

ABK CAPITAL
KUWAIT
MARKET
MONTHLY
REPORT

2023



Kuwait Market Monthly Report

June 2023

Market Performance

Kuwait's All Share Index closed higher at 3.4% MoM 7,029.8 points in June 2023. The total volume traded rose 14.5% MoM to 3.4BLN, the number of deals decreased **19.3%** MoM to 168,060, and the total value traded decreased **13.4%** MoM to KWD 813.8MM. The rise in the market was mainly due to the banking and real estate sectors.

As per the third estimate released by the Bureau of Economic Analysis, the US real GDP grew 2.0% YoY in Q1 2023 as opposed to the 2.6% YoY increase in Q4 2022. The real personal consumption expenditure (PCE) decreased by less than 0.1% in May 2023. Personal income rose 0.4% MoM in May, as compared to 0.3% (revised MoM) in April 2023. This is attributed to increased compensation, personal current transfer receipts and personal income receipts on assets. The improved compensation was due to private wages and salaries. The US current account deficit stood at **USD 69.0BLN** in May 2023 against the deficit of **USD 74.4BLN** in April 2023 (revised). Total exports fell to USD 247.1BLN in May 2023, **USD 2.1BLN** less than the amount in April 2023. Furthermore, total imports stood at USD 316.1BLN in May 2023, a decrease of **USD 7.5BLN** from April 2023.

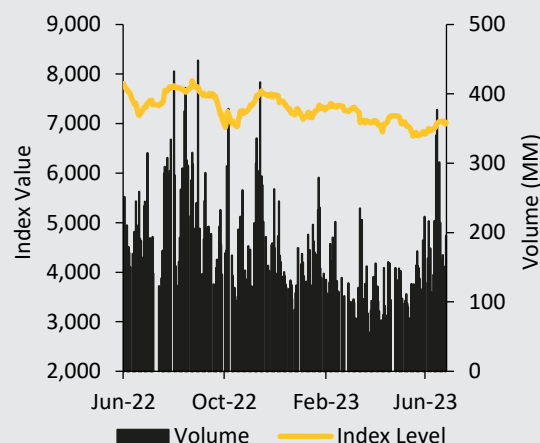
According to Eurostat, EU's statistical office, the Euro area's annual inflation rate is expected to be 5.5% in June 2023, down from 6.1% in May 2023. The first estimate for the Euro area's international trade deficit was **EUR 11.7BLN** in May 2023 as opposed to surplus EUR 34.5BLN in April 2022. As per the latest data released by the Office for National Statistics, the Consumer Prices Index (CPI) in the UK rose 8.7% YoY in May, same as April 2023. However, the CPI, including owner occupiers' housing costs (CPIH), in the UK edged up 7.9% YoY in May 2023, as compared to 7.8% YoY in April 2023.

Based on the latest data released by the National Bureau of Statistics, China's CPI (YoY) was unexpectedly flat in June 2023, as compared to 0.2% YoY in May 2023; as food prices decreased to 0.6% YoY in June 2023 (flat in May 2023). According to the Statistics Bureau of Japan, CPI stood at 3.2% YoY in May 2023 compared with April's three-month high of 3.5%. As a result of high prices of imported raw commodities and food as well as persistent yen weakness, the figure came in above the Bank of Japan's 2.0% target for the 14th straight month.

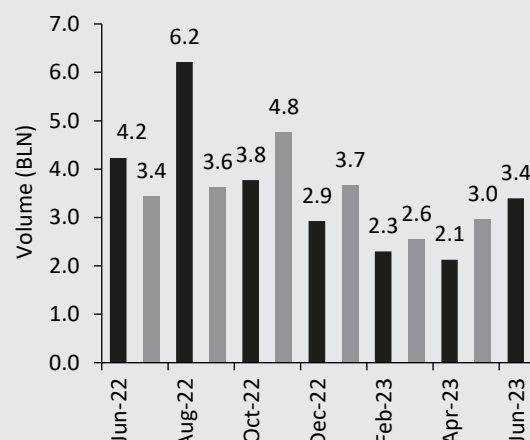
Kuwait Market Summary	June, 2023	May, 2023	Change (%)
Open	6,812.07	7,140.24	(4.6)
High	7,062.95	7,154.06	(1.3)
Low	6,782.28	6,734.52	0.7
Close	7,029.77	6,796.79	3.4
Volume traded (MM)	3,396.06	2,965.95	14.5
Value Traded (KWD MM)	813.84	940.07	(13.4)
No. of deals	168,060	208,209	(19.3)
No. of advances	97	46	110.9
No. of declines	38	95	(60.0)
No. of unchanged	15	9	66.7

Kuwait Index Performance

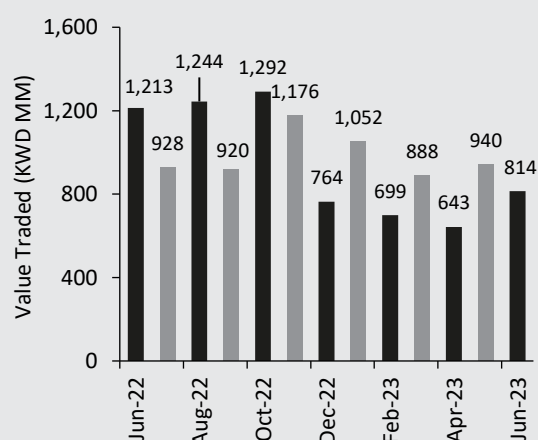
Benchmark Index and Volume Trade



Monthly Volume Traded (BLN)



Monthly Value Traded



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Top Gainers and Losers

The market breadth was broadly positive; 97 stocks rose, and 38 stocks declined, 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)
Ektitab Holding Co.	21.40	137.78	105.77	6.82	63.17	NA	33.07	NA	0.71
Alkout Industrial Projects Co.	781.00	42.00	100.26	78.80	0.01	0.01	2.95	8.12	2.30
Manazel Holding Co.	25.50	40.88	(6.25)	10.98	55.93	NA	29.40	NA	0.75
Jiyad Holding Company	22.30	31.18	(3.88)	4.10	126.66	0.08	9.85	1.73	0.22
Sultan Center Food Products Co.	144.00	30.91	32.11	40.24	3.52	0.17	4.51	24.04	0.65

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)
Al-Ahli Bank of Kuwait	235.00	(23.20)	(27.47)	436.87	74.47	0.07	3.82	15.71	0.90
Gulf Franchising Holding Co.	68.00	(20.00)	(24.36)	2.72	0.18	0.39	18.58	26.43	1.26
Al Eid Food Co.	190.00	(11.21)	(22.13)	35.37	15.31	0.07	8.06	13.64	1.53
Warba Insurance and Reinsurance Company (K.S.C.P)	103.00	(10.43)	(15.57)	24.81	2.44	0.07	6.26	7.11	0.65
Tamdeen Investment Co.	546.00	(9.60)	(10.49)	182.89	0.05	0.03	1.01	14.37	0.55

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)
GFH Financial Group	87.30	8.31	14.87	304.80	291.61	0.11	12.69	9.99	1.11
Kuwait Finance House	745.00	5.37	(9.48)	10,905.42	275.08	0.03	3.09	22.71	2.30
Kuwait Real Estate Company	121.00	11.01	12.04	112.39	173.08	0.09	6.93	11.17	0.84
Gulf Bank	265.00	3.52	(15.61)	890.55	161.70	0.05	4.77	13.90	1.26
Aayan Leasing & Investment Co.	147.00	0.68	10.53	31.55	158.94	0.07	7.48	10.12	1.10

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

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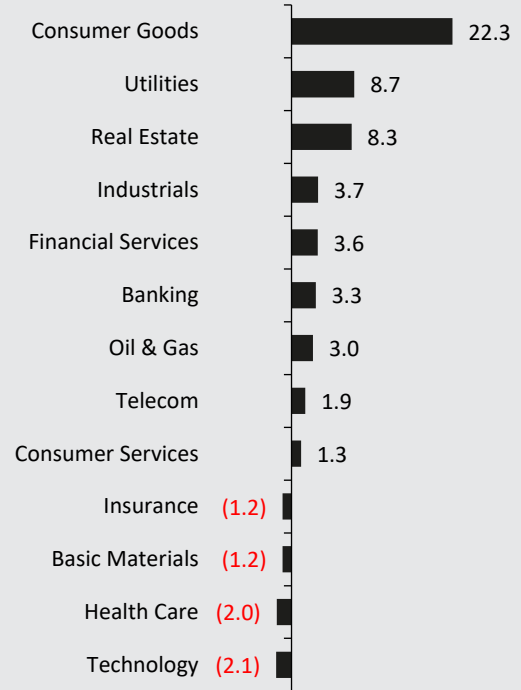
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Performance by Sector

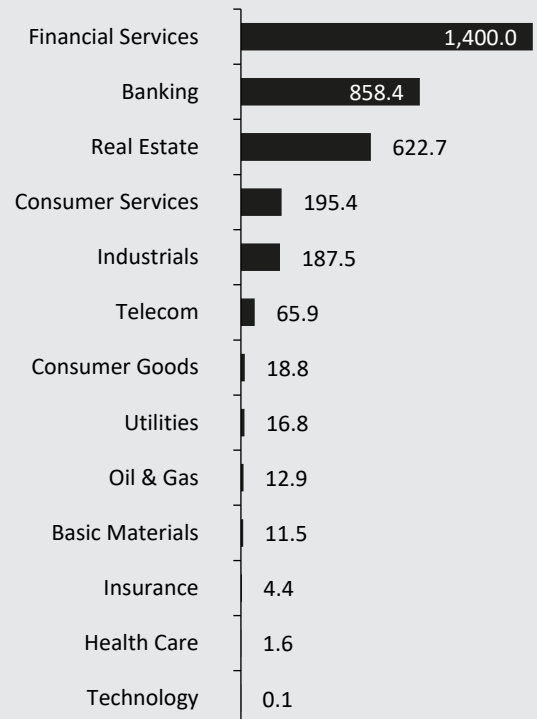
- Banks:** The sector closed 3.3% higher at 1,705.8 points during the month. Burgan Bank (up 11.1%) rose the most, followed by Boubyan Bank (up 6.7%) while Al-Ahli Bank of Kuwait (down 23.2%) was the top Loser. The sector recorded 49,034 transactions. Total volume and value traded stood at 858.4MM and KWD 425.7MM, respectively.
- Basic Materials:** The sector closed 1.2% lower at 907.4 points during the month. Boubyan Petrochemical Co. (down 7.5%) declined the most, while Alkout Industrial Projects Co. (up 42.0%) was the top gainer. The sector recorded 3,990 transactions. Total volume and value traded stood at 11.5MM and KWD 8.2MM, respectively.
- Consumer Goods:** The sector closed 22.3% higher at 615.1 points during the month. Mezzan Holding Co (up 25.4%) rose the most, followed by Livestock Transport & Trading Com. (up 1.6%). The sector recorded 2,150 transactions. Total volume and value traded stood at 18.8MM and KWD 9.0MM, respectively.
- Consumer Services:** The sector closed 1.3% higher at 1,560.1 points during the month. Jiyad Holding Company (up 31.2%) rose the most, followed by Sultan Center Food Products Co. (up 30.9%) while Al Eid Food Co. (down 11.2%) was the top Loser. The sector recorded 10,333 transactions. Total volume and value traded stood at 195.4MM and KWD 25.1MM, respectively.
- Financial Services:** The sector closed 3.6% higher at 1,227.0 points during the month. Ektitab Holding Co. (up 137.8%) rose the most, followed by Manazel Holding Co. (up 40.9%) while Gulf Franchising Holding Co. (down 20.0%) was the top Loser. The sector recorded 45,515 transactions. Total volume and value traded stood at 1.4BLN and KWD 153.6MM, respectively.
- Healthcare:** The sector closed 2.0% lower at 449.4 points during the month. Advanced Technology Company (down 6.3%) declined the most, whereas Yiacco Medical Co. and Al-Maidan Clinic for Oral Health Services Co. ended flat. The sector recorded 187 transactions. Total volume and value traded stood at 1.6MM and KWD 0.7MM, respectively.
- Industrials:** The sector closed 3.7% higher at 1,003.1 points during the month. Mubarrad Holding Company K.S.C.P (up 19.7%) rose the most, followed by Integrated Holding Company (up 17.7%) while Equipment Holding Co. (down 4.0%) was the top Loser. The sector recorded 21,616 transactions. Total volume and value traded stood at 187.5MM and KWD 86.5MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



Monthly Volume Traded (Million)



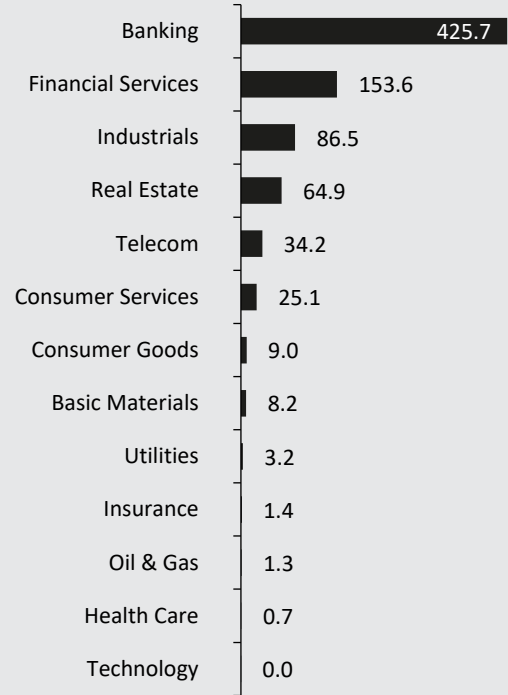
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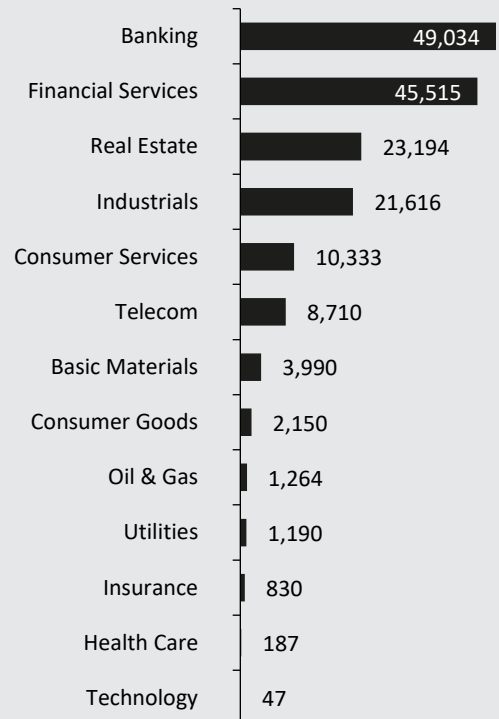
- Utilities:** The sector closed 8.7% higher at 526.3 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P, being the only company in the sector, increased 8.7%. The sector recorded 1,190 transactions. Total volume and value traded stood at 16.8MM and KWD 3.2MM, respectively.
- Insurance:** The sector closed 1.2% lower at 2,110.0 points during the month. Warba Insurance and Reinsurance Company (K.S.C.P) (down 10.4%) declined the most, followed by Gulf Insurance Group (down 5.0%) while Kuwait Reinsurance Company (up 24.0%) was the top gainer. The sector recorded 830 transactions. Total volume and value traded stood at 4.4MM and KWD 1.4MM, respectively.
- Oil & Gas:** The sector closed 3.0% higher at 1,019.4 points during the month. The Energy House Co (up 24.5%) rose the most, followed by Burgan Co. For Well Drilling Trading & Maint (up 4.9%) while Senergy Holding Company (down 0.8%) was the top Loser. The sector recorded 1,264 transactions. Total volume and value traded stood at 12.9MM and KWD 1.3MM, respectively.
- Real Estate:** The sector closed 8.3% higher at 1,207.5 points during the month. Taameer Real Estate Investment Co. (up 24.5%) rose the most, followed by Munshaat Real Estate Projects Co (up 23.3%) while Tamdeen Real Estate Company (down 3.5%) was the top Loser. The sector recorded 23,194 transactions. Total volume and value traded stood at 622.7MM and KWD 64.9MM, respectively.
- Technology:** The sector closed 2.1% lower at 675.9 points during the month. Automated Systems Company, being the only company in the sector, decreased 2.1%. The sector recorded 47 transactions. Total volume and value traded stood at 63,300 and KWD 5,568, respectively.
- Telecom:** The sector closed 1.9% higher at 1,117.4 points during the month. National Mobile Telecommunications Co. (up 14.2%) rose the most, followed by Hayat Communications Company (up 2.4%) while Mobile Telecommunications Company (down 0.4%) was the top Loser. The sector recorded 8,710 transactions. Total volume and value traded stood at 65.9MM and KWD 34.2MM, respectively.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals



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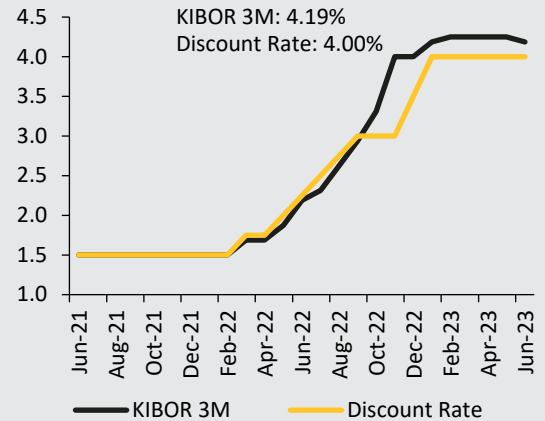
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Kuwait – Economy and Industry News

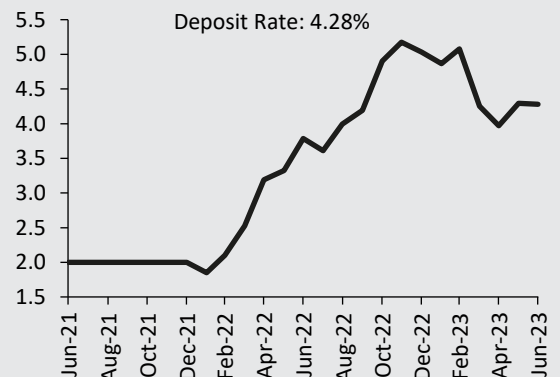
- ◆ The Central Bank of Kuwait (CBK) reported that the broad Money Supply (M2) increased to KWD 39.66BLN in May 2023 from KWD 39.52BLN in April 2023.
- ◆ Kuwait's annual inflation rate rose to 3.69% YoY in May 2023, same as the inflation rate in April 2023, similarly monthly consumer prices were up 0.2% MoM in May 2023, same as April 2023.
- ◆ Kuwait's crude oil exports to Japan increased for the sixth straight month in May 2023 to 6.43MM barrels, growing 15.9% YoY as per the Japanese Natural Resource and Energy Agency.
- ◆ Kuwait's trade surplus with Japan decreased 28.0% YoY in May 2023 as compared to the same period last year to JPY 80.9BLN (USD 578.0MM).
- ◆ Whereas for the first time in three months, Kuwait's overall exports to Japan were down 22.0% YoY to JPY 98.8BLN (USD 699.0MM), while imports increased 24.6% YoY to JPY 18.0BLN (USD 127.0MM) for the 13th consecutive month in May 2023.
- ◆ Kuwait recorded imports and exports of KWD 2.5BLN and KWD 8.1BLN, respectively, in Q3 2022.
- ◆ Kuwait is projected to produce 3.0MM and 4.0MM barrels of oil per day by 2025 and 2035, respectively, which is in line with OPEC's output policy.
- ◆ The Ministry of Public Works approved launch of around 30 projects for the current fiscal year 2023-24 in sanitary engineering, planning and major projects sectors as per Al-Qabas daily.
- ◆ Moody's reported that Kuwaiti banks have sound capital and strong liquidity, being the factors favoring a stable outlook for banks, in the midst of Kuwait expecting to record a moderate growth in the non-oil economy. The total assets of Kuwaiti banks are USD 375.3BLN, as per the latest survey by Moody's.

Monetary Indicators

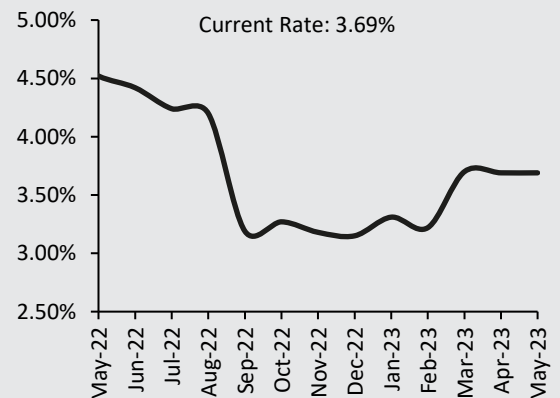
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till May 2023

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Kuwait Corporate Developments

- ◆ Kuwait Finance and Investment Company signed a seven-year contract for KWD 2.2MM worth of loan facilities.
- ◆ Securities House KSCP paid off short-term Murabaha financing worth KWD 60.0MM.
- ◆ The Credit Monitoring Arrangement (CMA) has authorized a capital reduction at the Al-Maidan Clinic for Oral Health Services company KSCP from KWD 22.5MM to KWD 20.3MM.
- ◆ Kuwait Airways and Rolls-Royce have signed a deal for maintaining the airline's Trent 7000 engines that power its A330NEOS aircraft, providing optimal performance, reliability, and cost efficiency.
- ◆ Al Eid Food Company expanded credit facilities with a local Islamic bank from KWD 3.5MM to KWD 4.5MM.
- ◆ First Real Estate Investment and Arkan Al Kuwait Real Estate sign a merger agreement through amalgamation.
- ◆ Al-Enmaa Real Estate renewed its KWD 6.1MM worth cash and non-cash credit facility limit with a local bank.
- ◆ Kuwait Finance House has acquired Mudareb's shares, which brings its effective ownership percentage to 95.1%.
- ◆ Jazeera Airways secures two contracts to renew credit facilities totaling KWD 27.8MM with regional banks.
- ◆ The Central Bank gave the initial approval to Commercial Bank of Kuwait to issue subordinated bonds under Tier 2 capital with a maximum value of KWD 100.0MM, the first tranche of which will not exceed KWD 25.0MM.
- ◆ The board of Kuwait's Al Eid Food Company KSCP accepted the purchase of 99.0% of the stock in a food sector company. The board also approved an increase in authorized, issued, and paid-up capital from KWD 18.6MM to KWD 30.3MM.
- ◆ Securities House secured a short-term Murabaha funding worth KWD 60.0MM for investing in short term opportunities.
- ◆ Due to the buyer's non-compliance with the terms of the contract, Al Safat Investment Unit's agreement to sell its unit (Carpet Industries Co.) was terminated.
- ◆ Heavy Engineering Industries and Shipbuilding Company won the power station's yearly maintenance project valued at 10.9MM dinars.
- ◆ National Consumer Holding signed a KWD 16.0MM credit facility limit agreement.

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