

ABK CAPITAL
KUWAIT
MARKET
MONTHLY
REPORT

2023



Kuwait Market Monthly Report

October 2023

Market Performance

Kuwait's All Share Index closed lower at **5.2%** MoM 6,531.8 points in October 2023. The total volume traded rose 6.9% MoM to 3.6BLN, the number of deals increased 24.7% MoM to 254,353, and the total value traded increased 25.6% MoM to KWD 969.6MM. The decline in the market was mainly due to the financial services and industrials sectors.

The International Monetary Fund (IMF) stated that US gross domestic product (GDP) is expected to grow 2.1% and 1.5% in FY23 and FY24, respectively. As per the third estimate released by the Bureau of Economic Analysis, the US real GDP was up 4.9% YoY in Q3 2023 as opposed to the 2.1% YoY increase in Q2 2023. The update primarily reflected increases in consumer spending, private inventory investment, exports, state and local government spending, federal government spending, and residential fixed investment. Real personal consumption expenditure (PCE) increased 0.4% in September 2023, and personal income rose 0.3% MoM in September 2023 compared with 0.4% in August 2023. The US current account deficit stood at **USD 61.5BLN** in September 2023 against a deficit of **USD 58.7BLN** in August 2023. Total exports were USD 261.1BLN in September 2023, USD 5.7BLN more than the amount in August 2023. Furthermore, total imports stood at USD 322.7BLN in September 2023, an increase of USD 8.6BLN from that in August 2023.

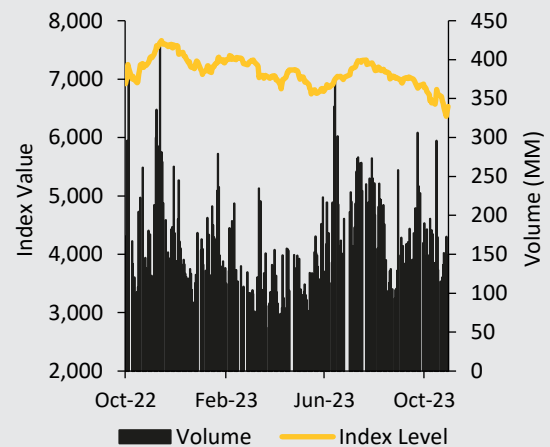
IMF projects Euro Area's GDP would increase 0.7% and 1.2% in FY23 and FY24, respectively. According to Eurostat, the EU's statistical office, the Euro area's annual inflation rate is expected to be 2.9% in October 2023, down from 4.3% in September 2023. The first estimate for the Euro Area's international trade surplus was EUR 6.7BLN in August 2023 as opposed to a deficit of EUR **54.4BLN** in August 2022. According to IMF projection, the UK's GDP is expected to rise 0.5% in FY23 and increase 0.6% in FY24. As per the latest data released by the Office for National Statistics, the UK's consumer price index (CPI) rose 6.7% YoY in September, the same rate in August 2023. However, CPI, including owners and occupiers' housing costs (CPIH), in the UK edged up 6.3% YoY in September 2023, the same rate in August 2023.

IMF expects China's GDP to grow 5.0% and 4.2% in FY23 and FY24, respectively. Based on the latest data released by the National Bureau of Statistics, China's CPI remained unchanged in September 2023 against an increase of 0.1% in August 2023. Food prices fell **3.2%** YoY in September 2023. According to IMF's projection, Japan's GDP is likely to gain 2.0% and 1.0% in FY23 and FY24, respectively. According to the Statistics Bureau of Japan, CPI stood at 3.0% YoY in September 2023 compared with 3.2% in August 2023. As a result of high prices of transportation and food, the figure came in above the Bank of Japan's 2.0% target for the 18th straight month.

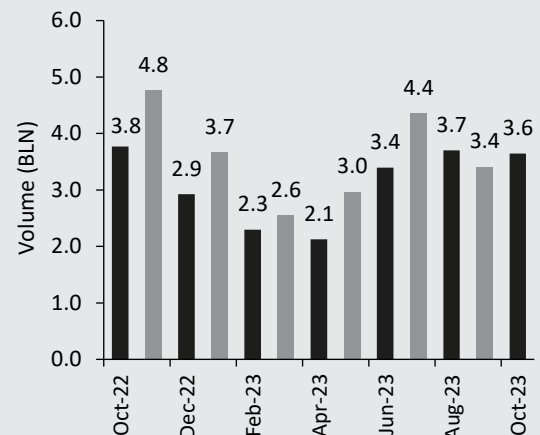
Kuwait Market Summary	October, 2023	September, 2023	Change (%)
Open	6,893.13	7,022.98	(1.8)
High	6,934.36	7,041.59	(1.5)
Low	6,357.12	6,813.05	(6.7)
Close	6,531.76	6,886.73	(5.2)
Volume traded (MM)	3,642.73	3,408.16	6.9
Value Traded (KWD MM)	969.62	771.88	25.6
No. of deals	254,353	203,928	24.7
No. of advances	27	48	(43.8)
No. of declines	112	90	24.4
No. of unchanged	11	12	(8.3)

Kuwait Index Performance

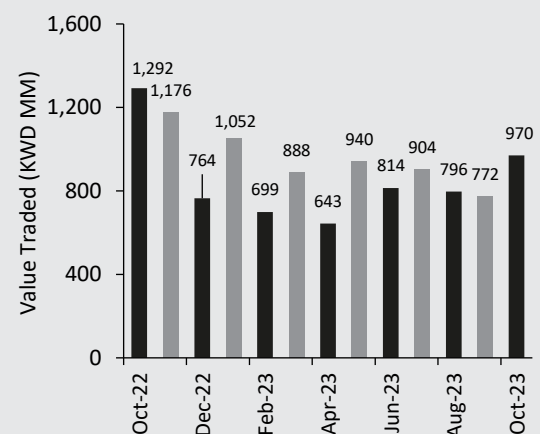
Benchmark Index and Volume Trade



Monthly Volume Traded (BLN)



Monthly Value Traded



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Top Gainers and Losers

The market breadth was broadly negative; 112 stocks declined, and 27 stocks rose, while 11 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)
Rasiyat Holding Company K.P.S.C	178.00	16.34	5.33	26.70	44.28	0.31	NA	55.82	NA
Unicap Investment And Finance	47.90	15.70	(21.35)	10.71	1.17	NA	10.53	NA	0.50
Sokouk Holding Co.	40.20	13.56	74.78	22.98	195.83	0.18	20.71	7.27	0.83
Umm Al Qaiwain General Investments Company P.S.C	100.10	10.00	3.95	36.34	48.28	0.12	7.03	12.43	0.70
Munshaat Real Estate Projects Co	123.00	8.85	101.64	39.61	2.57	0.07	20.93	8.03	2.57

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)
Coast Investment & Development Company Al Masaken	70.80	(33.21)	(15.71)	32.92	56.92	0.30	10.04	20.91	0.71
International Real Estate Development. Co.	26.50	(20.42)	(1.49)	2.61	32.43	0.61	15.73	16.10	0.42
Jiyad Holding Company	18.80	(19.66)	(18.97)	3.46	124.60	0.08	9.86	1.43	0.19
Bayan Investment Holding Co.	37.00	(19.39)	(9.98)	7.82	4.57	NA	NA	NA	NA
Alimtiiaz Investment Group Co.	52.10	(19.22)	(30.44)	55.27	19.03	0.00	6.38	0.00	0.33

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	684.00	(6.68)	(16.89)	9990.74	379.11	0.03	2.83	17.32	1.94
Sokouk Holding Co.	40.20	13.56	74.78	22.98	195.83	0.18	20.71	7.27	0.83
Kuwait Real Estate Company	159.00	(3.64)	47.22	147.47	149.44	0.08	NA	12.64	NA
Kuwait International Bank	147.00	(3.29)	(25.00)	225.14	138.24	0.11	5.26	15.47	0.77
National Industries Group (Holding)	178.00	(11.00)	(17.97)	408.54	133.07	0.72	4.76	128.10	0.85

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

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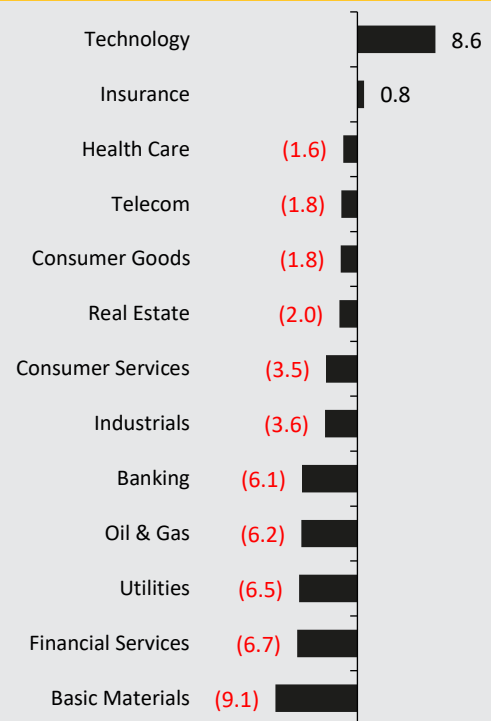
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Performance by Sector

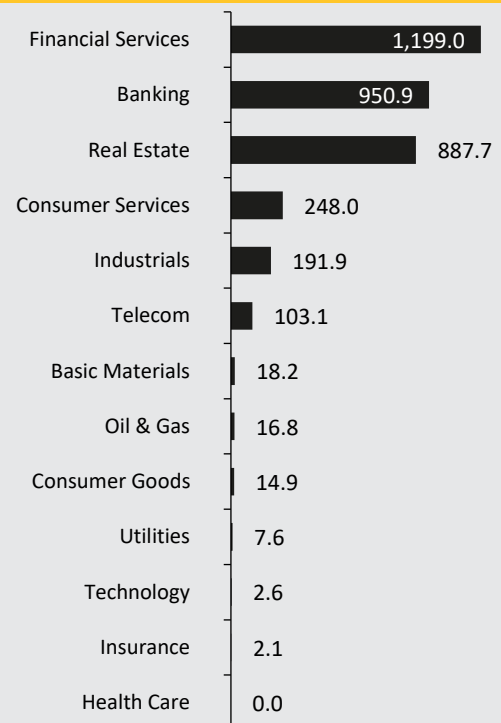
- Banks:** The sector closed **6.1%** lower at 1,577.4 points during the month. Commercial Bank of Kuwait (down **18.8%**) declined the most, followed by Al-Ahli Bank of Kuwait (down **12.3%**). The sector recorded 89,009 transactions. Total volume and value traded stood at 950.9MM and KWD 484.3MM, respectively.
- Basic Materials:** The sector closed **9.1%** lower at 757.4 points during the month. Boubyan Petrochemical Co. (down **11.5%**) declined the most, whereas Alkout Industrial Projects Co. ended flat while Kuwait Foundry Co. (up 0.3%) was the top gainer. The sector recorded 4,618 transactions. Total volume and value traded stood at 18.2MM and KWD 11.4MM, respectively.
- Consumer Goods:** The sector closed **1.8%** lower at 585.0 points during the month. Livestock Transport & Trading Com. (down **3.7%**) declined the most, followed by Mezzan Holding Co (down **1.6%**). The sector recorded 1,193 transactions. Total volume and value traded stood at 14.9MM and KWD 7.4MM, respectively.
- Consumer Services:** The sector closed **3.5%** lower at 1,503.2 points during the month. Jiyad Holding Company (down **19.7%**) declined the most, followed by Ifa Hotels & Resorts Co. (down **10.4%**) while Kuwait National Cinema (up 3.0%) was the top gainer. The sector recorded 21,002 transactions. Total volume and value traded stood at 248.0MM and KWD 51.8MM, respectively.
- Financial Services:** The sector closed **6.7%** lower at 1,155.7 points during the month. Coast Investment & Development Company (down **33.2%**) declined the most, followed by Bayan Investment Holding Co. (down **19.4%**) while Rasiyat Holding Company K.P.S.C (up 16.3%) was the top gainer. The sector recorded 52,931 transactions. Total volume and value traded stood at 1.2BLN and KWD 167.7MM, respectively.
- Healthcare:** The sector closed **1.6%** lower at 467.6 points during the month. Advanced Technology Company (down **4.1%**) declined the most, followed by Al-Maidan Clinic for Oral Health Services Co. (down **0.6%**), whereas Yiacco Medical Co. ended flat. The sector recorded 2 transactions. Total volume and value traded stood at 26.0 and KWD 15.1, respectively.
- Industrials:** The sector closed **3.6%** lower at 887.3 points during the month. National Cleaning Co. (down **14.6%**) declined the most, followed by Ras Al Khaimah Co. For White Cement Construction Materials (down **9.1%**) while Equipment Holding Co. (up 6.7%) was the top gainer. The sector recorded 26,379 transactions. Total volume and value traded stood at 191.9MM and KWD 102.4MM, respectively.
- Utilities:** The sector closed **6.5%** lower at 457.9 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 **6.5%**. The sector recorded 1,418 transactions. Total volume and value traded stood at 7.6MM and KWD 1.4MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



Monthly Volume Traded (Million)



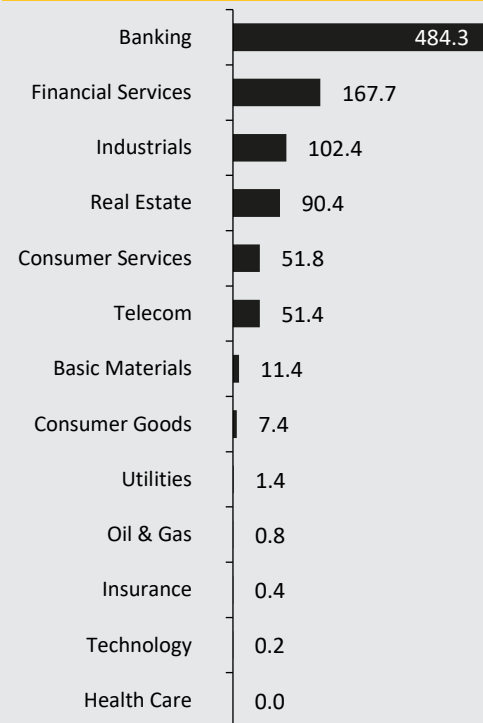
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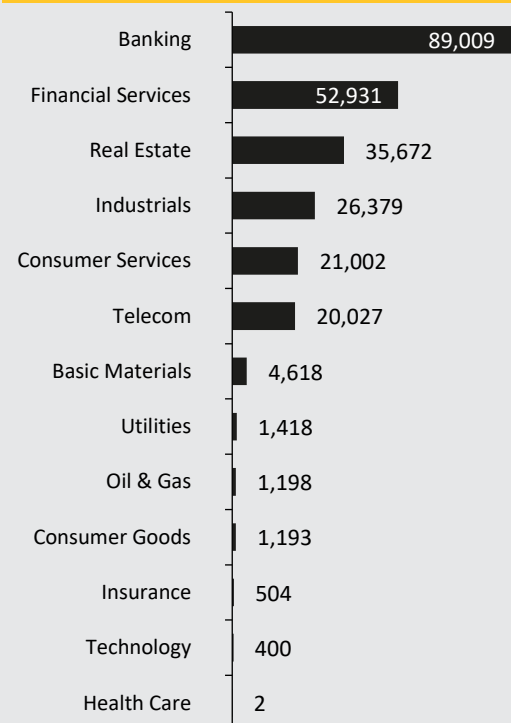
- ◆ **Insurance:** The sector closed 0.8% higher at 2,237.9 points during the month. Wethaq Takaful Insurance Company (up 8.5%) rose the most, followed by Gulf Insurance Group (up 3.4%) while First Takaful Insurance Company (down 16.3%) was the top Loser. The sector recorded 504 transactions. Total volume and value traded stood at 2.1MM and KWD 0.4MM, respectively.
- ◆ **Oil & Gas:** The sector closed 6.2% lower at 901.7 points during the month. Senergy Holding Company (K.S.C.P) (down 9.6%) declined the most, followed by Independent Petroleum Group (down 7.5%), whereas Gulf Petroleum Investment ended flat. The sector recorded 1,198 transactions. Total volume and value traded stood at 16.8MM and KWD 0.8MM, respectively.
- ◆ **Real Estate:** The sector closed 2.0% lower at 1,152.3 points during the month. Al Masaken International Real Estate Development. Co. (down 20.4%) declined the most, followed by Sanam Real Estate Co. (down 14.9%) while Sokouk Holding Co. (up 13.6%) was the top gainer. The sector recorded 35,672 transactions. Total volume and value traded stood at 887.7MM and KWD 90.4MM, respectively.
- ◆ **Technology:** The sector closed 8.6% higher at 603.8 points during the month. Automated Systems Company, being the only company in the sector, increased 8.6%. The sector recorded 400 transactions. Total volume and value traded stood at 2.6MM and KWD 0.2MM, respectively.
- ◆ **Telecom:** The sector closed 1.8% lower at 1,053.3 points during the month. National Mobile Telecommunications Co. (down 2.8%) declined the most, followed by Kuwait Telecommunications Co. (down 2.8%). The sector recorded 20,027 transactions. Total volume and value traded stood at 103.1MM and KWD 51.4MM, respectively.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals



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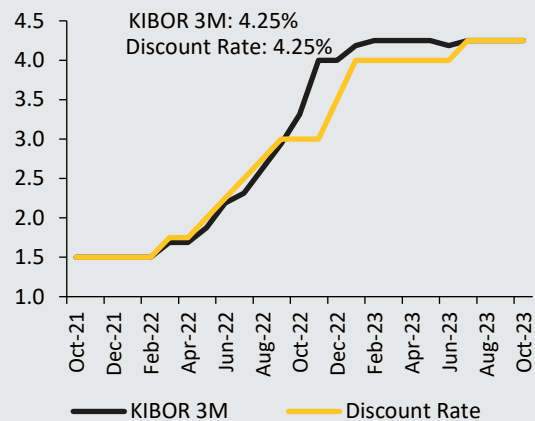
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Kuwait – Economy and Industry News

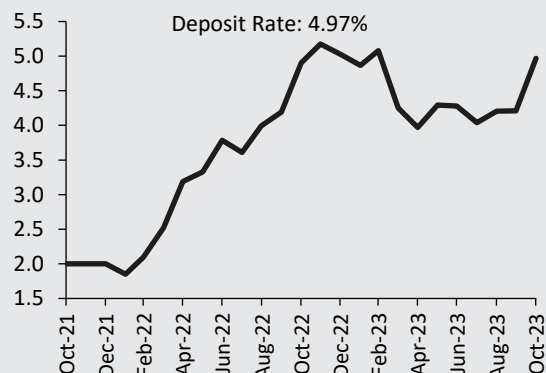
- ◆ The Central Bank of Kuwait (CBK) reported that the broad money supply (M2) fell to KWD 39.11BLN in September 2023 from KWD 39.17BLN in August 2023.
- ◆ Kuwait's annual inflation rate eased to 3.70% YoY in September 2023 from 3.80% YoY in August 2023. Moreover, monthly consumer prices increased 0.3% MoM in September 2023 compared with a 0.2% MoM rise in August 2023.
- ◆ According to the Central Bank of Kuwait, Kuwait's total external debt decreased **5.4%** YoY, amounting to KWD 19.3BLN, during 1H 2023.
- ◆ Local banks' deposits with foreign banks dropped **16.6%** in August 2023 from KWD 6.5BLN in August 2022.
- ◆ Bill for imported goods in Kuwait rose approximately 14.0% YoY to KWD 734.5MM in 1H 2023.
- ◆ Crude oil, refined products, liquified natural gas (LNG), and other natural resources, which accounted for 94.9% of Kuwait's total exports to Japan, fell **32.5%** YoY in September 2023.
- ◆ Kuwait's trade surplus with Japan increased 16.3% to JPY 77.8BLN in September 2023 compared with that in September 2022. Kuwait's overall exports to Japan was up 20.1% YoY to JPY 102.9BLN in September 2023.
- ◆ Kuwait's Direct Investment Promotion Authority has managed to lure direct investment of up to KWD 195.3MM (USD 630.0MM), attributing the sum to its efforts to promote initiatives aiming to usher in development and investment.
- ◆ During the first 9 months of 2023, local banks' deposits with foreign banks experienced a **14.0%** decrease, totaling KWD 925.7MM, down from KWD 6.6BLN in December to KWD 5.7BLN in September.
- ◆ The financing provided to support Kuwaiti imports from local banks has experienced substantial growth of 49.3% YoY during the initial nine months of this year, representing an increase of KWD 2.7BLN to KWD 8.3BLN.

Monetary Indicators

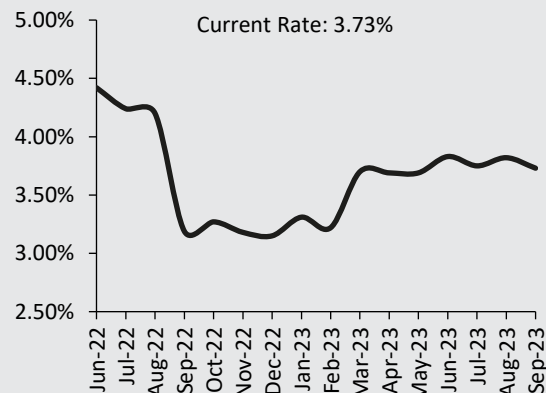
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till Sep 2023

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Kuwait Corporate Developments

- ◆ Al Soor Fuel Marketing signs credit facilities agreement for KWD 20.0MM.
- ◆ Al Soor Fuel Marketing signs a 5-Year transportation contract valued KWD 4.4MM with Tristar Kuwait to transport petroleum products from warehouses to fuel stations.
- ◆ Kuwait's Heavy Engineering Industries and Shipbuilding Company (HEISCO) signs contract amounting KWD 19.6MM with Kuwait Oil Company for operation and maintenance of bulk chemicals facilities, operational laboratories and effluent water disposal plants.
- ◆ National Investments Co. has signed an agreement to provide market maker service on stock of HEISCO.
- ◆ Agility Public Warehousing Company signs healthcare MOU with Saudi Ministry of Investment. The agreement includes the potential for expanding digital health services and localizing the supply chain for innovative new medical technologies.
- ◆ Egypt Kuwait Holding signs agreement to buy 9.5% in Bawabet Al Kuwait Holding with the deal value of KWD 14.6MM.
- ◆ Capital Markets Authority (CMA) cancels listing of MENA Real Estate from Boursa Kuwait.
- ◆ Combined Group Contracting signs tender contract for joint operations at Wafra for support services for gas pulling project with contract value KWD 14.4MM.
- ◆ Combined Group Contracting signs contract for maintenance support services for export facilities with a contract value KWD 44.6MM.
- ◆ Kuwait Investment Board approves to sell co' shares in Bawabet Al Kuwait Holding Co for about KWD 14.2MM.
- ◆ Ifa Hotels and Resorts says unit's joint project Orla Infinity, Dorchester Collection, Dubai has been launched. Project's sales value is estimated to be KWD 126.0MM.
- ◆ Al-Mazaya Holding board approves merger with First Dubai Real Estate Development Co for share swap ratio of 0.497 share in co for every share in First Dubai Real Estate Development.
- ◆ Zain Kuwait says Zaintech enters agreement for acquisition value USD 32.0MM of specialized technical services.
- ◆ KFH receives CMA approval on merger between Kuwait Finance House and Ahli United Bank.
- ◆ Kuwait's Hayat Communications obtains license from Citra to construct, establish and repair telecommunications stations and towers.
- ◆ Al Ahli Bank of Kuwait says CMA approves up to KWD 50.0MM bonds issue.
- ◆ Advanced technology signs an agreement to renew and reduce credit facilities valued KWD 38.9MM with a local bank.
- ◆ Kuwait Financial Centre says it is US unit sells real estate for USD 820.0MM.
- ◆ Kuwait Real Estate signs credit facility agreement valued KWD 99.9MM with a local bank.
- ◆ Gulf Investment House unit buys 14.6% stake in a local real estate company.

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