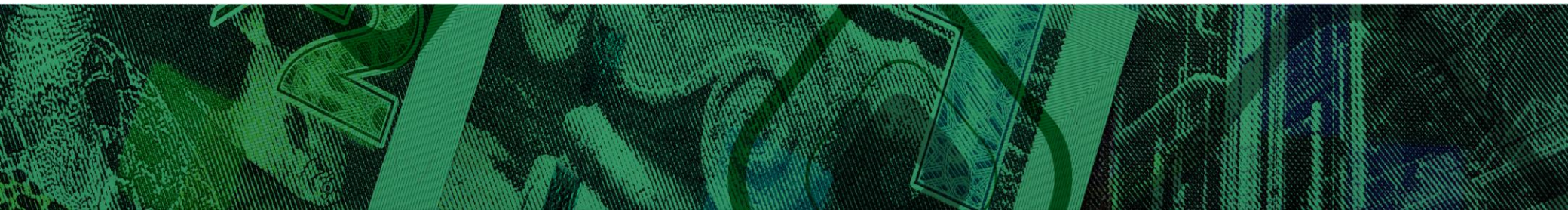


KFHC Market Monitor

Monthly - Equity Market Updates

October 2022

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Equity Markets – Update

Equities rally during October however potential downside risks persist given multiple headwinds which includes rising interest rates; geopolitical risks etc.

Disappointing earnings coupled with potential downside in earnings forecasts are key headwind

- I. Based on results of 277 of the S&P500 companies (i.e., 55% of the total companies) Q3 earnings are estimated to rise by 2.5% from earlier estimates of 4.5%
- II. On sector basis excluding oil & gas sector majority have reported decline in earnings. Decline in demand coupled with lower utilization due to shortage of key input/raw materials have impacted corporate earnings.

Crude and lower provisions in the banking sector drive GCC corporate earnings

- I. GCC earnings have been mixed with the banking sector reporting double digit growth in earnings driven by lower provisions and higher operating income.
- II. While crude and petrochemicals segment have reported earnings growth on 9-month basis however there is a decline in earnings on a quarterly basis. Decline in product prices coupled with drop in volumes on quarterly basis impacted negatively.
- III. Also, companies with higher debt levels have reported increased cost in services the debt due the current rate environment.

Global Equity Markets	Index Closing*	MTD (%)	YTD (%)	Market Cap (USD Billion)	P/Ex
NASDAQ 100 Index	11,405.57	3.96	(30.11)	14,109.98	24.37
FTSE 100	7,094.53	2.91	(3.93)	1,945.95	9.37
STOXX Europe 600	412.20	6.28	(15.50)	11,383.36	11.20
German Dax Index	13,253.74	9.41	(16.56)	1,388.63	12.89
Hang Seng Index	14,687.02	(14.72)	(37.23)	16,606.63	7.57
S&P GCC Composite Index	151.96	2.31	1.35	893.63	14.75
Kuwait - Premier Market Index	8,190.94	3.03	7.22	122.33	13.69
Saudi Arabia	11,667.80	2.30	3.42	2,855.79	14.98
Abu Dhabi	10,412.25	6.78	22.66	631.11	29.01
Dubai	3,331.76	(0.22)	4.25	118.81	7.71
Qatar	12,414.41	(2.21)	6.78	173.09	13.74

Source: Refinitiv; *Index Closing as of October 31; 2022; Valuations are on TTM basis;

Tadawul All Share Index (TASI) – Daily Candlestick Chart



Commodities – Overview

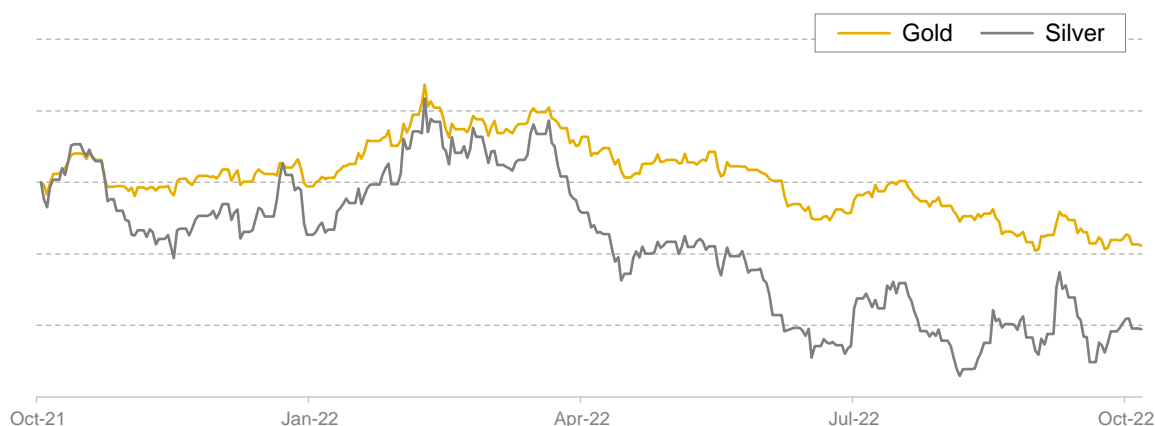
Macro headwinds with a price outlook of limited upside potential amid weak demand

- There is considerable headwind to commodity prices thus indicating potential downside risks. Firstly; the continued hawkishness of global central banks will impact economic activity resulting in a weaker demand
- Further China's adherence to its Zero COVID policy will be a drag on demand of petrochemicals and industrial metals
- Further a strong USD is also a drag on the demand as well. A higher USD results in increased import costs of commodities.
- However; supply uncertainties due to the ongoing geopolitical events should provide support to commodities in the near term.

The monthly average price for Brent during October was USD 93.59 up 3.34% compared to previous month average price of USD 90.57 per barrel



Gold continues to decline; at USD 1,635.90 per ounce, it is down 10.48% on YTD basis

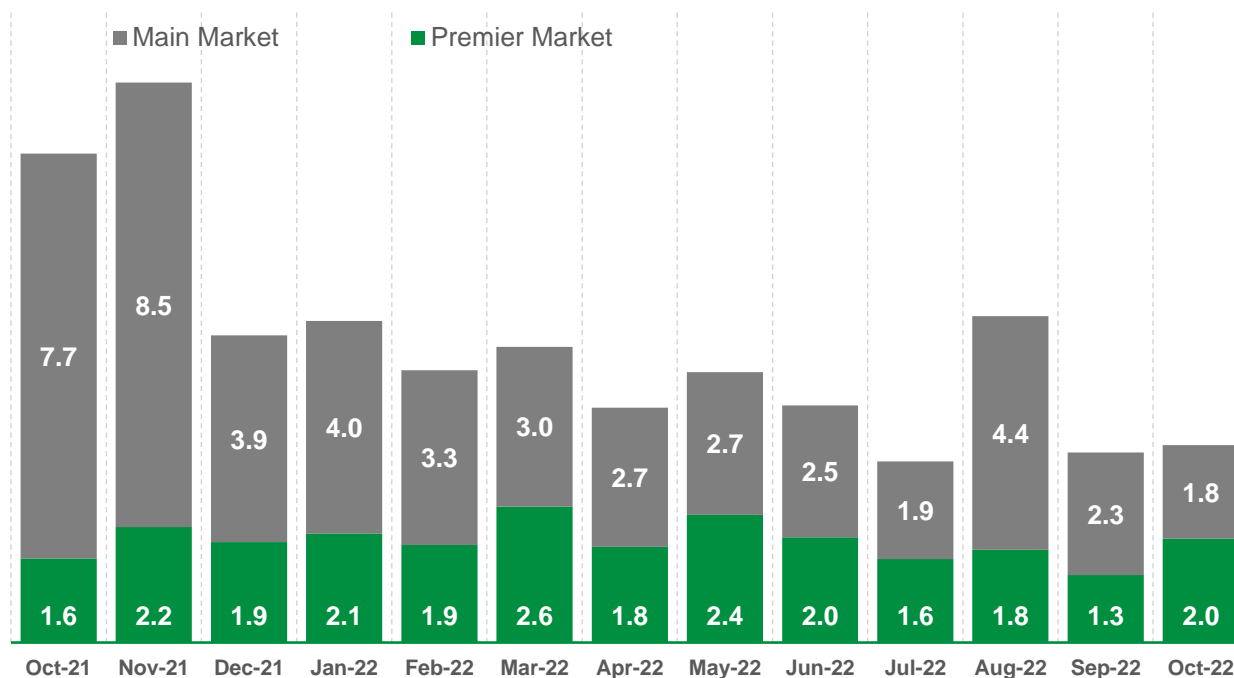


Source: Refinitiv, as of October 31, 2022

Kuwait Market – Monthly Summary

KSE Trading Parameters – Volume Traded

KSE Market Volume - in Billion Shares



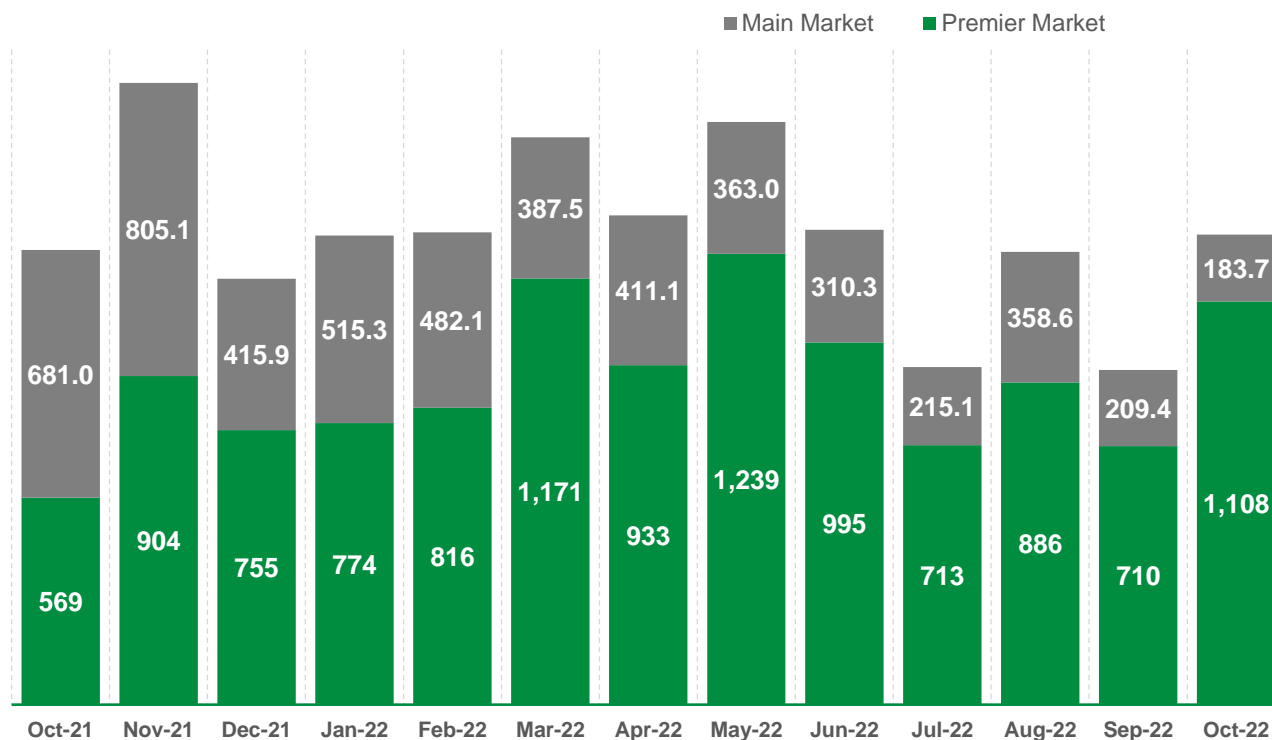
- The total number of shares traded during October 2022 stood at 3.77 billion shares a 4.20% increase over previous month 3.62 billion shares
- The volumes were driven by 54.49% increase in the Premier Market segment with 1.98 billion shares of trading.
- The Main Market recorded 1.78 billion shares of trading down 23.53%

Volume (Million Shares)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	2022	YTD Daily Average
Premier Market	1,604.31	2,203.93	1,901.83	2,078.44	1,856.02	2,590.50	1,819.48	2,433.38	2,005.09	1,591.34	1,767.39	1,287.27	1,988.71	19,417.63	96.61
Main Market	7,705.05	8,453.93	3,945.75	4,045.12	3,329.85	3,040.37	2,645.62	2,718.45	2,512.18	1,854.03	4,445.49	2,331.28	1,782.19	28,704.59	142.81
All Share	9,309.36	10,657.87	5,847.57	6,123.56	5,185.87	5,630.87	4,465.10	5,151.83	4,517.27	3,445.37	6,212.88	3,618.55	3,770.90	48,122.21	239.41

Source: Refinitiv, as of October 31, 2022

KSE Trading Parameters – Value Traded

KSE Market Value - in KWD Million

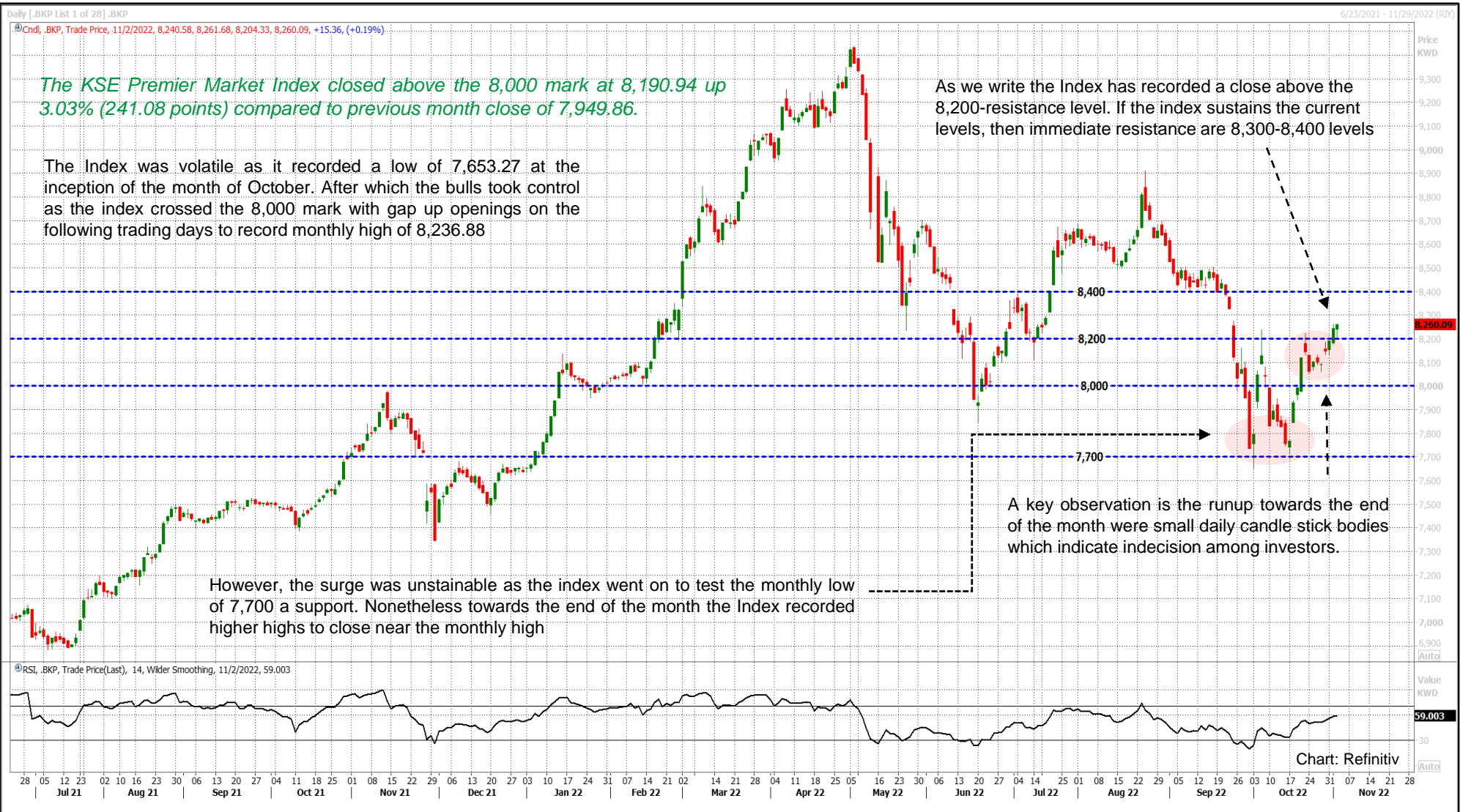


- The total value traded stood at KWD 1,291.62 million for the month of October 2022, up 40.47% compared to previous month
- Premier Market which contributes over 86% of the market value traded stood at KWD 1,107.91 million. While the Main Market value traded stood at KWD 183.71 million.

Value (KWD Million)	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	2022	YTD Daily Average
Premier Market	568.87	903.61	754.95	773.99	816.43	1,171.48	933.38	1,238.86	995.17	713.06	885.67	710.33	1,107.91	9,346.27	46.50
Main Market	680.96	805.09	415.82	515.26	482.10	387.51	411.08	363.03	310.32	215.06	358.59	209.44	183.71	3,436.10	17.10
All Share	1,249.83	1,708.71	1,170.77	1,289.25	1,298.53	1,558.98	1,344.46	1,601.89	1,305.49	928.11	1,244.27	919.77	1,291.62	12,782.37	63.59

Source: Refinitiv, as of October 31, 2022

Kuwait Premier Market – Daily Candlestick Chart



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