

# Arzan Financial Group

**Monthly Report**

**Kuwait Boursa Performance**

**For the month ended on 31 July 2018**



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# Kuwait Boursa Performance Analysis

## Market Indices

	31-Jul-18	28-Jun-18	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,168	4,890	5.7% ▲	4.1% ▲
Premier Market Index (PR)	5,297	4,905	8.0% ▲	7.1% ▲
Main Market Index (PR)	4,933	4,864	1.4% ▲	-1.2% ▼
All-Share Index (TR)	5,750	5,439	5.7% ▲	6.7% ▲
Premier Market Index (TR)	5,928	5,489	8.0% ▲	9.5% ▲
Main Market Index (TR)	5,397	5,313	1.6% ▲	1.8% ▲

Note: Percentage change from the end of June 2018

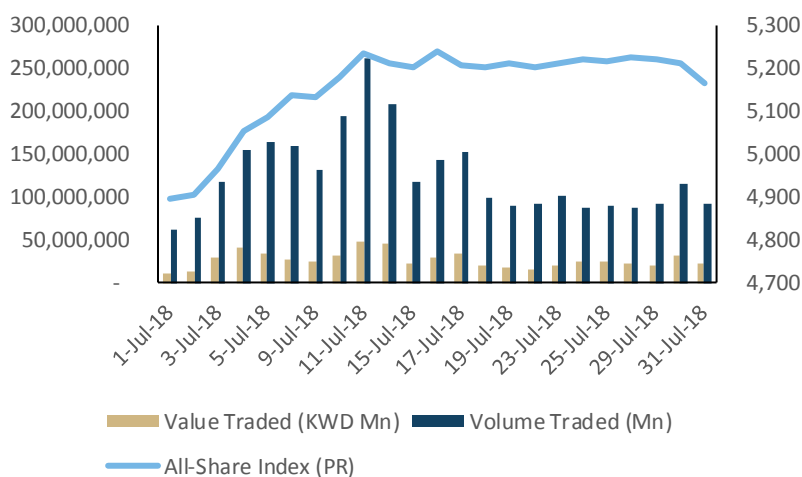
## Highest and lowest indices level

	During the Month		Beg. of 2018	
	High	Low	High	Low
All-Share Index (PR)	5,239	4,890	5,239	4,731
Premier Market Index (PR)	5,389	4,905	5,389	4,684
Main Market Index (PR)	4,981	4,856	5,058	4,780
All-Share Index (TR)	5,826	5,439	5,826	5,235
Premier Market Index (TR)	6,031	5,489	6,031	5,234
Main Market Index (TR)	5,441	5,305	5,441	5,305

## Market Indicators

	31-Jul-18	%Chg MTD
Market Cap KWD	29,518,997,096	6.5% ▲
Daily average volume traded (shares / day)	125,741,398	122.6% ▲
Daily average value traded (KWD/day)	26,634,315	98.0% ▲

Note: Percentage change from the end of June 2018



Kuwait Boursa's indices posted positive performance for the second incessant month during July-2018. The increase were primarily skewed towards large-cap stocks. This was evident by the 8.0% monthly return for the Premier Market index that pushed the All Share Market Index to a monthly gain of 5.7%. In addition, the Main Market Index recorded a much smaller gain of 1.4%. Gains for the Premier Market index came after investors started accumulating large-cap stocks.

Trading activity augmented in July 2018, albeit significantly, as the average daily traded volume enriched by 122.6% to reach 125.7 million shares compared to the previous month of 56.5 million shares. Additionally, the average daily traded value went up parallelly with the ADT Volume by 98% to KD 26.6 million during the month compared to KD 13.4 million in the previous month.

In terms trading activity, the market saw a spike in value traded during the month as the traded value increased significantly by 153% to reach KD 612.6 million compared to KD 242.2 million during the previous month. In addition, total monthly traded shares increased parallelly by 184% to 2.90 billion shares compared to 1.01 billion shares. Finally, we found out that more than 82% of traded value were focused on large-cap stocks.

Within the Premier Market index, 15 out of the 17 constituents reported positive performance during the month with KIB leading the gains at 15.1% followed by AUB Bahrain at 14.3% and Zain at 11.7%. Shares of NBK were up 8.0%. The Boursa also saw the listing of Integrated Holding Company in the Premier market during the month with a market cap of KWD 185 million. The company was listed in the Industrials sector and closed the month with a gain of 7.6% and a market cap of KWD 199 million.

## Kuwait Boursa Sectors' Indices Performance

### Market sector Indices

Sector	Index		Price to Earning	Price to Book Value	Dividend Yield	ROE %
	31-Jul-2018	Pct Change %				
Oil and Gas	1,056.1	-0.5% ▼	18.87	0.79	2.65%	4.2%
Basic materials	1,070.3	3.6% ▲	18.67	1.26	1.53%	6.8%
Industrials	1,012.6	4.3% ▲	15.79	1.27	0.96%	8.1%
Consumer goods	886.4	-0.4% ▼	28.27	1.49	2.91%	5.3%
Health care	996.3	-0.3% ▼	119.03	5.24	0.00%	4.4%
Consumer services	1,057.5	-1.4% ▼	25.07	1.19	3.23%	4.7%
Telecom	944.7	7.4% ▲	12.47	1.27	6.95%	10.2%
Banking	1,075.0	7.8% ▲	15.90	1.49	2.68%	9.4%
Insurance	940.0	1.7% ▲	10.74	0.90	0.41%	8.4%
Real estate	985.1	3.2% ▲	22.33	0.74	0.76%	3.3%
Financial services	996.7	0.1% ▲	12.63	0.66	1.32%	5.2%
Technology	967.6	2.3% ▲	8.24	0.83	0.00%	10.1%

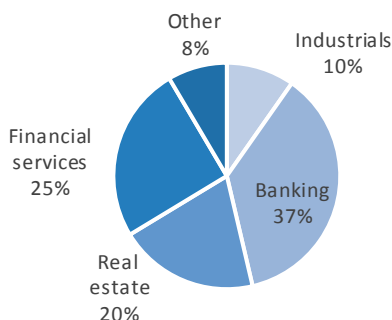
Note: Percentage change from the end of June 2018

### Market Indices activities

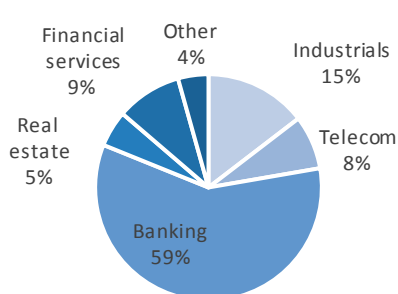
Sector	Value		Volume		
	31-Jul-2018	Pct Change %	31-Jul-2018	Pct Change %	
Oil and Gas	1,206,230	150.8% ▲	36,474,384	235.5% ▲	
Basic materials	13,712,409	47.4% ▲	27,042,693	56.5% ▲	
Industrials	89,321,262	278.2% ▲	281,342,617	259.2% ▲	
Consumer goods	2,486,297	-3.3% ▼	6,520,723	-26.0% ▼	
Health care	492,671	75824.0% ▲	435,675	8442.6% ▲	
Consumer services	7,891,995	4.1% ▲	62,506,544	110.4% ▲	
Telecom	47,138,537	31.7% ▲	107,424,399	16.4% ▲	
Banking	360,571,178	179.0% ▲	1,059,125,966	198.8% ▲	
Insurance	730,010	-79.1% ▼	4,068,262	-56.5% ▼	
Real estate	31,642,769	182.1% ▲	577,853,266	216.5% ▲	
Financial services	57,363,762	206.2% ▲	729,016,478	213.2% ▲	
Technology	71,178	-38.1% ▼	577,201	-41.9% ▼	

Note: Percentage change from the end of June 2018

### Traded Volume



### Traded Value



Source: Thomson Reuters and Arzan Analysis

In terms of sector performance, the majority of the Kuwaiti indices increased during the month of July-18.

Performance in the month was mainly increased by banks, telecom and large-cap companies. This was reflected in the index performance as the banking sector showed a monthly performance of 7.8%, followed by telecom and industrial with advances of 7.4% and 4.3%, respectively.

The Banking sector was supported by the First Half Results H1-2018 for Kuwaiti banks which showed a strong positive growth in their net profit. Accordingly, Burgan Bank posted the strongest net profit growth of 29.8% to reach KWD 50.5 million on the back of higher operating income that grew by 13%. NBK recorded double digit growth in net income that reached KWD 185.9 million. Also, the potential merger of KFH and AUB Bahrain saw a positive growth during the month as KFH started the due diligence process after they took the approval from the CMA and AUB Bahrain.

In terms of value traded in July 2018, the indices had a varied performance as the health care index was the best performing with an upsurge of 75824% followed by Financial services which increased by 206% compared to the previous month. In opposite, Insurance index showed the steepest decline of 79% followed by Technology and consumer goods declined by 38% and 3.3%.

The banking sector was the most traded sector accounted for 59% of the total value traded followed by the Industrial and Financial Services by 15% and 9%, 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 37%, 27% and 20%, respectively.

## Top Gainers and Losers

### Companies' Top Gainers During The Period

Company	Close (fils)	%Chg MTD	Value (KWD)	Volume	Monthly Turnover**
Kuwait Company for Process Plant	30.0	47.2%	852,678	1,571,575	38.5%
Al Massaleh Real Estate Co KSCP	234.0	40.0%	877,722	689,795	2034.2%
Effect Real Estate Company KPSC	42.0	34.0%	546	650	-95.2%
Hayat Communications Co KSCP	20.1	33.9%	2,016	-	-90.4%
Sanam Real Estate Company KSCP	79.0	33.7%	24,705	177,904	318.5%
Munshaat Real Estate Projects Co KSCP	38.1	25.4%	702,403	388,500	-34.1%
Heavy Engineering Industries and Shipbuilding	111.0	25.1%	2,720,426	213,781	111.4%
Sokouk Holding Co KSCP	428.0	23.1%	1,506,398	1,031,300	68.0%
Al Madar Finance and Investment Co KSCP	48.0	20.7%	2,681,009	2,345,846	744.8%
Bayan Investment Co KSCP	97.4	19.8%	358,044	352,790	-14.4%

Note: Percentage change from the end of June 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*
National Consumer Holding Company KSCP	70.0	-16.7%	2,200	-	25.5%
Mena Real Estate Co KSCP	25.9	-16.5%	29,439	-	-86.6%
Al Eid Food Company KSCP	55.0	-15.8%	9,600	5,000	2375.5%
Al Masaken International Real Estate	64.0	-14.7%	8,321	-	75.1%
Kuwait Resorts Company KPSC	52.3	-10.9%	1,457,413	2,236,201	1342.9%
Salbookh Trading Co KSCP	45.8	-10.0%	64,161	59,190	13.6%
Kuwait Syrian Holding Co KSC	28.5	-9.5%	128,474	190,672	-75.5%
Kuwait and Middle East Financial Investment	20.0	-9.5%	2,302,138	14,298	48.4%
Umm Al Qaiwain General Investment Co PSC	71.0	-8.3%	26,977	-	-17.1%
Ras Al Khaimah for White Cement	68.0	-8.1%	234,834	66,814	557.8%

Note: Percentage change from the end of June 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**
Kuwait Finance House KSCP	583.0	8.2%	131,444,360	11,580,599	222.9%
National Bank of Kuwait SAKP	810.0	8.0%	70,944,198	1,388,807	95.6%
Integrated Holding Co KSCC	905.0	0.0%	52,527,250	936,873	0
Ahli United Bank BSC	208.0	14.3%	47,700,012	11,360,039	240.4%
Mobile Telecommunications Company KSCP	486.0	11.7%	44,905,398	2,609,031	12.8%
Kuwait International Bank KSCP	259.0	15.1%	34,834,972	10,399,137	527.3%
Gulf Bank KSCP	262.0	10.5%	33,750,300	6,029,667	246.6%
Agility Public Warehousing Co KSCP	843.0	7.0%	26,970,305	385,638	96.9%
National Industries Group Holding KPSC	161	1.9%	17,768,126	2,243,945	141.6%
Warba Bank KSC	235.0	8.8%	13,089,776	891,786	223.6%

Note: Percentage change from the end of June 2018

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

Kuwait Company for Process Plant Construction Company was the top gainer in July 2018 with a monthly gain of 47.2% M-o-M to close at 30 fils, (total trading values during the month increased by 39% compared to the average trading value of the last twelve months). Followed by Al Massaleh Real Estate which surged by 40% to close the month at 234 fils (total trading values during the month increased by 2034.2% compared to the average trading value of the last twelve months).

National Consumer Holding Company topped the losers chart as it went down by 16.7% to close at 70 fils, followed by Mena Real Estate Company and Al Eid Food Company which decayed by 16.5% and 15.8% during the month, closing at 25.9 fils and 55 fils respectively.

Kuwait Finance House "KFH" was the top performer in terms of value traded during the month with a trading value of KD 131.4 million (223% higher than the monthly average for the last twelve months), to end the month at 583 fils. Mobile National Bank of Kuwait KSCP "NBK" came next with a traded value of KD 70.9 million (95.6% lower than the monthly average for the last twelve months), to close the month's trading at 435 fils. Integrated Holding Co "IHC" the newcomer on the markets followed with a value of KD 52.5 million (was listed in July 2018), closing at a price of 905 fils.

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