

Business

# Markaz: Kuwait ended the year as the best performing GCC market in 2019

## S&P GCC index registers yearly gains of 8.3%

KUWAIT: Kuwait Financial Centre "Markaz" recently released its Monthly Markets Review report. Markaz report stated that Kuwait ended the year as the best performing GCC market in 2019, posting its best yearly returns since 2014.

The strong rally in Kuwait equities during the year stemmed from MSCI's decision to include Kuwait in its emerging market indices from next year. Kuwait markets witnessed sharp yearly gains with its All Share Index gaining 23.7 percent and its Premier market Index gaining 32.4 percent. MSCI's confirmation in December provided the impetus for Kuwaiti stocks to close the year on a high. With an estimated weightage of 0.69 percent in the MSCI Emerging Market index, Kuwait can expect sizeable passive and active foreign inflows into its equity markets next year.

Banking stocks were the biggest gainers among sectors, rising by 35.7 percent for the year. All of Kuwait's Blue Chip companies registered sizeable gains during the year, with the market's two largest stocks Kuwait Finance House and National Bank of Kuwait emerging as the biggest gainers among Blue Chips, rising by 46.0 percent and 34.7 percent respectively.

Markaz report added that the year 2019 ended on a positive note for GCC markets as a whole. The S&P GCC index registering yearly gains of 8.3 percent, with all markets barring Oman posting positive returns. Bahrain was the second biggest gainer among GCC markets, rising by 20.4 percent in 2019, after a flat performance in the previous year.

Dubai, which was the worst performer among GCC markets in 2018, rebounded this year to post gains of 9.3 percent. On the contrary, Qatar, which was the best performer in the previous year, remained flat with mild gains of 1.2 percent in 2019. Despite the announcement of a stimulus package to boost Abu Dhabi's economy in late 2018, its market witnessed only slight uptick of 3.3 percent in 2019. Meanwhile, Oman's equity market remained weak,

falling for the second consecutive year, down by 7.9 percent in 2019. GCC's largest market Saudi Arabia had a top-sy-turvy year, ending up with gains of only 7.2 percent despite its MSCI emerging market inclusion. As investor sentiment was affected by the escalation of geopolitical tensions, Saudi market's gains were modest. However, 2019 would be remembered as a milestone year for Saudi Arabia as the stock exchange successfully oversaw the World's largest IPO. Saudi Aramco's record IPO concluded in December, with the stock touching the coveted \$2 trillion valuation in the first few days of trading before investors locked in some profits.

Markaz report also stated that among the GCC Blue Chip companies outside Kuwait, Mesaieed Petrochemical Holding Company was the top gainer during the year, with its stock price rising by 67.0 percent. Emirates NBD ranked second among gainers posting an increase of 51.7 percent.

Global equity markets were buoyant in 2019 despite concerns surrounding the US-China Trade War. Several global markets closed the year with its main equity indices closing at record highs. The MSCI World Index rose by 25.2 percent, its best yearly performance since 2014. Similarly, US equities had a stellar year, with the S&P 500 posting yearly gains of 28.9 percent. Three rate cuts by the US Fed, strong economic fundamentals and the agreement of an interim trade deal with China supported the rally in US equities as the country entered the 11th consecutive year of economic expansion. Risks of a recession seemed to die down as the US sovereign yield curve steepened in December 2019, with the spread between the 2-year and 10-year treasury yields reaching its highest since November 2018. Despite Brexit uncertainties and a political shakeup during the year, UK markets (FTSE 100) stood strong with yearly gains of 12.1 percent. Emerging Market equities were also on the rise, with the MSCI EM Index posting closing the year 15.4 percent higher.

### Regional Market Trends – December 2019

Equity	Last close	December %	2019 %
S&P GCC	116	5.9	8.3
Saudi Arabia (TASI)	8,389	6.7	7.2
Qatar (QE Index)	10,426	2.7	1.2
Abu Dhabi (ADI)	5,076	0.9	3.3
Kuwait (All Share PR Index)	6,282	6.0	23.7
Dubai (DFMGI)	2,765	3.2	9.3
Bahrain (BAX)	1,610	5.5	20.4
Oman (Muscat SM)	3,981	-2.0	-7.9
Commodities			
IPE Brent(\$)	66.0	5.7	22.7
Gold(\$)	1,466	3.6	18.3

Source: Reuters

Oil prices closed at \$66.0 per barrel in 2019, which would translate to a gain of 22.7 percent compared to the end of previous year. Supply side disruptions and the deepening of production cuts by OPEC balanced concerns from the demand side, as Oil prices stabilized in the last

quarter of 2019. With fears of recession raising concerns among global investors, Gold prices witnessed a rally during the year, with its YTD gains peaking at 21.1 percent during September 2019 before settling down 18.3 percent at the end of the year.

## Gulf Bank announces winners of Al-Danah weekly draw

KUWAIT: Gulf Bank held its weekly draw on 5th January 2020 announcing the names of the winners for the week of 29 December 2019 - 2 January 2020. The weekly draw consists of five winners who receive KD 1,000 each, every week.

### The winners this week are:

- Fathiyah Sulaiman Dawood Mohammad
- Ajay Kumar Goel
- Moiz Abdulkayyum Kapasi
- Mohammad Fadel Abbas Alamdar
- Nisreen hamade

Gulf Bank's final Al-Danah draw for KD 1,000,000, will be held on 16 January 2020, where the Al-Danah millionaire will be announced at a live event. Gulf Bank encourages customers to increase their chances of winning with Al-Danah by depositing more into their Gulf Bank accounts using the new ePay (Self-Pay) service, which is available on Gulf Bank's online and mobile banking services.

Al-Danah offers a number of unique services to customers, including the Al-Danah Deposit Only ATM card, which allows account holders to deposit money into their accounts at their convenience. Account holders can also calculate their chances of winning the draws through the 'Al-Danah Chances' calculator available on the Gulf Bank website and app. Furthermore, loyal Al-Danah customers are rewarded with loyalty chances. Loyalty chances are the total chances accumulated from the previous year, which are added to the customer's chances the following year. Therefore, the total chances earned by Al-Danah customers in 2018, have been added to their 2019 chances, and the same process will take place in 2020, and so on. Terms and conditions apply.

## Crude and gold extend gains, stocks sink on fear of war

LONDON: Oil prices jumped, gold hit a 6.5-year high and most equities tumbled yesterday after the US assassination last week of a top Iranian general continued to fuel fears of a major conflict in the Middle East, dealers said. The leaders of Germany, France and Britain have agreed to work towards bringing about de-escalation in the Middle East amid heightened tensions following the US drone strike that killed Qasem Soleimani.

US President Donald Trump has however warned of a "major retaliation" against Tehran after it threatened revenge for Friday's killing of the Iranian commander, which sparked a sell-off in stocks and a spike in crude. Oil extended those gains yesterday and gold shone brightly to touch \$1,588.13 per ounce—a level last seen in April 2013 — as investors flocked to the safe-haven precious metal.

Asian and European stock markets meanwhile continued to tank, having wobbled before the weekend as the assassination news flashed across traders' screens.

"Today's ... losses extend the stock market weakness that began on Friday when a US airstrike killed Iran's top Military Commander Qasem Soleimani," said London Capital Group analyst Jasper Lawler. "The prospect of Iran avenging the killing of Soleimani and then a retaliation from the US is keeping de-escalation hopes at bay. "We would expect the impact of these Middle Eastern tensions to be more durable in commodities markets than in equities." Iran announced on Sunday a further rollback of its commitments to its nuclear accord, while Iraq's parliament demanded the departure of US troops from the country as fallout from the attack spread. — AFP

## Jazeera Airways brings more choices and services to passengers in 2020

KUWAIT: Jazeera Airways, Kuwait's leading low-cost airline, operating regionally and internationally, yesterday announced a series of new services and fare categories applicable from 2020 that aim to give passengers more choices to customize their itinerary as per their needs and budget when travelling to the Middle East, Europe or Asia. Speaking of the change in the airline's fares and services for 2020, Jazeera Airways Chief Executive Officer, Rohit Ramachandran, said: "As we continue to expand and offer our customers more places to visit, we are focusing as well on enabling them to choose how they want to travel. Our new fare categories and services have been designed to make their journey with Jazeera Airways all the more personalized and enjoyable. We will be the first airline in the Middle East to offer a Priority Service they can pre-purchase online."

Starting from January 8, 2020 (tomorrow), Jazeera Airways passengers will be able to choose from three fare categories in Economy Class: Light, Value or Extra, each providing them with a set of services to meet their needs. Passengers of Economy Class Light, the lowest fare category, are allowed a carry-on and a small bag, and can add on the services they require for their travel itinerary. Passengers of Economy Class Value are additionally allowed 20 kilograms in checked-in baggage allowance, while passengers of Economy Class Extra are allowed 30 kilograms in checked-in baggage allowance, priority



check-in and the ability to choose from the Preferred Seats located on rows 4 to 10.

The new Priority Service provides passengers with a faster travel experience: access to Priority Check-in, Priority Baggage and Priority Boarding. Charges will be KD10 one-way and will be available at all airports. Passengers on connecting flights will pay KD15 for the one-way service for both flights.

When planning or managing their booking, passengers can choose a seat of their preference from a variety of options. Should they not reserve a seat ahead of the flight, a standard seat will be assigned to them at check-in. Having moved to an all-Economy fleet configuration (except on Cairo flights), the new Seat Selection starts with Premium Seats located on rows 1 to 3, which provides generous legroom with a 33-inch seat pitch. Passengers of these rows also have a first selection from the Jazeera Cafe

menu. As for the Preferred Seats, they are located on rows 4 to 10 where they provide a 31-inch seat pitch and Economy Class Extra passengers can reserve it for free. The Extra Legroom Seats are located on rows 11 and 12, giving passengers the maximum legroom in the 35 to 38-inch seat pitch. The Standard Seats with 28-30-inch seat pitch are located on rows 13 to 28 / 29 and are designed for the best comfort at great value.

Passengers can also add on excess baggage whether at check-in and upon availability for Light travelers, or ahead of time for both Value and Extra travelers. They can also add on access to the Jazeera Business Lounge and a meal from Jazeera Cafe.

Ramachandran concluded: "Our customers can today enjoy great flexibility about the way they travel. They also have the choice to change their mind at the last minute and add on the service that best suits their needs."

## France urges US to 'come to its senses' on digital tax

PARIS: Finance Minister Bruno Le Maire urged the United States yesterday to renounce threatened sanctions on France in a dispute over taxation of tech giants, and warned of possible EU retaliation.

"This trade war is in no one's interest and I call on our American friends to display wisdom, to return to their senses," Le Maire told France Inter radio as the US government moves towards imposing sanctions. President Donald Trump last month threatened to punish Paris for a new tax on tech giants such as Netflix and Amazon, unveiling sky-high retaliatory duties on \$2.4 billion of French wines, makeup and leather handbags.

US trade officials were accepting written comments until yesterday and they would hold a public hearing today to allow individuals and companies to comment on the punitive measures. Le Maire issued a warning that it would respond if the tariffs are put into place. "If the Americans decide to go through with it, to put into place sanctions against the tech tax when they are for such a tax... in that case we will retaliate," he said, adding he plans to speak with his US counterpart Steven Mnuchin later in the day.

Le Maire said that he would also meet with EU Trade Commissioner Phil Hogan on Tuesday and "we'll study the possibility of commercial retaliation". Finally, Le Maire wrote to US Trade Representative Robert Lighthizer to urge him to not impose sanctions on France. "I insist that our tax is not discriminatory against US companies," said the letter, a copy of which was obtained by AFP.

### Virtual economy, real tax

France last year approved a new levy on tech firms as international efforts dragged on to find a new model to tax their revenues earned via online sales and advertising. Tech companies often pay little in many countries owing to their lack of physical presence. The levy will see such firms paying up to three percent of their revenues earned in France. Washington says that US companies such as Google, Apple, Facebook and Amazon have been singled out by the French tax.

In August, France agreed to refund any taxes collected in excess of the yet-to-be-decided international formula. But as proposals for digital services taxation gain popularity around the world, Washington has been left to pound the table ever harder. The Trump administration could impose duties of up to 100 percent of the value of French imports including such emblematic goods as champagne and camembert.

Le Maire called on the United States to seek a global solution to the problem of firms generating massive revenue with online sales and paying little in taxes via negotiations underway at the Organization for Economic Co-operation and Development. After blocking the OECD talks for several years, the US relaunched them last year only to make proposals in December which France has rejected and have cast doubt on the goal of reaching a global deal this year. Le Maire urged Washington "to work towards a compromise at the OECD to avoid extreme situations that benefit no one."

If the United States follows through with its threat it will be the second time that France has been hit as in mid-October Washington imposed sanctions following a long legal battle over European subsidies to aircraft manufacturer Airbus. The sanctions saw 10 percent punitive tariffs imposed on EU aircraft and 25 percent on a variety of food products including French wine. — AFP

## Announcing Nominations For Candidacy to the election of the Board

Kuwait Financial Centre KPSC ("Markaz") announces the start of candidacy for election to the Board of Directors for a period of two weeks from the date of this announcement.

Anyone who wishes to nominate themselves for the position of a member of the Board of Directors, may apply by filling the CMA's Nomination Form, provided they meet the requirements of the Fit and Proper rules per CMA Law No. 7 of 2010, the Companies Law and the Articles of Association of the Company.

The Nomination Form should be submitted along with the required supporting documents to the Company at the following address:

Kuwait Financial Centre KPSC ("Markaz")  
Sharq – Ahmad Al-Jaber Street – Universal Tower – 9th floor.  
8:00 AM until 3:00 PM  
From 7th January 2020 until 21st January 2020

The Nomination Form including the requirements is available on the Company's website [www.markaz.com](http://www.markaz.com)

For further inquiries, please contact the Board Secretariat office at 2224 8036.

Board of Directors

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