

Market Performance

Kuwait's All Share Index closed 3.7% higher at 7,043.2 points in December 2021. Total volume traded declined 45.1% MoM to 5.8BLN, number of deals fell 40.5% MoM to 224,125, and total value traded decreased 31.5% MoM to KWD1,170.8MM. The growth in the market was mainly driven by the banking and telecom sectors.

As per the third estimate released by the Bureau of Economic Analysis, the US's real GDP grew at an annualized rate of 2.3% YoY in Q3 2021. The revised update was driven by a rise in personal consumption expenditure (PCE) and private inventory investment. The revised GDP growth was partly offset by a decline in exports. Real PCE decreased by less than 0.1% MoM in November 2021, after a 0.7% MoM rise in November 2021. Personal income increased 0.4% MoM in November 2021 vis-à-vis the 0.5% MoM increment in October 2021. It was primarily led by increase in compensation of employees (both private and government wages and salaries) and government social benefits (increase in the Provider Relief Fund to healthcare nonprofits), which was partly offset by a decrease in unemployment insurance. Current account deficit declined to USD67.1BLN in October 2021 from USD81.4BLN in September 2021 (revised). Total exports increased to USD223.6BLN in October 2021, i.e., USD16.8BLN more than that in September 2021, while total imports were USD290.7BLN in October 2021, i.e., USD2.5BLN more than that in September 2021.

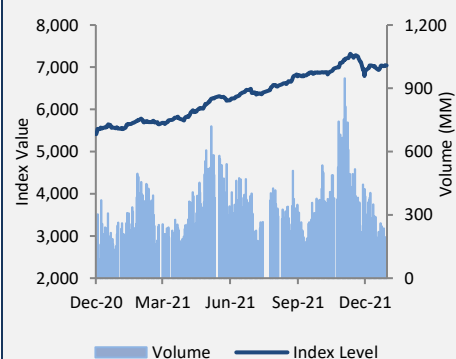
According to estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area rose 2.2% QoQ in Q3 2021 after rising 2.1% in Q2 2021. As per Eurostat, the Euro area's annual inflation rate was 4.9% in November 2021, up from 4.1% in October, which was contracted 0.3% a year earlier. The area's trade surplus decreased to EUR3.6bn in October 2021 from EUR29.8bn in October 2020. Exports of goods increased 7.3% YoY, while imports rose 24.1% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK increased 4.6% YoY in November 2021, up from 3.8% YoY in October 2021. Transport and housing & household services contributed the highest to the inflation rate at 1.34% and 1.28%, respectively, in November 2021.

In Asia, according to the latest data released by the National Bureau of Statistics, China's consumer price index (CPI) rose sharply to 2.3% in November 2021, after rising 1.5% YoY in October 2021. Meanwhile, China's manufacturing purchasing managers' index (PMI) increased to 50.3 in December 2021 from 50.1 in November 2021. According to the Statistics Bureau of Japan, the country's CPI rose 0.5% YoY in November 2021 from the 0.1% YoY rise in October 2021. This was the highest increase since February 2020, marking the third consecutive month of growth amid surging energy costs and a weak yen.

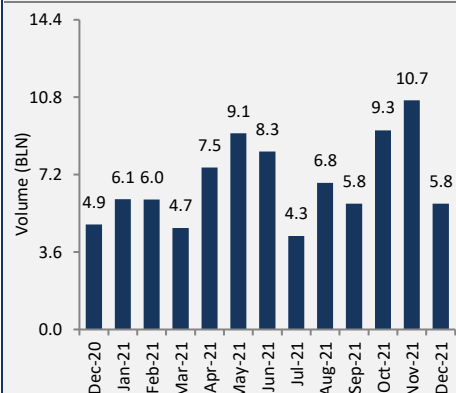
Kuwait Market Summary	December, 2021	November, 2021	Change %
Open	6,846.46	7,114.93	(3.8)
High	7,080.16	7,357.17	(3.8)
Low	6,844.80	6,788.83	0.8
Close	7,043.16	6,789.96	3.7
Volume traded (MM)	5,847.57	10,657.87	(45.1)
Value Traded (KWD MM)	1,170.77	1,708.71	(31.5)
No. of deals	224,125	376,542	(40.5)
No. of advances	105	23	356.5
No. of declines	53	130	(59.2)
No. of unchanged	9	12	(25.0)

Kuwait Index Performance

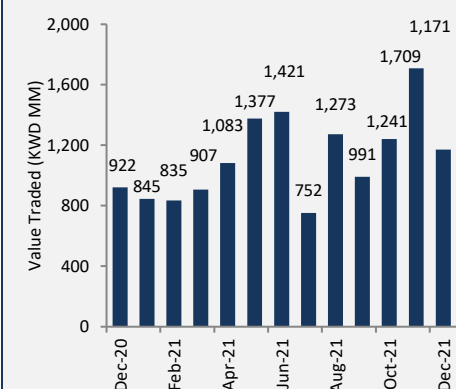
Benchmark Index and Volume Traded



Monthly Volume Traded (BLN)



Monthly Value Traded (KWD MM)



Top Gainers and Losers

The market breadth was mostly positive; 105 stocks firmed up and 53 declined, while 9 remained unchanged.

Top Five Gainers									
	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
Ajwan Gulf Real Estate Co.	24.40	128.04	128.04	2.74	70.45	(0.01)	0.00	NA	24.60
Arabi Holding Group Co.	291.00	59.89	46.97	48.01	33.70	1.89	5.84	550.09	1.70
Jazeera Airways Co.	1290.00	26.47	76.71	283.80	9.56	(0.06)	0.11	NA	12.30
Gulf Franchising Holding Co.	95.90	24.55	59.83	3.83	0.91	0.02	0.05	NA	1.83
The Energy House Co	63.10	21.35	122.18	47.33	37.69	0.40	36.62	25.26	2.31

Top Five Losers									
	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
Credit Rating & Collection	40.20	(26.91)	82.73	6.63	19.49	(0.00)	0.03	NA	1.41
Kuwait Reinsurance Company	275.00	(20.29)	31.58	60.10	0.00	0.04	3.56	10.90	0.98
Kuwait Hotels Company	70.00	(18.41)	17.65	3.95	0.01	0.09	12.13	6.08	0.85
Real Estate Trade Centers Co.	70.00	(18.13)	153.62	9.71	2.96	(0.00)	0.16	NA	0.43
Warba Capital Holding Co.	86.00	(13.83)	76.95	8.60	1.86	(0.00)	0.08	NA	1.10

Top Five by Volume									
	Close (KWD Fils)	MTD (%)	YTD (%)	Market Capitalization (KWD MM)	Volume (MM)	EPS (KWD Fils)	BVPS (KWD Fils)	P/E (x)	P/B (x)
GFH Financial Group (B.S.C)	99.80	20.24	107.48	355.56	1573.12	0.12	12.91	11.75	1.29
Ahli United Bank (B.S.C)	278.00	5.30	22.47	2817.39	471.66	0.08	8.37	22.44	2.33
National Investments Company	219.00	0.00	62.22	174.73	253.30	0.03	3.85	6.32	0.84
Gulf Bank	279.00	14.34	27.40	840.10	152.83	0.07	4.61	20.67	1.29
National Bank Of Kuwait	997.00	1.32	18.69	7171.12	150.56	0.02	2.09	23.16	2.08

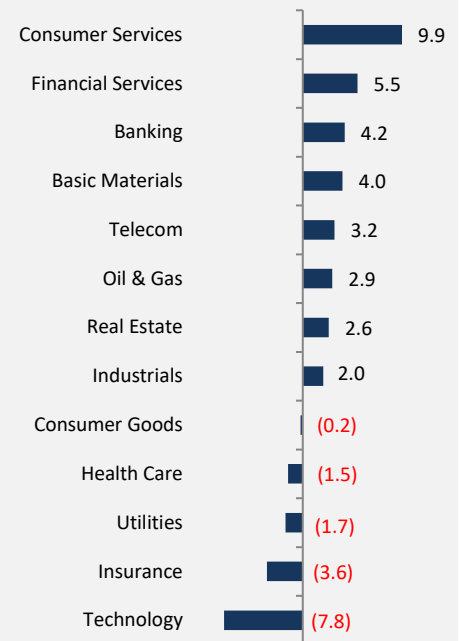
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

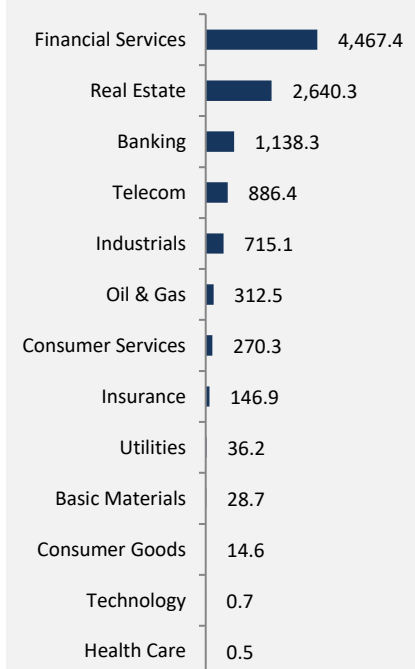
- Banks:** The sector closed 4.2% higher at 1,622.8 points during the month. Burgan Bank (up 16.2%) rose the most, followed by Ahli United Gulf Bank (up 14.3%). All the banking shares ended in green. Total turnover stood at KWD526.2MM. The volume traded and number of deals stood at 1.23TLN shares and 51,604, respectively.
- Basic Materials:** The sector closed 4.0% higher at 1,024.8 points during the month. Alkout Industrial Projects Co. (up 10.0%) was the top gainer, followed by Qurain Petrochemical Industries Co. (up 4.2%). The number of shares traded, and total turnover stood at 22.8MM and KWD11.5MM, respectively, while total transactions stood at 4,178.
- Consumer Goods:** The sector ended 0.2% lower at 731.1 points during the month. Livestock Transport & Trading Co. (down 0.5%) declined the most, followed Mezzan Holding Co (down 0.2%). Total volume, turnover, and deals made stood at 8.9MM shares, KWD5.2MM, and 881, respectively.
- Consumer Services:** The sector closed 9.9% higher at 1,336.6 points during the month. Among stocks, Jazeera Airways Co. (up 26.5%) increased the most, followed by IFA Hotels & Resorts Co. (up 5.5%), while Kuwait Hotels Company (down 18.4%) was the top loser. Total volume, turnover, and transactions stood at 82.7MM shares, KWD18.9MM, and 8,296, respectively.
- Financial Services:** The sector closed 5.5% higher at 1,423.3 points during the month. Arabi Holding Group Co. (up 59.9%) was the top gainer, followed by Gulf Franchising Holding Co. (up 24.5%), while Credit Rating & Collection (down 26.9%) was the top loser. Total volume, turnover, and deals made stood at 3.0BLN shares, KWD354.0MM and 79,508, respectively.
- Healthcare:** The sector ended 1.5% lower at 797.0 points. Yiacco Medical Co. (down 2.2%) was the top loser. There were 37 deals; Quantity and value traded stood at 137,893 and KWD150,912, respectively.
- Utilities:** The sector closed 1.7% lower at 600.0 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 1.7%) only listed stock ended in red. The sector recorded 1,672 transactions. Total volume and value traded stood at 17.2MM and KWD4.0MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



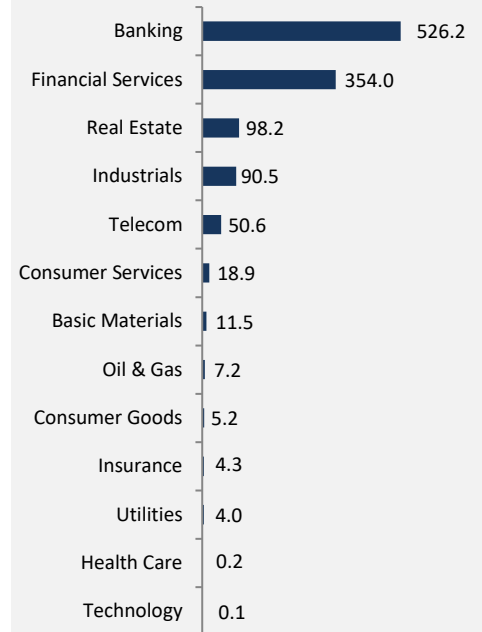
Monthly Volume Traded (Million)



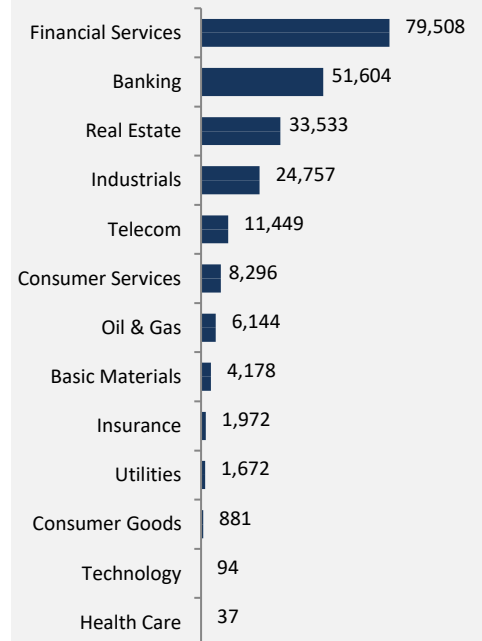
- Industrials:** The sector closed 2.0% higher at 1,141.5 points during the month. Fujairah Cement Industries (up 14.6%) was the top gainer, followed by Acico Industries Co. (up 13.0%), while Ras Al Khaimah Co. For White Cement Construction Materials (down 6.7%) was the top loser. Total volume, turnover, and deals made stood at 232.2MM shares, KWD90.5MM and 24,757, respectively.
- Insurance:** The sector closed 3.6% lower at 1,533.4 points during the month. Kuwait Reinsurance Company (down 20.3%) was the top loser, followed by Gulf Insurance Group (down 4.0%), while Warba Insurance Company (K.S.C.P) (up 5.3%) was the top gainer. Total volume, turnover, and deals made stood at 24.3MM shares, KWD4.3MM and 1,972, respectively.
- Oil & Gas:** The sector closed 2.9% higher at 1,428.2 points. The Energy House Co (up 21.3%) was the top gainer, followed Senergy Holding Company (K.S.C.P) (up 16.4%), while Gulf Petroleum Investment (down 4.3%) was the top loser. Total volume, turnover, and number of transactions stood at 167.2MM shares, KWD7.2MM, and 6,144, respectively.
- Real Estate:** The sector ended 2.6% higher at 1,326.4 points during the month. Ajwan Gulf Real Estate Co. (up 128.0%) was the top gainer, followed by First Dubai For Real Estate Development (up 14.5%), while Real Estate Trade Centers Co. (down 18.1%) was the top loser. Total volume, turnover, and deals made stood at 838.8MM shares, KWD98.2MM and 33,533, respectively.
- Technology:** The sector closed at 683.9 points, down 7.8% from the previous month. Automated Systems Company (down 7.8%) was the only loser. The sector recorded 94 transactions during the month. Total volume and value traded stood at 668,966 and KWD64,999 respectively.
- Telecom:** The sector closed 3.2% higher at 1,089.4 points. Mobile Telecommunications Company (up 4.6%) was the top gainer, followed by Kuwait Telecommunications Co. (up 0.6%). Total turnover of KWD50.6MM was generated by 229.5MM shares traded through 11,449 transactions.

Market Composition

Monthly Value Traded (KWD MM)



Number of Deals

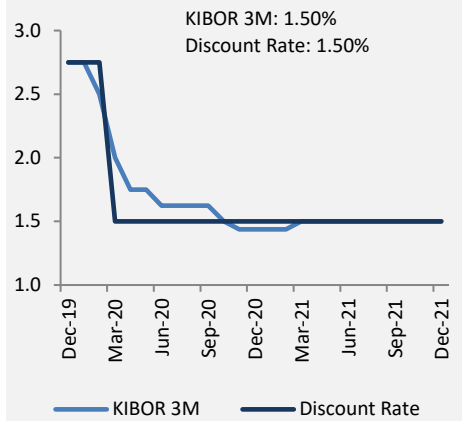


Kuwait – Economy and Industry News

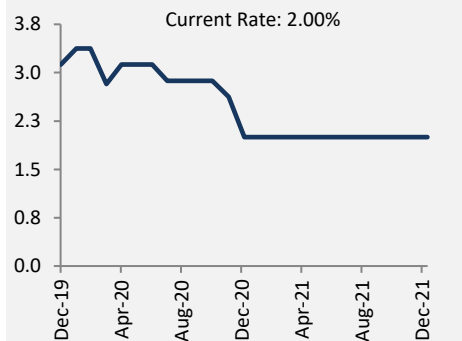
- Kuwait's All Share Index closed 3.7% higher at 7,043.2 points in December 2021. Total volume traded declined **45.1%** MoM to 5.8BLN, number of deals fell **40.5%** MoM to 224,125, and total value traded decreased **31.5%** MoM to KWD1,170.8MM. The growth in the market was mainly driven by the banking and telecom sectors
- In November 2021, money supply decreased **1.18%** YoY, whereas bank lending to private sector increased 4.96% YoY.
- Kuwait's crude oil exports to Japan grew 17.4% YoY to 7.35MM barrels in November 2021, increasing for the third consecutive month, according to data released by the government.
- Kuwait, the third biggest supplier of oil to Japan, accounted for 8.7% of Japan's total crude imports, as per the Japanese Natural Resources and Energy Agency.
- The Kuwait Investment Authority (KIA) would be paying USD3.5BLN in March 2022 as the first tranche of international bonds issued by Kuwait in 2017 with a term of five years and interest rate of 2.75%, as reported by Al-Rai Daily citing sources from the government.
- Data provided by the Central Bank of Kuwait (CBK) showed that official reserves decreased **3.0%** YoY to KWD14.1BLN in November 2021 from KWD14.5BLN in November 2020.
- Kuwait's monetary gold position remained unchanged at KWD31.7MM in November 2021.
- The IMF's reserve position rose 10.1% YoY to KWD236.5MM in November 2021 from KWD214.8MM in November 2020, while special drawing rights increased significantly by 142.1% YoY to KWD1.4BLN.
- CBK's total assets decreased **8.8%** YoY to KWD12.6BLN in November 2021 from KWD13.8BLN in November 2020.

Monetary Indicators

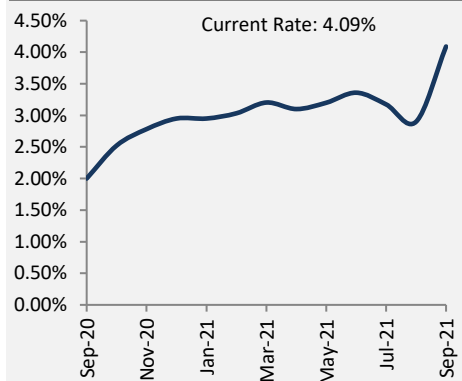
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

Note: Kuwait Inflation data available till Sept 2021.

GCC Markets Performance

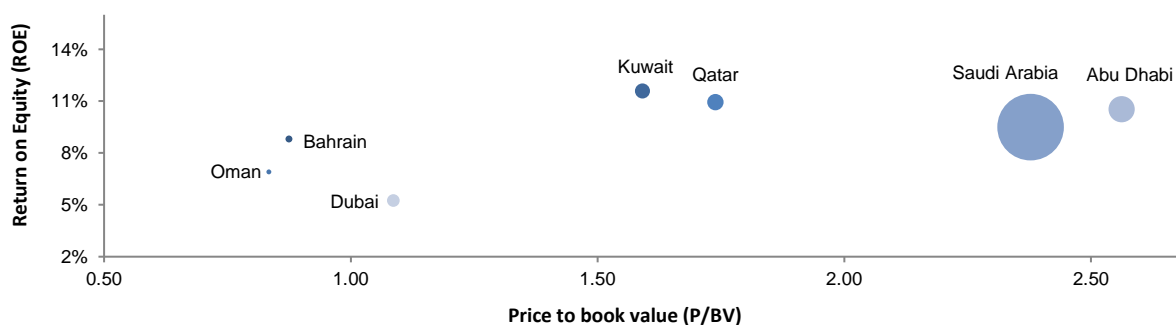
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,797.25	3.91	20.64	10.03	3.48
Kuwait (KSE)	7,043.16	3.73	26.99	21.02	2.03
Oman (MSM)	4,129.54	3.23	12.87	11.63	3.84
Qatar (DSM)	11,625.81	2.10	11.40	16.21	2.55
Saudi Arabia (TASI)	11,281.71	4.83	29.83	24.88	2.37
UAE (ADX)	8,488.36	(0.68)	68.24	23.11	2.71
UAE (DFM)	3,195.91	4.00	28.25	20.99	2.41

Of the seven GCC indices, six ended in positive territory and one of them closed lower, during the month of December. Saudi Arabia's TASI index (up 4.8%) was the top gainer, followed by Dubai's DFM (up 4.0%).

- Bahrain's BAX closed 3.9% higher at 1,797.3 points. Among sectors, Financials (up 4.8%) and Communications Services (up 3.2%) were the top gainer. Among stocks, Al Baraka Banking Group (up 19.5%) increased the most, followed by Solidarity Bahrain (up 17.0%), while Khaleeji Commercial Bank (down 18.2%) was the top decliner.
- Kuwait's All Share Index closed 3.7% higher at 7,043.2 points. Among sectors, Consumer Services (up 9.9%) rose the most. On the contrary, Technology (down 7.8%) decreased the most. Ajwan Gulf Real Estate Co. (up 128.0%) was the top gainer, followed by Arabi Holding Group Co. (up 59.9%), while Credit Rating & Collection (down 26.9%) was the top decliner.
- Oman's MSM was up 3.2% to close at 4,129.5 points. Among sectors, Financial (up 3.2%) was the top gainer. Among stocks, HSBC Bank Oman (up 14.3%) increased the most, followed by Al Anwar Ceramic (up 12.3%), while Al Madina Inv. (down 15.8%) was the top decliner.
- Qatar's DSM increased 2.1% to close at 11,652.8 points. Among sectors, Insurance (up 4.7%) increased the most, while Real Estate (down 1.9%) declined the most. Among stocks, Qatar Insurance (up 10.0%) was the top performer, followed by Industries Qatar (up 6.7%), while Dlala Brokerage & Investment Holding (down 12.9%) decreased the most.
- Saudi Arabia's TASI jumped 4.8% to close at 11,281.7 points. Among sectors, Media and Entertainment (up 21.6%) was the top gainer, followed by Consumer Durables & Apparel (up 8.9%). Among stocks, Sadr Logistics Co. (up 56.1%) rose the most, followed by Development Works Food Co (up 53.5%), while Alahli Takaful Co. (down 13.6%) declined the most.
- The ADX ended 0.7% lower at 8,488.4 points. Among sectors, Consumer Staples (down 4.6%) decreased the most, followed by Investment & Financial Services (down 2.1%). Among stocks, Al Qudra Holding (down 30.4%) was the top decliner, followed by Foodco National Foodstuff PrJSC (down 20.0%), while Ras Al Khaimah Poultry & Feeding Co. (up 31.6%) rose the most. The DFM ended 4.0% higher at 3,195.9 points. Among sectors, Telecommunication (up 8.7%) was the top gainer, followed by Investment & Financial Services (up 8.5%). Among stocks, Al Ramz Corporation Investment and Development PJSC (up 78.1%) rose the most, followed by Dubai Financial Market PJSC (up 18.3%), while Al Firdous Holdings PJSC (down 19.0%) decreased the most.

Valuation

Size of the bubble represents Market Capitalization



Source: Bloomberg

GCC Markets – Economy and Industry News

Saudi Arabia

- According to flash estimates by the General Authority for Statistics (GASTAT), Saudi Arabia's GDP grew 7.0% YoY in Q3 2021. Economic growth was primarily supported by oil activities, which increased 9.3% YoY (12.7% QoQ). Non-oil activities grew 6.3% YoY and 2.6% QoQ, while government activities increased 2.7% YoY and 1.1% QoQ.
- Annual consumer price inflation rose by 1.1% YoY in November 2021, mainly due to a 5.7% rise in transportation costs and a 1.6% surge in food and beverages prices.
- Saudi Arabia Purchasing Managers' Index (PMI) for December 2021 fell three points to 53.9 points – its lowest level since March 2021 - from 56.9 points in November, as per IHS Markit's report.
- Saudi Arabia's total exports jumped 90% YoY to around SAR106.2BLN in October 2021, according to the latest data released by GASTAT.
- Saudi commercial banks' credit to the private sector rose by SAR12.7BLN (USD3.4BLN) in November 2021 compared with that in the previous month, as reported by Saudi Central Bank.

UAE

- According to Dubai Chamber Macro Economic Model (DCMM), the entire UAE economy began to recover in 2021—annual GDP is estimated to have increased by 3.1%, GDP excluding oil sector is expected to have grown 3.8%, while its consumer price index rose 0.7% MoM in October of 2021.
- Dubai's economy is expected to see sustained economic growth in 2022, supported by an anticipated uptick in business activity in the tourism and retail sectors, according to new analysis by Dubai Chamber.
- Abu Dhabi recorded foreign direct investments (FDIs) worth AED98.84BLN in Q2 2021, up 3.8% from AED95.23BLN in the year-ago period.

Qatar

- Qatar's annual inflation increased 6.09% YoY in November 2021, mainly due to the price rise in the recreation and culture (up 35.25% YoY) and transport (up 13.62% YoY) sectors.
- Qatar's foreign merchandise trade balance was in surplus by QAR24.5BLN in November 2021, as exports totaled QAR34.3BLN (up 106.6% YoY) and imports stood at QAR9.8BLN (up 29.6% YoY).
- As per Qatar's approved budget for the 2022 fiscal year, revenue is expected to amount to QAR196BLN, a 22.4% rise compared with last year's budget estimate. Expenditure is predicted to hit QAR204.3BLN, growing at an annual rate of 4.9% and leading to budget deficit of QAR8.3BLN.

Bahrain

- According to the Information & e-Government Authority, the inflation rate in Bahrain rose to 0.7% YoY in October 2021, after contracting a 0.9% YoY in September 2021.

Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation increased by 3.56% in November 2021 from the 3.35% increase recorded in the last month.

GCC Corporate Developments

Saudi Arabia

- The Board of **National Gas Industrialization Company (GASCO)** gave approval for the company to enter negotiations with **Best Gas Carrier Company** pertaining to the acquisition of equity in the latter.
- **Saudi Chemical Company** signed an agreement to acquire all prescription rights of **Cialis** in Saudi Arabia from Eli Lilly. Under the agreement, AJA Pharmaceutical Industries (AJA Pharma), a subsidiary of (SCCH), will become the manufacturer and supplier for Cialis in the Saudi market.
- **Sumou Real Estate Company** inked a SAR20.7MM construction contract to implement the first phase of the basic infrastructure works for the Souq Al-Nafe' project located in Mecca.
- **Saudi British Bank (SABB)** inked an agreement to sell its entire stake in **Wataniya Insurance Company** to Private Wealth Investment Holding Company in exchange for SAR80MM.
- **Alkhorayef Water and Power Technologies Company** signed a SAR 34.0MM operation and maintenance contract with the Saudi Ministry of Environment, Water, and Agriculture. It also has been awarded a SAR45.4MM contract by the National Water Company to maintain emergency network breakage in Riyadh City.
- Saudi Arabia's **Public Investment Fund** raised USD3.2BLN from the sale of 6% stake in **Saudi Telecom Company**, the country's largest mobile operator, through a secondary share offering.

UAE

- **National Marine Dredging Company (NMDC)** won an AED1.4BLN contract to carry out the marine works of the Shamal Development project in Khalifa Port in Abu Dhabi.
- **Multiply Group**, a subsidiary of International Holdings Company (IHC), inked a binding agreement to invest AED275.0MM in **Getty Images**, a global visual content creator and marketplace.
- **Warba Bank**, a Kuwaiti Islamic bank, listed USD250.0MM perpetual Tier-1 Sukuk on Nasdaq Dubai.
- The US-based Sempra signed a definitive agreement to sell 10% non-controlling stake in **Sempra Infrastructure Partners** to a subsidiary of the **Abu Dhabi Investment Authority (ADIA)** in exchange for USD1.79BLN.

Qatar

- **Ooredoo Q.P.S.C** and **CK Hutchison Holdings Limited** approved the merger of their respective telecommunications businesses in Indonesia, PT Indosat Tbk and PT Hutchison 3 Indonesia.
- **Qatar First Bank** announced the sale of 49% stake in **Food Services Company W.L.L.**, which is owned by QFB Food & Beverages W.L.L. (a wholly owned subsidiary of Qatar First Bank LLC).

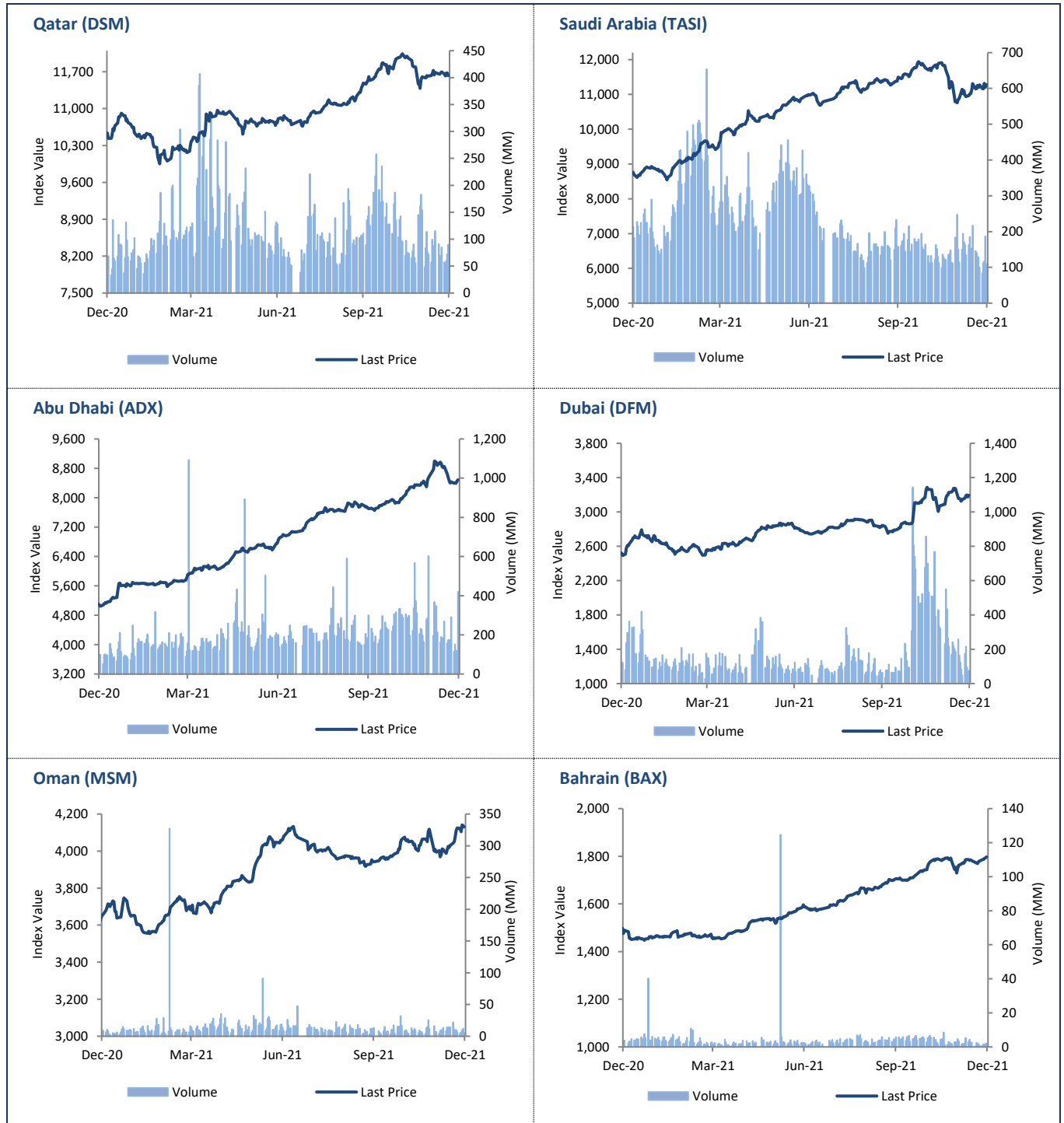
Bahrain

- **Bahrain Clear** distributed BHD200.0MM as annual cash dividends, and BHD4.0MM as accumulated cash dividends for the year ended December 31.

Oman

- **National Bank of Oman** called off its proposed merger with **Oman's largest bank, BankMuscat.**

GCC Benchmark Indices– Market Movements



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