

ABK CAPITAL
KUWAIT
MARKET
MONTHLY
REPORT

2023



Kuwait Market Monthly Report

September 2023

Market Performance

Kuwait's All Share Index closed lower at **1.7%** MoM 6,886.7 points in September 2023. The total volume traded declined **7.9%** MoM to 3.4BLN, the number of deals decreased **10.1%** MoM to 203,928, and the total value traded decreased **3.1%** MoM to KWD 771.9MM. The decline in the market was mainly due to the financial services and telecom sectors.

As per the third estimate released by the Bureau of Economic Analysis, the US real GDP was up 2.1% YoY in Q2 2023 as opposed to the 2.2% (revised) YoY increase in Q1 2023. The update primarily reflected a downward revision to consumer spending that was partly offset by upward revisions to nonresidential fixed investment, exports, and inventory investment. Real personal consumption expenditure (PCE) increased 0.4% in August 2023, and personal income rose 0.4% MoM in August 2023 compared with 0.2% in July 2023. This is attributed to an increase in compensation, personal income receipts on assets, rental income of persons, and proprietors' income that were partly offset by a decrease in personal current transfer receipts. The US current account deficit stood at **USD 58.3BLN** in August 2023 against a deficit of **USD 64.7BLN** in July 2023 (revised). Total exports were USD 256.0BLN in August 2023, USD 4.1BLN more than the amount in July 2023. Furthermore, total imports stood at USD 314.3BLN in August 2023, an increase of USD 2.3BLN from that in July 2023.

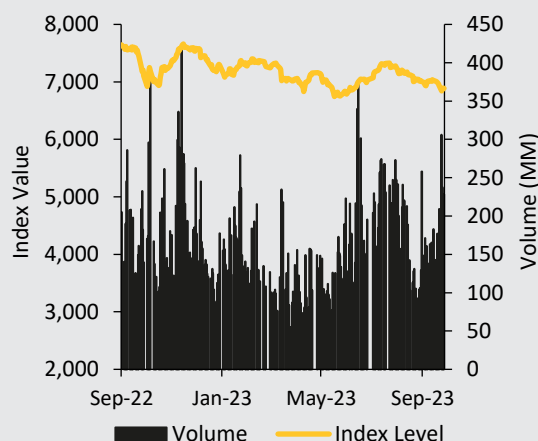
According to Eurostat, the EU's statistical office, the Euro area's annual inflation rate is expected to be 4.3% in September 2023, down from 5.2% in August 2023. The first estimate for the Euro Area's international trade surplus was EUR 6.5BLN in July 2023 as opposed to a deficit of EUR **36.3BLN** in July 2022. As per the latest data released by the Office for National Statistics, the UK's consumer price index (CPI) rose 6.7% YoY in August, down from 6.8% in July 2023. However, CPI, including owners and occupiers' housing costs (CPIH), in the UK edged up 6.3% YoY in August 2023 compared with 6.4% YoY in July 2023.

Based on the latest data released by the National Bureau of Statistics, China's CPI rose 0.1% YoY in August 2023 against decline of **0.3%** in July 2023 as food prices fell **1.7%** YoY in August 2023. According to the Statistics Bureau of Japan, CPI stood at 3.2% YoY in August 2023 compared with 3.3% in July 2023. As a result of high prices of transportation and food, the figure came in above the Bank of Japan's 2.0% target for the 17th straight month.

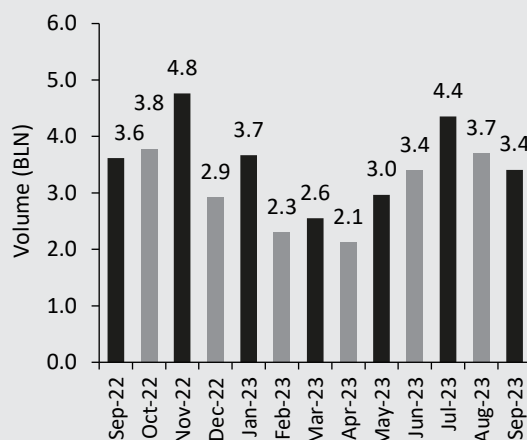
Kuwait Market Summary	September, 2023	August, 2023	Change (%)
Open	7,022.98	7,259.86	(3.3)
High	7,041.59	7,266.82	(3.1)
Low	6,813.05	6,989.94	(2.5)
Close	6,886.73	7,005.84	(1.7)
Volume traded (MM)	3,408.16	3,700.06	(7.9)
Value Traded (KWD MM)	771.88	796.26	(3.1)
No. of deals	203,928	226,948	(10.1)
No. of advances	48	55	(12.7)
No. of declines	90	87	3.4
No. of unchanged	12	8	50.0

Kuwait Index Performance

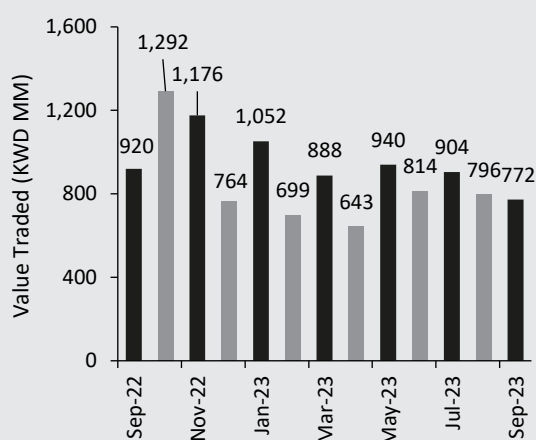
Benchmark Index and Volume Trade



Monthly Volume Traded (BLN)



Monthly Value Traded



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Top Gainers and Losers

The market breadth was broadly negative; 90 stocks declined, and 48 stocks rose, while 12 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)
Sanam Real Estate Co.	174.00	128.95	176.63	37.20	11.82	0.00	9.99	0.00	1.74
IFA Hotels & Resorts Co.	317.00	80.11	1016.20	282.81	127.03	0.09	10.62	29.16	3.37
Coast Investment & Development Company	106.00	42.66	26.19	48.97	84.45	0.42	10.01	44.24	1.06
Warba Capital Holding Co.	133.00	40.89	64.40	17.07	28.58	NA	2.61	NA	0.35
First Takaful Insurance Company	64.50	26.47	41.76	19.17	0.29	0.64	11.73	41.43	0.76

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)
First Dubai for Real Estate Development	37.90	(27.67)	(22.34)	151.36	23.65	NA	10.45	NA	0.40
Wethaq Takaful Insurance Company	22.40	(24.07)	(8.57)	324.47	1.32	1.75	26.85	39.16	0.60
First Investment Company	44.70	(17.22)	(28.93)	589.87	11.30	NA	18.29	NA	0.82
Almadar Investment Company	86.90	(13.96)	(23.77)	94.93	0.01	1.96	9.38	170.39	0.82
Salhia Real Estate Company	417.00	(12.94)	(18.71)	85.99	13.80	0.04	3.22	14.70	1.34

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)
International Financial Advisers Holding	217.00	19.89	118.97	7.14	240.03	0.04	5.91	9.27	1.28
Arzan Financial Group for Financing & Investment	181.00	13.13	57.39	11.58	227.02	0.19	7.49	34.84	1.36
Kuwait Real Estate Company	165.00	1.85	52.78	8.00	147.24	0.09	7.10	14.86	1.17
Kuwait Finance House	733.00	(1.61)	(10.94)	12.61	139.59	0.03	2.82	19.59	2.07
Ifa Hotels & Resorts Co.	317.00	80.11	1016.20	282.81	127.03	0.09	10.62	29.16	3.37

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

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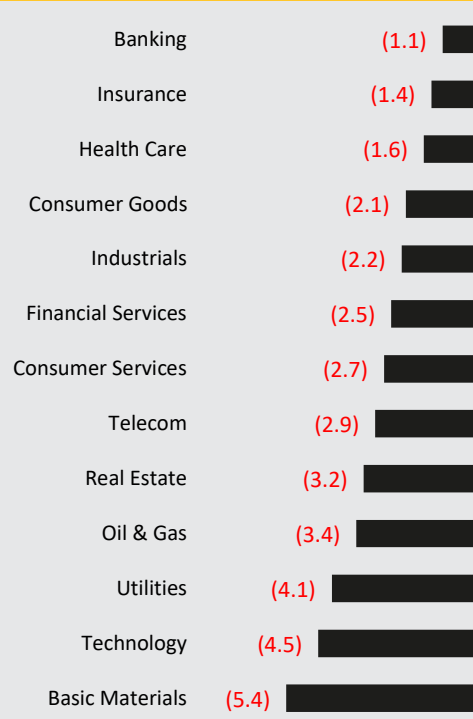
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Performance by Sector

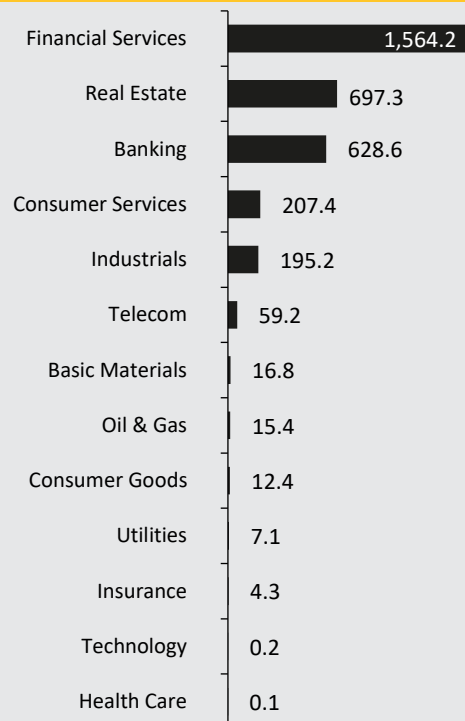
- Banks:** The sector closed **1.1%** lower at 1,680.3 points during the month. Warba Bank (down **8.0%**) declined the most, followed by Burgan Bank (down **5.7%**) while Al-Ahli Bank of Kuwait (up 8.9%) was the top gainer. The sector recorded 53,775 transactions. Total volume and value traded stood at 628.6MM and KWD 273.3MM, respectively.
- Basic Materials:** The sector closed **5.4%** lower at 833.1 points during the month. Boubyan Petrochemical Co. (down **6.4%**) declined the most, followed by Alkout Industrial Projects Co. (down **4.9%**) while Kuwait Foundry Co. (up 9.4%) was the top gainer. The sector recorded 4,486 transactions. Total volume and value traded stood at 16.8MM and KWD 11.7MM, respectively.
- Consumer Goods:** The sector closed **2.1%** lower at 596.0 points during the month. Mezzan Holding Co (down **2.5%**) declined the most, while Livestock Transport & Trading Co. (up 0.9%) was the top gainer. The sector recorded 986 transactions. Total volume and value traded stood at 12.4MM and KWD 6.3MM, respectively.
- Consumer Services:** The sector closed **2.7%** lower at 1,557.2 points during the month. Sultan Center Food Products Co. (down **12.2%**) declined the most, followed by Jazeera Airways Co. (down **11.7%**) while Ifa Hotels & Resorts Co. (up 80.1%) was the top gainer. The sector recorded 16,099 transactions. Total volume and value traded stood at 207.4MM and KWD 51.0MM, respectively.
- Financial Services:** The sector closed **2.5%** lower at 1,238.4 points during the month. First Investment Company (down **17.2%**) declined the most, followed by Almadar Investment Company (down **14.0%**) while Coast Investment & Development Company (up 42.7%) was the top gainer. The sector recorded 55,669 transactions. Total volume and value traded stood at 1.6BLN and KWD 238.2MM, respectively.
- Healthcare:** The sector closed **1.6%** lower at 475.1 points during the month. Advanced Technology Company (down **8.4%**) declined the most, whereas Yiac Medical Co. ended flat while Al-Maidan Clinic for Oral Health Services Co. (up 12.7%) was the top gainer. The sector recorded 48 transactions. Total volume and value traded stood at 64,795 and KWD 29,308, respectively.
- Industrials:** The sector closed **2.2%** lower at 920.1 points during the month. Shuaiba Industrial Co. (down **7.0%**) declined the most, followed by Jassim Transport & Stevedoring Company K.S.C.P (down **5.5%**) while Combined Group Contracting Co. (up 16.3%) was the top gainer. The sector recorded 25,816 transactions. Total volume and value traded stood at 195.2MM and KWD 84.3MM, respectively.
- Utilities:** The sector closed **4.1%** lower at 489.5 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P., being the only company in the sector, decreased **4.1%**. The sector recorded 1,202 transactions. Total volume and value traded stood at 7.1MM and KWD 1.3MM, respectively.

Market Composition

Monthly Sector Index Returns (%)



Monthly Volume Traded (Million)



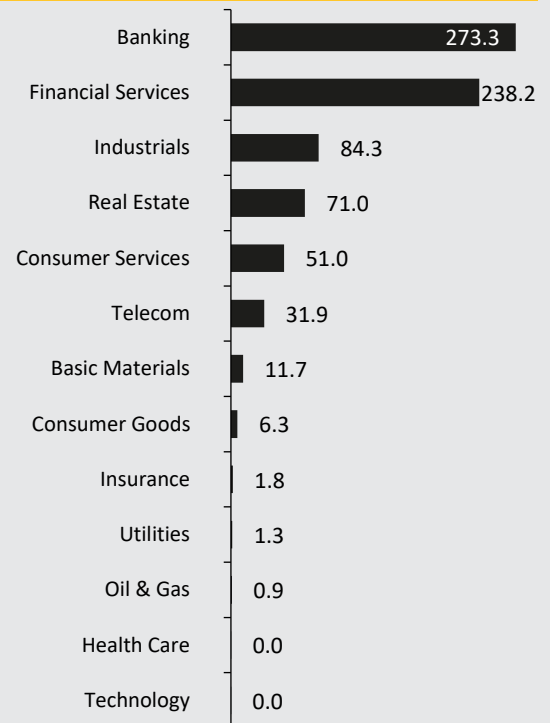
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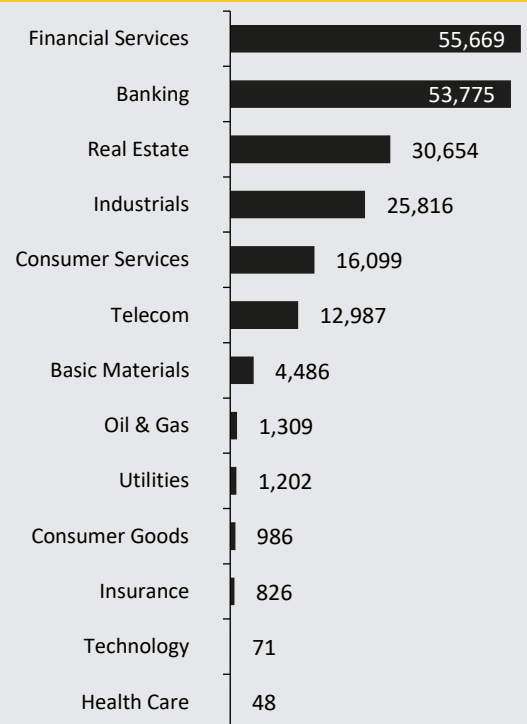
- Insurance:** The sector closed **1.4%** lower at 2,221.2 points during the month. Wethaq Takaful Insurance Company (down **24.1%**) declined the most, followed by Kuwait Insurance Company (down **7.3%**) while First Takaful Insurance Company (up 26.5%) was the top gainer. The sector recorded 826 transactions. Total volume and value traded stood at 4.3MM and KWD 1.8MM, respectively.
- Oil & Gas:** The sector closed **3.4%** lower at 961.3 points during the month. Burgan Co. for Well Drilling Trading & Maint (down **9.4%**) declined the most, followed by The Energy House Co (down **8.5%**) while Senergy Holding Company (K.S.C.P.) (up 8.3%) was the top gainer. The sector recorded 1,309 transactions. Total volume and value traded stood at 15.4MM and KWD 0.9MM, respectively.
- Real Estate:** The sector closed **3.2%** lower at 1,175.6 points during the month. First Dubai for Real Estate Development (down **27.7%**) declined the most, followed by Salhia Real Estate Company (down **12.9%**) while Sanam Real Estate Co. (up 128.9%) was the top gainer. The sector recorded 30,654 transactions. Total volume and value traded stood at 697.3MM and KWD 71.0MM, respectively.
- Technology:** The sector closed **4.5%** lower at 555.8 points during the month. Automated Systems Company, being the only company in the sector, decreased **4.5%**. The sector recorded 71 transactions. Total volume and value traded stood at 0.2MM and KWD 17807.8, respectively.
- Telecom:** The sector closed **2.9%** lower at 1,072.3 points during the month. Mobile Telecommunications Company (down **4.5%**) declined the most, followed by Kuwait Telecommunications Co. (down **4.2%**) while Hayat Communications Company (up 6.5%) was the top gainer. The sector recorded 12,987 transactions. Total volume and value traded stood at 59.2MM and KWD 31.9MM, respectively.

Market Composition

Monthly Value Traded (KWD MM)



Number Of Deals



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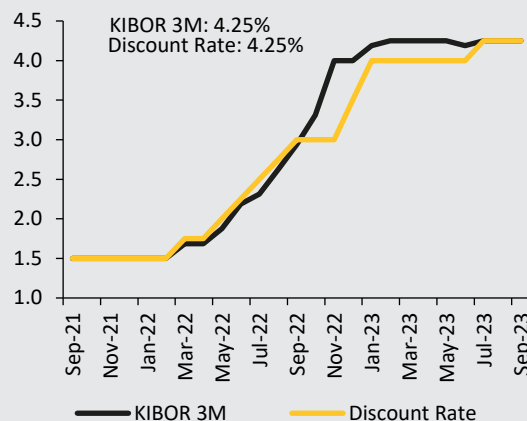
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Kuwait – Economy and Industry News

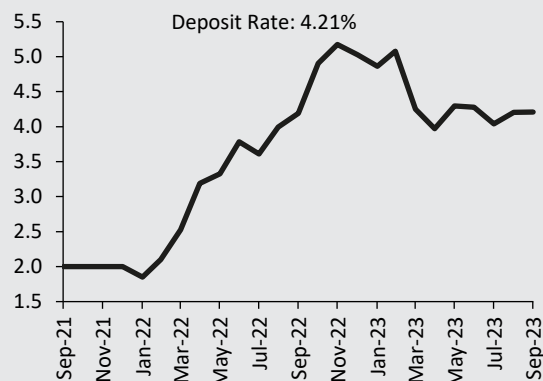
- ◆ The Central Bank of Kuwait (CBK) reported that the broad money supply (M2) fell to KWD 39.17BLN in August 2023 from KWD 39.24BLN in July 2023.
- ◆ Kuwait's annual inflation rate rose to 3.82% YoY in August 2023 from 3.75% YoY in July 2023. Moreover, monthly consumer prices increased 0.2% MoM in August 2023 compared with flat reading in July 2023.
- ◆ Fitch Ratings affirmed Kuwait's long-term foreign-currency issuer default rating (IDR) at AA- with a stable outlook. Kuwait's AA- rating balances its exceptionally strong fiscal and external balance.
- ◆ Kuwait government deposits soar by around KWD 914.0MM in 8 months of 2023.
- ◆ The total accumulated financing balance provided by local banks to the housing sector experienced a 3.9% YoY increase in July 2023, reaching KWD 598.9MM.
- ◆ Kuwait's crude oil exports to Japan fell **51.2%** YoY in August 2023 for the first decline in nine months. As Japan's third-biggest oil provider, Kuwait supplied 6.0% of the country's total crude imports in August 2023, compared with 10.4% in August 2022.
- ◆ Kuwait's trade surplus with Japan decreased **44.1%** to JPY 66.7BLN in August 2023 compared with August 2022. Kuwait's overall exports to Japan were down **34.2%** YoY to JPY 87.8BLN, down for the fourth straight month in August 2023.
- ◆ Kuwait saw a surge in private sector bank lending by 2.4% YoY in August 2023.
- ◆ Kuwait reported Q1 2023 imports of KWD 2.97BLN and exports of KWD 6.6BLN.
- ◆ Total exports of crude oil from Kuwait to the United States of America amounted to USD 280.0MM in the first seven months of 2023.
- ◆ During the first eight months of this year, Kuwaiti imports received a substantial boost in financial support from local banks, marking a remarkable 63.1% increase, equivalent to KWD 2.8BLN.
- ◆ Local banks have reported a significant decline in financing provided to the residential sector, bringing the financing from KWD 1.85BLN during the first seven months of 2022 down to KWD 1.08BLN for the same period in 2023

Monetary Indicators

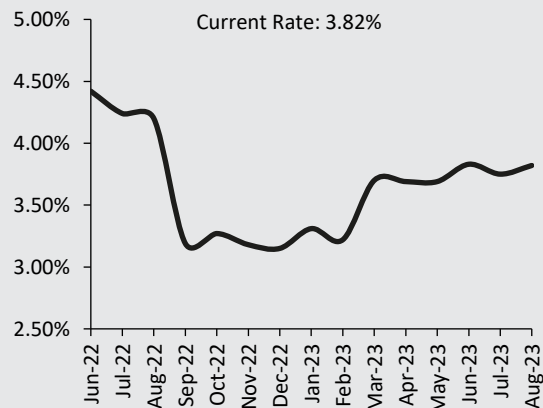
Interest Rate (%)



Deposit Rate (%)



Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till Aug 2023

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Kuwait Corporate Developments

- ◆ Rasiyat Holding board approved an offer from Rawasi Kuwait Holding to buy 7.0% stake in the company.
- ◆ Kuwait's Heavy Engineering Industries and Shipbuilding Company (HEISCO) signed a KWD 13.1MM contract with Kuwait Oil Co (KOC) for maintenance services for storage tanks at KOC facilities.
- ◆ Combined Group Contracting won a tender of KWD 14.4MM from Wafra Joint Operations to provide support services for a gas pooling project.
- ◆ Zain Group increased its share in Tasc Towers to 92.9% from 83.5%. Tasc Towers would continue to operate as an independent entity and remain as an associate company of Zain Group.
- ◆ Jazeera Airways announced the delivery of a leased aircraft model A320-200, which is expected to contribute to operational revenues in coming years.
- ◆ Boursa Kuwait approved the cancellation of the Kuwait Financial Center's registration as the market maker on Kuwait International Bank (KIB) shares.
- ◆ Agility Public Warehousing Company Unit was awarded seven ground handling licenses by the Spanish Airport Authority. The estimated incremental revenues from the licenses are between KWD 295.0MM and KWD 327.0MM over seven years.
- ◆ Yiacco Medical received the Capital Market Authority (CMA)'s approval to cancel its listing from Boursa Kuwait.
- ◆ Kuwait's CMA approved the merger of Al-Mazaya Holding with the first Dubai real estate development company.
- ◆ National Industries Company signed a contract KWD 4.9MM contract to supply pipes for the South Sabah Al-Ahmad project.
- ◆ An Al Manar unit received the Competition Protection Agency (CPA)'s approval for the acquisition of 25.0% stake in Injazzat.
- ◆ Injazzat Real Estate Development was awarded a contract from the Public Authority for Housing Welfare for developing a commercial project.
- ◆ The Commercial Bank of Kuwait received the CMA's approval on increasing the first tranche at a value of up to KWD 50.0MM within the subordinated bonds issuance program under tier 2 capital.
- ◆ HEISCO received the Central Agency for Public Tender (CAPT)'s approval for a KWD 19.6MM tender. The contract is for operation and maintenance of bulk chemicals facilities, operational laboratories, and effluent water disposal plants in Kuwait Oil Company locations.
- ◆ Gulf Cables and Electrical Industries signed a contract with KFH Capital Investment to provide market maker services on the company's second phase of the project in Birmingham valued at GBP 122.6MM.
- ◆ Gulf Cables inked a market maker services agreement with Tharwa Investment.
- ◆ Kuwait Financial Centre announced the sale of its US real estate investment arm for USD 60.0MM.
- ◆ The KFH board gave approval to continue implementation procedures for a merger deal with AUB-Kuwait.

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