

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 31 December 2020



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Kuwait Boursa Performance Analysis

Market Indices					
	31-Dec-20	30-Nov-20	31-Dec-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,546	5,459	6,282	1.6% ▲	-11.7% ▼
Premier Market Index (PR)	6,051	6,009	6,976	0.7% ▲	-13.3% ▼
Main Market Index (PR)	4,552	4,373	4,911	4.1% ▲	-7.3% ▼
All-Share Index (TR)	6,676	6,566	7,255	1.7% ▲	-8.0% ▼
Premier Market Index (TR)	7,336	7,276	8,095	0.8% ▲	-9.4% ▼
Main Market Index (TR)	5,371	5,159	5,588	4.1% ▲	-3.9% ▼

Note: Percentage change from the end of November 2020

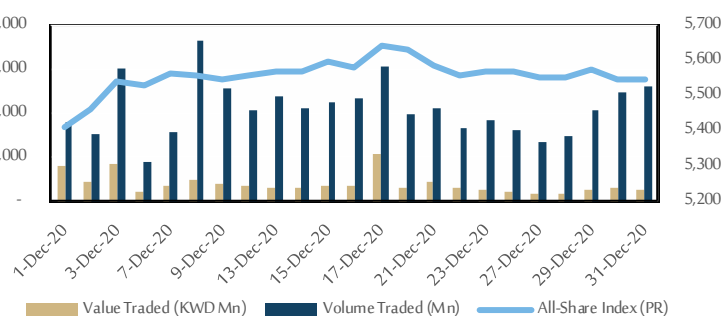
Highest and lowest indices level				
	During the Month		During 2020	
	High	Low	High	Low
All-Share Index (PR)	5,642	5,412	6,393	4,444
Premier Market Index (PR)	6,176	5,951	7,141	4,661
Main Market Index (PR)	4,595	4,348	4,929	3,979
All-Share Index (TR)	6,792	6,509	7,385	5,135
Premier Market Index (TR)	7,488	7,206	8,286	5,409
Main Market Index (TR)	5,421	5,129	5,624	5,129

Market Indicators			
	31-Dec-20	%Chg MTD	
Market Cap KWD	35,349,772,152	1.8% ▲	
Daily average volume traded (shares / day)	212,062,889	-15.5% ▼	
Daily average value traded (KWD / day)	40,090,447	-59.4% ▼	

Note: Percentage change from the end of November 2020

Net profit for Companies in Kuwait Boursa		
KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	1,253,130,447	-49.9% ▼

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



Kuwait reported the biggest decline in the region during 2020 after its annual consecutive positive performance in the last four years. The decline came after investor sentiment was strong impacted by reduced corporate profitability as a result of Covid-19 restrictions.

The market indices ended the last month in 2020 in the green zone taking into consideration December 2020 was the first month after the market got included in the MSCI Emerging Markets Index that occurred at the end of November 2020.

The Main Market index showed gains of 4.1% during the month driven by 4.3% gains of the Main 50 Index. Gains for the Premier Market index was flattish with marginal gains of 0.7%, resulting in a 1.6% gain for the All Share Index.

The performance in the 12th month did not change YTD-2020 too much as the Kuwait Boursa YTD for the Premier Market index declined by -13.3%, All Share Index felt by -11.7% and Main Market losses reached to -7.3%.

Average Daily Traded Value in December 2020 went down by 59.4% to KD 40.1 million compared to KD 98.8 million in the previous month. Also, the average daily traded volume went down at lower basis by 15.5% in the same month to a daily average of 212 million compared to a daily average of 250 million shares.

Trading activity on the exchange showed lower liquidity size during December 2020 after the exceptional event occurred in the previous month which is MSCI inclusion. Accordingly, Value traded dropped by 57.6% to KWD 922 million compared to KWD 2.2 billion in November 2020. Also, traded volume declined by 11.7% to 4.9 Bn shares compared to 5.5 Bn shares in November 2020.

Within the Premier Market index, most of the constituents 11 out of the 20 constituents ended the month of December in the green zone as topped by Boubyan Petrochemical Company KSCP leading the gainers chart with a monthly gain of 11.9% followed by Human Soft Holding Company KSCP and Burgan Bank KPSC by 11.7% and 8.1% to reach 640 fils, 3,799 fils and 213 fils, respectively. However, the losers' chart was topped by Shama Az-Zour Al-Oula Power and Water Company KACP with a loss of 16.1% followed by Ahli United Bank BSC and Boubyan Bank KSCP with a monthly loss of 3.8% and 3.4% to close at 277fils, 227 fils and 568 fils, respectively.

Kuwait Boursa Sectors' Indices Performance

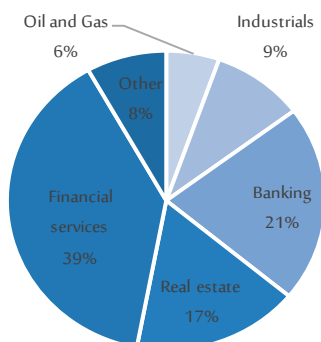
Market sector Indices						
Sector	Index		Price to Earning	Price to Book Value	Dividend Yield	ROE%
	31-Dec-2020	Pct Change %				
Oil and Gas	1,277.3	5.0% ▲	28.6	0.95	0.00%	2.7%
Basic materials	898.6	9.3% ▲	20.0	1.17	4.64%	6.6%
Industrials	891.1	5.2% ▲	266.9	1.06	1.03%	5.9%
Consumer goods	746.4	2.7% ▲	209.5	1.42	0.00%	-1.1%
Health care	826.6	2.7% ▲	39.0	4.03	0.37%	8.5%
Consumer services	818.6	7.7% ▲	(9.3)	1.03	1.64%	2.6%
Telecom	1,102.3	3.3% ▲	13.8	1.66	5.64%	14.2%
Utility	729.0	-16.1% ▼	NaN	NaN	0.00%	NaN
Banking	1,262.5	-0.6% ▼	31.0	1.83	3.27%	11.8%
Insurance	1,156.2	12.4% ▲	11.4	1.03	6.22%	9.9%
Real estate	952.6	6.3% ▲	(37.4)	0.74	1.50%	2.8%
Financial services	929.7	5.3% ▲	(27.8)	0.84	3.59%	5.1%
Technology	502.7	-1.3% ▼	(66.3)	0.54	0.00%	-0.8%

Note: Percentage change from the end of November 2020

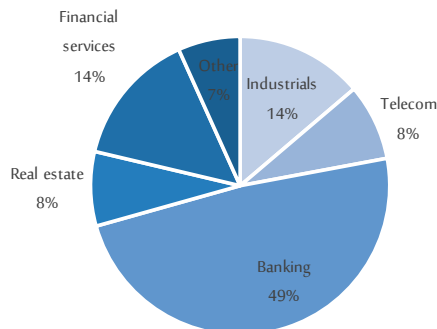
Market Indices activities						
Sector	Value			Volume		
	31-Dec-2020	Pct Change %		31-Dec-2020	Pct Change %	
Oil and Gas	6,877,731	154.6% ▲		262,920,071	122.2% ▲	
Basic materials	11,700,638	-27.8% ▼		28,949,619	-32.0% ▼	
Industrials	126,980,351	-31.9% ▼		457,774,845	9.4% ▲	
Consumer goods	2,726,564	-59.2% ▼		5,078,782	-55.8% ▼	
Health care	20,891	-33.5% ▼		37,593	-38.5% ▼	
Consumer services	15,208,363	-3.5% ▼		101,329,656	13.2% ▲	
Telecom	76,382,374	-69.8% ▼		166,535,777	-65.3% ▼	
Utility	22,711,901	-18.8% ▼		80,360,291	-7.6% ▼	
Banking	448,007,111	-69.9% ▼		1,035,506,594	-60.8% ▼	
Insurance	2,709,249	229.4% ▲		13,807,755	224.3% ▲	
Real estate	74,260,630	-14.9% ▼		827,793,362	36.7% ▲	
Financial services	134,423,518	50.3% ▲		1,896,327,757	86.3% ▲	
Technology	80,113	-33.3% ▼		1,156,493	-36.1% ▼	

Note: Percentage change from the end of November 2020

Traded Volume



Traded Value



In terms of sector performance, the performance of the sector indices were mixed in the month of December 2020 showing 10 sector indices gained compared to 3 sector indices lost.

In terms of sector with Positive performance, the Insurance and Basic Materials indices topped the monthly performance chart with gains of 12.4% and 9.3% in order, followed by the Consumer Services index with a gain of 7.7%. Within the Insurance Sector, the largest market cap stock Gulf Insurance Co. stock surged significantly during the month by 40% followed by 15.3% growth for First Takaful Co. Also, Basic Material sector, all the constituents showed gains during the month owing to increase in oil price. Boubyan Petrochemical gains of 11.9% while shares of Al-Qurain Petrochemical was up by 7.6%.

The sector performance chart for 2020 showed a broad-based as the gainers and decliners largely reflected the impact of Covid-19. The worst performance went for the Consumer Services index reporting the biggest yearly decline of 23.7%. In terms of sectoral gainers, the Insurance index topped with a gain of 21.2% followed by Consumer Goods and Oil & Gas indices with yearly gains of 17.1% and 3.2%, respectively.

On the losers' side, the Utility Index witnessed the biggest monthly decline of 16.1%, followed by the Technology and Banking Index with a drop of 1.3% and 0.6%, respectively.

The Banking sector was the second biggest decliner in 2020 with a fall of 14.9% followed by Financial Services and Real Estate Indices with declines of 14.0% and 10.0%, respectively. In the banking sector, Boubyan Bank was the only stock that reported marginal gains of 0.2% whereas of the remaining 9 Kuwaiti banks, 6 reported double-digit declines as a result of the impact of higher provisions on the sector's profitability.

In terms of value traded in same month, the performance were mostly negative as Insurance, Oil & Gas and Financial Services indices were the only gainers in term of liquidity performance showing an increase by 229%, 155% and 50%, respectively.

The banking sector was the most traded sector accounted for 48.6% of the total value traded followed by financial services and Industrial by 14.6% and 13.8% 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 39%, 21% and 17%, respectively.

Top Gainers and Losers

Companies' Top Gainers During The Period					
Company	Close (fils)	%Chg MTD	Value (KWD)	Volume ('000)	Monthly Turnover
Al Bareeq Holding KSCP	65.5	364.5%	2,950,370	49,116	2227%
Burgan for Well Drilling Trading	155.0	80.2%	1,104,565	7,387	7720%
Gulf Insurance Group KSCP	807.0	40.0%	469,666	697	1137%
Metal and Recycling Co KSCP	53.1	38.6%	95,097	2,034	1171%
First Investment Co KSCP	43.0	33.1%	20,590,416	529,902	379%
National International Holding Co KSCP	82.8	31.4%	1,486,532	20,131	1124%
ALAFCO Aviation Lease and Finance Co	216.0	27.1%	31,028,482	153,862	500%
Energy House Holding Company KSCP	28.4	25.1%	1,613,361	60,653	871%
Al Eid Food Company KSCP	83.0	23.0%	618,256	7,851	401%
Senergy Holding Company KSCP	21.2	21.8%	645,938	32,965	237%

Note: Percentage change from the end of November 2020

** 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**
Shamal Az-Zour Al-Oula Power and Water Company	277.0	-16.1%	22,711,901	96,492	51%
Injazzat Real Estate Development Company KPSC	74.5	-14.3%	90,134	1,234	233%
Dalqan Real Estate Company KSCP	274.0	-13.8%	480	2	0
Hilal Cement Company Kscp	91.0	-12.5%	11,887	124	308%
Shuaiba Industrial Company KPSC	155.0	-11.9%	5,650	32	1%
Amar Finance and Leasing Company KSCP	48.7	-11.5%	1,557	32	-98%
Kuwait Finance and Investment Company KSCP	43.0	-10.2%	627,874	14,744	409%
National Petroleum Services Company KSCP	1,049.0	-10.0%	11,765	11	-75%
Tijara and Realestate Investment Company KSCP	42.0	-9.9%	468,237	10,818	2273%
Real Estate Trade Centers Company KPSC	27.6	-8.0%	18,176	653	-83%

Note: Percentage change from the end of November 2020

** 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**
National Bank of Kuwait SAKP	840	0.0%	156,870	683,839	-6%
KUWAIT FINANCE HOUSE K.S.C.P	677	-0.4%	114,679	482,852	-34%
Ahli United Bank BSC	227	-3.8%	68,478	311,647	-27%
Agility Public Warehousing Co KSCP	676	5.1%	38,487	138,035	-14%
Gulf Bank KSCP	219	4.3%	37,814	298,147	-4%
Boubyan Bank KSCP	568	-3.4%	35,521	138,874	72%
ALAFCO Aviation Lease and Finance	216	27.1%	31,028	153,862	500%
Kuwait Real Estate Company KPSC	109	11.2%	25,488	235,076	804%
Mabane Company KPSC	657	5.3%	25,447	79,178	16%
Aayan Leasing and Investment Co	92	4.7%	22,802	243,023	61%

Note: Percentage change from the end of November 2020

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

Al Bareeq Holding KSCP was the top gainer in December 2020 with a monthly gain of 364% M-o-M to close at 65.5 fils, (total trading values during the month went down by 2227% compared to the average trading value of the last twelve months). Followed by Burgan for Well Drilling Trading and Maintenance which surged by 80.2% to close the month at 155 fils (total trading values during the month went up by 7720% compared to the average trading value of the last twelve months). Next by Gulf Insurance Group KSCP which surged by 40.0% to close the month at 807 fils (total trading values during the month went up by 1137% compared to the average trading value of the last twelve months).

Shamal Az-Zour Al-Oula Power and Water Company KACP topped the losers' chart during the 12th month of 2020 as it went down by 16.1% to close at 277 fils, followed by Injazzat Real Estate Development Company KPSC and Dalqan Real Estate Company KSCP which decayed by 14.3% and 13.8% during the month, closing at 74.5 fils & 274 fils, respectively.

National Bank of Kuwait SAKP was the top performer in terms of value traded during the month with a trading value of KD 156.9 million (6% lower than the monthly average for the last twelve months), to end the month at 840 fils. Kuwait Finance House KSC "KFH" came next with a traded value of KD 114.7 million (34% lower than the monthly average for the last twelve months), to close the month's trading at 677 fils. Ahli United Bank BSC "AUB-BH" came next with a traded value of KD 68.5 million (27% lower than the monthly average for the last twelve months), to close the month's trading at 227 fils.

Last 12 Months Kuwait Indices Performance

All-Share Index (PR)			
Month	Index (Close)	Point Change	%Chg
Dec-19	6,282		
Jan-20	6,325	42.5	0.7%
Feb-20	6,072	(252.9)	-4.0%
Mar-20	4,823	(1,249.3)	-20.6%
Apr-20	4,975	152.7	3.2%
May-20	4,996	20.2	0.4%
Jun-20	5,131	135.1	2.7%
Jul-20	4,968	(162.5)	-3.2%
Aug-20	5,294	326.1	6.6%
Sep-20	5,445	150.9	2.9%
Oct-20	5,443	(2.2)	0.0%
Nov-20	5,459	16.5	0.3%
Dec-20	5,546	86.6	1.6%

Premier Market Index (PR)			
Month	Index (point)	Point Change	%Chg
Dec-19	6,976		
Jan-20	7,033	57.5	0.8%
Feb-20	6,730	(303.3)	-4.3%
Mar-20	5,199	(1,531.5)	-22.8%
Apr-20	5,356	157.6	3.0%
May-20	5,424	68.1	1.3%
Jun-20	5,607	182.7	3.4%
Jul-20	5,415	(191.8)	-3.4%
Aug-20	5,855	439.3	8.1%
Sep-20	6,021	166.3	2.8%
Oct-20	6,004	(16.9)	-0.3%
Nov-20	6,009	4.6	0.1%
Dec-20	6,051	42.5	0.7%

Main Market Index (PR)			
Month	Index (point)	Point Change	%Chg
Dec-19	4,911		
Jan-20	4,922	11.7	0.2%
Feb-20	4,769	(153.0)	-3.1%
Mar-20	4,083	(686.2)	-14.4%
Apr-20	4,226	143.3	3.5%
May-20	4,150	(76.1)	-1.8%
Jun-20	4,190	39.7	1.0%
Jul-20	4,086	(104.1)	-2.5%
Aug-20	4,185	98.9	2.4%
Sep-20	4,304	118.7	2.8%
Oct-20	4,332	28.4	0.7%
Nov-20	4,373	41.3	1.0%
Dec-20	4,552	179.3	4.1%

LTM: last twelve months

Monthly Value Traded			
Month	Value (KWD '000)	(Chg '000)	%Chg
Dec-19	853,417		
Jan-20	869,449	16,032	1.9%
Feb-20	522,239	(347,210)	-39.9%
Mar-20	986,815	464,577	89.0%
Apr-20	747,366	(239,449)	-24.3%
May-20	440,985	(306,382)	-41.0%
Jun-20	721,624	280,640	63.6%
Jul-20	528,700	(192,925)	-26.7%
Aug-20	668,964	140,264	26.5%
Sep-20	1,065,299	396,335	59.2%
Oct-20	1,145,102	79,804	7.5%
Nov-20	2,173,923	1,028,821	89.8%
Dec-20	922,080	(1,251,843)	-57.6%

Monthly Volume Traded			
Month	(Volume '000)	(Chg '000)	%Chg
Dec-19	4,096,903		
Jan-20	4,216,051	119,148	2.9%
Feb-20	3,712,555	(503,496)	-11.9%
Mar-20	4,235,472	522,917	14.1%
Apr-20	3,174,138	(1,061,334)	-25.1%
May-20	2,133,313	(1,040,825)	-32.8%
Jun-20	3,885,178	1,751,865	82.1%
Jul-20	2,572,747	(1,312,431)	-33.8%
Aug-20	3,719,574	1,146,827	44.6%
Sep-20	8,276,448	4,556,874	122.5%
Oct-20	6,224,709	(2,051,739)	-24.8%
Nov-20	5,521,336	(703,373)	-11.3%
Dec-20	4,877,446	(643,890)	-11.7%

Average Daily Traded Value			
Month	(KWD '000)	(Change Mn)	%Chg
Dec-19	37,105		
Jan-20	48,303	11,197.6	30.2%
Feb-20	30,720	(17,582.8)	-36.4%
Mar-20	46,991	16,271.3	53.0%
Apr-20	33,971	(13,020.0)	-27.7%
May-20	24,499	(9,472.1)	-27.9%
Jun-20	32,801	8,302.0	33.9%
Jul-20	25,176	(7,624.9)	-23.2%
Aug-20	35,209	10,032.5	39.8%
Sep-20	50,729	15,519.9	44.1%
Oct-20	60,269	9,540.0	18.8%
Nov-20	98,815	38,546.1	64.0%
Dec-20	40,090	(58,724.2)	-59.4%

LTM: last twelve months

- The All-Share Index (PR) closed the last month of the year 2020 in the green zone with a modest increase of 1.6% and YTD of -11.7% to close at a level of 5,546 points.
- The Premier Market Index (PR) closed the month of December 2020 with a modest surge by 0.7% M-o-M to close at 6,051 points. Additionally, the Premier Market Index (PR) has a YTD to -13.3% as of December 2020.
- The Main Market Index (PR) ended the twelve month of 2020 with an increase in the index as it scored a rise of 4.1% M-o-M to close at 4,552 points and its YTD ended at a -7.3% record as of December 2020.
- Trading activity went up significantly during the month. This was evidence by the fact that the monthly traded value saw enormous decline of 57.6% to reach KWD 922 million as compared to KWD 2.2 billion during the previous month. Also, the monthly traded volume fell by 11.7% compared to the previous month to reach 4.9 billion shares compared to 5.52 billion shares in the previous month.
- The average monthly traded value went down during the month of December 2020 by 59.4 % to an average daily traded value of KWD 40.1 million compared to KWD 98.8 million in November 2020.

Disclaimer

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