

# Arzan Financial Group

**Monthly Market Report**

**Kuwait Boursa Performance**

**For the month ended on 29 September 2020**



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# Kuwait Boursa Performance Analysis

## Market Indices

	29-Sep-20	31-Aug-20	31-Dec-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,445	5,294	6,282	2.9% ▲	-13.3% ▼
Premier Market Index (PR)	6,021	5,855	6,976	2.8% ▲	-13.7% ▼
Main Market Index (PR)	4,304	4,185	4,911	2.8% ▲	-12.4% ▼
All-Share Index (TR)	6,549	6,367	7,255	2.9% ▲	-9.7% ▼
Premier Market Index (TR)	7,291	7,090	8,095	2.8% ▲	-9.9% ▼
Main Market Index (TR)	5,077	4,936	5,588	2.9% ▲	-9.1% ▼

Note: Percentage change from the end of August 2020

## Highest and lowest indices level

	During the Month		During 2020	
	High	Low	High	Low
All-Share Index (PR)	5,624	5,294	6,393	4,444
Premier Market Index (PR)	6,241	5,808	7,141	4,661
Main Market Index (PR)	4,400	4,185	4,929	3,979
All-Share Index (TR)	6,764	6,367	7,385	5,135
Premier Market Index (TR)	7,557	7,033	8,286	5,409
Main Market Index (TR)	5,191	4,936	5,624	4,936

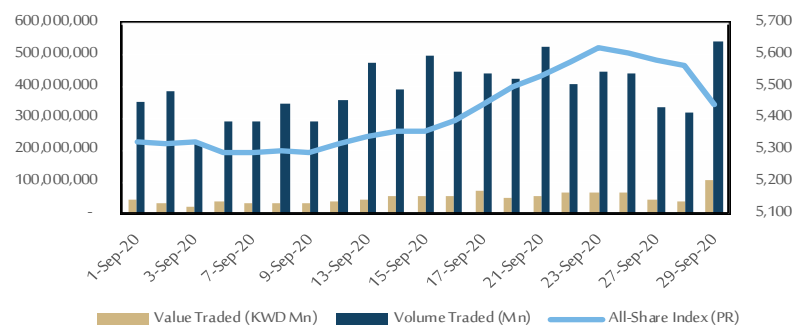
## Market Indicators

	29-Sep-20	%Chg MTD
Market Cap KWD	32,081,759,109	12.8% ▲
Daily average volume traded (shares / day)	394,116,581	101.3% ▲
Daily average value traded (KWD / day)	50,728,505	44.1% ▲

## Net profit for Companies in Kuwait Boursa

KWD	LTM*	%Chg
Net profit of kuwait Boursa's Companies	1,243,674,214	-46.2% ▼

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



After the biggest drop faced by the Kuwait Boursa indices in July-2020, Kuwait benchmarks rebounded back in August 2020 and continued its positive performance in September 2020 and reflected the broader positive sentiment across the GCC Markets. The gain in the month of September were driven by all the market indices with similar performance.

In fact, the All Share Index (PR) surged by 2.9% primarily on the back of the 2.8% increase in the Kuwait Premier Market Index (PR). These gains were supported by similar rate from the main Market Index (PR) which improved by 2.8%.

During the month, Moody's downgraded Kuwait's sovereign rating by two notches to A1 with a Stable Outlook. The downgraded mainly highlighted the country's lack of liquidity and the inability to raise debt to plug the rising budget deficits due to the decline in oil prices. Nevertheless, the rating agency indeed highlighted Kuwait's extraordinary fiscal strength.

The surge in the 9<sup>th</sup> month reduced the yearly losses YTD-2020 of the Kuwait Boursa performance with the Premier Market index declining by YTD of -13.7%, All Share Index felt by -13.3% and Main Market losses to -12.4%.

Average Daily Traded Value in September 2020 went up by 44.1% to KD 40.7 million compared to KD 35.2 million in the previous month. Also, the average daily traded volume went up by 101% in the same month to a daily average of 394.1 million compared to a daily average of 195.8 million shares.

Trading activity on the exchange continued to show strong gains during September-2020 as it amended significantly compared to the previous month. Accordingly, Value traded went enhanced by 59% to KWD 1.1 billion compared to KWD 669.3 million in August 2020. Also, total traded volume improved at higher rate of 122% to reach an amount of 8.3 Bn shares compared to 3.7 Bn shares in August 2020.

Within the Premier Market index, most of the constituents 16 out of the 20 constituents ended the month of September in the green zone as topped by Warba Bank KSCP leading the gainers chart with a monthly gain of 25.1% followed by Mabanee and KIB by 14.6% and 8.1% to reach 249 fils, 730 fils and 186 fils, respectively. However, the losers' chart was topped by Mezzan Holding Co KSCC with a loss of 4.2% followed by Qurain Petrochemical KSCP with a monthly loss of 3.9%.

## Kuwait Boursa Sectors' Indices Performance

### Market sector Indices

Sector	Index			Price to	Price to	Dividend	ROE%
	29-Sep-2020	Pct Change %		Earning	Book Value	Yield	
Oil and Gas	1,136.8	3.7%	▲	29.4	0.89	0.00%	2.7%
Basic materials	777.3	-0.4%	▼	18.0	1.05	5.08%	6.5%
Industrials	797.8	4.2%	▲	54.6	0.98	1.36%	6.6%
Consumer goods	766.5	-3.6%	▼	(575.7)	1.50	0.00%	-1.1%
Health care	820.1	-1.1%	▼	53.7	4.12	0.37%	8.6%
Consumer services	740.7	3.4%	▲	(17.1)	0.90	1.80%	2.4%
Telecom	1,051.3	-1.8%	▼	13.3	1.66	5.64%	14.2%
Utility	842.1	0.0%	↔	NaN	NaN	0.00%	NaN
Banking	1,271.5	3.2%	▲	28.0	1.92	2.77%	11.7%
Insurance	1,048.1	8.3%	▲	10.0	0.88	7.41%	10.0%
Real estate	944.5	8.1%	▲	(284.2)	0.72	1.52%	2.8%
Financial services	906.3	3.5%	▲	(19.2)	0.84	3.47%	4.9%
Technology	512.2	3.1%	▲	(67.9)	0.55	0.00%	-0.8%

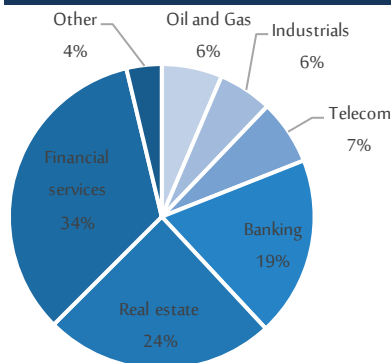
Note: Percentage change from the end of August 2020

### Market Indices activities

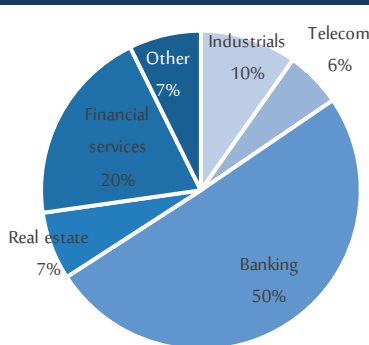
Sector	Value			Volume		
	29-Sep-2020	Pct Change %		29-Sep-2020	Pct Change %	
Oil and Gas	10,961,757	23.0%	▲	530,339,227	13.8%	▲
Basic materials	7,807,530	57.3%	▲	22,004,631	66.9%	▲
Industrials	103,997,230	24.6%	▲	473,626,035	74.0%	▲
Consumer goods	3,640,173	-53.7%	▼	7,505,376	-52.1%	▼
Health care	1,248	13180.1%	▲	2,091	13840.0%	▲
Consumer services	8,769,955	142.2%	▲	124,886,642	357.5%	▲
Telecom	60,667,343	19.2%	▲	568,011,910	125.1%	▲
Utility	45,079,034	-30.6%	▼	136,495,867	-29.9%	▼
Banking	536,815,489	50.6%	▲	1,580,206,035	52.7%	▲
Insurance	1,119,149	68.9%	▲	12,171,356	-1.3%	▼
Real estate	73,444,311	253.4%	▲	2,020,865,330	503.8%	▲
Financial services	212,611,359	220.6%	▲	2,795,039,515	153.6%	▲
Technology	384,034	0.0%	↔	5,294,193	0.0%	↔

Note: Percentage change from the end of August 2020

### Traded Volume



### Traded Value



In terms of sector performance, most of the sector indices closed the month of September 2020 in the green zone. The monthly sector performance chart showed strong gains for large-cap stocks including Banking and Industrial which won-over the overall market performance.

In terms of sector with Positive performance, the Insurance index witnessed the biggest gains during the month at 8.3% led by 16.8% gain in shares of Gulf Insurance Group and 13.3% gain in shares of Kuwait Reinsurance. These gains more than offset decline in shares of Warba Insurance (-7.1%) and First Takaful Insurance (-7.3%).

The Real Estate Index was next with a gain of 8.1% followed by Industrials and Oil & Gas indices with monthly gains of 4.2% and 3.7%, respectively. Gains in the Real Estate index was led by a sector-wide gains with only a few small cap stocks seeing declines during the month as the economy inched towards gradual restoration of normalcy following the Covid-19 lockdowns.

In terms of YTD-2020 sector performance, only the Consumer Goods sector and the Insurance Index were in the green with a gain of 20.3% followed by the Insurance that was up 9.88%. whereas most of the sectors showed double digit declines led by the Covid-19.

The monthly sector performance chart showed strong gains for large-cap stocks including Banks and Industrial that swayed the overall market performance, in addition to gain in sectors that remained strong in the face of the lockdowns

In terms of value traded in August 2020, most of the sector traded value surged during the month as Health Care and Real Estate indices were the main gainers in term of liquidity performance which showed an increase by 13180%, and 253%, respectively.

The banking sector was the most traded sector accounted for 50% of the total value traded followed by Financial Services and Industrial by 20% and 10% respectively.

Financial Services Sector, and Banking Sector were the most traded sectors based on monthly traded volume during the month with a share of 30%, 28% and 9%, respectively.

## Top Gainers and Losers

Companies' Top Gainers During The Period					
Company	Close (fils)	%Chg MTD	Value (KWD)	Volume ('000)	Monthly Turnover
Aayan Leasing and Investment Co KSCP	86.7	46.5%	70,078,349	840,590	751%
Munshaat Real Estate Projects Co KSCP	70.8	41.9%	486,391	7,471	370%
Kuwait Remal Real Estate Co KPSC	20.1	38.6%	329,516	17,147	86%
Inovest BSC Public	74.9	32.6%	1,494,840	21,042	1490%
Salbookh Trading Co KSCP	36.0	31.4%	160,660	5,147	-31%
Warba Bank KSCP	249.0	25.1%	56,542,593	251,317	331%
AAN Digital Services Co KSCP	12.9	24.0%	5,837,190	476,711	318%
Kuwait Business Town Real Estate Co KSCP	29.4	23.0%	2,391,628	86,062	224%
Jiyad Holding Co KSCP	40.1	22.6%	700,765	17,996	187%
Tamdeen Investment Co KSCP	305.0	22.5%	73,365	223	-14%

Note: Percentage change from the end of August 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**
Dar Al Thuraya Real Estate Co KPSC	72.2	-43.6%	51,514	664	92%
Al Bareeq Holding KSCP	79.1	-24.7%	205	2	-100%
Umm Al Qaiwain General Investment Co	72.0	-18.7%	71,363	1,006	295%
National Shooting Company KPSC	14.0	-12.5%	1,145,147	73,817	419%
Credit Rating and Collection Company K	31.5	-10.5%	452	15	-61%
Aqar Real Estate Investments Co KSCP	59.4	-8.6%	66,388	1,101	-36%
Osos Holding Group Co KSCP	87.0	-8.4%	22,948	260	-73%
First Takaful Insurance Co KPSC	37.1	-7.3%	15,937	409	47%
Warba Insurance Company KSCP	73.0	-7.1%	40,378	536	43%
IFA Hotels and Resorts Co KSCP	23.2	-6.8%	1,520,582	62,490	2519%

Note: Percentage change from the end of August 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**
KUWAIT FINANCE HOUSE K.S.C.P	661	5.6%	171,017	273,158	32%
National Bank of Kuwait SAKP	870	1.2%	91,618	115,649	-11%
Ahli United Bank BSC	234	0.4%	75,206	349,088	-7%
Aayan Leasing and Investment Co KSCP	87	46.5%	70,078	840,590	751%
Gulf Bank KSCP	220	3.3%	57,561	268,991	84%
Warba Bank KSCP	249	25.1%	56,543	251,317	331%
Kuwait International Bank KSCP	186	8.1%	45,518	252,173	98%
Shamal AZ-Zour AL-Oula Power and Water	320	0.0%	45,079	144,148	523%
Agility Public Warehousing Co KSCP	657	5.3%	33,712	52,761	2%
Boursa Kuwait Securities Company	1,140	0.0%	28,058	25,776	0

Note: Percentage change from the end of August 2020

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

Aayan Leasing and Investment Co KSCP was the top gainer in September 2020 with a monthly gain of 46.5% M-o-M to close at 86.7 fils, (total trading values during the month went up by 751% compared to the average trading value of the last twelve months). Followed by Munshaat Real Estate Projects Co KSCP which surged by 41.9% to close the month at 70.8 fils (total trading values during the month went up by 370% compared to the average trading value of the last twelve months).

Dar Al Thuraya Real Estate Co KPSC topped the losers' chart during the 9<sup>th</sup> month of 2020 as it went down by 43.6% to close at 72.2 fils, followed by Al Bareeq Holding KSCP and Umm Al Qaiwain General Investment Co PSC which decayed by 24.7.0% and 18.7% during the month, closing at 79.1 fils and 72 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 171 million (32% higher than the monthly average for the last twelve months), to end the month at 661 fils. National Bank of Kuwait "NBK" came next with a traded value of KD 91.6 million (11% lower than the monthly average for the last twelve months), to close the month's trading at 870 fils. Ahli United Bank BSC "AUB" came next with a traded value of KD 75.2 million (7% lower than the monthly average for the last twelve months), to close the month's trading at 234 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
Sep-19	5,679			Sep-19	6,175			Sep-19	4,714		
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%
Jun-20	5,131	135.1	2.7%	Jun-20	5,607	182.7	3.4%	Jun-20	4,190	39.7	1.0%
Jul-20	4,968	(162.5)	-3.2%	Jul-20	5,415	(191.8)	-3.4%	Jul-20	4,086	(104.1)	-2.5%
Aug-20	5,294	326.1	6.6%	Aug-20	5,855	439.3	8.1%	Aug-20	4,185	98.9	2.4%
Sep-20	5,445	150.9	2.9%	Sep-20	6,021	166.3	2.8%	Sep-20	4,304	118.7	2.8%

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
Sep-19	749,884			Sep-19	3,112,774			Sep-19	34,086		
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%
Jun-20	721,624	280,640	63.6%	Jun-20	3,885,178	1,751,865	82.1%	Jun-20	32,801	8,302.0	33.9%
Jul-20	528,700	(192,925)	-26.7%	Jul-20	2,572,747	(1,312,431)	-33.8%	Jul-20	25,176	(7,624.9)	-23.2%
Aug-20	668,964	140,264	26.5%	Aug-20	3,719,574	1,146,827	44.6%	Aug-20	35,209	10,032.5	39.8%
Sep-20	1,065,299	396,335	59.2%	Sep-20	8,276,448	4,556,874	122.5%	Sep-20	50,729	15,519.9	44.1%

LTM: last twelve months

- The All-Share Index (PR) closed the 8<sup>th</sup> month of 2020 in the green zone with a growth of 2.9% and YTD of -13.3% to close at a level of 5,445 points.
- The Premier Market Index (PR) closed the month of September 2020 with an Increase by 2.8% M-o-M to close at 6,021 points. Additionally the Premier Market Index (PR) has improved its a YTD to -13.7% as of September 2020.
- The Main Market Index (PR) ended the ninth month of 2020 with an enhance in the index as it scored a rise of 2.8% M-o-M to close at 4,303 points and its YTD ended at a -12.4% record as of September 2020.
- Trading activity went up significantly during the month. This was evidence by the fact that the monthly traded volume increased by 122.5% compared to the previous month to reach 8.3 billion shares. Moreover, monthly traded value saw huge upsurge but at a lower rate of 59.2% to reach KWD 1.07 billion as compared to KWD 668.9 million during the previous month.
- The average monthly traded value went also up during the month of September 2020 by 44.1% to an average daily traded value of KWD 50.7 million compared to KWD 35.2 million in August 2020.

# Disclaimer

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