

Market Performance

Kuwait's All Share Index closed 3.8% higher at 6,828.4 points in August 2021. The total traded volume increased by 56.8% MoM to 6.8bn, the number of deals rose by 37.6% MoM to 245,628, and the total value traded jumped by 69.3% MoM to KWD1.3bn. The growth in the market was mainly driven by consumer discretionary and banking sector.

As per the second estimates released by the Bureau of Economic Analysis, the US real GDP grew at an annualized rate of 6.6% 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 1.1% MoM in July 2021 from the revised 0.2% MoM rise in June 2021, primarily due to the rise in government social benefits and compensation of employees. Real PCE fell by 0.1% MoM in July 2021, after a 0.5% MoM (revised) rise in June 2021. Current account deficit rose to USD75.7bn in June 2021 from USD71.2bn in May 2021. Total exports increased by 0.6% MoM to USD207.7bn in June 2021 and total imports gained by 2.1% MoM to USD283.4bn.

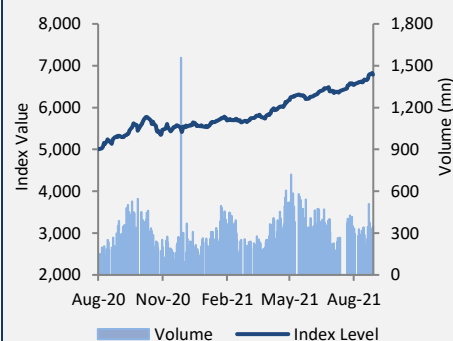
According to flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose by 2.0% QoQ in Q2 2021, after declining 0.3% in Q1 2021. As per the flash estimates, annual inflation in the Euro area is expected to grow to 3.3% YoY in August 2021 from 2.2% in July 2021. The Euro area's trade surplus increased to EUR18.1bn in June 2021 from EUR7.5bn in May 2020. Exports of goods increased by 23.8% YoY, while imports rose by 28.2% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK stood at 2.1% YoY in July 2021, down from 2.4% in June 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) rose by 1.0% YoY in July 2021, down from 1.1% YoY in June 2021. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) fell to 50.1 in August 2021 from 50.4 in July 2021. According to the Statistics Bureau of Japan, the country's CPI declined by 0.3% YoY in July 2021, after declining by 0.5% YoY in June 2021.

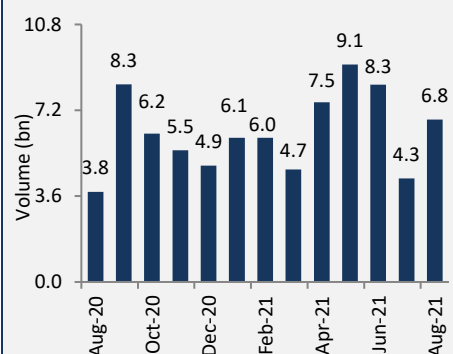
Kuwait Market Summary	August, 2021	July, 2021	Change (%)
Open	6,587.78	6,408.02	2.8
High	6,831.25	6,585.02	3.7
Low	6,526.87	6,331.10	3.1
Close	6,828.35	6,581.01	3.8
Volume traded (mn)	6,818.11	4,348.20	56.8
Value Traded (KWD mn)	1,272.65	751.63	69.3
No. of deals	245,628	178,525	37.6
No. of advances	69	82	(15.9)
No. of declines	80	68	17.6
No. of unchanged	15	15	0.0

Kuwait Index Performance

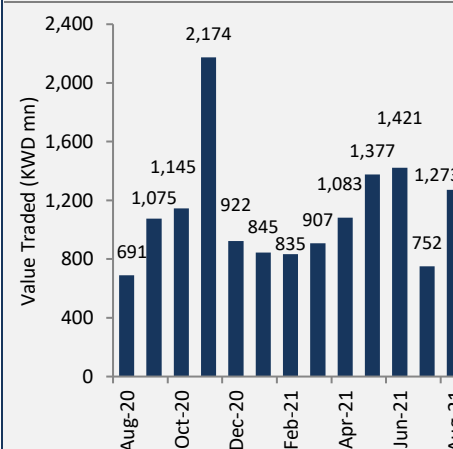
Benchmark Index and Volume Traded



Monthly Volume Traded (bn)



Monthly Value Traded (KWD mn)



Top Gainers and Losers

The market breadth was mostly negative; 88 stocks declined and 69 firmed-up, 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)
Shuaiba Industrial Co.	221.00	33.94	42.58	21.93	0.29	0.09	5.33	20.55	1.18
Noor Financial Investment	287.00	24.78	68.82	113.35	4.81	0.03	5.08	7.23	1.46
Coast Investment & Development Company	95.50	22.59	96.91	44.41	29.63	(0.02)	9.56	NA	0.91
Warba Capital Holding Co.	77.70	19.54	59.88	7.77	7.76	(0.01)	12.45	NA	0.97
Ras Al Khaimah Co. For White Cement Construction Materials	74.60	18.41	14.77	37.31	65.75	0.41	8.08	30.36	0.60

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Al-Mazaya Holding Co.	77.50	(28.24)	35.49	48.79	743.30	0.41	8.08	30.36	0.60
Gulf Franchising Holding Co.	32.10	(25.17)	(46.50)	1.28	0.03	0.00	9.64	NA	0.75
Palms Agro Production Co.	50.00	(19.61)	(22.60)	2.62	0.02	(0.01)	17.80	NA	0.57
Alkout Industrial Projects Co.	500.00	(18.03)	(25.93)	50.45	0.01	(0.02)	8.63	NA	0.43
Unicap Investment And Finance	69.60	(13.97)	65.71	15.56	13.36	0.01	4.07	6.17	2.04

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Al-Mazaya Holding Co.	77.50	(28.24)	35.49	48.79	743.30	0.41	8.08	30.36	0.60
Gfh Financial Group (B.S.C)	66.60	(2.06)	38.46	251.48	465.99	0.14	13.35	9.41	0.89
Ahli United Bank (B.S.C)	265.00	9.05	16.74	2685.64	437.28	0.08	8.42	21.51	2.23
The National Real Estate Company	214.00	2.39	183.82	332.58	328.77	0.08	8.42	21.51	2.23
The Securities House Co.	106.00	(0.93)	148.83	47.70	272.90	0.15	5.63	31.89	1.21

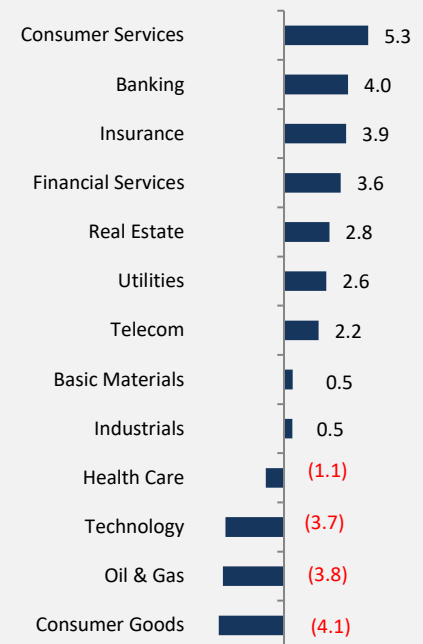
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

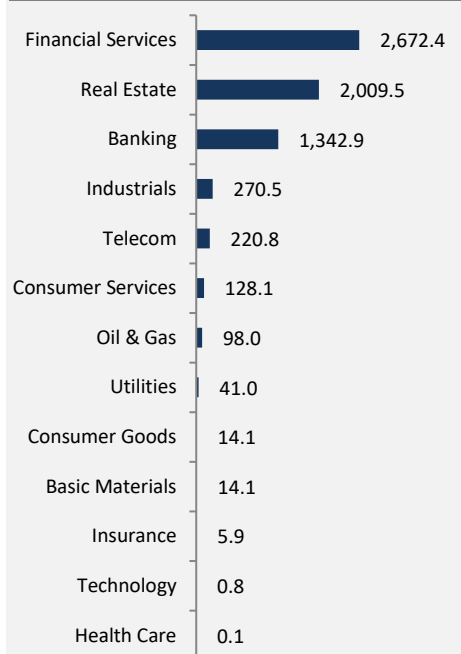
- Banks:** The sector closed 4.0% higher at 1,560.7 points during the month. Ahli United Bank (B.S.C) (up 9.1%) was the top gainer, followed by Warba Bank (up 7.7%), while Boubyan Bank (down 2.1%) was the top decliner. Total turnover stood at 499.6mn. The volume traded and number of deals stood at 1.3bn shares and 47,436, respectively.
- Basic Materials:** The sector closed 0.5% higher at 1,082.8 points during the month. Boubyan Petrochemical Co. (up 2.9%) was the top gainer, while Alkout Industrial Projects Co. (down 18.0%) was the top loser. The number of shares traded, and total turnover stood at 14.1mn and KWD8.1mn, respectively, while total transactions stood at 3,272.
- Consumer Goods:** The sector declined 4.1% to end at 740.0 points during the month. Mezzan Holding Co (down 5.1%) decreased the most. Total volume, turnover, and deals made stood at 14.1mn shares, KWD8.2mn, and 1,653, respectively.
- Consumer Services:** The sector closed 5.3% higher at 1,089.8 points during the month. Among stocks, Oula Fuel Marketing Co. (up 16.5%) led the gainers, followed by Soor Fuel Marketing Company (up 14.6%), while Palms Agro Production Co. (down 19.6%) was the top decliners. Total volume, turnover, and transactions stood at 128.1mn shares, KWD24.2mn, and 9,548, respectively.
- Financial Services:** The sector closed 3.6% higher at 1,260.0 points during the month. Noor Financial Investment (up 24.8%) was the top gainer, followed by Coast Investment & Development Company (up 22.6%), while Gulf Franchising Holding Co. (down 25.2%) was the top loser. Total volume, turnover, and deals made stood at 2.7bn shares, KWD317.9mn and 84,523, respectively.
- Healthcare:** The sector ended 1.1% lower at 791.7 points. Advanced Technology Company (down 5.7%) was the top loser. There were 57 deals; Quantity and value traded stood at 52,524 and KWD26,219, respectively.
- Utilities:** The sector closed 2.6% higher at 613.2 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (up 2.6%) only listed stock ended in green. The sector recorded 2,928 transactions. Total volume and value traded stood at 41.0mn and KWD9.6mn, respectively.

Market Composition

Monthly Sector Index Returns (%)



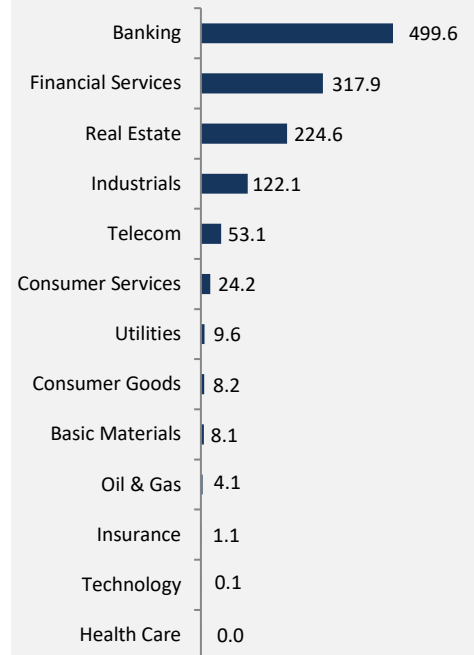
Monthly Volume Traded (million)



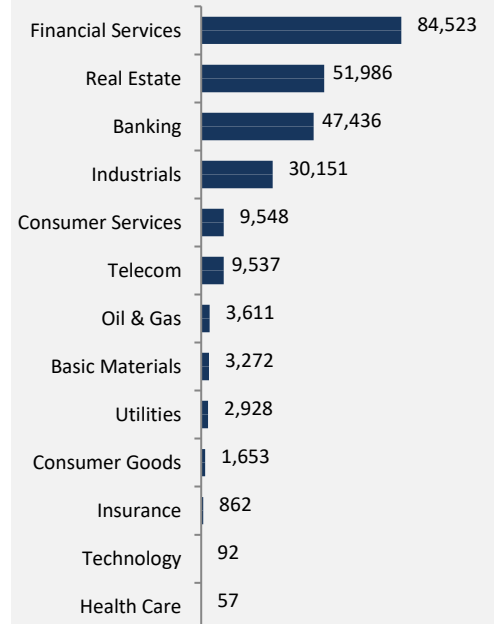
- Industrials:** The sector closed 0.5% higher at 1,165.6 points during the month. Shuaiba Industrial Co. (up 33.9%) was the top gainer, followed by Ras Al Khaimah Co. For White Cement Construction Materials (up 18.4%), while United Projects Co. (down 12.7%) was the top loser. Total volume, turnover, and deals made stood at 270.5mn shares, KWD122.1mn and 30,151, respectively.
- Insurance:** The sector closed 3.9% higher at 1,459.4 points during the month. Kuwait Reinsurance Company (up 9.5%) was the top gainer, followed by Al-Ahleia Insurance Company (up 3.9%), while Wethaq Takaful Insurance Company (down 5.7%) was the top loser. Total volume, turnover, and deals made stood at 5.9mn shares, KWD1.1mn and 862, respectively.
- Oil & Gas:** The sector closed 3.8% lower at 1,362.1 points. Senergy Holding Company (K.S.C.P) (down 11.2%) was the top loser, followed National Petroleum Services Company (down 10.3%), while The Energy House Co (up 3.9%) was the top gainer. Total volume, turnover, and number of transactions stood at 98.0mn shares, KWD4.1mn, and 3,611, respectively.
- Real Estate:** The sector closed 2.8% higher at 1,243.5 points during the month. Investors Holding Group Co. (up 14.8%) was the top gainer, followed by Injazzat Real Estate Dev. Co (up 14.6%), while Al-Mazaya Holding Co. (down 28.2%) was the top loser. Total volume, turnover, and deals made stood at 2.0bn shares, KWD224.6mn and 51,986, respectively.
- Technology:** The sector closed at 729.0 points, down 3.7% from the previous month. Automated Systems Company (down 3.7%) was the only loser. The sector recorded 92 transactions during the month. Total volume and value traded stood at 761,813 and KWD78,060, respectively.
- Telecom:** The sector closed 2.2% higher at 1,113.5 points. Aan Digital Services Co. (up 5.3%) was the top gainer, followed by Mobile Telecommunications Company (up 3.4%). Total turnover of KWD53.1mn was generated by 220.8mn shares traded through 9,537 transactions.

Market Composition

Monthly Value Traded (KWD mn)



Number of Deals

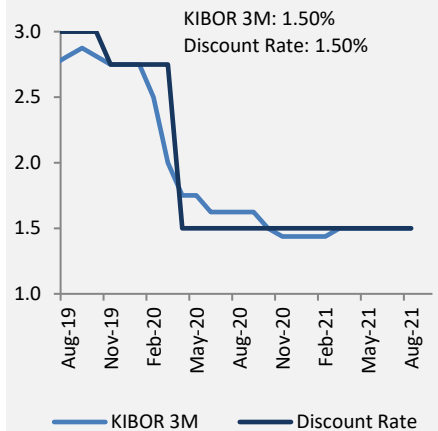


Kuwait – Economy and Industry News

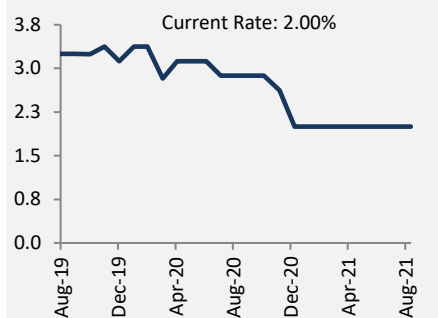
- Kuwait's All Share Index closed 3.8% higher at 6,828.4 points in August 2021. The total traded volume increased by 56.8% MoM to 6.8bn, the number of deals rose by 37.6% MoM to 245,628, and the total value traded jumped by 69.3% MoM to KWD1.3bn. The growth in the market was mainly driven by consumer discretionary and banking sector.
- Kuwait's budget deficit increased by 174.8% in 2020-21 to KWD10.8bn (USD35.5bn), the highest in the country's history, according to the finance ministry. Revenue fell by 38.9% to KWD10.5bn during the same period, while expenditure increased by 0.7% to KWD21.3bn.
- Kuwait's trade surplus with Japan more than tripled from a year earlier to USD457.0mn in July 2021, aided by robust exports. The trade surplus surged by 203.3%, up for the fourth consecutive month.
- Kuwait's overall exports to Japan soared by 160.0% YoY to USD576.0mn, up for fourth month in a row. Imports from Japan also swelled by 68.3% to USD120.0mn for the fifth straight month of expansion.
- Data provided by the Central Bank of Kuwait (CBK) showed that official reserves decreased by 1.7% YoY to KWD13.7bn in June 2021 from KWD14.0bn in June 2020. Kuwait's monetary gold position remained unchanged at KWD31.7mn in June 2021.
- The IMF's reserve position rose by 9.2% YoY to KWD233.9mn in June 2021 from KWD214.2mn in June 2020, while special drawing rights rose by 1.6% YoY to KWD573.4mn.
- CBK's total assets decreased by 1.7% YoY to KWD13.0bn in June 2021 from KWD13.3bn in June 2020.
- The Public Authority for Roads and Land Transport (PART) set an estimated budget for two construction and maintenance contracts for the rehabilitation of Kabd-Sulaibiya Road at a total of KWD340.0mn
- Financing of Kuwaiti imports jumped in June 2021 to KWD570.0mn (USD1.8bn), increasing by 92.9% over May 2021, according to statistics released by the Central Bank of Kuwait (CBK).
- The money supply (M2) rose by 1% MoM in June 2021 to KWD40.7bn (USD134.0bn). Deposits of the private sector in the local banks in Kuwaiti dinars climbed by 1% MoM in June 2021 to KWD34.9bn (USD115.0bn), while the private sector's deposits in foreign currencies jumped by 15% to KWD2.3bn (USD7.5bn), according to the CBK's latest report.

Monetary Indicators

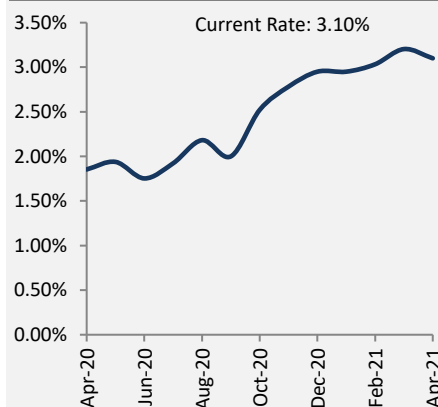
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

Note: Inflation data available till April 2021.

GCC Markets Performance

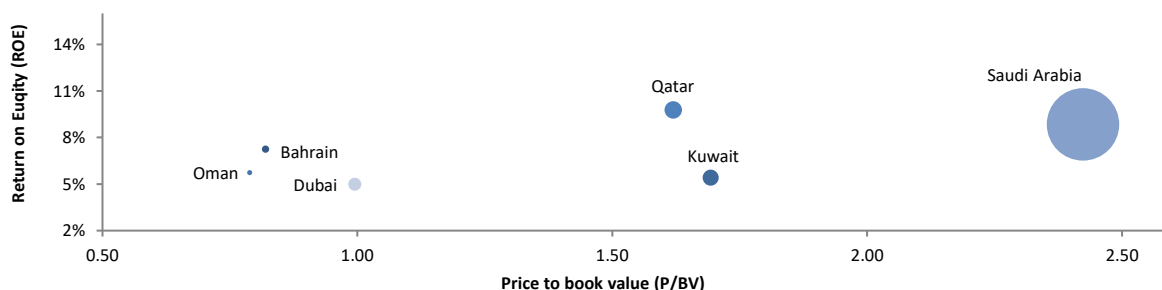
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,645.41	3.03	10.45	11.60	3.35
Kuwait (KSE)	6,786.81	3.13	22.37	32.06	1.77
Oman (MSM)	3,966.75	(1.58)	8.42	12.65	3.90
Qatar (DSM)	11,092.90	3.16	6.29	16.87	2.64
Saudi Arabia (TASI)	11,319.24	2.78	30.26	27.45	2.27
UAE (ADX)	7,684.62	5.01	52.31	23.61	3.00
UAE (DFM)	2,902.97	4.96	16.49	21.43	2.68

Of the seven GCC indices, six ended in positive territory and one of them closed lower, during the month of July. UAE's ADX index (up 5.01%) was the top gainers, followed by UAE's DFM (up 4.96%).

- Bahrain's BAX closed 3.0% higher at 1,645.4 points. Among sectors, Financials (up 5.0%) and Materials (up 1.8%) were the top gainer. Among stocks, Arab Banking Corporation (up 13.9%) increased the most, followed by Bahrain Flour Mills Co. (up 9.7%), while Esterad Investment Co. (down 11.8%) was the top loser.
- Kuwait's All Share Index closed 3.1% higher at 6,786.8 points. Among sectors, Consumer Services (up 5.3%) led the gainers. On the contrary, Consumer Goods (down 4.1%) decreased the most. Among stocks Shuaiba Industrial Co. (up 33.9%) was the top gainer, followed by Noor Financial Investment (up 24.8%), while Al-Mazaya Holding Co. (down 28.2%) was the top loser.
- Oman's MSM was down 1.6% to close at 3,966.8 points. Among sectors, Finance (down 1.9%) was the top loser. Among stocks, Oman Edu Training (down 14.4%) was declined the most, followed by Muscat Thread Mill (down 8.3%), while Salalah Mills (up 23.5%) was the top gainer.
- Qatar's DSM increased 3.2% to close at 11,092.9 points. Among sectors, Banks & Financial Services (up 5.5%) increased the most, while Telecoms (down 1.6%). Among stocks, Investment Holding Group (up 18.1%) was the top gainer, followed by Qatari Investors Group (up 12.5%), while Alkhaleej Takaful Insurance (down 6.1%) decreased the most.
- Saudi Arabia's TASI rose 2.8% to close at 11,319.2 points. Among sectors, Software and Services (up 8.8%) was the top gainer, followed by Banks (up 8.4%), while Pharma, Biotech & Life Science (down 12.6%) declined the most. Among stocks, Tanmiah Food Co. (up 67.2%) led the gainers, followed by Leejam Sports Co. (up 26.6%). Gulf General Cooperative Insurance Co. (down 14.9%) declined the most.
- The ADX ended 5.0% higher at 7,684.6 points. Among sectors, Industrial (up 16.9%) lifted the index, followed by Investment & Financial Services (up 9.0%). Among stocks, ZEE Store PrJSC (up 216.6%) was the top gainer, followed by ESG Emirates Stallions Group P.J.S.C (up 118.4%), while Gulf Cement Co. (down 12.7%) declined the most. The DFM ended 5.0% higher at 2,903.0 points. Among sectors, Real Estate & Const. (up 7.6%) was the top gainers, followed by Transportation (up 7.3%). Among stocks, Agility the Public Warehousing Company (K.S.C.) (up 39.5%) led the gainers, followed by Union Properties PJSC (up 23.2%), while Al Firdous Holdings PJSC (down 46.4%) 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 growth increased by 1.5% YoY in Q2 2021.
- Annual consumer price inflation rose by 0.4% YoY in July 2021, mainly due to a 7.8% jump in prices of transportation, and a 1.2% increase in prices of food and beverages.
- Saudi Arabia's non-oil exports rose by 52% in Q2 2021 amid signs of a rebound in international trade as the kingdom's economy continued to recover from the impact of the pandemic.
- The assets of the Saudi Central Bank (SAMA) rose by 2.19% to SAR1.84tn in June 2021 as against around SAR1.80tn in June 2020.
- Saudi Arabia's real estate price index edged up 0.4% YoY in Q2 2021 due to a 0.8% rise in residential properties.

UAE

- The UAE's economy is expected to witness a strong recovery in 2021 and grow by 4.1%, revised from 3.9%, in 2022, following a 6.1% contraction in 2020, according to Fitch Solutions.
- According to the Federal Competitiveness and Statistics Centre (FCSC), the transformative industry in the UAE contributes about 12% to the non-oil GDP, stated the Emirates News Agency (WAM).
- The UAE' seasonally adjusted IHS Markit PMI rose from 52.2 in June to 54.0 in July 2021, reflecting the strongest growth in the UAE non-oil economy in two years.
- The total number of new business licenses issued in Dubai rose 77% to 31,000 in H1 2021 from 17,478 in H1 2020, as per Dubai Economy's report.
- The UAE' seasonally adjusted IHS Markit PMI rose from 52.2 in June to 54.0 in July 2021, reflecting the strongest rate growth in the UAE non-oil economy in two years.

Qatar

- Qatar's annual inflation increased by 3.13% YoY in July 2021, primarily due to the price rise in the recreation and culture (highest at 19.69% YoY) and transport (up 10.11% YoY) sectors.
- Qatar's foreign merchandise trade balance was in surplus by QAR19.6bn in July 2021, as exports totaled QAR27.5bn (up 101.9% YoY) and imports stood at QAR7.9bn (up 7.1% YoY).

Bahrain

- According to the Information & e-Government Authority, Bahrain's inflation rose by 0.3% YoY in July 2021 compared with a 0.6% YoY increase in June 2021. Prices in the recreation and culture sector rose the most at 0.4% YoY.

Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation increased by 2.19% in July 2021 compared with the same month in 2020.

GCC Corporate Developments

Saudi Arabia

- **The Red Sea Development Company** inked 600 contracts with local and international companies at a total value of SAR 17bn. Saudi companies acquired 70% of the overall value of the contracts.
- **Al Khaleej Training and Education Company** signed a sale and purchase agreement to buy a 60% stake in **Al Roqi National Schools Company**. The total value of the transaction was SAR 12.81mn.
- **Ataa Educational Company** signed a deal worth SAR 138mn to acquire the entire shares of **Arabian Education and Training Group Holding Company**.
- **Alujain Holding Corporation** purchased 17.15mn shares of its subsidiary **National Petrochemical Industrial Company** (Natpet), representing 16% of Natpet' total shares. The transaction value stood at SAR 814.6mn, according to a disclosure on Tadawul.

UAE

- **Emirates Central Cooling Systems Corp.** signed a deal to invest over AED 1.6bn to form four district cooling plants and a pipeline network in the Meydan master community. It also inked an AED 860mn agreement to acquire Nakheel's district cooling unit.
- **National Central Cooling Company** (Tabreed) signed an agreement with **Mubadala Infrastructure Partners** to buy an additional 50% stake in **AlWajeez Development Company**, the district cooling provider to the developments on Al Maryah Island in Abu Dhabi, for AED 311.5mn.
- **Mubadala** joined a CBC Group-led consortium to acquire a 46.9% equity interest in Hugel, Korea's largest medical aesthetics company, from Bain Capital.
- **Emirates Telecommunications Group** (Etisalat) inked an agreement with **Abu Dhabi Fund for Development** to acquire an 8.7% stake in **Etisalat Investment North Africa** (EINA). The deal will raise Etisalat's ownership in Maroc Telecom Group from 48.4% to 53%.

Qatar

- **Masraf Al Rayan** announced the purchase of an additional 5% stake in Al Rayan (UK) Ltd from Qatar Holding LLC. for GBP 5mn, increasing its stake from 70% to 75%.
- **Baladna Q.P.S.C.**, Qatar's largest dairy and beverage producer, signed a Memorandum of Collaboration (MoC) to produce fresh dairy products in Malaysia.

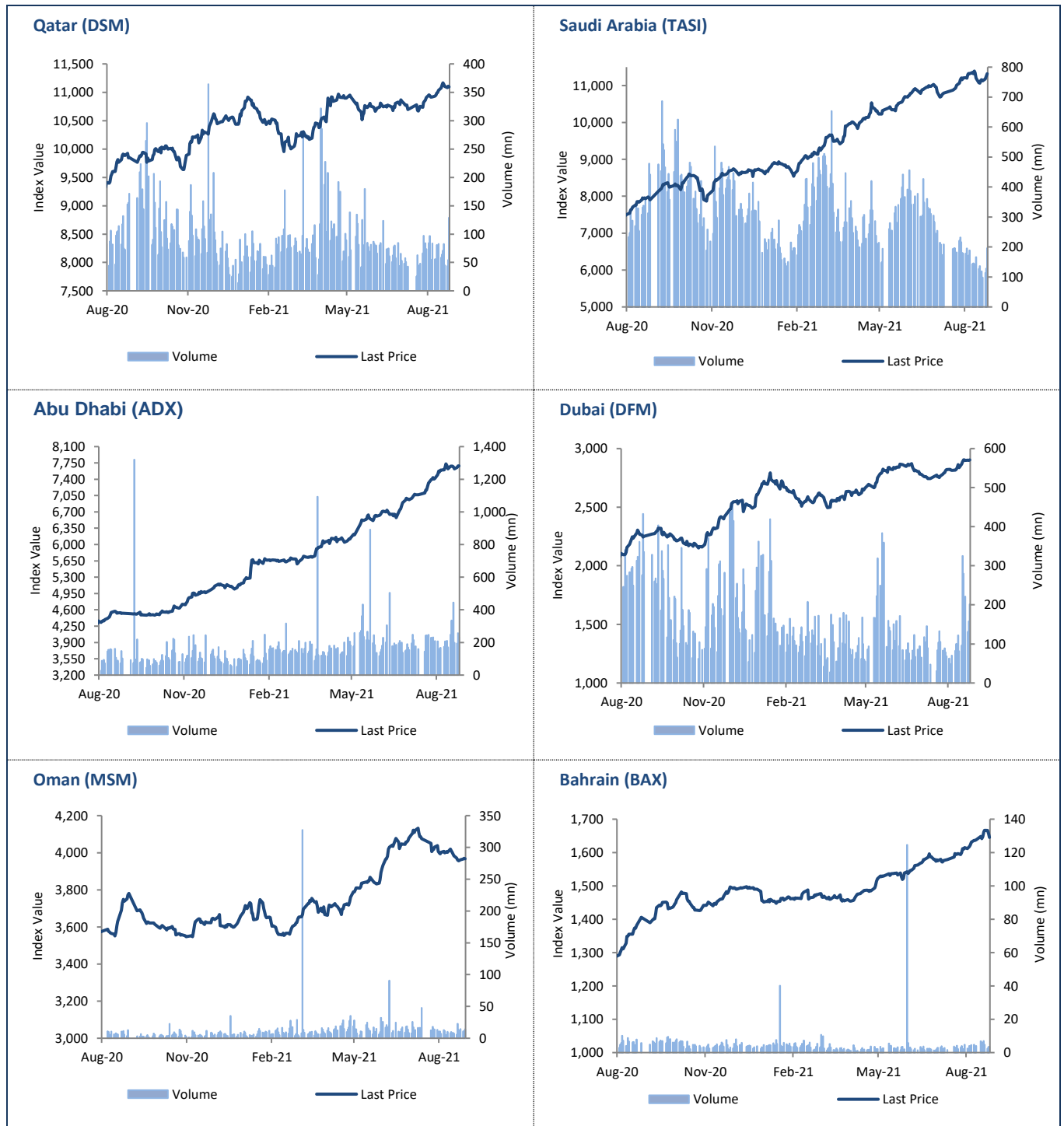
Bahrain

- **Bank ABC** completed the acquisition of a 99.5% stake in Blom Bank Egypt to expand its presence in the MENA region.

Oman

- **Bank Muscat** bought an additional 1.38% shareholding in SICO BSC via a secondary market deal, increasing its share to 10.38%.

GCC Benchmark Indices– Market Movements



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