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1

Interest Rates

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Interest rate expectations have been changing throughout this year up until the end of April. At the beginning of the year, the general outlook was that inflation was under control and that the downward trajectory of the interest rate will start no later than June 2024 of the Federal Reserve of America. However, indicators conflicted the previous outlook that inflation was under control. For instance, growth rates in the fourth quarter of the previous year reached 3.4% compared to 1.6% preliminary growth figures for the first quarter of this year. Further, labor wages surged by 1.2% during the first quarter of this year vis-à-vis 0.9% in the prior year which reflects the continued strength of the labor market, along with the continuation of private consumption, the main driver of growth, on the rise. Inflation concerns were exacerbated amidst the Bab al-Mandab Strait developments, which caused an increase in energy prices and transportation costs to circumvent transit through the Bab al-Mandab Strait.

These developments have led to a change in perspectives regarding the inevitability of changing interest rate expectations, from a decrease to at best stability, and some have even leaned towards expecting an increase. This change led to the Dow Jones index losing about 5.0% of its value during one month, between the end of March and the end of April. The Federal Reserve meeting took place on April 30 and May 1, and the essence of its decision was to maintain

interest rates, excluding the possibility of raising them in the short term, aiming to dispel short-term concerns and their implications. However, it also implies excluding a possible reduction for the entire current year.

As expected, central banks of the region did not react to the Fed Decision. Further, following the decline of the Dow Jones, losses extended to six out of the seven financial markets in the Gulf region in April, but for a different reason than interest rate expectations, namely negative geopolitical developments, notably the direct confrontation between Iran and Israel. What should raise concern is this unusually heightened state of uncertainty, indicated by the rapid divergence in expectations between the US Federal Reserve and the most professional institutions, as well as between the four-month limits. Kuwait, for some time now, has been governed by a caretaker government at a time when all matters require deep and intense focus to address them.





2

Oil and Public Finance April 2024

By the end of April 2024, the first month of the current fiscal year 2024/2025, the monthly average price of Kuwaiti oil reached US\$ 89.9 per barrel. It is US\$ 19.9 or 28.4% higher than the new hypothetical price of US\$ 70 estimated in the current budget.

The last fiscal year 2023/2024 which ended by the end of last march achieved an average oil price of US\$ 84.4 per barrel. The average oil price for April is 6.6% higher than last yearly average, while it was lower than the new budget's parity of US\$ 90.7 by US\$ 0.8 according to estimates by Ministry of Finance, without the deduction of 10% revenues for the future generation's reserve.

Kuwait is supposed to have achieved actual oil revenues of KD 1.726 billion in April. Assuming that production and prices would continue at the current levels -an assumption that might not happen- Kuwait's oil revenues for the entire current fiscal year would reach KD 20.718 billion, after deducting annual production costs pertaining to the entire current fiscal year. It would be KD 4.484 billion higher than the estimated revenues of KD 16.234 billion for the current budget. Adding KD 2.428 billion in non-oil revenues, total budget expected revenues for the current fiscal year would amount to KD 23.146 billion.

Comparing this figure with the expected expenditures of KD 24.555 billion, it is likely that the public budget for the current fiscal year to achieve a deficit of KD 1.409 billion, but oil revenues remain the decisive factor.





3

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Performance of Boursa Kuwait April 2024

April's performance was negative compared to March's, although the average daily trading value increased, Boursa Kuwait achieved negative performances regarding all indices. The Premier Market index decreased by -4.3%, the Main Market index by -1.1% and the All-Share Market index (the outcome of both mentioned markets) decreased by -3.8%, also the BK Main 50 index decreased by -2.1%.

Boursa Kuwait's total liquidity increased in April compared to March's liquidity, as it amounted to KD 966 million from KD 897.9 million in March or by 7.7%. The average daily trading value for April was KD 53.7 million, an increase by 25.6% from the average of March at KD 42.8 million. Boursa Kuwait's liquidity in the first 4 months of 2024 (79 trading days) reached KD 4.511 billion, thus the average daily trading value for the period was at KD 57.1 million, increasing by 37.3% versus the average for the same period of 2023 at KD 41.6 million, and it also increased by 33.1% when compared to the average for the whole year of 2023 at KD 42.9 million.

Liquidity trends since the beginning of the year indicate that half of the listed companies represent only 2.3% of total liquidity, including 50 companies obtaining 0.7% of that liquidity and 5 companies without any trading. As for the small liquid companies, 12 companies (including 6 companies in The Premier Market) whose market value equals 5.2% of all listed companies' value captured about 26.3% of

total market liquidity. This means that major liquidity activity is still deprived in almost half of the listed companies. On the contrary, it strongly favors companies with small market value. The liquidity distribution between the two markets during April 2024 was as follows:

Premier Market (33 Companies)

It captured about KD 828.6 million or 85.8% of Boursa's liquidity, and half of its companies captured 88.9% of its liquidity and 76.2% of total Boursa's liquidity, while the other half obtained 11.1% of its liquidity, and two companies obtained 53.0% of the Premier Market liquidity, 31.2% for Agility and 21.8% for KFH which is 45.5% of Boursa's liquidity and that is a high concentration level. During the first 4 months of 2024, the Premier Market captured 75.1% of total Boursa's liquidity.

Main Market (112 Companies)

It captured KD 137.5 million or 14.2% of Boursa's liquidity; within it, 20% of its companies captured 82.9% of its liquidity and 80% of its companies got 17.1% of its liquidity, this indicates that liquidity is also concentrated in the Main Market at a high level. The Main Market obtained 24.9% of total Boursa's liquidity during the first 4 months of 2024.

When comparing the distribution of liquidity between the Premier and the Main markets, we notice an incline in the share of liquidity for the Main Market until the end of April 2024 compared to its distribution for the whole year of 2023, where the Premier Market obtained 79.1% of total liquidity and 20.9% for the Main Market if it continues.



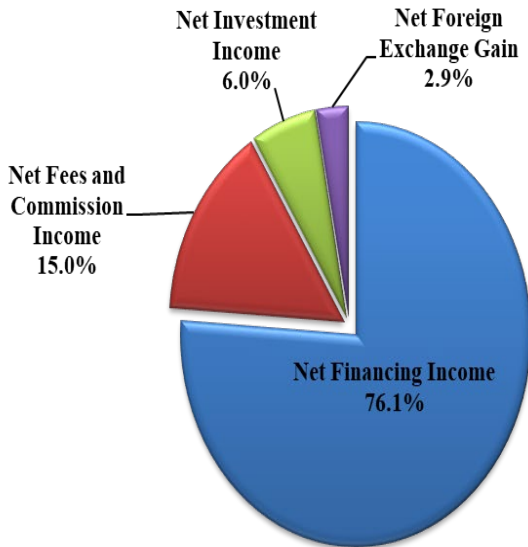
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Boubyan Bank Financial Results – First Quarter 2024

Boubyan Bank announced the results of its operations for Q1 of the current year, which indicate that the bank's profits (after tax deduction) reached KD 24.6million, a rise by KD 5.2million or by 26.6% compared with KD 19.4 million for the same period in 2023. The rise in net profit is attributed to the rise in total operating income by a higher value than the rise in total operating expenses.

In details, operating income increased by KD 9.0 million or by 17.2%, reaching KD 61.6 million versus KD52.6 million for the same period in 2023. This resulted from the rise in Murabaha and other Islamic financing income by KD 18.0million or by 19.7%. Net fees and commission income also increased by KD 1.4 million or by 18.0% reaching KD 9.2 million compared with KD 7.8 million. Also, net financing income increased by KD 7.1 million or by 17.9%, reaching KD 46.9 million compared with KD 39.8 million.

Total Operating Income in the First Quarter 2024



Total operating expenses rose by a lesser value than the rise in total operating income, i.e. by KD 4.9 million or by 19.5%, and reached KD 29.9 million compared with KD 25.0 million for the same period in 2023. The rise included all items of operating expenses. Percentage of total operational expenses to total operational income has increased and scored 48.5% compared with 47.6% for the same period in 2023. Provisions for impairment decreased by KD 4.4 million or by -42.6%, amounting to KD 6.0 million compared with KD 10.4 million. Net profit margin scored 40.0% of total operational income versus 37.0% for the same period in 2023.

The bank's financial statements indicate that total assets increased by KD 268 million or by 3.2%, reaching KD 8.673 billion compared with KD 8.405 billion by the end of 2023. The rise in total assets was KD 642 million or 8.0%, when compared with the same period of 2023 when it was at KD 8.031 billion. Cash and balances with banks increased

significantly by KD 162.9 million or by 40.8%, to KD 561.9 million (6.5% of total assets), compared with KD 399 million (4.7% of total assets) at the end of 2023. It increased by 48.1% or by KD 182.4 million compared with KD 379.4 million (4.7% of total assets) for the same period of 2023.

Investments in sukuk rose by KD 47.9 million or by 5.4%, reaching KD 934.1 million (10.8% of total assets) versus KD 886.3 million (10.5% of total assets) at the end of 2023. It also rose by KD 256.2 million or by 37.8%, when it scored KD 677.9 million (8.4% of total assets) for the same period in 2023.

Also, Islamic financing to customers increased by KD 143.2 million or by 2.3%, reaching KD 6.464 billion (74.5% of total assets), compared with KD 6.321 billion (75.2% of total assets) at the end of 2023. It increased by 8.3% or by KD 493.9 million compared with KD 5.970 billion (74.3% of total assets) for the same period of 2023. Percentage of Islamic financing to customers to total customers' deposits scored 94.4% versus 96.0%.

Figures indicate that total liabilities (excluding total equity) increased by KD 275.4 million or by 3.7%, to reach KD 7.651 billion versus KD 7.376 billion at the end of 2023. When compared them with total liabilities for the same period in 2023, we notice a KD 586.5 million or 8.3% increase, when total liabilities scored KD 7.065 billion.

Percentage of total liabilities to total assets scored a ratio of 88.2% compared to 88.0%.

Results of analyzing financial statements calculated on annual basis indicate that all of the bank's profitability ratios increased compared with the same period 2023. Return on average shareholders' equity (ROE) increased from 10.4% to 11.7%. Likewise, return on average capital (ROC) increased to 24.9% versus 20.8%. While return on average assets (ROA) rose slightly to 1.15% versus 0.98%. Earnings per share (EPS) also increased to score 5.23 Fils versus 4.19 Fils. (P/E) scored to 29.5 times as versus 38.4 times (improved), and (P/B) scored 2.4 times versus 2.5 times.



	31/03/2024	31/03/2023	Change		
	(Thousand KD)	(Thousand KD)	Value	%	
Total Assets	8,673,125	8,030,951	642,174	8.0%	↑
Total liabilities	7,651,587	7,065,071	586,516	8.3%	↑
Total Equity attributable to the equity holders of the bank	847,808	790,252	57,556	7.3%	↑
Total Operating Revenues	61,625	52,561	9,064	17.2%	↑
Total Operating Expenses	29,885	25,006	4,879	19.5%	↑
Provision and Taxation	7,119	8,113	-994	-12.3%	↓
Net income	24,621	19,442	5,179	26.6%	↑
**Return on Average Assets (ROA)					
	1.15%	0.98%			↑
**Return on Average Equity Relevant To The Bank Shareholder (ROE)					
	11.7%	10.4%			↑
**Return on Capital (ROC)					
	24.9%	20.8%			↑
Earnings per share (EPS) – (Fils)	5.23	4.19	1.04	24.8%	↑
Closing price – (Fils)	618	643	-25.0	-3.9%	↓
*Price to Earnings Per Share Multiplies (P/E)	29.5	38.4			
Price to Book Value Multiplies (P/B)	2.4	2.5			

* 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.



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ALSHALL

The Weekly Performance of Boursa Kuwait

The performance of Boursa Kuwait for last week was mixed, where the traded value, the number of transactions and general index (AlShall Index) decreased. While, the traded volume increased. AlShall Index (value weighted) closed at 611.0 points as of last Thursday, showing a decrease by 0.6 points or by 0.1% compared with its level last week, while higher by 9.3 points or by 1.5% compared with the end of 2023.

The following tables summarize Last weeks performance of Boursa Kuwait

Description	Week 18	Week 17	Difference
	02/05/2024	25/04/2024	%
Working days	5	5	
AlShall index (29 Companies)	611.0	611.6	-0.1%
Boursa All Share Market Index	7,033.5	7,026.1	0.1%
Value Trade (KD)	242,513,945	261,175,440	
Daily average (KD)	48,502,789	52,235,088	-7.1%
Volume Trade (Shares)	1,064,528,358	967,581,261	
Daily average (Shares)	212,905,672	193,516,252	10.0%
Transactions	69,688	73,190	
Daily average (Transactions)	13,938	14,638	-4.8%

Most Active Sectors & Companies

Description	Value Traded	% of Total
Sectors	KD	Market
Agility Public Warehousing	45,848,823	18.9%
Kuwait Finance House	36,942,731	15.2%
National Bank of Kuwait	20,093,006	8.3%
GFH Financial Group BSC	7,710,627	3.2%
Mobile Telecommunications	6,873,596	2.8%
Total	117,468,784	48.4%
Description	Value Traded	% of Total
Sectors	KD	Market
Banking Sector	77,839,795	32.1%
Industrials Sector	56,681,092	23.4%
Financial Services Sector	44,566,806	18.4%
Real Estate Sector	30,518,291	12.6%
Consumer Discretionary Sector	13,824,631	5.7%

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 18	Week 17
	02/05/2024	25/04/2024
Increased Value (# of Companies)	16	13
Decreased Value (# of Companies)	12	13
Unchanged Value (# of Companies)	1	3
Total Companies	29	29

	Company Name	THU	THU	DIFF %	CLOSE 2023	DIFF %
		02/05/2024	25/04/2024			
1	National Bank Of Kuwait	723.8	728.1	(0.6)	718.1	0.8
2	Gulf Bank	238.9	241.8	(1.2)	251.8	(5.1)
3	Commercial Bank Of Kuwait	536.7	527.4	1.8	536.7	0.0
4	Al-Ahli Bank Of Kuwait	191.0	183.8	3.9	176.6	8.2
5	Kuwait International Bank	204.1	206.6	(1.2)	184.6	10.6
6	Burgan Bank	269.0	264.4	1.7	242.8	10.8
7	Kuwait Finance Bank	3,577.2	3,608.4	(0.9)	3,312.4	8.0
	Banking Sector	747.1	750.4	(0.4)	720.2	3.7
8	Commercial Facilities Company	127.0	126.3	0.6	114.8	10.6
9	International Financial Advisors	999.9	984.9	1.5	921.8	8.5
10	National Investments Company	317.1	308.3	2.9	300.7	5.5
11	Kuwait Projects Company (Holding)	439.3	446.2	(1.5)	363.2	21.0
12	Coast Investment & Development Co.	95.7	97.2	(1.5)	92.8	3.1
	Investment Sector	282.9	281.5	0.5	253.9	11.4
13	Kuwait Insurance Company	116.0	112.7	2.9	103.6	12.0
14	Gulf Insurance Company	1,674.5	1,735.3	(3.5)	1,631.1	2.7
15	Al-Ahleia Insurance Company	293.9	289.8	1.4	252.5	16.4
16	Warba Insurance Company	138.7	158.3	(12.4)	124.5	11.4
	Insurance Sector	429.5	438.8	(2.1)	404.6	6.2
17	Kuwait Real Estate Company	422.6	426.5	(0.9)	399.2	5.9
18	United Realty Company	120.3	120.1	0.2	113.7	5.8
19	National Real Estate Company	368.9	352.4	4.7	242.6	52.1
20	Salhiaha Real Estate Company	1,923.1	1,932.0	(0.5)	1,818.8	5.7
	Real Estate Sector	320.0	317.5	0.8	277.4	15.4
21	The National Industries	307.3	313.1	(1.9)	293.0	4.9
22	Refrigeration Industries Co	289.4	274.4	5.5	202.0	43.3
23	Gulf Cable & Electrical Industries	501.2	499.6	0.3	523.6	(4.3)
	Industrial Sector	269.8	269.9	(0.0)	255.6	5.6
24	Kuwait National Cinemas	928.4	828.0	12.1	751.4	23.6
25	The Public Warehousing Co	2,462.0	2,360.7	4.3	3,965.7	(37.9)
26	Mobile Telecommunications Co (ZAIN)	784.6	775.3	1.2	843.9	(7.0)
27	Safat Energy Co	29.1	29.2	(0.3)	29.6	(1.7)
	Services Sector	986.0	953.0	3.5	1,264.0	(22.0)
28	Livestock Transport & Trading Co	90.8	90.0	0.9	81.7	11.1
	Food Sector	436.8	436.6	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	611.0	611.6	(0.1)	601.7	1.5

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