

# Arzan Financial Group

**Monthly Market Report**

**Kuwait Boursa Performance**

**For the month ended on 31 May 2020**



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# Kuwait Boursa Performance Analysis

## Market Indices

	31-May-20	30-Apr-20	31-Dec-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	4,996	4,975	6,282	0.4% ▲	-20.5% ▼
Premier Market Index (PR)	5,424	5,356	6,976	1.3% ▲	-22.2% ▼
Main Market Index (PR)	4,150	4,226	4,911	-1.8% ▼	-15.5% ▼
All-Share Index (TR)	5,978	5,938	7,255	0.7% ▲	-17.6% ▼
Premier Market Index (TR)	6,548	6,456	8,095	1.4% ▲	-19.1% ▼
Main Market Index (TR)	4,849	4,908	5,588	-1.2% ▼	-13.2% ▼

Note: Percentage change from the end of April 2020

## Highest and lowest indices level

	During the Month		During 2020	
	High	Low	High	Low
All-Share Index (PR)	5,020	4,699	6,393	4,444
Premier Market Index (PR)	5,456	5,025	7,141	4,661
Main Market Index (PR)	4,173	4,059	4,929	3,979
All-Share Index (TR)	6,008	5,623	7,385	5,135
Premier Market Index (TR)	6,585	6,065	8,286	5,409
Main Market Index (TR)	4,908	4,739	5,624	4,739

## Market Indicators

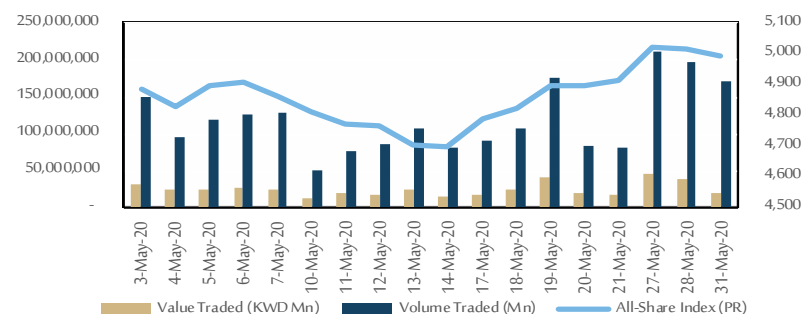
	31-May-20	%Chg MTD
Market Cap KWD	31,007,231,403	0.6% ▲
Daily average volume traded (shares / day)	118,517,381	-17.9% ▼
Daily average value traded (KWD / day)	24,499,141	-27.9% ▼

Note: Percentage change from the end of April 2020

## Net profit for Companies in Kuwait Boursa

KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	2,505,415,927	1.9% ▲

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



Kuwaiti Boursa Indices continued to witness a low signal positive sight in the month of May 2020 as this gain was driven mainly by the large cap index and this was in line with some positive indicators coming from the Ministry of Health regards the Corona virus spread in Kuwait. In Fact, The Kuwait All Share Index gained 0.4% primarily on the back of the 1.4% surge in the Kuwait Premier Market Index. These gains were in some measure offset by decline in the Main Market Index and the Main 50 Index by 1.8% and 3.6%, respectively. Also, the surge in the market index was associated mainly with the positive views in the Crude Oil price.

In fact, the performance of the Kuwaiti indices in May 2020 was similar to the most of the GCC and global markets as the number of coronavirus cases went down and this was associated with the fact that some countries started to open partially or fully their economic after the positive results about controlling the spread of Covid-19 in that country. The surge in the fifth month of 2020 lowered the yearly losses of the Kuwait Boursa as it further lowered YTD-2020 performance with the Premier Market index declining by 22.2%, All Share Index falling by 20.5% while Main Market increase losses to 15.5%.

Average Daily Traded Value in May 2020 dropped by 27.9% to KD 24.5 million compared to KD 33.9 million in the previous month. Also, the average daily traded volume declined by 17.9% in the same month to a daily average of 119 million compared to a daily average of 144 million shares.

Trading activity on the exchange dropped similar to the previous month. Accordingly, Value traded decreased by 41% to KWD 440 Mn compared to KWD 747 Mn in April 2020. Also, Total traded volume went down at lower rate by 32.8% to reach an amount of 2.1 Bn shares compared to 3.1 Bn shares in April 2020.

Within the Premier Market index, most of the constituents 9 out of the 18 constituents ended the month of May 2020 in the green zone as topped by Boubyan Petrochemical Company KSCP leading the gainers chart with a monthly gain of 10.1% followed by Gulf Bank KSCP National Bank of Kuwait SAKP by 4.2% and 4.0% to reach 555 fils, 225 fils and 771 fils, respectively. However, the losers chart was topped by Ahli United Bank BSC with a loss of 9.2% followed by Integrated Holding Co KSCC and Human Soft Holding Company KSCP with a monthly loss of 6.4% and 5.1% to reach 178 fils, 393 fils, and 2,705 fils, respectively.

## Kuwait Boursa Sectors' Indices Performance

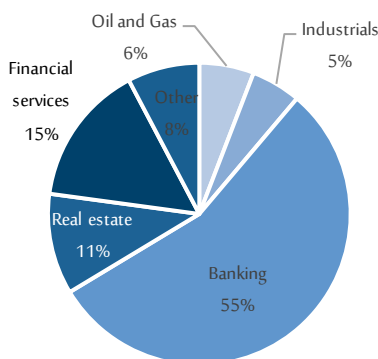
Market sector Indices							
Sector	Index		Price to Earning	Price to Book Value	Dividend Yield	ROE%	
	31-May-2020	Pct Change %					
Oil and Gas	1,033.8	-4.9% ▼	28.3	0.78	0.00%	2.7%	
Basic materials	748.9	5.5% ▲	11.5	0.94	8.14%	8.2%	
Industrials	738.9	-0.1% ▼	12.3	0.86	0.45%	6.8%	
Consumer goods	726.3	-0.5% ▼	33.1	1.43	0.00%	4.0%	
Health care	840.7	-1.2% ▼	49.3	4.33	0.42%	8.4%	
Consumer services	734.6	-1.8% ▼	29.6	0.90	0.00%	2.7%	
Telecom	993.8	-0.2% ▼	10.5	1.51	0.82%	14.4%	
Banking	1,139.0	0.7% ▲	14.3	1.48	2.87%	10.4%	
Insurance	952.1	1.1% ▲	8.1	0.78	0.00%	9.7%	
Real estate	847.4	0.7% ▲	34.8	0.65	0.22%	2.5%	
Financial services	886.9	-1.1% ▼	13.4	0.62	1.62%	4.2%	
Technology	476.5	-4.2% ▼	(64.0)	0.51	0.00%	-0.8%	

Note: Percentage change from the end of April 2020

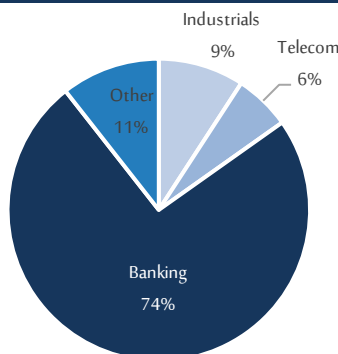
Market Indices activities						
Sector	Value			Volume		
	31-May-2020	Pct Change %		31-May-2020	Pct Change %	
Oil and Gas	1,977,083	-39.7% ▼		124,811,809	-36.7% ▼	
Basic materials	3,447,399	-52.8% ▼		10,747,401	-50.6% ▼	
Industrials	40,508,402	-41.8% ▼		113,465,185	-32.4% ▼	
Consumer goods	3,553,178	-50.2% ▼		37,449,746	104.9% ▲	
Health care	200	NA →		300	NA →	
Consumer services	3,046,220	-35.0% ▼		15,653,683	-49.7% ▼	
Telecom	26,482,908	-52.9% ▼		99,638,609	-45.5% ▼	
Banking	327,329,511	-39.8% ▼		1,177,656,683	-28.9% ▼	
Insurance	52,298	-39.7% ▼		795,592	-22.2% ▼	
Real estate	13,345,617	-42.0% ▼		230,132,178	-29.9% ▼	
Financial services	21,245,979	-33.5% ▼		323,111,851	-43.2% ▼	
Technology	16,402	-66.2% ▼		258,319	-64.5% ▼	

Note: Percentage change from the end of April 2020

### Traded Volume



### Traded Value



In terms of sector performance, the drop during the month were more extensive compared to the strong position during last month. The Basic Material index outperformed the sector performance with a return of 5.5% followed by Insurance Index and Banking Index with a gain of 1.1% and 0.75%, respectively

The Basic Material index recorded the best positive performance among the market sectors during the month with a monthly return of 5.5%. The gain was primarily on the back of the gain in shares of Boubyan Petrochemicals and Qurain Petrochemicals by 10.1% and 2.9% respectively. Unfortunately, the previous gain was partially offset by decline in shares of Kuwait Foundry. The Insurance index was next with a gain of 1.1% followed by marginal gain of 0.7% in Banks and Real Estate indices. In terms of YTD-2020 sector performance, only the Consumer Goods sector was in the green with a gain of 14.0% whereas most of the sectors showed double digit declines led by the Covid-19.

On the other hand, the loser charts were topped by the Oil & Gas Index with a monthly loss of 4.9% M-o-M followed by the Technology Index and the Consumer Services Index by a loss of 4.2% and 1.8%, respectively.

Gains for the Banking sector was also marginal as shares of large-cap banks saw gains during the month that more than offset declines in shares of smaller banks. The Telecom index witnessed modest decline of 0.2% during the month.

In terms of value traded in May 2020, all the sector traded value declined during the month as Technology and Telecom indices were the main losers which showed deflation in liquidity by 66.2%, and 52.9%, respectively.

The banking sector was the most traded sector accounted for 74% of the total value traded followed by Industrial and Telecom by 9% and 6% respectively.

Banking Sector, Financial Services Sector and Real Estate Sector were the most traded sectors based on monthly traded volume during the month with a share of 55%, 15% and 11%, respectively.

## Top Gainers and Losers

### Companies' Top Gainers During The Period

Company	Close (fils)	%Chg MTD	Value (KWD)	Volume ('000)	Monthly Turnover
Dar Al Thuraya Real Estate Co KPSC	138.0	116.3%	6,923	84	-70%
Real Estate Trade Centers Company KPSC	36.4	48.6%	96,914	3,348	6%
Bayan Investment Co KSCP	50.0	44.9%	122,391	3,042	34%
Al Masaken International Real Estate Development Co KSCI	36.8	36.3%	5,575	168	129%
Investors Holding Group Company KSCP	15.3	28.6%	1,633,118	140,779	22%
First Dubai for Real Estate Development Co KSCP	41.3	27.9%	429,512	13,446	-49%
Gulf Investment House KSCP	53.9	19.8%	34,750	909	-94%
National Industries Company KPSC	170.0	13.3%	9,744	66	-79%
First Takaful Insurance Co KPSC	49.0	12.6%	2,081	48	-82%
Arzan Financial Group for Financing and Investment KPSC	34.7	12.3%	1,520,247	53,833	-73%

\*\* 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 ('000)	Monthly Turnover**
IFA Hotels and Resorts Co KSCP	26.0	-21.2%	43,998	1,672	11%
Combined Group Contracting Company KSCP	167.0	-19.7%	2,050,624	12,164	-65%
National Investments Co KSCP	89.7	-17.7%	1,043,852	11,466	-66%
Danah Al Safat Foodstuff Co KPSC	11.5	-16.1%	300,477	28,513	-14%
Ahli United Bank KSCP	259.0	-15.0%	3,399,479	19,761	-18%
Mashaer Holding Co KSCP	53.9	-13.1%	10,140	243	-99%
Inovest BSC Public	47.1	-12.8%	27,343	573	-82%
Tamdeen Real Estate Co KPSC	280.0	-11.1%	24,555	90	-69%
Kuwait Financial Centre KPSC	79.0	-11.0%	344,175	4,939	-77%
ALAFCO Aviation Lease and Finance Company	150.0	-9.6%	3,354,472	24,565	-5%

\*\* 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**
Ahli United Bank BSC	178	-9.2%	101,418	598,539	40%
Kuwait Finance House KSC	616	3.4%	90,131	165,301	-34%
National Bank of Kuwait SAKP	771	4.0%	60,160	89,943	-43%
Mobile Telecommunications Company KSCP	530	0.0%	24,741	51,004	-54%
Kuwait International Bank KSCP	177	-2.7%	23,968	157,688	-3%
Agility Public Warehousing Co KSCP	660	2.6%	21,209	37,292	-25%
Gulf Bank KSCP	225	4.2%	19,992	100,874	-50%
Warba Bank KSCP	206	2.5%	10,938	58,019	-37%
Burgan Bank KPSC	201	-3.4%	10,133	57,037	-40%
National Industries Group Holding KPSC	170	-0.6%	9,773	66,411	-59%

Note: Percentage change from the end of April 2020

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

Dar Al Thuraya Real Estate Co KPSC was the top gainer in May 2020 with a monthly gain of 116.3% M-o-M to close at 138 fils, (total trading values during the month went down by 70% compared to the average trading value of the last twelve months). Followed by Real Estate Trade Centers Company KPSC which surged by 48.6% to close the month at 36.4 fils (total trading values during the month went up by 6% compared to the average trading value of the last twelve months).

IFA Hotels and Resorts Co KSCP topped the losers chart during the fifth month of 2020 as it went down by 21.2% to close at 26 fils, followed by Combined Group Contracting Company KSCP and National Investments Co KSCP which decayed by 19.7% and 17.7% during the month, closing at 167 fils and 89.7 fils, respectively.

Ahli United Bank BSC "AUB" was the top performer in terms of value traded during the month with a trading value of KD 101.4 million (40% higher than the monthly average for the last twelve months), to end the month at 178 fils. Kuwait Finance House KSC "KFH" came next with a traded value of KD 90.1 million (34% lower than the monthly average for the last twelve months), to close the month's trading at 616 fils. National Bank of Kuwait SAKP "NBK" came next with a traded value of KD 60.2 million (43% lower than the monthly average for the last twelve months), to close the month's trading at 771 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
May-19	5,732			May-19	6,242			May-19	4,737		
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%
Feb-20	6,072	(252.9)	-4.0%	Feb-20	6,730	(303.3)	-4.3%	Feb-20	4,769	(153.0)	-3.1%
Mar-20	4,823	(1,249.3)	-20.6%	Mar-20	5,199	(1,531.5)	-22.8%	Mar-20	4,083	(686.2)	-14.4%
Apr-20	4,975	152.7	3.2%	Apr-20	5,356	157.6	3.0%	Apr-20	4,226	143.3	3.5%
May-20	4,996	20.2	0.4%	May-20	5,424	68.1	1.3%	May-20	4,150	(76.1)	-1.8%

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
May-19	617,069			May-19	2,257,251			May-19	28,049		
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%
Feb-20	522,239	(347,210)	-39.9%	Feb-20	3,712,555	(503,496)	-11.9%	Feb-20	30,720	(17,582.8)	-36.4%
Mar-20	986,815	464,577	89.0%	Mar-20	4,235,472	522,917	14.1%	Mar-20	46,991	16,271.3	53.0%
Apr-20	747,366	(239,449)	-24.3%	Apr-20	3,174,138	(1,061,334)	-25.1%	Apr-20	33,971	(13,020.0)	-27.7%
May-20	440,985	(306,382)	-41.0%	May-20	2,133,313	(1,040,825)	-32.8%	May-20	24,499	(9,472.1)	-27.9%

LTM: last twelve months

- The All-Share Index (PR) closed the 5<sup>th</sup> month of 2020 in the green zone with slow surge of 0.4% and YTD of -20.5% to close at a level of 4,996 points.
- The Premier Market Index (PR) closed the month of May 2020 with an increase by 3.0% M-o-M to close at 5,424 points. Additionally the Premier Market Index (PR) has improved its a YTD to -22.2% as of May 2020.
- The Main Market Index (PR) ended the fifth month of 2020 with a decline in the index as it scored a decline of 1.8% M-o-M to close at 4,150 points and its YTD ended at a -15.5% record as of May 2020.
- Trading activity went down significantly during the month. This was evidence by the fact that the monthly traded volume decreased by 32.8% compared to the previous month to reach 2.1 billion shares. Moreover, monthly value traded saw marginal decline but at a higher rate of 41% to reach KWD 441 million as compared to KWD 747 million during the previous month.
- The average monthly traded value went also down during the month of May 2020 by 27.9% to an average daily traded value of KWD 24.5 million compared to KWD 33.9 million in April 2020.

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