

Market Performance

Kuwait's All Share Index closed 2.8% higher at 6,386.8 points in June 2021. Total traded volume decreased 9.3% MoM to 8.3bn; the number of deals decreased 2.3% MoM to 295,251 and total value traded improved 3.2% MoM to KWD1,421.3mn. The strength in the market was attributed to the increase in oil prices and strong COVID-19 vaccination campaign.

As per the third 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 a decrease in private inventory investments and exports. Personal income is estimated to have decreased by 2.0% MoM in May 2021 from the revised 13.1% MoM fall in April 2021. The decrease in personal income is primarily attributed to the drop in government social benefits to US citizens. Real PCE dipped 0.4% MoM in May 2021, after a 0.3% MoM (revised) rise in April 2021. Current account deficit rose to USD71.2bn in May 2021 from USD69.1bn in April 2021. Total exports increased 0.6% MoM to USD206.0bn in May 2021 and total imports gained 1.3% MoM to USD277.3bn.

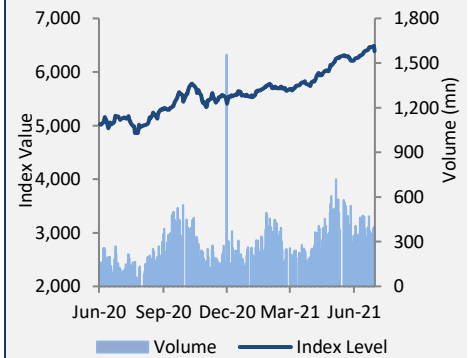
According to aggregate estimates released by Eurostat, seasonally adjusted GDP growth in the Euro area slowed by 0.3% QoQ in Q1 2021, after declining 0.6% in Q4 2020. According to flash estimates, annual inflation in the Euro area is expected to drop to 1.9% YoY in June 2021 from 2.0% in May 2021. The Euro area's goods trade surplus increased to EUR10.9bn in April 2021 from EUR2.3bn in April 2020. Export of goods increased 43.2% YoY, while imports rose 37.4% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK stood at 2.1% YoY in May 2021, up from 1.6% in April 2021. The transport sector was the biggest contributor to annual inflation.

In Asia, the latest data released by the National Bureau of Statistics shows that China's Consumer Price Index (CPI) rose 1.3% YoY in May 2021, after rising 0.9% YoY in April 2021. The gain is largely ascribed to the higher cost of food and non-food items. Meanwhile, China's Manufacturing Purchasing Managers' Index (PMI) fell to 51.0 in May 2021 from 51.1 in April 2021. According to the Statistics Bureau of Japan, the country's CPI fell 0.1% YoY in May 2021, following the 0.4% YoY decline recorded in April 2021.

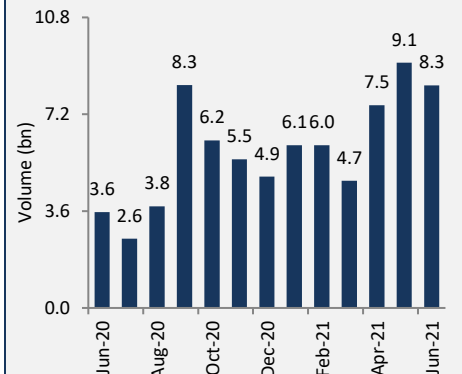
Kuwait Market Summary	June, 2021	May, 2021	Change (%)
Open	6,214.56	6,129.36	1.4
High	6,494.93	6,353.83	2.2
Low	6,202.15	6,125.87	1.2
Close	6,386.79	6,211.37	2.8
Volume traded (mn)	8,272.27	9,116.13	(9.3)
Value Traded (KWD mn)	1,421.32	1,377.00	3.2
No. of deals	295,251	302,233	(2.3)
No. of advances	74	92	(19.6)
No. of declines	78	59	32.2
No. of unchanged	13	14	(7.1)

Kuwait Index Performance

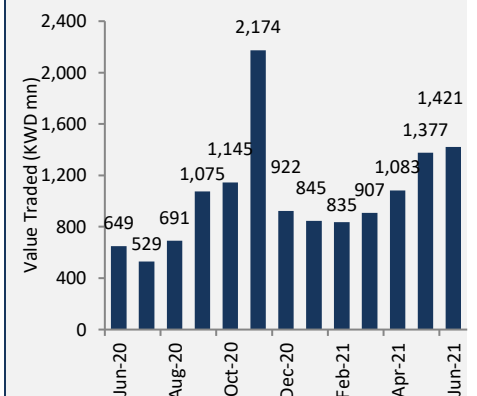
Benchmark Index and Volume Traded



Monthly Volume Traded (bn)



Monthly Value Traded (KWD mn)



Top Gainers and Losers

The market breadth was mostly negative; 74 stocks firmed-up and 78 declined, while 13 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)
National Consumer Holding Co.	80.00	53.85	63.60	7.20	10.57	(0.01)	12.44	NM	0.99
Automated Systems Company	113.00	31.70	63.53	11.30	0.45	(0.01)	8.43	NM	0.95
Kuwait Foundry Co.	379.00	30.69	41.42	27.41	0.71	(0.01)	5.25	NM	1.99
Gulf Insurance Group	1000.00	29.03	23.92	200.42	0.89	0.01	1.60	10.32	1.60
Sanam Real Estate Co.	67.00	27.62	94.20	8.13	0.84	(0.00)	13.36	NM	0.90

Top Five Losers									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWd mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Munshaat Real Estate Projects Co	59.20	(20.00)	(15.91)	19.06	0.26	NA	17.72	NM	1.05
Dalqan Real Estate Co.	222.00	(15.59)	(18.98)	13.44	0.05	3.28	9.10	728.30	2.02
Gulf North Africa Holding Co.	63.50	(15.56)	(2.61)	9.53	0.19	0.00	13.92	NM	0.88
Kuwait Remal Real Estate Co.	19.10	(13.96)	(5.45)	5.85	0.25	(0.02)	38.12	NM	0.73
Kuwait Hotels Company	79.60	(13.38)	33.78	4.49	0.13	0.24	13.55	18.95	1.08

Top Five by Volume									
	Close (KWd)	MTD (%)	YTD (%)	Market Capitalization (KWd mn)	Volume (mn)	EPS (KWd)	BVPS (KWd)	P/E (x)	P/B (x)
Ahli United Bank (B.S.C)	240.00	10.60	5.73	2432.28	147.40	0.08	8.40	19.45	2.02
Al-Mazaya Holding Co.	110.00	23.32	92.31	69.18	55.09	(0.01)	8.73	NM	0.96
The National Real Estate Company	188.00	9.30	149.34	291.35	90.76	1.17	5.80	219.02	1.09
Gfh Financial Group (B.S.C)	62.30	(0.32)	29.52	235.24	22.03	0.17	13.66	10.79	0.85
Al Bareeq Holding	44.70	(12.35)	(31.76)	19.55	14.98	0.00	9.62	NA	0.43

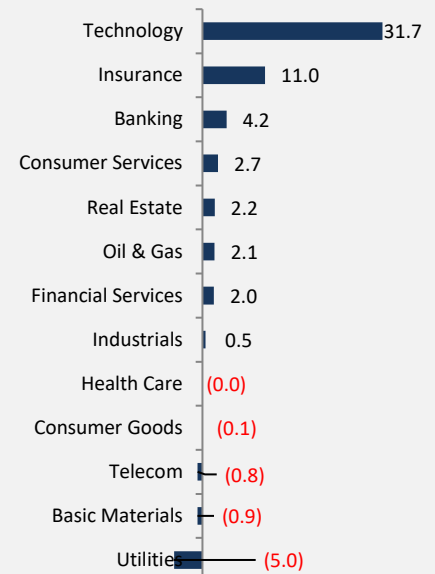
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

Performance by Sector

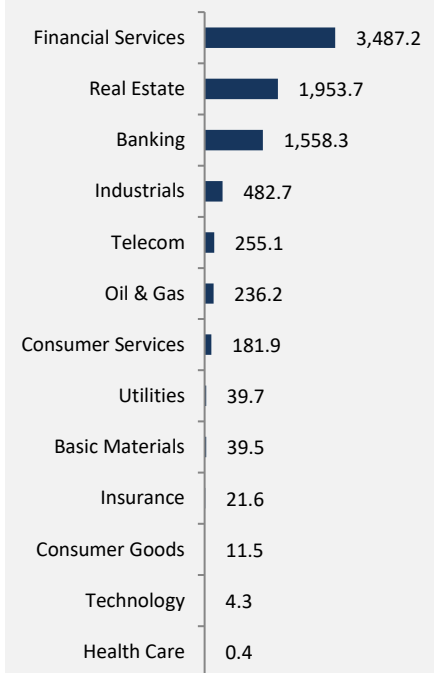
- Banks:** The sector closed 4.2% higher at 1,448.0 points during the month. Gulf Bank (up 12.9%) was the top gainer, followed by Ahli United Bank (B.S.C) (up 10.6%), while Burgan Bank (down 0.9%) was the top decliner. The sector was leading position on the index in terms of turnover (KWD511.1mn). The volume traded and number of deals stood at 1.6bn shares and 48,737, respectively.
- Basic Materials:** The sector closed 0.9% lower at 1,095.5 points during the month. Boubyan Petrochemical Co. (down 4.8%), while Kuwait Foundry Co. (up 30.7%) was the top gainer. The number of shares traded, and total turnover stood at 39.5mn and KWD25.7mn, respectively, while total transactions stood at 5,060.
- Consumer Goods:** The sector declined 0.1% to end at 784.2 points during the month. Mezzan Holding Co (down 0.6%) decreased the most. Total volume, turnover, and deals made stood at 11.5mn shares, KWD6.8mn, and 1,968, respectively.
- Consumer Services:** The sector closed 2.7% higher at 974.5 points during the month. Among stocks, Al Eid Food Co. (up 9.4%) led the gainers, followed by Sultan Center Food Products Co. (up 7.4%), while Kuwait Hotels Company (down 13.4%) was the top decliners. Total volume, turnover, and transactions stood at 181.9mn shares, KWD25.3mn, and 11,874, respectively.
- Financial Services:** The sector closed 2.0% higher at 1,156.6 points during the month. National Consumer Holding Co. (up 53.8%) was the top gainer, followed by The Securities House Co. (up 22.3%), while Gulf North Africa Holding Co. (down 15.6%) was the top loser. Total volume, turnover, and deals made stood at 3,487.2mn shares, KWD386.2mn and 107,731, respectively.
- Healthcare:** The sector ended flat at 790.2 points. Yiacco Medical Co. (up 5.8%) was the top gainer. There were 236 deals; Quantity and value traded stood at 436,011 and KWD222,637, respectively.
- Utilities:** The sector closed 5.0% lower at 600.0 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 5.0%) only listed stock ended in red. The sector recorded 3,582 transactions. Total volume and value traded stood at 39.7mn and KWD9.4mn, respectively.

Market Composition

Monthly Sector Index Returns (%)



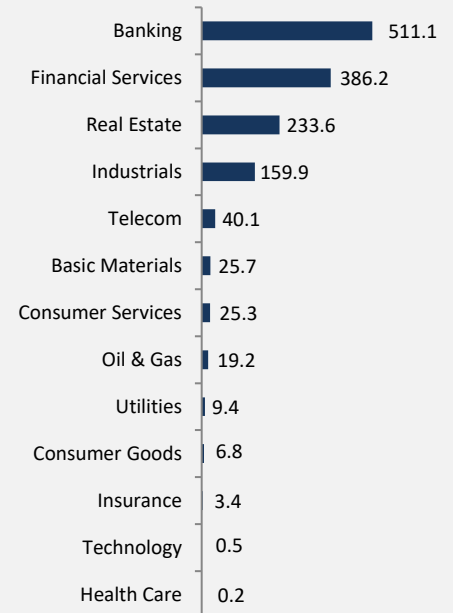
Monthly Volume Traded (million)



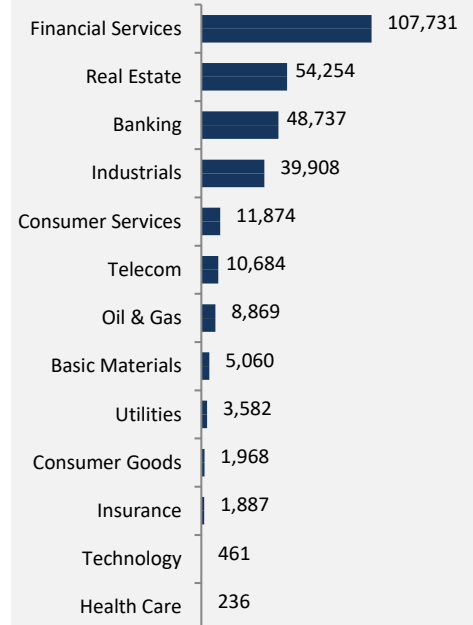
- Industrials:** The sector closed 0.5% higher at 1,132.1 points during the month. Educational Holding Group (up 15.5%) was the top gainer, followed by Fujairah Cement Industries (up 11.1%), while Integrated Holding Company Kcsc (down 12.4%) was the top loser. Total volume, turnover, and deals made stood at 482.7mn shares, KWD159.9mn and 39,908, respectively.
- Insurance:** The sector closed 11.0% higher at 1,385.5 points during the month. Gulf Insurance Group (up 29.0%) was the top gainer, followed by Al-Ahleia Insurance Company (up 6.0%), while First Takaful Insurance Company (K.S.C.P) (down 7.4%) was the top loser. Total volume, turnover, and deals made stood at 21.6mn shares, KWD3.4mn and 1,887, respectively.
- Oil & Gas:** The sector closed 2.1% higher at 1,430.4 points. Burgan Co. For Well Drilling Trading & Maint (up 13.9%) was the top gainer, followed Senergy Holding Company (K.S.C.P) (up 5.0%), while Gulf Petroleum Investment (down 3.1%) was the top loser. Total volume, turnover, and number of transactions stood at 236.2mn shares, KWD19.2mn, and 8,869, respectively.
- Real Estate:** The sector closed 2.2% higher at 1,184.9 points during the month. Sanam Real Estate Co. (up 27.6%) was the top gainer, followed by Al-Mazaya Holding Co. (up 23.3%), while Munshaat Real Estate Projects Co (down 20.0%) was the top loser. Total volume, turnover, and deals made stood at 1,953.7mn shares, KWD233.6mn and 54,254, respectively.
- Technology:** The sector closed at 822.1 points, up 31.7% from the previous month. Automated Systems Company (up 31.7%) was the only gainer. The sector recorded 461 transactions during the month. Total volume and value traded stood at 4.3mn and KWD0.5mn, respectively.
- Telecom:** The sector closed 0.8% lower at 1,080.5 points. Aan Digital Services Co. (down 3.5%) was the top decliner, followed by National Mobile Telecommunications Co. (down 1.6%). Total turnover of KWD40.1mn was generated by 255.1mn shares traded through 10,684 transactions.

Market Composition

Monthly Value Traded (KWD mn)



Number of Deals

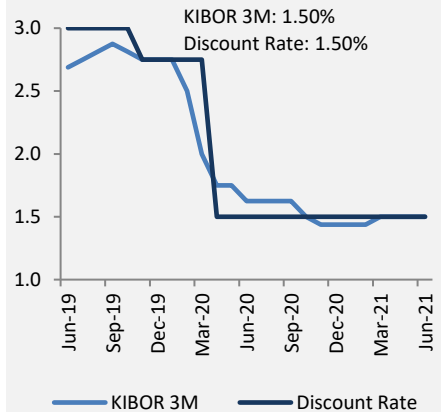


Kuwait – Economy and Industry News

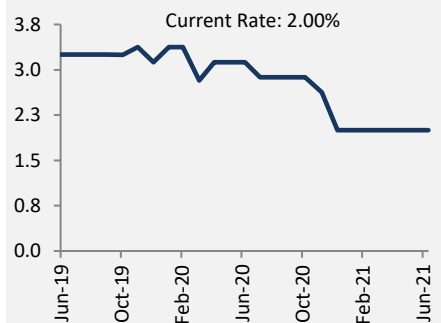
- Kuwait's All Share Index closed 2.8% higher at 6,386.8 points in June 2021. Total traded volume decreased 9.3% MoM to 8.3bn; the number of deals decreased 2.3% MoM to 295,251 and total value traded improved 3.2% MoM to KWD1,421.3mn. The strength in the market was attributed to the increase in oil prices and strong COVID-19 vaccination campaign.
- Kuwait's GDP contracted 9.9% in 2020 compared with 0.4% in 2019, mainly because of last year's sharp drop in oil prices.
- The parliament approved a state budget for the fiscal year 2021–22. The budget, proposed by the government in January, envisages KWD23.05bn (USD76.65bn) in expenditure for the fiscal year that started on April 1 and a deficit of KWD12.1bn.
- The country's crude oil exports to Japan dropped 27.5% YoY to 5.43 million barrels in May 2021, down for the 14th straight month. Moreover, as Japan's fourth-biggest oil provider, Kuwait supplied 7.2% of the nation's 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 surged at the highest rate at 10.8% YoY. On the other hand, prices in the education sector fell 15.5% YoY.
- Data provided by the Central Bank of Kuwait (CBK) shows that official reserves increased 6.4% YoY to KWD13.5bn in April 2021 from KWD12.7bn in April 2020.
- Kuwait's monetary gold position remained unchanged at KWD31.7mn in April 2021.
- The IMF's reserve position rose 4.5% YoY to KWD211.8mn in April 2021 from KWD202.7mn in April 2020, while special drawing rights rose 1.6% YoY to KWD573.4mn.
- CBK's total assets increased 5.9% YoY to KWD12.9bn in April 2021 from KWD12.1bn.
- As per the CBK report, Kuwait's surplus during 4Q 2020 of KWD3546.4mn in the Current Account against a surplus of KWD2,354.9mn during the previous quarter, an increase by 50.6% equivalent to KWD1,191.5mn. This was primarily attributable to the rise in the total value of receipts on the credit side of the Current Account by KWD1,251.0mn or 16.7% compared with the previous quarter.
- The overall position of Kuwait's BoP registered a deficit of KWD0.9mn during 4Q 2020 against a surplus of KWD680.2mn during the previous quarter.

Monetary Indicators

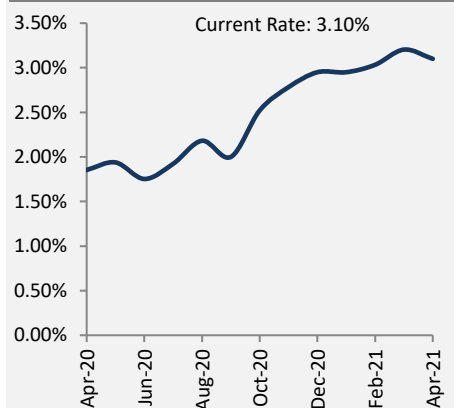
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

GCC Markets Performance

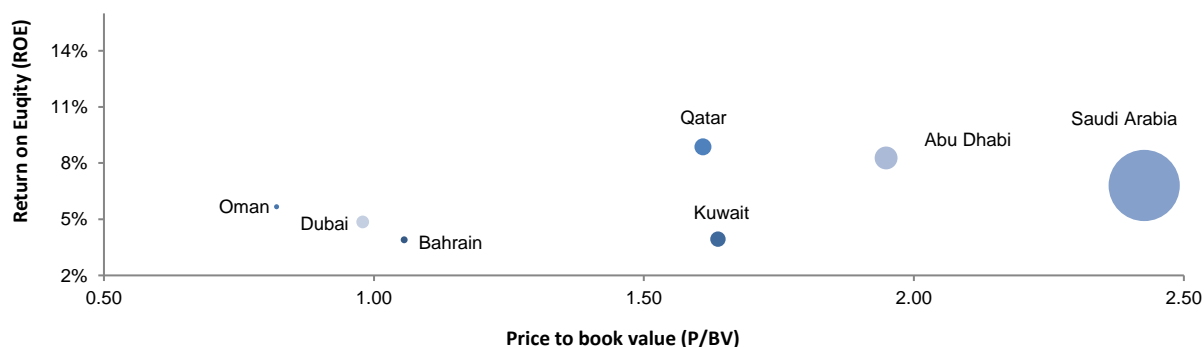
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,587.97	3.95	6.59	27.26	2.10
Kuwait (KSE)	6,386.79	2.83	15.16	40.64	2.03
Oman (MSM)	4,063.40	5.47	11.06	14.27	3.85
Qatar (DSM)	10,730.68	(0.16)	2.82	18.14	2.73
Saudi Arabia (TASI)	10,984.15	4.10	26.41	36.02	1.91
UAE (ADX)	6,835.43	4.22	35.48	23.21	3.57
UAE (DFM)	2,810.56	0.47	12.78	21.35	2.85

Of the seven GCC indices, six ended in positive territory and one of them closed lower, during the month of June. Oman's MSM index (up 5.5%) was the top gainers, followed by Abu Dhabi's ADX (up 4.2%).

- Bahrain's BAX closed 4.0% higher at 1,588.0 points. Among sectors, Commercial Banks (up 6.8%) and Insurance (up 2.8%) were the top gainer. Among stocks, Khaleeji Commercial Bank (up 34.0%) increased the most, followed by Takaful International Co. (up 15.5%), while Bahrain Cinema Co. (down 15.7%) was the top loser.
- Kuwait's All Share Index closed 2.8% higher at 6,386.8 points. Among sectors, Technology (up 31.7%) led the gainers. On the contrary, Utilities (down 5.0%) decreased the most. Among stocks National Consumer Holding Co. (up 53.9%) was the top gainer, followed by Automated Systems Company (up 31.7%), while Al Munshaat Real Estate Projects Co (down 20.0%) was the top loser.
- Oman's MSM was up 5.5% to close at 4,063.4 points. Among sectors, Industry (up 8.7%) was the top gainer. Among stocks, Muscat Finance (up 40.0%) was increased the most, followed by Vision Insurance (up 31.4%), while Renaissance Ser. (down 1.9%) was the top loser.
- Qatar's DSM decreased 0.2% to close at 10,730.7 points. Among sectors, Insurance (down 5.2%) decreased the most, while Real Estate (up 8.6%). Among stocks, Qatar Insurance (down 9.3%) was the top loser, followed by Qatar National Cement (down 4.9%), while Dlala Brokerage & Investment Holding (up 93.2%) increased the most.
- Saudi Arabia's TASI rose 4.1% to close at 10,984.2 points. Among sectors, Media and Entertainment (up 40.9%) was the top gainer, followed by Pharma, Biotech & Life Science (up 24.4%), while Food & Staples Retailing (down 3.1%) declined the most. Among stocks, Baazeem Trading Co (up 48.4%) led the gainers, followed by Saudi Research and Media Group (up 46.0%). Advanced Petrochemicals (down 11.7%) declined the most.
- The ADX ended 4.2% higher at 6,835.4 points. Among sectors, Investment & Financial Services (up 23.9%) lifted the index, followed by Industrial (up 13.7%). Among stocks, Ras Al Khaimah Cement Investment Company (up 119.5%) was the top gainer, followed by International Holdings Company PJSC (up 25.3%), while Fujairah Cement Industries (down 29.0%) declined the most. The DFM ended 0.5% higher at 2,810.6 points. Among sectors, Telecommunication (up 3.6%) was the top gainer, followed by Real Estate & Const. (up 1.7%). Among stocks, International Financial Advisors K.S.C.C. (up 19.5%) led the gainer, followed by GFH Financial Group B.S.C. (up 13.2%), while Emirates Refreshments Company (down 30.1%) decreased the most.

Valuation

Size of the bubble represents Market Capitalization



GCC Markets – Economy and Industry News

Saudi Arabia

- Saudi Arabia's GDP declined **3%** YoY in Q1 2021, as oil sector GDP slumped **11.7%** YoY during the quarter. Meanwhile, non-oil sector GDP rose 2.9% YoY in Q1 2021, aided by 4.4% YoY growth in the private sector.
- Inflation in Saudi Arabia rose to 5.7% in May 2021 from 5.3% in April 2021, mainly due to the increase in food and transport prices on account of a higher VAT rate.
- The Saudi PMI surged to 56.4 in May 2021 from 55.2 in April 2021, driven by faster inventory build-up and rise in new orders.
- Industrial production fell **24%** YoY in April 2021, dragged down by a **32.1%** YoY drop in mining and quarrying activity output.
- Saudi non-oil exports rose 46.3% to SAR19.6bn in April 2021, according to the latest data released by the General Authority for Statistics (GaStat).

UAE

- As per the Financial Stability Report published by the Central Bank of the UAE, real GDP is forecast to increase 2.4% in 2021 and 3.8% in 2022. Non-oil real GDP is forecast to grow 3.9% in 2022.
- The UAE's PMI slipped to 52.3 in May 2021 from 52.7 in April 2021, reflecting a moderate improvement in the UAE's non-oil private business conditions.
- Dubai's Crown Prince announced measures to reduce government procedures for doing business by 30% in the next three months. The measures would help in lowering the cost of doing business, aid economic growth, and boost investments and business activity.

Qatar

- Qatar's annual inflation increased 2.47% YoY in May 2021, primarily due to a price rise in the transport (highest, up 13.15% YoY), restaurants & hotels (up 5.6% YoY), communication (up 4.3% YoY), and food and beverages (up 3.46% YoY) segments.
- Qatar's PMI slipped to 51.5 in May 2021 from 52.1 in April 2021 owing to slow growth in output, backlogs, and new orders.
- Credit ratings agency Fitch Ratings affirmed the AA- long-term foreign-currency issuer default rating of the Government of the UAE, with a stable outlook.

Bahrain

- According to the World Investment Report released by the UN Conference of Trade and Development, FDI inflows to Bahrain increased by USD1.007bn on account of several wide-ranging initiatives to boost economic growth.

Oman

- According to the National Centre for Statistics and Information (NCSI), Oman's inflation increased 1.65% YoY in May 2021 from 1.59% in April 2021.
- Oman announced that it will launch the Investment Residency Program (IRP) in September 2021, offering residency schemes to expats through real estate and commercial investment on renewable 5- and 10-year bases. The program is expected to attract high-impact foreign investment, and boost jobs as well as economic growth.

GCC Corporate Developments

Saudi Arabia

- **NCB Capital** and **Samba Capital & Investment Management Co.** received the CMA's approval and are anticipated to complete their merger in Q3 2021.
- Fitch Ratings upgraded **Al Rajhi Bank's** outlook to stable from negative and affirmed the bank's A- long-term issuer default ratings.
- Fitch Ratings affirmed the BBB+ long-term issuer default rating of **Saudi Investment Bank**, with a negative outlook. The rating company also assigned a national long-term rating of AA-(sau) to the bank, with a stable outlook.
- **Dur Hospitality Co.** and **Taiba Investments Co.** are in preliminary talks over a possible merger; both companies are looking to hedge themselves in a sector battered by the COVID-19 pandemic.
- **Al Khaleej Training and Education Company** inked a non-binding memorandum of understanding to acquire an 85% equity stake in **Al Enjaz National Schools Company**.

UAE

- S&P Global Ratings upgraded the outlook for **Emaar Properties'** to stable from negative and affirmed the company's BB+ long-term credit rating.
- Moody's affirmed the credit rating of **Emirates Telecommunications Group Company** at Aa3, with a stable outlook.
- **Mubadala** and **EIG** completed a share sale and purchase agreement with Saudi Aramco, picking up 49% stake, worth USD12.4bn, in Aramco Oil Pipelines Company. Saudi Aramco will retain the remaining 51% majority stake.
- **Mubadala Health** acquired 60% controlling stake in United Eastern Medical Services from Jadwa Investment and United Eastern Group.

Qatar

- Fitch Ratings assigned **Qatar Petroleum** an AA- long-term issuer default rating, with a stable outlook.
- **Commercial Bank** increased the offer to purchase an additional 15.2% stake from National Bank of Oman's shareholders to OMR49.4mn (USD128.0mn). Post-completion of transaction, Commercial Bank will have 50.1% stake in the Omani bank.

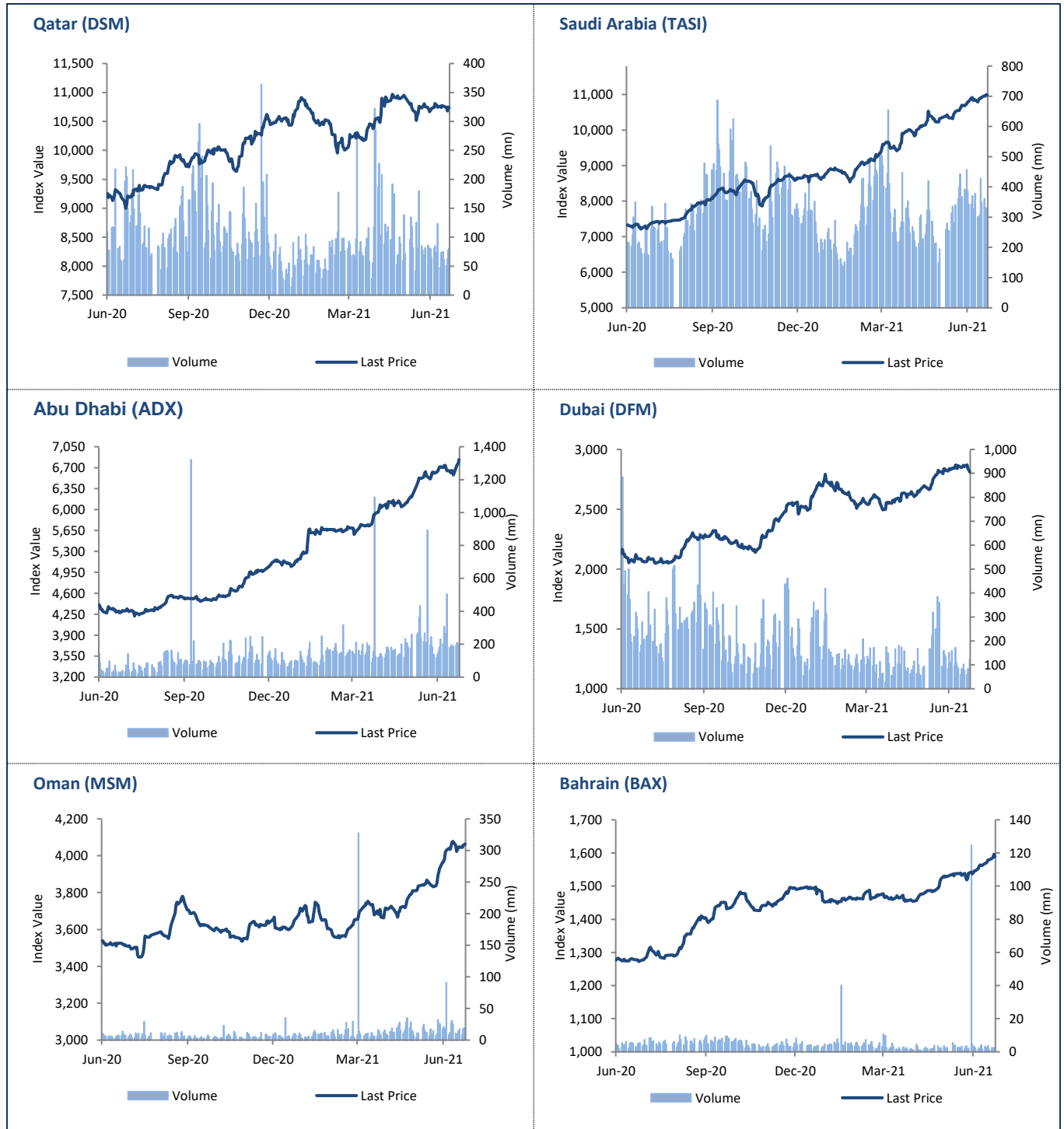
Bahrain

- Fitch Ratings affirmed the long-term and short-term issuer default ratings for **GFH Financial Group BSC** at B, with a stable outlook.

Oman

- **Bank Dhofar** announced that it had successfully completed a USD250mn syndicated term facility, which it will use for general corporate purposes.

GCC Benchmark Indices– Market Movements



Disclaimer

This material was produced by Ahli Capital Investment Company K.S.C.C ('Ahli 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. Ahli 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. Ahli 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 by Ahli Capital from sources believed to be reliable, but Ahli 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. Ahli 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. Ahli Capital shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by Ahli Capital for, or sent by Ahli 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.