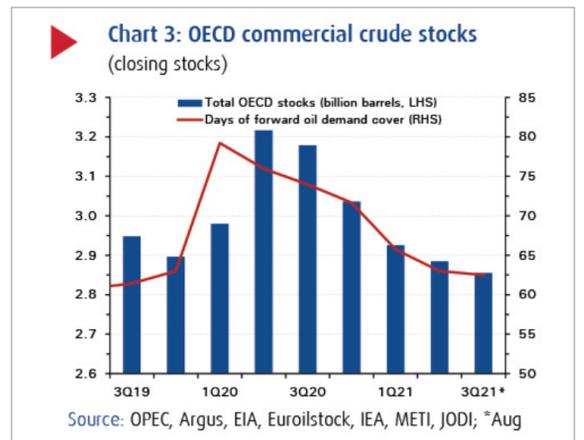
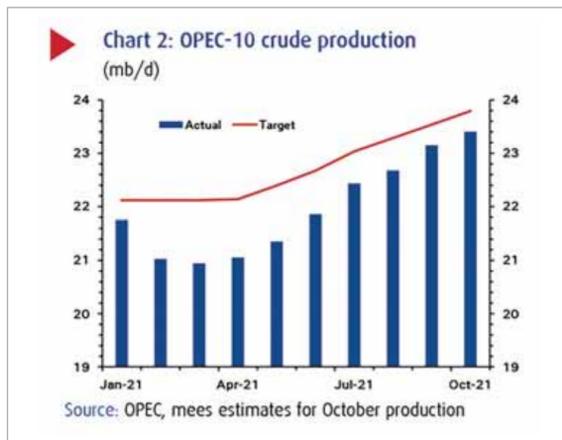
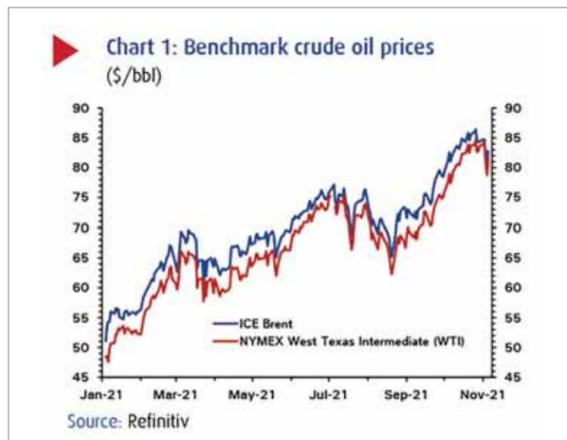


Business

NBK Oil Market Report



Oil prices at near 7-year highs as OPEC+ sticks to output hike plan

Clamor to pump more oil to rebalance a tight market amid natural gas shortage

KUWAIT: In October, oil prices reached levels last recorded in 2014 amid continued market tightness. ICE Brent topped its previous high of \$86.3/bbl from October 2018 to reach \$86.4/bbl, before settling at \$84.4/bbl (+7.5 percent; +62.9 percent ytd) at month-end. As of 5 November, Brent had slipped to \$82.7/bbl as the market took stock of Iran's intention to resume stalled nuclear negotiations and a fifth increase in six weeks of US commercial crude inventories.

It was, however, the OPEC+ meeting on 4 November that dominated headlines and which bolstered market sentiment, after the group ratified its existing monthly schedule of supply increases (+400 kb/d).

The US and others had been urging the group to pump more oil to rebalance a market that had grown increasingly tight amid a highly publicized natural gas shortage. In explaining the OPEC+ decision, Saudi oil

minister Prince Abdulaziz stated that it was this shortage (which has seen gas demand diverted to oil) and under-investment that was the real issue and not OPEC+ oil policy. But OPEC+ supply growth has not kept pace with its own schedule due to outages among several members, including Angola and Nigeria. In fact, OPEC-10 has yet to meet its monthly output quota this year.

Preliminary estimates for October reveal OPEC-10 production fell short of its target by 387 kb/d, with aggregate output at 23.4 mb/d. OPEC+ has likely undershot its quota by 700 kb/d. The Saudi-led group is worried about overshooting supply, seeing recent oil demand growth gains as sustainable; the OPEC outlook for 1Q22 anticipates a market oversupplied by about 2 mb/d. The Saudis especially do not want to reverse supply gains should demand turn out weaker than expected. Moreover, managing the group's internal production

policy to enable producers with excess capacity, such as the UAE, Iraq and Saudi Arabia, to offset declines from others appears too complicated and politically contentious.

The drawdown in global crude oil stocks provides the most visible evidence of the recovery in oil consumption. OECD commercial crude stocks fell to 2.85 billion barrels by end-August, which is sufficient to cover 62.5 days of forward oil demand, according to OPEC. Stocks were 183 mb below the 5-yr average (2016-2020), a key OPEC+ gauge to assess market rebalancing efforts.

Estimates of the balance of market demand and supply this quarter show a further stock draw, of around 0.5 mb/d, down from 3Q21's sizeable draw of nearly 1.5 mb/d on the back of supply increases from both OPEC and non-OPEC producers. US crude production reversed all its Hurricane Ida-related losses to reach 11.5

mb/d by end-October (+200 kb/d in October), according to the EIA.

The outlook for 2022 looks markedly different, though. Based on IEA demand and non-OPEC supply estimates and scheduled OPEC+ output increases, a surplus of 1.3 mb/d could materialize in 1Q22 and increase further during the year (averaging 3 mb/d for 2022). Further US output gains and Iran's return to the markets (+1.3-1.5 mb/d) could be potential supply-side spoilers. The Raisi government agreed recently to restart log-jammed JCPOA nuclear negotiations on the 29 November. Oil demand could also undershoot expectations if COVID-19 continues to stress global economic activity. The IEA pegs oil demand growth at 3.3 mb/d (average) in 2022, down from 5.5 mb/d this year. With these dynamics on the horizon, OPEC+ will not likely throw caution to the wind.

Kalyan Jewellers records a revenue growth of 61%, posts PAT of Rs 69 crore in Q2FY22

THRISSUR, India: Kalyan Jewellers India Limited's consolidated revenue grew by 61 percent in Q2FY22 compared to Q2FY21. The revenue growth was broad-based across geographies with both India and international markets growing at the same pace. Total revenue for the quarter was Rs 2,889 crore, compared to a total revenue of Rs 1,798 crore for the same period during the last financial year. The company recorded Earnings Before Interest, and Tax, Depreciation & Amortization (EBITDA) of Rs 228 crore for the quarter compared to Rs 18 crore in the same quarter of the previous year. Consolidated PAT for the quarter was Rs 69 crore as against a loss of Rs 136 crore in Q2FY21.

Depreciation & Amortization (EBITDA) of Rs 201 crore for the quarter compared to Rs 147 crore in the same quarter of the previous year. PAT for the quarter was Rs 68 crore as against Rs 29 crore in Q2FY21. In the Middle East, we witnessed a significant improvement in customer sentiment during the quarter, resulting in a revenue growth of 61 percent as compared to the same quarter during the prior year. This, despite the continuing travel restrictions between India and the region, for most parts of the recently concluded quarter. Total revenue from the Middle East operations for the recently concluded quarter was Rs 360 crore as against Rs 224 crore for the same period in the previous year.

The growth was largely same store sales driven since we did not add any new showrooms in the region during the last 12 months. Middle East region contributed ~12 percent to the overall consolidated revenue of the company.

The Middle East operations recorded Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA) of Rs 26 crore for the quarter compared to a loss of Rs 132 crore in the same quarter of the previous year. PAT for the quarter was Rs 35 lakhs as against a loss of Rs 165 crore in Q2FY21.

The e-commerce division Candere has continued its growth momentum. The revenue for the recently concluded quarter was Rs 32 crore versus Rs 22 crore in Q2FY21, a growth of 47 percent. The company recorded a PAT of Rs 54 lakhs compared to a PAT of Rs 1 crore for the same period of the last financial year. Presently, the Company's retail footprint is spread across 150 stores in 21 Indian states and four countries in the Middle East, with a retail area exceeding 5,00,000 sq. ft.

Ramesh Kalyanaraman, Executive Director, Kalyan Jewellers India Limited said, "The Company's performance during the recently concluded quarter has been very strong and we remain confident of the current quarter given the continued easing of COVID-19 related restrictions as well as the return of buoyancy in consumer sentiments across markets. We are witnessing a continuation in revenue momentum that had started around the same time last year and are encouraged by the trends that we are seeing in our operating performance."

The revenue growth in India was approximately 61 percent during the recently concluded quarter as compared to the same period in the previous year. This was despite the fact that there were lockdown related disruptions in showroom operations during the recently concluded quarter in one of our key markets - Kerala. Showrooms in Kerala resumed full operations only by the second week of August. Total standalone revenue for the company in India, for the recently concluded quarter was Rs 2,503 crore, as against Rs 1,556 crore for the same period in the previous year.

The Same Store Sales Growth (SSSG) in Non-South markets was 72 percent compared to the Southern markets, which had an SSSG of 44 percent. This differential was predominantly due to COVID-19 related closures of showrooms in Kerala during the recently concluded quarter. The overall SSSG in India during the quarter was 52 percent.

The India operations recorded Earnings Before Interest, Tax,



stc launches exclusive offers on iPhone 13 series

KUWAIT: Kuwait Telecommunications Company - stc, a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, announced the launch of its unique and exceptional offers on the iPhone 13 series, drawing in a large crowd of iPhone fans and customers. The launch event included a variety of activities hosted on the company's social media channels, as well as gifts distributed to attendees who participated in the various initiatives.

During stc's iPhone 13 launch event, the company set up a drive-thru car service on Salem Al-Mubarak Street in Salmiya, where it also organized numerous competitions and distributed prizes to customers.

The launch, with its exclusive and unique approach, attracted a line of cars and participants wanting to partake in the various competitions for a chance to win one of the prizes. stc's branches in select areas around Kuwait also witnessed a large number of visitors who wanted to get their hands on the new Apple device through the "Always ON" voice plans that also provide a wealth of added benefits.

The hashtag #stc13 was used to promote the launch event by stc on Twitter, which appeared on Kuwait's trending hashtags list. For viewers tuning in from home, the event was broadcasted by the famous radio host Ali Najm on instagr. Commenting on the new device launch, engineer Amer Atoui, Chief Consumer Officer at stc, said, "We consistently focus on ways to enhance the customer experience by providing seamless

and convenient access to our wide range of products and services."

Atoui confirmed that stc will continue to provide the latest devices, allowing customers to access a variety of plans that suit their diverse needs. With the objective of enhancing the lifestyles of its customers, stc strives to provide a well-rounded experience that reflects the latest innovations in today's rapidly evolving digital era.

Atoui said, "Whether it is through one of our branches, digital platforms, or our call

The "Always ON" plans offered by stc are designed to meet the diverse telecom and digital needs of customers. Subscribers can explore a new world of enhanced services through any of the various plans offered, which include exclusive voice and internet packages ranging from unlimited calls to continuous internet, as well as other value adding benefits. Redesigned inside and out, iPhone 13 Pro and iPhone 13 Pro Max introduce the most advanced pro camera system ever on iPhone. Super



center, we are determined to provide our valued customers with the latest 5G enabled and highly demanded products in the market. Through this launch event, we explored new methods to streamline and simplify the process of obtaining Apple's latest flagship device. We wanted this to be more than a transactional process, which is why we incorporated a variety of engaging activities and concepts that would provide participants and customers with a memorable experience."

Retina XDR display with ProMotion, improved battery life, the Apple-designed A15 Bionic chip with 5-core GPU, and an advanced 5G experience. iPhone 13 and iPhone 13 mini feature the most advanced dual camera system ever in iPhone and powerhouse A15 Bionic chip in a sleek and durable design. stc has listed the pricing and details of the newly launched devices on its website as part of its commitment to provide customers with a seamless experience: www.stc.com.kw

