

Arzan Financial Group

Monthly Report

Kuwait Boursa Performance

For the month ended on 30 September 2018



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Kuwait Boursa Performance Analysis

Market Indices

	30-Sep-18	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,128	-0.1% ▼	6.2% ▲
Premier Market Index (PR)	5,344	1.6% ▲	11.5% ▲
Main Market Index (PR)	4,736	-3.3% ▼	-1.9% ▼
All-Share Index (TR)	5,706	-0.1% ▼	8.8% ▲
Premier Market Index (TR)	5,980	1.6% ▲	13.9% ▲
Main Market Index (TR)	5,182	-3.3% ▼	1.1% ▲

Note: Percentage change from the end of August 2018

Highest and lowest indices level

	During the Month		Beg. of 2018	
	High	Low	High	Low
All-Share Index (PR)	5,149	5,090	5,287	4,731
Premier Market Index (PR)	5,363	5,225	5,466	4,684
Main Market Index (PR)	4,870	4,736	5,058	4,736
All-Share Index (TR)	5,730	5,664	5,883	5,235
Premier Market Index (TR)	6,001	5,847	6,117	5,234
Main Market Index (TR)	5,353	5,182	5,441	5,182

Market Indicators

	30-Sep-18	%Chg MTD
Market Cap KWD	28,777,976,449	-1.7% ▼
Daily average volume traded (shares / day)	104,948,688	0.2% ▲
Daily average value traded (KWD/day)	26,190,020	24.9% ▲

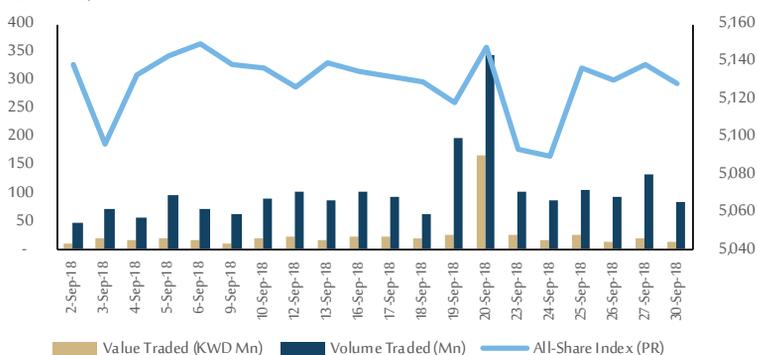
Note: Percentage change from the end of August 2018

Net profit of listed Companies in Kuwait Boursa

KWD	H1-2018	%Chg
Net profit of kuwait Boursa's Companies	1,114,062,532	10.3% ▲

Note: Percentage change from the end of H1-2017

Million KWD/shares



Source: Thomson Reuters and Arzan Analysis

Kuwait Boursa's indices posted mixed performance for month September-2018 where the gain was recorded by the large-cap index. This was evident by the fact that the All-share index (PR), and Main Market Index (PR) declined by 0.1%, and 3.3%, respectively. On the other hand, the Premier Market Index (PR) witnessed a surge during the same period by 1.6% M-o-M. Thereby, the increase pushed up the YTD-18 gains as the Premier market index closed at 5344 points with a YTD 2018 gain of 11.5%, while that of the Main Market Index and the All Share Index stood at -1.9% and 6.2%, respectively

Trading activity recorded a huge growth in September 2018 due to the FTSE upgrade. During the month, Kuwait witnessed the first phase of the FTSE upgrade in which 12 stocks were included in the index compiler's Secondary Emerging Market index. The average daily traded volume had a modest increase by 0.2% to reach 104.9 million shares compared to the previous month of 103.3 million shares. Additionally, the average daily traded value increased significantly with an increase of 24.9% to KD 26.2 million during the month compared to KD 20.9 million in the previous month.

Trading during the month was boosted by the FTSE upgrade. The day before the upgrade, on 20-September-18, the exchange recorded KWD 167.3 million worth of trades, the highest daily value traded since May 2013. The traded value increased significantly by 47% to reach KD 523.8 million compared to KD 356.4 million during the previous month. In addition, total monthly traded shares surged by 17.8% to 2.1 billion shares compared to 1.8 billion shares.

The net profit for all the companies listed in Kuwait Boursa increased by 10.3% in the first half of the current year compared to the same period of the last year to reach an amount of KWD 1.114 billion.

Within the Premier Market index, 8 out of the 17 constituents reported positive performance during the month with Boubyan Bank leading the gainers at 6.7% followed by Ahli United Bank Bahrain at 4.9% and Boubyan Petrochemical at 4%. The other Premier's constituents reported negative performance topped by KIPCO with a drop of 6.2% followed by Mezzan & Mabanee at 5.3% and 5.2%, respectively.

Kuwait Boursa Sectors' Indices Performance

Market sector Indices

Sector	Index		Price to Earning	Price to Book Value	Dividend Yield	ROE %
	30-Sep-2018	Pct Change %				
Oil and Gas	1,134.3	3.4% ▲	20.2	0.8	2.5%	4.2%
Basic materials	1,163.8	4.1% ▲	19.9	1.4	1.4%	6.9%
Industrials	981.9	-2.5% ▼	14.4	1.2	2.0%	8.4%
Consumer goods	843.2	-5.3% ▼	26.9	1.4	3.1%	5.3%
Health care	995.6	-0.1% ▼	118.9	5.2	0.6%	4.4%
Consumer services	989.5	-6.4% ▼	23.5	1.1	3.4%	4.7%
Telecom	919.7	-1.3% ▼	12.1	1.2	7.1%	10.2%
Banking	1,086.0	2.2% ▲	16.1	1.5	2.8%	9.4%
Insurance	953.9	2.3% ▲	10.9	0.9	3.6%	8.4%
Real estate	892.5	-9.6% ▼	20.3	0.7	0.9%	3.3%
Financial services	971.4	-2.4% ▼	12.4	0.6	2.3%	5.2%
Technology	851.2	-1.7% ▼	7.6	0.8	0.0%	10.1%

Note: Percentage change from the end of August 2018

Market Indices activities

Sector	Value			Volume		
	30-Sep-2018	Pct Change %		30-Sep-2018	Pct Change %	
Oil and Gas	626,881	21.8% ▲		20,781,544	89.4% ▲	
Basic materials	20,553,353	183.5% ▲		25,169,975	102.6% ▲	
Industrials	79,152,925	11.8% ▲		150,797,598	-8.6% ▼	
Consumer goods	5,189,133	237.5% ▲		14,144,371	221.8% ▲	
Health care	143,945	-70.5% ▼		134,660	-66.3% ▼	
Consumer services	8,180,890	65.9% ▲		71,573,200	17.2% ▲	
Telecom	56,101,798	54.2% ▲		120,383,903	49.5% ▲	
Banking	297,541,871	69.8% ▲		681,025,928	31.5% ▲	
Insurance	397,723	-13.9% ▼		2,197,916	-1.5% ▼	
Real estate	23,278,174	37.6% ▲		557,174,714	91.2% ▲	
Financial services	32,619,665	-22.1% ▼		455,471,124	-28.2% ▼	
Technology	31,031	-30.8% ▼		252,996	-26.0% ▼	

Note: Percentage change from the end of August 2018

In terms of sector performance, most of the sectoral indices witnessed losses during the month evidenced by the fact that the Real Estate Index was the top decliner for the month with a fall of 9.6% mainly owing to the drop of Mabaneer company by 5.3%, followed by the Consumer Goods Index which declined by 5.3% mainly due to the decline of Mezzan Company by 5.3% during the same period

The sector performance chart reflected the effects of higher oil prices during the month especially in the Basic Materials and Oil & Gas indices which topped the monthly performers with returns of 4.1% and 3.4%, respectively, followed by Insurance and Bank indices at above 2%.

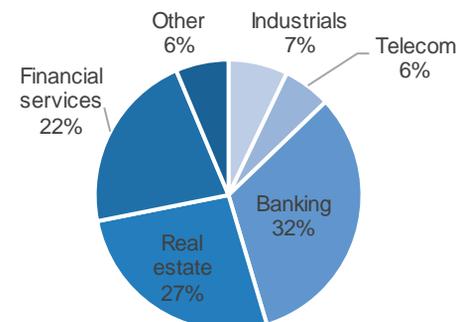
The large-cap Banking Index increased in September 2018 by 2.2% M-o-M. Boubyan Bank showed positive performance with a gain of 6.8% after the news from the NBK's CEO that they might continue acquiring of Boubyan Bank when they find the opportunity, which pushed NBK to end the month with a return of 3.7%. On the other hand, most of the banks in the banking sector closed in the red zone topped by AUB-KW which showed a drop of 6.5% followed by KIB and Burgan bank by 4.4% and 1.6%, respectively.

In terms of value traded in September 2018, the market indices had a mixed performance as the consumer goods and basic material indices had a growth in term of value traded by 237.5% and 183.5% respectively. Nevertheless, the health care and technology indices were the worst performing with a down-surge of 70.5% and 30.8%, respectively.

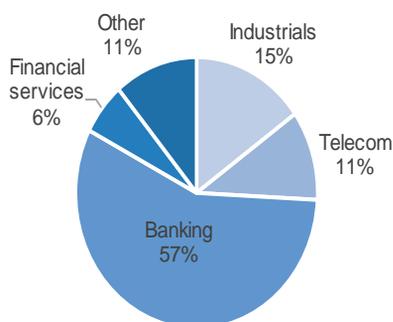
The banking sector was the most traded sector accounted for 57% of the total value traded followed by the Industrial and Telecom by 15% and 11%, respectively.

Banking Sector, Real Estate Sector and Financial Services Sector were the most traded sectors based on monthly volume traded during the month with a share of 32%, 27% and 22%, respectively.

Traded Volume



Traded Value



Source: Thomson Reuters and Arzan Analysis

Top Gainers and Losers

Companies' Top Gainers During The Period

Company	Close (fils)	%Chg MTD	Value (KWD)	Volume	Monthly Turnover**
Energy House Holding Company KSCP	38.7	36.7%	93,422	2,361,757	424.6%
Burgan for Well Drilling Trading and Maintenance	120.0	33.3%	15,838	153,422	-77.1%
Al Madar Finance and Investment	138.0	33.0%	3,417,080	28,697,307	397.1%
Effect Real Estate Company KPSC	20.0	24.2%	4,385	280,470	-50.1%
Kuwait and Middle East Financial Investment	33.8	23.0%	269,688	9,075,570	653.8%
Danah Al Safat Foodstuff Co KPSC	42.5	21.5%	296,626	6,687,123	-17.4%
Ras Al Khaimah for White Cement	77.0	19.9%	23,228	294,584	-56.1%
Amar Finance and Leasing Company KSCP	39.0	18.9%	87	2,300	-99.3%
Al Massaleh Real Estate Co KSCP	41.0	16.9%	777,115	19,848,569	435.6%
Warba Insurance Company KSCP	84.9	14.0%	51,010	623,818	61.1%

Note: Percentage change from the end of August 2018

** Comparing total trading value for the current month with average last 12 months

Companies' Top Losers During The Period

Company	Close (fils)	%Chg MTD	Value (KWD)	Volume	Monthly Turnover**
Alrai Media Group Co KSCP	50.1	-46.3%	406,505	6,591,869	120.4%
Al Masaken International Real Estate	40.2	-30.7%	1,183	24,239	-58.6%
Tijara and Real Estate Investment Company KSCP	45.9	-18.8%	87,091	1,861,370	74.1%
Sanam Real Estate Company KSCP	49.0	-18.3%	2	31	-100.0%
Future Kid Entertainment and Real Estate Co KSCP	88.0	-15.4%	7,011	72,562	-57.7%
Real Estate Trade Centers Company KPSC	23.5	-13.2%	18,588	793,453	-14.8%
Jiyad Holding Co KSCP	88.4	-12.8%	3,024,012	32,464,090	11.2%
Shuaiba Industrial Company KPSC	198.0	-12.0%	1,407	6,663	-95.1%
Aqar Real Estate Investments Co KSCP	61.7	-11.9%	2,939	47,302	-92.9%
Combined Group Contracting Company KSCP	369.0	-11.7%	194,487	508,825	-6.0%

Note: Percentage change from the end of August 2018

** Comparing total trading value for the current month with average last 12 months

Top 10 Companies Traded in Terms of Value

Company	Close (fils)	%Chg MTD	Value (KWD)	Volume	Monthly Turnover**
National Bank of Kuwait SAKP	827.0	3.7%	116,021,171	140,430,831	183.3%
Kuwait Finance House KSCP	598.0	1.7%	90,924,933	152,013,774	84.6%
Mobile Telecommunications Company KSCP	479.0	-0.2%	55,399,852	115,765,856	41.6%
Agility Public Warehousing Co KSCP	841.0	-0.1%	35,411,376	41,746,101	129.2%
Ahli United Bank BSC	214.0	3.9%	23,527,502	112,431,436	43.4%
Boubyan Bank KSCP	561.0	6.8%	21,916,463	39,734,013	234.2%
Boubyan Petrochemical Company KSCP	1,030.0	4.0%	17,621,963	16,873,491	207.2%
Human Soft Holding Company KSCP	3,250.0	-8.6%	14,826,098	4,478,409	71.1%
Burgan Bank SAKP	250	-1.6%	12,424,185	48,760,194	214.8%
Integrated Holding Co KSCC	862.0	-4.8%	12,394,219	14,654,280	117.6%

Note: Percentage change from the end of August 2018

** Comparing total trading value for the current month with average last 12 months

Energy House Holding Company was the top gainer in September 2018 with a monthly gain of 36.7% M-o-M to close at 38.7 fils, (total trading values during the month increased by 424% compared to the average trading value of the last twelve months). Followed by Burgan for Well Drilling Trading and Maintenance Co which surged by 33.3% to close the month at 120 fils (total trading values during the month dropped by 77.1% compared to the average trading value of the last twelve months).

Alrai Media Group Co topped the losers chart as it went down by 46.3% to close at 50.1 fils, followed by Al Masaken International Real Estate and Tijara and Real Estate Investment Company which decayed by 30.7% and 18.8% during the month, closing at 40.2 fils and 45.9 fils, respectively.

National Bank of Kuwait KSCP "NBK" was the top performer in terms of value traded during the month with a trading value of KD 116 million (183.3% higher than the monthly average for the last twelve months), to end the month at 827 fils. Kuwait Finance House "KFH" came next with a traded value of KD 90.9 million (84.6% higher than the monthly average for the last twelve months), to close the month's trading at 598 fils. Mobile Telecommunication Company "Zain" came next with a traded value of KD 55.4 million (41.6% lower than the monthly average for the last twelve months), to close the month's trading at 479 fils.

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