

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 29 August 2019



Content

Section Name	Page Number
Kuwait Boursa Performance Analysis	3
Kuwait Boursa Sector Indices	5
Top gainers and losers	6

To run the report content,
please contact the
administrators

Alaa Alatilie

Portfolio Analyst

Assets Management

Tel: +965 222 03033

A.Alatilie@arzan.com.kw

Kuwait Boursa Performance Analysis

Market Indices

	29-Aug-19	31-Jul-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,941	6,117	-2.9% ▼	17.0% ▲
Premier Market Index (PR)	6,528	6,744	-3.2% ▼	23.9% ▲
Main Market Index (PR)	4,789	4,882	-1.9% ▼	1.1% ▲
All-Share Index (TR)	6,859	7,062	-2.9% ▼	21.3% ▲
Premier Market Index (TR)	7,575	7,826	-3.2% ▼	28.5% ▲
Main Market Index (TR)	5,445	5,550	-1.9% ▼	5.0% ▲

Note: Percentage change from the end of July 2019

Highest and lowest indices level

	During the Month		During 2019	
	High	Low	High	Low
All-Share Index (PR)	6,126	5,909	6,143	5,110
Premier Market Index (PR)	6,754	6,496	6,777	5,305
Main Market Index (PR)	4,903	4,756	5,058	4,698
All-Share Index (TR)	7,073	6,822	7,092	5,686
Premier Market Index (TR)	7,837	7,538	7,864	5,937
Main Market Index (TR)	5,575	5,407	5,665	5,407

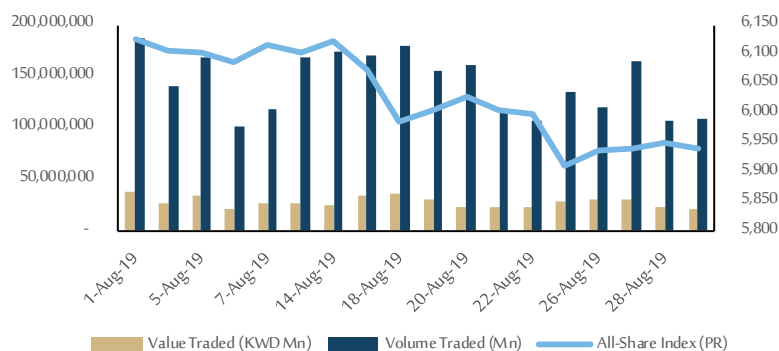
	29-Aug-19	%Chg MTD
Market Cap KWD	34,317,032,662	-2.8% ▼
Daily average volume traded (shares / day)	143,609,406	-29.4% ▼
Daily average value traded (KWD / day)	27,235,168	-36.0% ▼

Note: Percentage change from the end of July 2019

Net profit of listed Companies in Kuwait Boursa

KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	2,363,094,076	8.3% ▲

Note: Percentage change from the end of Last Twelve Month as end of Q2-2019



Kuwait Boursa market indices suffered from a downward pressure during August 2019 and this performance were inline with all other GCC markets. All the three Kuwaiti indices witnessed a modest decline during August primarily driven by large cap stocks. This was proved by the fact that the Premier Index (PR) went down the most by 3.2% among market indices and Integrated Holding in the Premier Index perceived the largest drop of 28.4%. Moreover, All Share Index declined by 2.9% during the month while the Main Market Index (PR) decayed by 1.9% during the same month.

Kuwait Boursa maintained its leadership as the best performing GCC market in term of YTD in 2019, with the fact that All Share Index (PR) gained 17% and this was supported by the higher gain in the Premier Index (PR) which scored 23.9% YTD. In addition, the Main Market index stood at a marginal growth of 1.1%.

Average Daily Traded Value dropped in August 2019 by 36% to KD 27.2 million during the month compared to KD 42.6 million in the previous month. Also, the average daily traded volume deteriorated by 29.4% during August 2019 to reach a daily average of 143.6 million compared to a daily average of 203.5 million shares.

Trading activity had Dropped Significantly in August 2019. Value traded went down by 50% to an amount of KWD 490.3 million compared to KWD 978.9 million in the previous month. Total traded volume in August 2019 felt at similar performance of 45% to reach a traded shares accounted for 2.6 billion shares compared to 4.7 billion shares in the previous month.

Within the Premier Market index, all of the constituents the 19 Companies ended the month of August 2019 in the red zone as topped by Integrated Holding Co KSCC leading the losers chart with the largest monthly loss of 28.4% followed by Boubyan Petrochemical Company KSCP and Mezzan Holding Company KSCP by a decay rate of 10.7% and 6.9%, respectively.

Kuwait Boursa Sectors' Indices Performance

Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE %
	29-Aug-2019	Pct Change %					
Oil and Gas	1,176.3	0.4%	▲	17.9	0.9	0.0%	6.2%
Basic materials	1,027.1	-6.6%	▼	14.5	1.2	4.7%	8.4%
Industrials	893.1	-5.6%	▼	14.9	1.1	1.7%	7.6%
Consumer goods	734.1	-6.1%	▼	38.5	1.4	0.0%	2.3%
Health care	931.0	-2.2%	▼	135.2	4.8	0.0%	5.1%
Consumer services	947.9	-3.1%	▼	(46.5)	1.1	1.5%	-2.3%
Telecom	1,051.8	-2.1%	▼	11.2	1.6	5.4%	13.7%
Banking	1,385.3	-2.8%	▼	16.6	1.9	2.6%	10.8%
Insurance	946.5	0.5%	▲	7.8	0.8	3.6%	9.3%
Real estate	949.6	-1.9%	▼	34.3	0.8	0.8%	2.5%
Financial services	1,062.4	-1.1%	▼	11.7	0.8	2.1%	6.1%
Technology	582.0	12.7%	▲	16.2	0.6	0.0%	3.7%

Note: Percentage change from the end of July 2019

Market Indices activities

Sector	Value		Volume			
	29-Aug-2019	Pct Change %	29-Aug-2019	Pct Change %		
Oil and Gas	472,868	-21.3%	▼	18,944,451	9.0%	▲
Basic materials	19,795,694	137.0%	▲	32,761,258	131.1%	▲
Industrials	51,462,733	-46.7%	▼	165,624,228	-46.3%	▼
Consumer goods	579,425	-27.8%	▼	4,215,501	-41.5%	▼
Health care	158	-99.9%	▼	170	-99.9%	▼
Consumer services	4,153,571	7.0%	▲	27,560,572	-10.5%	▼
Telecom	54,921,414	-16.3%	▼	229,749,056	45.4%	▲
Banking	255,879,205	-55.5%	▼	583,826,794	-55.4%	▼
Insurance	400,818	-48.3%	▼	1,985,150	-8.0%	▼
Real estate	27,840,765	-17.1%	▼	604,684,429	6.8%	▲
Financial services	74,760,394	-61.3%	▼	915,794,189	-59.6%	▼
Technology	16,161	-6.9%	▼	204,355	-2.2%	▼

Note: Percentage change from the end of July 2019

In terms of sector performance, most of the Sector performance chart showed negative performance during the month topped by the Basic Material Index with a loss of 6.6% followed by Consumer Goods Index and Industrial Index with a monthly negative records of 6.1% and 5.6%, respectively. In fact, the monthly sector performance chart saw all the large-cap sectors recording losses during the month

The Basic Material Sector declined the most as its main constituents dropped off in shares of Boubyan Petrochemicals and Qurain Petrochemicals by 10.7% and 4.2%, respectively. Accordingly, the previous petrochemical companies due to the announcement of Equate Petrochemical Company which is one of their investments, reported a 71% drop in Equate's net profit in the first half of 2019. Equate clarify the drop in net profit due to the fall prices of chemicals and the gloom in global economy.

The largest cap Banking Index also declined during August 2019 as it felt by 2.8%. The was driven by the fact that all the banking sector's constituents went down in share prices during the current month M-o-M. shares of AUB Kuwait reporting the biggest drop of 6.4% followed by 6.0% decline for Gulf Bank.

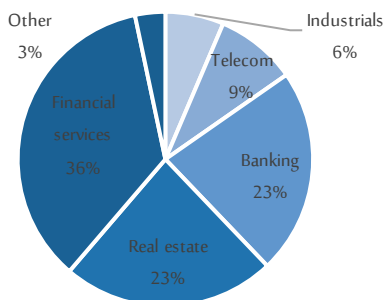
On the decliner's side, the Technology index and Insurance Index were the only gainers in the month of August 2019 at a rate of 12.7% and 0.5% respectively.

In terms of value traded in August, most of the sector indices closed the monthly performance in the red zone area. In fact, Financial Services showed steepest liquidity's decline as it dropped by 61.3%, followed by Banking Index and Insurance Index which showed an decrease in their level of liquidity by 55.5% and 48.3%, respectively.

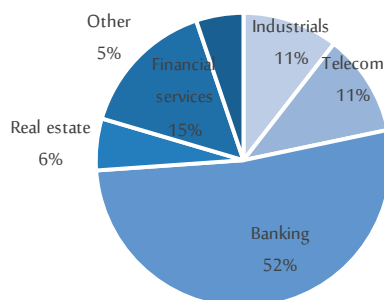
The banking sector was the most traded sector accounted for 52% of the total value traded followed by Telecom and Industrial by 11.2% and 10.5% respectively.

Financial Services Sector, Real Estate Sector and Banking Sector were the most traded sectors based on monthly traded volume during the month with a share of 36%, 23.4% and 22.6%, 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 '000)	Volume ('000)	Monthly Turnover**
Amar Finance and Leasing Company	41.5	50%	69	1,642	1566%
AAN Digital Services Co KSCP	16.3	25%	2,481	140,616	539%
Osoul Investment Co KSCP	70.0	23%	100	1,452	106%
Kuwait and Middle East Financial Inv.	58.5	17%	1,020	21,344	239%
Gulf Petroleum Investment Company	23.7	15%	341	15,210	-84%
Credit Rating and Collection Company	19.2	13%	4	220	214%
Automated Systems Company KPSC	80.0	13%	0	1	-100%
Kuwait Resorts Company KPSC	60.4	11%	525	9,541	-40%
Aayan Real Estate Company KSCP	63.6	10%	821	13,078	173%
Energy House Holding Company KSCP	22.0	10%	33	1,763	-62%

Note: Percentage change from the end of July 2019

** 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 '000)	Volume ('000)	Monthly Turnover**
Integrated Holding Co KSCC	413.0	-28%	4,222	9,268	-32%
International Resorts Company KPSC	12.6	-24%	23	1,636	-76%
IFA Hotels and Resorts Co KSCP	48.5	-23%	24	481	61%
Al Masaken International Real Estate De	52.2	-20%	0	8	-84%
Al Eid Food Company KSCP	61.2	-20%	5	136	-17%
Sanam Real Estate Company KSCP	37.0	-18%	16	423	55%
International Financial Advisors KPSC	42.9	-17%	494	11,833	-45%
Arzan Financial Group for Financing and	26.7	-16%	6,943	294,670	314%
Coast Investment and Development Co	32.7	-14%	472	14,009	45%
National International Holding Co KSCP	61.5	-12%	141	2,044	38%

Note: Percentage change from the end of July 2019

** 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 '000)	Volume ('000)	Monthly Turnover**
Kuwait Finance House KSCP	748	-4%	78,765	108,992	-8%
Mobile Telecommunications Company k	565	-2%	50,704	91,218	19%
National Bank of Kuwait SAKP	992	-1%	40,918	45,445	-53%
Ahli United Bank BSC	280	-3%	36,303	143,047	-33%
National Industries Group Holding KPSC	239	-5%	30,492	131,445	42%
Kuwait International Bank KSCP	274	-5%	25,524	93,993	29%
Gulf Bank KSCP	299	-6%	23,311	83,080	-57%
Burgan Bank KPSC	348	-1%	21,358	64,819	30%
Agility Public Warehousing Co KSCP	755	-6%	18,376	24,676	-23%
Boubyan Petrochemical Company KSCP	776	-11%	15,458	20,368	101%

Note: Percentage change from the end of July 2019

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

Amar Finance and Leasing Company was the top gainer in August 2019 with a monthly gain of 50% M-o-M to close at 41.5 fils, (total trading values during the month went up by 1566% compared to the average trading value of the last twelve months). Followed by AAN Digital Services Co KSCP which surged by 25% to close the month at 16.3 fils (total trading values during the month went Up by 539% compared to the average trading value of the last twelve months).

Integrated Holding Co KSCC topped the losers chart during the 8th month of 2019 as it went down by 28% to close at 413 fils, followed by International Resorts Company KPSC and IFA Hotels and Resorts Co KSCP which decayed by 24% and 23% during the month, closing at 12.6 fils and 48.5 fils, respectively.

Kuwait Finance House KSCP "KFH" was the top performer in terms of value traded during the month with a trading value of KD 78.8 million (8% lower than the monthly average for the last twelve months), to end the month at 748 fils. Mobile Telecommunications Company KSCP "Zain" came next with a traded value of KD 50.7 million (19% higher than the monthly average for the last twelve months), to close the month's trading at 565 fils. National Bank of Kuwait SAKP "NBK" came next with a traded value of KD 40.9 million (53% lower than the monthly average for the last twelve months), to close the month's trading at 992 fils.

Last 12 Months Kuwait Indices Performance

All-Share Index (PR)				Premier Market Index (PR)				Main Market Index (PR)			
Month	Index (Close)	Point Change	%Chg	Month	Index (point)	Point Change	%Chg	Month	Index (point)	Point Change	%Chg
Aug-18	5,132			Aug-18	5,262			Aug-18	4,897		
Sep-18	5,128	(4.3)	-0.1%	Sep-18	5,344	82.1	1.6%	Sep-18	4,736	(161.8)	-3.3%
Oct-18	5,042	(85.8)	-1.7%	Oct-18	5,234	(109.7)	-2.1%	Oct-18	4,694	(41.9)	-0.9%
Nov-18	5,109	67.0	1.3%	Nov-18	5,318	83.6	1.6%	Nov-18	4,730	36.3	0.8%
Dec-18	5,080	(29.6)	-0.6%	Dec-18	5,267	(50.5)	-0.9%	Dec-18	4,739	8.6	0.2%
Jan-19	5,206	126.4	2.5%	Jan-19	5,430	162.7	3.1%	Jan-19	4,798	59.5	1.3%
Feb-19	5,232	25.7	0.5%	Feb-19	5,482	52.1	1.0%	Feb-19	4,773	(25.1)	-0.5%
Mar-19	5,618	386.2	7.4%	Mar-19	5,987	504.7	9.2%	Mar-19	4,917	144.3	3.0%
Apr-19	5,630	12.2	0.2%	Apr-19	6,047	60.5	1.0%	Apr-19	4,829	(88.5)	-1.8%
May-19	5,732	101.7	1.8%	May-19	6,242	194.9	3.2%	May-19	4,737	(92.2)	-1.9%
Jun-19	5,832	100.5	1.8%	Jun-19	6,377	134.8	2.2%	Jun-19	4,767	29.9	0.6%
Jul-19	6,117	284.5	4.9%	Jul-19	6,744	367.1	5.8%	Jul-19	4,882	115.1	2.4%
Aug-19	5,941	(175.5)	-2.9%	Aug-19	6,528	(216.3)	-3.2%	Aug-19	4,789	(92.3)	-1.9%

LTM: last twelve months

Monthly Value Traded				Monthly Volume Traded				Average Daily Traded Value			
Month	Value (KWD '000)	(Chg '000)	%Chg	Month	(Volume '000)	(Chg '000)	%Chg	Month	(KWD '000)	(Change Mn)	%Chg
Aug-18	356,411			Aug-18	1,781,004			Aug-18	20,965		
Sep-18	523,800	167,389	47.0%	Sep-18	2,098,974	317,970	17.9%	Sep-18	26,190	5,224.6	24.9%
Oct-18	309,840	(213,961)	-40.8%	Oct-18	1,484,658	(614,316)	-29.3%	Oct-18	13,471	(12,718.7)	-48.6%
Nov-18	284,811	(25,028)	-8.1%	Nov-18	2,143,526	658,868	44.4%	Nov-18	16,754	3,282.3	24.4%
Dec-18	574,464	289,653	101.7%	Dec-18	2,484,601	341,074	15.9%	Dec-18	26,112	9,358.4	55.9%
Jan-19	610,442	35,978	6.3%	Jan-19	3,959,021	1,474,421	59.3%	Jan-19	27,747	1,635.4	6.3%
Feb-19	438,459	(171,983)	-28.2%	Feb-19	2,503,532	(1,455,489)	-36.8%	Feb-19	25,792	(1,955.7)	-7.0%
Mar-19	817,153	378,694	86.4%	Mar-19	3,650,166	1,146,633	45.8%	Mar-19	38,912	13,120.3	50.9%
Apr-19	702,672	(114,481)	-14.0%	Apr-19	3,641,765	(8,400)	-0.2%	Apr-19	33,461	(5,451.5)	-14.0%
May-19	617,069	(85,603)	-12.2%	May-19	2,257,251	(1,384,514)	-38.0%	May-19	28,049	(5,412.0)	-16.2%
Jun-19	660,162	43,093	7.0%	Jun-19	2,623,166	365,915	16.2%	Jun-19	36,676	8,627.1	30.8%
Jul-19	978,903	318,741	48.3%	Jul-19	4,679,630	2,056,463	78.4%	Jul-19	42,561	5,885.3	16.0%
Aug-19	490,233	(488,670)	-49.9%	Aug-19	2,584,969	(2,094,660)	-44.8%	Aug-19	27,235	(15,325.8)	-36.0%

LTM: last twelve months

- The All-Share Index (PR) ended the 8th month of 2019 in the red zone with monthly modest decline of 2.9% and YTD of 17% to close at a level of 5,941 points.
- The Premier Market Index (PR) closed the month of August 2019 with a drop at 3.2% M-o-M to close at 6,528 points. Additionally the Premier Market Index (PR) has a YTD of 23.9% in 2019.
- The Main Market Index (PR) showed in August 2019 a marginal decline of 1.9% and YTD of 3.0% to close at a level of 4,789 points.
- Trading activity went down during the month as this was reflected by the monthly traded volume dropped by 45% compared to the previous month to reach 2.6 billion shares. Moreover, monthly value traded saw a significant deterioration of 50% to reach KWD 490 million as compared to KWD 978 million during the previous month.
- The average monthly traded value went also down during the month of August 2019 by 36% to an average daily traded value of KWD 27.2 million compared to KWD 42.6 million in July 2019.

Disclaimer

It should be noted that this report does not constitute investment recommendations or whether investors should continue to own their investments. The report was prepared only for the purpose of viewing and should not be relied upon for any other purpose.

This report is prepared for general circulation and was sent to you as a customer for the purpose of providing general information only, it is not intended to offer or provide advice regarding the purchase or sale of any security or investment.

Although the information in this report has been gathered from sources that the company believes to be reliable, we have not verified independently whether it is inaccurate or incomplete. There is no responsibility on the company for any losses arising directly or indirectly from this information.

