

# Arzan Financial Group

**Monthly Market Report**

**Kuwait Boursa Performance**

**For the month ended on 31 December 2019**



# Content

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

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# Kuwait Boursa Performance Analysis

## Market Indices

	31-Dec-19	28-Nov-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	6,282	5,928	6.0% ▲	23.7% ▲
Premier Market Index (PR)	6,976	6,519	7.0% ▲	32.4% ▲
Main Market Index (PR)	4,911	4,767	3.0% ▲	3.6% ▲
All-Share Index (TR)	7,255	6,846	6.0% ▲	28.3% ▲
Premier Market Index (TR)	8,095	7,565	7.0% ▲	37.3% ▲
Main Market Index (TR)	5,588	5,425	3.0% ▲	7.8% ▲

Note: Percentage change from the end of November 2019

## Highest and lowest indices level

	During the Month		During 2019	
	High	Low	High	Low
All-Share Index (PR)	6,282	5,928	6,282	5,110
Premier Market Index (PR)	6,978	6,519	6,978	5,305
Main Market Index (PR)	4,911	4,767	5,058	4,667
All-Share Index (TR)	7,255	6,846	7,255	5,686
Premier Market Index (TR)	8,097	7,565	8,097	5,937
Main Market Index (TR)	5,571	5,425	5,665	5,425

## Market Indicators

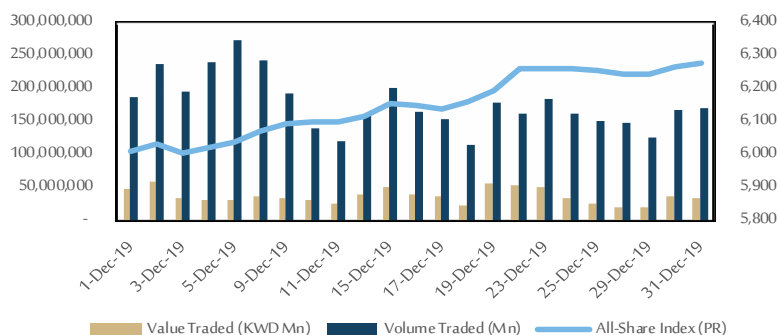
	31-Dec-19	%Chg MTD
Market Cap KWD	36,188,192,506	6.0% ▲
Daily average volume traded (shares / day)	178,126,219	19.5% ▲
Daily average value traded (KWD/ day)	37,105,086	44.1% ▲

Note: Percentage change from the end of November 2019

## Net profit of listed Companies in Kuwait Boursa

KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	2,377,497,341	8.9% ▲

Note: Percentage change from the end of Last Twelve Month as end of Q3-2019



Kuwait Boursa index ended the year of 2019 in the green zone for the fourth consecutive year. Accordingly, the market indices in December recoded the best monthly performance in 2019 mainly due to the fact that we see this gains were primarily on the back of talks of MSCI upgrading Kuwait to Emerging Market which was announced during December-19.

Additionally, Kuwaiti market indices topped the monthly performance among the GCC during December 2019 with All Share Index gaining 6% during the month. The previous index's gain were coming mainly on the back of large cap stocks as indicated by a 7% growth in the Premier Market Index (PR) as well as the main market index (PR) increased by 3% during the month.

Kuwait Boursa maintained its leadership as the best performing GCC market during 2019. The Premier Index (PR) grew by 32.4 YTD and this leads the All Share Index (PR) to YTD of 23.7% while the Main Market index (PR) remained almost flat with a YTD gain of 3.6%.

Average Daily Traded Value in December 2019 surged by 44.1% to KD 37.1 million during the month compared to KD 25.7 million in the previous month. Also, the average daily traded volume significantly increased by 19.5% during Dec-2019 to reach a daily average of 178.1 million compared to a daily average of 149 million shares.

Trading activity saw a huge growth during December 2019. Accordingly, Value traded increased by 65.8% to KWD 853 million compared to KWD 514 million in the previous month. Total traded volume in December 2019 grew lower by 37% to reach a traded shares accounted for 4.1 billion shares compared to 2.98 billion shares in the previous month.

Within the Premier Market index, most of the constituents 11 out of the 19 constituents ended the month of December 2019 in the green zone as topped by Ahli United Bank BSC leading the gainers chart with a monthly gains of 16.2% followed by Kuwait Finance House KSC and Integrated Holding Co KSCC at a rate of 11.2% and 11.1%, to reach 323 fils, 811 fils and 551 fils respectively. On the other hand, the losers chart during the month were topped by Mezzan Holding Company KSCP and Boubyan Petrochemical Company KSCP which dropped the most with a loss of 9.1% and 7.2%, respectively.

# Kuwait Boursa Sectors' Indices Performance

## Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE %
	31-Dec-2019	Pct Change %					
Oil and Gas	1,238.2	2.3%	▲	20.5	1.0	0.0%	6.2%
Basic materials	908.1	-4.3%	▼	12.7	1.1	5.8%	8.4%
Industrials	927.5	4.5%	▲	14.9	1.1	2.3%	7.3%
Consumer goods	637.2	-6.9%	▼	27.2	1.2	0.0%	2.3%
Health care	884.6	-3.0%	▼	134.6	4.6	0.0%	5.1%
Consumer services	1,072.3	5.8%	▲	(120.9)	1.2	1.3%	-2.3%
Telecom	1,116.7	3.3%	▲	11.5	1.7	5.2%	13.7%
Banking	1,482.6	8.1%	▲	17.9	2.0	2.4%	10.6%
Insurance	953.9	2.3%	▲	8.6	0.8	3.6%	9.0%
Real estate	1,058.7	6.1%	▲	37.2	0.8	0.7%	2.6%
Financial services	1,081.5	1.2%	▲	12.7	0.8	2.1%	6.2%
Technology	515.1	-1.7%	▼	14.2	0.5	0.0%	3.8%

Note: Percentage change from the end of November 2019

## Market Indices activities

Sector	Value			Volume		
	31-Dec-2019	Pct Change %		31-Dec-2019	Pct Change %	
Oil and Gas	3,683,611	39.1%	▲	168,536,969	28.1%	▲
Basic materials	16,070,711	7.8%	▲	29,315,081	-9.6%	▼
Industrials	80,741,393	20.9%	▲	363,698,055	63.2%	▲
Consumer goods	2,132,130	77.9%	▲	10,396,317	-67.8%	▼
Health care	122	NA	→	150	NA	→
Consumer services	4,714,098	11.3%	▲	60,376,623	143.4%	▲
Telecom	89,371,622	258.8%	▲	169,306,381	89.6%	▲
Banking	499,565,377	83.2%	▲	1,063,643,620	91.0%	▲
Insurance	374,811	50.0%	▲	1,574,076	-6.3%	▼
Real estate	61,315,135	44.7%	▲	896,476,549	22.0%	▲
Financial services	95,424,178	12.5%	▲	1,333,224,481	15.6%	▲
Technology	34,077	69.7%	▲	501,746	89.3%	▲

Note: Percentage change from the end of November 2019

The sector performance chart for 2019 showed gains predominantly came on the back of large cap sectors including Banks and Telecom which together accounted for 70% of the total stock exchange market cap. The Banking index topped the sector performance chart for the year with a gain of 35.7% followed by the Telecom with a gain of 25.8%.

In terms of monthly sector performance, most of the Sector performance chart showed positive performance during the month with the fact that most of December gains came primarily on the back of large-cap sectors like Banks, Real Estate and Telecoms indices with a monthly positive performance of 8.1%, 6.1% and 3.3%, respectively.

The Banking Index monthly gains were the best among sector indices and this primarily was on the back of the fact that 9 out of 10 Kuwaiti banks recorded gains during the month. AUB-BH surged the most with a monthly gain of 16.2% followed by the largest market cap constituents KFH & Boubyan bank with a gain of 11.1% and 10.5%, respectively. On the other hand, Ahli Bank of Kuwait was the only loser among the banking sector by monthly loss of 4.5%. This happened due to the Q3 net losses announced and led primarily by higher provision which increased to the double KWD 32 million Q-o-Q.

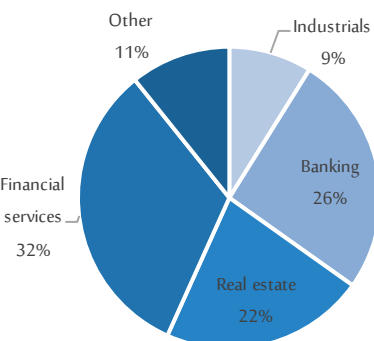
On the decliner's side, the Technology Index saw the sharpest decay of 34.4% in 2019 primarily on the back of drop in shares of ASC. The Basic Materials index also declined by in 2019 by 22% led by decline in shares of three out of four stocks in the sector.

In terms of value traded in December 2019, the sector indices showed a positive performance during the month. In fact, Telecom index showed higher liquidity as it grew by 259%, followed by Banking and Consumer Goods Indices which showed an increase in their level of liquidity by 83% and 78%, respectively.

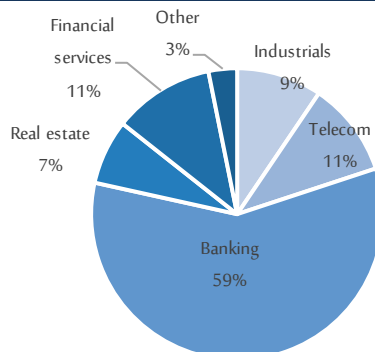
The banking sector was the most traded sector accounted for 59% of the total value traded followed by Financial Services and Telecom by 11% and 11% respectively.

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 32%, 26% 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**
Al Deera Holding Co.	20.0	66.7%	673,541	38,957,514	1771.3%
UniCap Investment and Finance	55.0	46.7%	1,274,786	26,877,871	158.0%
Mubarrad Holding Co KSCP	87.9	40.9%	7,088,179	93,471,300	1889.8%
Al Eid Food Company KSCP	79.0	31.7%	264,644	3,997,215	997.7%
Kuwait Syrian Holding Co KSCP	31.5	27.0%	681,356	24,025,545	34.1%
Al Mal Investment Company KPSC	9.9	26.9%	251,846	26,632,244	34.7%
Coast Investment and Development	40.0	25.4%	991,616	26,053,406	208.4%
National International Holding Co.	77.0	24.2%	381,798	5,221,332	248.1%
IFA Hotels and Resorts Co KSCP	55.0	22.2%	81,391	1,628,131	282.6%
United Projects for Aviation Services	512.0	21.9%	24,856	54,657	-24.6%

Note: Percentage change from the end of November 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*
Dar Al Thuraya Real Estate	70.1	-41.6%	81,615	1,279,431	7368.8%
Aayan Leasing and Investment	46.7	-24.9%	20,735,923	409,988,224	83.6%
Sharjah Cement and Industrial Develop.	42.2	-21.9%	156,653	3,038,341	129.8%
Al Madar Finance and Investment Co.	92.8	-20.0%	1,122,986	11,332,307	-65.6%
Amwal International Investment Co.	30.0	-16.7%	4,311	125,967	72.6%
First Takaful Insurance Co KPSC	38.1	-15.1%	12,074	322,948	6.9%
AAN Digital Services Co KSCP	13.5	-14.0%	262,469	18,579,855	-56.9%
Arabi Group Holdings KSCP	274.0	-13.0%	4,972,451	16,766,612	138.3%
Wethaq Takaful Insurance Co KCSP	25.0	-12.3%	2,059	80,640	-95.5%
Ras Al Khaimah for White Cement	65.0	-12.2%	100,471	1,588,217	255.8%

Note: Percentage change from the end of November 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 KSC	811.0	11.2%	139,827,987	177,016,114	27.4%
National Bank of Kuwait SAKP	1,070.0	5.8%	124,242,763	118,296,646	18.1%
Ahli United Bank BSC	323.0	16.2%	89,200,439	295,414,595	28.5%
Mobile Telecommunications Co.	600.0	2.2%	87,581,878	148,714,818	97.5%
Gulf Bank KSCP	303.0	9.8%	38,245,613	130,662,140	-40.0%
Kuwait International Bank KSCP	274.0	1.9%	32,367,699	117,755,273	35.5%
Warba Bank KSCP	275.0	-1.1%	26,737,501	95,063,774	44.9%
Agility Public Warehousing Co KSCP	818.0	6.9%	26,444,806	33,367,019	16.7%
Aayan Leasing and Investment Co.	47	-24.9%	20,735,923	409,988,224	83.6%
Boubyan Bank KSCP	641.0	10.5%	20,277,575	32,832,774	46.5%

Note: Percentage change from the end of November 2019

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

Al Deera Holding Co. was the top gainer in December 2019 with a monthly gain of 66.7% M-o-M to close at 20 fils, (total trading values during the month went up by 1771% compared to the average trading value of the last twelve months). Followed by UniCap Investment and Finance which surged by 46.7% to close the month at 55 fils (total trading values during the month went up by 158% compared to the average trading value of the last twelve months).

Dar Al Thuraya Real Estate topped the losers chart during the last month of 2019 as it went down by 41.6% to close at 70.1 fils, followed by Aayan Leasing and Investment and Sharjah Cement and Industrial Development Company which decayed by 24.9% and 21.9% during the month, closing at 46.7 fils and 42.2 fils, respectively.

Kuwait Finance House KSC "KFH" was the top performer in terms of value traded during the month with a trading value of KD 139.8 million (27.4% higher than the monthly average for the last twelve months), to end the month at 811 fils. National Bank of Kuwait SAKP "NBK" came next with a traded value of KD 124.2 million (18% higher than the monthly average for the last twelve months), to close the month's trading at 1070 fils. Ahli United Bank BSC "AUB-BH" came next with a traded value of KD 89 million (28.5% higher than the monthly average for the last twelve months), to close the month's trading at 323 fils

## Last 12 Months Kuwait Indices Performance

All-Share Index (PR)			
Month	Index (Close)	Point Change	%Chg
Dec-18	5,080		
Jan-19	5,206	126.4	2.5%
Feb-19	5,232	25.7	0.5%
Mar-19	5,618	386.2	7.4%
Apr-19	5,630	12.2	0.2%
May-19	5,732	101.7	1.8%
Jun-19	5,832	100.5	1.8%
Jul-19	6,117	284.5	4.9%
Aug-19	5,941	(175.5)	-2.9%
Sep-19	5,679	(262.4)	-4.4%
Oct-19	5,717	38.6	0.7%
Nov-19	5,928	210.9	3.7%
Dec-19	6,282	354.2	6.0%

Premier Market Index (PR)			
Month	Index (point)	Point Change	%Chg
Dec-18	5,267		
Jan-19	5,430	162.7	3.1%
Feb-19	5,482	52.1	1.0%
Mar-19	5,987	504.7	9.2%
Apr-19	6,047	60.5	1.0%
May-19	6,242	194.9	3.2%
Jun-19	6,377	134.8	2.2%
Jul-19	6,744	367.1	5.8%
Aug-19	6,528	(216.3)	-3.2%
Sep-19	6,175	(353.0)	-5.4%
Oct-19	6,211	36.4	0.6%
Nov-19	6,519	308.2	5.0%
Dec-19	6,976	456.6	7.0%

Main Market Index (PR)			
Month	Index (point)	Point Change	%Chg
Dec-18	4,739		
Jan-19	4,798	59.5	1.3%
Feb-19	4,773	(25.1)	-0.5%
Mar-19	4,917	144.3	3.0%
Apr-19	4,829	(88.5)	-1.8%
May-19	4,737	(92.2)	-1.9%
Jun-19	4,767	29.9	0.6%
Jul-19	4,882	115.1	2.4%
Aug-19	4,789	(92.3)	-1.9%
Sep-19	4,714	(75.5)	-1.6%
Oct-19	4,758	44.1	0.9%
Nov-19	4,767	9.1	0.2%
Dec-19	4,911	143.7	3.0%

LTM: last twelve months

Monthly Value Traded			
Month	Value (KWD '000)	(Chg '000)	%Chg
Dec-18	574,464		
Jan-19	610,442	35,978	6.3%
Feb-19	438,459	(171,983)	-28.2%
Mar-19	817,153	378,694	86.4%
Apr-19	702,672	(114,481)	-14.0%
May-19	617,069	(85,603)	-12.2%
Jun-19	660,162	43,093	7.0%
Jul-19	978,903	318,741	48.3%
Aug-19	490,233	(488,670)	-49.9%
Sep-19	749,884	259,651	53.0%
Oct-19	503,743	(246,141)	-32.8%
Nov-19	514,818	11,075	2.2%
Dec-19	853,417	338,599	65.8%

Monthly Volume Traded			
Month	(Volume '000)	(Chg '000)	%Chg
Dec-18	2,484,601		
Jan-19	3,959,021	1,474,421	59.3%
Feb-19	2,503,532	(1,455,489)	-36.8%
Mar-19	3,650,166	1,146,633	45.8%
Apr-19	3,641,765	(8,400)	-0.2%
May-19	2,257,251	(1,384,514)	-38.0%
Jun-19	2,623,166	365,915	16.2%
Jul-19	4,679,630	2,056,463	78.4%
Aug-19	2,584,969	(2,094,660)	-44.8%
Sep-19	3,112,774	527,805	20.4%
Oct-19	2,923,385	(189,389)	-6.1%
Nov-19	2,980,710	57,325	2.0%
Dec-19	4,096,903	1,116,193	37.4%

Average Daily Traded Value			
Month	(KWD '000)	(Change Mn)	%Chg
Dec-18	26,112		
Jan-19	27,747	1,635.4	6.3%
Feb-19	25,792	(1,955.7)	-7.0%
Mar-19	38,912	13,120.3	50.9%
Apr-19	33,461	(5,451.5)	-14.0%
May-19	28,049	(5,412.0)	-16.2%
Jun-19	36,676	8,627.1	30.8%
Jul-19	42,561	5,885.3	16.0%
Aug-19	27,235	(15,325.8)	-36.0%
Sep-19	34,086	6,850.5	25.2%
Oct-19	21,902	(12,183.8)	-35.7%
Nov-19	25,741	3,839.0	17.5%
Dec-19	37,105	11,364.2	44.1%

LTM: last twelve months

- The All-Share Index (PR) ended the 12<sup>th</sup> month of 2019 in the green zone with monthly strong increase of 6.0% and YTD of 23.7% to close at a level of 6,282 points.
- The Premier Market Index (PR) closed the month of December 2019 with a significant growth at 7.0% M-o-M to close at 6,976 points. Additionally the Premier Market Index (PR) has a YTD of 32.4% in 2019.
- The Main Market Index (PR) showed in the last month of 2019 an increase of 3.0% and marginal YTD of 3.6 % to close at a level of 4,911 points.
- Trading activity went up significantly during the month. This as evidenced by the fact that the monthly traded volume surged by 37.4% compared to the previous month to reach 4.1 billion shares. Moreover, monthly value traded saw significant increase of 65.8% to reach KWD 853.4 million as compared to KWD 514.8 million during the previous month.
- The average monthly traded value went also up during the month of December 2019 by 44.1% to an average daily traded value of KWD 37.1 million compared to KWD 25.7 million in November 2019.

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