

## KAMCO GCC Markets Monthly Report

# GCC markets see biggest monthly drop in 4 years on rising coronavirus cases

KUWAIT: GCC markets felt the heat of rising coronavirus cases globally as well as in the region towards the end of February-2020 that pushed most major indices downwards. The MSCI GCC index declined by 7.3 percent during the month, the biggest decline since January-2016, that further pushed its YTD-2020 decline to 8.8 percent. Qatar (-9.1 percent) witnessed the biggest decline during the month, followed by Saudi Arabia's Tadawul (-7.5 percent) and UAE's DFM (-4.9 percent).

The GCC monthly sector performance chart showed a broad-based decline during February-2020 with only the Transportation sector seeing marginal gains during the month on the back of gain in shares of DP World after the company announced plans to delist. On the other hand, the Utilities sector was one of the main large-cap decliners for the month with most of the stocks in the sector seeing double digit declines.

The Materials index was next with a decline of more than 10 percent led by fall in shares of petrochemical companies, in addition to a broad-based decline in shares of cement companies in the region. Banking and Telecom stocks also trended downwards resulting in an aggregate sector decline of around 6 percent for the both the sectors, while the Real Estate sector decline was slightly steeper at around 7 percent for the month.

The fear of spreading coronavirus has affected most major global markets since the start of the year. Almost all the major asset classes declined during February-2020 and were in the red in terms of YTD-2020 returns with only gold, as a safe haven asset, showing gains of around 5 percent since the start of the year. The MSCI World index declined by 8.6 percent during the month, bringing YTD-2020 decline to close to 10 percent. Crude oil was one of the biggest decliners during the month with Brent crude prices hovering near the \$50/b mark registering a monthly decline of 13 percent and YTD-2020 decline of almost 25 percent primarily led by concerns relating to demand outlook in the near term.

## Kuwait

Kuwaiti benchmarks trended downward during February-2020 in line with most other GCC and global markets as the number of coronavirus cases increased in the country towards the end of the month. All the three benchmarks declined during the month with the Premier Market index seeing the biggest drop of 4.3 percent followed by the Main Market index that saw a decline of 3.1 percent. The net impact on the All Share Market Index was a fall of 4.0 percent. Declines during the month also wiped off the marginal gains recorded by Kuwaiti indices during the previous month resulting in a YTD-2020 decline of 3.3 percent for the All Share Market Index and 3.5 percent for the Premier Market Index.

As the market prepares to enter the MSCI Emerging Market Index at the end of March-2020, Boursa Kuwait also introduced the Main 50 Index during the month that includes most actively traded stocks in the Main Market. The new index aims to highlight opportunities outside the large-cap Premier Market space and would also help in

addressing investor concerns relating to liquidity of trades in stocks in the Main market.

The sector performance chart also highlighted the broader decline in the market with merely two indices, Oil & Gas and Insurance, showing marginal gains during the month. The two indices have also outperformed the rest of the market in terms of YTD-2020 performance with gains of 5.5 percent for the Oil & Gas index and 2.5 percent for the Insurance index while the rest of the sector indices declined. The monthly gain in the Oil & Gas index was led by gain in shares of NAPESCO and Burgan Co. for Drilling that more than offset declines in the rest of the companies in the sector. The 3.9 percent gain in shares of NAPESCO came after the company announced signing of a KD 109.6 million contract with KOC followed by a smaller contract valued at KD 7.7 million with Kuwait Gulf Oil Co and Saudi Arabian Chevron.

Meanwhile, the 0.9 percent gain in Insurance index came after four out of eight stocks in the index witnessed healthy gains during the month. On the other hand, the Technology index witnessed the steepest decline during the month with a fall of 9.5 percent reflecting an equivalent decline in shares of ASC. The Basic Materials index followed with the second-biggest monthly decline of 7.9 percent followed by Banks and Financial Services Indices with relatively smaller declines of 4.4 percent and 4.2 percent, respectively. The monthly market breadth favored decliners that included 110 companies as compared to 44 gainers. The monthly gainers chart was topped by Investors Holding Group with a gain of 41.3 percent followed by Al-Mal Investment and Wethaq Takaful with gains of 37.8 percent and 22.2 percent, respectively. On the decliners side, Noor Financial topped with a decline of 14 percent followed by First Investment and Kuwait Cement with monthly declines of 13.1 percent and 12.8 percent, respectively.

## Saudi Arabia (Tadawul)

Saudi Arabian equity market breached the psychological support of 8,000 points at the start of February-2020 and reached a 4-month low level of 7,628.34 points by the end of the month led by the rising cases of the coronavirus that has affected markets across the globe. The market registered a monthly decline of 7.5 percent, the biggest fall since August-2019, that pushed YTD-2020 decline further in the red to 9.1 percent by the end of February-2020. The sell-off affected all the sectors on the exchange, barring Healthcare and Software & Services, which saw marginal gains during the month.

## Abu Dhabi Securities Exchange

ADX reversed gains from Jan-20 (+1.6 percent) and fell by 4.9 percent m-o-m in Feb-20. Global market weakness drove the index to break the 5000-point mark and close at 4901.43 points. Sectoral index performance barring Insurance (+5.9 percent) and Industrials (+2.6 percent) indices was negative. Banks and Real Estate indices came under the most pressure as they dropped by 6.6 percent and 5.0 percent respectively. FAB (-7.5

and audited by Deloitte.

Customers of Al-Jawhara Account are automatically enrolled in the draws. For every KD 50 deposited into their account, they receive a chance to win KD 5,000 weekly, KD 125,000 monthly and KD 250,000 as the quarterly grand prize. If no withdrawal or transfers occur on the account during the required period, customers will receive an additional chance to enter the draw for every KD 50 held in the account, doubling their chance to win.

"Al-Jawhara account is a pillar in our strategy that aims to spread a culture of saving among every segment of our customers. The account also enables us to provide an exceptional banking experience to our customers by supporting them in saving as well as win and successfully plan for their future," stated Hisham Al-Nusif, Deputy General Manager of Consumer Banking Group, National Bank of Kuwait, said.

"We are committed at NBK to rewarding our customers and providing them with the unique services, offers and prizes, and are very pleased to be announce-

ing the winner in Al-Jawhara's monthly draw", he added. Al-Nusif affirmed that anyone can open an Al-Jawhara Account by visiting the nearest NBK Branch, or directly through NBK Mobile Banking App and NBK Online Banking which is possible thanks to the bank's digital transformation strategy which aims to enable customers to complete all their transactions online without the need to visit the branch.

NBK also announced the winners in Al-Jawhara's weekly draws for the month of February who were: Mohammed Jawad Mohammed Taqi, Ghanem Farag Salem Braisim Al-Thufiri and Musaed Hameed Mohammad Alazmi.

Since 2012, the National Bank of Kuwait has rewarded loyal customers with a total worth of prizes up to KD 2,200,000 in the weekly, monthly, and quarterly Al-Jawhara draws. NBK is committed to introduce customers with a diversified set of offers and rewards that meet their aspirations throughout the year. It also offers them the most outstanding, disruptive and secure banking services.



Source: Kuwait Stock Exchange, Kamco Invest Research

percent) and ADCB (-6.8 percent) were the main drivers of underperformance for Banks, while Aldar (-4.9 percent) drove the m-o-m drop witnessed in the Real Estate index. Aldar Properties reported a group revenue growth of 14 percent y-o-y to reach AED 7.15 billion in 2019, as development sales grew by 53 percent y-o-y to AED 4.0 billion.

## Dubai Financial Market

The DFM index came under severe selling pressure in Feb-20, in line with global markets on the back of growing fears surrounding the impact of coronavirus. The DFM index fell by 7.2 percent m-o-m in Feb-20, and reversed marginal gains from Jan-20 (+0.9 percent) to end in the red YTD (-6.3 percent). Sectoral performance was mostly negative barring Telecoms (+7.5 percent), Services (+3.3 percent) and Insurance sectors (+1.1 percent). The RE & Construction index was the worst performing sectoral index and plunged by 11.7 percent m-o-m in Feb-20. In full year 2019 earnings releases, Emaar reported group revenues of AED 24.6 billion for 2019, down 4.3 percent from AED 25.7 billion in 2018. Net profit to equity shareholders of parent company improved marginally from AED 6.1 billion in 2018 to AED 6.2 billion in 2019.

## Qatar Exchange

Qatar Exchange was the worst affected GCC market in the global sell-off in Feb-20, after ending Jan-20 broadly flat. The QE 20 index plunged by 9.1 percent m-o-m in Feb-20, and closed at 9490.14 points, while the broader market witnessed marginally lower declines, as the Qatar All Share index fell by 7.7 percent m-o-m. Market breadth favored decliners as 43 companies saw lower levels m-o-m, while only 4 companies closed in the green for the month. Performance was negative across all sectors, with 4 out of the 7 sectors witnessing double digit declines. The Real Estate index was the worst performing index, as it fell by 15.7 percent m-o-m in Feb-20, as all constituents were down by double digits, led by declines from United Development (-20.4 percent) and Mazaya (-15.7 percent).

## Bahrain Bourse

The Bahrain All Share index closed broadly flat (+0.2 percent) m-o-m in Feb-20, and remains one of the only two GCC indices to remain the green YTD (+3.1 percent). The index closed at 1660.48 points, while sectoral performance was mixed m-o-m. The Insurance index was the best performing sectoral index as it gained by 3.7 percent m-o-m in Feb-20, led by a 10.7 percent gain for Arab Insurance Group. Services names also moved up by 2.2 percent m-o-m, while Commercial Banks remained broadly flat (+0.1 percent) for the month of Feb-20. Hotels & Tourism was the main laggard, dropping 6.1 percent m-o-m. Trading activity was mixed in Feb-20, as value traded receded by 9.7 percent m-o-m to BHD 16.9 million. Volumes traded however improved by 20.3 percent m-o-m to 70.8 million shares. Market breadth favored gainers as 19 stocks closed in the green while 7 stocks saw lower levels in Feb-20. In earnings releases, Batelco's net profit attributable to equity holders of the company for 2019 came in at BHD 51.6 million up by 3 percent from BHD 50.1 million in 2018, mainly due to a 4 percent increase in operating profit, and the BHD 28.4 million gain on the sale of Qualitynet in May 2019.

## Muscat Securities Market

The Omani stock market continued on its growth trajectory for the second consecutive month during February-2020 defying the selling pressure in the region as well as globally. The MSM 30 index was the best performing index in the GCC during the month with a gain of 1.3 percent to close at 4,130.91 points. Gains during February-2020 also pushed YTD-2020 gains to the best in the GCC at 3.8 percent. In terms of sector performance, the Industrial index topped monthly returns with a gain of 0.48 percent, while the Services index declined by 0.9 percent. The Financial index ended flat during the month. Monthly share performance in the regular market, was topped by Oman Cement that recorded a gain of 14.3 percent. The company's board proposed a cash dividend of 20 Baiza/share for the year 2019 as compared to 30 Baiza/share announced in 2018.

## NBK announces winner of KD 125,000 in Al-Jawhara draw

KUWAIT: In a commitment to always provide customers with the best services and products as well as rewarding them, National Bank of Kuwait (NBK) announced Esraa Ali Abdullah Al-Hajeri as the winner of the KD 125,000 prize in Al-Jawhara monthly draw for February 2020. The draw was held live from the NBK branch at T4 at Kuwait International Airport and was attended by representatives from the Ministry of Commerce and Industry and NBK. Al-Jawhara monthly and quarterly draws are supervised

## Burgan Bank announces winner of Al-Thuraya salary account draw



KUWAIT: Burgan Bank, announced yesterday Vysakh Narayanan Sahadevan as the lucky winner of the draw prize of Al-Thuraya Salary Accounts monthly draw. The draw rewards new and existing customers who transfer their salary to Burgan Bank by offering them a chance to win KD 10,000 every month. Each

account holder has one chance to enter the draw. The Al-Thuraya account holders have the option to hold money in Kuwaiti dinar and other major currencies and can access account-related services such as standing orders, loans and credit cards, and benefit from the discounts and offers throughout the year.

## Gulf Bank announces winners of Al-Danah draw

KUWAIT: Gulf Bank held its weekly draw on 1st March 2020 announcing the names of the winners for the week of 23 - 27 February 2020. The weekly draw consists of five winners who receive KD 1,000 each, every week.

The winners this week are:  
Qassim Mohammed Ali Alsaraf  
Farah Anwar Sayed Khadem Almousawi

Ali Abdelkader Abdelatif tuwainah  
Fathallah Hashem Mohammad Ali  
Ali Hussain Helail Al-Mutairi  
Gulf Bank's announced that Al-Danah is now bigger, and that the prize of the annual draw will be KD1,500,000 as of 2020. The annual draw will be held on 14 January 2021, and the last chance to participate by depositing in the Al-Danah account will be on 30 September 2020.

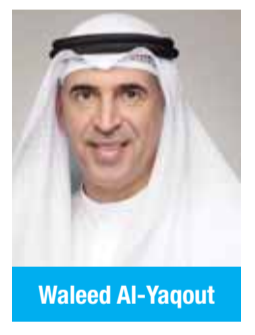
Gulf Bank encourages customers to increase their chances of winning with Al-Danah by depositing more into their Gulf Bank accounts using the new ePay (Self-Pay) service, which is available on Gulf Bank's online and mobile banking

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 2019, have been added to their 2020 chances, and the same process will take place in 2021, and so on. Terms and conditions apply.

Gulf Bank's Al-Danah account is open to Kuwaiti and non-Kuwaiti residents of Kuwait. Customers require a minimum of KD 200 to open an account and the same amount should be maintained for customers to be eligible for the upcoming Al-Danah draws. If the customer's account balance falls below KD 200 at any given time, a KD 2 fee will be charged to their account monthly until the minimum balance is met. Customers who open an account and/or deposit more will enter the weekly draw within two days. To take part in the Al-Danah 2020 quarterly and yearly draws, customers must meet the required hold period for each draw.

## Boubyan Bank ready to combat COVID-19

KUWAIT: Boubyan Bank's Group General Manager - Administration Group, Waleed Al-Yaqout has confirmed that the bank has been prepared since the first day of announcing the outbreak of COVID-19 in Kuwait in line with the instructions of MOH, and the competent authorities, to protect the health of customers, staff and the society in general.



Waleed Al-Yaqout

Al-Yaqout stated: "Out of the bank's keenness on public health, we have taken all precautionary and preventive measures over the past days, as instructed by the Ministry of Health and the competent authorities in addition to following the health instructions issued by the World Health Organization, which will help protect the country from the hazard of this virus."

"Boubyan Bank already started the implementation of the instructions of competent authorities regarding the sterilization of all ATMs, branches, and main buildings in addition to fitting hand sanitizer dispensers at all locations. More than 95 hand sanitizer dispensers were fitted to All ATMs and ITMs of branches in addition to drive-through ATMs. Additionally, locations are visited 4 times a day to be sterilized and to refill hand sanitizer dispensers," he added.

He went on to add: "More than 120 new hand sanitizer dispensers were fitted inside branches and main buildings of the bank. Medical face masks were also distributed to all staff of branches and buildings as of the first day following the national holidays."

Al-Yaqout elaborated: "The bank has also used its various online and social media platforms to publish various awareness messages urging everyone to maintain public health since prevention is better than cure." "Over the past years, the bank has been keen on adopting health and prevention standards across all the bank's buildings in an attempt to safeguard staff and customers' health," he added.

Al-Yaqout concluded his statements by extending his thanks to various entities starting with the Central Bank of Kuwait, the Ministry of Health, and the Ministry of Commerce and Industry for all the efforts they exerted regarding this issue in collaboration with various government and private institutions.

He concluded: "As per the instructions of the senior management, Boubyan Bank is putting all of its resources at the beck and call of government institutions to face this ongoing crisis, imploring Allah Almighty to bestow health and prosperity upon Kuwait the world."