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Trading Features at Boursa Kuwait September 2020

Kuwait Clearing Company (KCC) issued its report regarding “Trading Volume According to Nationality and Category” for the period of 01/01/2020 to 30/09/2020, as published on the official website of Boursa Kuwait. The report indicated that individuals still form the largest trading category. They captured 44.5% of total value of sold shares (44.9% First 9 months of 2019) and 43.4% of total value of purchased shares (41% First 9 months of Months 2019). Individual traders sold shares amounting KD 2.913 billion and purchased shares worth KD 2.841 billion, with a net trading value of selling by KD 71.899 million.

The second largest contributor to the market's liquidity is the institutions and companies sector which captured 26% of total value of purchased shares (30.4% for the same period of 2019) and 24.4% of total value of sold shares (21.7% for the same period of 2019). This sector purchased shares worth KD 1.702 billion and sold shares worth KD 1.595 billion, with a net of most purchased trading value of KD 106.792 million.

The third contributor to market liquidity is the clients' accounts (portfolios) sector which captured 25.6% of total value of purchased shares (22.3% for the same period of 2019) and 24.7% of total value of sold shares (26.2% for the same period of 2019). This sector purchased shares worth KD 1.675 billion and sold shares worth KD 1.615 billion, with a net purchased trading value of KD 60.053 million.

The last contributor to liquidity is the investment funds sector which captured 6.4% of total value of sold shares (7.2% for the same period of 2019) and 5% of total value of purchased shares (6.3% for the same period of 2019). This sector sold shares worth KD 420.003 million and purchased shares worth KD 325.056 million, the most net sold trading value of KD 94.947 million.

Boursa Kuwait still continues to be a domestic Boursa with higher share for Kuwaiti traders as represent the biggest trading group. They sold shares worth KD 5.354 billion, capturing 81.8% of total sold shares (84.5% for the same period of 2019), and purchased shares worth KD 5.303 billion capturing 81% of total value of sold shares (76.7% for the same period of 2019), with a net of most sold trading value of KD 51.534 million.

Percentage share of other investors out of total sold shares value scored 14.6% (10.5% for the same period of 2019), and sold shares worth KD 954.994 million and purchased shares worth KD 941.045 million, 14.4% of total sold shares (18.7% for the same period of 2019); thus making their trading value selling by KD 13.950 million. This means that the other foreign investors' confidence in the Boursa Kuwait is becoming lower.

GCC Investors' share out of total value of purchased shares scored 4.6% (4.6% for the same period of 2019) worth KD 299.344 million, while value of sold shares scored 3.6% (5% for the same period of 2019) worth KD 233.860 million, becoming the only group with a net purchased trading value of KD 65.484 million.

The relative distribution among nationalities differed slightly from its predecessor. Kuwaitis occupied 81.4%, other nationalities occupied 14.5% and GCC traders' share captured 4.1%, versus 80.6% for Kuwaitis, 14.6% for other nationalities and 4.4% for GCC traders, for the same period of 2019. This means Boursa Kuwait remained domestic with most shares allocated to the local investor and their share is increasing. The non-Kuwaiti investors from outside the GCC outweighed that from within the GCC states with the dominance of trading for individuals.

Number of active accounts between the end of December 2019 and the end of September 2020 rose by 90.3%, compared with an increase by 8.9% between the end of December 2018 and the end of September 2019. Number of active accounts in the end of September 2020 was at 32,725 accounts or 8.2% of total accounts versus 28,616 accounts in the end of August 2020 and 7.2% of total accounts for the same month, increasing by 14.4% during September 2020.





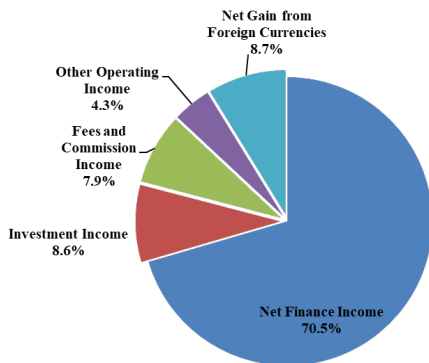
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Kuwait Finance House (KFH) Financial Results - First Half 2020

The announced operation results of Kuwait Finance House for the first half of 2020 show that it achieved net profit (after tax deductions) by KD 66.3 million, a decrease by KD 45 million or by 40.4% compared with KD 111.3 million for the same period of 2019. The decline in the net profit was due to the rise in total provisions by 86.2% or by KD 86.2 million indicating that it was the main factor of the net profit's decline, despite the increase in the operating profit (before deduction of provisions) by KD 26.9 million or by 11.2%, reaching KD 267.6 million compared with KD 240.7 million in the same period of 2019.

Total Operating Income First Half 2020



In details, total operating income rose by KD 27.3 million or by 7%, to reach KD 419.7 million versus KD 392.4 million in the same period of last year. This resulted from the rise in the item net financing income by KD 45.1 million or by 18%, to KD 295.7 million compared with KD 250.6 million. While item of investment income dropped by KD 24.2 million or by 40.1%, reaching KD 36.2 million compared to KD 60.4 million.

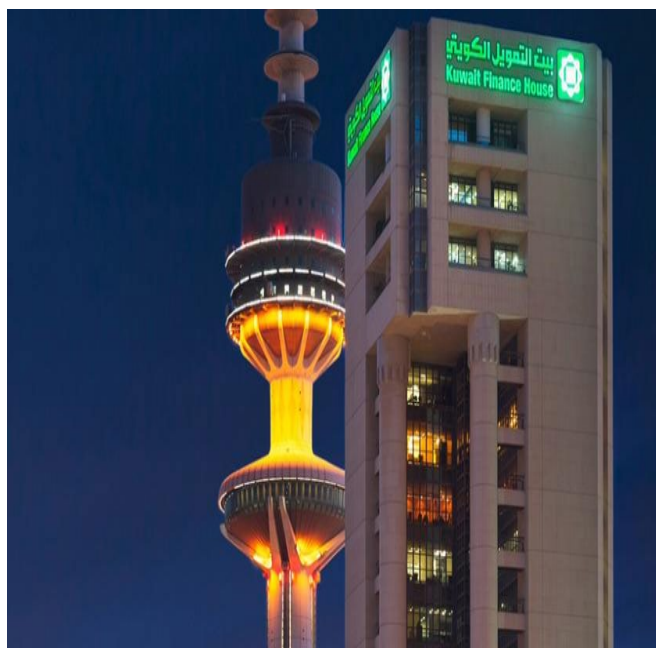
On the other hand, total operating expenses increased by KD 457 thousand or by 0.3%, scoring KD 152.12 million compared with KD 151.66 million, due to the rise in the items of general & administrative expenses and depreciation & amortization by a total of KD 4 million, against a decline in item of staff costs by KD 3.5 million. Percentage of total operating expenses to total operating income was at 36.2% versus 38.7% in the same period of 2019. Total provisions increased by KD 86.2 million or by 86.2% as mentioned previously, reaching KD 186.2 million compared with KD 100 million. This explains the decline in the net profit margin to 15.8% versus 28.4% in the same period of 2019.

KFH's total assets rose by KD 1.192 billion or by 6.1%, reaching KD 20.582 billion compared with KD 19.391 billion at the end of 2019. When comparing total assets with their value in the same period of 2019, we'll notice a rise by KD 1.835 billion or by 9.8% over its value at KD 18.747 billion. Item of finance receivables rose by KD 527.6 million or by 5.7%, and scored KD 9.864 billion (47.9% of total assets) compared with KD 9.337 billion (48.1% of total assets) in the end of 2019. It also rose by KD 626.9 million or by 6.8%, compared with the same period of last year when it was at KD 9.237 billion (49.3% of total assets). Percentage of total finance receivables to total depositors' accounts reached 67.6% versus 72%. Item of investment in Sukuk rose by KD 1.130

billion or by 49.3%, and scored KD 3.422 billion (16.6% of total assets) versus KD 2.292 billion (11.8% of total assets) in the end of 2019. It rose by KD 1.257 billion or by 58.1% scoring KD 2.165 billion (11.5% of total assets) compared with the same period in 2019.

Figures indicate that the bank's liabilities (excluding total equity) rose by KD 1.396 billion or by 8.1%, and scored KD 18.543 billion versus KD 17.147 billion in the end of 2019. If we compare the liabilities with their value in the same period of last year, total liabilities rose by KD 1.856 billion or by 11.1% when they were at KD 16.687 billion. Percentage of total liabilities to total assets scored 90.1% versus 89%.

Analysis of financial figures calculated on annual basis indicate that all profitability ratios relevant to the bank shareholders showed negative performances compared with the same period of 2019. Return on average bank capital (ROC) decreased to 18.1% versus 33.4%. Return on average assets (ROA) declined to 0.7% versus 1.2%. Also, return on average equities (ROE) dropped to 5.8% versus 11.4%. Earnings per share (EPS) specific to the bank shareholders declined to 7.49 Fils against 14.22 Fils. (P/E) scored 40.9 times versus 25.1 times, due to the drop in EPS by 47.3% versus a lower drop in the share market price by 14.3% compared with June 30, 2019. (P/B) scored 2.3 times versus 2.4 times.



	30/06/2020	30/06/2019	Change		
	(Thousand KD)	(Thousand KD)	Value	%	
Total Assets	20,582,479	18,747,101	1,835,378	9.8%	↑
Total Liabilities	18,543,351	16,687,155	1,856,196	11.1%	↑
Total Equity Attributable to the Equity Holders of the Bank	1,863,099	1,883,639	-20,540	-1.1%	↓
Total Operating Revenues	419,737	392,379	27,358	7.0%	↑
Total Operating Expenses	152,116	151,659	457	0.3%	↑
Provision	186,194	99,971	86,223	86.2%	↑
Taxation	15,097	29,410	-14,313	-48.7%	↓
Loss After Taxation From Discontinuing Operations	-	-	-	-	-
Net Income	66,330	111,339	-45,009	-40.4%	↓
Ratios					
**Return on Average Assets (ROA)	0.7%	1.2%			↓
**Return on Average Equity Relevant to the Bank Shareholder (ROE)	5.8%	11.4%			↓
**Return on Average Capital (ROC)	18.1%	33.4%			↓
*Earnings Per Share (EPS) – (Fils)	7.49	14.22	-6.73	-47.3%	↓
Closing Price – (Fils)	612	714	-102	-14.3%	↓
*Price to the Basic and Diluted Earnings Per Share Attributable to the Shareholder of the Bank (P/E)	40.9	25.1			
Price to Book Value Multiplies (P/B)	2.3	2.4			

* Indicators Ended June 30, 2020 on an annual basis.

** Calculated based on the average rate of the financial data at the end of December 2019 and 30 June 2020.



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The Weekly Performance of Boursa Kuwait

The performance of Boursa Kuwait for last week was less active where the traded value, number of transactions and the general index decreased (AlShall index), while the traded volume increased. AlShall Index (value weighted) closed at 504.7 points as of last Thursday, showing a drop by 1.8 points or by 0.4% compared with its level last week. It remained lower by 48.5 points or by 8.8% compared with the end of 2019.

The following tables summarize Last weeks performance of Boursa Kuwait

Description	Week 41	Week 40	Difference
	15/10/2020	08/10/2020	%
Working days	5	5	
AlShall index (33 Companies)	504.7	506.5	-0.4%
Boursa All Share Market Index	5,735.2	5,724.8	0.2%
Value Trade (KD)	315,335,474	334,563,373	
Daily average (KD)	63,067,095	66,912,675	-5.7%
Volume Trade (Shares)	2,001,436,636	1,940,815,881	
Daily average (Shares)	400,287,327	388,163,176	3.1%
Transactions	73,822	74,091	
Daily average (Transactions)	14,764	14,818	-0.4%

Most Active Sectors & Companies

Description	Value Traded	% of Total
Sectors	KD	Market
NATIONAL BANK OF KUWAIT	51,148,900	16.2%
KUWAIT FINANCE HOUSE	35,970,617	11.4%
AHLI UNITED BANK (B.S.C)	28,189,689	8.9%
KUWAIT INTERNATIONAL BANK	16,512,455	5.2%
NATIONAL INDUSTRIES GROUP (HOLDING)	15,767,670	5.0%
Total	147,589,331	46.8%
Description	Value Traded	% of Total
Sectors	KD	Market
BANKS SECTOR	169,338,637	53.7%
FINANCIAL SERVICES SECTOR	62,211,296	19.7%
INDUSTRIALS SECTOR	27,049,481	8.6%
REAL ESTATE SECTOR	24,921,342	7.9%
TELECOMMUNICATIONS SECTOR	15,966,564	5.1%

ALSHALL INDEX	Week 41	Week 40
	15/10/2020	08/10/2020
Increased Value (# of Companies)	14	24
Decreased Value (# of Companies)	12	3
Unchanged Value (# of Companies)	7	6
Total Companies	33	33

	Company Name	THU	THU	DIFF %	CLOSE 2019	DIFF %
		15/10/2020	08/10/2020			
1	National Bank Of Kuwait	615.2	625.1	(1.6)	706.9	(13.0)
2	Gulf Bank	195.8	195.8	0.0	246.2	(20.5)
3	Commercial Bank Of Kuwait	516.0	516.0	0.0	545.9	(5.5)
4	Al-Ahli Bank Of Kuwait	138.8	138.1	0.5	167.6	(17.2)
5	Kuwait International Bank	249.2	250.4	(0.5)	297.0	(16.1)
6	Ahli United Bank	319.2	319.2	0.0	358.5	(11.0)
7	Burgan Bank	243.1	238.7	1.8	328.1	(25.9)
8	Kuwait Finance Bank	2,387.1	2,379.9	0.3	2,492.0	(4.2)
	Banking Sector	595.0	599.1	(0.7)	668.5	(11.0)
9	Commercial Facilities Company	131.4	131.4	0.0	156.6	(16.1)
10	International Financial Advisors	178.1	92.5	92.5	160.3	11.1
11	National Investments Company	179.9	178.7	0.7	173.7	3.6
12	Kuwait Projects Company (Holding)	429.8	421.9	1.9	566.1	(24.1)
13	Coast Investment & Development Co.	54.8	52.1	5.2	54.7	0.2
	Investment Sector	188.9	180.2	4.8	222.9	(15.3)
14	Kuwait Insurance Company	83.6	79.4	5.3	72.8	14.8
15	Gulf Insurance Company	327.9	345.0	(5.0)	376.4	(12.9)
16	Al-Ahleia Insurance Company	165.6	163.2	1.5	160.7	3.0
17	Warba Insurance Company	63.0	65.3	(3.5)	50.8	24.0
	Insurance Sector	143.9	144.3	(0.3)	144.7	(0.6)
18	Kuwait Real Estate Company	198.5	186.2	6.6	189.1	5.0
19	United Realty Company	102.0	104.0	(1.9)	125.0	(18.4)
20	National Real Estate Company	218.5	222.6	(1.8)	253.6	(13.8)
21	Salhiaha Real Estate Company	1,631.3	1,643.4	(0.7)	1,683.8	(3.1)
	Real Estate Sector	208.7	207.5	0.6	221.8	(5.9)
22	The National Industries	179.6	161.7	11.1	215.3	(16.6)
23	Refrigeration Industries Co	345.2	354.3	(2.6)	370.8	(6.9)
24	Gulf Cable & Electrical Industries	280.6	283.4	(1.0)	195.0	43.9
	Industrial Sector	186.4	180.6	3.2	190.3	(2.0)
25	Kuwait National Cinemas	439.4	454.5	(3.3)	657.8	(33.2)
26	The Public Warehousing Co	4,102.1	4,161.1	(1.4)	4,198.3	(2.3)
27	Mobile Telecommunications Co (ZAIN)	1,184.2	1,178.0	0.5	1,134.3	4.4
28	Safat Energy Co	18.5	18.3	1.1	21.3	(13.1)
	Services Sector	1,450.4	1,458.6	(0.6)	1,460.6	(0.7)
29	Livestock Transport & Trading Co	158.3	157.5	0.5	145.8	8.6
30	Danah Alsafat Foodstuff Company	10.8	10.8	0.0	14.5	(25.5)
	Food Sector	453.2	453.0	0.0	450.6	0.6
31	Sharjah Cement Co	175.8	175.8	0.0	175.8	0.0
32	Gulf Cement Co	131.9	141.1	(6.5)	221.4	(40.4)
33	Umm Al-Qaiwain Cement Industries	529.8	529.8	0.0	490.8	7.9
	Non Kuwaiti Companies	168.1	169.7	(0.9)	181.7	(7.5)
	AlShall Index	504.7	506.5	(0.4)	553.2	(8.8)

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