

ABK CAPITAL
KUWAIT
MARKET
MONTHLY
REPORT

2022



Kuwait Market Monthly Report

December 2022

Market Performance

Kuwait's All Share Index closed **3.9%** MoM lower at 7,292.1 points in December 2022. The total volume traded declined **38.6%** MoM to 2.9BLN, the number of deals fell **31.6%** MoM to 158,928, and the total value traded was down **35.0%** MoM to KWD 0.8BLN.

As per the third estimate released by the Bureau of Economic Analysis, US real GDP growth increased 3.2% YoY in Q3 2022 as opposed to **0.6%** YoY decrease in Q2 2022. The real personal consumption expenditure (PCE) rose less than 0.1% in November 2022, reflecting a 0.6% and 0.3% hike in spending on goods and services, respectively. Personal income rose 0.4% MoM in November 2022 compared with the revised increment of 0.7% MoM in October 2022. It was largely attributed to increased compensation and personal income receipts on assets. The improved compensation was due to private wages and salaries. The US current account deficit stood at **USD 61.5BLN** in November 2022 against the revised deficit of **USD 77.8BLN** in October 2022. Total exports slipped to USD 251.9BLN in November 2022, USD 5.1BLN less than in October 2022. Furthermore, total imports stood at USD 313.4BLN in November 2022, a decrease of **USD 21.5BLN** from October 2022.

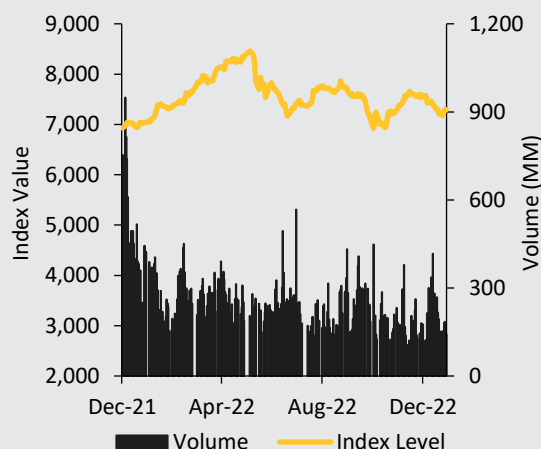
According to Eurostat, EU's statistical office, the Euro area's annual inflation rate was 10.1% in November 2022, down from 10.6% in October 2022. The Euro area's international trade deficit was **EUR 26.5BLN** in October 2022 against a surplus of EUR 0.6BLN in October 2021. As per the latest data released by the Office for National Statistics, the Consumer Prices Index (CPI) in the UK climbed 10.7% YoY in November 2022 from 11.1% YoY in October 2022. However, the Consumer Prices Index, including owner occupiers' housing costs (CPIH), in the UK rose 9.3% YoY in November 2022 from 9.6% YoY in October 2022.

Based on the latest data released by the National Bureau of Statistics, China's CPI dropped to 1.6% YoY in November 2022 (lowest since March 2022) from 2.1% YoY in October 2022 as food prices eased to 3.7% (7.0% in October). According to the Statistics Bureau of Japan, CPI stood at 3.8% YoY in November 2022, the highest since January 1991, compared with the increment of 3.7% YoY in October 2022. As a result of high prices of imported raw commodities and food and persistent yen weakness, the figure came in above the Bank of Japan's 2.0% target for the eighth straight month.

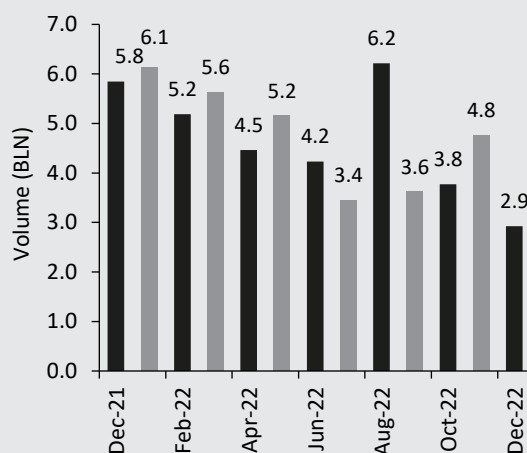
Kuwait Market Summary	December, 2022	November, 2022	Change (%)
Open	7,586.88	7,313.46	3.7
High	7,596.62	7,660.99	(0.8)
Low	7,177.90	7,307.03	(1.8)
Close	7,292.12	7,584.59	(3.9)
Volume traded (MM)	2,926.28	4,763.18	(38.6)
Value Traded (KWD MM)	764.35	1,175.99	(35.0)
No. of deals	158,928	232,419	(31.6)
No. of advances	38	107	(64.5)
No. of declines	102	40	155.0
No. of unchanged	15	9	66.7

Kuwait Index Performance

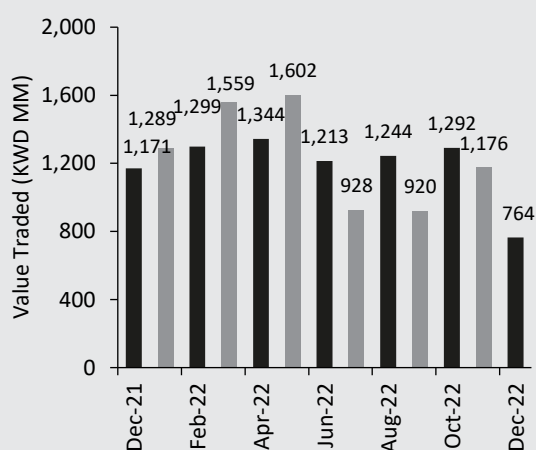
Benchmark Index and Volume Trade



Monthly Volume Traded (BLN)



Monthly Value Traded



Kuwait Market Monthly Report

December 2022

Top Gainers and Losers

The market breadth was broadly negative; 102 stocks declined and 38 firmed up, while 15 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)
Arabi Holding Group Co.	322.00	15.41	10.65	54.78	10.40	NA	5.92	NA	1.91
National International Holding Co.	130.00	14.04	(14.47)	28.58	43.37	0.14	6.07	17.84	0.79
Almadar Investment Company	114.00	14.00	(4.20)	23.60	3.05	5.32	9.45	NM	1.08
Osoul Investment Co.	97.80	11.14	18.55	12.38	0.28	NA	8.91	NA	0.87
Kuwait Investment Company	152.00	10.14	(45.91)	83.29	56.71	0.21	4.92	31.63	0.75

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)
Metal & Recycling Co.	49.90	(37.63)	(47.47)	4.50	1.73	NA	12.83	NA	0.64
Al-Arabiya Real Estate Co.	25.80	(19.38)	(38.42)	13.03	37.25	NA	12.13	NA	0.31
United Real Estate Company	63.10	(16.86)	(16.31)	82.16	6.40	1.44	6.85	91.05	0.43
National Real Estate Company	125.00	(16.67)	(43.44)	232.27	66.21	NA	5.91	NA	0.74
Livestock Transport & Trading Com.	110.00	(13.39)	(39.56)	23.01	0.85	NA	6.58	NA	0.72

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	823.00	(4.97)	(1.08)	10968.72	219.62	0.03	4.64	28.00	3.82
Aayan Leasing & Investment Co.	133.00	(7.64)	(16.88)	88.32	205.42	NA	7.42	NA	0.99
GFH Financial Group (B.S.C)	76.00	(7.32)	(23.85)	265.35	173.33	0.12	13.10	9.40	1.00
International Financial Advisers Holding	99.10	(3.79)	(12.30)	24.70	181.66	0.08	6.41	8.22	0.64
Kuwait Real Estate Company	108.00	(1.82)	(39.66)	99.98	147.96	0.15	7.33	15.83	0.79

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

2

Kuwait Market Monthly Report

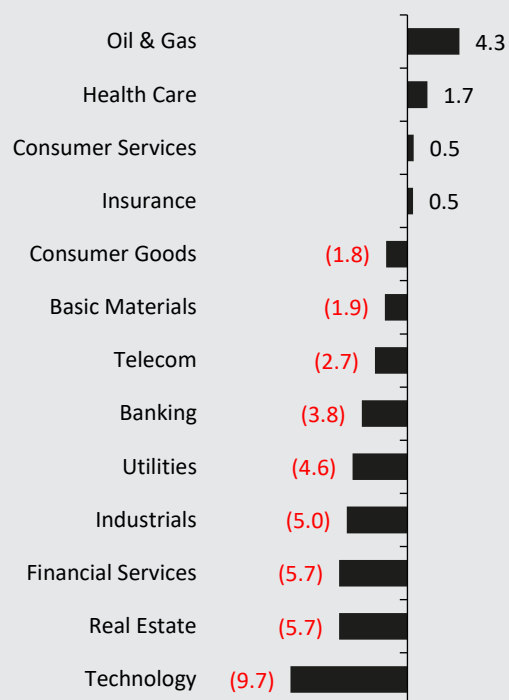
December 2022

Performance by Sector

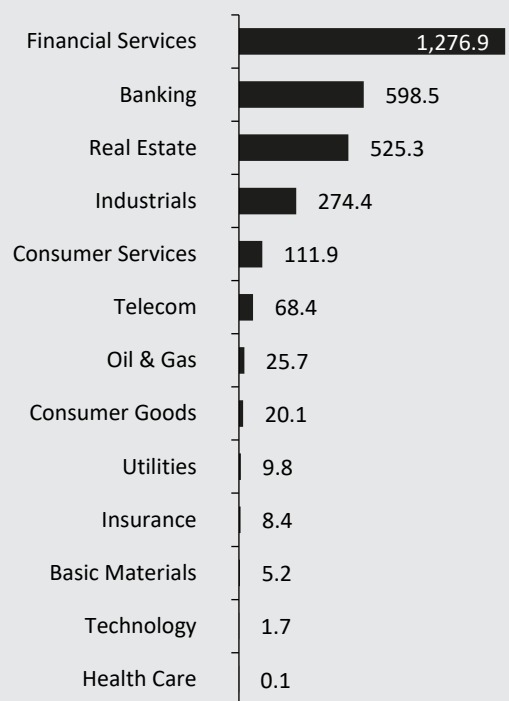
- Banks:** The sector closed **3.8%** lower at 1,793.9 points during the month. Gulf Bank (down **7.4%**) was the top loser, followed by Boubyan Bank (down **5.5%**), while Commercial Bank of Kuwait (up 7.5%) was top gainer. Total turnover stood at KWD 364.5MM. The volume traded and number of deals stood at 598.5MM shares and 40,676, respectively.
- Basic Materials:** The sector closed **1.9%** lower at 865.1 points during the month. Boubyan Petrochemical Co. (down **2.1%**) declined the most, whereas Alkout Industrial Projects Co. ended flat. The number of shares traded, and total turnover stood at 5.2MM and KWD 4.2MM, respectively, while total transactions stood at 1,404.
- Consumer Goods:** The sector ended **1.8%** lower at 480.0 points during the month. Livestock Transport & Trading Co. (down **13.4%**) declined the most, whereas Mezzan Holding Co ended flat. Total volume, turnover, and deals made stood at 20.1MM shares, KWD 8.0MM, and 1,509, respectively.
- Consumer Services:** The sector closed 0.5% higher at 1,486.8 points during the month. Among stocks, Jazeera Airways Co. (up 5.6%) rose the most, followed by Kuwait Hotels Company (up 4.1%), while Sultan Center Food Products Co. (down **8.4%**) was the top loser. Total volume, turnover, and transactions stood at 111.9MM shares, KWD 17.3MM, and 8,057, respectively.
- Financial Services:** The sector closed **5.7%** lower at 1,257.2 points during the month. Warba Capital Holding Co. (down **13.3%**) was the top loser, followed by First Investment Company (down **13.3%**), while Arabi Holding Group Co. (up 15.4%) was the top gainer. Total volume, turnover, and deals made stood at 1.3BLN shares, KWD 158.7MM and 47,365, respectively.
- Healthcare:** The sector ended 1.7% higher at 461.9 points. Advanced Technology Company (up 7.6%) was the top gainer, whereas Al Maidan Clinic for Oral Health Services Co (down **0.6%**) was the top loser. There were 10 deals; quantity and value traded stood at 64,637 and KWD 25,962, respectively.
- Industrials:** The sector closed **5.0%** lower at 1,078.9 points during the month. Equipment Holding Co. (down **37.6%**) was the top loser, followed by National Cleaning Co. (down **12.9%**), while Shuaiba Industrial Co. (up 5.2%) was the top gainer. Total volume, turnover, and deals made stood at 274.4MM shares, KWD 109.4MM and 25,766, respectively.

Market Composition

Monthly Sector Index Returns (%)



Monthly Volume Traded (Million)



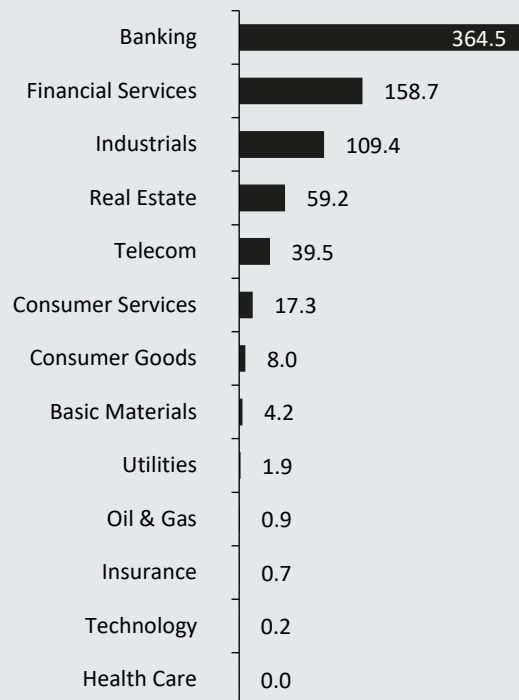
Kuwait Market Monthly Report

December 2022

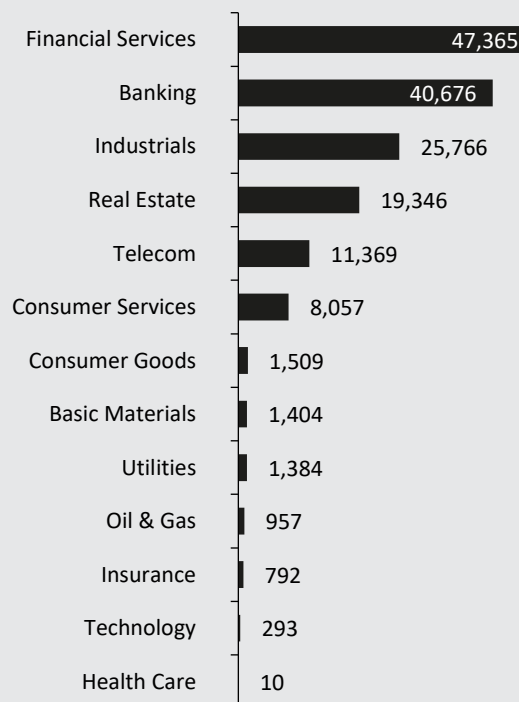
- Utilities:** The sector closed **4.7%** lower at 494.7 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down **4.7%**) only listed stock ended in red. The sector recorded 1,384 transactions. Total volume and value traded stood at 9.8MM and KWD 1.9MM, respectively.
- Insurance:** The sector closed 0.5% higher at 1,550.8 points during the month. Kuwait Reinsurance Company (up 2.1%), was the top gainer, followed by Gulf Insurance Group (up 1.5%); while Wethaq Takaful Insurance Company (down **2.8%**) was the top loser. Total volume, turnover, and deals made stood at 8.4MM shares, KWD 0.7MM and 792, respectively.
- Oil & Gas:** The sector closed 4.3% higher at 1,138.5 points. National Petroleum Services Company (up 8.1%) was the top gainer, followed by Independent Petroleum Group (up 5.2%); while Gulf Petroleum Investment (down **4.6%**) was the top loser. Total volume, turnover, and number of transactions stood at 25.7MM shares, KWD 0.9MM, and 957, respectively.
- Real Estate:** The sector ended **5.7%** lower at 1,208.7 points during the month. Al-Arabiya Real Estate Co. (down **19.4%**) was the top loser, followed by United Real Estate Company (down **16.9%**), while Osos Holding Group Company (up 4.8%) was the top gainer. Total volume, turnover, and deals made stood at 525.3MM shares, KWD 59.2MM and 19,346, respectively.
- Technology:** The sector closed **9.7%** lower at 696.2 points during the month. Automated Systems Company, being the only company in the sector, decreased **9.7%**. The sector recorded 293 transactions during the month. Total volume and value traded stood at 1.7MM and KWD 0.17MM, respectively.
- Telecom:** The sector closed **2.7%** lower at 1,181.5 points. Mobile Telecommunications Company (down **4.1%**) was the top loser, followed by National Mobile Telecommunications Co. (down **0.9%**), while Hayat Communications Company (up 3.3%) was the top gainer. Total turnover of KWD 39.5MM was generated by 68.4MM shares traded through 11,369 transactions.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals



Kuwait Market Monthly Report

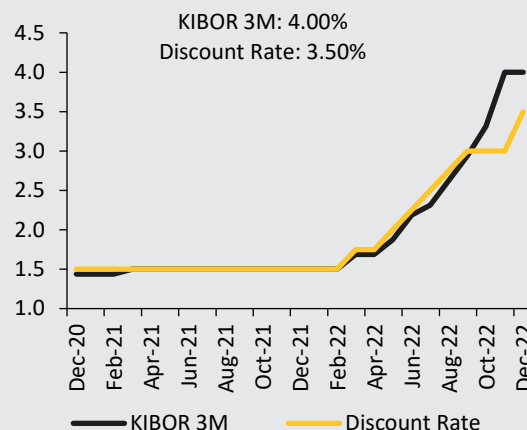
December 2022

Kuwait – Economy and Industry News

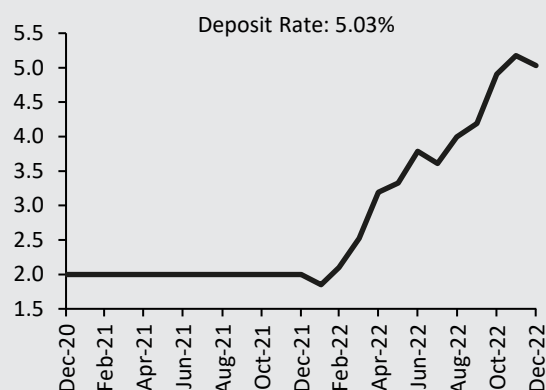
- ◆ The Central Bank of Kuwait (CBK) reported that Kuwait's broad money supply (M2) increased to KWD 38.23BLN in November 2022 from KWD 37.79BLN in October 2022.
- ◆ Kuwait's annual inflation rate fell to 3.18% in November 2022 from 3.27% in October 2022.
- ◆ The CBK increased the discount rate by 50bps to 3.50% (from 3.00%) in December 2022.
- ◆ Kuwait's trade surplus with Japan jumped 73.0% YoY to JPY 100.8BLN (USD 743.0MM) in November 2022, rising for the 20th consecutive month. Moreover, the overall exports to Japan rose 68.6% YoY to JPY 122.3BLN (USD 901.0MM) in November 2022.
- ◆ Kuwait's cash reserves reached KWD 12.75BLN in November 2022, representing a 4.73% MoM rise from KWD 12.18BLN in October 2022, as reported by Al-Anba daily.
- ◆ Kuwait's total external debt increased 8.52% YoY to KWD 18.82BLN in Q2 2022, the highest level since Q1 2021 (KWD 19.54BLN), according to the CBK.
- ◆ As per an official report, the Kuwaiti government plans to implement around 56 major projects totalling KWD 23.0BLN in the next four years, including housing projects (KWD 10.2BLN for 12 projects), oil projects (KWD 5.8BLN for 10 projects) and other developmental projects (KWD 7.0BLN).
- ◆ The subsidy bill for food and construction materials borne by the Kuwaiti government reached KWD 224.2MM in 9M 2022, an increase of 55.6% YoY over the KWD 144.1MM spent in 9M 2021, as reported by Al-Anba daily.
- ◆ The Ministry of Finance approved the Ministry of Health's request to provide KWD 230.0MM for strengthening the strategic stockpile of medicines and medical supplies in the next budget.

Monetary Indicators

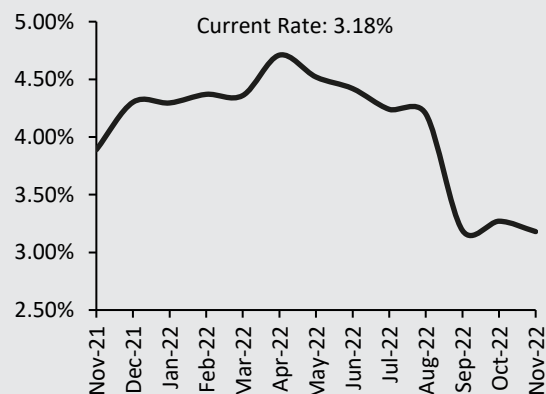
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till November 2022

Kuwait Market Monthly Report

December 2022

Kuwait Corporate Developments

- ◆ Munshaat Real Estate Projects renewed the credit limit of KWD 42.0MM provided by a local Islamic bank.
- ◆ Mashaer Holding Unit obtained a credit facility of KWD 5.0MM from a local bank for real estate investments.
- ◆ Al Ahli Bank of Kuwait's branch in DIFC closed long-term loan facilities worth USD 825.0MM, spread over a tenure of 37 months.
- ◆ The shareholders of Aan Digital Services approved the continuity of the company, a decrease in issued and paid-up capital to KWD 16.3MM (from KWD 87.2MM) and a decrease in capital to amortize accumulated losses.
- ◆ ALAFCO shareholders approved an assets sale and purchase agreement with the Macquarie Airfinance Group to sell 53 aircraft from the company's portfolio, with a headline price of USD 2.2BLN.
- ◆ Mashaer Holding announced to divest one of its real estate assets in KSA, amounting to SAR 23.5MM.
- ◆ Arabi Group Holdings' BOD approved using the entire optional reserve, legal reserve and premium issuance of KWD 8.8MM to amortize a part of the accumulated losses of KWD 9.9MM.
- ◆ Jazeera Airways penned facility offer letter (renewable) with a local bank amounting to KWD 16.6MM including the letter of guarantee, standby letter of credit and overdraft facility.
- ◆ Aayan Leasing and Investment bought another 29.0% stake in Tawazun Holding Capital, increasing the company's stake to 43.8%.
- ◆ The shareholders of Boubyan Petrochemical approved its merger with the Educational Holding Group.
- ◆ Capital Markets Authority (CMA) approved the merger between Al Safat Investment and Cap Corp Investment Co.
- ◆ United Real Estate Company (URC) completed a share swap for increasing its capital with the shareholders of United Tower Holding and Al Dhiyafa Holding; the merger was executed by amalgamating the three companies.
- ◆ Kuwait Projects (KIPCO) got the approval of CMA for issuing bonds of up to KWD 200.0MM; the bonds will be issued in two tranches with a maturity of 6 years. Kamco Investment and Gulf Bank would act as joint lead managers and subscription agents.
- ◆ Gulf Bank received the initial approval from CMA to establish a closed shareholding company practicing financial securities activities, and the new company's capital will be KWD 10.0MM. This approval would be in effect for six months, renewable, to meet the criteria set by CMA.
- ◆ Boubyan Petrochemical would buy a 51.0% stake in a steel abrasive materials production factory situated in Sudair Industrial Zone, Saudi Arabia; the total investment value is expected to be SAR 60.0MM, with additional SAR 7.2MM as the working capital.
- ◆ Markaz's US SPVs' unit signed credit facilities worth USD 50.0MM with tenures of 3.5 to 5 years.
- ◆ Combined Group Contracting Unit was awarded an infrastructure project to construct local roads and other infrastructure for developed areas in Al Shahama, Abu Dhabi; the contract value is KWD 6.5MM with a tenure of 518 days.

Kuwait Market Monthly Report

December 2022

Disclaimer

This material was produced by Ahli Capital Investment Company K.S.C.C ('ABK Capital'), a firm regulated by the Capital Markets Authority (Kuwait). This document is not to be used or considered as an offer to sell or a solicitation of an offer to buy any securities. ABK Capital may, from time to time to the extent permitted by law, participate or invest in other financing transactions with the issuers of the securities ('securities'), perform services for or solicit business from such issuer, and/or have a position or effect transactions in the securities or options thereof. ABK Capital may, to the extent permitted by applicable Kuwaiti law or other applicable laws or regulations, effect transactions in the securities before this material is published to recipients. Information and opinions contained herein have been compiled or arrived at by ABK Capital from sources believed to be reliable, but ABK Capital has not independently verified the contents of this document. Accordingly, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. ABK Capital accepts no liability for any loss arising from the use of this document or its contents or otherwise arising in connection therewith. This document is not to be relied upon or used in substitution for the exercise of independent judgment. ABK Capital shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by ABK Capital for, or sent by ABK Capital to any person and any such person shall be responsible for conducting his own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Opinions and estimates constitute our judgment and are subject to change without prior notice. Past performance is not indicative of future results. This document does not constitute an offer or invitation to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. It is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. Neither this report nor any copy hereof may be distributed in any jurisdiction outside Kuwait where its distribution may be restricted by law. Persons who receive this report should make themselves aware of and adhere to any such restrictions. By accepting this report, you agree to be bound by the foregoing limitations.