

Market Performance

Kuwait's All Share Index closed 2.2% higher at 5,775.9 points in March 2021. Total traded volume decreased **21.9%** MoM to 4.7bn; the number of deals increased 1.5% MoM to 209,876 and total value traded improved 8.7% MoM to KWD907.1mn. The strength in the market was attributed to optimism surrounding progress in COVID-19 vaccine development and higher oil prices.

As per the third estimate released by the Bureau of Economic Analysis (BEA), the real GDP of the US grew at an annualized rate of 4.3% QoQ in Q4 2020, driven by the increase in exports, non-residential fixed investments, personal consumption expenditure (PCE), residential fixed investments, and private inventory investments. Personal income reduced by **7.1%** MoM in February 2021, compared with the revised 10.1% MoM rise in January 2021, largely in line with the consensus estimate of the **7.2%** decline. The decrease in personal income was primarily attributed to the decrease in government social benefits to persons. As a result, PCE fell **1.0%** MoM in February 2021, after rising 3.4% (revised) MoM in January 2021, above the market expectation of a **0.8%** decline. Trade deficit of the US rose to USD68.2bn in January 2021, up 1.9% MoM compared with the revised deficit of USD67.0bn in December 2020, in line with the consensus estimate of the USD67.6bn deficit. In comparison with December 2020, total exports increased 1.0% MoM to USD191.9bn, while total imports increased by USD3.1bn MoM to USD260.2bn in January 2021.

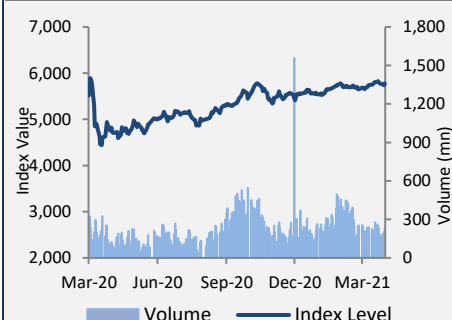
As per the revised flash estimates released by Eurostat, the seasonally adjusted GDP growth of the Euro area slowed by **0.7%** QoQ in Q4 2020 following a strong rebound in Q3 2020. The annual inflation in the Euro area rose to 1.3% YoY in March 2021, which was higher compared to 0.9% in February 2021. The Euro area's goods trade surplus increased by EUR6.3bn in January 2021 as compared to a surplus of EUR1.5bn in January 2020. Exports of goods decreased **11.4%** YoY and imports dropped **14.1%** YoY. According to the latest data released by the Office for National Statistics, the annual inflation rate in the UK stood at 0.7% YoY in February 2021, down from 0.9% in January 2021. The largest contributions to the annual inflation rate came from the transport sector.

In Asia, as per the data released by the National Bureau of Statistics, China's Consumer Price Index (CPI) fell **0.2%** YoY in February 2021, compared with the **0.3%** YoY drop in January 2021. The decline was largely ascribed to the lower cost of non-food items. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) rose to 51.9 in March 2021 from 50.6 in February 2021. As per the Statistics Bureau of Japan, the country's CPI fell **0.4%** YoY in February 2021 relative to the **0.6%** YoY decline in January 2021.

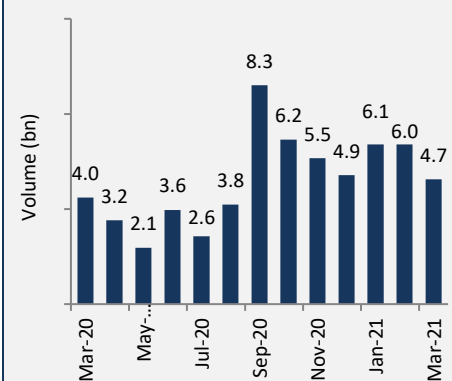
| Kuwait Market Summary | March, 2021 | February, 2021 | Change (%) |
|-----------------------|-------------|----------------|------------|
| Open | 5,661.67 | 5,778.30 | (2.0) |
| High | 5,845.86 | 5,790.03 | 1.0 |
| Low | 5,652.31 | 5,639.68 | 0.2 |
| Close | 5,775.92 | 5,649.16 | 2.2 |
| Volume traded (mn) | 4,722.83 | 6,047.06 | (21.9) |
| Value Traded (KWD mn) | 907.12 | 834.75 | 8.7 |
| No. of deals | 209,876 | 206,689 | 1.5 |
| No. of advances | 73 | 55 | 32.7 |
| No. of declines | 80 | 96 | (16.7) |
| No. of unchanged | 15 | 20 | (25.0) |

Kuwait Index Performance

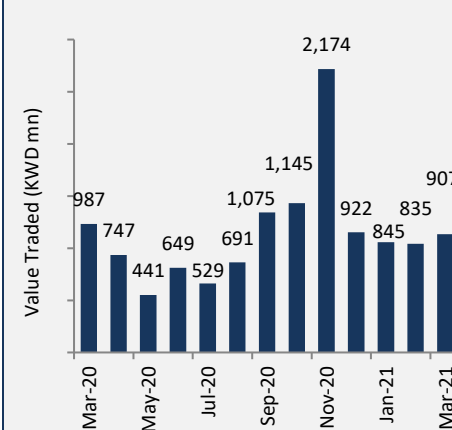
Benchmark Index and Volume Traded



Monthly Volume Traded (bn)



Monthly Value Traded (KWD mn)



Top Gainers and Losers

The market breadth was negative; 80 stocks declined and 73 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) |
| Al Eid Food Co. | 185.00 | 54.17 | 122.89 | 22.30 | 30.06 | 0.01 | 6.18 | 14.18 | 1.14 |
| Sanam Real Estate Co. | 41.00 | 46.43 | 18.84 | 4.97 | 1.36 | (0.01) | 8.09 | NM | 0.78 |
| Kuwait Finance & Investment Co. | 62.50 | 30.48 | 45.35 | 19.30 | 73.46 | 0.00 | 0.12 | 24.05 | 0.57 |
| Gulf Investment House | 102.00 | 28.30 | 22.60 | 41.46 | 115.07 | (0.00) | 11.29 | 0.09 | 1.15 |
| The Kuwait Company for Process Plant Construction & Contracting | 541.00 | 21.57 | 34.34 | 57.80 | 9.50 | 0.05 | 0.32 | 10.0 | 1.71 |

| Top Five Losers | | | | | | | | | |
|------------------------------------|-------------|---------|---------|--------------------------------|-------------|-----------|------------|---------|---------|
| | Close (KWd) | MTD (%) | YTD (%) | Market Capitalization (KWD mn) | Volume (mn) | EPS (KWd) | BVPS (KWd) | P/E (x) | P/B (x) |
| Al-Deera Holding Co. | 134.00 | (31.44) | 50.56 | 12.30 | 11.85 | (0.08) | 10.14 | NM | 1.36 |
| Amwal International Investment Co. | 18.90 | (31.27) | (43.92) | 3.41 | 2.18 | 0.00 | 19.89 | 13.97 | 0.38 |
| Dar Al Thuraya Real Estate Co. | 51.30 | (20.47) | (19.09) | 7.52 | 0.47 | 0.00 | 9.59 | 13.48 | 0.49 |
| Bayan Investment Co. | 35.00 | (18.03) | (16.07) | 12.68 | 11.99 | (0.00) | 9.74 | NM | 0.34 |
| Fujairah Cement Industries | 30.40 | (16.94) | (11.11) | 10.82 | 1.57 | (0.37) | 4.81 | NM | 0.15 |

| Top Five by Volume | | | | | | | | | |
|--------------------------------|-------------|---------|---------|--------------------------------|-------------|-----------|------------|---------|---------|
| | Close (KWd) | MTD (%) | YTD (%) | Market Capitalization (KWD mn) | Volume (mn) | EPS (KWd) | BVPS (KWd) | P/E (x) | P/B (x) |
| First Investment Company | 67.50 | 15.38 | 56.98 | 30.10 | 327.62 | (0.10) | 9.89 | NM | 0.67 |
| Ahli United Bank (B.S.C) | 213.00 | (5.33) | (6.17) | 2055.85 | 277.24 | 0.04 | 8.38 | 16.39 | 1.70 |
| Aayan Leasing & Investment Co. | 123.00 | 6.03 | 33.84 | 98.61 | 121.59 | 0.03 | 8.79 | 3.46 | 1.08 |
| Kuwait Finance House | 768.00 | 6.37 | 13.44 | 5844.29 | 163.23 | 0.02 | 3.93 | 40.46 | 3.02 |
| Gulf Bank | 220.00 | 1.85 | 0.46 | 662.45 | 251.34 | 0.01 | 4.70 | 22.94 | 1.03 |

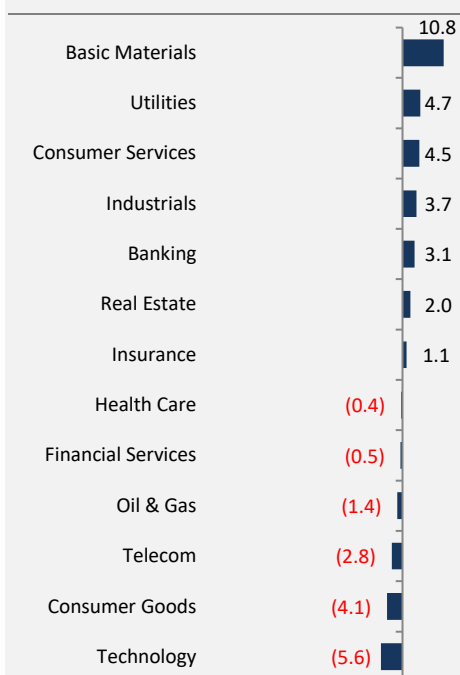
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

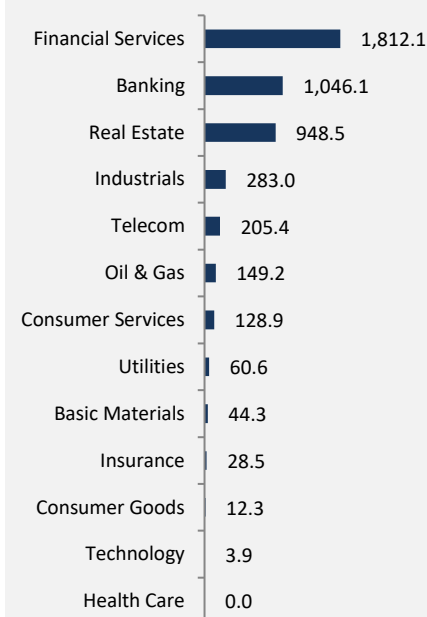
- Banks:** The sector closed 3.1% higher at 1,314.3 points during the month. Boubyan Bank (up 9.6%) was the top gainer, followed by Kuwait Finance House (up 6.4%), while Ahli United Bank (down 5.3%) was the top decliner. The sector was leading position on the index in terms of turnover (KWD414.4mn). The volume traded and number of deals stood at 1.0bn shares and 47,005, respectively.
- Basic Materials:** The sector closed 10.8% higher at 1,089.1 points during the month. Boubyan Petrochemical Co. (up 17.6%) was the top gainer, followed by Qurain Petrochemical Industries Co. (up 6.8%). The number of shares traded, and total turnover stood at 22.5mn and KWD44.3mn, respectively, while total transactions stood at 5,274.
- Consumer Goods:** The sector declined 4.1% to end at 707.8 points during the month. Livestock Transport & Trading Com. (down 9.0%) declined the most. Total volume, turnover, and deals made stood at 12.3mn shares, KWD6.3mn, and 2,150, respectively.
- Consumer Services:** The sector closed 4.5% higher at 845.6 points during the month. Among stocks, Al Eid Food Co. (up 54.2%) led the gainers, followed by Jazeera Airways Co. (up 12.9%), while Jiyad Holding Company (down 4.7%) was the top decliners. Total volume, turnover, and transactions stood at 128.8mn shares, KWD12.0mn, and 7,560, respectively.
- Financial Services:** The sector closed 0.5% lower at 984.9 points during the month. Kuwait Finance & Investment Co. (up 30.5%) was the top gainer, followed by Gulf Investment House (up 28.3%), while Al-Deera Holding Co. (down 32.4%) was the top loser. Total volume, turnover, and deals made stood at 1,812.1mn shares, KWD161.5mn and 58,602, respectively.
- Healthcare:** The sector ended 0.4% lower at 810.2 points. Yiacco Medical Co. (down 12.5%) was the top loser. There were 35 deals; Quantity and value traded stood at 18,939 and KWD12,017, respectively.
- Utilities:** The sector closed 4.7% higher at 705.3 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (up 4.7%) only listed stock ended in green. The sector recorded 4,568 transactions. Total volume and value traded stood at 60.6mn and KWD15.6mn, respectively.

Market Composition

Monthly Sector Index Returns (%)



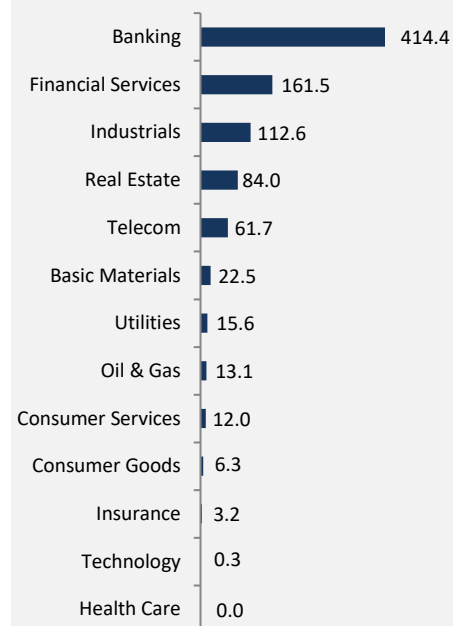
Monthly Volume Traded (million)



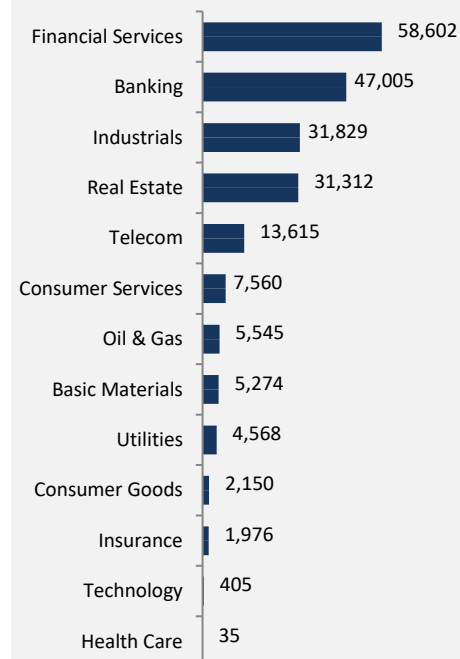
- Industrials:** The sector closed 3.7% higher at 920.9 points during the month. The Kuwait Company For Process Plant Construction & Contracting (up 21.6%) was the top gainer, followed by Combined Group Contracting Co. (up 14.9%), while Fujairah Cement Industries (K.P.S.C) (down 16.9%) was the top loser. Total volume, turnover, and deals made stood at 283.0mn shares, KWD112.6mn and 31,829, respectively.
- Insurance:** The sector closed 1.1% higher at 1,201.1 points during the month. Al-Ahleia Insurance Company (up 14.0%) was the top gainer, while Wethaq Takaful Insurance Company (down 8.2%) followed by Kuwait Reinsurance Company (down 5.1%) was the top loser. Total volume, turnover, and deals made stood at 28.5mn shares, KWD3.2mn and 1,976, respectively.
- Oil & Gas:** The sector closed 1.4% lower at 1,225.3 points. The Energy House Co (down 12.6%) was the top loser, followed Gulf Petroleum Investment (down 3.6%), while Senergy Holding Company (up 6.5%) was the top gainer. Total volume, turnover, and number of transactions stood at 149.2mn shares, KWD13.1mn, and 5,545, respectively.
- Real Estate:** The sector closed 2.0% higher at 1,016.8 points during the month. Sanam Real Estate Co. (up 46.4%) was the top gainer, followed by A Ayan Real Estate Co. (up 12.5%), while Dar Al Thuraya Real Estate Co. (down 20.5%) was the top loser. Total volume, turnover, and deals made stood at 948.5mn shares, KWD84.0mn and 31,312, respectively.
- Technology:** The sector closed at 596.6 points, down 5.6% from the previous month. Automated Systems Company (down 5.6%) was the only loser. The sector recorded 405 transactions during the month. Total volume and value traded stood at 3.9mn and KWD0.3mn, respectively.
- Telecom:** The sector closed 2.8% lower at 1,114.7 points. Aan Digital Services Co. (down 12.1%) was the top decliner, followed by Mobile Telecommunications Company (down 3.5%). Total turnover of KWD61.7mn was generated by 205.4mn shares traded through 13,615 transactions.

Market Composition

Monthly Value Traded (KWD mn)



Number of Deals

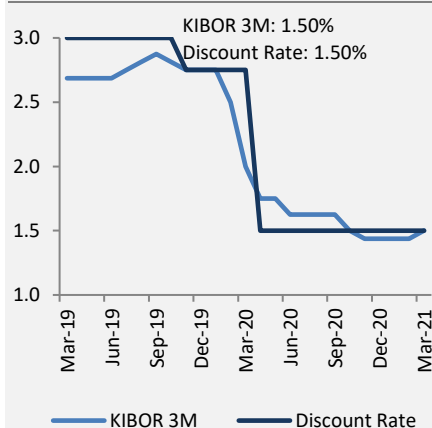


Kuwait – Economy and Industry News

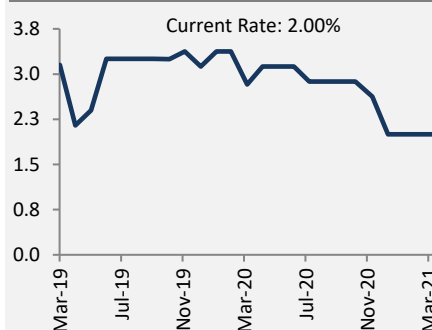
- Kuwait's All Share Index closed 2.2% higher at 5,775.9 points in March 2021. The total traded volume decreased 21.9% MoM to 4.7bn; the number of deals increased 1.5% MoM to 209,876 and total value traded improved 8.7% MoM to KWD907.1mn. The strength in the market was attributed to optimism surrounding progress in COVID-19 vaccine development and higher oil prices.
- The Kuwaiti government approved a bill to secure guarantees for domestic banks to extend loans to businesses that have suffered by the pandemic.
- The Central Bank of Kuwait (CBK) reported the preliminary data of the State of Kuwait's Balance of Payments (BoP) for 3Q 2020 and restated data for 2Q 2020.
- In 3Q 2020, Kuwait registered a surplus of KWD 2,475.3mn in the Current Account against a surplus of KWD 4,154.3mn in 2Q 2020.
- As per the latest data released by the Central Statistical Bureau (CSB), Kuwait's annual inflation increased 3.0% YoY in February 2021. Prices of food and beverages increased the most at 10.4% YoY, whereas those prices of the education sector decreased 15.5% YoY.
- According to the latest data from CBK, the official reserves improved 16.0% YoY to KWD14.2bn in January 2021 from KWD12.3bn.
- Kuwait's monetary gold position remained unchanged at KWD31.7mn in January 2021.
- The IMF reserve position increased sharply by 32.3% YoY to KWD219.2mn from KWD165.7mn in January 2020, while special drawing rights inched up 0.1% YoY to KWD564.5mn.
- CBK's total assets increased 14.9% YoY from KWD11.8bn in January 2020 to KWD13.6bn.
- The total actual expenditures of government institutions decreased from AED13.841bn at the end of February 2020 to AED11.782bn at the end of February 2021.
- As per the Kuwait Authority for Partnership Projects (KAPP), Kuwait would save billions of dollars if it built its planned metro via private finance instead of through traditional procurement.

Monetary Indicators

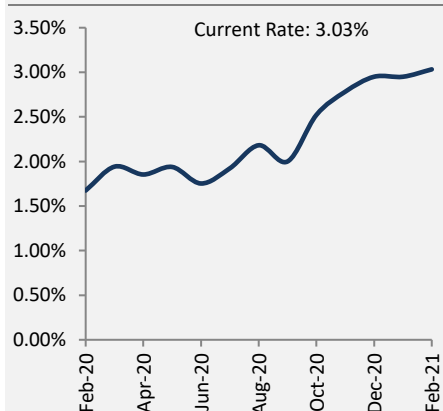
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

GCC Markets Performance

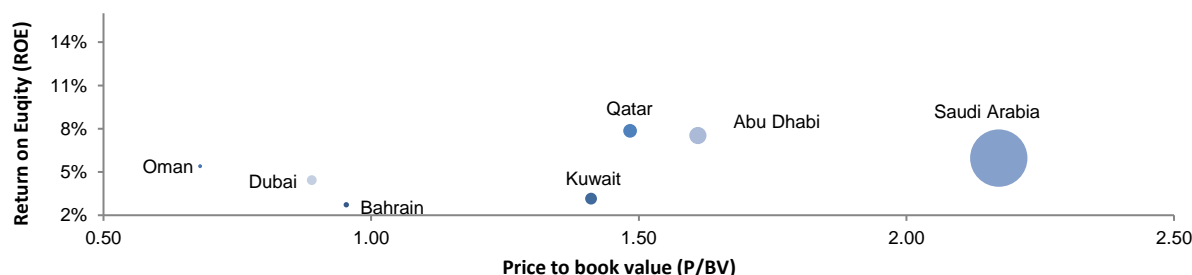
| Index | Close | Change MTD (%) | Change YTD (%) | P/E | Dividend Yield (%) |
|---------------------|-----------|----------------|----------------|-------|--------------------|
| Bahrain (BAX) | 1,458.03 | (0.57) | (2.13) | 37.30 | 4.14 |
| Kuwait (KSE) | 5,775.92 | 2.24 | 4.14 | 45.72 | 2.97 |
| Oman (MSM) | 3,708.71 | 2.67 | 1.36 | 12.13 | 5.57 |
| Qatar (DSM) | 10,401.50 | 2.52 | (0.33) | 19.35 | 2.84 |
| Saudi Arabia (TASI) | 9,907.82 | 8.34 | 14.02 | 38.20 | 2.45 |
| UAE (ADX) | 5,912.56 | 4.40 | 17.19 | 22.90 | 4.57 |
| UAE (DFM) | 2,550.23 | (0.05) | 2.34 | 19.92 | 3.23 |

Of the seven GCC indices, five ended in positive territory and two of them closed lower, during the month of March. Saudi Arabia's TASI index (up 8.3%) was the top gainers. Conversely, Bahrain's BAX (down 0.6%) was the top loser.

- Bahrain's BAX closed 0.6% lower at 1,458.0 points. Among sectors, Investment (down 1.1%) and Services (down 0.7%) were the top loser. Among stocks, Khaleeji Commercial Bank (down 20.8%) decreased the most, followed by APM Terminals Bahrain B.S.C (down 13.9%), while Nass Corporation BSC. (up 36.1%) was the top gainer.
- Kuwait's All Share Index closed 2.2% higher at 5,775.9 points. Among sectors, Basic Materials (up 10.8%) led the gainers. On the contrary, Technology (down 5.6%) decreased the most. Among stocks Kuwait Finance & Investment Co. (up 30.5%) was the top gainer, followed by Gulf Investment House (up 28.3%), while Al-Deera Holding Co. (down 32.4%) was the top loser.
- Oman's MSM was up 2.7% to close at 3,708.7 points. Among sectors, Financials (up 5.0%) was the top gainer. Among stocks, Alanwar Investment (up 27.9%) was increased the most, followed by Muscat Finance (up 25.7%), while Oman Cement (down 11.5%) was the top loser.
- Qatar's DSM increased 2.5% to close at 10,401.5 points. Among sectors, Insurance (up 8.5%) increased the most, followed by Real Estate (up 7.2%). Among stocks, Mannai Corporation (up 37.6%) was the top gainer, followed by Investment Holding Group (up 28.4%), while Al Ahli Bank (down 9.5%) decreased the most.
- Saudi Arabia's TASI rose 8.3% to close at 10,401.5 points. Among sectors, Diversified Financials (up 20.1%) was the top gainer, followed by Banks (up 11.4%), while Commercial & Professional (down 0.3%) declined the most. Among stocks, Etihad Atheeb Telecommunication (up 241.3%) led the gainers, followed by Al Jouf Agricultural Development Co (up 91.3%). Baazeem Trading Co (down 15.0%) declined the most.
- The ADX ended 4.4% higher at 5,912.6 points. Among sectors, Investment & Financial Services (up 32.1%) lifted the index, followed by Energy (up 9.5%). Among stocks, International Holdings Company PJSC (up 36.0%) was the top gainer, followed by Abu Dhabi National Co. for Building Materials (up 22.9%), while Al Wathba National Insurance Co. (down 19.0%) declined the most. The DFM ended 0.1% lower at 2,550.2 points. Among sectors, Consumer Staples and Discretionary (down 18.1%) was the top decliner, followed by Banks (down 0.5%). Among stocks, Emirates Refreshments Company (down 57.9%) led the decliners, followed by National Industries Group Holding (down 34.0%), while Dubai Refreshment Company (up 36.4%) 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 of Statistics (GASTAT), Saudi Arabia's annual consumer price inflation rose to 5.2% YoY in February 2021. The increase was mainly attributed to the 11.2% rise in the prices of food and beverages, followed by a 9.8% increase in transportation prices.
- Non-oil exports fell 6.3% YoY to SAR 15.0bn in February 2021, according to the latest data released by GASTAT.
- The S&P Global Rating agency has affirmed Saudi Arabia's "A-/A-2" sovereign credit ratings with a stable outlook. Moreover, the rating agency expects fiscal deficit to decline 5% this year after rising 11.2% last year due to the Covid-19 pandemic.
- Net foreign direct investment (FDI) inflows increased 20.3% Y-o-Y to USD5.49bn (SAR20.57bn) from USD4.56bn (SAR17.11bn) in 2019.

UAE

- According to the Federal Competitiveness and Statistics Authority, the UAE's CPI fell 1.9% YoY in January 2021, compared to a 2.1% YoY decline in December 2020.
- As per the latest analysis by the Dubai Chamber of Commerce and Industry, retail sales in the UAE are projected to grow 13% to reach USD58.0bn by the end of 2021.
- The UAE plan to invest USD10.0bn in Indonesia's sovereign wealth fund. The investments will focus on strategic sectors in Indonesia, including infrastructure, roads, ports, tourism, agriculture, and other promising sectors.

Qatar

- Qatar's foreign merchandise trade balance was in surplus by QAR13.2bn in February 2021 as total exports amounted to QAR20.6bn, decreasing 2.8% YoY. Total imports amounted to QAR7.4bn, decreasing 4.4% YoY.
- According to Planning and Statistics Authority, Qatar's consumer price index fell 1.4% YoY in February 2021.

Bahrain

- According to the Information & e-Government Authority, Bahrain's inflation rate fell 3.0% YoY in February 2021 in comparison with the 2.7% YoY decline in January 2021. Prices in the recreation and culture sector decreased the most at 30.5% YoY.

Oman

- According to the National Centre for Statistics and Information (NCSI), Oman's inflation rate reduced 1.4% YoY in February 2021 due to a 5.0% YoY drop in prices in the transportation sector.
- In Oman, the total number of guests in the three to five-star category hotels dropped 49.5% in January 2021 at 78,451 guests from 155,488 guests in January 2020.

GCC Corporate Developments

Saudi Arabia

- **Fitaihi Holding Group** finalized the sale of its 9% stake in **Al-Jouf Agricultural Development Co.** Moreover, the group has made one-time capital gains of SAR125.7mn from the divestiture.
- **Jadwa REIT Saudi Fund** has signed an agreement to acquire **Boulevard Riyadh** for SAR320.0mn. The purchase would be funded by increasing the total value of the fund's assets.
- As per the company statement, **Al Moammar Information Systems Co. (MIS)** and **Bank Albilad** renewed a SAR100.0mn Shariah-compliant finance agreement.
- **National Building & Marketing Co. (NBM)** and **Ajeej Steel manufacturing Co.** signed a deal worth SAR80.0mn. In the deal NBM will acquire the full share of the company's capital.
- **Yamama Cement Company** has signed an agreement with **Al Rajhi Bank** for a total value of SAR863.0mn, which includes a SAR563.0mn long-term facility and SAR300.0mn in short-term financing.

UAE

- Sublime Commercial Investment, a subsidiary of Alpha Dhabi Holding, has acquired a 12.21% stake in **Aldar Properties** from Mubadala Investment Company (Mubadala).
- **Aldar Properties** has set a AED500.0mn redevelopment plan for Yas Mall to support its position and improve its retail experience.
- **Abu Dhabi Commercial Bank (ADCB)** has finalized the sale of its 49% stake in UAE insurer, Orient UNB Takaful, to Orient Insurance Company.
- **Almarai Company** has penned a sale and purchase agreement to acquire complete shares in Bakemart UAE and Bakemart Bahrain for an enterprise value of AED93.5mn (USD25.5mn)

Bahrain

- **GFH Financial Group** has signed an agreement with Bahrain Bourse (BHB) and the Central Bank of Bahrain (CBB) to support its clients with the Murabaha service.

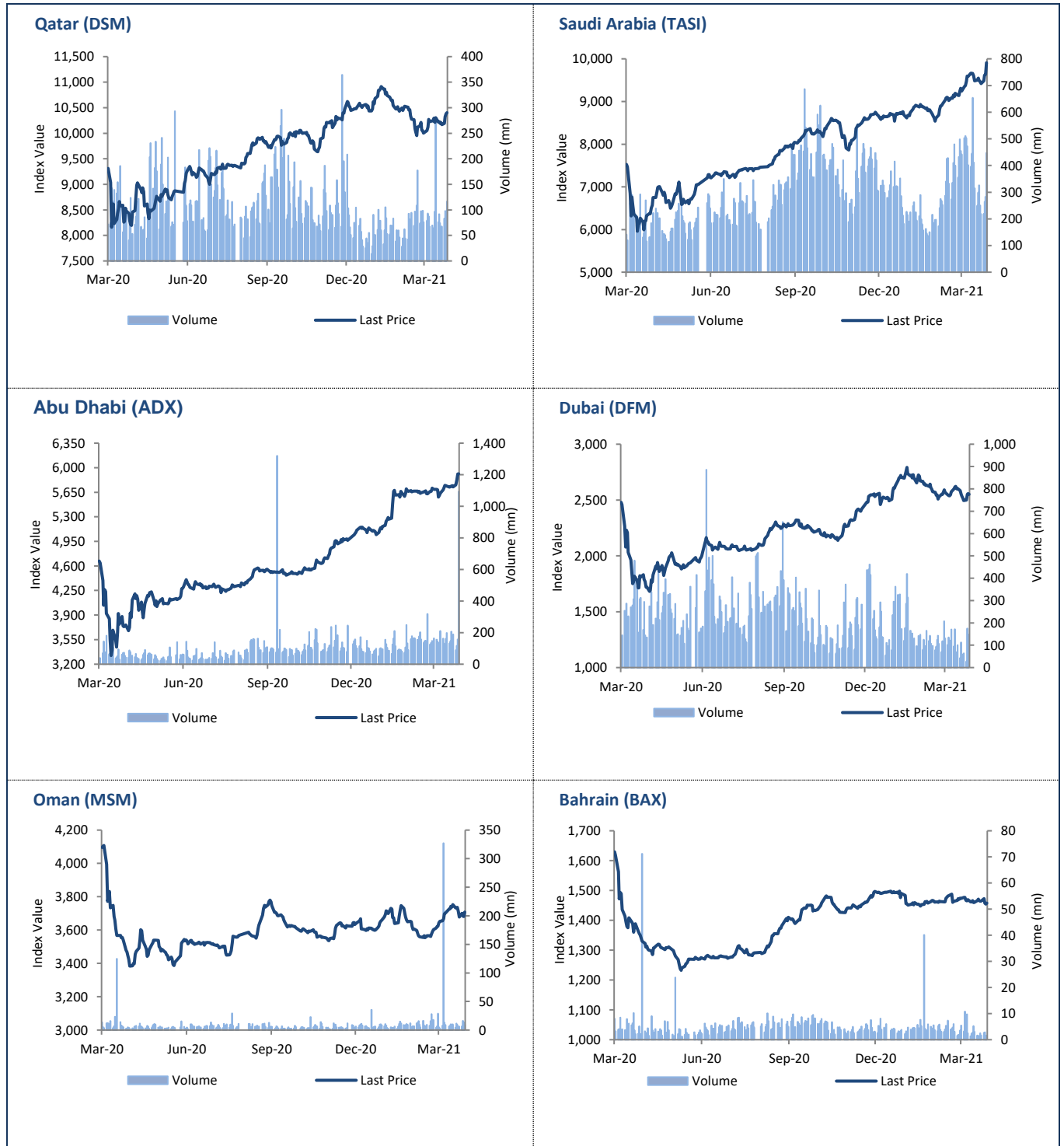
Kuwait

- The Managing Director of **Egypt Kuwait Holding (EKH)**, Sherif El-Zayat is planning to invest USD300.0mn in 2021 and 2022, which would bring the total value of its investments to USD1.9bn.

Qatar

- **Qatar Petroleum** has signed a contract with LNT Marine, the American Bureau of Shipping (ABS), and Shanghai Waigaoqiao Shipbuilding (SWS), to advance new medium and large liquefied natural gas (LNG) carrier designs.

GCC Benchmark Indices– Market Movement



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