

Market Performance

Kuwait's All Share Index closed 1.6% higher at 6,211.4 points in May 2021. Total traded volume increased 21.0% MoM to 9.1bn; the number of deals increased 15.3% MoM to 302,233 and total value traded improved 27.2% MoM to KWD1,377.0mn. Growth in the market was attributed to the largescale rollout of the COVID-19 vaccination program and recovery in oil prices.

As per the second estimate released by the Bureau of Economic Analysis, the US's real GDP grew at an annualized rate of 6.4% QoQ in Q1 2021, driven by increase in personal consumption expenditures (PCE), non-residential fixed investments, federal government spending, residential fixed investments, and state and local government spending. Growth was partly offset by decrease in private inventory investments and exports. Personal income decreased by **13.1%** MoM in April 2021 from the revised 20.9% MoM rise in March 2021; economists had estimated a **14.2%** decline. The decrease in personal income was primarily attributed to the drop in government social benefits to US citizens. PCE rose 0.5% MoM in April 2021, following a 4.7% rise in MoM (revised) in March 2021, in line with the market expectation of 0.5% rise. Inflation in the US rose 0.8% MoM in April 2021, after increasing 0.6% in March 2021, well above the consensus estimate of 0.2% rise. Total exports increased 6.6% MoM to USD200.0bn in March 2021, while total imports improved by USD16.4bn MoM to USD274.5bn.

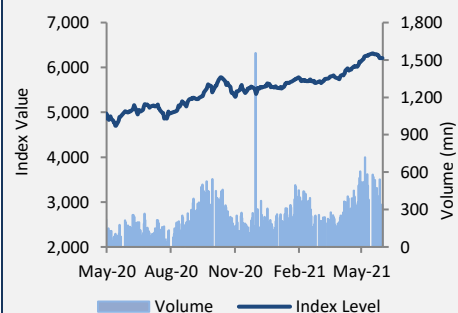
According to flash estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area slowed by **0.6%** QoQ in Q1 2021, after declining **0.7%** in Q4 2020. Annual inflation in the Euro area rose to 2.0% YoY in May 2021 from 1.6% in April 2021. The Euro area's goods trade surplus decreased to EUR15.8bn in March 2021 as compared to a surplus of EUR29.9bn in March 2020. Export of goods increased 8.9% YoY, while imports rose 19.2% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK stood at 1.6% YoY in April 2021, up from the 1.0% rise in March 2021. The largest contributors to annual inflation were the housing and household services sectors.

In Asia, the latest data released by the National Bureau of Statistics shows that China's Consumer Price Index (CPI) rose 0.9% YoY in April 2021, after rising 0.4% YoY in March 2021. The gain was largely ascribed to the higher cost of non-food items. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) fell to 51.1 in April 2021 from 51.9 in March 2021. According to the Statistics Bureau of Japan, the country's CPI fell **0.4%** YoY in April 2021, following the **0.2%** YoY decline recorded in March 2021.

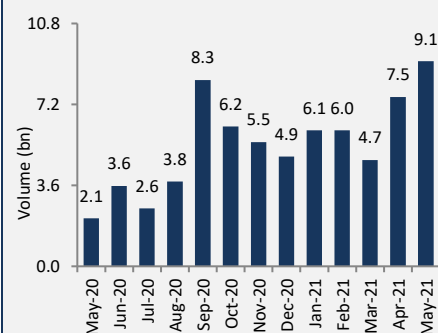
Kuwait Market Summary	May, 2021	April, 2021	Change (%)
Open	6,129.36	5,777.13	6.1
High	6,353.83	6,143.17	3.4
Low	6,125.87	5,777.13	6.0
Close	6,211.37	6,113.60	1.6
Volume traded (mn)	9,116.13	7,531.22	21.0
Value Traded (KWD mn)	1,377.00	1,082.72	27.2
No. of deals	302,233	262,087	15.3
No. of advances	92	115	(20.0)
No. of declines	59	37	59.5
No. of unchanged	14	14	0.0

Kuwait Index Performance

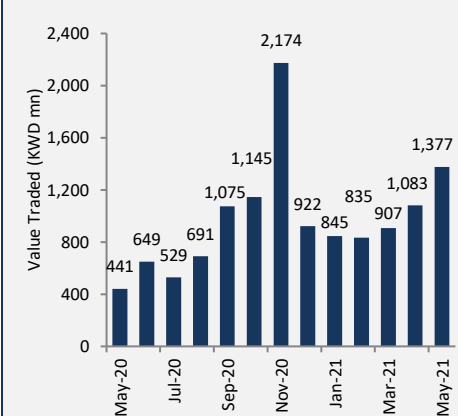
Benchmark Index and Volume Traded



Monthly Volume Traded (bn)



Monthly Value Traded (KWD mn)



Top Gainers and Losers

The market breadth was positive; 92 stocks firmed-up and 59 declined, while 14 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)
Dar Al Thuraya Real Estate Co.	94.00	61.23	48.26	13.77	3.40	0.58	9.19	54.15	0.86
Kuwait Hotels Company	91.90	58.45	54.45	5.19	4.51	0.24	13.55	21.88	1.25
Jiyad Holding Company	60.70	46.97	37.02	11.16	44.73	0.27	8.92	16.52	0.54
Coast Investment & Development Company	73.00	38.00	50.52	42.67	152.38	(0.01)	12.86	NA	0.94
Warba Insurance Company (K.S.C.P)	143.00	34.91	70.24	24.73	35.12	0.09	4.75	12.30	0.68

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Al Bareeq Holding	51.00	(44.57)	(22.14)	22.30	137.19	NA	9.63	NA	0.49
Kuwait Reinsurance Company	258.00	(30.27)	23.44	56.39	0.02	0.04	4.11	10.71	1.06
Automated Systems Company	85.80	(19.81)	24.17	8.58	2.39	(0.00)	0.12	NA	0.83
Yiaco Medical Co.	450.00	(15.41)	(46.43)	7.70	0.01	0.11	8.27	49.65	3.72
United Projects Co.	273.00	(15.22)	(5.86)	103.11	4.44	(0.00)	0.63	NA	0.45

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWD mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Aan Digital Services Co.	14.30	22.22	15.32	12.47	738.92	0.00	36.50	NA	0.52
Privatization Holding Co.	55.20	16.95	37.66	33.67	568.07	0.22	7.68	12.29	0.42
Ahli United Bank (B.S.C)	217.00	4.33	(4.41)	2199.18	473.41	0.08	8.42	17.62	1.83
First Investment Company	85.10	5.32	97.91	37.95	348.71	(0.00)	9.78	NA	0.83
Gulf Bank	224.00	3.23	2.28	674.49	337.35	0.09	4.73	21.15	1.06

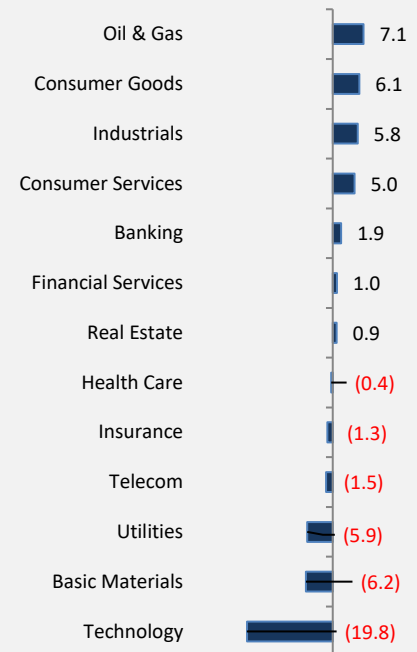
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

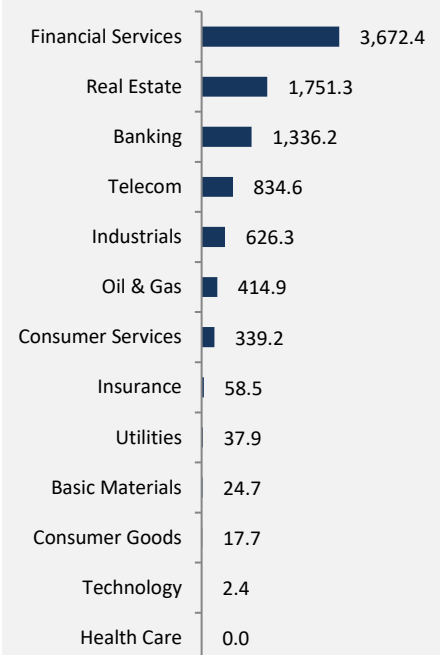
- Banks:** The sector closed 1.9% higher at 1,389.0 points during the month. Ahli United Bank (B.S.C) (up 4.3%) was the top gainer, followed by Gulf Bank (up 3.2%), while Ahli United Bank (down 9.5%) was the top decliner. The sector was leading position on the index in terms of turnover (KWD444.9mn). The volume traded and number of deals stood at 1.3bn shares and 40,583, respectively.
- Basic Materials:** The sector closed 6.2% lower at 1,105.1 points during the month. Qurain Petrochemical Industries Co. (down 10.9%) was the top decliner, followed by Alkout Industrial Projects Co. (down 5.0%). The number of shares traded, and total turnover stood at 24.7mn and KWD18.6mn, respectively, while total transactions stood at 3,418.
- Consumer Goods:** The sector gained 6.1% to end at 784.8 points during the month. Mezzan Holding Co (up 7.6%) increased the most. Total volume, turnover, and deals made stood at 17.7mn shares, KWD10.5mn, and 3,742, respectively.
- Consumer Services:** The sector closed 5.8% higher at 948.5 points during the month. Among stocks, Kuwait Hotels Company (up 58.4%) led the gainers, followed by Jiyad Holding Company (up 47.0%), while Palms Agro Production Co. (down 9.6%) was the top decliners. Total volume, turnover, and transactions stood at 339.2mn shares, KWD39.6mn, and 16,772, respectively.
- Financial Services:** The sector closed 1.0% higher at 1,133.6 points during the month. Coast Investment & Development Company (up 38.0%) was the top gainer, followed by Gulf Investment House (up 34.9%), while Al Bareeq Holding (down 44.6%) was the top loser. Total volume, turnover, and deals made stood at 3,672.4mn shares, KWD382.3mn and 101,850, respectively.
- Healthcare:** The sector ended 0.4% lower at 790.5 points. Yiacco Medical Co. (down 15.4%) was the top loser. There were 58 deals; Quantity and value traded stood at 11,442 and KWD5,575, respectively.
- Utilities:** The sector closed 5.9% lower at 631.6 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 5.9%) only listed stock ended in red. The sector recorded 2,989 transactions. Total volume and value traded stood at 37.9mn and KWD9.5mn, respectively.

Market Composition

Monthly Sector Index Returns (%)



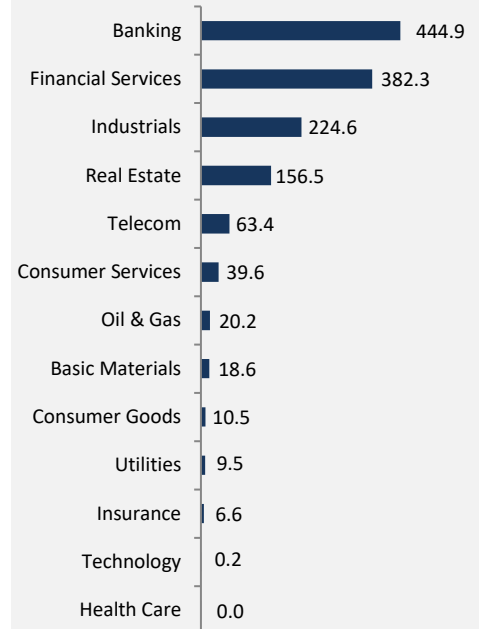
Monthly Volume Traded (million)



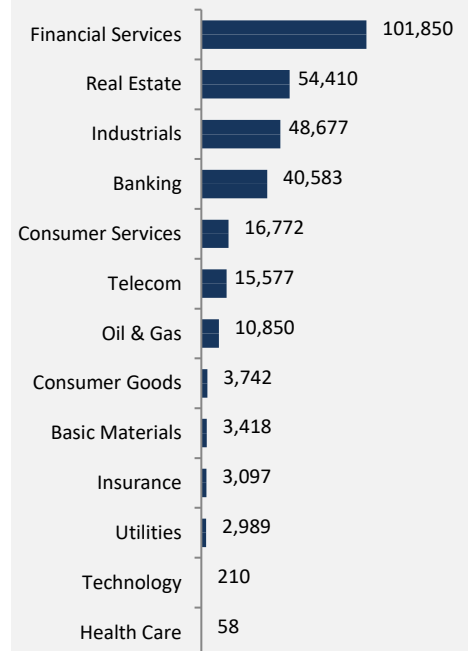
- Industrials:** The sector closed 5.8% higher at 1,126.0 points during the month. Combined Group Contracting Co. (up 29.5%) was the top gainer, followed by Sharjah Cement & Industrial Development Co. (up 27.5%), while United Projects Co. (down 15.2%) was the top loser. Total volume, turnover, and deals made stood at 626.3mn shares, KWD224.6mn and 48,677, respectively.
- Insurance:** The sector closed 1.3% lower at 1,247.8 points during the month. Kuwait Reinsurance Company (down 33.5%) was the top loser, followed by Al-Ahleia Insurance Company (down 12.5%), while Warba Insurance Company (K.S.C.P) (up 34.9%) was the top gainer. Total volume, turnover, and deals made stood at 58.5mn shares, KWD6.6mn and 3,097, respectively.
- Oil & Gas:** The sector closed 7.1% higher at 1,400.3 points. Senergy Holding Company (K.S.C.P) (up 24.3%) was the top gainer, followed The Energy House Co (up 20.3%), while National Petroleum Services Company (down 10.0%) was the top loser. Total volume, turnover, and number of transactions stood at 414.9mn shares, KWD20.2mn, and 10,850, respectively.
- Real Estate:** The sector closed 0.9% higher at 1,159.6 points during the month. Dar Al Thuraya Real Estate Co. (up 61.2%) was the top gainer, followed by Sokouk Holding Co. (up 23.6%), while Real Estate Trade Centers Co. (down 9.3%) was the top loser. Total volume, turnover, and deals made stood at 1,751.3mn shares, KWD156.5mn and 54,410, respectively.
- Technology:** The sector closed at 624.2 points, down 19.8% from the previous month. Automated Systems Company (down 19.8%) was the only loser. The sector recorded 210 transactions during the month. Total volume and value traded stood at 2.4mn and KWD0.2mn, respectively.
- Telecom:** The sector closed 1.5% lower at 1,089.7 points. Kuwait Telecommunications Co. (down 4.5%) was the top decliner, followed by Mobile Telecommunications Company (down 1.3%). Total turnover of KWD63.4mn was generated by 834.6mn shares traded through 15,577 transactions.

Market Composition

Monthly Value Traded (KWD mn)



Number of Deals

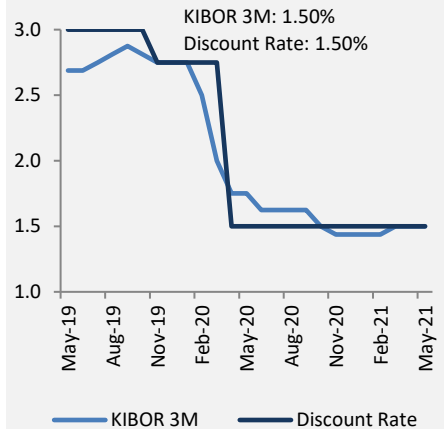


Kuwait – Economy and Industry News

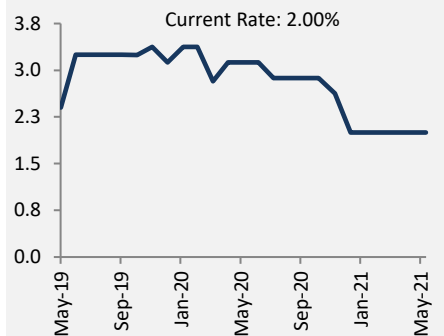
- Kuwait's All Share Index closed 1.6% higher at 6,211.4 points in May 2021. Total traded volume increased 21.0% MoM to 9.1bn; the number of deals increased 15.3% MoM to 302,233 and total value traded improved 27.2% MoM to KWD1,377.0mn. Growth in the market was attributed to the largescale rollout of the COVID-19 vaccination program and recovery in oil prices.
- In March 2021, Kuwait's M2 money supply rose 1.9% Y-o-Y, while bank lending to private sector grew 3.1% Y-o-Y.
- Kuwait's crude oil exports to Japan declined **35.8%** YoY to 6.14 million barrels in April, down for the 13th straight month. Moreover, as Japan's fourth-biggest oil provider, Kuwait supplied 7.7% of its total crude imports.
- According to the latest data released by the Central Statistical Bureau (CSB), annual inflation in Kuwait increased 3.1% YoY in April 2021. Prices of food and beverages increased the most at 10.8% YoY. On the other hand, prices in the education sector decreased **15.5%** YoY.
- Data provided by the Central Bank of Kuwait (CBK) shows that official reserves increased 10.4% YoY to KWD13.5bn during March 2021 from KWD12.2bn in March 2020.
- Kuwait's monetary gold position remained unchanged at KWD31.7mn in March 2021.
- IMF reserve position increased sharply by 27.4% YoY to KWD211.8mn in March 2021 from KWD166.2mn in March 2020, while special drawing rights rose 1.6% YoY to KWD573.4mn.
- CBK's total assets increased 9.4% YoY from KWD11.7bn in March 2020 to KWD12.8bn in March 2021.
- Kuwait aims to implement 132 projects worth KWD1.8bn, under its annual development plan for the current fiscal year 2021/2022. These projects will be implemented by 43 government agencies under 9 major programs.
- S&P credit rating agency expects Kuwait to register the highest deficit to GDP ratio (by 20%) among Gulf countries in the current year.
- Kuwait's Economic Affairs Committee in the Council of Ministers estimated the budget deficit in the next five years is expected to be in the range between KWD45.0bn to KWD55.0bn. The Committee warned that this could lead to serious imbalances in public finance.

Monetary Indicators

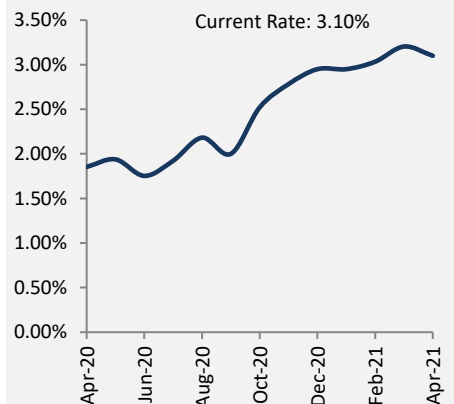
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

GCC Markets Performance

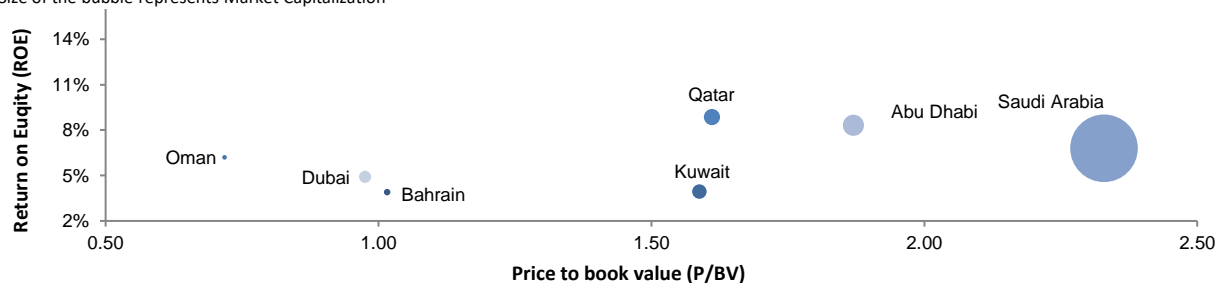
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,527.62	2.88	2.54	26.23	2.18
Kuwait (KSE)	6,210.90	1.59	11.99	39.45	2.26
Oman (MSM)	3,852.61	2.44	5.30	11.47	4.70
Qatar (DSM)	10,748.26	(1.50)	2.99	18.21	2.73
Saudi Arabia (TASI)	10,551.23	1.27	21.42	34.60	2.01
UAE (ADX)	6,558.71	8.47	30.00	22.18	3.97
UAE (DFM)	2,797.52	7.37	12.26	21.00	2.90

Of the seven GCC indices, six ended in positive territory and one of them closed lower, during the month of May. Abu Dhabi's ADX index (up 8.5%) was the top gainers, followed by Dubai's DFM (up 7.4%).

- Bahrain's BAX closed 2.9% higher at 1,527.6 points. Among sectors, Industrial (up 9.6%) and Commercial Banks (up 2.8%) were the top gainer. Among stocks, INOVEST (up 25.9%) increased the most, followed by Takaful International Co. (up 22.2%), while Trafco Group (down 7.4%) was the top loser.
- Kuwait's All Share Index closed 1.6% higher at 6,210.9 points. Among sectors, Oil & Gas (up 7.1%) led the gainers. On the contrary, Technology (down 19.8%) decreased the most. Among stocks Dar Al Thuraya Real Estate Co. (up 61.2%) was the top gainer, followed by Kuwait Hotels Company (up 58.5%), while Al Bareeq Holding (down 44.6%) was the top loser.
- Oman's MSM was up 2.4% to close at 3,852.6 points. Among sectors, Industry (up 5.4%) was the top gainer. Among stocks, Al Anwar Ceramic (up 42.9%) was increased the most, followed by Al Jazeera Services (up 21.3%), while Muscat Finance (down 4.3%) was the top loser.
- Qatar's DSM decreased 1.5% to close at 10,748.3 points. Among sectors, Telecoms (down 3.1%) decreased the most, followed by Transportation (down 2.5%). Among stocks, Qatar Oman for Investment (down 11.5%) was the top loser, followed by Qatar First Bank (down 10.8%), while Inma Holding (up 31.2%) increased the most.
- Saudi Arabia's TASI rose 1.3% to close at 10,551.2 points. Among sectors, Media and Entertainment (up 31.3%) was the top gainer, followed by Diversified Financials (up 16.2%), while Utilities (down 4.0%) declined the most. Among stocks, Al Abdullatif Industrial Investment Co. (up 53.2%) led the gainers, followed by Al Mashaar REIT (up 43.1%). Saudi Investment Bank (down 7.5%) declined the most.
- The ADX ended 8.5% higher at 6,558.7 points. Among sectors, Services (up 17.3%) lifted the index, followed by Banks (up 15.2%). Among stocks, Arkan Building Materials Company (up 57.3%) was the top gainer, followed by Abu Dhabi Ship Building Co. (up 44.0%), while Fujairah Cement Industries (down 46.7%) declined the most. The DFM ended 7.4% higher at 2,797.5 points. Among sectors, Real Estate & Const. (up 8.7%) was the top gainer, followed by Banks (up 8.1%). Among stocks, Emirates Refreshments Company (up 50.0%) led the gainer, followed by National Industries Group Holding (S.A.K.) (up 32.2%), while Al Firdous Holdings PJSC (down 10.0%) decreased the most.

Valuation

Size of the bubble represents Market Capitalization



Source: Bloomberg

GCC Markets – Economy and Industry News

Saudi Arabia

- Finance Minister Mohammed Al-Jadaan said that Saudi Arabia is planning to raise about USD55.0bn over the next four years via its privatization program, aiming to decrease its budget deficit.
- Saudi non-oil exports rose 23.1% YoY to SAR59.9bn in Q1 2021, as per the latest data released by the General Authority for Statistics (GaStat).
- In Saudi Arabia, around 163 new hotels are set to open over the next few years, adding over 72,600 keys.
- Saudi non-oil exports rose by 23.1% Y-o-Y to SAR59.9bn in Q1 2021, as per the latest data released by GaStat.
- Saudi Arabia's overall merchandise exports increased by 64% to SAR74.7bn in March 2021 from SAR45.6bn in March 2020, as per the latest report by GaStat.

UAE

- According to the UAE Ministry of Economy, the UAE will allow 100% foreign business ownership, commencing from June 1, 2021, under the amended Commercial Companies Law.
- Foreign direct investment into the UAE rose to USD19.88bn in 2020, up 44.2% Y-o-Y, as per the latest report by the government.
- Credit ratings agency, Moody's Investor Services has affirmed the Aa2 long-term issuer rating of the Government of the UAE with stable outlook.
- Total foreign assets of the Central Bank of the UAE (CBUAE) rose to AED392.44bn in March 2021 from AED390.72bn in March 2020.

Qatar

- Qatar's annual inflation increased 1.02% YoY in April 2021, primarily due to price rise in the transport sector (highest, at 13.4% YoY) and in the restaurants & hotels sector (up 6.6% YoY).
- Qatar's foreign merchandise trade balance was in surplus by QAR39.9bn during Q1 2021, as exports totaled QAR64.0bn (up 7.5% YoY) and imports totaled QAR24.0bn (an increase of 7.3% YoY).

Bahrain

- According to S&P Global, Bahrain's real GDP is expected to grow by 2.7% in 2021 mainly due to rising oil prices and the recovery of regional economic activity.

Oman

- According to the National Centre for Statistics and Information (NCSI), Oman's inflation increased 1.6% YoY in April 2021, after declining 0.4% in March 2021.
- Deficit grew to OMR751.4mn (USD2.0bn) in Q1 2021 from OMR26.3mn in Q1 2020, as lower oil prices and the pandemic continued to impact the economy.
- Banking sector credit grew 2.5% Y-o-Y to OMR24.7bn at the end of March 2021, according to the latest data from the Central Bank of Oman (CBO).

GCC Corporate Developments

Saudi Arabia

- According to a statement released by the bourse, **BATIC Investment and Logistics Co.** signed an agreement with Smart Parking Holding Co. for the acquisition of 35.8% stake in Smart Cities Solutions Company.
- **Western Bakeries Co. LLC**, a subsidiary of Almarai Co., completed the acquisition of an additional 15% stake in Modern Food Industries LLC for a total value of SAR150.0mn.
- **Development Works Food Company** announced that it had signed a memorandum of understanding (MoU) with Sea Restaurants Co. to acquire 100% of its shares, in exchange for the issuance of shares in Food Development Business Company.
- **The Saudi Fund for Development** signed an agreement with the National Bank of Iraq to provide credit facilities worth USD10.0mn to Iraqi investors.
- **Jazan Energy and Development Co.** declared the termination of the agreement for the acquisition of Jazel Investments Ltd., after it failed to obtain approval from the Capital Market Authority (CMA).

UAE

- Moody's lowered **Sharjah Islamic Bank (SIB)**'s local and foreign currency long-term issuer ratings to Baa1 from A3, with negative outlook.
- **Samena Limestone Company**, in a statement, said that it had sold its entire stake (17.55%) in **Ras Al Khaimah Ceramics (RAK Ceramics)** to Falcone Investments.
- **SirajPower** signed a solar leasing partnership agreement with Ajmal Perfumes to design, build, finance, and operate a 1.5 MWp solar rooftop plant.
- **Shuaa Capital** sold its 20% equity stake in Mirfa International Power and Water Company (MIPCO) to Sojitz Corporation (Sojitz), a company based in Japan.

Qatar

- Moody's reconfirmed the long-term deposit rating of **Qatar Islamic Bank (QIB)** at A1, with a stable outlook.

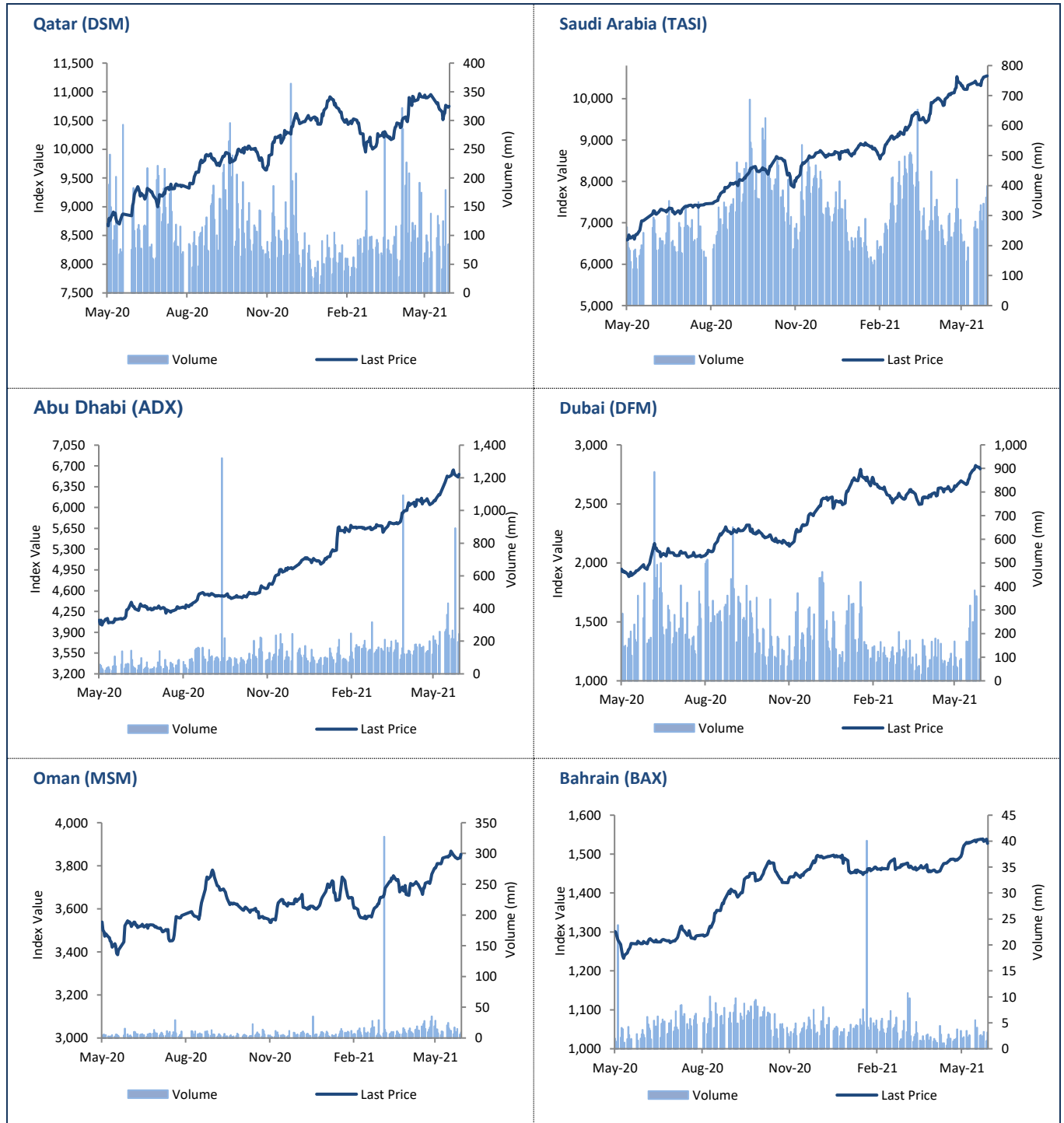
Kuwait

- **Al Mazaya Holding** signed KWD24.488mn (USD81.21mn) credit facility contracts with a Kuwaiti bank to restructure the company's debt.

Oman

- A subsidiary of Nama Holding, **Mazoon Electricity Company (MZEC)**, declared it had signed its debut Islamic financing facility for USD235.0mn.

GCC Benchmark Indices– Market Movements



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