

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 31 October 2019



Content

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-Oct-19	30-Sep-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,717	5,679	0.7% ▲	12.6% ▲
Premier Market Index (PR)	6,211	6,175	0.6% ▲	17.9% ▲
Main Market Index (PR)	4,758	4,714	0.9% ▲	0.4% ▲
All-Share Index (TR)	6,602	6,557	0.7% ▲	16.8% ▲
Premier Market Index (TR)	7,207	7,165	0.6% ▲	22.3% ▲
Main Market Index (TR)	5,414	5,362	1.0% ▲	4.4% ▲

Note: Percentage change from the end of September 2019

Highest and lowest indices level

	During the Month		During 2019	
	High	Low	High	Low
All-Share Index (PR)	5,775	5,636	6,143	5,110
Premier Market Index (PR)	6,300	6,119	6,777	5,305
Main Market Index (PR)	4,770	4,697	5,058	4,667
All-Share Index (TR)	6,669	6,507	7,092	5,686
Premier Market Index (TR)	7,310	7,100	7,864	5,937
Main Market Index (TR)	5,428	5,343	5,665	5,343

Market Indicators

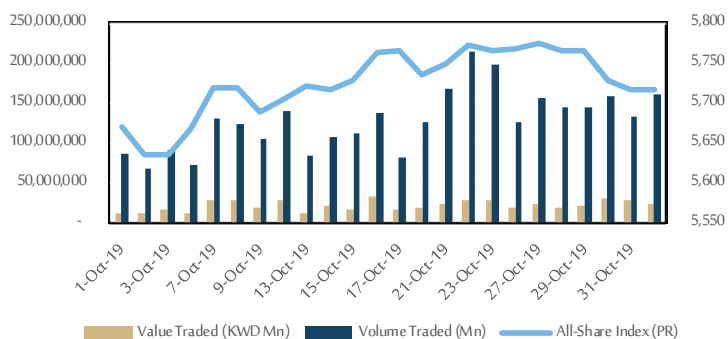
	31-Oct-19	%Chg MTD
Market Cap KWD	32,970,113,937	0.7% ▲
Daily average volume traded (shares / day)	127,103,695	-10.2% ▼
Daily average value traded (KWD/ day)	21,901,881	-35.7% ▼

Note: Percentage change from the end of September 2019

Net profit of listed Companies in Kuwait Boursa

KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	2,379,453,286	7.7% ▲

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



Kuwait Boursa indices showed a marginal increase in the month of October 2019 after two consecutive months of decline. All the three market indices witnessed a modest upset in Oct-19 primarily driven by large cap stocks. This was proved by the fact that the Main Index (PR) went up in the month of October by 0.9% indicating higher gains compared to the Premier Market Index (PR) with a gain of 0.7% for the first time in this year. Among market indices with all the index constituents seeing declines for the second consecutive month. Moreover, All Share Index increased marginally by 0.7% during the month with minimal volatility.

Kuwait Boursa lost its leadership as the best performing GCC market in term of YTD in 2019 to the second place after Bahrain Boursa, with the fact that All Share Index (PR) gained 12.6% and this was supported by the higher gain in the Premier Index (PR) which scored 17.9% YTD. In addition, the Main Market index stood at a marginal growth of 0.4% as of October 2019.

Average Daily Traded Value dropped in Oct-19 by 35.7% to KD 21.9 million during the month compared to KD 31.1 million in the previous month. Moreover, the average daily traded volume decreased by 10.2% during October 2019 to reach a daily average of 141.5 million compared to a daily average of 143.6 million shares.

Trading activity had dropped significantly in October 2019. Value traded went down by 32.8% to an amount of KWD 504 million compared to KWD 749.9 million in the previous month. Total traded volume in October-19 declined at much lower rate of 6.1% to reach a traded shares accounted for 2.9 billion shares compared to 3.1 billion shares in the previous month.

During the month, Within the Premier Market index, 10 out of the 19 constituents closed the month in the red zone topped by Mezzan Holding Company KSCP leading the losers chart during the month at 6.7% followed by Gulf Bank KSCP at a rate of 5.4% and Boubyan Petrochemical by 3.1%. On the other hand, the gainers chart during the month where topped by Integrated Holding Co KSCC and Mobile Telecommunications Company KSCP with a gain of 10.0% and 5.0%, respectively.

Kuwait Boursa Sectors' Indices Performance

Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE %
	31-Oct-2019	Pct Change %					
Oil and Gas	1,173.9	1.5%	▲	18.7	0.9	0.0%	6.2%
Basic materials	953.3	-3.0%	▼	47.2	2.5	5.5%	18.4%
Industrials	874.6	1.2%	▲	14.9	1.0	2.4%	7.3%
Consumer goods	684.5	-6.4%	▼	30.0	1.4	0.0%	2.3%
Health care	911.8	-1.1%	▼	141.8	4.7	0.0%	5.0%
Consumer services	996.3	6.0%	▲	(48.8)	1.1	1.4%	-2.3%
Telecom	1,048.3	4.4%	▲	10.8	1.6	5.5%	13.7%
Banking	1,304.9	-0.1%	▼	15.5	1.7	2.7%	10.6%
Insurance	930.4	-4.8%	▼	7.7	0.8	3.7%	9.3%
Real estate	955.3	2.9%	▲	34.5	0.8	0.8%	2.5%
Financial services	1,076.0	1.4%	▲	13.0	0.8	2.1%	6.2%
Technology	523.8	1.4%	▲	14.2	0.5	0.0%	3.7%

Note: Percentage change from the end of September 2019

Market Indices activities

Sector	Value			Volume		
	31-Oct-2019	Pct Change %		31-Oct-2019	Pct Change %	
Oil and Gas	972,758	55%	▲	47,803,933	101.5%	▲
Basic materials	7,673,368	-54%	▼	16,380,962	-51.2%	▼
Industrials	60,286,335	-16%	▼	169,685,003	-10.5%	▼
Consumer goods	814,891	-66%	▼	32,941,694	-46.3%	▼
Health care	97,690	10754%	▲	80,100	7910.0%	▲
Consumer services	8,078,042	165%	▲	22,223,671	47.7%	▲
Telecom	34,206,539	-29%	▼	72,531,856	-48.5%	▼
Banking	269,420,490	-46%	▼	677,976,757	-38.6%	▼
Insurance	829,919	-84%	▼	2,218,569	-74.4%	▼
Real estate	38,667,868	57%	▲	746,987,963	47.4%	▲
Financial services	82,942,159	0%	▼	1,135,105,813	10.3%	▲
Technology	15,038	-15%	▼	205,873	0.2%	▲

Note: Percentage change from the end of September 2019

In terms of sector performance, the monthly sector performance chart showed mixed trends during the month with Consumer Goods topped the gainers chart with a gain of 6.0% followed by Telecom Index and Real Estate Index with a monthly positive performance of 4.4% and 2.9%, respectively.

The Consumer Goods Index monthly gains were primarily on the back of 9.4% gain in shares of Jazeera Airways, the biggest stock in the index, followed by 6.5% gain in shares of Kuwait National Cinema. Jazeera Stock price went up owing to the good news coming from the company's performance in 9M-2019 with a net profit growth around 90%. Moreover, the gain in the telecom sector were driven by the growth of Zain shares by 5.0% due to Zain showed an increase of 12.5% in its net profit during 9M-2019.

The Largest market cap Banking index remained flat in October with share performance of individual banks were equally split in the red and green zone. Gulf Bank was the biggest monthly decliner with a fall of 5.4% that came after the bank reported a 13% drop in 9M-19 profits.

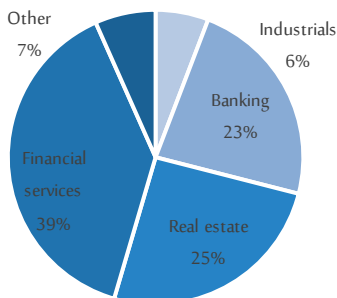
On the red's zone, the Consumer Goods index witnessed the steepest decline for the month of October 2019 at a rate of 6.4% M-o-M driven by the fact that all the index constituents dropped off in the red zone. The Insurance index came next on the decliner's list with a decline of 4.8% after a sector wide decline followed by Basic Materials index with a monthly decline of 3.0%.

In terms of value traded in Oct-19, the sector indices showed a mixed performance during the month. In fact, Consumer Services showed higher liquidity as it grew by 165%, followed by Real Estate and Oil & Gas Indices which showed an increase in their level of liquidity by 57% and 55%, respectively.

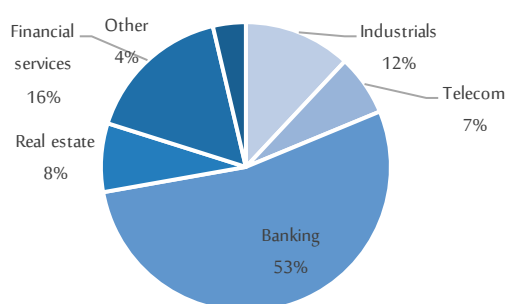
The banking sector was the most traded sector accounted for 53% of the total value traded followed by Financial Services and Industrial by 16% and 12% respectively.

Financial Services Sector, Real Estate Sector and Banking Sector were the most traded sectors based on monthly traded volume during the month with a share of 39%, 25% and 23%, respectively.

Traded Volume



Traded Value



Source: Thomson Reuters and Arzan Analysis

Top Gainers and Losers

Companies' Top Gainers During The Period

Company	Close	%Chg		Volume	Monthly Turnover**
	(fils)	MTD	Value (KWD)		
Arabi Group Holdings	207.0	123%	12,533,974	70,258,092	12573%
Noor Financial Investment	131.0	59%	4,413,861	39,986,951	79%
Ajial Real Estate Entertainment	217.0	58%	1,295,364	6,476,757	1790%
Al Mudon International Real Estate	24.9	46%	875,156	37,918,708	974%
Gulf Investment House	58.5	33%	508,076	9,976,966	257%
Taameer Real Estate Investment	27.3	33%	3,496,358	126,856,810	190%
Al Argan International Real Estate	135.0	24%	423	7,490	-88%
Al Madar Finance and Investment	136.0	24%	6,969,128	56,542,110	145%
Amwal International Investment	43.0	19%	1,378	146,867	-70%
Kuwait Real Estate	95.4	19%	9,683,820	112,003,207	135%

Note: Percentage change from the end of September 2019

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

Companies' Top Losers During The Period

Company	Close	%Chg		Volume	Monthly Turnover**
	(fils)	MTD	Value (KWD)		
Al Mal Investment Company KPSC	8.2	-33%	385,597	39,058,337	4.9%
Ektitab Holding Co KSCP	13.0	-22%	37,943	3,114,655	-56.4%
Dar Al Thuraya Real Estate Co KPSC	128.0	-21%	13,085	114,760	NA
Abyaar Real Estate Development Company	9.9	-21%	1,219,477	109,246,913	-15.1%
Gulf Petroleum Investment Company KSCP	17.8	-17%	908,224	46,701,651	-52.0%
Kuwait Foundry Company KPSC	400.0	-16%	174,344	515,279	-63.5%
International Resorts Company KPSC	11.6	-15%	6,001	480,271	-88.1%
Amar Finance and Leasing Company KSCP	39.0	-13%	2,123	55,000	-79.8%
Umm Al Qaiwain General Investment Co PSK	62.8	-13%	57,291	997,403	194.3%
Investors Holding Group Company KSCP	7.7	-13%	301,505	37,586,207	-63.9%

Note: Percentage change from the end of September 2019

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

Top 10 Companies Traded in Terms of Value

Company	Close	%Chg		Volume	Monthly Turnover**
	(fils)	MTD	Value (KWD)		
Kuwait Finance House KSC	684.0	1.3%	72,381,050	108,414,760	-30.2%
National Bank of Kuwait SAKP	941.0	-0.6%	48,616,353	54,339,936	-50.4%
Ahli United Bank BSC	268.0	0.0%	38,918,868	147,473,806	-43.0%
Gulf Bank KSCP	263.0	-5.4%	33,788,786	129,191,634	-46.1%
Mobile Telecommunications Co.	565.0	5.0%	32,807,022	59,673,780	-25.2%
Burgan Bank KPSC	310.0	-2.2%	25,898,328	84,371,430	38.2%
Kuwait International Bank KSCP	265.0	-2.2%	22,666,922	84,852,174	-0.6%
Agility Public Warehousing Co KSCP	750.0	4.3%	16,682,747	23,337,683	-26.2%
Aayan Leasing and Investment	56	0.0%	14,900,359	261,736,040	55.0%
Warba Bank KSC	257.0	3.2%	14,271,102	56,304,235	-13.5%

Note: Percentage change from the end of September 2019

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

Arabi Group Holdings was the top gainer in October 2019 with a monthly gain of 123% M-o-M to close at 207 fils, (total trading values during the month went up by 12573% compared to the average trading value of the last twelve months). Followed by Noor Financial Investment which surged by 59% to close the month at 131 fils (total trading values during the month went Up by 79% compared to the average trading value of the last twelve months).

Al Mal Investment Company KPSC topped the losers chart during the 10th month of 2019 as it went down by 33% to close at 8.2 fils, followed by Ektitab Holding Co KSCP and Dar Al Thuraya Real Estate Co KPSC which decayed by 22% and 21% during the month, closing at 13 fils and 128 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 72.4 million (30% lower than the monthly average for the last twelve months), to end the month at 684 fils. National Bank of Kuwait SAKP "NBK" came next with a traded value of KD 48.6 million (50% lower than the monthly average for the last twelve months), to close the month's trading at 941 fils. Ahli United Bank BSC "AUB-BH" came next with a traded value of KD 38.9 million (43% lower than the monthly average for the last twelve months), to close the month's trading at 268 fils

Last 12 Months Kuwait Indices Performance

All-Share Index (PR)			
Month	Index (Close)	Point Change	%Chg
Oct-18	5,042		
Nov-18	5,109	67.0	1.3%
Dec-18	5,080	(29.6)	-0.6%
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%

Premier Market Index (PR)			
Month	Index (point)	Point Change	%Chg
Oct-18	5,234		
Nov-18	5,318	83.6	1.6%
Dec-18	5,267	(50.5)	-0.9%
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%

Main Market Index (PR)			
Month	Index (point)	Point Change	%Chg
Oct-18	4,694		
Nov-18	4,730	36.3	0.8%
Dec-18	4,739	8.6	0.2%
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%

LTM: last twelve months

Monthly Value Traded			
Month	Value (KWD '000)	(Chg '000)	%Chg
Oct-18	309,840		
Nov-18	284,811	(25,028)	-8.1%
Dec-18	574,464	289,653	101.7%
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%

Monthly Volume Traded			
Month	(Volume '000)	(Chg '000)	%Chg
Oct-18	1,484,658		
Nov-18	2,143,526	658,868	44.4%
Dec-18	2,484,601	341,074	15.9%
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%

Average Daily Traded Value			
Month	(KWD '000)	(Change Mn)	%Chg
Oct-18	13,471		
Nov-18	16,754	3,282.3	24.4%
Dec-18	26,112	9,358.4	55.9%
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%

LTM: last twelve months

- The All-Share Index (PR) ended the 10th month of 2019 in the green zone with monthly modest increase of 0.7% and YTD of 12.6% to close at a level of 5,717 points.
- The Premier Market Index (PR) closed the month of October 2019 with a gain at 0.6% M-o-M to close at 6,211 points. Additionally, the Premier Market Index (PR) has a YTD of 17.9% in 2019.
- The Main Market Index (PR) showed in August 2019 a marginal increase of 0.9% and YTD of 0.4% to close at a level of 4,758 points.
- Trading activity surged up during the month as this was reflected by the monthly traded value declined by 33% compared to the previous month to reach KWD 504 million. Moreover, traded monthly volume saw a lower decline rate of 6.1% to reach 2.9 billion shares compared to 3.1 billion shares during the previous month.
- The average monthly traded value also dropped during the month of October 2019 by 35.7% to an average daily traded value of KWD 21.9 million compared to KWD 34.1 million in September 2019.

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