

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 31 January 2020



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Kuwait Boursa Performance Analysis

Market Indices

	30-Jan-20	31-Dec-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	6,325	6,282	0.7% ▲	0.7% ▲
Premier Market Index (PR)	7,033	6,976	0.8% ▲	0.8% ▲
Main Market Index (PR)	4,922	4,911	0.2% ▲	0.2% ▲
All-Share Index (TR)	7,309	7,255	0.7% ▲	0.7% ▲
Premier Market Index (TR)	8,161	8,095	0.8% ▲	0.8% ▲
Main Market Index (TR)	5,617	5,588	0.5% ▲	0.5% ▲

Note: Percentage change from the end of December 2019

Highest and lowest indices level

	During the Month		During 2020	
	High	Low	High	Low
All-Share Index (PR)	6,393	6,049	6,393	6,049
Premier Market Index (PR)	7,141	6,692	7,141	6,692
Main Market Index (PR)	4,929	4,779	4,929	4,779
All-Share Index (TR)	7,385	6,985	7,385	6,985
Premier Market Index (TR)	8,286	7,765	8,286	7,765
Main Market Index (TR)	5,624	5,438	5,624	5,438

Market Indicators

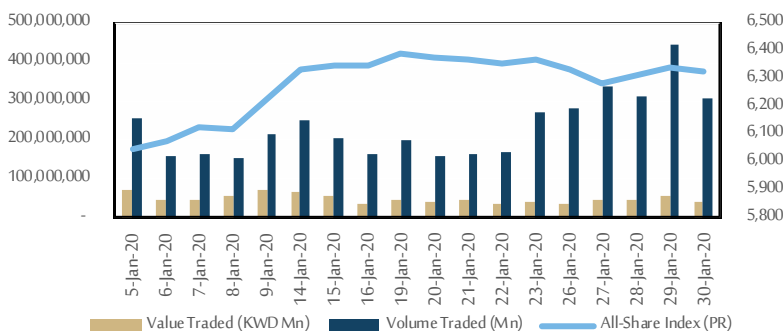
	30-Jan-20	%Chg MTD
Market Cap KWD	38,983,076,031	0.5% ▲
Daily average volume traded (shares / day)	234,225,032	31.5% ▲
Daily average value traded (KWD / day)	48,302,708	30.2% ▲

Note: Percentage change from the end of December 2019

Net profit for Companies in Kuwait Boursa

KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	2,580,514,571	7.8% ▲

Note: Percentage change from the end of Last Twelve Month as end of January 2020



Kuwaiti Boursa Indices witnessed marginal increase in Jan-20 after recording one of the best performance in 2019 among all the financial markets around the world. The increase was based in the three main shares indices which are (All-Share Index, Premier Market & Main Market). The Premier index (PR) surged the most In Jan-2020 by 0.8%. The All Share Index (PR) went up parallelly but at a slower pace of 0.7% driven by the flattish performance for the Main Market Index by 0.2%.

At the first day of the year 2020, there were some negative news regards geopolitical risks in the Mena area and this was one of the main reason for the flattish performance of the Kuwaiti market's indices. Nevertheless, the investors are looking forward to hear news related to the china's ability to control Corona Virus, which caused the disruption of the chines economy during Jan-2020.

The good news were also obtainable for the local investors as the annual financial results' season had started in Jan 2020. The largest market cap base in Kuwait Boursa NBK announced its results as they recorded annual growth of 8.2% in the Bank's profits in 2019 Y-o-Y, Also, Boubyan Bank and Kuwait Finance House achieved profit's growth of 11.7% and 10.4%, respectively during the same period.

Average Daily Traded Value in January 2020 surged by 30% to KD 48.3 million compared to KD 37.1 million in the previous month. Also, the average daily traded volume significantly increased by 32% in Jan-20 to a daily average of 234 million compared to a daily average of 178 million shares.

Trading activity saw modest rise in Jan-20 compared to the previous month. Accordingly, Value traded surged by 1.9% to KWD 870 Mn compared to KWD 854 Mn in the previous month. Total traded volume grew 2.9% to reach an amount of 4.2 Bn shares compared to 4.1 Bn shares in December 2019.

Within the Premier Market index, most of the constituents 13 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 5.3% followed by Agility and Human Soft by 3.9% and 3.5%, to reach 340 fils, 850 fils and 3,118 fils respectively. On the other hand, the losers chart were topped by Zain Company and Mezzan Holding with a loss of 4.0% and 3.0%, respectively.

Kuwait Boursa Sectors' Indices Performance

Sector	Index		Price to Earning	Price to Book Value	Dividend Yield	ROE%
	30-Jan-2020	Pct Change %				
Oil and Gas	1,293.3	4.4% ▲	20.5	0.96	0.00%	6.2%
Basic materials	911.3	0.4% ▲	12.5	1.03	6.03%	8.3%
Industrials	929.9	0.3% ▲	15.0	1.07	1.57%	7.4%
Consumer goods	627.9	-1.5% ▼	26.6	1.22	0.00%	2.3%
Health care	866.4	-2.1% ▼	131.9	4.51	0.00%	5.1%
Consumer services	1,046.5	-2.4% ▼	(118.5)	1.21	1.31%	-2.3%
Telecom	1,074.8	-3.8% ▼	11.4	1.66	5.37%	13.3%
Banking	1,504.1	1.4% ▲	17.6	1.91	2.32%	10.9%
Insurance	969.0	1.6% ▲	8.5	0.82	3.57%	9.0%
Real estate	1,073.0	1.4% ▲	40.1	0.84	0.19%	2.1%
Financial services	1,090.8	0.9% ▲	13.6	0.80	1.74%	6.2%
Technology	499.1	-3.1% ▼	13.9	0.53	0.00%	3.8%

Note: Percentage change from the end of December 2019

Sector	Value		Volume	
	30-Jan-2020	Pct Change %	30-Jan-2020	Pct Change %
Oil and Gas	2,001,534	-45.7% ▼	87,883,325	-47.9% ▼
Basic materials	12,963,308	-19.3% ▼	25,639,649	-12.5% ▼
Industrials	90,858,060	12.5% ▲	244,055,598	-32.9% ▼
Consumer goods	1,820,033	-14.6% ▼	9,557,304	-8.1% ▼
Health care	511	320.8% ▲	656	337.3% ▲
Consumer services	3,862,523	-18.1% ▼	39,183,503	-35.1% ▼
Telecom	63,860,342	-28.5% ▼	332,589,102	96.4% ▲
Banking	519,858,381	4.1% ▲	971,853,569	-8.6% ▼
Insurance	545,383	45.5% ▲	1,941,902	23.4% ▲
Real estate	44,810,081	-26.9% ▼	667,694,020	-25.5% ▼
Financial services	128,852,578	35.0% ▲	1,835,404,691	37.7% ▲
Technology	47,567	268.6% ▲	714,825	305.0% ▲

Note: Percentage change from the end of December 2019

In terms of sector performance, the sector performance chart was mixed during the month with the Oil & Gas Index topped the monthly performance chart during the month with a gain of 4.4% followed by the Insurance Index with a monthly gain of 1.6%. The Banking Index was next on the list with a gain of 1.4% supported by the full year earnings' season. Real Estate Index was next on the monthly performance chart with a gain of 1.4%.

The Gain in the Oil & Gas Index were driven mainly by the fact that NAPESCO recorded a gain of 12.8% but its traded value was low during the month. Shares of GPI was also up by 6% that along with 2.3% gain in shares of Senergy and all of this was enough to offset the 12.1% decline in shares of ABAR.

Banking Index monthly gains was one of the best among sector indices performance and this was primarily on the back of the fact that 8 out of 10 Kuwaiti banks recorded gains in Jan-2020 with exception for NBK and AUB-KW which closed the month in the red zone with a loss of 1.9% and 1.7%, respectively.

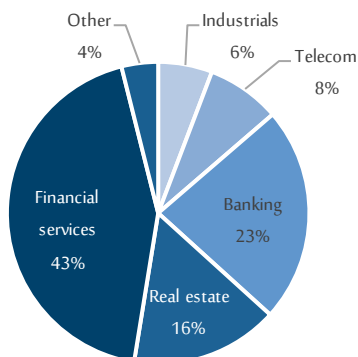
On the decliner's side, the Telecom Index saw the sharpest decay of 3.8% in January 2020 primarily on the back of the drop in the three telecom service providers receded during the month. The Technology Index also declined by 3.1% in the month followed by Consumer Services Index by 2.4%.

In terms of value traded in January 2020, the sector indices showed also mixed performance during the month. In fact, Health Care and Technology Indices showed highest liquidity growth by 321% and 269% respectively. On the other hand, the Oil & Gas Index and Real Estate Index showed the most depreciation in term of liquidity during the month by 46% and 27%, respectively.

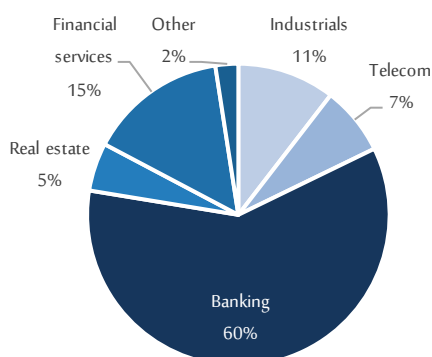
The banking sector was the most traded sector accounted for 60% of the total value traded followed by Financial Services and Industrial by 15% and 11% respectively.

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 43%, 23% and 16%, respectively.

Traded Volume



Traded Value



Top Gainers and Losers

Companies' Top Gainers During The Period

Company	Close (fils)	%Chg MTD	Value (KWD '000)	Volume ('000)	Monthly Turnover
Arzan Financial Group for Financing & Inv.	40.1	69.2%	11,471	391,671	211%
Noor Financial Investment Co KPSC	179.0	50.4%	11,559	74,788	340%
Amar Finance and Leasing Company	54.6	43.7%	907	16,857	5144%
Amwal International Investment Co.	39.6	32.0%	0	35	-91%
First Dubai for Real Estate Development	43.9	23.3%	1,298	35,801	388%
Bayan Investment Co KSCP	45.5	19.4%	263	5,990	206%
Real Estate Trade Centers Company	27.5	18.5%	607	22,121	618%
Taameer Real Estate Investment Co	31.4	18.5%	866	29,606	-40%
AAN Digital Services Co KSCP	15.9	17.8%	3,815	231,250	429%
First Investment Co KSCP	40.5	17.7%	14,917	404,309	381%

** 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**
Arabi Group Holdings KSCP	211.0	-23.0%	786	3,178	-74%
Abyaar Real Estate Development Co.	6.1	-21.8%	580	86,913	-61%
Mubarrad Holding Co KSCP	69.0	-21.5%	3,693	51,841	146%
National Ranges Co KPSC	8.4	-16.0%	107	12,020	99%
Al Massaleh Real Estate Co KSCP	31.6	-14.6%	4	123	-81%
Al Mudon International Real Estate	21.3	-13.1%	289	16,390	10%
Gulf Cement Co PSC	48.0	-12.6%	203	4,110	214%
Equipment Holding Co KSCP	19.2	-12.3%	86	5,364	-39%
Educational Holding Group KSCP	385.0	-12.3%	243	613	-31%
Egypt Kuwait Holding Co SAE	395.0	-12.2%	1	4	-97%

** 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 KSC	837	3.2%	172,936	220,548	64%
National Bank of Kuwait SAKP	1,050	-1.9%	154,041	147,562	73%
Ahli United Bank BSC	340	5.3%	76,644	243,013	14%
Mobile Telecommunications Company	576	-4.0%	58,605	107,257	12%
Gulf Bank KSCP	312	3.0%	31,976	109,821	-40%
Agility Public Warehousing Co KSCP	850	3.9%	29,920	38,510	32%
Human Soft Holding Company KSCP	3,118	3.5%	26,848	9,071	202%
National Industries Group Holding KPSC	244	1.2%	25,599	108,173	-8%
Kuwait International Bank KSCP	282	2.9%	25,197	97,203	-6%
Burgan Bank KPSC	305	0.3%	20,228	75,766	-2%

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

Arzan Financial Group for Financing & Investments KPSC was the top gainer in January 2020 with a monthly gain of 69.2% M-o-M to close at 40.1 fils, (total trading values during the month went up by 211% compared to the average trading value of the last twelve months). Followed by Noor Financial Investment Co KPSC which surged by 50.4% to close the month at 179 fils (total trading values during the month went up by 340% compared to the average trading value of the last twelve months).

Arabi Group Holdings KSCP topped the losers chart during the first month of 2020 as it went down by 23% to close at 211 fils, followed by Abyaar Real Estate Development Co. and Mubarrad Holding Co KSCP which decayed by 21.8% and 21.5% during the month, closing at 6.1 fils and 69 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 173 million (64% higher than the monthly average for the last twelve months), to end the month at 837 fils. National Bank of Kuwait SAKP "NBK" came next with a traded value of KD 154 million (73% higher than the monthly average for the last twelve months), to close the month's trading at 1050 fils. Ahli United Bank BSC "AUB-BH" came next with a traded value of KD 76.6 million (14% higher than the monthly average for the last twelve months), to close the month's trading at 340 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
Jan-19	5,206			Jan-19	5,430			Jan-19	4,798		
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%
Sep-19	5,679	(262.4)	-4.4%	Sep-19	6,175	(353.0)	-5.4%	Sep-19	4,714	(75.5)	-1.6%
Oct-19	5,717	38.6	0.7%	Oct-19	6,211	36.4	0.6%	Oct-19	4,758	44.1	0.9%
Nov-19	5,928	210.9	3.7%	Nov-19	6,519	308.2	5.0%	Nov-19	4,767	9.1	0.2%
Dec-19	6,282	354.2	6.0%	Dec-19	6,976	456.6	7.0%	Dec-19	4,911	143.7	3.0%
Jan-20	6,325	42.5	0.7%	Jan-20	7,033	57.5	0.8%	Jan-20	4,922	11.7	0.2%

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
Jan-19	610,442			Jan-19	3,959,021			Jan-19	27,747		
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%
Sep-19	749,884	259,651	53.0%	Sep-19	3,112,774	527,805	20.4%	Sep-19	34,086	6,850.5	25.2%
Oct-19	503,743	(246,141)	-32.8%	Oct-19	2,923,385	(189,389)	-6.1%	Oct-19	21,902	(12,183.8)	-35.7%
Nov-19	514,818	11,075	2.2%	Nov-19	2,980,710	57,325	2.0%	Nov-19	25,741	3,839.0	17.5%
Dec-19	853,417	338,599	65.8%	Dec-19	4,096,903	1,116,193	37.4%	Dec-19	37,105	11,364.2	44.1%
Jan-20	869,449	16,032	1.9%	Jan-20	4,216,051	119,148	2.9%	Jan-20	48,303	11,197.6	30.2%

LTM: last twelve months

- The All-Share Index (PR) closed the 1st month of 2020 in the green zone with modest surge of 0.7% and YTD of 0.7% to close at a level of 6,325 points.
- The Premier Market Index (PR) closed the month of January 2020 with marginal growth at 0.8% M-o-M to close at 7,033 points. Additionally the Premier Market Index (PR) has a YTD of 0.8% in 2020.
- The Main Market Index (PR) showed in the first month of 2020 similar level of the previous month with flattish increase 0.2% and marginal YTD of 0.2% to close at a level of 4,922 points.
- Trading activity went up marginally during the month. This as evidenced by the fact that the monthly traded volume surged by 2.9% compared to the previous month to reach 4.2 billion shares. Moreover, monthly value traded saw similar increase of 1.9% to reach KWD 869.4 million as compared to KWD 853.4 million during the previous month.
- The average monthly traded value went also up during the month of January 2020 by 30.2% to an average daily traded value of KWD 48.3 million compared to KWD 37.1 million in December 2019.

Disclaimer

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