

ABK CAPITAL
KUWAIT
MARKET
MONTHLY
REPORT

2023



Kuwait Market Monthly Report

March 2023

Market Performance

Kuwait's All Share Index closed **2.7%** MoM lower at 7,050.8 points in March 2023. The total volume traded rose 11.1% MoM to 2.6BLN, the number of deals increased 18.3% MoM to 180,431, and the total value traded rose 27.0% MoM to KWD 0.9BLN. The decline in the market was mainly due to the financial services and banking sectors.

As per the third estimate released by the Bureau of Economic Analysis, real GDP growth of the US stood at 2.6% YoY in 4Q 2022 compared with 3.2% YoY in 3Q 2022. The PCE price index rose 0.2% MoM in February 2023, compared with the 2.0% MoM rise in January 2023. Personal income went up 0.3% MoM in February 2023, from 0.6% MoM growth in January 2023, primarily attributed to growth in compensation, mainly from wages and salaries.

As per Eurostat, the EU's statistical office, the Euro Area's annual inflation for March 2023 is estimated to come in at 6.9%, down from 8.5% in February 2023. The Euro Area's international trade deficit was **EUR 30.6BLN** in January 2023, compared with deficit of **EUR 30.2BLN** in January 2022. The Euro Area exported goods worth EUR 222.9BLN to the rest of the world, up 11.0% YoY compared with January 2022, while imports increased to EUR 253.5BLN, up 9.7% YoY. According to the Office for National Statistics, the Consumer Price Index (CPI) of the UK rose 10.4% in the 12 months to February 2023, up from 10.1% in January 2023. In the same period, CPI including owner occupiers' housing prices (CPIH) rose 9.2%, as against the 8.8% rise in January 2023.

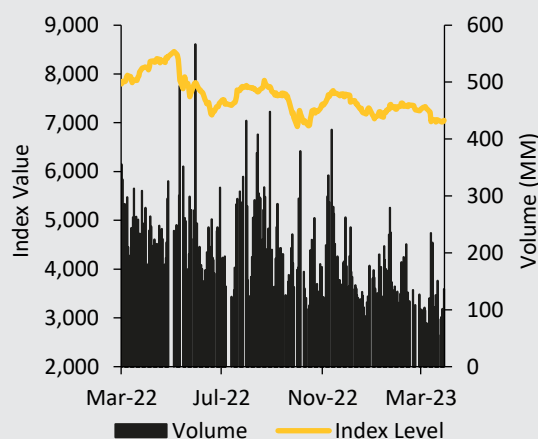
As per the National Bureau of Statistics, China's CPI decreased to 1.0% YoY in February 2023 from 2.1% YoY in January 2023, compared with market consensus of 1.9% YoY, with prices for both food and non-food lowering sharply; this was the weakest reported since February 2022. Consumer prices fell **0.5%** MoM in February 2023, compared with the 0.8% MoM rise in January 2023.

According to Japan's Ministry of Internal Affairs & Communications, CPI came in at 3.3% YoY in February 2023, as opposed to 4.3% YoY in January 2023, a 41-year high; the decline was attributed to the low rise in cost of transport and drop in prices of fuel, electricity and water. Consumer prices declined by **0.6%** MoM in February 2023, compared with the 0.4% MoM rise in January 2023.

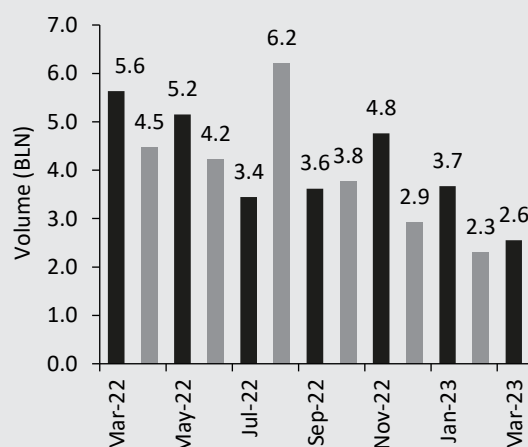
Kuwait Market Summary	March, 2023	February, 2023	Change (%)
Open	7,256.33	7,278.92	(0.3)
High	7,346.18	7,434.16	(1.2)
Low	6,984.07	7,221.54	(3.3)
Close	7,050.76	7,244.43	(2.7)
Volume traded (MM)	2,552.07	2,297.16	11.1
Value Traded (KWD MM)	887.99	699.06	27.0
No. of deals	180,431	152,526	18.3
No. of advances	32	62	(48.4)
No. of declines	107	78	37.2
No. of unchanged	14	14	-

Kuwait Index Performance

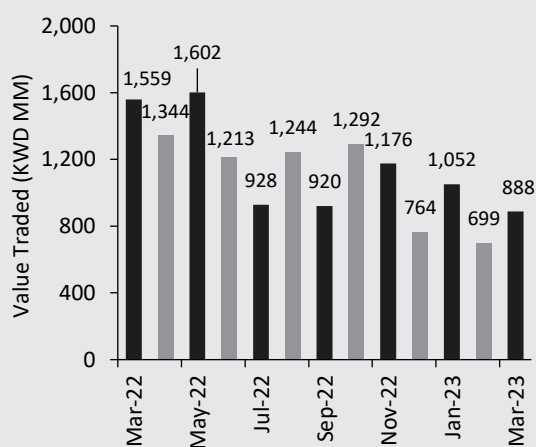
Benchmark Index and Volume Trade



Monthly Volume Traded (BLN)



Monthly Value Traded



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Top Gainers and Losers

The market breadth was broadly negative; 107 stocks declined and 32 firmed up, while 14 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)
Metal & Recycling Co.	71.00	41.43	42.28	6.40	1.01	0.14	12.09	10.11	0.86
Gulf Insurance Group	1419.00	39.80	39.80	402.64	0.87	0.01	NA	10.55	NA
Alkout Industrial Projects Co.	429.00	10.00	10.00	43.29	0.00	0.01	3.11	4.34	1.33
Kuwait Projects Company (Holding)	123.00	8.85	9.82	615.30	139.40	0.17	7.70	21.28	0.95
Kuwait Foundry Co.	310.00	8.77	5.44	22.42	2.00	0.07	NA	21.50	NA

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)
Bayan Investment Holding Co.	22.00	(46.47)	(46.47)	6.77	7.33	NA	20.85	NM	0.46
Arabi Holding Group Co.	240.00	(40.74)	(25.47)	83.02	10.70	NA	NA	NM	NA
First Investment Company	31.10	(30.89)	(50.56)	13.87	51.97	NA	NA	NM	NA
Taameer Real Estate Investment Co.	13.90	(26.46)	(33.81)	3.33	8.49	NA	NA	NM	NA
Dar Al Thuraya Real Estate Co.	146.00	(24.74)	(31.78)	21.39	NA	0.36	NA	53.09	NA

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	826.00	(3.62)	0.36	10991.92	310.25	0.03	2.74	27.81	2.26
GFH Financial Group (B.S.C)	76.80	0.92	1.05	268.14	155.85	0.12	11.43	9.44	0.88
Aayan Leasing & Investment Co.	132.00	(5.71)	(0.75)	87.65	142.89	0.07	7.28	9.83	0.96
The National Real Estate Company	123.00	8.85	9.82	615.30	139.40	0.17	7.70	21.28	0.95
Kuwait International Bank	643.00	(15.95)	(19.42)	2403.67	118.26	0.07	4.68	45.99	3.01

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

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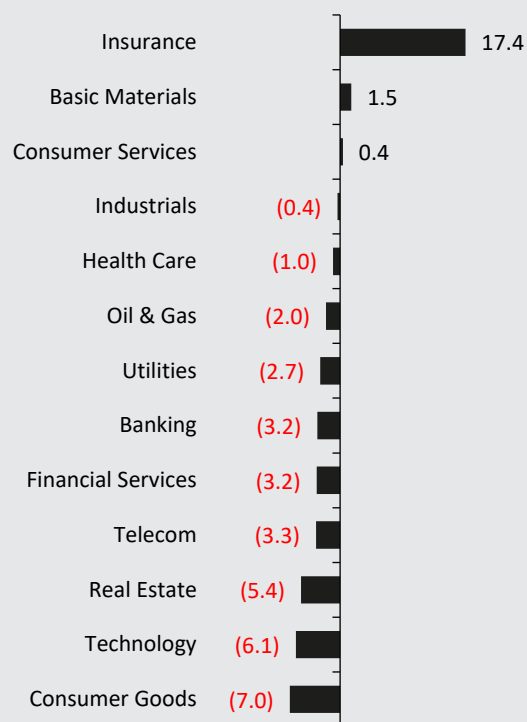
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Performance by Sector

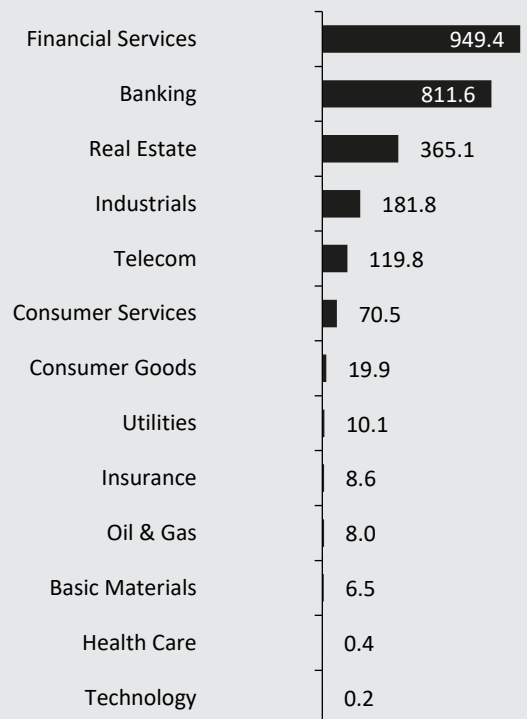
- Banks:** The sector closed **3.2%** lower at 1,752.9 points during the month. Boubyan Bank (down **15.9%**) declined the most, followed by Kuwait International Bank (down **5.1%**) while Commercial Bank of Kuwait (up **6.0%**) was the top gainer. The sector recorded 63,875 transactions. Total volume and value traded stood at 811.6MM and KWD 503.1MM, respectively.
- Basic Materials:** The sector closed **1.5%** higher at 857.2 points during the month. Alkout Industrial Projects Co. (up **10.0%**) rose the most, followed by Kuwait Foundry Co. (up **8.8%**). The sector recorded 2,073 transactions. Total volume and value traded stood at 6.5MM and KWD 4.1MM, respectively.
- Consumer Goods:** The sector closed **7.0%** lower at 445.3 points during the month. Livestock Transport & Trading Com. (down **7.4%**) declined the most, followed by Mezzan Holding Co (down **6.9%**). The sector recorded 1,197 transactions. Total volume and value traded stood at 19.9MM and KWD 7.6MM, respectively.
- Consumer Services:** The sector closed **0.4%** higher at 1,462.0 points during the month. Ali Alghanim Sons Automotive Company K.S.C (up **4.7%**) rose the most, followed by Jazeera Airways Co. (up **4.0%**) while Ifa Hotels & Resorts Co. (down **14.0%**) was the top Loser. The sector recorded 7,779 transactions. Total volume and value traded stood at 70.5MM and KWD 20.3MM, respectively.
- Financial Services:** The sector closed **3.2%** lower at 1,196.0 points during the month. Bayan Investment Holding Co. (down **46.5%**) declined the most, followed by Arabi Holding Group Co. (down **40.7%**) while Kuwait Projects Company (Holding) (up **8.8%**) was the top gainer. The sector recorded 43,096 transactions. Total volume and value traded stood at 949.4MM and KWD 112.9MM, respectively.
- Healthcare:** The sector closed **1.0%** lower at 455.5 points during the month. Advanced Technology Company (down **4.9%**) declined the most, whereas Yiacco Medical Co. ended flat, while Al-Maidan Clinic For Oral Health Services Co. (up **0.9%**) was the top gainer. The sector recorded 10 transactions. Total volume and value traded stood at 0.4MM and KWD 0.3MM, respectively.
- Industrials:** The sector closed **0.4%** lower at 986.9 points during the month. Kuwait Cement Company (down **15.9%**) declined the most, followed by Kuwait & Gulf Link Transport Co. (down **14.9%**) while Metal & Recycling Co. (up **41.4%**) was the top gainer. The sector recorded 24,668 transactions. Total volume and value traded stood at 181.8MM and KWD 113.0MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



Monthly Volume Traded (MM)



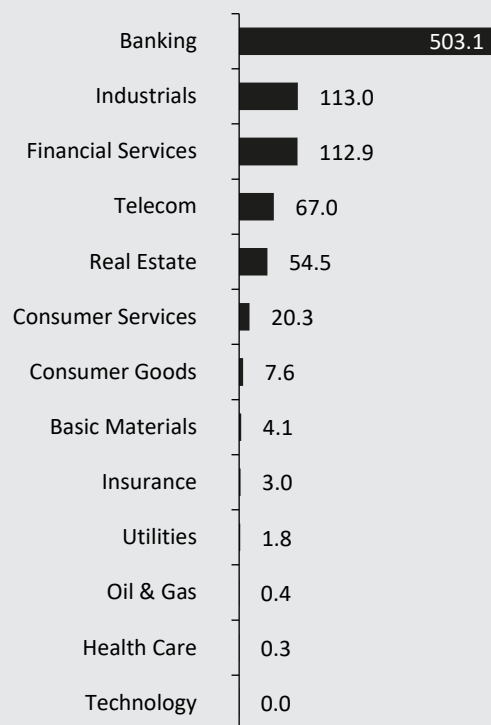
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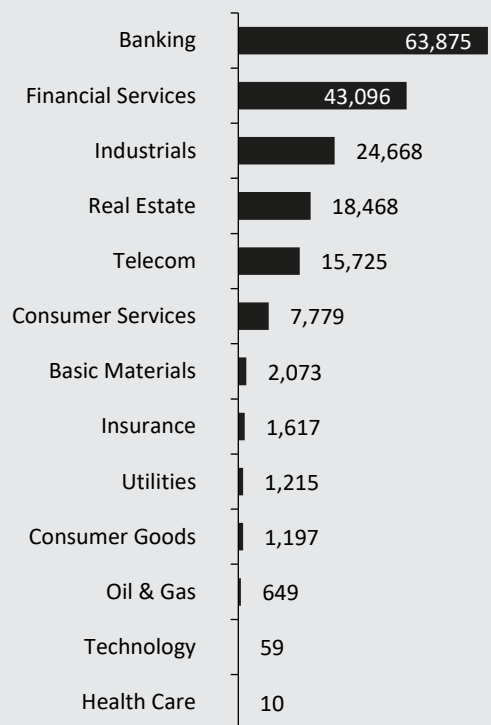
- Utilities:** The sector closed **2.7%** lower at 465.8 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P., being the only company in the sector, decreased **2.7%**. The sector recorded 1,215 transactions. Total volume and value traded stood at 10.1MM and KWD 1.8MM, respectively.
- Insurance:** The sector closed 17.4% higher at 1,910.0 points during the month. Gulf Insurance Group (up 39.8%) rose the most, followed by Al-Ahleia Insurance Company (up 3.1%) while Warba Insurance and Reinsurance Company (K.S.C.P) (down **3.7%**) was the top Loser. The sector recorded 1,617 transactions. Total volume and value traded stood at 8.6MM and KWD 3.0MM, respectively.
- Oil & Gas:** The sector closed **2.0%** lower at 997.9 points during the month. The Energy House Co (down **10.2%**) declined the most, followed by Synergy Holding Company (K.S.C.P) (down **8.3%**) while Independent Petroleum Group (up 3.4%) was the top gainer. The sector recorded 649 transactions. Total volume and value traded stood at 8.0MM and KWD 0.4MM, respectively.
- Real Estate:** The sector closed **5.4%** lower at 1,080.2 points during the month. Taameer Real Estate Investment Co. (down **26.5%**) declined the most, followed by Dar Al Thuraya Real Estate Co. (down **24.7%**) while Sanam Real Estate Co. (up 6.9%) was the top gainer. The sector recorded 18,468 transactions. Total volume and value traded stood at 365.1MM and KWD 54.5MM, respectively.
- Technology:** The sector closed **6.1%** lower at 635.8 points during the month. Automated Systems Company, being the only company in the sector, decreased **6.1%**. The sector recorded 59 transactions. Total volume and value traded stood at 0.2MM and KWD 20,510, respectively.
- Telecom:** The sector closed **3.3%** lower at 1,132.3 points during the month. National Mobile Telecommunications Co. (down **6.6%**) declined the most, followed by Hayat Communications Company (down **5.1%**), whereas Aan Digital Services Co. ended flat. The sector recorded 15,725 transactions. Total volume and value traded stood at 119.8MM and KWD 67.0MM, respectively.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals



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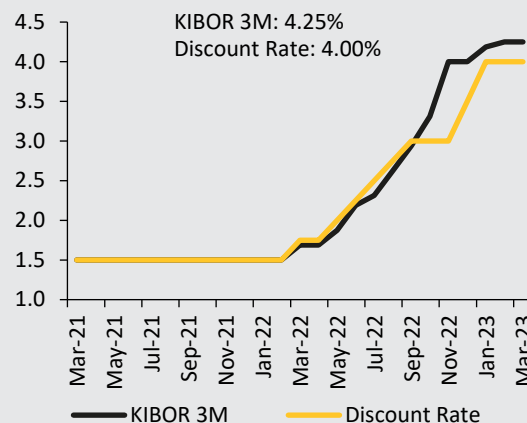
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Kuwait – Economy and Industry News

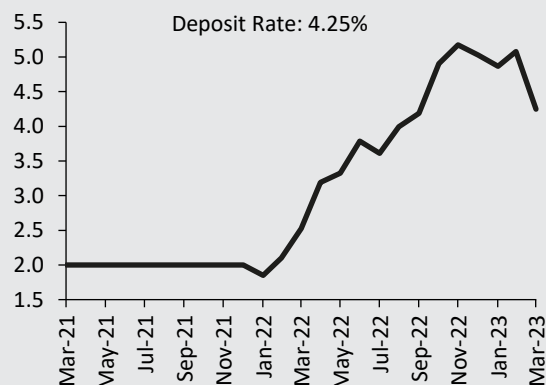
- ◆ The Central Bank of Kuwait (CBK) reported that the broad money supply (M2) increased to KWD 39.12BLN in February 2023 from KWD 39.04BLN in January 2023.
- ◆ Kuwait's annual inflation rate rose to 3.22% in February 2023 from 3.31% in January 2023, whereas consumer prices were up by 0.16% MoM in February 2023, after increasing 0.20% MoM (revised) in January.
- ◆ Sheikh Nawaf Saud Al-Sabah stated that Kuwait's production capacity of 2.8MM barrels per day (bpd) in the OPEC Plus is envisioned to increase and reach 3.0MM bpd by 2024 and 4.0MM bpd by 2035.
- ◆ Kuwait has a strategic water supply plan of producing approximately 1.0BLN imperial gallons by 2035, as per the Ministry of Electricity, Water, and Renewable Energy.
- ◆ Kuwait's trade surplus with Japan declined 41.1% YoY to JPY 53.2MM in February 2023 compared with February 2022, decreasing for the first time in the past 23 months. That said, Kuwait still stayed in black ink with Japan, as exports offset imports in the entire tenure of 15 years and 1 month.
- ◆ Kuwait's crude oil exports to Japan reached a six-month high of 8.08MM barrels in February 2023, rising 21.0% YoY as per the Japanese Natural Resource and Energy Agency.
- ◆ Kuwait banks' lending to private sector in February 2023 rose by 6.6% YoY, compared with the 7.8% YoY increase in January 2023.
- ◆ Kuwait would be implementing a voluntary cut of 128,000 bpd from May 2023 to December 2023. This cut is in accordance with production cuts issued by some OPEC and non-OPEC participating countries in the Declaration of Cooperation, as stated by the Deputy Prime Minister and Oil Minister.

Monetary Indicators

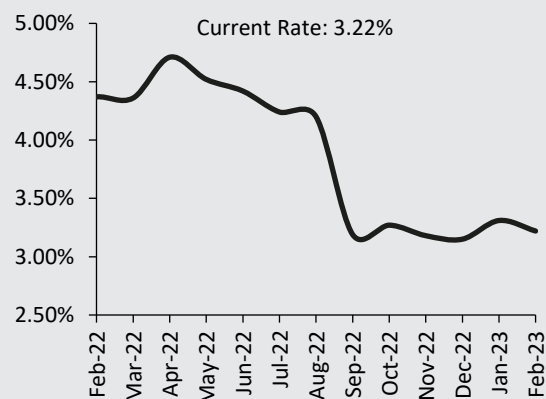
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till February 2023

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Kuwait Corporate Developments

- ◆ Kuwait Foundry announced dividend per share of 22 fils for FY22. The company's BOD recommended a capital decrease of 10.1%.
- ◆ Al Argan International Real Estate penned a contract with a regional bank to expand banking facilities by KWD 6.0MM; the funds would be utilised for financing working capital and other existing projects.
- ◆ Gulf Insurance Group announced cash dividend of 54 fils per share for FY22.
- ◆ National International Holding's BOD recommended a cash dividend of 5.0% and 1.0% bonus share from treasury shares.
- ◆ Coast Investment & Development's BOD proposed a 5.0% cash dividend for FY22.
- ◆ Gulf Cables and Electrical Industries Group announced a cash dividend of 60 fils per share for FY22.
- ◆ United Real Estate Company completed a private placement and issuance of bonds worth KWD 80.0MM.
- ◆ Specialties Group Holding's unit signed a tender worth KWD 5.8MM with the Ministry of Electricity, Water, and Renewable Energy.
- ◆ Cozmo Entertainment General Trading & Contracting will be acquired by National Consumer Holding at an acquisition value of KWD 6.7MM.
- ◆ Integrated Holdings Company announced a cash dividend of 15 fils per share for FY22.
- ◆ The final court ruling has been issued in favour of National Mobile Telecommunications Co. As per the ruling, Ooredoo Kuwait would receive around QAR 510.0MM from Communication and Information Technology Regulatory Authority.
- ◆ Al-Mazaya and First Dubai Real Estate Development signed an initial agreement, where Al-Mazaya would be the merging company and the latter would be the merged company.
- ◆ Gulf Investment House stated that the court has adjudicated Investment Dar Co's bankruptcy.
- ◆ Kuwait and Gulf Link Transport Company and its unit signed a facility agreement renewal worth KWD 14.5MM.
- ◆ Mezzan Holding announced cash dividend at 12.0% in FY22.
- ◆ Arzan Financial Group for Financing and Investment signed an agreement of KWD 16.3MM for the renewal of credit facilities.
- ◆ Gulf Petroleum Investment signed a joint venture agreement with an Iraqi company for marketing and operating rigs in Iraq for five years.
- ◆ The sale of Boubyan Petrochemical Company's unlisted investment securities will increase the company's profit by KWD 4.9MM.
- ◆ National Bank of Kuwait has an exposure in Silicon Valley Bank (SVB) amounting to USD 4.9MM in the form of letters of guarantee.
- ◆ Jazeera Airways' BOD approved the establishment of an air transportation business in Saudi Arabia.
- ◆ Dalqan Real Estate Company's BOD proposed 2 bonus shares for each 100 shares held from the treasury account.
- ◆ Boubyan Petrochemical completed the acquisition of 51.0% stake in Yellin Steel.
- ◆ Tamdeen Real Estate Company's shareholders have approved the liquidation of the company.
- ◆ Heavy Engineering and Shipbuilding Company along with a consortium led by Mitsubishi Power Limited have been awarded a tender of KWD 91.0MM from Ministry of Electricity and Water and Renewable Energy.
- ◆ Musnshaat Real Estate Projects' unit signed a SAR 154.5MM payment mechanism agreement with a Saudi contractor.

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