

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 31 July 2019



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Kuwait Boursa Performance Analysis

Market Indices

	31-Jul-19	30-Jun-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	6,117	5,832	4.9% ▲	20.4% ▲
Premier Market Index (PR)	6,744	6,377	5.8% ▲	28.0% ▲
Main Market Index (PR)	4,882	4,767	2.4% ▲	3.0% ▲
All-Share Index (TR)	7,062	6,733	4.9% ▲	24.9% ▲
Premier Market Index (TR)	7,826	7,400	5.8% ▲	32.8% ▲
Main Market Index (TR)	5,550	5,418	2.4% ▲	7.0% ▲

Note: Percentage change from the end of June 2019

Highest and lowest indices level

	During the Month		During 2019	
	High	Low	High	Low
All-Share Index (PR)	6,143	5,843	6,143	5,110
Premier Market Index (PR)	6,777	6,392	6,777	5,305
Main Market Index (PR)	4,916	4,764	5,058	4,698
All-Share Index (TR)	7,092	6,745	7,092	5,686
Premier Market Index (TR)	7,864	7,417	7,864	5,937
Main Market Index (TR)	5,589	5,415	5,665	5,415

Market Indicators

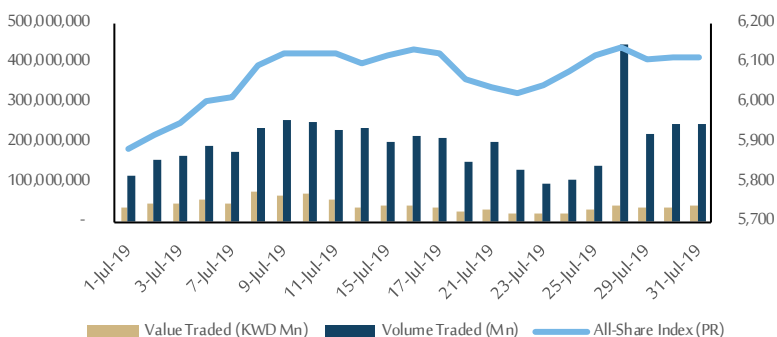
	31-Jul-19	%Chg MTD
Market Cap KWD	34,920,566,769	5.1% ▲
Daily average volume traded (shares / day)	203,462,164	39.6% ▲
Daily average value traded (KWD/ day)	42,561,009	16.0% ▲

Note: Percentage change from the end of June 2019

Net profit of listed Companies in Kuwait Boursa

KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	2,363,982,658	11.3% ▲

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



Kuwait Boursa market indices continued its positive performance during May-19 with the All Share Index gaining 4.9% during the month. Kuwait Boursa maintained its leadership as the best performing GCC market during 2019. The Premier Index (PR) grew by 28% YTD and the All Share Index (PR) rose by 20.4% driven by the Kuwait's inclusion of the Morgan Stanley Emerging Markets Index. Also, the attractiveness of the large-cap fundamentally strong stocks in Kuwait comes primarily on the back of the earnings that continues to remain resilient despite subdued regional economic growth.

In July 2019, the gain of the All Share Index (PR) was coming mainly on the back of large cap stocks as indicated by a 5.8% rise in the Premier Market index (PR) as well as the main market index (PR) increased by 2.4% during the month.

Average Daily Traded Value surged in July 2019 by 16% to KD 42.6 million during the month compared to KD 36.7 million in the previous month. Also, the average daily traded volume significantly increased by 39.6% during July 2019 to reach a daily average of 203.5 million compared to a daily average of 145.7 million shares.

Trading activity had increased enormously in July 2019. Value traded went up by 48% to an amount of KWD 978.9 million compared to KWD 660.2 million in the previous month. Total traded volume in July-19 grew at bigger advances of 178.4% to reach a traded shares accounted for 4.7 billion shares compared to 2.62 billion shares in the previous month.

Within the Premier Market index, most of the constituents 17 out of the 19 constituents ended the month of July 2019 in the green zone as topped by Mabane Company KPSC leading the gainers chart with a monthly gains of 11.6% followed by GFH Financial Group BSC and National Industries Group Holding KPSC at a rate of 11.1% and 11.0%, respectively. On the other hand, the losers chart during the month showed two only constituents which are Integrated Holding Co. and Boubyan Petrochemical Co. with a loss of 6.6% and 2.2%, respectively.

Kuwait Boursa Sectors' Indices Performance

Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE %
	31-Jul-2019	Pct Change %					
Oil and Gas	1,171.2	1.8%	▲	17.7	0.9	0.0%	6.2%
Basic materials	1,100.3	-0.5%	▼	15.5	1.3	4.4%	8.4%
Industrials	946.4	4.8%	▲	15.1	1.1	0.9%	7.6%
Consumer goods	781.9	0.3%	▲	53.0	1.5	0.0%	2.3%
Health care	952.1	1.1%	▲	138.3	4.9	0.0%	5.1%
Consumer services	978.7	2.8%	▲	(35.3)	1.1	1.4%	-2.3%
Telecom	1,074.5	8.4%	▲	11.5	1.6	5.3%	13.7%
Banking	1,424.8	5.2%	▲	17.1	1.9	2.5%	10.8%
Insurance	941.5	1.0%	▲	8.3	0.8	3.7%	9.5%
Real estate	968.5	3.7%	▲	29.8	0.8	0.8%	2.5%
Financial services	1,074.0	3.6%	▲	11.7	0.8	1.5%	6.1%
Technology	516.5	-17.0%	▼	14.4	0.5	0.0%	3.7%

Note: Percentage change from the end of June 2019

Market Indices activities

Sector	Value			Volume		
	31-Jul-2019	Pct Change %		31-Jul-2019	Pct Change %	
Oil and Gas	601,080	-26.7%	▼	17,373,544	-10.4%	▼
Basic materials	8,352,765	15.4%	▲	14,176,845	18.5%	▲
Industrials	96,526,018	44.8%	▲	308,509,507	76.4%	▲
Consumer goods	802,776	-65.1%	▼	7,206,644	-67.3%	▼
Health care	248,000	NA	▲	200,000	NA	▲
Consumer services	3,882,448	49.3%	▲	30,799,473	150.2%	▲
Telecom	65,615,938	-9.3%	▼	158,026,486	1.6%	▲
Banking	575,267,613	42.9%	▲	1,307,569,735	39.2%	▲
Insurance	771,000	16.4%	▲	2,139,773	-14.3%	▼
Real estate	33,563,538	24.0%	▲	565,923,898	29.9%	▲
Financial services	193,260,726	148.4%	▲	2,267,551,165	167.0%	▲
Technology	17,444	8.8%	▲	219,796	13.9%	▲

Note: Percentage change from the end of June 2019

In terms of sector performance, most of the Sector performance chart showed positive performance during the month topped by the Telecom Index with a gain of 8.4% followed by Banking Index and Industrial Index with a monthly positive performance of 5.2% and 4.8%, respectively.

The Telecom Index monthly gains were primarily on the back of 9.3% gain in shares of Zain and 11.9% gain in shares of Ooredoo. Shares of Zain and Ooredoo got a boost after they reported an increase in their earnings release for H1-2019. Zain showed an increase of 12.5% in its net profit while Ooredoo's net profit boosted at higher rate of 42% during H1-2019.

The Banking was the second best performing index during July 2019 as it surged by 5.2%. The was driven by the fact that all the banking sector's constituents increased their share value in July with exception for CBK which declined by 2.3% M-o-M. However, 13.3% gain in shares of AUB-KW and 9.5% in shares of AUB. In addition, the positive gains in the large Cap banks NBK and KFH pushed the index higher during the month. Both NBK and KFH reported double digit growth in net income during Q2-2019.

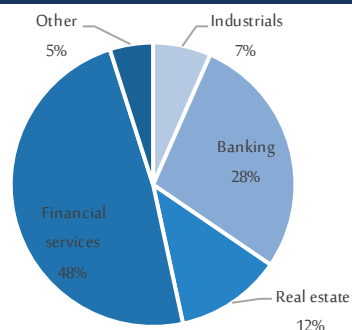
On the decliner's side, the Technology index witnessed the steepest decline for the month of July-2019 at a rate of 17% M-o-M followed by Basic Material Index with a marginal decline of 0.5% M-o-M.

In terms of value traded in July-19, the sector indices showed a mixed performance during the month. In fact, Financial Services showed higher liquidity as it grew by 145%, followed by Consumer Services and Industrial Index which showed an increase in their level of liquidity by 49.3% and 44.8%, respectively.

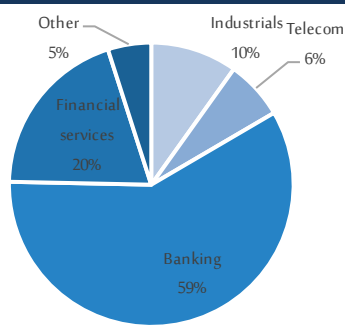
The banking sector was the most traded sector accounted for 59% of the total value traded followed by Financial Services and Industrial by 20% and 10% respectively.

Financial Services Sector, Banking Sector and Real Estate Sector were the most traded sectors based on monthly traded volume during the month with a share of 48%, 28% and 12%, 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**
IFA Hotels and Resorts Co	63.3	40.7%	15,414	295,068	11%
Kuwait and Middle East Financial	50.0	40.1%	1,318,110	29,127,686	577%
Al Eid Food Company KSCP	76.2	36.1%	14,517	239,750	134%
Combined Group Contracting	252.0	34.0%	19,358,756	86,973,667	3660%
National Investments Co KSCP	141.0	28.2%	7,187,649	57,213,297	294%
Aayan Leasing and Investment	55.7	22.7%	22,174,978	481,367,385	202%
Amwal International Inv.	56.0	21.7%	14	260	-100%
KAMCO Investment Co KSCP	103.0	21.2%	88,050	1,066,392	70%
Kuwait Investment Company	147.0	20.5%	5,114,828	38,762,198	415%
AAN Digital Services Co KSCP	13.0	19.3%	512,511	44,557,606	41%

Note: Percentage change from the end of June 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)	Volume	Monthly Turnover**
Ream Real Estate Company	105.0	-35.5%	270,631	2,595,555	4452%
Taameer Real Estate Investment	19.3	-33.9%	684,153	31,012,395	-49%
Taameer Real Estate Investment	19.3	-33.9%	684,153	31,012,395	-49%
International Resorts Company	16.5	-26.7%	21,857	1,593,734	-77%
Al Madar Finance and Investment	104.0	-19.4%	1,280,971	11,436,272	-59%
Automated Systems Company	71.0	-17.0%	11,301	152,693	-6%
International Financial Advisors	19.1	-17.0%	687,001	32,261,172	-24%
Tamdeen Real Estate Co KPSC	315.0	-16.0%	91,020	282,983	77%
Wethaq Takaful Insurance	29.0	-15.9%	5,045	163,000	-91%
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Note: Percentage change from the end of June 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)	Volume	Monthly Turnover**
Kuwait Finance House KSCP	780.0	9.2%	169,512,366	228,413,314	105%
National Bank of Kuwait SAKP	999.0	2.1%	111,847,964	112,826,127	34%
Ahli United Bank BSC	288.0	9.5%	98,758,140	354,167,217	99%
Gulf Bank KSCP	318.0	5.0%	78,950,180	254,724,868	56%
National Industries Group Holding	252.0	11.0%	61,699,955	267,016,745	247%
Mobile Telecommunications Co.	578.0	9.3%	61,361,918	112,086,691	49%
Alimtiiaz Investment Group Co KSCP	140.0	1.4%	43,182,076	312,807,141	806%
Warba Bank KSC	257.0	3.6%	32,735,897	130,472,540	168%
Kuwait International Bank KSCP	288.0	5.1%	32,552,074	117,191,537	63%
Agility Public Warehousing Co KSCP	802.0	4.4%	30,798,749	39,229,908	31%

Note: Percentage change from the end of June 2019

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

IFA Hotels and Resorts Co. was the top gainer in July 2019 with a monthly gain of 40.7% M-o-M to close at 63.3 fils, (total trading values during the month went up by 11% compared to the average trading value of the last twelve months). Followed by Kuwait and Middle East Financial Co. which surged by 40.1% to close the month at 5 fils (total trading values during the month went up by 577% compared to the average trading value of the last twelve months).

Ream Real Estate Company topped the losers chart during the seventh month of 2019 as it went down by 35.5% to close at 105 fils, followed by Taameer Real Estate Investment Co. and International Resorts Company which decayed by 33.9% and 26.7% during the month, closing at 19.3 fils and 16.5 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 169.5 million (105% higher than the monthly average for the last twelve months), to end the month at 780 fils. National Bank of Kuwait SAKP "NBK" came next with a traded value of KD 111.8 million (34% higher than the monthly average for the last twelve months), to close the month's trading at 999 fils. Ahli United Bank BSC "AUB-BH" came next with a traded value of KD 98.8 million (99% higher than the monthly average for the last twelve months), to close the month's trading at 288 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
Jul-18	5,168			Jul-18	5,297			Jul-18	4,933		
Aug-18	5,132	(35.3)	-0.7%	Aug-18	5,262	(35.2)	-0.7%	Aug-18	4,897	(35.5)	-0.7%
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%

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
Jul-18	612,589			Jul-18	2,892,052			Jul-18	26,634		
Aug-18	356,411	(256,178)	-41.8%	Aug-18	1,781,004	(1,111,048)	-38.4%	Aug-18	20,965	(5,668.9)	-21.3%
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	938,643	278,480	42.2%	Jul-19	4,432,633	1,809,467	69.0%	Jul-19	42,561	5,885.3	16.0%

LTM: last twelve months

- The All-Share Index (PR) ended the 7th month of 2019 in the green zone with monthly strong increase of 4.9% and YTD of 20.4% to close at a level of 6,117 points.
- The Premier Market Index (PR) closed the month of July 2019 with a significant growth at 5.8% M-o-M to close at 6,744 points. Additionally the Premier Market Index (PR) has a YTD of 28.0% in 2019.
- The Main Market Index (PR) showed in the seventh month of 2019 a marginal increase of 2.4% and YTD of 3.0% to close at a level of 4,882 points.
- Trading activity went up during the month. This as evidenced by the fact that the monthly traded volume surged by 69.0% compared to the previous month to reach 4.43 billion shares. Moreover, monthly value traded saw a significant level of 42.2% to reach KWD 938.6 million as compared to KWD 660.2 million during the previous month.
- The average monthly traded value went also up during the month of July 2019 by 16.0% to an average daily traded value of KWD 42.6 million compared to KWD 36.7 million in June 2019.

Disclaimer

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