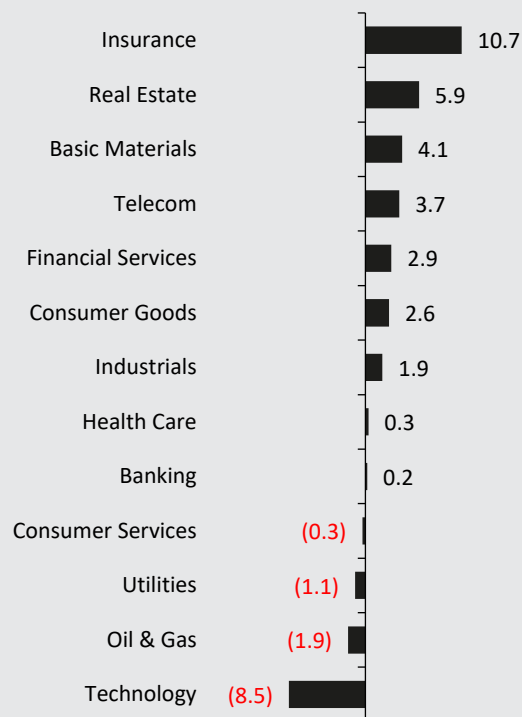
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Performance by Sector

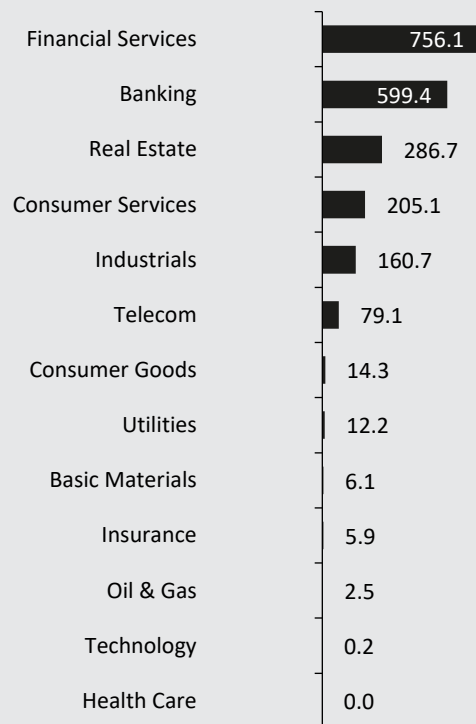
- Banks:** The sector closed 0.2% higher at 1,756.3 points during the month. Boubyan Bank (up 2.8%) rose the most, followed by Commercial Bank of Kuwait (up 0.4%) while Kuwait Finance House (down 10.3%) was the top Loser. The sector recorded 57,296 transactions. Total volume and value traded stood at 599.4MM and KWD 361.5MM, respectively.
- Basic Materials:** The sector closed 4.1% higher at 892.0 points during the month. Kuwait Foundry Co. (up 9.0%) rose the most, followed by Boubyan Petrochemical Co. (up 4.2%), whereas Alkout Industrial Projects Co. ended flat. The sector recorded 2,005 transactions. Total volume and value traded stood at 6.1MM and KWD 4.2MM, respectively.
- Consumer Goods:** The sector closed 2.6% higher at 456.9 points during the month. Mezzan Holding Co (up 3.3%) rose the most, while Livestock Transport & Trading Com. (down 1.0%) was the top Loser. The sector recorded 714 transactions. Total volume and value traded stood at 14.3MM and KWD 5.3MM, respectively.
- Consumer Services:** The sector closed 0.3% lower at 1,457.3 points during the month. Future Kid Entertainment & Real Estate (down 5.7%) declined the most, followed by Ali Alghanim Sons Automotive Company K.S.C (down 4.1%) while Sultan Center Food Products Co. (up 30.3%) was the top gainer. The sector recorded 10,455 transactions. Total volume and value traded stood at 205.1MM and KWD 15.9MM, respectively.
- Financial Services:** The sector closed 2.9% higher at 1,230.4 points during the month. First Investment Company (up 35.0%) rose the most, followed by Credit Rating & Collection (up 26.5%) while Kuwait Emirates Holding Company K.S.C.P (down 18.4%) was the top Loser. The sector recorded 31,188 transactions. Total volume and value traded stood at 756.1MM and KWD 89.6MM, respectively.
- Healthcare:** The sector closed 0.3% higher at 457.0 points during the month. Advanced Technology Company (up 1.1%) rose the most, whereas Al-Maidan Clinic for Oral Health Services Co. and Yiaco Medical Co. ended flat. The sector recorded 6 transactions. Total volume and value traded stood at 16,500 and KWD 7,809, respectively.
- Industrials:** The sector closed 1.9% higher at 1,005.5 points during the month. Gulf Cables and Electrical Industries Group Co. (K.S.C.P) (up 16.0%) rose the most, followed by National Industries Company (up 10.3%) while Equipment Holding Co. (down 22.3%) was the top Loser. The sector recorded 20,003 transactions. Total volume and value traded stood at 160.7MM and KWD 86.0MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



Monthly Volume Traded (MM)



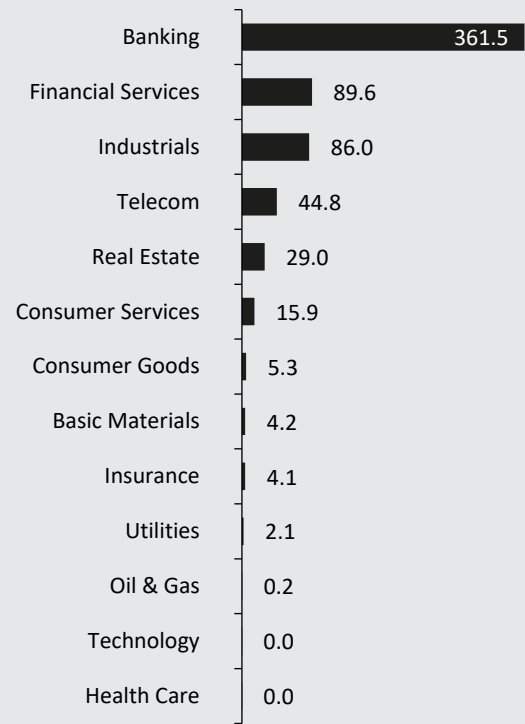
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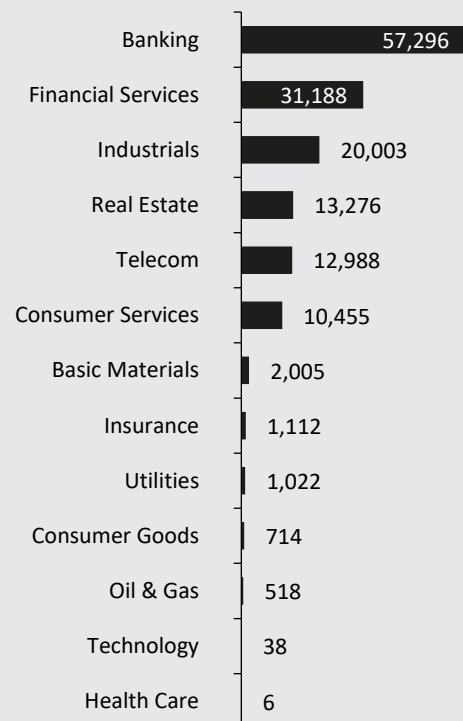
- Utilities:** The sector closed **1.1%** lower at 460.5 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P, being the only company in the sector, decreased **1.1%**. The sector recorded 1,022 transactions. Total volume and value traded stood at 12.2MM and KWD 2.1MM, respectively.
- Insurance:** The sector closed 10.7% higher at 2,113.7 points during the month. Gulf Insurance Group (up 22.3%) rose the most, whereas Bahrain Kuwait Insurance Co. (B.S.C) ended flat while First Takaful Insurance Company (down **4.8%**) was the top Loser. The sector recorded 1,112 transactions. Total volume and value traded stood at 5.9MM and KWD 4.1MM, respectively.
- Oil & Gas:** The sector closed **1.9%** lower at 978.8 points during the month. Senergy Holding Company (K.S.C.P.) (down **10.6%**) declined the most, followed by Independent Petroleum Group (down **5.1%**) while The Energy House Co (up 22.9%) was the top gainer. The sector recorded 518 transactions. Total volume and value traded stood at 2.5MM and KWD 0.2MM, respectively.
- Real Estate:** The sector closed 5.9% higher at 1,144.3 points during the month. Munshaat Real Estate Projects Co (up 29.0%) rose the most, followed by Kuwait Real Estate Holding Co. (up 26.4%) while Al Masaken International Real Estate Development. Co. (down **8.2%**) was the top Loser. The sector recorded 13,276 transactions. Total volume and value traded stood at 286.7MM and KWD 29.0MM, respectively.
- Technology:** The sector closed **8.5%** lower at 582.0 points during the month. Automated Systems Company, being the only company in the sector, decreased **8.5%**. The sector recorded 38 transactions. Total volume and value traded stood at 0.2MM and KWD 15443.0, respectively.
- Telecom:** The sector closed 3.7% higher at 1,174.7 points during the month. National Mobile Telecommunications Co. (up 9.9%) rose the most, followed by Hayat Communications Company (up 4.8%) while Kuwait Telecommunications Co. (down **3.3%**) was the top Loser. The sector recorded 12,988 transactions. Total volume and value traded stood at 79.1MM and KWD 44.8MM, respectively.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals



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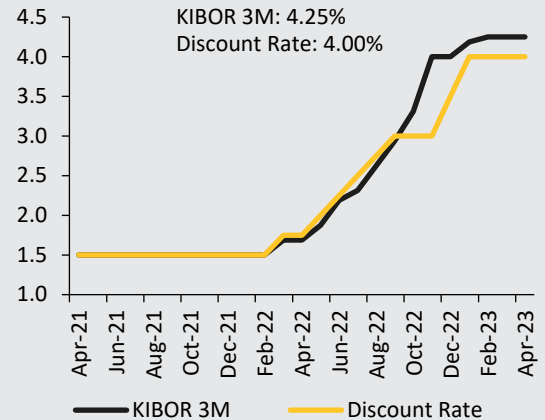
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Kuwait – Economy and Industry News

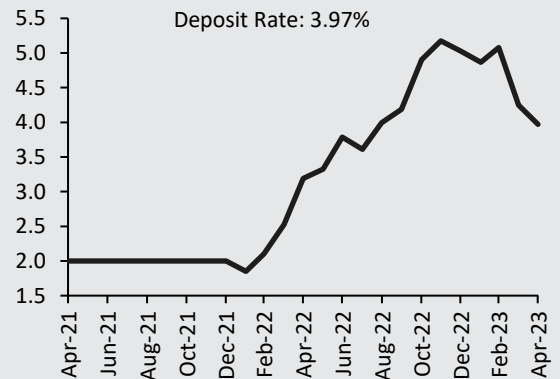
- ◆ In its latest projection, the International Monetary Fund (IMF) stated that Kuwait's gross domestic product (GDP) is expected to grow 0.9% and 2.7% in FY23 and FY24, respectively.
- ◆ Whereas IMF projected Kuwait's inflation growth forecast at 3.3% and 2.6% in FY23 and FY24, respectively.
- ◆ The Central Bank of Kuwait (CBK) reported that broad money supply (M2) increased to KWD 39.12BLN in February 2023 from KWD 39.04BLN in January 2023.
- ◆ Kuwait's annual inflation rate rose to 3.70% in March 2023 from 3.22% in February 2023, marking its highest point since August 2022. On monthly basis, consumer prices were up 0.70% in March 2023, after increasing 0.20% in the previous month.
- ◆ Kuwait saw significant rise in oil production in FY22 compared to FY21. In FY22, Kuwait was ranked ninth among the world's largest oil producers, having an average production of 2.7MM barrels per day.
- ◆ Kuwait's crude oil exports to Japan in March 2023 surged for the fourth straight month to reach 6.55MM barrels, up 4.4% YoY, as per the Japanese Natural Resource and Energy Agency.
- ◆ In March 2023, Kuwait was Japan's third largest oil provider, supplying 8.4% of the country's total crude imports, compared to 7.1% in March 2022.

Monetary Indicators

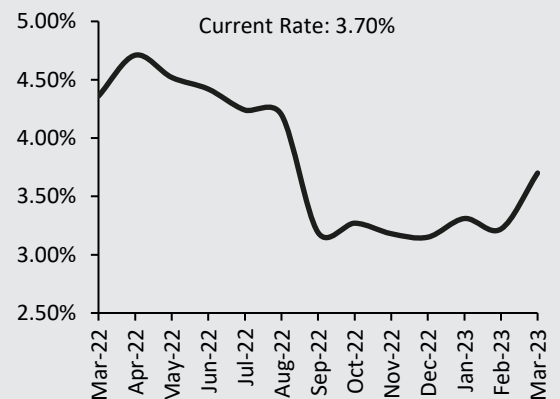
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till March 2023

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Kuwait Corporate Developments

- ◆ Heavy Engineering Industries and Shipbuilding Company achieved the lowest bid for mechanical maintenance services tender at the MAB Refinery for Kuwait National Petroleum; the tender amount was KWD 91.8MM.
- ◆ Fairfax Financial plans to acquire additional 46.3% interest in Gulf Insurance Group (GIG) from KIPCO; post transaction, its ownership in GIG would rise to 90.0%. The deal is valued at USD 860.0MM.
- ◆ East Stone Acquisition Corporation signed a Memorandum of Understanding with Al Kalid Auto LLC for delivery of over 1000 Rabdan one vehicles over the next two years.
- ◆ Boubyan Petrochemical Company declared it is not accepting the offer to purchase the entire stake of Sama Educational Company.
- ◆ Kuwait Investment Company redeemed its whole stake in a diversified fund in Guernsey, UK.
- ◆ National Investments signed the market maker agreement with Kuwait Investment Company.
- ◆ Combined Group Contracting Company signed a KWD 23.5MM contract with Kuwait Oil Company, where the implementation period would be five years. The project entails pipeline and related works in Umm Nigga and South Alritqa.
- ◆ Kuwait International Bank received Central Bank of Kuwait (CBK)'s approval for the rights issue of 428.6MM shares at a nominal value of 100 fils per share, where the issue premium will be 40 fils per share to be added to the nominal value.
- ◆ Al Mazaya Holding's board approved the sale of all shares in their subsidiary Mazaya Ritim Istanbul Company for 310.0MM Turkish Liras.
- ◆ Bursa Kuwait Securities signed a market maker agreement with Tharwa Investment Company.
- ◆ Agility entered into multi-year funded equity collar agreements with Morgan Stanley Bank, Citi Bank, National Association and Goldman Sachs Bank Europe. These contracts will allow the company to drawdown up to EUR 1.0BLN.
- ◆ Gulf Insurance Group signed an agreement to acquire AIG MEA Holdings' 95.0% stake in AIG Egypt Insurance. The company received the regulatory's approval to start the procedure to attain 100.0% stake in AIG Egypt Insurance.
- ◆ Kuwait Finance House (KFH) has a sukuk program worth USD 4.0BLN, that has been established and listed on the London Stock Exchange's International Securities Market.
- ◆ CBK approved KFH for the first issuance of sukuk, where the value would not exceed USD 1.0BLN.
- ◆ Bursa Kuwait cancelled Tharwa Investment Company's registration as the market maker for Kuwait Business Town real estate shares.
- ◆ Injazat Real Estate Development renewed the banking facility contract, where the banking facilities amounted KWD 46.2MM.
- ◆ Asiya Capital Investments penned a conditional merger agreement for Duet India Hotels. The agreement aims to list the new entity on the Indian Stock Exchange. The agreement and listing are expected to be completed within a 12-month period.
- ◆ Securities House's board recommended reducing capital to KWD 41.5MM from KWD 42.5MM.
- ◆ Munshaat Real Estate Projects entered into a lease agreement of approximately SAR 125.0MM, to be paid in quarterly instalments.

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