

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 31 August 2020



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Kuwait Boursa Performance Analysis

Market Indices					
	31-Aug-20	29-Jul-20	31-Dec-19	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,294	4,968	6,282	6.6% ▲	-15.7% ▼
Premier Market Index (PR)	5,855	5,415	6,976	8.1% ▲	-16.1% ▼
Main Market Index (PR)	4,185	4,086	4,911	2.4% ▲	-14.8% ▼
All-Share Index (TR)	6,367	5,975	7,255	6.6% ▲	-12.2% ▼
Premier Market Index (TR)	7,090	6,558	8,095	8.1% ▲	-12.4% ▼
Main Market Index (TR)	4,936	4,819	5,588	2.4% ▲	-11.7% ▼

Note: Percentage change from the end of July 2020

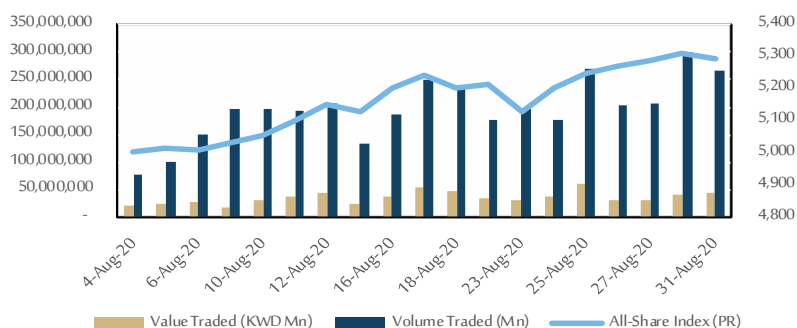
Highest and lowest indices level				
	During the Month		During 2020	
	High	Low	High	Low
All-Share Index (PR)	5,311	5,004	6,393	4,444
Premier Market Index (PR)	5,875	5,472	7,141	4,661
Main Market Index (PR)	4,194	4,066	4,929	3,979
All-Share Index (TR)	6,387	6,018	7,385	5,135
Premier Market Index (TR)	7,114	6,627	8,286	5,409
Main Market Index (TR)	4,947	4,795	5,624	4,795

Market Indicators			
	31-Aug-20	%Chg MTD	
Market Cap KWD	28,439,006,304	-0.7% ▼	
Daily average volume traded (shares / day)	195,767,062	59.8% ▲	
Daily average value traded (KWD / day)	35,208,629	39.8% ▲	

Note: Percentage change from the end of July 2020

Net profit for Companies in Kuwait Boursa		
KWD	LTM *	%Chg
Net profit of kuwait Boursa's Companies	1,433,053,204	-42.8% ▼

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



After the biggest drop faced by the Kuwait Boursa indices in July-2020, Kuwait benchmarks rebounded back in August 2020 and reflected the broader positive sentiment across the GCC Markets. The gains were primarily centered around large-cap stocks, with the fact that all the market indices closed the month of August 2020 in the green zone, with the corresponding Premier Market Index gaining 8.1% during the month. In fact, the All Share Index (PR) surged by 6.6% primarily on the back of the 8.1% increase in the Kuwait Premier Market Index (PR). These gains were in line but at lower rate as the main Market Index (PR) improved by 2.4%.

In fact, the sentiments across the GCC financial market in August 2020 was broadly positives as most of the GCC markets recorded one of the best monthly performance in 2020. The performance of the Kuwaiti indices in August 2020 was higher than all the GCC. The surge in the 8th month reduced the yearly losses YTD-2020 of the Kuwait Boursa performance with the Premier Market index declining by YTD of -16.1%, All Share Index felt by -15.7% and Main Market losses to -14.8%.

Average Daily Traded Value in Augst 2020 went up by 39.8% to KD 35.2 million compared to KD 25.2 million in the previous month. Also, the average daily traded volume went up by 59.8% in the same month to a daily average of 195.8 million compared to a daily average of 122.5 million shares.

Trading activity on the exchange amended significantly compared to the previous month. Accordingly, Value traded went enhanced by 26.5% to KWD 669 Mn compared to KWD 529 Mn in July 2020. Also, total traded volume improved at higher rate of 44.3% to reach an amount of 3.7 Bn shares compared to 2.6 Bn shares in July 2020.

Within the Premier Market index, most of the constituents 15 out of the 19 constituents ended the month of August 2020 in the green zone as topped by Ahli United Bank BSC leading the gainers chart with a monthly gain of 24.6% followed by Gulf Bank KSCP and Mezzan Holding Company KSCP by 12.1% and 12.1% to reach 233 fils, 213 fils and 637 fils, respectively. However, the losers' chart was topped by Integrated Holding Co KSCC with a loss of 7.4% followed by Human Soft Holding Company KSCP with a monthly loss of 7.4% to reach 350 fils, and 2,528 fils, respectively.

Kuwait Boursa Sectors' Indices Performance

Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE%
	31-Aug-2020	Pct Change %					
Oil and Gas	1,096.4	0.1%	▲	27.4	0.83	0.00%	2.8%
Basic materials	780.6	2.4%	▲	17.1	0.97	4.64%	6.4%
Industrials	765.9	-1.0%	▼	49.6	0.89	0.42%	6.6%
Consumer goods	795.4	9.9%	▲	(604.2)	1.57	0.00%	-1.1%
Health care	829.2	-1.2%	▼	54.2	4.16	0.00%	8.6%
Consumer services	716.5	-5.1%	▼	(16.4)	0.86	0.00%	2.4%
Telecom	1,070.7	6.0%	▲	12.8	1.60	5.10%	14.2%
Utility	842.1	NA	→	NaN	NaN	0.00%	NaN
Banking	1,232.6	9.7%	▲	25.8	1.77	2.70%	11.7%
Insurance	968.2	3.2%	▲	9.6	0.84	4.76%	10.0%
Real estate	873.6	3.3%	▲	(258.7)	0.67	0.98%	2.8%
Financial services	875.4	4.7%	▲	(15.4)	0.73	2.39%	4.7%
Technology	496.9	6.7%	▲	(64.0)	0.52	0.00%	-0.8%

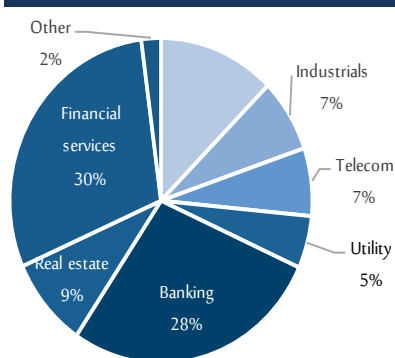
Note: Percentage change from the end of July 2020

Market Indices activities

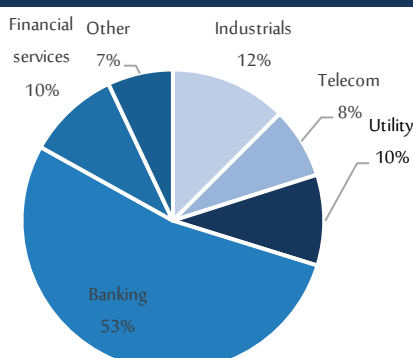
Sector	Value			Volume		
	31-Aug-2020	Pct Change %		31-Aug-2020	Pct Change %	
Oil and Gas	8,914,522	965.9%	▲	466,077,203	874.7%	▲
Basic materials	4,963,110	-49.5%	▼	13,187,316	-53.0%	▼
Industrials	83,492,287	-12.5%	▼	272,256,582	18.1%	▲
Consumer goods	7,857,818	165.0%	▲	15,656,404	65.8%	▲
Health care	9	-99.5%	▼	15	-99.5%	▼
Consumer services	3,620,719	-16.0%	▼	27,295,803	-33.0%	▼
Telecom	50,880,205	9.3%	▲	252,295,387	70.8%	▲
Utility	64,967,593	NA	→	194,783,234	NA	→
Banking	356,475,924	17.9%	▲	1,034,629,097	2.9%	▲
Insurance	662,746	181.7%	▲	12,329,852	103.8%	▲
Real estate	20,781,586	-13.4%	▼	334,705,988	13.5%	▲
Financial services	66,317,666	57.1%	▲	1,102,034,334	44.6%	▲
Technology	46,027	39.6%	▲	9,579,424	1763.7%	▲

Note: Percentage change from the end of July 2020

Traded Volume



Traded Value



In terms of sector performance, most of the sector indices closed the month of August 2020 in the green zone with exception for the Consumer Services, Health Care and Industrial Indices. The monthly sector performance chart showed strong gains for large-cap stocks including Banks and Telecom that won-over the overall market performance.

The Consumer Goods index topped the monthly performance chart with a gain of 9.9% on the back of 12.1% gain in shares of Mezzan Holding. Banking sector index was next with a gain of 9.7% followed by Technology and Telecom indices with gains of 6.7% and 6.0%, respectively. In terms of YTD-2020 sector performance, only the Consumer Goods sector was in the green with a gain of 24.8% followed by the Insurance gauge that was up 1.5%. whereas most of the sectors showed double digit declines led by the Covid-19.

The month also saw the listing of the first Utilities company in Kuwait, Shamal Az-Zour Al-Oula Power and Water Co.

The monthly sector performance chart showed strong gains for large-cap stocks including Banks and Telecom that swayed the overall market performance, in addition to gain in sectors that remained strong in the face of the lockdowns. Shares of all the Kuwaiti banks gained during the month except for CBK which closed flat. Similarly, in the Telecom sector, shares of all the constituents gained excluding AAN Digital Services.

In terms of value traded in August 2020, most of the sector traded value surged during the month as Oil & Gas and Insurance indices were the main gainers in term of liquidity performance which showed an increase by 966%, and 182%, respectively.

The banking sector was the most traded sector accounted for 53% of the total value traded followed by Industrial and Utility by 12% and 10% 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 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
Ream Real Estate Company KSCP	204.0	216.3%	1,807	15	-44%
Hilal Cement Company KSCP	120.0	68.1%	19,729	198	817%
Gulf Investment House KSCP	91.5	67.4%	4,016,848	50,990	550%
Arzan Financial Group for Financing and Investment KPSC	59.9	49.5%	12,466,459	223,172	178%
Aayan Leasing and Investment Co KSCP	57.9	39.6%	9,246,435	137,854	20%
Umm Al Qaiwain General Investment Co PSC	88.6	32.8%	495	6	-97%
Gulf Petroleum Investment Company KSCP	19.8	31.3%	8,736,580	428,556	595%
Ahli United Bank BSC	231.0	24.6%	87,299,778	382,951	5%
Kuwait and Middle East Financial Investment Co KSCP	115.0	22.6%	2,653,970	23,965	80%
Independent Petroleum Group KSCP	450.0	18.4%	71,289	175	171%

Note: Percentage change from the end of July 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**
Kuwait Syrian Holding Co KSCP	26.5	-32.9%	31,314	1,082	-77%
Al Eid Food Company KSCP	66.5	-25.0%	12,804	157	-82%
Gulf Cement Co PSC	31.8	-20.8%	51,414	1,079	4%
Al Masaken International Real Estate Development Co KSCP	31.4	-18.0%	11,506	303	241%
Aqar Real Estate Investments Co KSCP	65.0	-15.6%	36,441	545	-69%
Kuwait Business Town Real Estate Co KSCP	23.8	-14.9%	1,136,007	44,508	79%
Future Kid Entertainment and Real Estate Co KSCP	76.5	-13.0%	3,867	50	-62%
National Petroleum Services Company KSCP	1,000.0	-11.4%	13,028	13	-71%
Kuwait National Cinema Company KPSC	645.0	-10.5%	374,309	569	307%
Energy House Holding Company KSCP	19.9	-9.5%	11,262	538	-91%

Note: Percentage change from the end of July 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 KSC	632	8.3%	113,114	171,921	-11%
Ahli United Bank BSC	231	24.6%	87,300	382,951	5%
Shamal Az-Zour Al-Oula Power and Water Cor	324	0.0%	86,846	240,079	0
National Bank of Kuwait SAKP	864	9.0%	78,648	83,923	-23%
Mobile Telecommunications Company KSCP	592	7.3%	47,576	80,153	-4%
Agility Public Warehousing Co KSCP	626	-2.5%	37,068	57,616	14%
Gulf Bank KSCP	215	12.1%	26,785	123,217	-14%
Kuwait International Bank KSCP	174	3.0%	16,684	90,588	-16%
Boubyan Bank KSCP	568	8.9%	15,784	25,434	43%
ALAFCO Aviation Lease and Finance Co KSCF	158	1.9%	14,023	83,017	471%

Note: Percentage change from the end of July 2020

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

Source: Thomson Reuters and Arzan Analysis

Ream Real Estate Company KSCP was the top gainer in August 2020 with a monthly gain of 216.3% M-o-M to close at 204 fils, (total trading values during the month went down by 44% compared to the average trading value of the last twelve months). Followed by Hilal Cement Company KSCP which surged by 68.1% to close the month at 120 fils (total trading values during the month went up by 817% compared to the average trading value of the last twelve months).

Kuwait Syrian Holding Co KSCP topped the losers' chart during the 8th month of 2020 as it went down by 32.9% to close at 26.5 fils, followed by Al Eid Food Company KSCP and Gulf Cement Co PSC which decayed by 25.0% and 20.8% during the month, closing at 66.5 fils and 31.8 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 113.1 million (11% lower than the monthly average for the last twelve months), to end the month at 632 fils. Ahli United Bank BSC "AUB" came next with a traded value of KD 87.3 million (5% higher than the monthly average for the last twelve months), to close the month's trading at 231 fils. Shamal Az-Zour Al-Oula Power and Water Company KACP "Al-Zoor" came next with a traded value of KD 86.8 million (the stock got listed in August 2020), to close the month's trading at 324 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
Aug-19	5,941			Aug-19	6,528			Aug-19	4,789		
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%
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%

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
Aug-19	490,233			Aug-19	2,584,969			Aug-19	27,235		
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%
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	623,758	95,059	18.0%	Aug-20	3,451,888	879,141	34.2%	Aug-20	35,209	10,032.5	39.8%

LTM: last twelve months

- The All-Share Index (PR) closed the 8th month of 2020 in the green zone with a growth of 6.6% and YTD of -15.7% to close at a level of 5,294 points.
- The Premier Market Index (PR) closed the month of August 2020 with an Increase by 8.1% M-o-M to close at 5,855 points. Additionally the Premier Market Index (PR) has improved its a YTD to -16.1% as of August 2020.
- The Main Market Index (PR) ended the eighth month of 2020 with an enhance in the index as it scored a rise of 2.4% M-o-M to close at 4,185 points and its YTD ended at a -14.8% record as of August 2020.
- Trading activity went up significantly during the month. This was evidence by the fact that the monthly traded volume increased by 34.2% compared to the previous month to reach 3.5 billion shares. Moreover, monthly traded value saw huge upsurge but at a lower rate of 18% to reach KWD 624 million as compared to KWD 529 million during the previous month.
- The average monthly traded value went also up during the month of August 2020 by 39.8% to an average daily traded value of KWD 35.2 million compared to KWD 25.2 million in July 2020.

Disclaimer

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