

# Arzan Financial Group

**Monthly Report**

**Kuwait Boursa Performance**

**For the month ended on 30 October 2018**



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please contact the  
administrators**

**Alaa Alatilie**

Portfolio Analyst

Assets Management

**Tel: +965 222 03033**

**[A.Alatilie@arzan.com.kw](mailto:A.Alatilie@arzan.com.kw)**

# Kuwait Boursa Performance Analysis

## Market Indices

	31-Oct-18	30-Sep-18	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,042	5,128	-1.7% ▼	4.4% ▲
Premier Market Index (PR)	5,234	5,344	-2.1% ▼	9.2% ▲
Main Market Index (PR)	4,694	4,736	-0.9% ▼	-2.8% ▼
All-Share Index (TR)	5,611	5,706	-1.7% ▼	7.0% ▲
Premier Market Index (TR)	5,857	5,980	-2.1% ▼	11.6% ▲
Main Market Index (TR)	5,136	5,182	-0.9% ▼	0.2% ▲

Note: Percentage change from the end of October 2018

## Highest and lowest indices level

	During the Month		Beg. of 2018	
	High	Low	High	Low
All-Share Index (PR)	5,122	4,987	5,287	4,731
Premier Market Index (PR)	5,329	5,147	5,466	4,684
Main Market Index (PR)	4,744	4,670	5,058	4,670
All-Share Index (TR)	5,699	5,549	5,883	5,235
Premier Market Index (TR)	5,964	5,760	6,117	5,234
Main Market Index (TR)	5,191	5,110	5,441	5,110

## Market Indicators

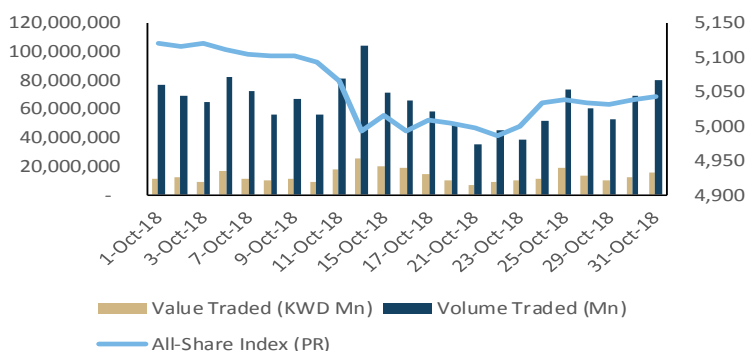
	31-Oct-18	%Chg MTD
Market Cap KWD	28,635,234,029	-1.7% ▼
Daily average volume traded (shares / day)	64,550,351	-38.5% ▼
Daily average value traded (KWD/ day)	13,471,291	-48.6% ▼

Note: Percentage change from the end of October 2018

## Net profit of listed Companies in Kuwait Boursa

KWD	H1-2018	%Chg
Net profit of kuwait Boursa's Companies	1,114,062,532	10.3% ▲

Note: Percentage change from the end of H1-2017



Kuwait Boursa's indices posted negative performance for month October 2018 where the loss was recorded by all the market indices. This was evident by the fact that the All-share index (PR), and Main Market Index (PR) declined by 1.7%, and 0.9%, respectively. In addition, the Premier Market Index (PR) which represents the large market cap witnessed the highest drop of 2.1% M-o-M during the same period. Thereby, the decline pushed down the YTD-18 gains as the Premier market index closed at 5234 points with a YTD 2018 gain of 9.2%, while that of the Main Market Index and the All Share Index stood at -2.8% and 4.4%, respectively

Trading activity recorded a huge drop in October 2018 compared to the previous months since July 2018. The average daily traded volume had a significant decline by 38.5% to reach 64.6 million shares compared to the previous month of 104.9 million shares. Additionally, the average daily traded value deteriorated significantly with a fall of 48.6% to KD 13.5 million during the month compared to KD 26.2 million in the previous month.

Trading during the month witnessed a steep decline to reach the lowest level in four months. The traded value declined significantly by 40.8% to reach KD 308.9 million compared to KD 523.8 million during the previous month. In addition, total monthly traded shares dropped by 29.3% to 1.5 billion shares compared to 2.1 billion shares.

The net profit for all the companies listed in Kuwait Boursa increased by 10.3% in the first half of the current year compared to the same period of the last year to reach an amount of KWD 1.114 billion.

Within the Premier Market index, 13 out of the 17 constituents reported negative performance during the month with Mezzan Holding leading the losers at 6.5% followed by Boubyan Bank Bahrain at 6.4% and Zain at 6.3%. On the other hand, the Premier's constituents gainers during the month are 3 companies topped by Burgan Bank with a gain of 10.0% followed by Gulf Bank & Integrated Holding at 2.4% and 0.3%, respectively.

# Kuwait Boursa Sectors' Indices Performance

## Market sector Indices

Sector	Index			Price to Earning	Price to Book Value	Dividend Yield	ROE %
	31-Oct-2018	Pct Change %					
Oil and Gas	1,116.0	-1.6%	▼	20.1	0.8	2.5%	4.2%
Basic materials	1,213.7	4.3%	▲	20.8	1.4	3.5%	6.9%
Industrials	973.0	-0.9%	▼	14.4	1.2	2.0%	8.4%
Consumer goods	797.4	-5.4%	▼	25.0	1.3	3.3%	5.3%
Health care	995.6	0.0%	↔	118.8	5.2	0.6%	4.4%
Consumer services	965.1	-2.5%	▼	23.2	1.1	3.5%	4.7%
Telecom	877.8	-4.6%	▼	11.7	1.2	7.4%	10.2%
Banking	1,072.4	-1.3%	▼	16.0	1.5	2.9%	9.4%
Insurance	955.2	0.1%	▲	10.9	0.9	3.6%	8.4%
Real estate	859.2	-3.7%	▼	19.7	0.7	1.0%	3.3%
Financial services	941.1	-3.1%	▼	11.9	0.6	2.4%	5.2%
Technology	909.4	6.8%	▲	8.0	0.8	0.0%	10.1%

Note: Percentage change from the end of October 2018

## Market Indices activities

Sector	Value			Volume		
	31-Oct-2018	Pct Change %		31-Oct-2018	Pct Change %	
Oil and Gas	1,048,051	67.2%	▲	21,231,989	2.2%	▲
Basic materials	14,835,637	-27.8%	▼	27,710,574	10.1%	▲
Industrials	50,103,021	-36.7%	▼	105,804,261	-29.8%	▼
Consumer goods	3,688,465	-28.9%	▼	8,278,223	-41.5%	▼
Health care	2,754	-98.1%	▼	21,188	-84.3%	▼
Consumer services	2,683,135	-67.2%	▼	27,134,872	-62.1%	▼
Telecom	33,036,488	-41.1%	▼	127,844,081	6.2%	▲
Banking	161,259,506	-45.8%	▼	476,098,618	-30.1%	▼
Insurance	261,774	-34.2%	▼	1,612,725	-26.6%	▼
Real estate	16,678,508	-28.4%	▼	288,627,941	-48.2%	▼
Financial services	26,238,161	-19.6%	▼	400,258,073	-12.1%	▼
Technology	21,724	-59.8%	▼	183,344	-55.5%	▼

Note: Percentage change from the end of October 2018

In terms of sector performance, most of the sectoral indices closed the month in the red zone evidenced by the fact that the Consumer Goods Index was the top decliner for the month with a fall of 5.4% mainly owing to the drop of Mezzan Holding company by 6.5%, followed by the Telecom Index which declined by 4.6% mainly due to the decline of Zain Company by 6.3% during the same period

The positive sector performers during October 2018 included the Basic Materials index with a gain of 4.3% that came after positive returns in shares of Qurain Petrochemicals with a gains of 14.0% while Boubyan Petrochemicals declined -1.1% and Al Kout For Industrial Projects -2.5%.

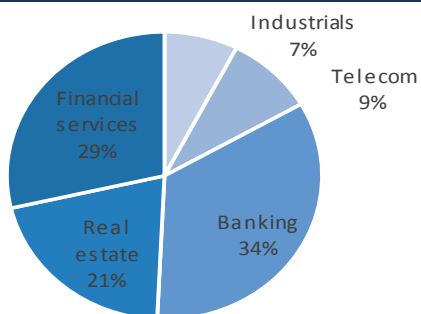
The large-cap Banking Index decreased in October 2018 by 1.3% M-o-M. Burgan Bank showed best positive performance with a gain of 10.0% after the news of the 9M-2019 profit results which showed a growth of 32%. On the other hand, most of the banks closed in the red zone topped by Boubyan Bank which showed a drop of 6.4% followed by Warba and Ahli United Bank – Bahrain by 3% and 2.4%, respectively.

In terms of value traded in October 2018, the market indices had negative performance with exception for the Oil and Gas sector which surged by 67.2%. While wise, the health & care sector and Consumer Services sector had a deflation in term of value traded by 98% and 67% respectively.

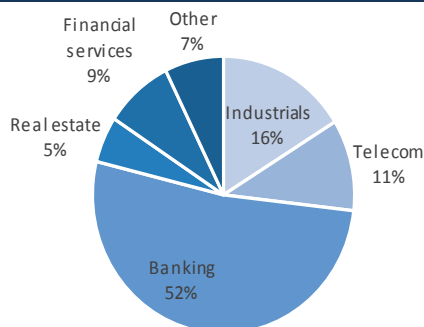
The banking sector was the most traded sector accounted for 52% of the total value traded followed by the Industrial and Telecom by 16% and 11%, respectively.

Banking Sector, Financial Services Sector and Real Estate Sector were the most traded sectors based on monthly volume traded during the month with a share of 34%, 29% and 21%, respectively.

### Traded Volume



### Traded Value



Source: Thomson Reuters and Arzan Analysis

## Top Gainers and Losers

### Companies' Top Gainers During The Period

Company	Close (fils)	%Chg MTD	Value (KWD)	Volume	Monthly Turnover**
Kuwait Cable Vision Company KPSC	30.0	172.7%	173	14,948	-91.2%
Kuwait Hotels Co KPSC	130.0	30.0%	10	250	-99.9%
Al Mal Investment Company KPSC	22.9	25.1%	1,486,464	74,861,142	278.8%
Tijara and Realestate Investment Company KSCP	53.0	14.7%	63,008	2,857,836	50.1%
Al Madar Finance and Investment Co KSCP	157.0	14.6%	3,387,348	23,714,809	196.3%
Qurain Petrochemical Industries Company KSCP	390.0	14.0%	8,016,583	21,548,994	152.2%
Alrai Media Group Co KSCP	57.5	13.0%	79,460	1,597,276	-69.8%
Real Estate Trade Centers Company KPSC	24.4	12.4%	3,877	251,054	-83.2%
ALAFCO Aviation Lease and Finance Company KSCP	366.0	12.3%	2,117,778	6,417,546	47.0%
Credit Rating and Collection Company KSCP	22.5	11.4%	149	7,066	-89.9%

Note: Percentage change from the end of October 2018

\*\* 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	Monthly Turnover**
Kuwait Finance and Investment Company KSCP	34.0	-26.9%	96,309	2,492,580	540.1%
Boubyan International Industries Holding	20.6	-26.4%	220,914	8,864,435	194.7%
Palms Agro Production Co KSCP	60.0	-25.0%	293	4,890	-47.3%
Kuwait Real Estate Holding Co KPSC	24.5	-20.5%	14,920	588,639	17.4%
Al Massaleh Real Estate Co KSCP	37.0	-17.8%	11,858	305,620	-95.6%
Amar Finance and Leasing Company KSCP	32.4	-16.9%	10,391	318,000	-37.0%
Gulf Franchising Holding Co KSCP	75.0	-16.7%	785	10,974	-98.8%
Kuwait Financial Centre KPSC	88.0	-15.4%	327,846	3,660,478	132.2%
Wethaq Takaful Insurance Co KCSP	25.5	-15.0%	4,768	180,990	-65.2%
Privatization Holding Co KPSC	51.0	-14.6%	79,908	1,550,320	-90.4%

Note: Percentage change from the end of October 2018

\*\* 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)	Volume	Monthly Turnover**
National Bank of Kuwait SAKP	822.0	-1.3%	38,847,162	52,025,864	-22.3%
Kuwait Finance House KSCP	587.0	-1.7%	35,616,506	61,785,037	-40.5%
Mobile Telecommunications Company KSCP	446.0	-6.3%	30,588,226	72,011,528	-21.3%
Ahli United Bank BSC	207.0	-2.4%	29,439,300	146,618,621	56.2%
Agility Public Warehousing Co KSCP	830.0	-1.2%	21,054,149	25,822,330	17.6%
Burgan Bank SAKP	275.0	10.0%	18,842,948	70,524,985	294.6%
Gulf Bank KSCP	260.0	2.4%	16,147,403	63,626,236	11.0%
Human Soft Holding Company KSCP	3,050.0	-4.7%	8,717,566	2,847,642	-14.9%
Qurain Petrochemical Industries Company KSCP	390	14.0%	8,016,583	21,548,994	152.2%
Integrated Holding Co KSCC	863.0	0.3%	7,731,060	9,354,342	-30.4%

Note: Percentage change from the end of October 2018

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

Kuwait Cable Vision Company was the top gainer in October 2018 with a monthly gain of 172.7% M-o-M to close at 30 fils, (total trading values during the month dropped by 91% compared to the average trading value of the last twelve months). Followed by Kuwait Hotels Company which surged by 30% to close the month at 130 fils (total trading values during the month dropped by 100% compared to the average trading value of the last twelve months).

Kuwait Finance and Investment Company topped the losers chart as it went down by 26.9% to close at 34 fils, followed by Boubyan International Industries Holding and Palms Agro Production Co. which decayed by 26.4% and 25% during the month, closing at 20.6 fils and 60.0 fils, respectively.

National Bank of Kuwait KSCP "NBK" was the top performer in terms of value traded during the month with a trading value of KD 38.8 million (22.3% lower than the monthly average for the last twelve months), to end the month at 822 fils. Kuwait Finance House "KFH" came next with a traded value of KD 35.6 million (40.5% lower than the monthly average for the last twelve months), to close the month's trading at 587 fils. Mobile Telecommunication Company "Zain" came next with a traded value of KD 30.6 million (21.3% lower than the monthly average for the last twelve months), to close the month's trading at 446 fils.

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