

# Arzan Financial Group

**Monthly Market Report**

**Kuwait Boursa Performance**

**For the month ended on 24 February 2021**



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# Kuwait Boursa Performance Analysis

Market Indices					
	24-Feb-21	31-Jan-21	31-Dec-20	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,649	5,780	5,546	-2.3% ▼	1.9% ▲
Premier Market Index (PR)	6,157	6,308	6,051	-2.4% ▼	1.8% ▲
Main Market Index (PR)	4,651	4,741	4,552	-1.9% ▼	2.2% ▲
All-Share Index (TR)	6,801	6,958	6,676	-2.2% ▼	1.9% ▲
Premier Market Index (TR)	7,465	7,648	7,336	-2.4% ▼	1.8% ▲
Main Market Index (TR)	5,491	5,594	5,371	-1.8% ▼	2.2% ▲

Note: Percentage change from the end of January 2021

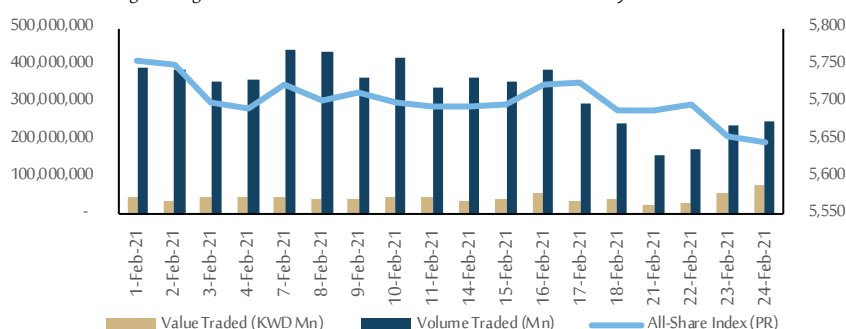
Highest and lowest indices level				
	During the Month		During 2021	
	High	Low	High	Low
All-Share Index (PR)	5,753	5,649	5,780	5,530
Premier Market Index (PR)	6,283	6,157	6,308	6,031
Main Market Index (PR)	4,709	4,651	4,741	4,544
All-Share Index (TR)	6,925	6,801	6,958	6,656
Premier Market Index (TR)	7,617	7,465	7,648	7,312
Main Market Index (TR)	5,555	5,491	5,594	5,491

Market Indicators		
	24-Feb-21	%Chg MTD
Market Cap KWD	35,716,818,065	-3.2% ▼
Daily average volume traded (shares / day)	335,947,598	11.0% ▲
Daily average value traded (KWD / day)	46,375,013	9.8% ▲

Note: Percentage change from the end of January 2021

Net profit for Companies in Kuwait Boursa		
KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	1,047,499,499	-57.2% ▼

Note: Percentage change from the end of Last Twelve Months as of February 2021



Kuwaiti Boursa Indices recorded a modest decline in February 2021 with loss across the market benchmark indices during the month. The decrease was based in the four main shares indices which are (All-Share Index, Premier Market, Main 50 & Main Market). The Main 50 index (PR) dropped the less in Feb 2021 by 1.2%, followed by the Main Market Index (PR) and All Share Index (PR) which decayed by a rate of 1.9% and 2.3% M-o-M respectively. The Premier index (PR) went down the most at higher rate of 2.4%.

The Premier Market Index (PR) during the month saw five new stocks added to the Premier Market index after Boursa Kuwait eased the inclusion requirements for the index last year which are Kuwait Real Estate, ALAFCO, Alimtiq, National Investments and Kuwait Cables.

The decline in the 2<sup>nd</sup> month affected YTD-2021 performance for the market with the All Share Index showing a smaller gain of 1.9%. The Premier Market index gains were at 1.8% whereas the Main 50 Index outperformed with a gain of 4.0%.

During February, investors were worried about the second waves of Covid-19's distribution around the world including the news of partial or full closing of the economy. Although the vaccination campaigns started in Kuwait but the market indices went down as number of Covid-19 cases went up during the month in Kuwait and this might be the main reason for the modest decline in February 2021.

Average Daily Traded Value in January 2021 surged by 5.4% to KD 42.3 million compared to KD 40.1 million in the previous month. Also, the average daily traded volume significantly increased by 42.7% in Jan-21 to a daily average of 302.5 million compared to a daily average of 212.1 million shares.

Trading activity saw a surge in Feb 2021 compared to the previous month. Accordingly, Value traded increased by 8.0% to KWD 912.4 Mn compared to KWD 844.9 Mn in the previous month. In addition, total traded volume grew by similar rate of 4.1% to reach 6.3 Bn shares compared to 6.1 Bn shares in January 2021.

Within the Premier Market index, most of the constituents 13 out of the 25 constituents ended the month of February 2021 in the red zone as topped by Agility Public Warehousing Co KSCP leading the losers chart with a monthly loss of 12.4% followed by Kuwait International Bank KSCP and ALAFCO Aviation Lease and Finance Co KSCP by 6.6% and 6.1%, to reach 660 fils, 198 fils and 199 fils respectively. On the other hand, the gainers chart were topped by National Investments Co KSCP and Gulf Cable and Electrical Industries Co KPSC with a gain of 14.7% and 14.2%, respectively.

## Kuwait Boursa Sectors' Indices Performance

### Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE%
	24-Feb-2021	Pct Change %					
Oil and Gas	1,242.3	0.3%	▲	29.7	0.93	0.00%	2.8%
Basic materials	982.7	4.7%	▲	23.1	1.30	2.59%	6.6%
Industrials	888.3	-5.0%	▼	NA	1.06	0.97%	5.3%
Consumer goods	737.7	-0.5%	▼	211.8	1.43	0.00%	-1.1%
Health care	813.2	-0.4%	▼	38.0	3.95	0.37%	8.3%
Consumer services	809.5	-4.1%	▼	(9.9)	1.01	1.67%	3.4%
Telecom	1,147.2	-2.5%	▼	15.2	1.72	4.91%	12.3%
Utility	673.7	-5.5%	▼	NaN	NaN	0.00%	NaN
Banking	1,274.3	-2.4%	▼	31.6	1.64	0.75%	5.2%
Insurance	1,188.2	-14.5%	▼	10.8	0.99	6.29%	9.6%
Real estate	996.5	-1.1%	▼	(32.5)	0.77	0.19%	1.3%
Financial services	989.8	1.8%	▲	(55.9)	0.85	2.10%	3.8%
Technology	632.2	20.5%	▲	(84.3)	0.69	0.00%	-0.8%

Note: Percentage change from the end of January 2021

### Market Indices activities

Sector	Value			Volume		
	24-Feb-2021	Pct Change %		24-Feb-2021	Pct Change %	
Oil and Gas	19,506,061	302.7%	▲	248,363,534	13.9%	▲
Basic materials	11,043,264	14.7%	▲	22,064,387	-1.1%	▼
Industrials	124,430,422	10.4%	▲	437,504,432	1.8%	▲
Consumer goods	3,991,924	-43.2%	▼	9,351,127	-43.5%	▼
Health care	3,963	-50.4%	▼	6,075	-47.4%	▼
Consumer services	16,879,137	5.8%	▲	266,378,147	-15.3%	▼
Telecom	44,662,073	-21.2%	▼	201,765,698	22.5%	▲
Utility	12,715,433	-5.2%	▼	48,218,434	-2.4%	▼
Banking	352,057,200	-2.1%	▼	885,948,463	-6.8%	▼
Insurance	4,267,434	99.3%	▲	53,078,432	47.5%	▲
Real estate	85,599,784	3.2%	▲	1,080,520,433	-13.0%	▼
Financial services	236,180,089	31.3%	▲	3,034,748,639	16.6%	▲
Technology	1,041,875	260.3%	▲	11,693,131	188.4%	▲

Note: Percentage change from the end of January 2021

In terms of sector performance, the sector performance chart was mixed during the month with the fact that the bulk of the sectoral indices went down during the month.

The Insurance Index topped the monthly performance chart during the month with a loss of 14.5% followed by the Utility Index with a monthly loss of 5.5%. The negative performance were also shown for the Industrial with declines of 5.0%. In fact, In the Industrials index, shares of Agility declined by 12.4% following an adverse ruling by an international court related to the company's Iraqi telecom unit.

The Insurance index reported the biggest decline of 14.5% led mainly by double digit decline in shares of Gulf Insurance Group and Kuwait Reinsurance that was partially offset by 20% gain in shares of Warba Insurance. Also, the three stocks reported higher profits for Q4-2020 and for FY2020.

The banking index also declined by 2.4% with shares of only Burgan Bank showing marginal gains during the month. Kuwaiti banks reported a 53.4% decline in net profits during FY-2020 and a 61.1% y-o-y decline in profits during Q4-2020 after banks booked higher provisions during the last quarter of the year.

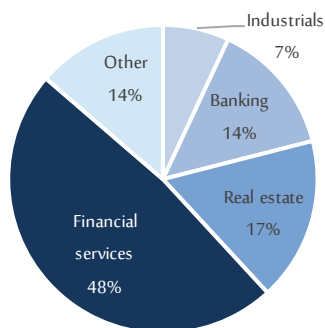
On the Positive side, the Technology Index saw a significant increase of 20.5% in February 2021 followed by Basic Material and Financial Services indices with increase of 4.7% and 1.8%, respectively.

In terms of value traded in February 2021, the sector indices showed also mixed performance during the month. In fact, Oil & Gas and Technology Indices showed highest liquidity growth by 303% and 260% respectively. On the other hand, the Health Care Index and Consumer Goods Index showed the most depreciation in term of liquidity during the month by 50.4% and 43.2%, respectively.

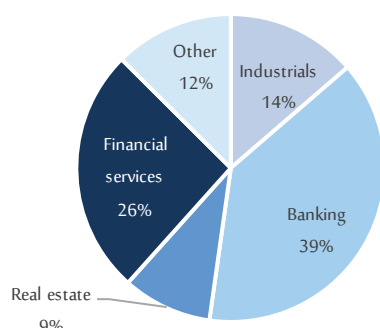
The banking sector was the most traded sector accounted for 39% of the total value traded followed by Financial Services and Industrial by 26% and 14% respectively.

Financial Services Sector, Real Estate and Banking Sector were the most traded sectors based on monthly traded volume during the month with a share of 48%, 17% and 14%, respectively.

### Traded Volume



### Traded Value



## Top Gainers and Losers

Companies' Top Gainers During The Period					
Company	Close (fils)	%Chg MTD	Value (KWD)	Volume ('000)	Monthly Turnover**
Kuwait Business Town Real Estate	55.9	37.7%	5,757,089	127,150	448%
Arzan Financial Group	98.0	30.3%	43,373,594	490,043	303%
Credit Rating and Collection Company	28.0	30.2%	11,779	533	216%
National Shooting Company KPSC	28.5	24.5%	1,618,638	68,191	154%
Automated Systems Company KPSC	86.9	20.5%	1,041,746	11,863	1205%
Metal and Recycling Co KSCP	117.0	20.1%	255,600	2,295	596%
International Financial Advisors KPSC	107.0	17.6%	33,161,149	350,222	1150%
National Investments Co KSCP	172.0	14.7%	7,873,737	53,956	67%
Gulf Cable and Electrical Industries Co	868.0	14.2%	4,842,576	6,189	-21%
Senergy Holding Company KSCP	26.3	13.9%	753,897	31,497	183%

Note: Percentage change from the end of January 2021

\*\* 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**
Kuwait Reinsurance Company KSCP	391.0	-29.9%	22,303	83	822%
Gulf Insurance Group KSCP	640.0	-24.5%	276,271	424	284%
Tamdeen Investment Co KSCP	235.0	-23.2%	355,320	1,492	977%
Sanam Real Estate Company KSCP	28.0	-17.6%	4,835	161	-59%
Al Mudon International Real Estate Co.	21.7	-13.2%	594,447	32,479	146%
Al Deera Holding Co KPSC	35.7	-12.5%	4,057,163	108,373	652%
Agility Public Warehousing Co KSCP	660.0	-12.4%	33,545,410	50,024	-26%
Amar Finance and Leasing Company KSCP	43.0	-11.5%	15,672	365	-21%
Real Estate Trade Centers Company KPSC	30.0	-11.5%	22,969	805	-62%
Alrai Media Group Co KSCP	37.1	-11.5%	12,872	395	-19%

Note: Percentage change from the end of January 2021

\*\* 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	825	-5.5%	88,368	107,737	-46%
Kuwait Finance House KSC	722	0.0%	86,691	133,924	-47%
Ahli United Bank BSC	225	-0.4%	52,769	236,887	-38%
Arzan Financial Group for Financing	98	30.3%	43,374	490,043	303%
Agility Public Warehousing Co KSCP	660	-12.4%	33,545	50,024	-26%
First Investment Co KSCP	59	-7.9%	33,221	491,374	427%
International Financial Advisors KPSC	107	17.6%	33,161	350,222	1150%
Aayan Leasing and Investment Co KSCP	116	10.5%	29,006	274,874	86%
Gulf Bank KSCP	216	-2.3%	28,776	144,463	-27%
Kuwait Real Estate Company KPSC	122	1.7%	25,753	238,999	385%

Note: Percentage change from the end of January 2021

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

Kuwait Business Town Real Estate Company KSCP was the top gainer in February 2021 with a monthly gain of 37.7% M-o-M to close at 55.9 fils, (total trading values during the month went up by 448% compared to the average trading value of the last twelve months). Followed by Arzan Financial Group for Financing and Investment KPSC which surged by 30.3% to close the month at 98 fils (total trading values during the month went up by 303% compared to the average trading value of the last twelve months).

Kuwait Reinsurance Company KSCP topped the loser's chart during the second month of 2021 as it went down by 29.9% to close at 391 fils, followed by Gulf Insurance Group KSCP and Tamdeen Investment Co KSCP by 24.5% and 23.2% during the month, closing at 640 fils and 235 fils, respectively.

National Bank of Kuwait SAKP "NBK" was the top performer in terms of value traded during the month with a trading value of KD 88.4 million (46% lower than the monthly average for the last twelve months), to end the month at 825 fils. Kuwait Finance House KSC "KFH" came next with a traded value of KD 86.7 million (47% lower than the monthly average for the last twelve months), to close the month's trading at 722 fils. Ahli United Bank BSC "AUB-BH" came next with a traded value of KD 52.8 million (38% lower than the monthly average for the last twelve months), to close the month's trading at 225 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
Feb-20	6,072			Feb-20	6,730			Feb-20	4,769		
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%
Oct-20	5,443	(2.2)	0.0%	Oct-20	6,004	(16.9)	-0.3%	Oct-20	4,332	28.4	0.7%
Nov-20	5,459	16.5	0.3%	Nov-20	6,009	4.6	0.1%	Nov-20	4,373	41.3	1.0%
Dec-20	5,546	86.6	1.6%	Dec-20	6,051	42.5	0.7%	Dec-20	4,552	179.3	4.1%
Jan-21	5,780	234.0	4.2%	Jan-21	6,308	256.8	4.2%	Jan-21	4,741	189.0	4.2%
Feb-21	5,649	(130.9)	-2.3%	Feb-21	6,157	(150.4)	-2.4%	Feb-21	4,651	(90.9)	-1.9%

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
Feb-20	522,239			Feb-20	3,712,555			Feb-20	30,720		
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%
Oct-20	1,145,102	79,804	7.5%	Oct-20	6,224,709	(2,051,739)	-24.8%	Oct-20	60,269	9,540.0	18.8%
Nov-20	2,173,923	1,028,821	89.8%	Nov-20	5,521,336	(703,373)	-11.3%	Nov-20	98,815	38,546.1	64.0%
Dec-20	922,080	(1,251,843)	-57.6%	Dec-20	4,877,446	(643,890)	-11.7%	Dec-20	40,090	(58,724.2)	-59.4%
Jan-21	844,906	(77,174)	-8.4%	Jan-21	6,050,969	1,173,523	24.1%	Jan-21	42,245	2,154.9	5.4%
Feb-21	834,750	(10,156)	-1.2%	Feb-21	6,047,057	(3,912)	-0.1%	Feb-21	48,020	5,774.6	13.7%

LTM: last twelve months

- The All-Share Index (PR) closed the 2<sup>nd</sup> month of 2021 in the red zone with a decline of 2.3% and YTD of 1.9% to close at a level of 5,649 points.
- The Premier Market Index (PR) closed the month of February 2021 with marginal decline at 2.4% M-o-M to close at 6,157 points. Additionally, the Premier Market Index (PR) has a YTD of 1.8% in 2021.
- The Main Market Index (PR) showed in the second month of 2020 similar level with an decline 1.9% and marginal YTD of 2.2% to close at a level of 4,651 points.
- Trading activity showed opposite performance during the month. This as evidenced by the fact that the monthly traded volume surged by 4.1% compared to the previous month to reach 6.3 billion shares. Also, monthly value traded saw similar but at higher rate of 8.0% to reach KWD 912.4 million as compared to KWD 884.9 million during the previous month.
- The average monthly traded value went up during the month of February 2021 by 13.7% to an average daily traded value of KWD 48.0 million compared to KWD 42.2 million in January 2021.

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