

## Market Performance

Kuwait's All Share Index closed 4.4% higher at 7,350.4 points in January 2022. Total volume traded increased 4.7% MoM to 6.1BLN, number of deals rose 2.6% MoM to 230,024, and total value traded was up 10.1% MoM to KWD 1,289.3MM. Growth in the market was mainly driven by the banking and financial sectors.

In its latest projection, the IMF said the US GDP is estimated to increase 5.6% in 2021 and reiterated its forecasts for 2022 and 2023 to 4.0% and 2.6%, respectively. As per the advance estimate released by the Bureau of Economic Analysis, real GDP grew at an annualized rate of 6.9% YoY in Q4 2021 compared to 2.3% YoY in Q3 2021. Real PCE decreased 1.0% MoM in December 2021, after the 0.1% MoM decline in November 2021. Personal income rose 0.3% MoM in December 2021 vis-à-vis the 0.5% MoM revised increment in November 2021. It was primarily led by higher compensation of employees (both private and government wages and salaries), which was partly offset by lower proprietors' income. The current account deficit rose to USD 80.2BLN in November 2021 from USD 67.2BLN in October 2021 (revised). Total exports went up USD 224.2BLN in November 2021, USD 0.4BLN more than that in October 2021. On the other hand, total imports stood at USD 304.4BLN in November 2021, USD 13.4BLN more than that in October 2021.

In its latest projection, the IMF said Euro area's GDP is estimated to grow 5.2% in 2021 and reiterated its forecasts for 2022 and 2023 to 3.9% and 2.5%, respectively. According to a preliminary flash estimate released by Eurostat, seasonally adjusted GDP growth in the Euro area rose 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 5.1% in January 2022, up from 5.0% in December 2021. The area's trade deficit decreased to EUR 1.5BLN in November 2021 from EUR 25.0BLN surplus in November 2020; the last time the Euro area recorded a deficit was in January 2014. Exports of goods increased 14.4% YoY while imports rose 32.0% YoY. The IMF said it now expected UK GDP would expand by 4.7% in 2022 and by 2.3% in 2023, compared with its previous forecasts - made in October - of 5.0% and 1.9%. As per the latest data released by the Office for National Statistics, the annual inflation rate in the UK climbed 5.4% YoY in December 2021, up from 5.1% YoY in November 2021.

In Asia, China's economy is projected to register GDP growth of 4.8% in 2022 and 5.2% in 2023, according to the latest World Economic Outlook by IMF. Based on the latest data released by the National Bureau of Statistics, China's CPI rose to 1.5% in December 2021, after rising 2.3% YoY in November 2021. Japan expected to see its GDP growth rate reach 3.3% in 2022 from 1.6% in 2021, supported by the government's stimulus package, the IMF reported in its latest data. According to the Statistics Bureau of Japan, the country's CPI rose 0.8% YoY in December 2021, following the 0.6% YoY rise in November 2021, led by a spike in food prices and housing cost.

Kuwait Market Summary	January, 2022	December, 2021	Change %
Open	7,052.84	6,846.46	3.0
High	7,450.48	7,080.16	5.2
Low	7,035.34	6,844.80	2.8
Close	7,350.37	7,043.16	4.4
Volume traded (MM)	6,123.56	5,847.57	4.7
Value Traded (KWD MM)	1,289.25	1,170.77	10.1
No. of deals	230,024	224,125	2.6
No. of advances	104	105	(1.0)
No. of declines	45	53	(15.1)
No. of unchanged	18	9	100.0

## 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 positive; 104 stocks firmed up and 45 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)
Educational Holding Group	3254.00	404.50	404.50	68.33	0.13	0.00	0.97	10.57	3.17
Arabi Holding Group Co.	444.00	52.58	52.58	73.26	41.61	1.89	5.84	839.32	2.59
First Dubai For Real Estate Development	107.00	38.42	38.42	78.69	54.73	0.98	9.90	104.50	1.06
Acico Industries Co.	184.00	32.37	32.37	60.75	71.49	0.04	4.45	7.04	0.82
Alsafat Investment Company	167.00	30.47	30.47	44.91	159.64	0.04	11.48	5.92	1.92

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)
Credit Rating & Collection	31.80	(20.90)	(20.90)	5.25	4.74	(0.00)	34.99	NA	1.11
Palms Agro Production Co.	54.70	(19.79)	(19.79)	2.86	0.05	(0.01)	9.08	NA	0.50
Alargan International Real Estate Co.	97.00	(17.09)	(17.09)	24.75	0.76	(0.02)	3.30	NA	0.32
Kuwait Real Estate Holding Co.	45.30	(14.20)	(14.20)	8.52	0.64	0.18	16.05	8.38	0.73
Wethaq Takaful Insurance Company	45.00	(11.59)	(11.59)	4.96	1.51	0.49	9.04	22.24	0.41

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)	100.90	1.10	1.10	359.48	966.00	0.12	12.89	11.86	1.30
Ahli United Bank (B.S.C)	281.00	1.08	1.08	2847.79	405.38	0.08	8.36	22.65	2.35
Aayan Leasing & Investment Co.	174.00	8.75	8.75	122.36	373.89	0.02	8.18	3.32	1.42
Kuwait Projects Company (Holding)	164.00	15.49	15.49	425.42	244.03	0.89	8.93	145.21	1.46
National Investments Company	279.00	27.40	27.40	222.60	207.49	0.03	3.85	8.06	1.07

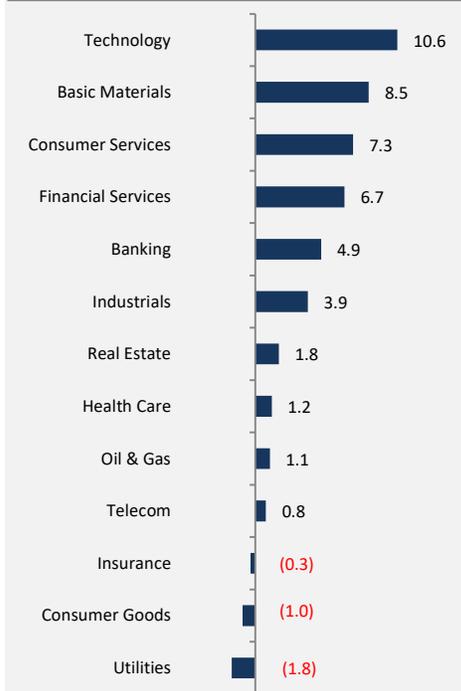
Source: Bloomberg; **NM** – Not Meaningful; **NA** – Not Available

### Performance by Sector

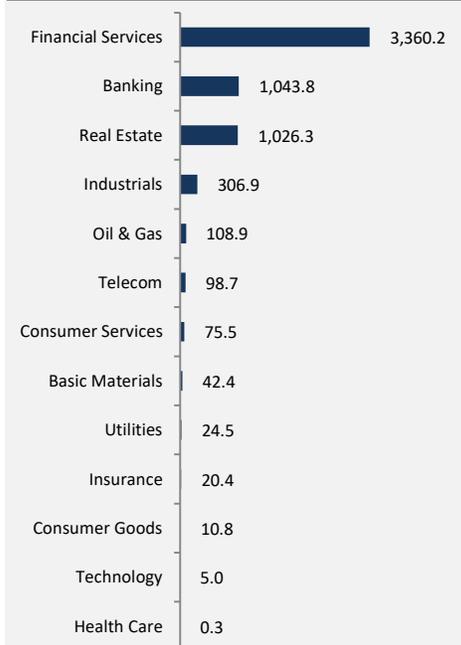
- Banks:** The sector closed 4.9% higher at 1,702.7 points during the month. Kuwait Finance House (up 8.9%) rose the most, followed by Burgan Bank (up 7.6%), while Commercial Bank of Kuwait (down 0.2%) was the top loser. Total turnover stood at KWD 456.7MM. The volume traded and number of deals stood at 1.0TLN shares and 46,934, respectively.
- Basic Materials:** The sector closed 8.5% higher at 1,111.8 points during the month. Qurain Petrochemical Industries Co. (up 12.1%) was the top gainer, followed by Boubyan Petrochemical Co. (up 7.5%), while Kuwait Foundry Co. (down 7.3%) was the top loser. The number of shares traded, and total turnover stood at 42.4MM and KWD 21.6MM, respectively, while total transactions stood at 4,508.
- Consumer Goods:** The sector ended 1.0% lower at 724.1 points during the month. Livestock Transport & Trading Co. (down 5.5%) declined the most, while Mezzan Holding Co remained unchanged. Total volume, turnover, and deals made stood at 10.8MM shares, KWD 6.2MM, and 1,006 respectively.
- Consumer Services:** The sector closed 7.3% higher at 1,434.5 points during the month. Among stocks, Jazeera Airways Co. (up 15.3%) increased the most, followed by IFA Hotels & Resorts Co. (up 4.3%), while Palms Agro Production Co. (down 19.8%) was the top loser. Total volume, turnover, and transactions stood at 75.5MM shares, KWD 22.9MM, and 8,269, respectively.
- Financial Services:** The sector closed 6.7% higher at 1,518.5 points during the month. Arabi Holding Group Co. (up 52.6%) was the top gainer, followed by Alsafat Investment Company (up 30.5%), while Credit Rating & Collection (down 20.9%) was the top loser. Total volume, turnover, and deals made stood at 3.4BLN shares, KWD 469.9MM and 86,743 respectively.
- Healthcare:** The sector ended 1.2% higher at 806.9 points. Yiacco Medical Co. (up 9.1%) was the top gainer. There were 31 deals; quantity and value traded stood at 324,564 and KWD 384,638, respectively.
- Utilities:** The sector closed 1.8% lower at 589.5 points during the month. Shamal Az-Zour Al-Oula Power and Water Company K.S.C.P (down 1.8%) only listed stock ended in red. The sector recorded 1,895 transactions. Total volume and value traded stood at 24.5MM and KWD 5.5MM, respectively.

### Market Composition

#### Monthly Sector Index Returns (%)



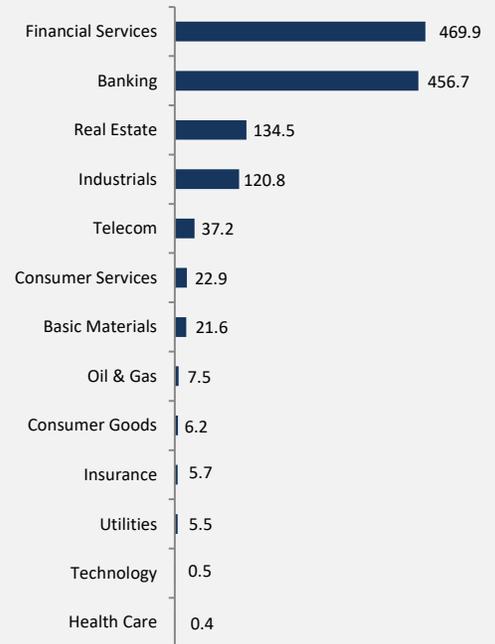
#### Monthly Volume Traded (Million)



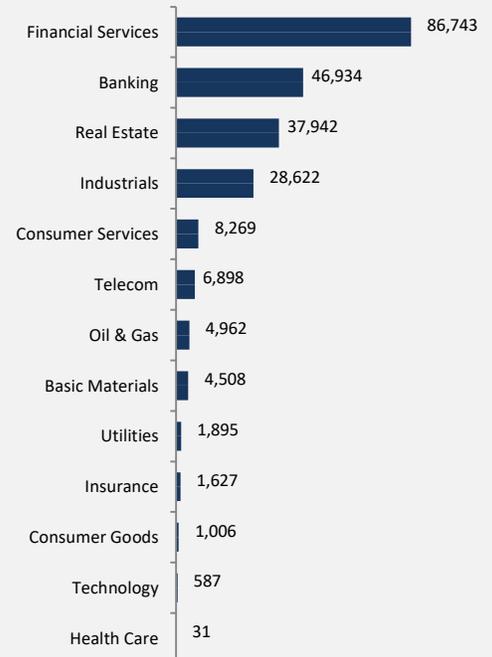
- Industrials:** The sector closed 3.9% higher at 1,186.4 points during the month. Educational Holding Group (up 404.5%) was the top gainer, followed by Acico Industries Co. (up 32.4%), while Equipment Holding Co. (down 4.2%) was the top loser. Total volume, turnover, and deals made stood at 306.9MM shares, KWD 120.8MM and 28,622, respectively.
- Insurance:** The sector closed 0.3% lower at 1,528.1 points during the month. Wethaq Takaful Insurance Company (down 11.6%) was the top loser, followed by Gulf Insurance Group (down 3.7%), while Kuwait Insurance Company (up 11.1%) was the top gainer. Total volume, turnover, and deals made stood at 20.4MM shares, KWD 5.7MM and 1,627, respectively.
- Oil & Gas:** The sector closed 1.1% higher at 1,443.8 points. The Burgan Co. For Well Drilling Trading & Maint (up 10.5%) was the top gainer, followed Senergy Holding Company (K.S.C.P) (up 3.9%), while Gulf Petroleum Investment (down 1.6%) was the top loser. Total volume, turnover, and number of transactions stood at 108.9MM shares, KWD 7.5MM, and 4,962, respectively.
- Real Estate:** The sector ended 1.8% higher at 1,350.0 points during the month. First Dubai for Real Estate Development (up 38.4%) was the top gainer, followed by Osos Arkan Al-Kuwait Real Estate Co. (up 12.9%), while Alargan International Real Estate Co. (down 17.1%) was the top loser. Total volume, turnover, and deals made stood at 1.0BLN shares, KWD 134.5MM and 37,942, respectively.
- Technology:** The sector closed at 756.6 points, up 10.6% from the previous month. Automated Systems Company (up 10.6%) being the only company in the sector. The sector recorded 587 transactions during the month. Total volume and value traded stood at 5.0MM and KWD 483,390 respectively.
- Telecom:** The sector closed 0.8% higher at 1,098.1 points. Hayat Communications Company (up 2.8%) was the top gainer, followed by Aan Digital Services Co. (up 1.8%). Total turnover of KWD 37.2MM was generated by 98.7MM shares traded through 6,898 transactions.

### Market Composition

#### Monthly Value Traded (KWD MM)



#### Number of Deals

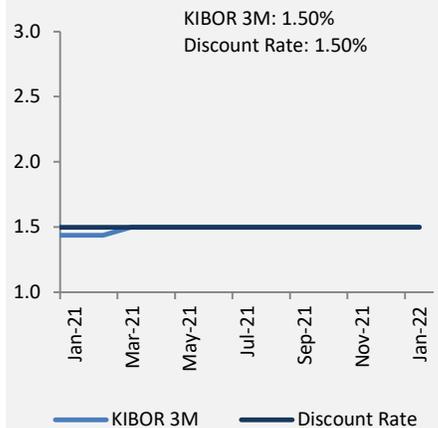


### Kuwait – Economy and Industry News

- Kuwait's All Share Index closed 4.4% higher at 7,350.4 points in January 2022. Total volume traded increased 4.7% MoM to 6.1BLN, number of deals rose 2.6% MoM to 230,024, and total value traded was up 10.1% MoM to KWD 1,289.3MM. Growth in the market was mainly driven by the banking and financial sectors.
- In its report on global growth expectation, the World Bank states the real GDP growth of Kuwait is forecast to rise about 5.3% in 2022 and 3.0% in 2023.
- Fitch Ratings downgraded Kuwait's long-term foreign-currency issuer default rating (IDR) to "AA-" from "AA", considering the ongoing political constraints on decision-making that hinder addressing structural challenges related to heavy oil dependence, a generous welfare state, and a large public sector, the outlook remains stable.
- Foreign direct investments in Kuwait totaled USD 14.6BLN at the end of last year, and direct investments outward from Kuwait amounted to about USD 32.7BLN, implying outward direct investments are more than double of the foreign direct investments attracted by the country, according to the IMF report.
- Kuwait's crude oil exports to Japan grew 14.7% YoY to 6.79MM barrels in December 2021, increasing for the fourth consecutive month, according to data released by the government.
- Kuwait, the third biggest supplier of oil to Japan, accounted for 7.4% of Japan's total crude imports, as per the Japanese Natural Resources and Energy Agency. For the whole of 2021, Kuwait's crude oil exports to Japan stood at 209,000 barrels per day, down 8.5% from that in the previous year, and took up 8.4% of total Japanese crude imports.
- In March 2022, Kuwait will be repaying USD 3.5BLN, the first tranche of USD 8.0BLN loan it had borrowed at an interest rate of 2.75% in 2017 from international banks, while the second tranche of USD 4.5BLN will be due in 2027, according to Al- Jarida daily.
- The exceptionally large assets of the Kuwaiti sovereign wealth fund have absorbed the significant and continuing deterioration in the government's financial position, which has spared the country a very large increase in debt, as reported by Al-Rai daily.

### Monetary Indicators

#### Interest Rate (%)



#### Deposit Rate (%)



#### Inflation Rate



Source: Bloomberg

Note: Kuwait Inflation data available till Nov. 2021.

### GCC Markets Performance

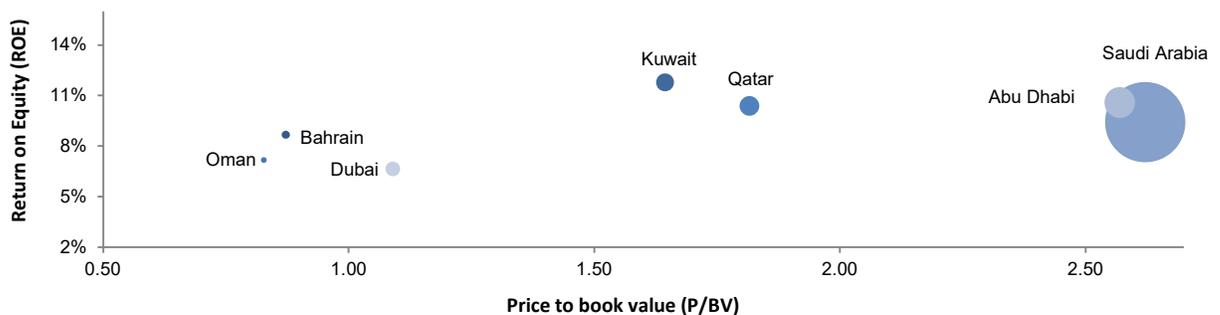
Index	Close	Change MTD (%)	Change YTD (%)	P/E	Dividend Yield (%)
Bahrain (BAX)	1,809.82	0.70	0.70	10.15	3.45
Kuwait (KSE)	7,350.37	4.36	4.36	21.06	2.11
Oman (MSM)	4,116.00	(0.33)	(0.33)	11.01	3.86
Qatar (DSM)	12,498.20	7.50	7.50	17.66	2.38
Saudi Arabia (TASI)	12,271.84	8.78	8.78	27.94	2.13
UAE (ADX)	8,704.26	2.54	2.54	23.32	2.64
UAE (DFM)	3,203.08	0.22	0.22	16.57	2.41

Of the seven GCC indices, six ended in positive territory and one of them closed lower, during the month of January. Saudi Arabia's TASI index (up 8.8%) was the top gainer, followed by Qatar's DSM (up 7.5%).

- Bahrain's BAX closed 0.7% higher at 1,809.8 points. Among sectors, Materials (up 9.4%) was the top gainer. Among stocks, INOVEST (up 30.0%) increased the most, followed by Ithmaar Holding B.S.C (up 12.1%), while Seef Properties (down 5.0%) was the top decliner.
- Kuwait's All Share Index closed 4.4% higher at 7,350.4 points. Among sectors, Technology (up 10.6%) rose the most. On the contrary, Utilities (down 1.8%) decreased the most. Educational Holding Group (up 404.5%) was the top gainer, followed by Arabi Holding Group Co. (up 52.6%), while Credit Rating & Collection (down 20.9%) was the top decliner.
- Oman's MSM was down 0.3% to close at 4,116.0 points. Among sectors, Industry (down 4.6%) was the top loser. Among stocks, Raysut Cement (down 19.4%) was the top decliner; while Oman Invst. & Fin. (up 10.4%) increased the most, followed by Bank Muscat (up 8.3%).
- Qatar's DSM increased 7.5% to close at 12,498.2 points. Among sectors, Transportation (up 10.9%) increased the most, while Insurance (down 2.1%) declined the most. Among stocks, Mannai Corporation (up 95.5%) was the top performer, followed by Dlala Brokerage & Investment Holding (up 16.6%), while Widam Food Company (down 1.7%) decreased the most.
- Saudi Arabia's TASI jumped 8.8% to close at 12,271.8 points. Among sectors, Media and Entertainment (up 19.9%) was the top gainer, followed by Diversified Financials (up 15.2%). Among stocks, Saudi Tadawul Group Holding Co. (up 28.8%) rose the most, followed by Saudi Automotive Services Co (up 27.0%), while Sadr Logistics Co (down 21.3%) declined the most.
- The ADX ended 2.5% higher at 8,704.3 points. Among sectors, Telecommunication (up 4.3%) was the top gainer, followed by Financials (up 3.6%). Among stocks, Sharjah Insurance Company (up 41.5%) rose the most, followed by Fujairah Building Industries P.S.C (up 14.7%), while Ras Al Khaimah Cement Investment Company (down 22.5%) decreased the most. The DFM ended 0.2% higher at 3,203.1 points. Among sectors, Consumer Staples and Discretionary (up 8.3%) was the top gainer, followed by Industrials (up 6.3%). Among stocks, Emirates Investment Bank PJSC (up 31.0%) rose the most, followed by United Foods Company (PSC) (up 29.3%), while Al Ramz Corporation Investment and Development PJSC (down 18.5%) decreased the most.

### Valuation

Size of the bubble represents Market Capitalization



Source: Bloomberg

## GCC Markets – Economy and Industry News

### Saudi Arabia

- In its latest projection, the IMF stated that Saudi Arabia's GDP is estimated to increase 2.9% in 2021 and reiterated its forecasts for 2022 and 2023 to 4.8% and 2.8%, respectively.
- Saudi Arabia's inflation rose 1.2% YoY in December 2021, higher than that in November 2021 (1.1%), mainly due to a 7.2% increase in transportation prices and 1.1% rise in food and beverage prices.
- Saudi Arabia's overall merchandise exports climbed 82.5% YoY in November 2021, according to latest data issued by the General Authority for Statistics (GASTAT). Non-oil and oil exports totaled SAR 107.3BLN in November 2021, up from SAR 58.8BLN in November 2020.
- Saudi Arabian money supply grew SAR 35.0BLN, recording its highest monthly gain since May 2020, according to central bank data.
- Saudi Arabia's funding requirement for 2022 will mainly focus on debt refinancing, which amounts to approximately SAR 43.0BLN, the Kingdom's National Debt Management Center said in a statement.
- Saudi civil aviation and air transport sector is expected to contribute SAR 280.0BLN to GDP by 2030, up from SAR 80.0BLN in 2018.

### UAE

- The Central Bank of UAE estimates the real GDP growth rate for the UAE to increase 4.2% in 2022 and non-hydrocarbon real GDP to increase 3.9%.
- The UAE declared 9% corporation tax will be levied on businesses from June 1, 2023. Businesses will become subject to the tax from the beginning of their first financial year starting on June 1, 2023.
- Dubai attracted FDI capital flow worth AED 15.9BLN in the first nine months of 2021. It recorded a 16% rise in the number of FDI projects, according to Dubai FDI Monitor published by Dubai Investment Development Agency (Dubai FDI).
- Abu Dhabi's consumer price index (CPI) rose 3.1% YoY to 111.2 points in December 2021, as the prices of the transport, recreation and culture as well as restaurant and hotel sectors rose up 10.1%, 4% and 2.4%, respectively.

### Qatar

- Qatar's annual inflation increased 6.5% YoY in December 2021, mainly due to a 37.3% increase in recreation and culture and 6.2% in food & beverage.
- Qatar's foreign merchandise trade balance was in surplus by QAR 25.7BLN in December 2021, as exports totaled QAR 35.6BLN (up 107.8% YoY) and imports stood at QAR 9.9BLN (up 16.2% YoY).

### Bahrain

- According to the Information & e-Government Authority, the inflation rate in Bahrain fell 0.4% YoY in December 2021 after rising 0.7% YoY in November 2021.

### Oman

- As per the National Centre for Statistics and Information (NCSI), Oman's inflation increased by 3.8% in December 2021 from the 3.6% increase recorded in the last month.

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## GCC Corporate Developments

### Saudi Arabia

- The board of **Advanced Petrochemical Company** has recommended a 20.1% capital increase by issuing bonus shares.
- The **Saudi Automotive Services Company (SASCO)** has acquired 80% of **NAFT Services Limited Company's** share capital in exchange for SAR 1.1BLN.
- **Arabian Pipes Company** has been awarded a SAR 268.0MM contract to supply steel pipes to **Saudi Arabian Oil Company (Aramco)**.
- **Theeb Rent a Car Company** has been awarded a SAR 27.1MM contract to rent vehicles to the Saudi Ministry of Human Resources and Social Development.
- **The Saudi Public Transport Company (SAPTCO)** has been awarded contracts of the public transport project with the Madinah Region Development Authority and Eastern Province Municipality; the contracts are worth SAR 57.5MM and SAR 149.6MM respectively.
- **SABIC Agri-Nutrients Company** has reached a binding agreement to acquire a 49% stake in the share capital of **ETG Inputs Holdco** in exchange for SAR 1.2BLN.
- **Alkhaleej Training and Education Company** has been awarded a SAR 42.3MM contract to implement and operate a call center for the Saudi Zakat, Tax and Customs Authority.

### UAE

- **Multiply Group**, a subsidiary of **International Holdings Company (IHC)**, has invested AED 92.0MM in Rihanna's Savage X Fenty.
- **Abu Dhabi National Oil Company (ADNOC)** has established a new subsidiary, **ADNOC Murban**, to be the primary debt capital markets issuing and rated entity for ADNOC Group.
- **Alpha Oryx**, a company related to investment holding conglomerate ADQ, has transferred a 22.32% stake in **Aramex to Abu Dhabi Ports Group**.
- **Aldar Properties** has signed a five-year agreement with **Emirates Water and Electricity Company (EWEC)** to power all of its owned and managed operating assets with clean energy.

### Qatar

- **Qatar Energy** announced that it had awarded a major engineering, procurement, construction, and installation contract to McDermott Middle East for the offshore scope of its North Field Expansion Project.
- **Mannai Corp.** said its board approved the sale of French IT services provider **Inetum SA**, paving the way for a disposal that could fetch upward of USD 2.0BLN.

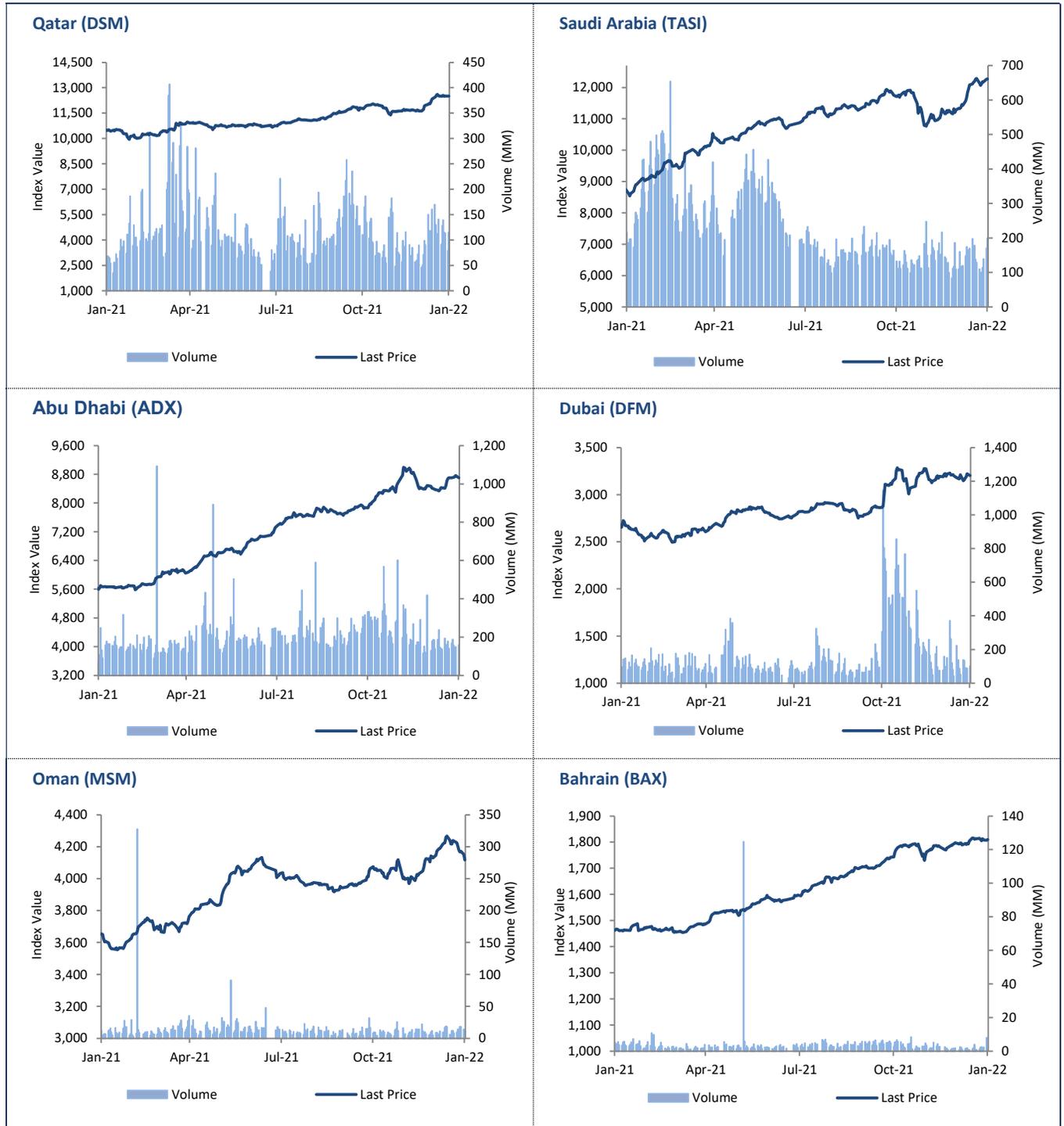
### Bahrain

- **Almarai Company** has completed the acquisition of **Bakemart UAE and Bakemart Bahrain** in exchange for AED 93.5MM.

### Oman

- An agreement has been signed between the **Small and Medium Enterprises (SMEs) Development Authority** and **Oman Oil Marketing Company** to empower SMEs and support the growth and development of their businesses.

GCC Benchmark Indices– Market Movements



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