



1

The Unemployed
– 30/11/2023

[Read More](#)

2

The Top 10
Profitable
Companies in
Boursa Kuwait
2023

[Read More](#)

3

Liquidity
Concentration

[Read More](#)

4

World Bank –
GCC Economies
Performance
Projections

[Read More](#)

5

The Weekly
Performance of
Boursa Kuwait

[Read More](#)



1

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The Unemployed 30/11/2023

The Central Statistical Bureau published a report on unemployed Kuwaitis registered with the Civil Service Commission. It stated that the unemployed persons, as of last November, scored 8,727 individuals, about 1.8% of the Kuwaiti labor force of about 481.1 thousand individuals as of the end of June 2023 (according to PACI data). We publish this information without assuming any liability because there are other official sources that provide different numbers. Those numbers do not show material differences in the unemployed of both genders: unemployed males are 48% and the unemployed females are 52%. Employed women in the public sector form 51.4% and employed men are 48.6%. This means that there is equity, albeit artificial, between the workers of both genders.

The unemployment numbers according to the periods are fluctuating, something that has no apparent explanation. There are 297 unemployed persons in a single month, and the decrease in the number in this category is logical. There are 4,670 unemployed citizens for a period of one - to five months; then it decreases to 1,602 for the unemployed for a period of 6 - 11 months; then it rises to 2,158 for the unemployed for 12 months or more. The report did explain that fluctuation.

The characteristics of the unemployment numbers shows how dangerous they are. In the short term, most of the unemployed are waiting for their turn to join the public sector mass of employees to inflate the disguised

unemployment numbers in an economy, that almost has no job creation opportunities. Competing with a public sector job has become impossible too. The public sector works a few hours, has high wages, purchases employees' leaves, and gives them excellent work bonuses. There is nothing wrong with that if it can be sustainable, but it cannot be, and its cost is future inflation of flat unemployment numbers.

The age structure of the unemployed is an alarming characteristic. According to the report, about 69.7% of the unemployed are between 20-29 years, and 15.1% are between 30-39 years, indicating that about 84.8% of the unemployed are young people. In addition to the social repercussions that youth unemployment has, youth unemployment in all countries of the world is considered the main driver of instability.



Another dangerous characteristic is that the majority of the unemployed hold diplomas to doctorates. The report's figures indicate that 60.5% of the unemployed are from this category. This phenomenon reflects, on the one hand, the separation of the labor market needs from the education system, on the other hand, it reflects the weakness of the educational level, and also reflects the phenomenon of the spread of forged or fabricated certificates. Poor education and the imbalance in the national labor are the greatest challenge to the public administration. Its mission to confront that challenge is limited to clarifying the difference between popular decisions and populist decisions. Popular decisions mean the sustainability of benefits for all segments of people in their present and future; populist decisions are about purchasing the position for the minister or representative (deputy) for the longest possible period at a price paid by all groups and generations of the people.





الرمز	الاسم	السعر	الكمية	القيمة	التغير	النسبة	الحد الأدنى	الحد الأعلى
15.00	166	1	15.42	1,288	15.30	15.30	0.00	0.00
8.30	18	4,000	8.74	1,959	8.72	8.72	0.00	0.00
13.36	528	2,919	13.96	1	13.86	13.86	0.00	0.00
22.10	5	321	25.15	606	25.05	25.00	0.00	0.00
9.51	3,741	136	9.98	467	9.80	9.80	-1.01	0.00
13.14	280	1,720	14.70	136	14.62	14.70	0.00	0.00
13.00	1,350	2,882	13.96	1,000	13.80	13.96	0.00	0.00
14.06	20	12	829	14.26	14.32	0.00	0.00	0.00
				10.10	10.14	0.00	0.00	0.00
				0.00	0.00	0.00	0.00	0.00

2

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The Top 10 Profitable Companies in Boursa Kuwait 2023

In continuation of the research into the characteristics of the Boursa Kuwait and its trading characteristics, and despite the strong concentration of liquidity in the Premier Market, and not in all of its companies but rather half of them, only one company listed in that market is among the top 10 gaining companies in 2023. The share of these 10 companies in Boursa liquidity during 2023 was KD 970.6 million or 9.3% of total liquidity. Despite this, it was sufficient to push their prices to those levels due to the decline in the market value of most of them at the beginning of the year.

The highest gaining company according to the market cap was "IFA Hotels & Resorts", which underwent a crucial surgery, which saw its paid-capital get by reduced by more than 70%, but it compensated for the reduction effect by increasing the company's market value by about 713.1%, as in the accompanying table. For the other 9 companies on the list with the highest gains, the increase in their market value ranged between the highest for "Arabi Group Holding" by 218.6% and the lowest for "Gulf Insurance Group" by 85.2%. These high gains raised the market cap of the 10 companies from KD 584.8 million, or 1.3% of the market cap of all Boursa companies at the end of 2022, to KD 1.337 billion or 3.3% of all companies' market value at the end of 2023.

The loss of the All-Share Market index by -6.5%, with its negative impact on the value of all Boursa Kuwait companies by -6.7%, reinforced the rise in its contribution to the total market capitalization, the result reduced that value from KD 43.9 billion at the end of 2022, to KD 40.9 billion at the end of 2023. Most of them were losses by 7 of the 10 highest companies in terms of market cap. From the beginning and the end of 2023, the market value of these companies decreased from KD 30.9 billion to KD 28.2 billion. The highest losses on that list were for Agility Warehousing Company, at -29.3%, and the lowest losses were for Kuwait Finance House at -3%. Among them were Boubyan Bank, the National Bank of Kuwait, the Mobile Telecommunications Company (Zain), and Ahli United Bank (Kuwait).

Boursa Kuwait began active trading this January, but it is still too early to form an opinion about its justification. On the one hand, the improvement in the local political environment may have an impact. But it may be justified by compensating heavy companies for last year's losses. The next few months, which follow the beginning of the announcement of companies' financial results for the entire year 2023, will indicate the likely trading pattern for 2024 and whether it will be consistent or different from the trading characteristics in 2023.

Company	Market Cap (KD)		Change
	2022	2023	
IFA Hotels & Resorts	18,046,331	146,739,640	713.1%
Arabic Group Holding	55,693,842	177,459,260	218.6%
International Financial Advisers	26,433,196	81,886,893	209.8%
Munshaat Real Estate Projects	19,642,000	49,266,000	150.8%
Sokouk Holding	13,642,335	30,546,968	123.9%
Sanam Real Estate	7,685,437	16,000,000	108.2%
Al Kout Industrial Projects	39,351,312	81,225,144	106.4%
Kuwait Real Estate	102,315,426	194,209,837	89.8%
Al Arabiya Real Estate	13,154,001	24,810,894	88.6%
Gulf Insurance Group	288,841,050	534,996,230	85.2%
Total	584,804,929	1,337,140,866	128.6%

Company	Market Cap (KD)		Change
	2022	2023	
Mabanee	1,052,947,671	1,109,543,608	5.4%
Ooredoo	584,173,969	613,407,869	5.0%
Commercial Bank	996,028,223	1,035,869,351	4.0%
Gulf Bank	1,004,967,768	1,017,621,990	1.3%
KFH	11,046,497,963	10,718,995,472	-3.0%
AUB - Kuwait	710,447,942	655,413,242	-7.7%
Zain	2,436,134,166	2,193,818,867	-9.9%
NBK	8,141,410,837	7,089,371,384	-12.9%
Boubyan Bank	2,983,468,622	2,377,802,060	-20.3%
Agility	1,926,812,582	1,362,149,450	-29.3%
Total	30,882,889,741	28,173,993,294	-8.8%



3

Liquidity Concentration

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The number of companies listed on the Boursa Kuwait exceeds, by a large margin, 5 out of 7 stock exchanges in the GCC region. The only exception is the Saudi stock market; whose number of listed companies exceeds those on Boursa Kuwait. The number of listed companies on the Abu Dhabi Market is 102 companies as of the end of 2023, 95 companies on Muscat Stock Exchange, 71 companies on Dubai Market, 51 companies on Qatar Stock Exchange, and 42 companies on Bahrain Bourse. But the number of listed companies on the Boursa Kuwait reached 149 companies, and the number of companies listed on the Saudi market is 232. Liquidity concentration is high in 6 GCC stock exchanges, except for the Saudi market. It scores a maximum of 92.5% for the share of the 10 highest liquidity companies on Bahrain Stock Exchange, 83% for Muscat Stock Exchange, 75.9% for Dubai market, 66.6% for Abu Dhabi market, 62.1% for Qatar Stock Exchange and 60.7% for Boursa Kuwait, while it did not exceed 30.2% for the Saudi market.

And because the liquidity of any listed company is the most important goal of its listing, it appears that the concentration of liquidity on 10 companies in the 6 GCC stock exchanges is an unhealthy phenomenon and requires periodic analysis and review. Although Boursa Kuwait is in a slightly lower position in terms of the concentration level, its concentration is actually higher if we take into account the

superior number of its listed companies, which are 47 more than the Abu Dhabi Market, which is the highest after it, more than twice the number of companies on Muscat Stock Exchange, and more than twice the number of Qatar Stock Exchange companies.

A high concentration rate increases the risk levels and the number of corrections. Sometimes it is enough for one of the exceptionally highly liquid companies to face a problem to cause it. Kuwait has had a legacy since before the Al Manakh Crisis of the high popularity of listing on the stock exchange, which gives undue premiums on the prices of listed companies. Because they are bonuses no longer exist at present, and their indicator is the large differences between the high book values of most of them and their low market values. The rates of withdrawal from listing may accelerate, which reduces the liquidity concentration percentage.

When discussing Boursa Kuwait, what is meant is the integrated system with its three links, the Capital Markets Authority, Boursa Kuwait itself and Kuwait Clearing Company, and we believe in the ability of this successful system to adopt visions that would accelerate the process of streamlining quantity or number, and improving quality and diversity by encouraging the listing of new promising companies.



4

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World Bank – GCC Economies Performance Projection

The rise in global uncertainty has greater applicability to the Middle East region, including the GCC countries. The World Bank's January 9th report on the growth of their economies, modest as they are, is conditional on the non-expanding of the war on Gaza. The report expects the release of modest figures on the economic growth rates achieved by the 6 GCC countries when they announce their figures for 2023. The highest is for the United Arab Emirates, at around 3.4%, and the lowest is for Saudi Arabia at -0.5%. Qatar and Bahrain are in between at around 2.8%, then Oman at 1.4% and Kuwait at 0.8%. Most of the weakness is due to the reduction in oil production.

Growth rates for 2024 are expected to continue below their historical levels, the highest for Saudi Arabia at 4.1%, UAE at 3.7%, Bahrain at 3.3%, Oman at 2.7%, Kuwait at 2.6% and finally Qatar at 2.5%. Saudi Arabia is also ahead in its expectations for growth rates for 2025 at 4.2%, UAE at 3.8%, Bahrain at 3.2%, Qatar at 3.1%, Oman at 2.9% and Kuwait at 2.7%. The report notes that Kuwait ranked last in terms of the level of achieved and expected growth for 2023 and 2025, and next to last for the expectations for 2024. While 2023 has become history, we believe that Kuwait's growth rates for 2024 and 2025 may change for the better if the new public administration handles the economy well.

We mentioned that these expectations are conditional on containing the repercussions of the war on Gaza, and between the issuance of the report and now, the war has expanded to include Yemen in the south. Its expansion to the north and other areas remains a possibility. What hurts is that a subsistence economy, or the Palestinian economy in the West Bank and Gaza, is expected by the World Bank to lose -6% of its size in 2024, and most of the losses will fall to Gaza. Increasing its tragedy does not generate stability, but rather sows the seeds of expansion in violence.





5

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The Weekly Performance of Boursa Kuwait

The performance of Boursa Kuwait for last week was mixed, where the traded value, traded volume and the number of transactions decreased, while the general index (AlShall Index) increased. AlShall Index (value weighted) closed at 655.5 points as of last Thursday, showing a rise by 12.5 points or by 1.9% compared with its level last week, and rose by 53.8 points or by 8.9% compared with the end of 2023.

The following tables summarize Last weeks performance of Boursa Kuwait

Description	Week 4	Week 3	Difference
	25/01/2024	18/01/2024	%
Working days	5	5	
AlShall index (30 Companies)	655.5	643.0	1.9%
Boursa All Share Market Index	7,343.0	7,230.1	1.6%
Value Trade (KD)	311,018,961	387,620,214	
Daily average (KD)	62,203,792	77,524,043	-19.8%
Volume Trade (Shares)	1,339,770,191	1,764,636,152	
Daily average (Shares)	267,954,038	352,927,230	-24.1%
Transactions	76,786	94,081	
Daily average (Transactions)	15,357	18,816	-18.4%

Most Active Sectors & Companies

Description	Value Traded	% of Total
Sectors	KD	Market
Kuwait Finance House	31,313,158	10.1%
National Bank of Kuwait	18,272,218	5.9%
Kuwait Investment Co	18,202,639	5.9%
Kuwait Real Estate Co	17,971,466	5.8%
Gulf Bank	14,649,303	4.7%
Total	100,408,784	32.3%
Description	Value Traded	% of Total
Sectors	KD	Market
Financial Services Sector	103,577,251	33.3%
Banking Sector	89,225,684	28.7%
Real Estate Sector	43,426,286	14.0%
Industrials Sector	28,492,967	9.2%
Consumer Discretionary Sector	11,667,642	3.8%

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).

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ALSHALL INDEX	Week 4	Week 3
	25/01/2024	18/01/2024
Increased Value (# of Companies)	19	15
Decreased Value (# of Companies)	10	13
Unchanged Value (# of Companies)	1	2
Total Companies	30	30

	Company Name	THU	THU	DIFF %	CLOSE 2023	DIFF %
		25/1/2024	18/1/2024			
1	National Bank Of Kuwait	794.6	778.2	2.1	718.1	10.7
2	Gulf Bank	266.1	254.4	4.6	251.8	5.7
3	Commercial Bank Of Kuwait	534.6	536.7	(0.4)	536.7	(0.4)
4	Al-Ahli Bank Of Kuwait	191.8	193.3	(0.8)	176.6	8.6
5	Kuwait International Bank	201.9	198.2	1.9	184.6	9.4
6	Ahli United Bank	359.8	356.0	1.1	333.1	8.0
7	Burgan Bank	268.9	257.3	4.5	242.8	10.7
8	Kuwait Finance Bank	3,598.5	3,531.8	1.9	3,312.4	8.6
	Banking Sector	785.9	770.8	2.0	720.2	9.1
9	Commercial Facilities Company	122.0	119.1	2.4	114.8	6.3
10	International Financial Advisors	1,159.0	1,189.1	(2.5)	921.8	25.7
11	National Investments Company	337.2	368.7	(8.5)	300.7	12.1
12	Kuwait Projects Company (Holding)	390.9	377.1	3.7	363.2	7.6
13	Coast Investment & Development Co.	101.2	99.0	2.2	92.8	9.1
	Investment Sector	288.0	291.6	(1.2)	253.9	13.4
14	Kuwait Insurance Company	111.4	108.0	3.1	103.6	7.5
15	Gulf Insurance Company	1,632.9	1,639.8	(0.4)	1,631.1	0.1
16	Al-Ahleia Insurance Company	267.0	269.1	(0.8)	252.5	5.7
17	Warba Insurance Company	134.8	133.5	1.0	124.5	8.3
	Insurance Sector	413.2	413.1	0.0	404.6	2.1
18	Kuwait Real Estate Company	471.3	451.8	4.3	399.2	18.1
19	United Realty Company	126.5	127.5	(0.8)	113.7	11.3
20	National Real Estate Company	298.1	287.1	3.8	242.6	22.9
21	Salhiaha Real Estate Company	1,865.5	1,890.9	(1.3)	1,818.8	2.6
	Real Estate Sector	313.9	307.8	2.0	277.4	13.2
22	The National Industries	336.1	328.9	2.2	293.0	14.7
23	Refrigeration Industries Co	218.6	220.1	(0.7)	202.0	8.2
24	Gulf Cable & Electrical Industries	581.9	599.5	(2.9)	523.6	11.1
	Industrial Sector	285.9	286.0	(0.0)	255.6	11.9
25	Kuwait National Cinemas	733.8	684.8	7.2	751.4	(2.3)
26	The Public Warehousing Co	4,440.9	4,207.2	5.6	3,965.7	12.0
27	Mobile Telecommunications Co (ZAIN)	915.7	887.6	3.2	843.9	8.5
28	Safat Energy Co	37.2	35.9	3.6	29.6	25.7
	Services Sector	1,386.2	1,324.6	4.7	1,264.0	9.7
29	Livestock Transport & Trading Co	91.7	82.1	11.7	81.7	12.2
	Food Sector	437.0	434.7	0.5	434.6	0.6
30	Umm Al-Qaiwain Cement Industries	721.1	721.1	0.0	699.0	3.2
	Non Kuwaiti Companies	182.4	182.4	0.0	181.3	0.6
	AlShall Index	655.5	643.0	1.9	601.7	8.9

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