



أهلي كابيتال
AHLI CAPITAL

AHLI CAPITAL KUWAIT MARKET MONTHLY REPORT 2022



Market Performance

Kuwait's All Share Index closed 3.0% MoM higher at 7,318.4 points in October 2022. The total volume traded rose 4.2% MoM to 3.8BLN, the number of deals increased 13.3% MoM to 237,375, and total value traded increased 40.4% MoM to KWD 1.3BLN. The rise in the market was mainly attributed to the banking and financial services sectors.

In its latest projection, the International Monetary Fund (IMF) stated that US gross domestic product (GDP) is expected to increase 1.6% and 1.0% in FY22 and FY23, respectively. As per the advance estimate released by the Bureau of Economic Analysis, US real GDP growth increased 2.6% YoY in Q3 2022 as opposed to 0.6% YoY decrease in Q2 2022. Personal income rose USD 291.2BLN in Q3 2022 compared with USD 305.7BLN in Q2 2022. It was largely attributed to high compensation (led by private wages and salaries) and an increase in personal income receipts on assets. The US current account deficit stood at USD 73.3BLN in September 2022 against the revised deficit of USD 65.7BLN in August 2022. Total exports slipped USD 2.8BLN to USD 258.0BLN in September 2022 from that in August 2022. Furthermore, total imports stood at USD 331.3BLN in September 2022, an increase of USD 4.8BLN from August 2022.

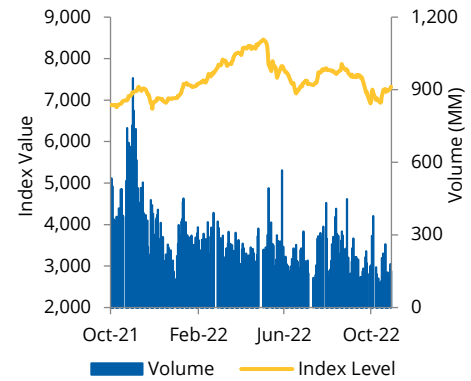
IMF projects Euro Area's GDP to expand 3.1% and 0.5% in FY22 and FY23, respectively. According to a flash estimate from Eurostat, EU's statistical office, the Euro area's annual inflation rate was expected to be 10.7% in October 2022, up from 9.9% in September 2022. The Euro area's international trade deficit was EUR 50.9BLN in August 2022, down from a surplus of EUR 2.8BLN in August 2021. IMF forecasts UK GDP to grow 3.6% and 0.3% in FY22 and FY23, respectively. As per the latest data released by the Office for National Statistics, the annual inflation rate (CPI) in the UK climbed 10.1% YoY in September 2022 from 9.9% YoY in August 2022. Furthermore, the CPI, including owner occupiers' housing costs (CPIH), in the UK stood at 8.8% YoY in September 2022, up from 8.6% YoY in August 2022.

IMF projects China's GDP to advance 3.2% and 4.4% in FY22 and FY23, respectively. Based on the latest data released by the National Bureau of Statistics, China's CPI rose to 2.8% YoY in September 2022 from 2.5% YoY in August 2022. IMF projects Japan's GDP to increase 1.7% and 1.6% in FY22 and FY23, respectively. According to the Statistics Bureau of Japan, CPI stood at 3.0% YoY in September 2022, unchanged from the near eight-year high of August 2022 on account of the soaring prices of food and raw materials as well as yen weakness.

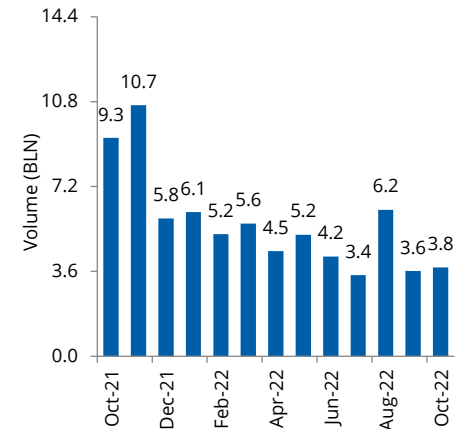
Kuwait Market Summary	October, 2022	September, 2022	Change (%)
Open	7,123.72	7,723.97	(7.8)
High	7,341.11	7,735.32	(5.1)
Low	6,861.80	7,103.42	(3.4)
Close	7,318.41	7,105.71	3.0
Volume traded (MM)	3,770.90	3,618.55	4.2
Value Traded (KWD MM)	1,291.62	919.78	40.4
No. of deals	237,375	209,526	13.3
No. of advances	75	18	316.7
No. of declines	68	131	(48.1)
No. of unchanged	14	8	75.0

Kuwait Index Performance

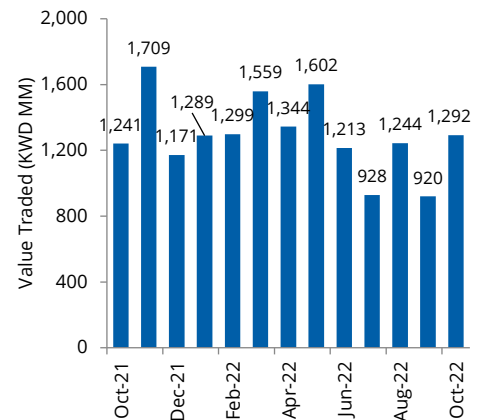
Benchmark Index and Volume Traded



Monthly Volume Traded (BLN)



Monthly Value Traded



Top Gainers and Losers

The market breadth was marginally positive; 75 stocks firmed up and 68 declined, while 14 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)
Osoul Investment Co.	89.00	22.93	7.88	11.26	3.04	NA	9.14	NA	0.81
Al-Maidan Clinic for Oral Health Services Co.	695.00	22.14	(43.95)	156.38	0.00	NA	3.97	NA	2.76
Metal & Recycling Co.	90.20	21.89	(5.05)	8.13	0.43	NA	12.92	NA	1.17
Kuwait Business Town Real Estate Co.	58.60	17.91	(29.14)	33.70	26.36	0.17	12.50	10.02	0.73
Agility Public Warehousing Company	784.00	17.37	(17.04)	2001.04	181.66	0.07	1.71	54.62	1.34

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)
Kuwait Remal Real Estate Co.	8.00	(29.82)	(58.12)	2.45	15.73	(0.02)	0.01	NM	NA
Educational Holding Group	2450.00	(18.33)	279.84	51.45	0.07	0.00	1.70	9.31	4.16
Jiyad Holding Company	21.90	(17.98)	(72.86)	4.02	95.42	(0.09)	11.40	NM	0.25
Massaleh Real Estate Co.	35.00	(15.87)	(32.82)	8.15	2.36	(0.02)	16.49	NM	0.58
Munshaat Real Estate Projects Co	60.00	(14.29)	(16.08)	19.32	0.08	0.08	30.04	4.97	1.80

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)
Kuwait Finance House	810.00	(3.69)	(2.64)	10717.47	717.09	0.03	4.64	27.56	3.76
National Consumer Holding Co.	111.00	(0.89)	(7.50)	33.30	274.81	(0.01)	13.59	NM	1.51
GFH Financial Group (B.S.C)	77.90	0.26	(21.94)	281.70	202.76	0.12	12.66	9.71	0.99
Agility Public Warehousing Company	784.00	17.37	(17.04)	2001.04	181.66	0.07	1.71	54.62	1.34
Aayan Real Estate Co.	128.00	14.29	(20.00)	85.00	169.76	NA	7.41	NA	0.95

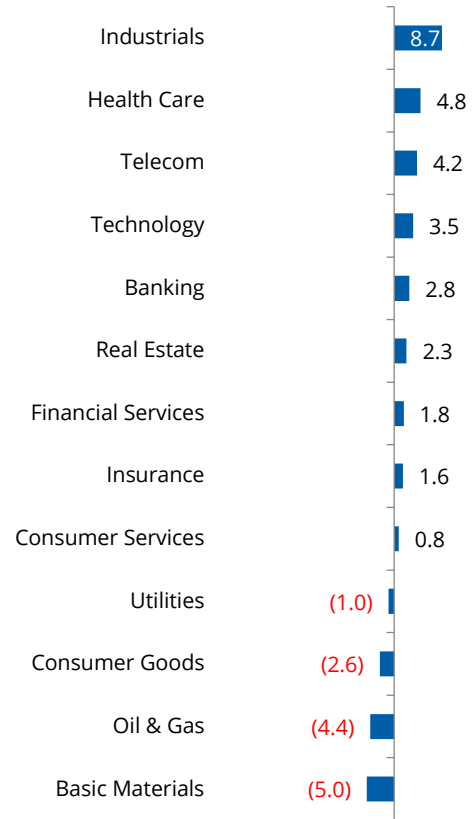
Source: Bloomberg; NM – Not Meaningful; NA – Not Available

Performance by Sector

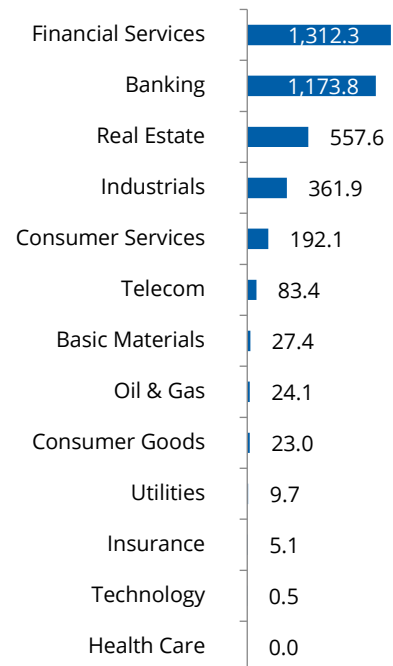
- **Banks:** The sector closed 2.8% higher at 1,791.9 points during the month. Gulf Bank (up 14.3%) was the top gainer, followed by Al-Ahli Bank of Kuwait (up 12.2%), while Kuwait International Bank (down 4.5%) was top loser. Total turnover stood at KWD 792.4MM. The volume traded and number of deals stood at 1,173.8MM shares and 85,843, respectively.
- **Basic Materials:** The sector closed 5.0% lower at 856.4 points during the month. Qurain Petrochemical Industries Co. (down 7.0%) declined the most, whereas Kuwait Foundry Co. ended flat. The number of shares traded, and total turnover stood at 27.4MM and KWD 9.2MM, respectively, while total transactions stood at 4,789.
- **Consumer Goods:** The sector ended 2.6% lower at 455.0 points during the month. Mezzan Holding Co. (down 3.2%) declined the most, while Livestock Transport & Trading Co. ended flat. Total volume, turnover, and deals made stood at 23.0MM shares, KWD 8.4MM, and 1,000, respectively.
- **Consumer Services:** The sector closed 0.8% higher at 1,396.7 points during the month. Among stocks, Al Eid Food Co. (up 8.1%) increased the most, followed by Future Kid Entertainment (up 6.4%), while Jiyad Holding Company (down 18.0%) was the top loser. Total volume, turnover, and transactions stood at 192.1MM shares, KWD 22.0MM, and 12,685, respectively.
- **Financial Services:** The sector closed 1.8% higher at 1,275.7 points during the month. Osoul Investment Co. (up 22.9%) was the top gainer, followed by Tamdeen Investment Co. (up 15.8%), while Warba Capital Holding Co. (down 13.0%) was the top loser. Total volume, turnover, and deals made stood at 1.3BLN shares, KWD 161.6MM and 52,105, respectively.
- **Healthcare:** The sector ended 4.8% higher at 482.0 points. Al Maidan Clinic for Oral Health Services Co (up 22.1%) rose the most, whereas Yiacco Medical Co. remained ended flat, while Advanced Technology Company (down 4.0%) was the top loser. There were 12 deals; quantity and value traded stood at 43 and KWD 21.0, respectively.
- **Industrials:** The sector closed 8.7% higher at 1,105.3 points during the month. Metal & Recycling Co. (up 21.9%) was the top gainer, followed by Agility Public Warehousing Company (up 17.4%), while Educational Holding Group (down 18.3%) was the top loser. Total volume, turnover, and deals made stood at 361.9MM shares, KWD 182.2MM and 38,695, respectively.

Market Composition

Monthly Sector Index Returns (%)



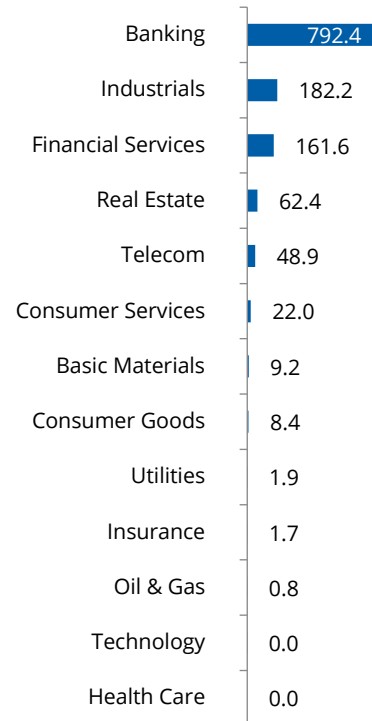
Monthly Volume Traded (Million)



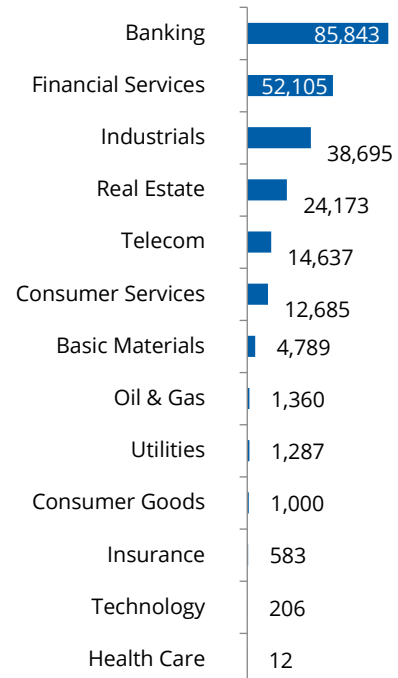
- **Utilities:** The sector closed **1.0%** lower at 507.9 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down **1.0%**) only listed stock ended in red. The sector recorded 1,287 transactions. Total volume and value traded stood at 9.7MM and KWD 1.9MM, respectively.
- **Insurance:** The sector closed 1.6% higher at 1,525.5 points during the month. Kuwait Insurance Company (up 9.8%), was the top gainer, followed by Al-Ahleia Insurance Company (up 6.9%); while First Takaful Insurance Company (down **4.2%**) was the top loser. Total volume, turnover, and deals made stood at 5.1MM shares, KWD 1.7MM and 583, respectively.
- **Oil & Gas:** The sector closed **4.4%** lower at 1,020.7 points. Co Independent Petroleum Group (down **9.1%**) was the top loser, followed by Independent Petroleum Group (down **7.1%**); while The Energy House (up 13.0%) was the top gainer. Total volume, turnover, and number of transactions stood at 24.1MM shares, KWD 0.8MM, and 1,360, respectively.
- **Real Estate:** The sector ended 2.3% higher at 1,229.3 points during the month. Kuwait Business Town Real Estate Co. (up 17.9%) was the top gainer, followed by Taameer Real Estate Investment Co. (up 16.1%), while Kuwait Remal Real Estate Co. (down **29.8%**) was the top loser. Total volume, turnover, and deals made stood at 557.6MM shares, KWD 62.4MM and 24,173, respectively.
- **Technology:** The sector closed 3.5% higher at 609.6 points during the month. Automated Systems Company, being the only company in the sector increased 3.5%. The sector recorded 206 transactions during the month. Total volume and value traded stood at 0.50MM and KWD 0.04MM, respectively.
- **Telecom:** The sector closed 4.2% higher at 1,212.0 points. National Mobile Telecommunications Co. (up 11.4%) was the top gainer followed by Kuwait Telecommunications Co. (up 6.5%), while Hayat Communications Company (down **4.8%**) was the top loser. Total turnover of KWD 48.9MM was generated by 83.4MM shares traded through 14,637 transactions.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals

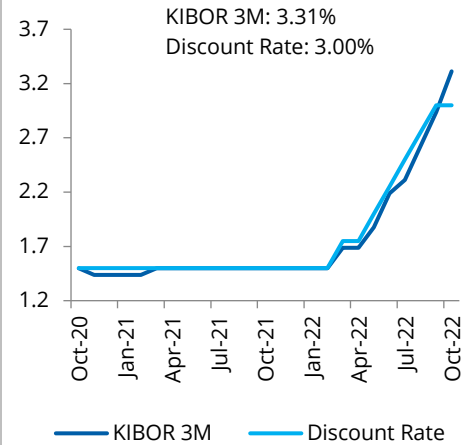


Kuwait – Economy and Industry News

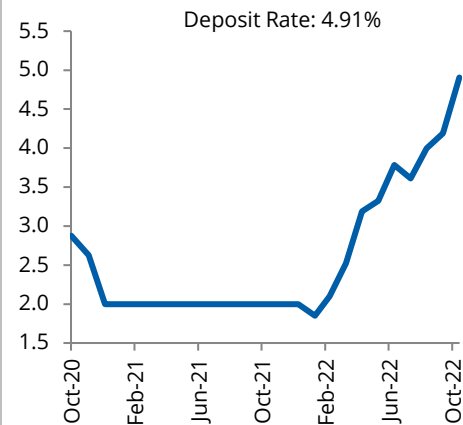
- In its latest projection, the International Monetary Fund (IMF) stated that Kuwait's gross domestic product (GDP) is expected to grow by 8.7% and 2.6% in FY22 and FY23, respectively.
- The Central Bank of Kuwait (CBK) reported that the broad money supply (M2) increased to KWD 37.85BLN in August 2022 from KWD 37.82BLN in July 2022 (updated).
- Fitch Ratings said that the assets of Islamic banks in Kuwait rose by 8.5% in H1 2022, compared to the same period last year, and Kuwait's Islamic financing assets accounted for 45.5% of the total assets of the country's banking sector. Fitch also affirmed that the flexible credit quality of Kuwait's Islamic banks in H1 2022 would further support their operating environment during H2 2022 with the help of higher oil and interest rates and stronger credit growth.
- Kuwait's total oil revenues from April 2021 to October 2022 are around KWD 19.4BLN, whereas the average volume of state expenditures for the same tenure is around KWD 13.7BLN. Thus, Kuwait achieved a budget surplus during the first seven months; similarly, for the full fiscal year, Kuwait expects a budget surplus accrediting high oil prices.
- Kuwait's total projected revenue for FY 22–23 is forecasted to reach KWD 23.4BLN, an eight-year high, because of rising oil profits.
- Kuwait's crude oil exports to Japan decreased 36.0% YoY in September 2022 to 127,000 barrels per day. Kuwait was Japan's fourth biggest oil provider, supplying 4.6% of its total crude imports in September 2022.
- According to the State Audit Bureau, the Ministry of Electricity, Water, and Renewable Energy's total debt to various government agencies is KWD 246.9MM, with payments owed amounting KWD 480.4MM.
- According to MEED magazine, Kuwait awarded USD 50.0MM in contracts in September 2022, ranking fourth in the Gulf and sixth in the region in terms of contract value.
- Even though the discount rate increased three times between March and June in 2022, consumer spending among locals and expatriates in the nation increased by KWD 2.338BLN or 28.5% in Q2 2022, reaching KWD 10.538BLN by the end of June 2022 compared to KWD 8.199BLN in the same period last year.

Monetary Indicators

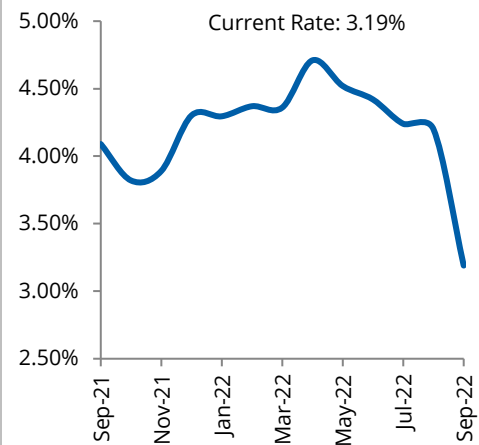
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till September 2022.

Kuwait Corporate Developments

- Jazeera Airways intends to raise USD 2.0BLN from commercial banks to fund 70.0% of a transaction with Airbus for 28 A320neo planes.
- As Kuwait Finance House (KFH) took ownership stake of 67.3% of issued and paid-up capital of Ahli United Bank (AUB); KFH is obliged to submit mandatory acquisition offer document to CMA for remaining shares of AUB within 90 days.
- Mashaer Holding Unit has obtained an amount of KWD 4.6MM in credit facilities from a local bank for financing real estate investment.
- Zain Tech has entered into an agreement for acquiring Bios Middle East at an acquisition value of KWD 13.7MM.
- The Kuwait Ports Authority has signed an agreement for developing Shuwaikh Port Docks worth KWD 48.7MM (USD 157.7MM).
- Arkan Al Kuwait Real Estate Company agreed to purchase two industrial properties in Shuwaikh at an amount of KWD 3.4MM.
- Boubyan Petrochemical's board of directors approved the merger with the Educational Holding Group.
- Precision Drilling Corp. was recently awarded four contracts in Kuwait, each with a five-year term and a one-year renewal option. The contract awards are for its AC Super Triple 3000 HP rigs, which will bring the company's active rig count in Kuwait up to five by the middle of 2023.
- Shareholders of United Real Estate Company have approved a three-way merger with United Towers and Al Dhiyafa Holding Company.
- Aldar Properties awarded Combined Group Contracting Unit a construction contract worth AED 564.7MM.
- KIPCO Unit in Kuwait has sold 190.0MM shares of Qurain Petrochemical to Al Futtooh Holding for an amount of KWD 77.1MM.
- Senergy Holding company has been awarded KWD 7.8MM worth project by Kuwait Oil Company.
- Agility invested USD 20.0MM in Loop Global Inc.
- Kuwait's Gulf Investment House has declared that the company will list three companies on ADX and one on Tadawul in the next one to two years.
- Agility Public Warehousing Company signed contract with Suez Canal Economic Zone (SC zone) to invest USD 60.0MM in the SC zone to develop required logistics infrastructure and hubs.
- The Kuwait Hotels Board has approved a ten-year contract for the operation and management of a hotel in Marsa Matruh.
- Gulf Cable and Electrical Industries received an order for KDW 9.2MM to supply cables.
- Al-Enmaa Real Estate Company reinstated cash credit facilities totaling KWD 4.9MM and increased non-cash credit limits to KWD 1.6MM.

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