

Market Performance

Kuwait's All Share Index closed 3.9% higher at 7,637.6 points in February 2022. Total volume traded decreased **15.3%** MoM to 5.2BLN, number of deals rose 10.4% MoM to 253,862, and total value traded was up 0.7% MoM to KWD 1,298.5MM. Growth in the market was mainly driven by the banking and telecom sectors.

As per the second estimate released by the Bureau of Economic Analysis, real GDP of US grew at an annualized rate of 7.0% YoY in Q4 2021 compared to 2.3% YoY in Q3 2021. Real PCE increased 1.5% MoM in January 2022, after the 1.3% MoM revised decline in December 2021. Personal income rose less than 0.1% MoM in January 2022 vis-à-vis the 0.4% MoM revised increment in December 2021. It was primarily led by higher compensation of employees (both private and government wages and salaries), which was partly offset by a reduction in government social benefits. The current account deficit rose to USD 80.7BLN in December 2021 from USD 79.3BLN in November 2021 (revised). Total exports went up USD 228.1BLN in December 2021, USD 3.4BLN more than that in November 2021. On the other hand, total imports stood at USD 308.9BLN in November 2021, USD 4.8BLN more than that in November 2021.

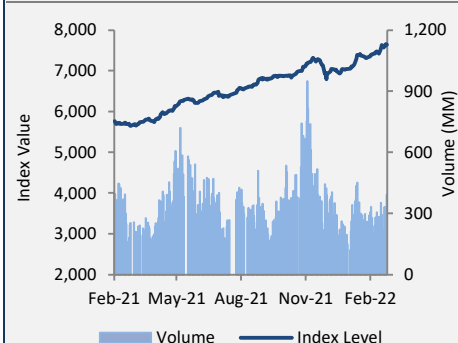
According to a flash estimate released by Eurostat, seasonally adjusted GDP in the Euro area grew 0.3% QoQ in Q4 2021 after rising 2.3% in Q3 2021 (revised estimate). As per Eurostat, the Euro area's annual inflation rate was expected to be 5.8% in February 2022, up from 5.1% in January 2022. Trade deficit decreased to EUR 4.6BLN in December 2021 from the EUR 28.3BLN surplus in December 2020. Exports of goods increased 14.1% YoY while imports rose 36.7% YoY. As per the latest data released by the Office for National Statistics, the annual inflation rate (Consumer Price Inflation - CPI) in the UK climbed 5.5% YoY in January 2022, up from 5.4% YoY in December 2021, whereas CPI including owner occupiers' housing costs (CPIH) in the UK climbed 4.9% YoY in January 2022 from 4.8% YoY in December 2021. The IHS Markit/CIPS Purchasing Manager's Index (PMI) rose to 54.1 in January from December's 10-month low of 53.6 as the Omicron variant faded.

Based on the latest data released by the National Bureau of Statistics, China's CPI edged up by just 0.9% in January 2022, after rising 1.5% YoY in December 2021, the lowest inflation rate since September 2021, because of the decreasing food price and 3.8% YoY decline in January. China's GDP exceeded USD 18.1TLN in FY 2021, registering an increase of 8.1% YoY and average growth of 5.1% over the preceding two years, as per the National Bureau of Statistics (NBS). According to the Statistics Bureau of Japan, CPI rose 0.5% YoY in January 2022, following the 0.8% YoY rise in December 2021, marking the fifth straight month of increase.

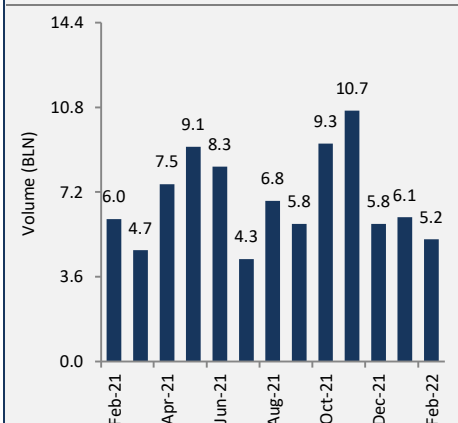
Kuwait Market Summary	February, 2022	January, 2022	Change %
Open	7,365.30	7,052.84	4.4
High	7,681.82	7,450.48	3.1
Low	7,359.70	7,035.34	4.6
Close	7,637.55	7,350.37	3.9
Volume traded (MM)	5,185.87	6,123.56	(15.3)
Value Traded (KWD MM)	1,298.53	1,289.25	0.7
No. of deals	253,862	230,024	10.4
No. of advances	68	104	(34.6)
No. of declines	81	45	80.0
No. of unchanged	18	18	0.0

Kuwait Index Performance

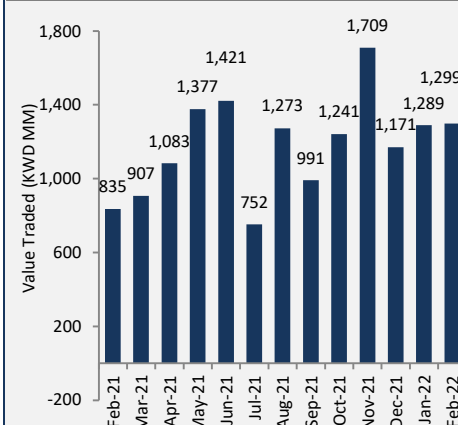
Benchmark Index and Volume Traded



Monthly Volume Traded (BLN)



Monthly Value Traded (KWD MM)



Top Gainers and Losers

The market breadth was mostly negative; 68 stocks firmed up and 81 declined, while 18 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)
Gulf Cable And Electrical Industries Company	1473.00	54.40	69.12	307.76	18.07	0.04	1.01	51.87	1.49
Kuwait Telecommunications Co.	1312.00	51.68	53.45	655.17	52.83	0.02	2.31	22.90	3.03
Palms Agro Production Co.	82.50	50.82	20.97	4.32	0.07	(0.01)	9.08	NM	0.75
Kuwait Reinsurance Company	375.00	30.21	36.36	81.96	0.04	0.04	3.57	13.26	1.34
National Investments Company	359.00	28.67	63.93	286.43	115.38	0.03	3.85	10.36	1.38

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)
Hilal Cement Co.	103.00	(26.95)	(26.95)	5.15	0.05	(0.03)	12.14	NM	1.25
Gulf Petroleum Investment	19.00	(21.16)	(22.45)	8.66	63.05	(0.02)	13.91	NM	0.26
The Energy House Co	51.90	(16.69)	(17.75)	38.93	8.36	0.40	36.62	20.78	1.90
Gulf Investment House	321.00	(13.71)	7.00	130.49	1.19	0.07	9.88	21.17	3.17
Fujairah Cement Industries	45.30	(12.55)	(16.11)	16.12	6.34	(0.29)	5.19	NM	0.24

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)	99.70	(1.19)	(0.10)	355.20	734.19	0.13	11.88	12.63	1.18
Ahli United Bank (B.S.C)	299.00	6.41	7.55	3030.21	320.86	0.06	7.48	17.62	2.24
Alimtiq Investment Group Co.	133.00	6.40	12.71	142.72	206.25	0.00	5.68	NM	0.76
A Ayan Real Estate Co.	82.50	(4.07)	(6.78)	34.29	175.85	0.02	8.18	3.05	1.31
First Investment Company	83.50	(3.69)	(0.83)	37.24	169.30	(0.00)	9.49	NM	0.79

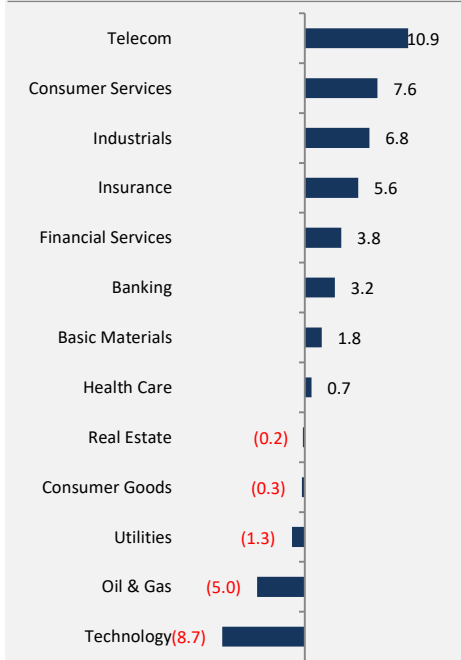
Source: Bloomberg; NM – Not Meaningful; NA – Not Available

Performance by Sector

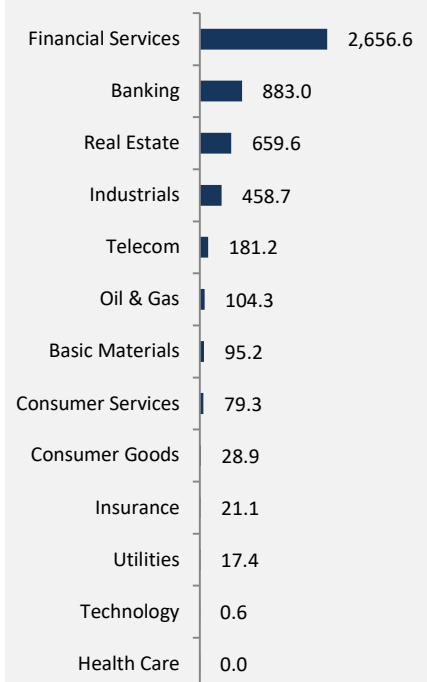
- Banks:** The sector closed 3.2% higher at 1,756.6 points during the month. Al-Ahli Bank Of Kuwait (up 9.7%) rose the most, followed by Ahli United Bank (B.S.C) (up 6.4%), while Ahli United Bank (down 3.7%) was the top loser. Total turnover stood at KWD 403.1MM. The volume traded and number of deals stood at 883.0MM shares and 40,316, respectively.
- Basic Materials:** The sector closed 1.8% higher at 1,131.6 points during the month. Alkout Industrial Projects Co. (up 9.9%) was the top gainer, followed by Boubyan Petrochemical Co. and Kuwait Foundry Co. (up 2.0% each). The number of shares traded, and total turnover stood at 95.2MM and KWD 42.2MM, respectively, while total transactions stood at 4,394.
- Consumer Goods:** The sector ended 0.3% lower at 722.0 points during the month. Livestock Transport & Trading Co. (down 1.7%) declined the most, while Mezzan Holding Co remained unchanged. Total volume, turnover, and deals made stood at 28.9MM shares, KWD 16.2MM, and 2,458 respectively.
- Consumer Services:** The sector closed 7.6% higher at 1,544.0 points during the month. Among stocks, Palms Agro Production Co. (up 50.8%) increased the most, followed by Jazeera Airways Co. (up 16.1%), while IFA Hotels & Resorts Co. (down 8.6%) was the top loser. Total volume, turnover, and transactions stood at 79.3MM shares, KWD 32.0MM, and 9,847, respectively.
- Financial Services:** The sector closed 3.8% higher at 1,576.6 points during the month. National Investment Co. (up 28.7%) was the top gainer, followed by Gulf North Africa Holding Co. (up 28.6%), while Gulf Investment House (down 13.7%) was the top loser. Total volume, turnover, and deals made stood at 2.7BLN shares, KWD 367.4MM and 85,886 respectively.
- Healthcare:** The sector ended 0.7% higher at 812.7 points. Advanced Technology Company (up 4.0%) was the top gainer, while Yiaco Medical Co. (down 4.8%) was the top loser. There were 25 deals; quantity and value traded stood at 13,360 and KWD 7,424, respectively.
- Utilities:** The sector closed 1.3% lower at 581.6 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 1.3%) only listed stock ended in red. The sector recorded 1,533 transactions. Total volume and value traded stood at 17.4MM and KWD 3.9MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



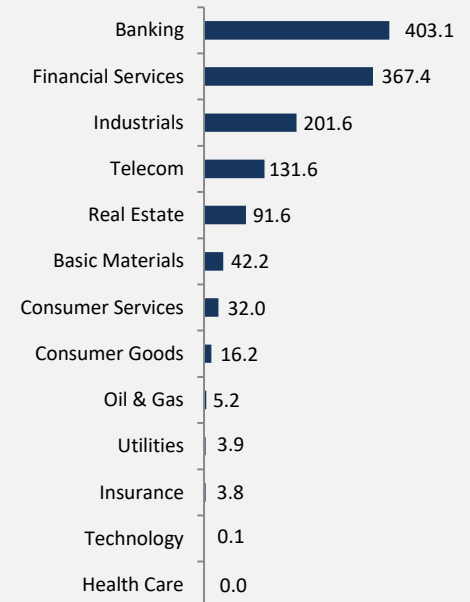
Monthly Volume Traded (Million)



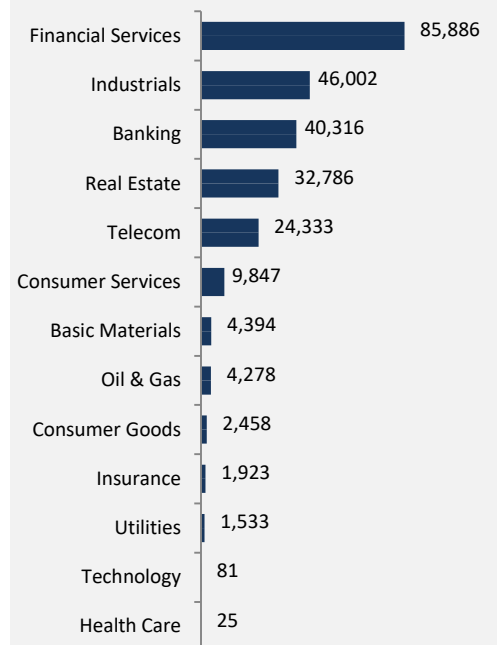
- Industrials:** The sector closed 6.8% higher at 1,266.9 points during the month. Gulf Cable and Electrical Industries Company (up 54.4%) was the top gainer, followed by National Industries Company (up 23.0%), while Hilal Cement Co. (down 27.0%) was the top loser. Total volume, turnover, and deals made stood at 458.7MM shares, KWD 201.6MM and 46,002, respectively.
- Insurance:** The sector closed 5.6% higher at 1,613.9 points during the month. Kuwait Reinsurance Company (up 30.2%) was the top gainer, followed by Al-Ahleia Insurance Company (up 6.8%), while First Takaful Insurance Company (down 5.6%) was the top loser. Total volume, turnover, and deals made stood at 21.1MM shares, KWD 3.8MM and 1,923, respectively.
- Oil & Gas:** The sector closed 5.0% lower at 1,371.7 points. Gulf Petroleum Investment (down 21.2%) was the top loser, followed by The Energy House Co. (down 16.7%). Total volume, turnover, and number of transactions stood at 104.3MM shares, KWD 5.2MM, and 4,278, respectively.
- Real Estate:** The sector ended 0.2% lower at 1,347.4 points during the month. Mena Real Estate Company (down 11.8%) was the top loser, followed by Mashaer Holding Company (K.S.C. Public) (down 10.9%), while Dalqan Real Estate Co. (up 11.5%) was the top gainer. Total volume, turnover, and deals made stood at 659.6MM shares, KWD 91.6MM and 32,786, respectively.
- Technology:** The sector closed at 691.1 points, down 8.7% from the previous month. Automated Systems Company (down 8.7%) being the only company in the sector. The sector recorded 81 transactions during the month. Total volume and value traded stood at 0.6MM and KWD 60,680 respectively.
- Telecom:** The sector closed 10.9% higher at 1,217.3 points. Kuwait Telecommunications Co. (up 51.7%) was the top gainer, followed by National Mobile Telecommunications Co. (up 16.3%), while Aan Digital Services Co (down 4.2%) was the top loser. Total turnover of KWD 131.6MM was generated by 181.2MM shares traded through 24,333 transactions.

Market Composition

Monthly Value Traded (KWD MM)



Number of Deals

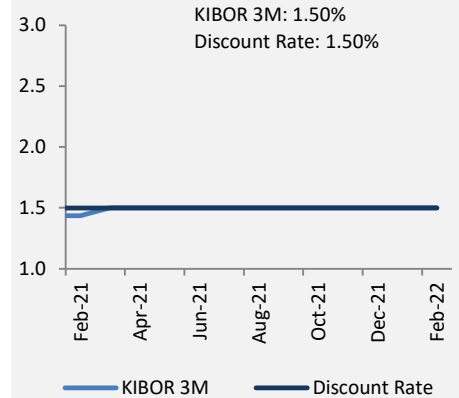


Kuwait – Economy and Industry News

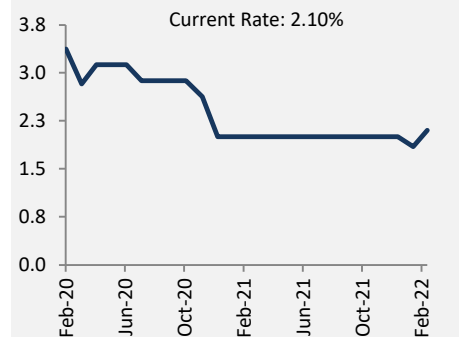
- Kuwait's All Share Index closed 3.9% higher at 7,637.6 points in February 2022. Total volume traded decreased **15.3%** MoM to 5.2BLN, number of deals rose 10.4% MoM to 253,862, and total value traded was up 0.7% MoM to KWD 1,298.5MM. Growth in the market was mainly driven by the banking and telecom sectors.
- The World Bank estimated Kuwait's real GDP to grow by about 5.3% in 2022 and 3.0% in 2023, after contracting 8.9% in 2020 due to the pandemic.
- Budget deficit for FY 2021-22 decreased 67% to KWD 3.0BLN on higher oil prices, as cited by the trade and industry minister.
- Kuwait's trade surplus with Japan surged 161.1% from a year earlier to JPY 59.5BLN in January 2022, up for the 10th consecutive month. Growth was fueled by robust exports, according to government data.
- Kuwait's overall exports to Japan also soared 98.7% YoY to JPY 69.8BLN for the 10th straight month of expansion. Its crude oil exports to Japan in January 2022 surged 49.9% YoY to 6.66MM barrels for the fifth straight monthly expansion. Kuwait's Bourse chief expects to launch a commercial sukuk and bonds market in 2022.
- The government owes KWD 2.35BLN in late payments to public entities due to lack of liquidity in the Treasury's unified account, as per the finance ministry.
- The Central Bank of Kuwait (CBK) reported that broad money supply (M2) declined 0.6% to KWD 38.9BLN (USD 128.0BLN) in December 2021.
- Moreover, consumer spending of citizens and residents swelled 34% YoY to KWD 34.3BLN in 2021. Total deposits fell to KWD 44.561BLN in 2021 from KWD 45.275BLN in 2020, as per recent data by CBK.
- In December 2021, Central Bank of Kuwait net foreign assets fell by KWD 390MM bringing the FY 2021 annual decrease to a total of KWD 1.79BLN, the biggest net annual decrease since 1992.

Monetary Indicators

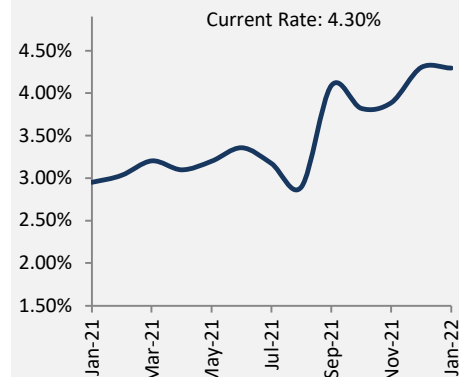
Interest Rate (%)



Deposit Rate (%)



Inflation Rate



Source: Bloomberg

Note: Kuwait Inflation data available till Jan. 2022.

Kuwait Corporate Developments

- Agility Public Warehousing's wholly owned subsidiary, Agility Strategies Holding Limited, announced plans to acquire a 13.2% stake in London Stock Exchange-listed John Menzies for KWD 30.0MLN.
- Al Khair National for Stocks and Real Estate Company approved to sell 11.4% of its stake in the issued and paid-up capital of Egypt Kuwait Holding (EKH).
- Kuwait's Boubyan Bank hired banks to conduct the sale of a five-year US dollar denominated unsecured Sukuk. It is projected to be worth at least USD 500.0MLN, depending on market conditions, the bank reported.
- Abu Dhabi Securities Exchange (ADX), Bursa Kuwait (KPSC), and Kuwait Clearing Company (KSC) inked a cooperation agreement to broaden investment opportunities through cross border trading and listings.
- Bursa Kuwait plans to add derivatives and futures products to improve liquidity and attract more companies to the list.
- Kuwait Airways announced an expanded USD 6.0BLN deal with Airbus for 31 planes, restructuring an agreement reached in 2014. The new agreement would add three new aircraft to the existing order of 28, including 9 Airbus A320neo, 6 A321neo, 3 A321neoLR, 4 A330-800neo, 7 A330-900neo, and 2 A350-900.
- Jazeera Airways's Board approved a deal to buy 28 narrow-body planes from Airbus SE as the Kuwaiti carrier expands its network to include long-haul routes. The value of the deal is USD 3.4BLN and comprises 20 A320neos and 8 A321neos.
- Carrefour, owned and operated by Majid Al Futtaim in Kuwait, officially inaugurated a new supermarket in the Khairan area, in line with its expansion strategy.
- Board of Fujairah Cement Industries P. J. S. C. have recommended to approve the company's voluntary withdrawal from Bursa Kuwait. They have cited the following reasons: very high KSE annual subscription cost and conflict between the regulations and laws governing the stock market of Kuwait and that of the UAE (country of origin).
- GFH Financial Group launched a USD 100.0MLN Sukuk fund comprising a diversified portfolio of Sharia-compliant Sukuk including sovereign, quasi-sovereign, and corporate Sukuk and Sukuk-related securities.
- Kuwait Telecom Company (stc) and the National Bank of Kuwait Group inked a long-term financing deal, worth KWD 50.0MLN, extending over a period of six years. This is in line with Kuwait Telecom Company plan to enhance digital transformation as well as with its strategy to expand the scope of business by implementing acquisitions, expanding operational business, and covering capital expenditures.

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