



1

Economic & Monetary Indicators (October – December 2023)

[Read More](#)

2

GCC Economies Performance Forecasts – April 2024

[Read More](#)

3

Sovereign Funds

[Read More](#)

4

National Bank of Kuwait (NBK) Financial Results – First Quarter 2024

[Read More](#)

5

The Weekly Performance of Bursa Kuwait

[Read More](#)



1

ALSHALL

Economic & Monetary Indicators (October – December 2023)

The periodical statistical bulletin of the Central Bank of Kuwait (CBK) states in its October-December 2023 issue some economic and monetary indexes which deserve follow up; we shall cite some of them to document their developments. An example is the balance of trade -commodity exports minus commodity imports- which achieved surplus in the fourth quarter of 2023 in the amount of KD 3.565 billion, with exports reaching KD 6.438 billion in the fourth quarter, of which 92.7% were oil exports. Total commodity exports for the entire year scored KD 25.797 billion with 92.9% being oil exports. On the other hand, its non-military commodity imports during the fourth quarter of 2023 scored KD 2.872 billion (KD 11.516 billion for the entire year). The balance of trade achieved surplus in the first quarter of 2023 in the amount of KD 3.638 billion, decreased to KD 3.245 billion in the second quarter, and then increased in the third quarter to KD 3.834 billion. This means the balance of trade achieved a surplus in the amount of KD 14.282 billion for 2023, which is -26.9% lower than its 2022 value at KD 19.549 billion.

Consumer prices rose in 2023 by 3.7% and scored an average of 130 (year 2013=100) up from 125.4 in 2022. The rise is attributed to the prevalence of the rise in clothing and footwear prices from 124.4 in 2022 to 132.7 in 2023 (+6.7%). Also, the rise in food & beverages prices from 134.2 in 2022 to 142.7 in 2023 (+6.3%).

The bulletin points to continued increase in the weighted interest rate on deposits from 2.552% in the third quarter to 2.603% in the fourth quarter of 2023, a quarterly increase by 2.0%. Likewise, it increased from 1.603% for 2022 to 2.500% for 2023, an increase rate by 56%. The weighted interest rate on loans increased from 4.934% to 5.108% for the same period, a quarterly increase rate by 3.5%, and increased from 3.915% in 2022 to 4.903% for 2023 (25.2%).

Private sector deposits at local banks scored KD 37.343 billion (KD 36.814 billion at the end of 2022), up by 1.4%. Finally, local bank's claims on the private sector similarly rose to KD 45.170 billion (KD 44.109 billion in 2022), i.e. 2.4%.





GCC Economist Performance Forecasts April 2024

We reviewed last week the International Monetary Fund's expectations for the performance of the global economy for the current year and next year. We stated that these expectations, albeit positive, carry a lot of uncertainty and they may change materially with any upcoming report.

The IMF's expectations for the Gulf region's economic performance between the October 2023 report and the April 2024 report are an example of the severe change due to the disturbed geopolitical situation. Between October and now, an unjust war on Gaza has been continuing. As a result, shipping through Bab al-Mandab has been disturbed. It also extended into direct military confrontation between Iran and Israel.

In its October 2023 report, IMF mentioned that growth projections for the region's economies for 2024 fell from 3.6% for 2023 to 2.4% in this April's report, about a one-third loss. If we exclude the ambiguity of deciding the war on inflation regarding the world economy and its weak impact on the region, the countries of the region were alone in embracing the violent developments in the geopolitical aspect. The temporary rise in oil prices did not compensate for their repercussions. There was a large discrepancy in the change in growth expectations in the GCC six member countries. Except for Bahrain, whose economic growth expectations remained constant, the negative difference affected

the other five economies. The Kuwaiti economy was the biggest loser, while the other four GCC economies lost about -1.5% for Oman, -1.4% for Saudi Arabia, -0.5% for the Emirates, and -0.2% for Qatar. They all remained, despite this, to grow positively. The Bahraini economy will grow in the two reports at 3.6%.

Forecasts for the Kuwaiti economy's performance for 2024 shifted from a positive growth of about 2.0% in the October 2023 report to a negative growth of about -1.4% in the April 2024 report. It was the only expected contraction within the GCC economies.

The majority of the reduction in expectations is due to two reasons: Kuwait's geographical proximity to Iran one of the confrontation parties, and its internal political situation. We believe that the actual performance will not be that bad. The problem facing Kuwait is that the team preparing its statistics is weak at best. Its publication is always late behind schedule. It even did not publish during the covid pandemic, unlike all countries of the world. Moreover, when they are published, they are inaccurate. Therefore, it is difficult to respond to the IMF's projections based on our opinion. While we cannot blame the decline in performance if the cause is due to external factors such as geographical location, it is certain that lack of statistics integrity, which is the basic resource for building and monitoring the performance of the local economy, is a sin of public administration.

Certainly, the exceptional situation of the rapid change of the two authorities of public administration, the executive and the legislative, and the age of the previous 45th government did not exceed 3 months. Moreover, the age of the previous 17th National Assembly did not exceed 9 months. The two authorities of public

administration lifespan are short, and its increasingly shrinking, has shifted the focus of the majority of its members from being concerned with the project of building the country, to betting on a return to office again. The trigger for the destructive return is populist projects that are completely contradictory to the country-building project, which severely threatens the sustainability of its public finance and economy.

Performance of the GCC Economies

International Monetary Fund (IMF)

Real growth in GDP

Country	Nominal GDP	Oct-23	Apr-24	Change	Oct-23	Apr-24	Change
	US\$ Billion (2024)	2024			2025		
KSA	1106	4.0%	2.6%	-1.4%	4.2%	6.0%	1.7%
UAE	528	4.0%	3.5%	-0.5%	4.2%	4.2%	0.0%
Qatar	245	2.2%	2.0%	-0.2%	3.7%	2.0%	-1.7%
Kuwait	160	2.0%	-1.4%	-3.4%	2.1%	3.8%	1.7%
Oman	109	2.7%	1.2%	-1.5%	3.0%	3.1%	0.1%
Bahrain	47	3.6%	3.6%	0.0%	3.2%	3.2%	0.0%
GCC countries weighted average growth	2,195	3.6%	2.4%	-1.2%	3.9%	4.7%	0.8%



3

Sovereign Funds

ALSHALL

The latest report of the Sovereign Wealth Fund Institute (SWFI), published in April, 2024, stated that the value of all sovereign funds in the world scored about \$12.7 trillion, compared with about \$11.9 trillion for the same period last year. The share of the 10 largest funds within it scored about \$9.2 trillion, with about 72.7% of the total, including two funds for China, with about \$1.35 trillion for the first, and with about \$1.09 trillion for the second. They ranked the second and the third largest funds; however, they are owned by the Chinese state with a total amount of \$2.44 trillion. In addition, China also owns the Hong Kong fund of China, which ranks eighth, with a value of about \$514 billion. The grand total of the three funds is about \$2.95 trillion. The largest Norwegian Government Pension Fund comes next in size. Its grand total alone makes it the second after the merger of Chinese funds with a value of about \$1.65 trillion. As we have repeatedly mentioned, it does not invest in Norway so as not to cause inflation in the prices of local assets, and neither does it finance the public budget except by a small percentage, and in cases of extreme necessity, as it is a fund for generations, and its information can be monitored every second, away protected from the mess of politicians. Singapore comes next with two funds: the first alone is in seventh place with a value of about \$770 billion, and the second is in tenth place with a value of about \$492 billion, the two funds together provide Singapore, which has the

third largest sovereign savings, with about \$1.262 trillion. Norway and Singapore have very developed and sustainable economies. They finance their public finances from taxes on economic activity, meaning the sustainability of their public finances and their economy is safeguarded.

The sovereign funds of the GCC countries come next in value. The Abu Dhabi Investment Authority is the largest among them with about \$993 billion, then Saudi Arabia with a value of about \$925 billion. Kuwait comes next with a value of \$923 billion, and finally Qatar with a value of about \$526 billion.

And these sovereign funds serve economies that have either reached a stage of maturity and achieved sustainability, and achieved with it sustainability of their public finances by financing them either from taxes on economic activity or are actively seeking to achieve this approach, and all of them seek to develop the size of their funds, except for Kuwait, which has proposals to distribute the revenues of its fund. In fact, Kuwait, with the critical situation of its economy and public finances, no longer has the option to ensure the sustainability of its public finance but to preserve and develop the asset of its sovereign fund and change its function by allocating part of its revenues to be a source of financing to extinguish the inevitable fire of its public finance with the first related drop in oil prices, and to work later on the sustainability of its economy.

Top 10 Largest Sovereign Wealth Fund Rankings by Total Assets (April 2024 Vs April 2023)

Ranking	Country	SWF Names	Fund Rankings by Total Assets (US\$ Billion)	Fund Rankings by Total Assets (US\$ Billion)	التغير
			Apr-23	Apr-24	%
1	Norway	(Government Pension Fund – global)	1,477.7	1,648.1	11.5%
2	China	(China Investment Corporation)	1,350.9	1,350.0	-0.1%
3	China	(SAFE Investment Company)	1,019.6	1,090.0	6.9%
4	UAE	(Abu Dhabi Investment Authority)	853.0	993.0	16.4%
5	KSA	Public Investment Fund	776.7	925.0	19.1%
6	Kuwait	Kuwait Investment authority	803.0	923.5	15.0%
7	Singapore	(Government of Singapore Investment Corporation)	770.0	770.0	0.0%
8	Qatar	(Qatar Investment Authority)	475.0	526.1	10.7%
9	China	(Hong Kong Monetary Authority Investment Portfolio)	514.2	514.2	0.0%
10	Singapore	Temasek Holdings	492.2	492.2	0.0%
Total top 10 SWFI			8,532.3	9,232.0	8.2%
Total World SWFI			11,886.8	12,699.4	6.8%
% of Total			71.8%	72.7%	

Source : Sovereign Wealth Fund Institute - SWFI



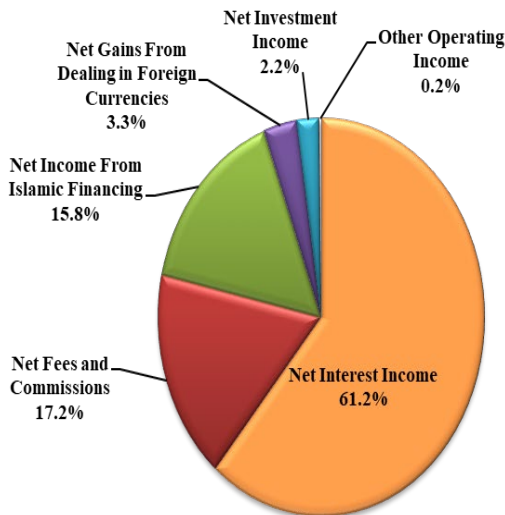
4

National Bank of Kuwait (NBK) Financial Results – First Quarter 2024

NBK announced the results of its operations for the first quarter of 2024, indicating that the bank's net profits (after tax deductions) reached KD 156.2 million, increasing by KD 18.96 million or by 12.2% compared with KD 139.3 million in the first quarter of 2023. Net profits attributable to shareholders reached KD 146.58 million versus KD 134.20 million for the same period in 2023, increasing by KD 12.38 million or by 9.2%. The rise in the bank's profits was driven by the increase in total operating profits.

In details, net operating income increased by KD 31.1 million or by 11.2%, and scored KD 308.96 million versus KD 277.9 million in the same period of 2023. This was achieved as a result of an increase in interest income (excluding income from Islamic financing) by KD 90.7 million together with an increase in interest expenses (excluding Murabaha costs) by KD 72.2 million resulted in a KD 18.5 million increase in net interest income or by 10.8% to reach KD 189.2 million versus KD 170.7 million in 2023. The bank achieved KD 110.6 million in net income from Islamic financing versus KD 99.2 million for the same period of 2023. So, total net interest income (from traditional and Islamic components) rose to KD 238.1 million compared with KD 211.8 million, an increase by KD 26.4 million or by 12.4%.

Total Operating Incomes in The First Quarter of 2024



Total operating expenses increased by a lower value than the increase in total operating income, by KD 10 million or by 9.9%, reaching KD 111.5 million versus KD 101.5 million in the first quarter of 2023. This was due to a KD 9.1 million increase in other administrative expenses and staff expenses, and a KD 941 thousand increase in depreciation of premises & equipment. Referring to AlShall estimates, Excluding the effect of consolidation of Boubyan Bank's results on operating expenses, the increase in operating expenses would range from KD 76.5 million to KD 81.6 million or a growth of 6.7%. Total provisions amounted to KD 25.5 million, declined by KD 2.6 million or by -9.3% versus KD 28.1 million.

The bank's financial statements indicate that the bank's total assets increased by KD 662.9 million or by 1.8%, compared with the end of 2023, recorded at KD 38.328 billion. Total assets increased by KD 1.864 billion or by 5.1%, when compared to the figure at the end of the first quarter of 2023 (KD 36.464 billion). Excluding the impact of consolidating Boubyan Bank, total assets rose by 4.3%. Portfolio of loans, advances and Islamic financing to clients, the largest component of the bank's assets, increased by 0.5% or by KD 108.4 million to reach KD 22.389 billion (58.4% of total assets) versus KD 22.281 billion (59.2% of total assets) by the end December 2023. It increased by KD 1.200 billion or by 5.7%, if compared with KD 21.189 billion (58.1% of total assets) at the end of the first quarter of 2023. If we exclude the impact of consolidating Boubyan Bank Islamic business, the portfolio would grow by 4.6%. Deposits with banks account achieved an increase of 45.5% with a value of KD 600.3 million, to reach a value of KD 1.918 billion compared with KD 1.318 billion in December 2023, and increased about KD 491.3 million (34.4%) when compared with the end of the first quarter of 2023. Percentage of defaulting loans to the total credit portfolio is 1.51% in the end of March 2024. Defaulting loans' coverage percentage registered at 248%.

Figures also indicate that the bank liabilities (excluding total equities) increased by KD 762.5 million or by 2.3%, reaching KD

33.521 billion compared with the figure at the end of 2023. Liabilities also increased by KD 1.568 billion or by 4.9% when compared with KD 31.953 billion at the end of the same period in 2023. If we exclude the impact of aggregating Boubyan Bank, total liabilities would grow by 3.9%. Percentage of total liabilities to total assets scored 87.5% versus 87.6% for the first quarter of 2023.

Results of analyzing financial statements, calculated on annual basis, indicate that all of the bank's profitability ratios improved compared with the same period of 2023. Return on equities (ROE) relevant to the bank shareholders rose to 15.3% versus 15.1%. Likewise, return on capital (ROC) rose to about 78.8% versus 73.8%. Return on assets (ROA) has slightly increased to 1.6% after it was 1.5% for the same period. Earnings Per Share (EPS) scored 16.9 Fils versus 15.4 Fils at the end of the first quarter 2023. (P/E) scored 14 times versus 17.1 times. (P/B) scored 1.5 times versus 1.8 times.



	31/03/2024	31/03/2023	Change		
	(Thousand KD)	(Thousand KD)	Value	%	
Total Assets	38,327,855	36,463,675	1,864,180	5.1%	↑
Total Liabilities	33,520,924	31,953,328	1,567,596	4.9%	↑
Total Equity Attributable to The Equity Holders of The Bank	3,787,564	3,510,684	276,880	7.9%	↑
Total Operating Income	308,965	277,862	31,103	11.2%	↑
Total Operating Expenses	111,480	101,465	10,015	9.9%	↑
Provision	25,499	28,100	-2,601	-9.3%	↓
Taxation	15,754	9,023	6,731	74.6%	↑
Net income	156,232	139,274	16,958	12.2%	↑
Ratios					
**Return on Average Assets (ROA)	1.6%	1.5%			↑
**Return on Average Equity Relevant To The Bank Shareholder (ROE)	15.3%	15.1%			↑
**Return on Average Capital (ROC)	78.8%	73.8%			↑
Earnings per Share (EPS) – (Fils)	16.9	15.4	1.5	9.6%	↑
Closing Price – (Fils)	950	1,056	-106	-10.0%	↓
*Price to Earnings Per Share Multiplies (P/E)	14.0	16.5			
Price to Book Value Multiplies (P/B)	1.5	1.8			

* Indicators Ended March 31, 2024 on an annual basis.

** Calculated based on the average rate of the financial data at the end of December 2023 and 31 March 2024.



5

ALSHALL

The Weekly Performance of Boursa Kuwait

The performance of Boursa Kuwait for last week was less active, where the traded value, the traded volume and the number of transactions decreased. While, the general index (AlShall Index) increased. AlShall Index (value weighted) closed at 611.6 points as of last Thursday, showing an increase by 0.9 points or by 0.1% compared with its level last week, while higher by 9.9 points or by 1.6% compared with the end of 2023.

The following tables summarize Last weeks performance of Boursa Kuwait

Description	Week 17	Week 16	Difference
	25/04/2024	18/04/2024	%
Working days	5	5	
AlShall index (29 Companies)	611.6	610.7	0.1%
Boursa All Share Market Index	7,026.1	6,997.1	0.4%
Value Trade (KD)	261,175,440	345,004,994	
Daily average (KD)	52,235,088	69,000,999	-24.3%
Volume Trade (Shares)	967,581,261	1,147,465,244	
Daily average (Shares)	193,516,252	229,493,049	-15.7%
Transactions	73,190	94,559	
Daily average (Transactions)	14,638	18,912	-22.6%

Most Active Sectors & Companies

Description	Value Traded	% of Total
Sectors	KD	Market
Kuwait Finance House	54,173,243	20.7%
Agility Public Warehousing	46,390,547	17.8%
National Bank of Kuwait	21,175,084	8.1%
Gulf Bank	12,716,142	4.9%
National Real Estate Co	8,619,128	3.3%
Total	143,074,145	54.8%
Description	Value Traded	% of Total
Sectors	KD	Market
Banking Sector	106,418,101	40.7%
Industrials Sector	58,221,155	22.3%
Financial Services Sector	35,244,178	13.5%
Real Estate Sector	28,422,287	10.9%
Consumer Discretionary Sector	8,904,413	3.4%

AlShall Index is a value index, i.e. it is based on a weighted market value by 100% according to IFC formulas, with the index's basic value being 100 (as of August 1st 1990).

ALSHALL

ALSHALL INDEX	Week 17	Week 16
	25/04/2024	18/04/2024
Increased Value (# of Companies)	13	10
Decreased Value (# of Companies)	13	18
Unchanged Value (# of Companies)	3	1
Total Companies	29	29

	Company Name	THU	THU	DIFF %	CLOSE 2023	DIFF %
		25/04/2024	18/04/2024			
1	National Bank Of Kuwait	728.1	716.0	1.7	718.1	1.4
2	Gulf Bank	241.8	246.5	(1.9)	251.8	(4.0)
3	Commercial Bank Of Kuwait	527.4	531.5	(0.8)	536.7	(1.7)
4	Al-Ahli Bank Of Kuwait	183.8	184.2	(0.2)	176.6	4.1
5	Kuwait International Bank	206.6	197.8	4.4	184.6	11.9
6	Burgan Bank	264.4	266.0	(0.6)	242.8	8.9
7	Kuwait Finance Bank	3,608.4	3,629.2	(0.6)	3,312.4	8.9
	Banking Sector	750.4	746.3	0.5	720.2	4.2
8	Commercial Facilities Company	126.3	128.5	(1.7)	114.8	10.0
9	International Financial Advisors	984.9	957.9	2.8	921.8	6.8
10	National Investments Company	308.3	305.8	0.8	300.7	2.5
11	Kuwait Projects Company (Holding)	446.2	435.9	2.4	363.2	22.9
12	Coast Investment & Development Co.	97.2	95.7	1.6	92.8	4.7
	Investment Sector	281.5	277.5	1.4	253.9	10.9
13	Kuwait Insurance Company	112.7	113.6	(0.8)	103.6	8.8
14	Gulf Insurance Company	1,735.3	1,735.3	0.0	1,631.1	6.4
15	Al-Ahleia Insurance Company	289.8	302.2	(4.1)	252.5	14.8
16	Warba Insurance Company	158.3	160.7	(1.5)	124.5	27.1
	Insurance Sector	438.8	442.4	(0.8)	404.6	8.5
17	Kuwait Real Estate Company	426.5	424.5	0.5	399.2	6.8
18	United Realty Company	120.1	119.8	0.3	113.7	5.6
19	National Real Estate Company	352.4	374.4	(5.9)	242.6	45.3
20	Salhiaha Real Estate Company	1,932.0	1,829.7	5.6	1,818.8	6.2
	Real Estate Sector	317.5	317.0	0.2	277.4	14.5
21	The National Industries	313.1	307.3	1.9	293.0	6.9
22	Refrigeration Industries Co	274.4	275.9	(0.5)	202.0	35.8
23	Gulf Cable & Electrical Industries	499.6	499.6	0.0	523.6	(4.6)
	Industrial Sector	269.9	267.7	0.8	255.6	5.6
24	Kuwait National Cinemas	828.0	790.9	4.7	751.4	10.2
25	The Public Warehousing Co	2,360.7	2,539.9	(7.1)	3,965.7	(40.5)
26	Mobile Telecommunications Co (ZAIN)	775.3	790.9	(2.0)	843.9	(8.1)
27	Safat Energy Co	29.2	27.9	4.7	29.6	(1.4)
	Services Sector	953.0	989.4	(3.7)	1,264.0	(24.6)
28	Livestock Transport & Trading Co	90.0	89.2	0.9	81.7	10.2
	Food Sector	436.6	436.4	0.0	434.6	0.5
29	Umm Al-Qaiwain Cement Industries	676.9	676.9	0.0	699.0	(3.2)
	Non Kuwaiti Companies	180.2	180.2	0.0	181.3	(0.6)
	AlShall Index	611.6	610.7	0.1	601.7	1.6

الشال
للاستشارات



ALSHALL
Consulting

Home of trust
alshall.com