

Arzan Financial Group

Monthly Market Report

Kuwait Boursa Performance

For the month ended on 31 December 2018



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Kuwait Boursa Performance Analysis

Market Indices

	31-Dec-18	28-Dec-17	29-Nov-18	%Chg MTD	% Chg YTD
All-Share Index (PR)	5,080	4,830	5,109	-0.6% ▼	5.2% ▲
Premier Market Index (PR)	5,267	4,793	5,318	-0.9% ▼	9.9% ▲
Main Market Index (PR)	4,739	4,828	4,730	0.2% ▲	-1.9% ▼
All-Share Index (TR)	5,652	5,244	5,685	-0.6% ▼	7.8% ▲
Premier Market Index (TR)	5,894	5,249	5,951	-0.9% ▼	12.3% ▲
Main Market Index (TR)	5,185	5,127	5,176	0.2% ▲	1.1% ▲

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)	5,187	5,059	5,287	4,731
Premier Market Index (PR)	5,442	5,257	5,466	4,684
Main Market Index (PR)	4,742	4,690	5,058	4,670
All-Share Index (TR)	5,772	5,630	5,883	5,235
Premier Market Index (TR)	6,090	5,883	6,117	5,234
Main Market Index (TR)	5,189	5,132	5,441	5,132

Market Indicators

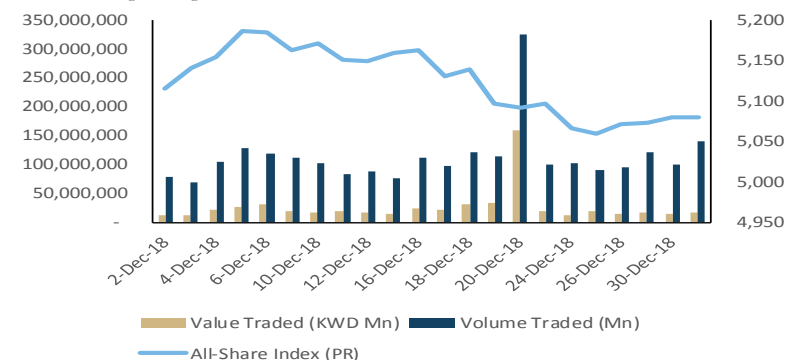
	31-Dec-18	%Chg MTD
Market Cap KWD	28,635,538,214	-2.1% ▼
Daily average volume traded (shares / day)	112,936,406	-1.2% ▼
Daily average value traded (KWD/ day)	26,112,015	55.9% ▲

Note: Percentage change from the end of October 2018

Net profit of listed Companies in Kuwait Boursa

KWD	9M-2018	%Chg
Net profit of kuwait Boursa's Companies	1,596,483,603	7.3% ▲

Note: Percentage change from the end of 9M-2017



Although Kuwait Boursa's All-share index (PR), posted modest monthly losses in December 2018 by 0.6%, but it ended the year 2018 for the third consecutive year in the green zone with a gain of 5.2% Y-o-Y led by higher in buying power in the large cap stock. In addition, the performance of the large-cap index which is the Premier Market Index (PR) posted much higher gain of 9.9% by the ended of the year. However, the Main Market Index (PR) showed opposite performance and it closed in the red zone with annual performance of 1.9% in 2018.

The gain in the Kuwaiti indices were reflected higher by MSCI's announcement to consider Kuwait's for an upgrade to Emerging Markets next year and FTSE inclusion the second half of the 2018. Also, most the large-cap companies in the premier Market index showed double digits in their net profit as of 9M-2018 compared to the same period of the last year. Some of the large Cap Companies topped the gainers charts for 2018 are Boubyan Petrochemicals with a surge of 45.5% followed by CBK at 37.5% and Boubyan Bank with a gain of 35% during 2018.

Average Daily Traded Value recorded a significant surge in December 2018 with a Growth of 55.9% to KD 26.1 million during the month compared to KD 16.7 million in the previous month. However, the average daily traded volume had a modest decline to reach 112.9 million.

Trading activity on the Kuwaiti Boursa Dropped in 2018 compared to the Growth happened in the previous year. Total volume of shares traded went down significantly a total traded shares of 21.4 billion as compared to 50.22 billion shares in 2017. Also, total value traded during the year declined but at a slightly rate of 28% in the same period to KWD 4.1 billion compared to KWD 5.7 billion in 2017.

The net profit for all the companies listed in Kuwait Boursa increased by 7.3% in the first nine months of the current year compared to the same period of the last year to reach an amount of KWD 1.6 billion.

Within the Premier Market index, 12 out of the 17 constituents closed in the red zone in Dec-18 with GFH Financial Group leading the losers chart at 20.6% followed by Mezzan Company at 11.7% and Gulf Bank at 6.3%. On the other hand, the gainers chart during the month where topped by Boubyan Bank & Kuwait Project with a gain of 3.5% and 2.5%, respectively.

Kuwait Boursa Sectors' Indices Performance

Market sector Indices

Sector	Index		Price to Earning	Price to Book Value	Dividend Yield	ROE %
	31-Dec-2018	Pct Change %				
Oil and Gas	1,142.4	0.9% ▲	20.4	0.9	2.5%	4.2%
Basic materials	1,159.3	-2.6% ▼	19.8	1.4	3.7%	6.9%
Industrials	963.8	0.0% ▲	14.5	1.2	1.7%	8.1%
Consumer goods	656.0	-10.5% ▼	20.9	1.1	3.9%	5.3%
Health care	946.8	-1.8% ▼	113.1	5.0	0.9%	4.4%
Consumer services	985.5	-0.5% ▼	23.5	1.1	3.4%	4.7%
Telecom	887.5	-2.2% ▼	11.7	1.2	7.4%	10.2%
Banking	1,092.7	0.2% ▲	16.3	1.5	2.8%	9.4%
Insurance	992.9	5.1% ▲	11.3	0.9	3.5%	8.4%
Real estate	869.7	-1.8% ▼	20.0	0.7	1.3%	3.3%
Financial services	933.7	-2.9% ▼	12.0	0.6	3.1%	5.1%
Technology	785.7	0.0% ↔	7.7	0.8	0.0%	10.1%

Note: Percentage change from the end of October 2018

Market Indices activities

Sector	Value		Volume	
	31-Dec-2018	Pct Change %	31-Dec-2018	Pct Change %
Oil and Gas	4,986,505	27.3% ▲	163,150,110	22.2% ▲
Basic materials	19,721,324	70.6% ▲	23,875,368	62.7% ▲
Industrials	65,482,014	95.7% ▲	117,631,807	29.0% ▲
Consumer goods	3,590,433	34.0% ▲	12,907,504	63.9% ▲
Health care	246,051	43426.4% ▲	242,856	9394.0% ▲
Consumer services	4,061,972	-31.7% ▼	38,593,513	-47.2% ▼
Telecom	61,546,734	200.1% ▲	139,010,674	139.0% ▲
Banking	340,520,929	130.1% ▲	845,249,760	81.2% ▲
Insurance	269,671	28.8% ▲	879,653	-34.1% ▼
Real estate	24,826,845	5.6% ▲	447,072,747	-4.5% ▼
Financial services	49,206,180	40.4% ▲	695,935,891	10.5% ▲
Technology	30,358	94.3% ▲	275,248	107.5% ▲

Note: Percentage change from the end of October 2018

In terms of sector performance, The sector performance chart had almost mixed performance during the month. The Insurance index topped the monthly performance chart with a gain of 5.1% while the Basic Materials topped the annual chart with a return of 26%. The gain of the Basic material were mainly led by the biggest stock in the sector with 45.5% gain in shares of Boubyan Petrochemicals followed by 40.0% gain in shares of Al Kout for Industrial Projects.

The negative sector performers during December 2018 included the Consumer Goods index with a largest loss of 10.5%, followed by the Financial and Basic Material indices which fell by 2.9% and 2.6% respectively. Additionally, Consumer Goods witnessed the steepest decline of 25.4% during the year of 2018.

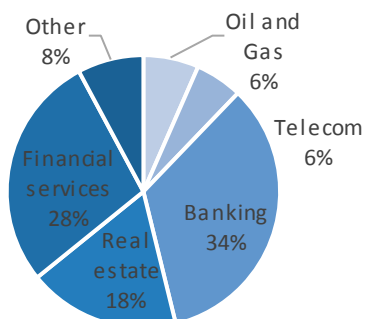
The large cap banking index recorded the second biggest gain during the year 2018 at 14.4% as shares of all the Kuwaiti banks recorded gain during the year with the exception for Ahli United Bank – KW and Warba Bank.

In terms of value traded in Dec-18, the market indices mainly closed the month in the green zone with exception for Consumer services Index which declined by 31.7% to KWD 4.1 million. Telecom Index had the highest growth in term of value traded after excluding the health care index by 200% followed by Banking and Industrial Indices with a Growth in traded value of 130% and 95.7%, respectively.

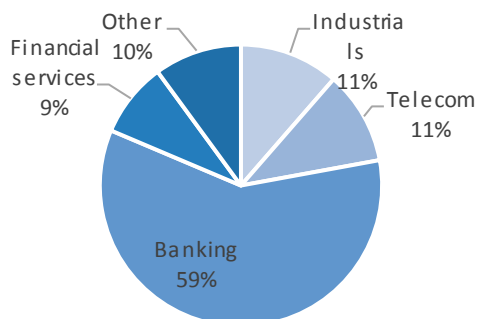
The banking sector was the most traded sector accounted for 59% of the total value traded followed by the Industrial and Telecom by 11% for them.

Banking Sector, Financial Services Sector and Real Estate Sector were the most traded sectors based on monthly traded volume during the month with a share of 34%, 28% and 18%, 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	20.0	150.0%	2,963	112,448	89.6%
Mashaer Holding Co KSCP	83.7	96.9%	5,894,663	90,774,616	2813.5%
Boubyan International Industries	30.6	61.1%	1,438,067	43,826,999	1561.3%
Noor Financial Investment Co KPSC	76.9	27.1%	3,579,257	52,191,616	313.6%
Metal and Recycling Co KSCP	63.0	26.0%	59	1,347	-98.7%
UniCap Investment and Finance Co KSCP	79.0	25.4%	1,014,450	14,416,365	152.4%
National Industries Company KPSC	200.0	20.5%	173,323	932,631	92.5%
Kuwait Insurance Company SAKP	360.0	16.1%	46,166	140,082	-24.1%
Osoul Investment Co KSCP	60.5	12.5%	38,384	671,168	-72.7%
Al Madar Finance and Investment Co KSCP	167.0	10.6%	4,995,275	31,924,824	163.0%

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**
Gulf Franchising Holding Co KSCP	70.0	-71.9%	85,224	1,223,200	140.7%
Effect Real Estate Company KPSC	9.1	-35.0%	7,201	549,769	7.6%
GFH Financial Group BSC	76.8	-20.6%	4,119,337	55,382,215	55.4%
Manazel Holding Co KPSC	24.7	-17.7%	170,737	6,304,872	-76.0%
Al Mal Investment Company KPSC	19.1	-16.6%	388,454	18,140,699	-24.0%
Yiaco Medical Company KPSC	107.0	-16.4%	4,795	41,851	22.9%
Tamkeen Holding Co	9.9	-15.4%	2,890	271,650	-86.2%
Amar Finance and Leasing Company KSCP	41.0	-14.6%	158	3,500	-99.1%
Ream Real Estate Company KSCP	180.0	-14.3%	4,856	24,300	-11.5%
Ithmaar Holding BSC	25.0	-13.8%	1,885,262	69,679,999	-48.0%

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	834.0	0.5%	118,632,339	142,101,957	147.5%
Kuwait Finance House KSCP	611.0	2.2%	93,890,868	152,918,872	66.1%
Mobile Telecommunications Company KSCP	449.0	-2.8%	60,322,724	131,261,205	101.6%
Gulf Bank KSCP	252.0	-6.3%	31,407,880	118,483,204	100.8%
Agility Public Warehousing Co KSCP	802.0	-1.2%	28,932,555	35,900,048	64.6%
Ahli United Bank BSC	204.0	-2.4%	27,243,953	132,575,905	35.9%
Kuwait International Bank KSCP	264.0	0.4%	22,744,966	85,088,304	95.4%
Boubyan Petrochemical Company KSCP	975.0	-5.2%	17,895,087	17,801,514	142.7%
Warba Bank KSC	210	-2.8%	16,628,001	75,525,348	243.4%
Boubyan Bank KSCP	560.0	3.5%	16,306,946	28,218,265	112.9%

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 December 2018 with a monthly gain of 150% M-o-M to close at 20 fils, (total trading values during the month increased by 89.6% compared to the average trading value of the last twelve months). Followed by Mashaer Holding Co. KSCP which surged by 96.9% to close the month at 83.7 fils (total trading values during the month went up by 2813% compared to the average trading value of the last twelve months).

Gulf Franchising Holding Co KSCP topped the losers chart as it went down by 71.9% to close at 70 fils, followed by Effect Real Estate Company KPSC and GFH Financial Group BSC which decayed by 35% and 20.6% during the month, closing at 9.1 fils and 76.8 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 118.6 million (147.5% higher than the monthly average for the last twelve months), to end the month at 834 fils. Kuwait Finance House "KFH" came next with a traded value of KD 93.9 million (66.1% higher than the monthly average for the last twelve months), to close the month's trading at 611 fils. Mobile Telecommunications Company KSCP "Zain" came next with a traded value of KD 60.3 million (101.6% higher than the monthly average for the last twelve months), to close the month's trading at 446 fils.

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