

### Market Performance

Kuwait's All Share Index closed 3.0% higher at 6,581.0 points in July 2021. Total traded volume declined by **47.4%** MoM to 4.3bn; the number of deals decreased by **39.5%** MoM to 178,525 and the total value traded dropped by **47.1%** MoM to KWD751.6mn. The growth in the market was mainly driven by consumer discretionary, financial services and banking sector. However, the total volume, value and deals fell significantly in July, mainly due to Eid holidays.

As per the advance estimates released by the Bureau of Economic Analysis, the US real GDP grew at an annualized rate of 6.5% QoQ in Q2 2021, driven by an increase in personal consumption expenditures (PCE), non-residential fixed investments, and state and local government spending. The 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 by 0.1% MoM in June 2021 from the revised **2.2%** MoM fall in May 2021, primarily due to the rise in compensation of employees. Real PCE jumped by 0.5% MoM in June 2021, after a **0.6%** MoM (revised) fall in May 2021. Current account deficit rose to USD71.2bn in May 2021 from USD69.1bn in April 2021. Total exports increased by 0.6% MoM to USD206.0bn in May 2021 and total imports gained by 1.3% MoM to USD277.3bn.

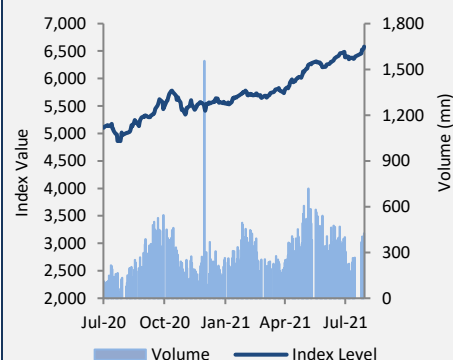
According to preliminary flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose by 2.0% QoQ in Q2 2021, after declining **0.3%** in Q1 2021. According to flash estimates, annual inflation in the Euro area is expected to grow to 2.2% YoY in July 2021 from 1.9% in June 2021. The Euro area's goods trade surplus decreased to EUR7.5bn in May 2021 compared with EUR8.9bn in May 2020. Export of goods increased 31.9% YoY, while imports rose 35.2% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK stood at 2.4% YoY in June 2021, up from 2.1% in May 2021. The transport sector was the biggest contributor to the annual inflation.

In Asia, the latest data released by the National Bureau of Statistics showed that China's Consumer Price Index (CPI) fell to 1.1% YoY in June 2021 from 1.3% YoY in May 2021, due to lower food prices. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) fell to 50.4 in July 2021 from 50.9 in June 2021. According to the Statistics Bureau of Japan, the country's CPI rose by 0.2% YoY in June 2021, after declining by **0.1%** YoY in May 2021.

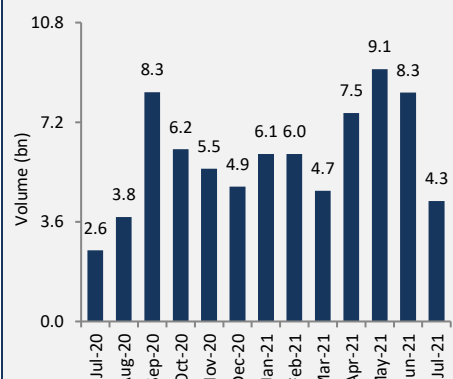
Kuwait Market Summary	July, 2021	June, 2021	Change (%)
Open	6,408.02	6,214.56	3.1
High	6,585.02	6,494.93	1.4
Low	6,331.10	6,202.15	2.1
Close	6,581.01	6,386.79	3.0
Volume traded (mn)	4,348.20	8,272.27	(47.4)
Value Traded (KWD mn)	751.63	1,421.32	(47.1)
No. of deals	178,525	295,251	(39.5)
No. of advances	82	74	10.8
No. of declines	68	78	(12.8)
No. of unchanged	15	13	15.4

### Kuwait Index Performance

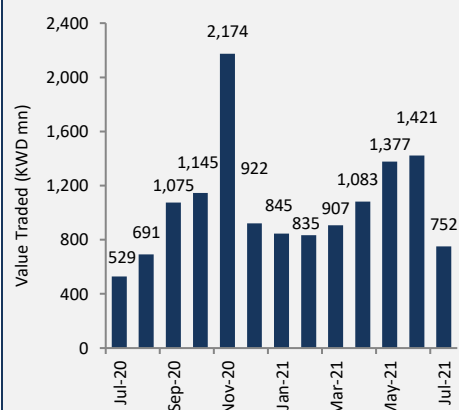
#### Benchmark Index and Volume Traded



#### Monthly Volume Traded (bn)



#### Monthly Value Traded (KWD mn)



### Top Gainers and Losers

The market breadth was mostly positive; 82 stocks firmed-up and 68 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)
Al Eid Food Co.	300.00	28.76	261.45	43.40	14.48	0.09	7.29	26.37	2.19
Dalqan Real Estate Co.	284.00	27.93	3.65	17.19	10.65	3.28	9.10	931.70	2.58
Kuwait Reinsurance Company	325.00	26.95	55.50	71.03	0.01	0.04	4.11	13.50	1.34
Boursa Kuwait Securities Company (K.P.S.C.)	1549.00	21.97	40.82	311.00	9.57	0.01	0.28	11.10	5.79
Kuwait Financial Centre	180.00	20.81	115.83	86.08	65.75	0.03	5.00	6.21	0.90

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Metal & Recycling Co.	128.00	(29.67)	141.05	11.53	0.39	(0.02)	0.09	NA	1.30
Gulf Franchising Holding Co.	42.90	(15.88)	(28.50)	1.72	0.05	0.00	0.06	NA	0.76
Al Bareeq Holding	37.80	(15.44)	(42.29)	16.53	315.02	0.00	0.05	20.68	0.90
Manazel Holding Co.	43.50	(14.54)	37.22	18.72	163.98	0.47	20.42	20.44	0.89
Mashaer Holding Company (K.S.C.Public)	63.10	(13.80)	7.68	11.12	2.32	(0.03)	0.10	NA	0.65

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
A Ayan Real Estate Co.	98.00	10.86	68.97	40.73	369.75	0.02	7.51	3.49	1.19
Al Bareeq Holding	37.80	(15.44)	(42.29)	16.53	315.02	0.00	9.62	NA	0.36
Ahli United Bank (B.S.C)	243.00	1.25	7.05	2462.68	268.11	0.08	8.42	19.72	2.05
Gfh Financial Group (B.S.C)	68.00	9.15	41.37	256.77	259.00	0.17	13.68	11.79	0.93
Al-Mazaya Holding Co.	108.00	(1.82)	88.81	67.93	234.94	(0.01)	8.73	NA	0.81

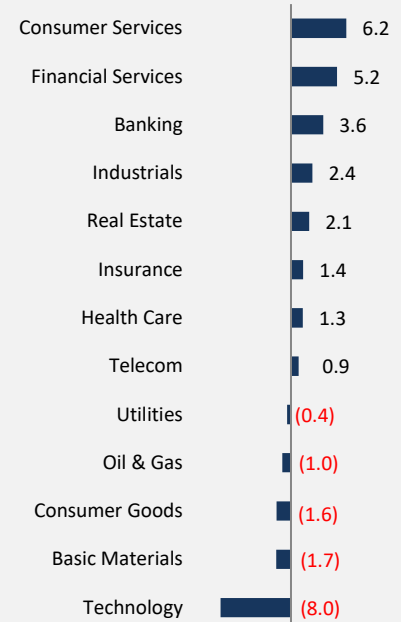
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

### Performance by Sector

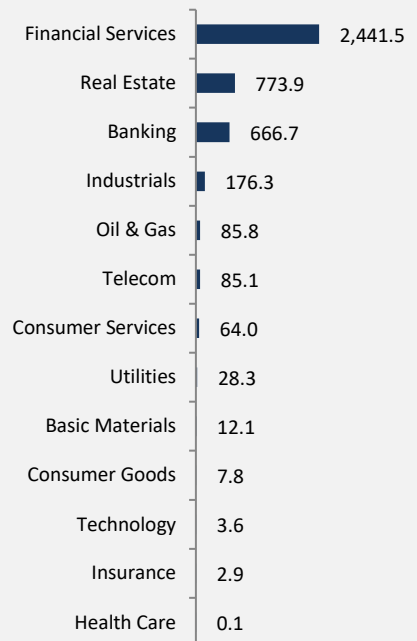
- Banks:** The sector closed 3.6% higher at 1,500.6 points during the month. Boubyan Bank (up 9.3%) was the top gainer, followed by National Bank Of Kuwait (up 5.3%), while Gulf Bank (down 5.1%) was the top decliner. Total turnover stood at 252.1mn. The volume traded and number of deals stood at 666.7mn shares and 29,933, respectively.
- Basic Materials:** The sector closed 1.7% lower at 1,077.1 points during the month. Qurain Petrochemical Industries Co. (down 2.6%), while Kuwait Foundry Co. (up 2.9%) was the top gainer. The number of shares traded, and total turnover stood at 12.1mn and KWD6.7mn, respectively, while total transactions stood at 2,671.
- Consumer Goods:** The sector declined 1.6% to end at 771.5 points during the month. Livestock Transport & Trading Com. (down 2.6%) decreased the most. Total volume, turnover, and deals made stood at 7.8mn shares, KWD4.8mn, and 1,024, respectively.
- Consumer Services:** The sector closed 6.2% higher at 1,035.4 points during the month. Among stocks, Al Eid Food Co. (up 28.8%) led the gainers, followed by Jazeera Airways Co. (up 14.7%), while Jiyad Holding Company (down 5.7%) was the top decliners. Total volume, turnover, and transactions stood at 64.0mn shares, KWD13.0mn, and 6,504, respectively.
- Financial Services:** The sector closed 5.2% higher at 1,216.8 points during the month. Boursa Kuwait Securities Company (K.P.S.C.) (up 22.0%) was the top gainer, followed by Kuwait Financial Centre (up 20.8%), while Gulf Franchising Holding Co. (down 15.9%) was the top loser. Total volume, turnover, and deals made stood at 2,441.5mn shares, KWD262.5mn and 78,740, respectively.
- Healthcare:** The sector ended 1.3% higher at 800.8 points. Advanced Technology Company (up 7.7%) was the top gainer. There were 46 deals; Quantity and value traded stood at 57,665 and KWD27,116, respectively.
- Utilities:** The sector closed 0.4% lower at 597.4 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 0.4%) only listed stock ended in red. The sector recorded 2,219 transactions. Total volume and value traded stood at 28.3mn and KWD6.3mn, respectively.

### Market Composition

#### Monthly Sector Index Returns (%)



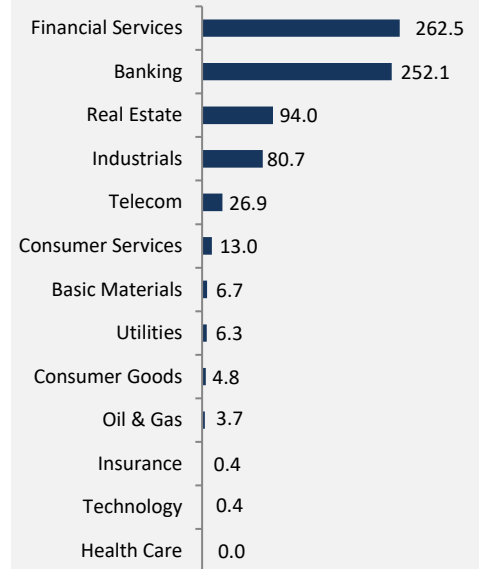
#### Monthly Volume Traded (million)



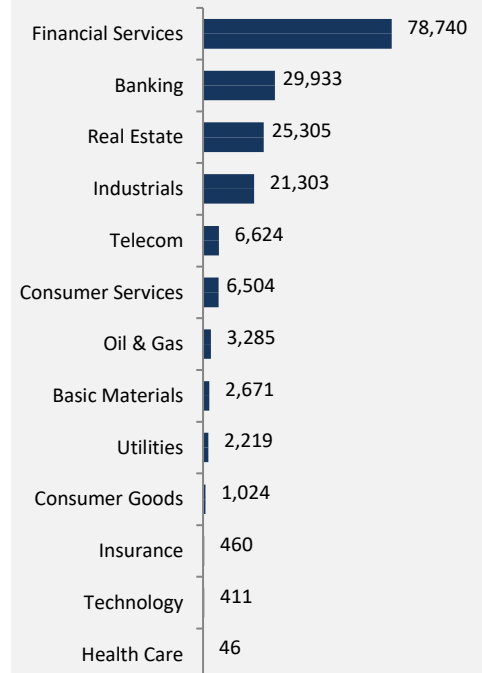
- Industrials:** The sector closed 2.4% higher at 1,159.6 points during the month. National Industries Company (up 15.8%) was the top gainer, followed by Hilal Cement Co. (up 9.4%), while Metal & Recycling Co. (down 29.7%) was the top loser. Total volume, turnover, and deals made stood at 176.3mn shares, KWD80.7mn and 21,303, respectively.
- Insurance:** The sector closed 1.4% higher at 1,404.8 points during the month. Kuwait Reinsurance Company (up 27.0%) was the top gainer, followed by Kuwait Insurance Company (up 7.0%), while Gulf Insurance Group (down 5.0%) was the top loser. Total volume, turnover, and deals made stood at 2.9mn shares, KWD0.4mn and 460, respectively.
- Oil & Gas:** The sector closed 1.0% lower at 1,416.1 points. National Petroleum Services Company (down 3.8%) was the top loser, followed Gulf Petroleum Investment (down 3.2%), while Independent Petroleum Group (up 2.3%) was the top gainer. Total volume, turnover, and number of transactions stood at 85.8mn shares, KWD3.7mn, and 3,285, respectively.
- Real Estate:** The sector closed 2.1% higher at 1,209.2 points during the month. Dalqan Real Estate Co. (up 27.9%) was the top gainer, followed by The National Real Estate Company (up 11.2%), while Mashaer Holding Company (K.S.C.Public) (down 13.8%) was the top loser. Total volume, turnover, and deals made stood at 773.9mn shares, KWD94.0mn and 25,305, respectively.
- Technology:** The sector closed at 765.6 points, down 8.0% from the previous month. Automated Systems Company (down 8.0%) was the only loser. The sector recorded 411 transactions during the month. Total volume and value traded stood at 3.6mn and KWD0.4mn, respectively.
- Telecom:** The sector closed 0.9% higher at 1,089.9 points. Hayat Communications Company (up 18.8%) was the top gainer, followed by National Mobile Telecommunications Co. (up 3.8%). Total turnover of KWD26.9mn was generated by 85.1mn shares traded through 6,624 transactions.

### Market Composition

#### Monthly Value Traded (KWD mn)



#### Number of Deals

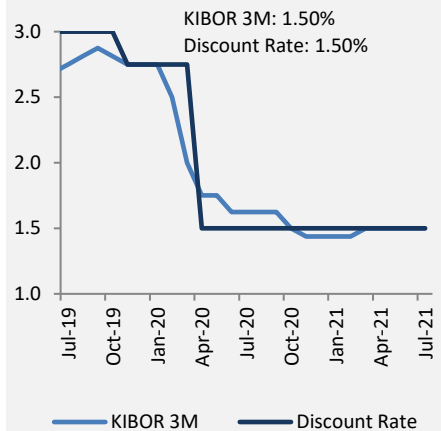


### Kuwait – Economy and Industry News

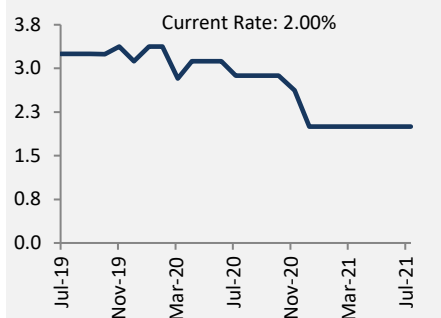
- Kuwait's All Share Index closed 3.0% higher at 6,581.0 points in July 2021. Total traded volume declined by 47.4% MoM to 4.3bn; the number of deals decreased by 39.5% MoM to 178,525 and the total value traded dropped by 47.1% MoM to KWD751.6mn. The growth in the market was attributed to the rise in oil prices. However, the total volume, value and deals fell significantly in July, mainly due to Eid holidays.
- S&P Global Ratings downgraded its long-term foreign and local-currency sovereign credit ratings on Kuwait to 'A+' from 'AA-'. However, the outlook remained negative. The rating agency also downgraded its short-term foreign and local currency sovereign credit ratings to 'A-1' from 'A-1+'.
- Kuwait's trade surplus with Japan more than doubled from a year earlier to USD335.0mn in June, led by brisk exports.
- The country's crude oil exports to Japan dropped 27.5% YoY to 5.43 million barrels in May 2021, down for the 14th straight month. Moreover, as Japan's fourth-biggest oil provider, Kuwait supplied 7.2% of the nation's total crude imports.
- Kuwaiti overall exports to Japan rose by 122.2% YoY to USD490.0mn, up for the third month in a row. Imports from Japan also swelled by 142.1% to USD135.0mn for the fourth monthly expansion.
- Kuwait allocated KWD19.6bn (USD65.1bn) for 19 strategic projects during the current annual development plan.
- Real estate agencies sold 349 houses worth KWD119.0mn in the first half of 2021, representing growth of 526% compared with KWD19.0mn in the first half of 2020.
- The budget report for 2021-22 issued by the Ministry of Finance confirmed that the Ministry of Public Works (MPW) and the Public Authority for Roads and Land Transport (PART) accounted for the biggest share of the budget, with 10 strategic capital spending projects, where MPW and PART made the bulk of the budget of KWD544.0mn for 5 projects.
- Kuwait Chamber of Commerce and Industry (KCCI) and the UN's office in Kuwait signed an MoU to support the private sector to engage in its social role and achieve sustainable development.
- Kuwait plans to establish logistic cities to support the local economy and attract foreign investments, Kuwait Ports Authority (KPA) stated.

### Monetary Indicators

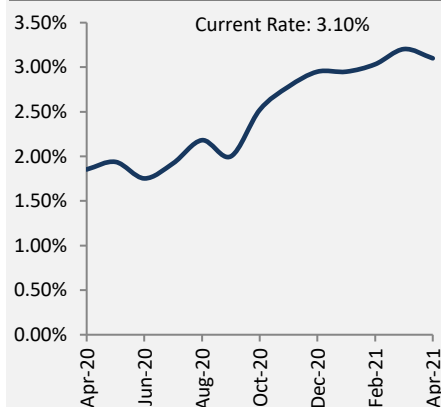
#### Interest Rate (%)



#### Deposit Rate (%)



#### Inflation Rate



Source: Bloomberg

Note: Inflation data available till April 2021.

## GCC Markets Performance

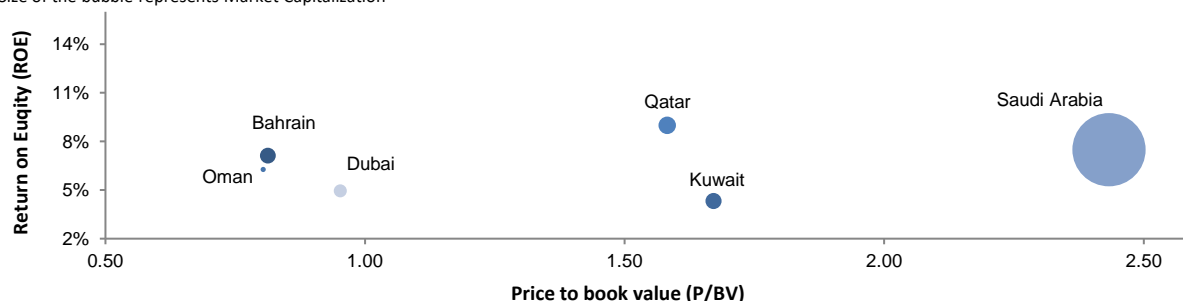
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,597.00	0.57	7.20	11.40	3.46
Kuwait (KSE)	6,581.01	3.04	18.66	37.94	1.83
Oman (MSM)	4,030.40	(0.81)	10.16	12.70	3.83
Qatar (DSM)	10,753.28	0.21	3.04	17.86	2.73
Saudi Arabia (TASI)	11,012.71	0.26	26.74	32.85	2.13
UAE (ADX)	7,318.18	7.06	45.05	23.24	2.95
UAE (DFM)	2,765.71	(1.60)	10.98	20.58	2.87

Of the seven GCC indices, five ended in positive territory and two of them closed lower, during the month of July. UAE's ADX index (up 7.1%) was the top gainers, followed by Kuwait's KSE (up 3.0%).

- Bahrain's BAX closed 0.6% higher at 1,597.0 points. The market sectors were reclassified by the Bahrain Bourse effective from 11 July 2021. Therefore, the previous month's data and statistics for the new sectors were not applicable and/or non-meaningful. Among stocks, Zain Bahrain (up 7.9%) increased the most, followed by Seef Properties (up 7.4%), while Ithmaar Holding B.S.C (down 27.1%) was the top loser.
- Kuwait's All Share Index closed 3.0% higher at 6,581.0 points. Among sectors, Consumer Services (up 6.2%) led the gainers. On the contrary, Technology (down 8.0%) decreased the most. Among stocks Al Eid Food Co. (up 28.8%) was the top gainer, followed by Dalqan Real Estate Co. (up 27.9%), while Al Metal & Recycling Co. (down 29.7%) was the top loser.
- Oman's MSM was down 0.8% to close at 4,030.4 points. Among sectors, Industry (down 3.1%) was the top loser. Among stocks, Oman Cables Industry (down 11.5%) was declined the most, followed by Raysut Cement (down 11.3%), while Oman Investment & Finance (up 12.2%) was the top gainer.
- Qatar's DSM increased 0.2% to close at 10,753.3 points. Among sectors, Transportation (up 1.4%) increased the most, while Telecoms (down 2.7%). Among stocks, Qatar Islamic Insurance (up 7.5%) was the top gainer, followed by Al Ahli Bank (up 5.6%), while National Leasing (down 9.8%) decreased the most.
- Saudi Arabia's TASI rose 0.3% to close at 11,012.7 points. Among sectors, Software and Services (up 21.6%) was the top gainer, followed by Utilities (up 7.1%), while Food & Staples Retailing (down 4.2%) declined the most. Among stocks, Arab Sea Information System Co. (up 22.9%) led the gainers, followed by Methanol Chemicals Co. (up 21.7%). Etihad Atheeb Telecommunication Co. (down 11.3%) declined the most.
- The ADX ended 7.1% higher at 7,318.2 points. Among sectors, Investment & Financial Services (up 28.7%) lifted the index, followed by Industrial (up 18.9%). Among stocks, Al Qudra Holding (up 221.5%) was the top gainer, followed by Ras Al Khaimah Cement Investment Company (up 84.9%), while National Bank of Umm Al Qaiwain (down 11.1%) declined the most. The DFM ended 1.6% lower at 2,765.7 points. Among sectors, Transportation (down 4.7%) was the top loser, followed by Real Estate & Const. (down 4.6%). Among stocks, Al Mazaya Holding Company (down 33.5%) led the looser, followed by Ithmaar Holding B.S.C (down 20.8%), while Al Mal Capital REIT (up 64.0%) 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 for Statistics (GASTAT), Saudi Arabia's GDP growth contracted **3.0%** YoY in Q1 2021.
- Annual consumer price inflation increased by 6.2% YoY in June 2021, mainly due to a 22.6% rise in prices of transportation, followed by an 8.1% surge in prices of food and beverages.
- Saudi Arabia's Crown Prince Mohammed bin Salman plans to invest SAR550.0bn (USD147.0bn) in the transport and logistics sector over the next nine years to turn the kingdom into a global aviation hub.
- Saudi Arabia's overall merchandise exports grew by 120.1% in May 2021 compared to the same month in 2020, as per the General Authority for Statistics (GaStat).
- Foreign investment in Saudi Arabia rose by 13% to SAR2.128tn in Q1 2021 from SAR1.877tn in Q1 2020, as per the Saudi Central Bank (SAMA).

#### UAE

- The UAE's 2021 expected economic growth of 2.3% will remain unchanged, as per the quarterly Reuters survey. However, the country's economy is forecast to grow by 4.2% in 2022 and 3.4% in 2023 to revise up 60 basis points (bps) and 10 bps, respectively.
- The total value of the UAE banks' assets inched up 0.5% to AED3.180tn in May 2021 as against AED3.165tn in May 2020, as per the Central Bank of the UAE (CBUAE).
- Sharjah has registered 40,346 real estate transactions worth AED12.2bn during H1 2021, up 40.5% from H1 2020, according to the Emirates News Agency (WAM).
- Dubai registered 6,388 sales transactions valued at AED14.79bn in its real estate sector during June 2021, marking the highest in value since December 2013.

#### Qatar

- Qatar's annual inflation increased by 1.98% YoY in June 2021, primarily due to the price rise in the transport sector (highest at 9.38% YoY) and in the recreation and culture sector (up 6.71% YoY).
- Qatar's foreign merchandise trade balance was in surplus by QAR17.1bn in June 2021, as exports totaled QAR25.4bn (up 99.3% YoY) and imports totaled QAR8.3bn (up 21.1% YoY).

#### Bahrain

- According to the Information & e-Government Authority, Bahrain's inflation fell by **0.3%** YoY in May 2021 compared with a **0.1%** YoY decline in April 2021. Prices in the cloth and footwear sector decreased the most at **3.1%** YoY.

#### Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation increased by 1.25% in June 2021 compared with same month in 2020.

### GCC Corporate Developments

#### Saudi Arabia

- **Basic Chemical Industries Co. (BCI)** signed a non-binding letter of intent (LoI) with the companies owning Union Chlorine LLC for the acquisition of a 49% stake.
- **Arab Media Company**, a subsidiary of **Saudi Research and Media Group**, signed an interest purchase agreement to acquire a 51% stake in Thmanyah Company for Publishing and Distribution for SAR33.31mn.
- **Savola Foods Co.**, the wholly owned subsidiary of **Savola Group**, signed a binding share purchase agreement (SPA) to acquire 100% of Bayara Holding Limited for USD260.0mn (SAR975.0mn).
- **Ataa Educational Co.** signed a SAR278.25mn Sharia-compliant banking facility agreement with Riyadh Bank.
- **Takween Advanced Industries Co.** declared finalizing the terms related to China-based JOFO Nonwoven Co. Ltd.'s acquisition of 70% of its subsidiary, Advanced Fabrics.

#### UAE

- **The Abu Dhabi National Oil Company** invested USD763.7mn (AED2.8bn) to support its production capacity expansion to reach 5 million barrels per day by 2030.
- Moody's affirmed the Aa3 rating of **Abu Dhabi National Energy Company (TAQA)** and the A3 ratings of **General Holding Corporation (SENAAT)**, with a stable outlook for TAQA and a negative outlook for SENAAT.
- Abu Dhabi-based **Masdar** won a tender to build a 200-megawatt (MW) utility-scale solar project in Armenia.
- **Emaar Properties** plans to acquire a minority shareholding of **Emaar Malls** and delist the company by the end of 2021.
- **Dubai Electricity and Water Authority** completed 96.4% of the AED256.0mn water pipeline project, which is aimed at expanding the water transmission network by 36.6 kilometers across Dubai.

#### Qatar

- **Qatar Petroleum** signed a 20-year sale and purchase agreement (SPA) with Korea Gas Corporation (KOGAS) for supplying 2 million tons per annum (MTPA) of LNG to the Republic of Korea.

#### Bahrain

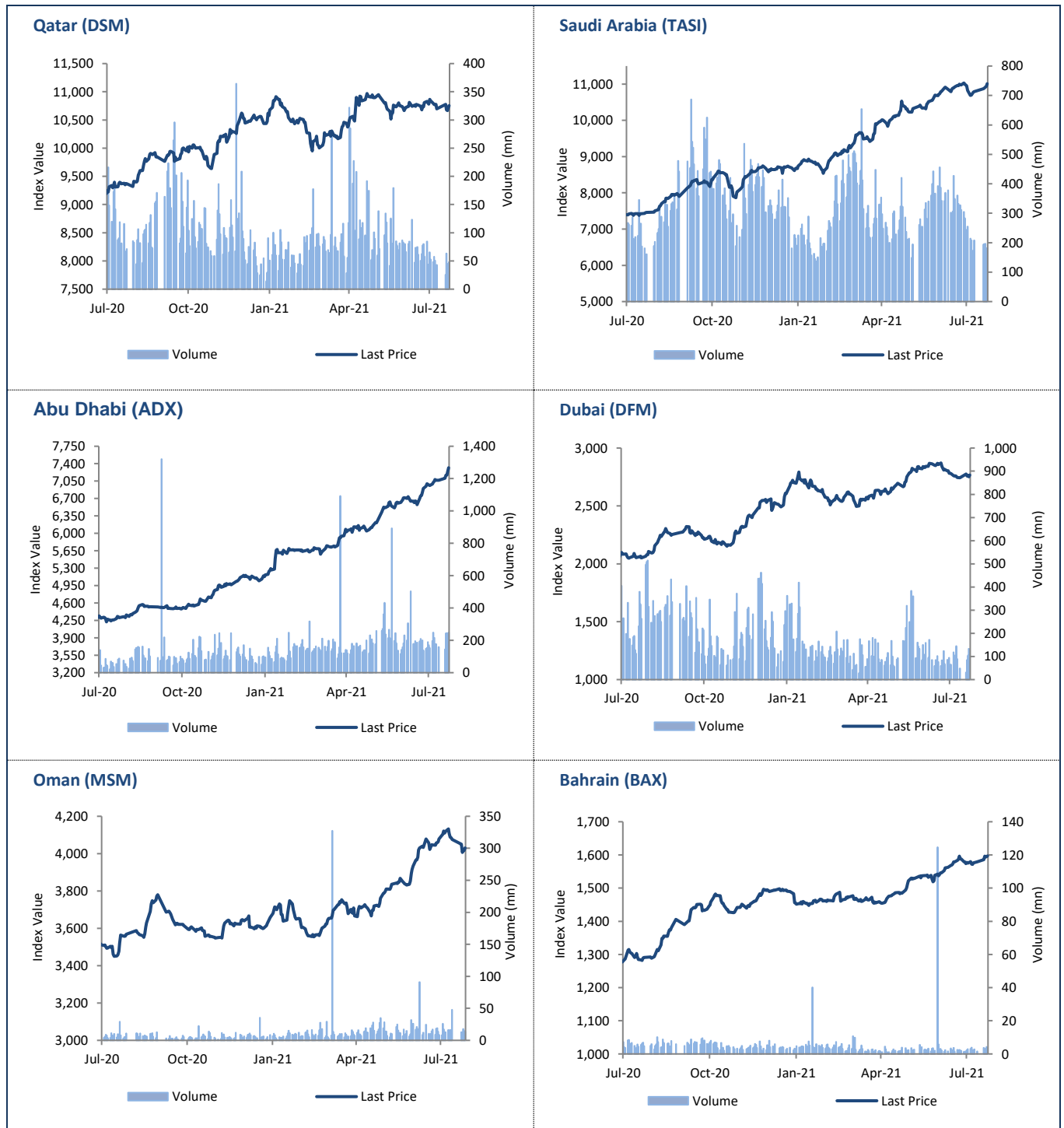
- The sale of certain assets in Bahrain-based **Ithmaar Holding** to Bank of Bahrain and Kuwait (BBK) has been cancelled, as both sides have not reached amicable terms and conditions.
- **GFH Financial Group** signed an agreement to acquire a USD100.0mn student housing portfolio, affiliated to top-rated universities in the US.

#### Oman

- **The Rural Areas Electricity Co, (Tanweer)** invested OMR22.0mn to expand and upgrade the electricity grid in and around the Duqm Special Economic Zone (SEZ). This upgrade was aimed for the benefit of multiple existing and upcoming projects.



### GCC Benchmark Indices– Market Movements



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