

ABK CAPITAL  
**KUWAIT**  
MARKET  
MONTHLY  
REPORT

2023



# Kuwait Market Monthly Report

May 2023

## Market Performance

Kuwait's All Share Index closed low at **4.8%** MoM 6,796.8 points in May 2023. The total volume traded rose 39.4% MoM to 3.0BLN, the number of deals increased 38.2% MoM to 208,209, and the total value traded increased 46.2% MoM to KWD 940.1MM. The decline in the market was mainly due to the banking and telecom sectors.

As per the third estimate released by the Bureau of Economic Analysis, the US real GDP growth increased 1.3% YoY in Q1 2023 as opposed to 2.6% YoY increase in Q4 2022. The real personal consumption expenditure (PCE) increased 4.2% in Q1 2023, same as Q4 2022. Personal income rose 0.4% MoM in April 2023 compared with the revised increment of 0.3% MoM in March 2023. The rise largely attributed to increased compensation and personal income receipts on assets. The improved compensation was due to private wages and salaries. The US current account deficit stood at **USD 64.2BLN** in March 2023 against the deficit of **USD 70.6BLN** in February 2023. Total exports ascended to USD 256.2BLN in March 2023, USD 5.3BLN more than in February 2023. Furthermore, total imports stood at USD 320.4BLN in March 2023, a decrease of **USD 1.1BLN** from February 2023.

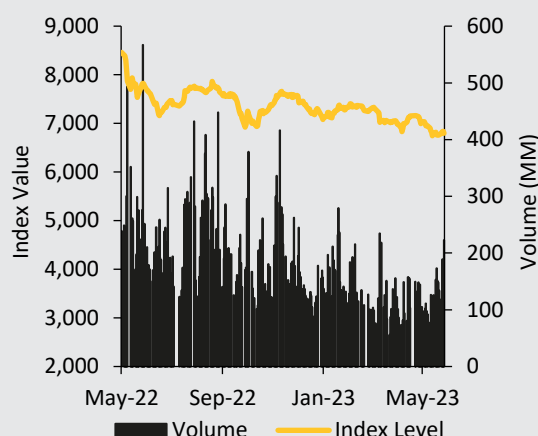
According to Eurostat, EU's statistical office, the Euro area's annual inflation rate is expected to be 6.1% in May 2023, down from 7.0% in April 2023. First estimate for the Euro area's international trade surplus was EUR 25.6BLN in March 2023 against a deficit of EUR 20.0BLN in March 2022. As per the latest data released by the Office for National Statistics, the Consumer Prices Index (CPI) in the UK rose 8.7% YoY in April 2023 down from 10.1% YoY in March 2023. However, the CPI, including owner occupiers' housing costs (CPIH), in the UK increased 7.8% YoY in April 2023 compared with 8.9% YoY in March 2023.

Based on the latest data released by the National Bureau of Statistics, China's CPI dropped to 0.1% YoY in April 2023 (lowest since deflation in February 2021) from 0.7% YoY in March 2023 as food prices eased to 0.4% YoY in April 2023 (2.4% YoY in March 2023). According to the Statistics Bureau of Japan, CPI stood at 3.5% YoY in April 2023, compared with March 2023's six-month low of 3.2%. As a result of high prices of imported raw commodities and food and persistent yen weakness, the figure came in above the Bank of Japan's 2.0% target for the 13<sup>th</sup> straight month.

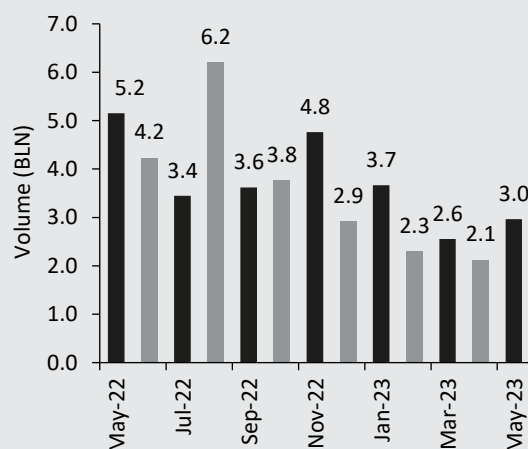
Kuwait Market Summary	May, 2023	April, 2023	Change (%)
Open	7,140.24	7,049.99	1.3
High	7,154.06	7,185.39	(0.4)
Low	6,734.52	6,827.17	(1.4)
Close	6,796.79	7,142.45	(4.8)
Volume traded (MM)	2,965.95	2,128.37	39.4
Value Traded (KWD MM)	940.07	642.89	46.2
No. of deals	208,209	150,621	38.2
No. of advances	46	84	(45.2)
No. of declines	95	52	82.7
No. of unchanged	9	15	(40.0)

## Kuwait Index Performance

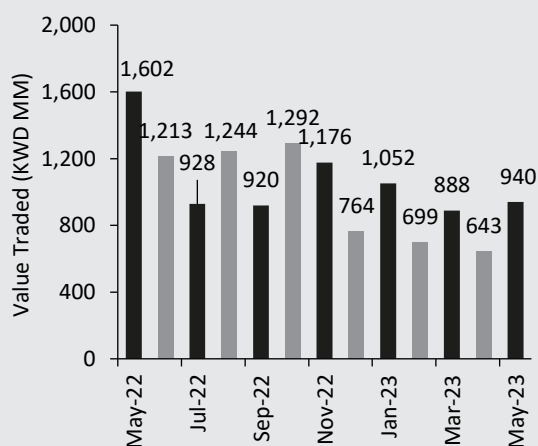
### Benchmark Index and Volume Trade



### Monthly Volume Traded (BLN)



### Monthly Value Traded



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## Top Gainers and Losers

The market breadth was broadly negative; 95 stocks declined and 46 stocks were up , while 9 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)
Hayat Communications Company	82.00	45.13	36.89	7.16	1.34	NA	9.38	NA	0.77
Bayan Investment Holding Co.	34.20	37.35	(16.79)	7.23	9.69	NA	15.61	NA	0.53
Al-Arabiyy Real Estate Co.	51.50	34.46	99.61	18.84	32.09	0.12	10.00	6.02	0.52
Kuwait Foundry Co.	450.00	33.14	53.06	32.55	4.68	0.01	2.99	4.20	1.35
Senergy Holding Company (K.S.C.P.)	37.90	28.47	(15.59)	7.57	2.83	NA	20.45	NA	0.78

### 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)
Equipment Holding Co.	25.00	(30.36)	(45.65)	2.00	2.03	NA	18.16	NA	0.45
Dar Al Thuraya Real Estate Co.	109.00	(28.29)	(49.07)	15.97	0.26	0.43	8.49	46.56	0.93
Warba Insurance and Reinsurance Company	115.00	(26.28)	(5.74)	27.75	1.54	0.07	NA	7.94	NA
National Investments Company	190.00	(23.39)	(19.83)	151.43	80.52	NA	4.18	NA	0.79
Ras Al Khaimah Co. For White Cement Construction Materials	90.20	(22.91)	(32.18)	45.11	0.00	0.03	3.09	22.11	2.29

### 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)
Kuwait Finance House	707.00	(4.59)	(14.09)	64.49	298.47	0.03	3.09	21.10	2.18
GFH Financial Group	80.60	4.27	6.05	281.41	196.04	0.11	12.67	9.21	1.02
Boubyan Bank	600.00	(9.23)	(24.81)	2377.48	178.03	0.07	5.01	43.38	3.01
Mobile Telecom Co.	520.00	(7.64)	(7.64)	2250.07	121.94	0.02	3.37	10.79	1.75
National Bank of Kuwait	920.00	(8.37)	(14.66)	7295.55	103.73	0.02	2.26	14.82	2.08

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

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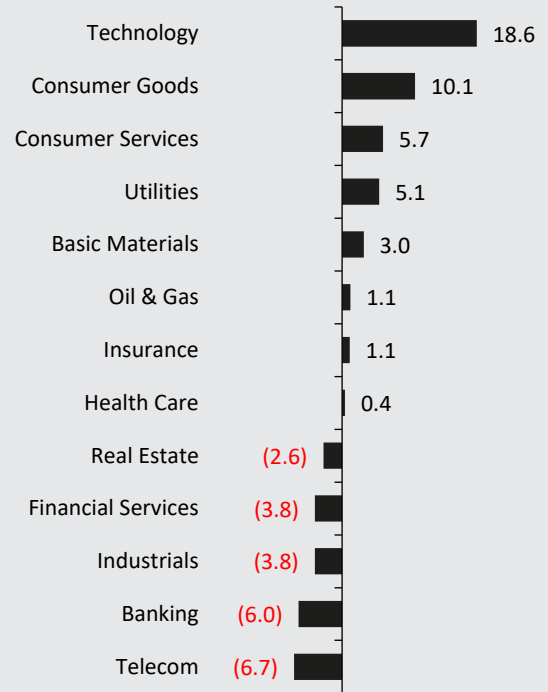
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## Performance by Sector

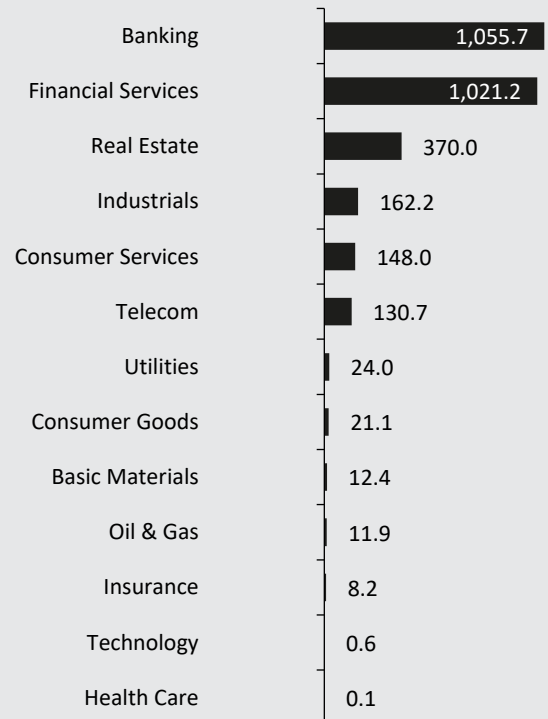
- Banks:** The sector closed 6.0% lower at 1,650.5 points during the month. Burgan Bank (down 12.5%) declined the most, followed by Kuwait International Bank (down 12.4%). The sector recorded 78,111 transactions. Total volume and value traded stood at 1.1BLN and KWD 553.1MM, respectively.
- Basic Materials:** The sector closed 3.0% higher at 918.7 points during the month. Kuwait Foundry Co. (up 33.1%) rose the most, followed by Alkout Industrial Projects Co. (up 28.2%) while Boubyan Petrochemical Co. (down 1.2%) was the top Loser. The sector recorded 4,520 transactions. Total volume and value traded stood at 12.4MM and KWD 8.1MM, respectively.
- Consumer Goods:** The sector closed 10.1% higher at 503.1 points during the month. Mezzan Holding Co (up 12.4%) rose the most, while Livestock Transport & Trading Com. (down 3.0%) was the top Loser. The sector recorded 2,145 transactions. Total volume and value traded stood at 21.1MM and KWD 8.5MM, respectively.
- Consumer Services:** The sector closed 5.7% higher at 1,539.9 points during the month. Soor Fuel Marketing Company (up 16.2%) rose the most, followed by Oula Fuel Marketing Co. (up 13.8%) while Jiyad Holding Company (down 17.1%) was the top Loser. The sector recorded 10,723 transactions. Total volume and value traded stood at 148.0MM and KWD 29.9MM, respectively.
- Financial Services:** The sector closed 3.8% lower at 1,184.2 points during the month. National Investments Company (down 23.4%) declined the most, followed by Privatization Holding Co. (down 20.5%) while Bayan Investment Holding Co. (up 37.3%) was the top gainer. The sector recorded 46,110 transactions. Total volume and value traded stood at 1.0BLN and KWD 132.7MM, respectively.
- Healthcare:** The sector closed 0.4% higher at 458.8 points during the month. Advanced Technology Company (up 3.2%) rose the most, whereas Yiacco Medical Co. ended flat while Al-Maidan Clinic for Oral Health Services Co. (down 0.9%) was the top Loser. The sector recorded 55 transactions. Total volume and value traded stood at 149,142 and KWD 71,260 respectively.
- Industrials:** The sector closed 3.8% lower at 967.5 points during the month. Equipment Holding Co. (down 30.4%) declined the most, followed by Ras Al Khaimah Co. For White Cement Construction Materials (down 22.9%) while United Projects Co. (up 7.6%) was the top gainer. The sector recorded 25,776 transactions. Total volume and value traded stood at 162.2MM and KWD 78.8MM, respectively.

## Market Composition

### Monthly Sector Index Returns (%)



### Monthly Volume Traded (Million)



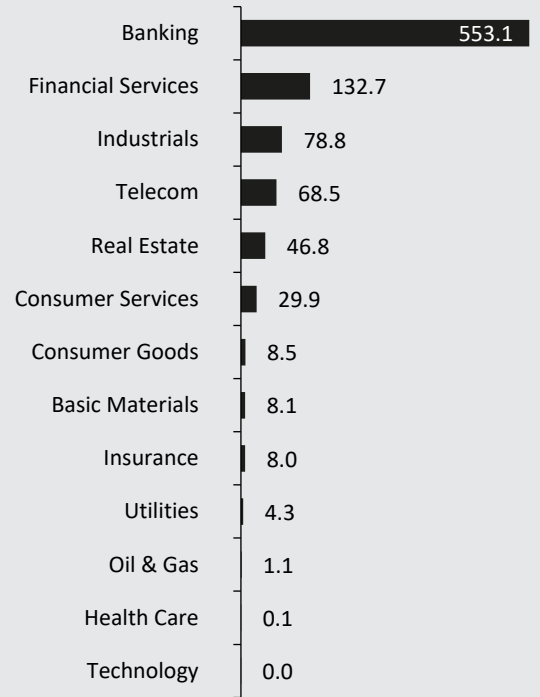
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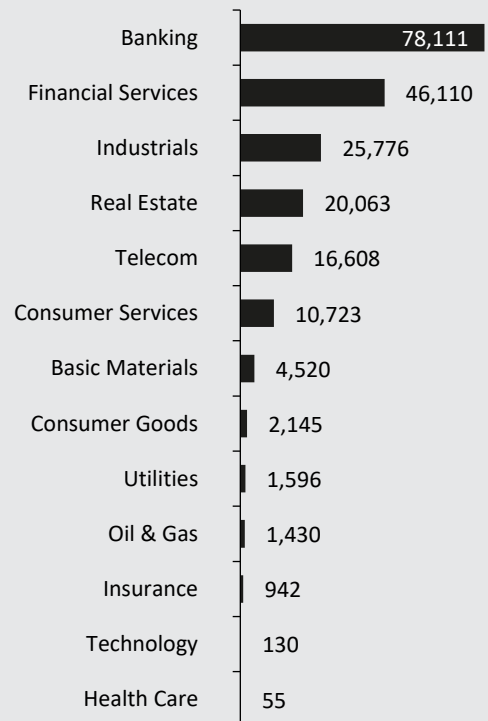
- Utilities:** The sector closed 5.1% higher at 484.2 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P, being the only company in the sector, increased 5.1%. The sector recorded 1,596 transactions. Total volume and value traded stood at 24.0MM and KWD 4.3MM, respectively.
- Insurance:** The sector closed 1.1% higher at 2,136.2 points during the month. First Takaful Insurance Company (up 15.5%) rose the most, followed by Gulf Insurance Group (up 4.4%) while Warba Insurance and Reinsurance Company (K.S.C.P) (down 26.3%) was the top Loser. The sector recorded 942 transactions. Total volume and value traded stood at 8.2MM and KWD 8.0MM, respectively.
- Oil & Gas:** The sector closed 1.1% higher at 990.0 points during the month. Senergy Holding Company (K.S.C.P) (up 28.5%) rose the most, followed by Independent Petroleum Group (up 12.4%) while The Energy House Co (down 16.6%) was the top Loser. The sector recorded 1,430 transactions. Total volume and value traded stood at 11.9MM and KWD 1.1MM, respectively.
- Real Estate:** The sector closed 2.6% lower at 1,114.9 points during the month. Dar Al Thuraya Real Estate Co. (down 28.3%) declined the most, followed by Al Masaken International Real Estate Development. Co. (down 19.5%) while Al-Arabiy Real Estate Co. (up 34.5%) was the top gainer. The sector recorded 20,063 transactions. Total volume and value traded stood at 370.0MM and KWD 46.8MM, respectively.
- Technology:** The sector closed 18.6% higher at 690.4 points during the month. Automated Systems Company, being the only company in the sector, increased 18.6%. The sector recorded 130 transactions. Total volume and value traded stood at 555,855 and KWD 47,092, respectively.
- Telecom:** The sector closed 6.7% lower at 1,096.4 points during the month. National Mobile Telecommunications Co. (down 7.7%) declined the most, followed by Mobile Telecommunications Company (down 7.6%) while Hayat Communications Company (up 45.1%) was the top gainer. The sector recorded 16,608 transactions. Total volume and value traded stood at 130.7MM and KWD 68.5MM, respectively.

## Market Composition

### Monthly Value Traded (KWD MM)



### Number Of Deals





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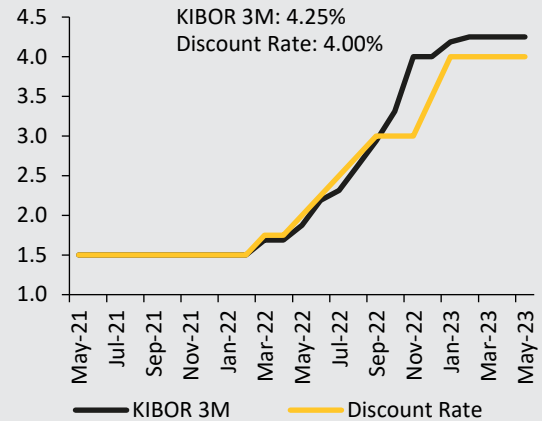
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## Kuwait – Economy and Industry News

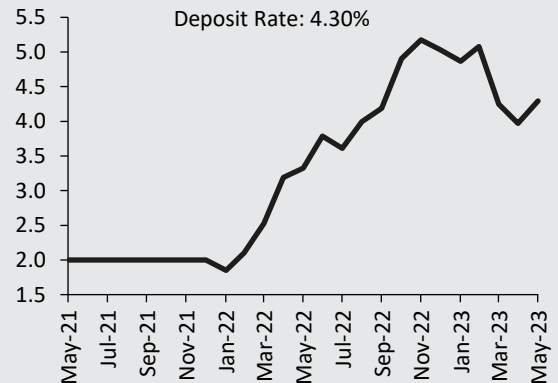
- ◆ The Central Bank of Kuwait (CBK) reported that the broad Money Supply (M2) decreased to KWD 39.46BLN in April 2023 from KWD 39.53BLN in March 2023.
- ◆ Kuwait's annual inflation rate rose to 3.7% YoY in April 2023, whereas monthly consumer prices were up 0.2% MoM in April 2023, after increasing 0.7% MoM in the previous month.
- ◆ According to the CBK, the Balance of Payment had a surplus of KWD 19,329.3MM in FY22 in the Current Account, compared with a surplus of KWD 10,537.0MM in FY21, i.e. a rise of 83.4% YoY; this increase was driven by 80.2% YoY growth in the Balance of Goods in FY22, the Balance of Good's surplus amounted KWD 22,034.2MM in FY22, as the merchandise exports grew KWD 10,085.7MM or 48.9% YoY in FY22.
- ◆ Despite the global economic crisis, Kuwait's investment revenue rose 7.1% YoY to KWD 7.9BLN in FY22, consisting of KWD 1.6BLN from other investments, KWD 4.5BLN from financial portfolio investments and KWD 3.0BLN from direct investments.
- ◆ Kuwait's crude oil exports to Japan increased for the fifth straight month in April 2023 to 7.7MM barrels, growing 16.0% YoY as per the Japanese Natural Resource and Energy Agency.
- ◆ In April 2023, Kuwait was Japan's third-largest oil provider, supplying 8.9% of the country's total crude imports, compared with 7.6% in April 2022.
- ◆ The World Bank predicts Kuwait's economic growth would slow down to 1.3% in FY23, mainly due to the cautious approach adopted by the OPEC Plus on production and the slowdown in global economic activity. The World Bank also expects Kuwait's oil and non-oil sectors are expected to contract 2.2% and 4.4% YoY, respectively, in FY23.

### Monetary Indicators

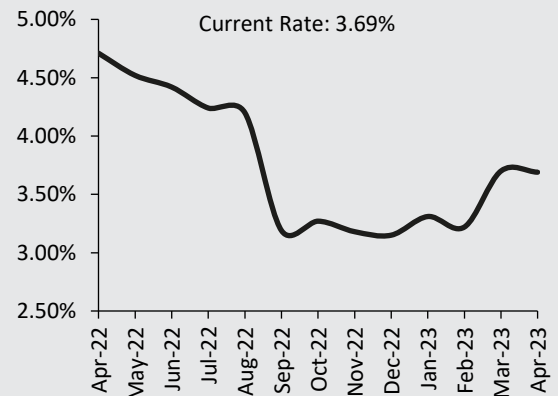
#### Interest Rate (%)



#### Deposit Rate (%)



#### Inflation Rate (%)



Source: Bloomberg

Note: Kuwait Inflation data available till April 2023

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## Kuwait Corporate Developments

- ◆ Kuwait's Competition Protection Agency (CPA) approved economic concentration request for acquiring 53 aircraft by Macquarie Airfinance from ALAFCO Aviation Lease and Finance company.
- ◆ National Consumer Holding Company signed an agreement for buying out 100.0% stake in Cozmo Entertainment General Trading & Contracting Company; the total deal value for the same will be KWD 7.00MM.
- ◆ Boubyan Petrochemical Company's BOD proposed cash dividend of 60 fils per share for the FY 2022, which depicted a decline compared with FY 2021 the last year.
- ◆ Kamco Investment Company's board is discussing the issuance of bonds with value of up to KWD 20.0MM.
- ◆ Al Manar Financing and Leasing Company penned an agreement to purchase 24.9% stake of Injazzat Real Estate Development company by buying out 86.0MM shares for 100 fils per share.
- ◆ Zain group and Oman Telecommunication Company (Omantel) finalised a shareholder agreement to incorporate a joint venture named Zain Omantel International (ZOI); in which Zain group will hold 74.0% of JV's share capital, whereas Omantel's share will be 26.0%.
- ◆ Advanced Technology Company availed credit facilities agreement with a local bank having value of KWD 43.3MM.
- ◆ Al Safat Investment Company's shareholders approved the merger between Al-Safat and Capcorp Investment Company by amalgamation method, shareholders also approved to increase the capital to KWD 38.3MM from KWD 28.3MM, where KWD 10.0MM will be allocated to shareholders of Capcorp Investment Company.
- ◆ Kuwait's Al Zour refinery issued first tender for fuel oil sales after eight-week hiatus; market participants closely watch the company's low-sulphur fuel oil (LSFO) tenders as the refinery is poised to be a major LSFO exporter when it ramps up fully.
- ◆ National Investments Company co-signs an agreement to provide market maker service for Al Safat Investment Company.
- ◆ Warba Bank obtains Credit Monitoring Arrangement's (CMA) preliminary approval on the bank's license application for a securities broker, as the bank is not registered in the securities exchange; the consent will be valid for six months.
- ◆ Kuwait Company for Process Plant Construction and Contracting penned a KWD 8.3MM contract with Ministry of Defense for military engineering projects, where the contract implementation period would be one year.
- ◆ Kuwait Projects Company Holding (KPRO) receives CMA's approval to establish an international Sukuk programme with a value not exceeding USD 2.0BLN.
- ◆ KPRO also received CMA's approval to issue KWD denominated Sukuk program with a value not exceeding KWD 150.0MM in two tranches.
- ◆ Al-Deera Holding Company penned two loan contracts with a local bank; where the first loan contract was valued at KWD 1.4MM, and the second loan contract was valued KWD 3.6MM.

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