

ISSUE 008  
JANUARY 2018

---

# STRATEGY NOTE

---

The New Market  
Segmentation of  
Boursa Kuwait

What You Need To  
Know...

NBK CAPITAL  
INVESTMENT STRATEGY & ADVISORY



NBK CAPITAL

## HIGHLIGHTS

- **Boursa Kuwait issued a new Rulebook which will come into effect with the launch of the phase two of the market development project expected in early 2018.** The Rulebook is meant to be an all-inclusive document containing a complete regulatory and organizational framework that would govern all operational aspects of the stock exchange
- The rulebook has specified a new segmentation of the market into three new markets: the **Premier Market, The Main Market, and the Auction Markets. A new set of Indices was also announced.** The new Indices will be market cap weighted and will replace all existing indices which will be discontinued
- This represents another step in the broader framework of a market development **plan aimed at overhauling and reforming the local stock exchange** and elevating it to international standards
- The new segmentation will potentially have far reaching **implications for listed companies especially in terms of shareholding structure.** It will effectively move part of the burden of creating liquidity to the companies themselves
- The listing and status maintenance requirements of the Premier market will make it a blue-chip, mid to large cap segment of the overall market that comprises **market leaders in terms of size, liquidity, transparency, and corporate governance.**

## **THE NEW RULEBOOK**

Boursa Kuwait issued a new Rulebook which will come into effect with the launch of the phase two of the market development project expected in early 2018. The Rulebook is meant to be an all-inclusive document containing a complete regulatory and organizational framework that would govern all operational aspects of the stock exchange and the parties that deal with it including brokers, listed companies, investors, and service providers, among others.

In particular, the rulebook has specified a new segmentation of the market into three new markets and has revised the listing rules into each of the markets.

Accordingly, the parallel market will be canceled, and listed companies will be redistributed into three markets according to criteria which include market cap and liquidity. The new markets are the following:

- The Premier Market
- The Main Market
- The Auction Market

The Premier Market will be the market where relatively larger and more liquid companies are listed. Achieving and then maintaining Premier Market status is the most demanding in terms of requirements. The only requirement for the Main markets, on the other hand, is to achieve and maintain the minimum liquidity threshold as set by the Boursa Kuwait on the annual review.

The new rulebook recognizes a transitory period to facilitate the redistribution of companies into the new market segments. Companies currently listed in the main market will be redistributed to the Premier and to the new Main markets. Should the implementation of the new classification guidelines result in companies being moved to the Auction market, then a grace period is given to those companies until the next evaluation period. Such companies will still be listed in the main market in the meantime. On the other hand, companies listed in the parallel market will be moved to the Main market if their capital is equal to or greater than KD 10 million and to the Auction market if the capital is less than KD 10 million.

## **UNDERSTANDING THE NEW SPLIT**

### **Listing Rules**

The listing rules into the Premier and Main markets have been revised with no listing allowed into the Auction market. The new listing rules have been formulated to be more in-line with internationally observed practices according to Boursa Kuwait. The new rules appear to revolve around ensuring that the companies wanting to list on the local stock exchange are established companies with a proven operational track record and that their shareholding structure has ample free float to allow for enough liquidity for their stock post listing.

Naturally the listing rules in the Premier market are more restrictive than those for the Main market. Highlights of the main requirements for each are presented below noting that the new listing rules are applicable to companies already listed in the market and new companies aiming to be listed.

**Premier Market listing conditions:**

1. The fair value of the company's shares that are not owned by the controlling group of shareholders should be valued at a minimum of KD 45 million. Such fair value is to be determined by an independent valuation consultant licensed by the Capital Markets Authority (CMA).
2. The company should have a minimum of 450 shareholders each owning shares valued at KD 10,000 at least as per the fair value determined above.
3. The company must have been operating according to at least one of its main objectives as stated in its articles of association and has had most of its revenues generated from that objectives over the past 7 full years. It must also have issued financial statement that are approved by its general assembly for the last 7 years prior to the listing application.

**Main Market listing conditions:**

1. The fair value of the company's shares that are not owned by the controlling group of shareholders should be valued at a minimum of KD 15 million. Such fair value is to be determined by an independent valuation consultant licensed by the CMA.
2. The company should have a minimum of 450 shareholders each owning shares valued at KD 5,000 at least as per the fair value determined above, or 225 shareholders each owning shares valued at a minimum of KD 10,000 each.
3. The company must have been operating according to at least one of its main objectives as stated in its articles of association and has had most of its revenues generated from that objectives over the past 3 full years. It must also have issued financial statement that are approved by its general assembly for the last 3 years prior to the listing application.

Given the above, the direction seems to be on emphasizing the potential liquidity of a company in absolute terms rather than relative to its size in a departure from the existing rules where the free float was measured as a percentage of a company's issued capital.

**Market Segmentation**

The market segmentation guidelines are an important component of the Rulebook. They specify the various requirement for the companies to comply with to be listed in the Premier and Main markets and to maintain its listing status in those two markets.

For listed companies the requirement for classification in the Main market are straight forward. The Average Daily Traded Value (ADTV) of a company calculated daily over the previous full year has to meet the minimum threshold required to qualify for Main market status as set by the exchange during the annual review.

The requirements to qualify for the Premier market, on the other hand, are a little more extensive and depend on multiple factors including market cap, liquidity levels, turnover, and price, among others.



**Premier Market Qualification Requirements:**

- A company should have been listed on the stock exchange for at least two years
- The company's Market capitalization should satisfy the minimum threshold specified by Boursa Kuwait for each of the two years preceding the annual review
- In terms of liquidity, the candidate's Average Daily Traded Value (ADTV) should meet the minimum threshold announced by Boursa Kuwait for each of the two years preceding the annual review
- The company's average share price should not be below its nominal value for each of the two years preceding the annual review
- The company should have been operational for at least 7 consecutive years

**Premier Market Status Maintenance Requirements:**

- The average market capitalization of should meet the minimum threshold required as announced by Boursa Kuwait for the year preceding the annual review
- Liquidity levels represented by the ADTV should satisfy the required liquidity threshold announced by Boursa Kuwait for the year preceding the annual review
- The price of the company's shares should not go below its nominal value at the end of the year
- The company should hold a quarterly analyst conference within 5 days of issuing the quarterly and the annual financial statements and publish a transcript of this conference on the exchange website at least 40 minutes before the next trading session following the conference
- Not to repeat any violation especially those violations that lead to the suspension of trading
- Publish all company announcements in both Arabic and English

It is worth noting at this point that for purposes of market cap calculation the below formula will be used:

$$\text{Market Capitalization} = \frac{\text{Trading Days} \times \text{Average Daily Traded Value}}{\text{Annualized Turnover Ratio}}$$

This will effectively calculate the market capitalization of a company using its average share price and average shares outstanding throughout the year as opposed to using the price and share outstanding data at a single point in time such as at year-end or quarter-end. This will help smooth out any sudden swings in the share price due to market volatility.

The market filters for the year 2018 ahead of the implementation of the new segmentation are summarized below:

**Market Segmentation Filters - 2018**

	<b>Year 1 – (2016)</b>	<b>Year 2 – (2017)</b>
Total Traded Value	KD 2.88 Billion	KD 5.72 Billion
Trading Days	247	249
2-Year Annualized Turnover Ratio	14.12%	15.51%
Minimum Market Cap for Premier Market	KD 119,000,000	KD 144,000,000
Minimum Liquidity (ADTV) for Premier Market	KD 68,000	KD 90,000
Minimum Liquidity (ADTV) for Main Market	KD 17,000	KD 22,500

**Source: Boursa Kuwait**

Should a company violate any of the status maintenance requirements during an annual review, it will be given one year to rectify its position after which it will be demoted to a lower market on the following year's annual review. This applies to companies listed in both the Premier and Main markets. In the case of Premier market companies however, such companies, even if they were able to comply within the one year grace period, they will be placed on an "Ongoing Requirements Watchlist" for three consecutive years during which any repeat violation will result in an automatic reclassification.

A "Premier Market Watchlist" is also maintained which includes companies that are listed in the main but need one of the requirements to qualify for an upgrade to the Premier Market. These companies are upgraded to the Premier Market as soon as they satisfy all of the requirements after the annual review unless the company concerned explicitly requests not to be upgraded.

### ***The Auction Market***

The auction market contains the least liquid companies of the market that do not qualify for either the Premier or the Main market because of their low liquidity levels regardless of their market capitalization. Two auctions will be held per day, each for 15 minutes with 45 minutes between auctions. The Auction market will not have its own index and its components will not be included in any of the market indices because of their low liquidity levels.

### ***Indices***

The existing market indices will be scrapped and a new set of indices which are more representative of the new market segmentation will be created. All indices will be market cap weighted and two versions of each will be calculated, a price return version and total return version.

There will be a General Market Index covering companies listed in both the Premier and the Main markets, a Premier Market Index and Main Market Index. In addition, indices for each of the 13 market sectors will be calculated as follows:

1. Oil & Gas Weighted Index
2. Basic Material Weighted Index
3. Industrials Weighted Index
4. Consumer Goods Weighted Index
5. Healthcare Weighted Index
6. Consumer Services Weighted Index
7. Telecommunications Weighted Index
8. Utilities Weighted Index
9. Banks Weighted Index
10. Insurance Weighted Index
11. Real Estate Weighted Index
12. Financial Services Weighted Index
13. Technology Weighted Index

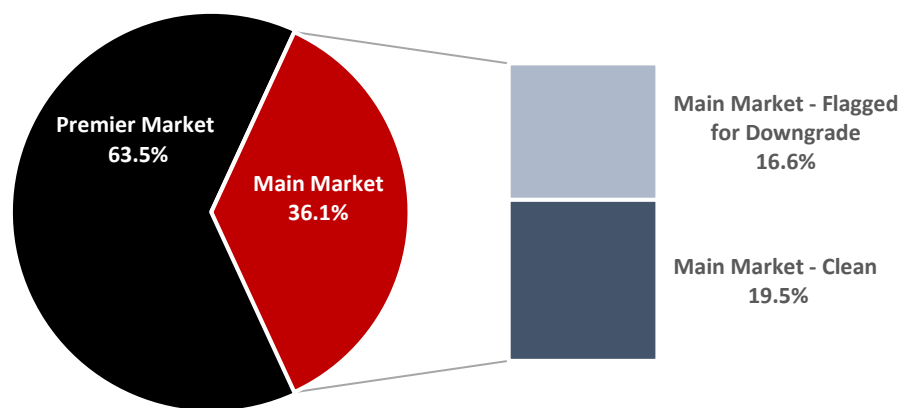
### ***The Market Map***

The new market segmentation resulted in 16 companies classified in the Premier Market with a total capitalization of around KD 17 billion representing 63.5% of the total market. Overall, these companies seem to be stable in terms of their classification having a relatively comfortable margin over the liquidity and market cap minimum requirements, pending of course their compliance with the other status maintenance requirements such as analyst conferences and others.

Things become a little more uncertain for companies classified in the Main market. For example, out of the 15 Main market companies that are placed on the Premier Market Watchlist for a possible upgrade, 8 are also flagged for a possible downgrade to the Auction market mostly on liquidity issues. These companies, with the exception of one, mostly satisfy the market cap requirements and fall short on liquidity.

Excluding the two companies that are to be delisted, the Main market will contain the majority of listed companies, a total of 146, but comprise around one third of the capitalization of the total market with KD 9.7 billion. Drilling further, out of those 146 a total of 61 companies are flagged for downgrade to the Auction market and have a combined market cap of around KD 4.50 billion or 16.6% of the total market, compared to while almost as much as the remaining 85 companies that comprise a total market cap of KD 5.30.

**Chart 1. Market Capitalization Distribution among Market Segments**



*Source: Boursa Kuwait, NBKC*

## IMPLICATIONS

What is clear so far is that after the implementation of the new segmentation, 2018 will effectively be a transitory year until the component of the different market segments more or less stabilize, especially those of the Main market. As things stand today, only 13 companies will constitute the Auction market, while 61 of those listed in the Main market have been flagged for a possible downgrade. Going forward, we expect the number of companies traveling between the two markets to decrease significantly as things stabilize over the medium to long term.

The Premier market, on the other hand, comprising around two thirds of the total market will be the main barometer of the market. It is the market segment that will attract the attention of the institutional and long term investors, both local and foreign. This will provide the motivation for the rest of the market, especially to those more than 20 companies which already have achieved, or are very close to achieving, the more challenging market cap threshold to create liquidity on their shares to qualify for an upgrade for the Premier market.

Scrapping the Price index and creating a brand new set of market cap weighted indices will surely provide higher quality and more representative benchmarks for measuring the performance of the various market segments. It will also open the door and encourage market participants to create new investment instruments such as Exchange Traded Funds or ETFs, which will participate in enhancing liquidity levels in the market.

Another important implication of the new market segmentation, especially for those companies that would aspire to achieve Premier Market status, is that it will incentivize changes in the shareholding structure of companies. This will be driven by the need to comply with the minimum required value of shares held by non-controlling shareholders for both the Premier and Main markets as detailed in the listing requirement sections above.

All in all, the new segmentation of the market seems to be aimed at achieving two major objectives. One is to create a blue-chip mid to large cap segment of the market that comprises market leaders in terms of size, liquidity, transparency, and governance which will effectively be the Premier Market. The Second would be a market of small to mid-size companies that are relatively liquid and well governed. Moreover, and with the imminent upgrade of the local market by FTSE, this is surely another step in the right direction which will help put the Kuwaiti market on the international markets map and on the radar of foreign institutional investors.



**Premier Market  
2018**

	Company	Sector	Market Cap (KD million)	Avg Daily Trading Value	
				2016	2017
1	National Bank of Kuwait	Banks	4,234	1,246,180	1,619,406
2	Kuwait Finance House	Banks	3,285	1,234,779	2,143,694
3	Mobile Telecommunications Co	Telecom	1,878	873,133	2,357,180
4	Ahli United Bank (Bahrain)	Banks	1,560	133,179	793,809
5	AGILITY Public Warehousing Co	Industrials	1,009	552,163	1,048,549
6	Boubyan Bank	Banks	990	287,496	300,073
7	Gulf Bank	Banks	693	158,727	363,506
8	Burgan Bank	Banks	659	211,899	248,230
9	Mabane Company	Real Estate	658	229,583	253,617
10	Kuwait Projects Company	Financial Services	486	272,329	204,899
11	GFH Financial Group	Financial Services	442	233,743	153,659
12	Boubyan Petrochemical Co.	Basic Materials	345	96,669	206,810
13	Mezzan Holding Co.	Consumer Goods	241	237,672	179,504
14	Warba Bank	Banks	230	285,709	423,145
15	Kuwait International Bank	Banks	213	119,852	368,164
16	National Industries Group	Financial Services	199	158,833	392,910

Source: Boursa Kuwait

**Premier Market Watchlist  
2018**

	Company	Sector	Market Cap (KD million)	Avg Daily Trading Value	
				2016	2017
1	Commercial Bank of Kuwait	Banks	654	24,158	19,404
2	Ahli United Bank (Kuwait)	Banks	588	52,253	35,355
3	National Mobile Telecom Co.	Telecom	541	9,760	19,281
4	Al-Ahli Bank of Kuwait	Banks	466	25,038	30,618
5	Humansoft Holding Co.	Industrials	455	40,127	537,492
6	Kuwait Telecom Co. (VIVA)	Telecom	399	145,811	57,152
7	ALAFCO Aviation Lease and Finance	Industrials	357	41,646	70,639
8	Qurain Petchem Industries Co.	Basic Materials	342	43,356	184,013
9	Kuwait Cement Company	Industrials	335	4,373	22,008
10	Al-Maidan Clinic Co.	Healthcare	305	2,470	9,410
11	Egypt Kuwait Holding	Financial Services	252	10,956	21,570
12	Salhia Real Estate Company	Real Estate	174	10,954	19,728
13	Advanced Technology Company	Healthcare	165	54,554	27
14	Tamdeen Real Estate Company	Real Estate	161	13,825	3,681
15	Al-Mazaya Holding Co.	Real Estate	68	69,505	326,787

Source: Boursa Kuwait.

**Main Market - 2018**

	Company	Sector	Market Cap (KD million)	ADTV 2017	Note
1	AAN Digital Services	Telecom	25.0	240,978	-
2	AAYAN Leasing & Investment Co.	Financial Services	28.1	389,792	-
3	Aayan Real Estate Co.	Real Estate	30.8	24,457	-
4	Al-Ahli Bank of Kuwait	Banks	465.8	30,618	-
5	Abyaar Real Estate Development Co.	Real Estate	22.3	421,901	-
6	ACICO Industries Co.	Industrials	79.2	45,740	-
7	Arabi Holding Group Co.	Financial Services	14.0	37,998	-
8	Ajwan Gulf Real Estate Co.	Real Estate	6.6	35,381	-
9	ALAFCO Aviation Lease and Finance	Industrials	357.0	70,639	-
10	Al-Aman Investment Company	Financial Services	9.0	44,721	-
11	Kuwait Real Estate Holding Co.	Real Estate	6.0	28,674	-
12	Alimtiq Investment Group Co.	Financial Services	164.5	1,506,662	-
13	Al-Madina For Finance & Investment Co.	Financial Services	13.8	127,941	-
14	Al-Mal Investment Company	Financial Services	8.5	131,867	-
15	Al Mudon International Real Estate	Real Estate	3.3	150,746	-
16	Ahli United Bank (Kuwait)	Banks	587.9	35,355	-
17	First Investment Company	Financial Services	29.1	112,348	-
18	Qurain Petrochemical Industries Co.	Basic Materials	341.7	184,013	-
19	Alrai Media Group Company	Consumer Goods	27.8	26,627	-
20	Alsalam Group Holding Co.	Financial Services	10.9	117,765	-
21	The Commercial Real Estate Co.	Real Estate	163.4	134,700	-
22	Amwak International Investment Co.	Financial Services	6.1	41,145	-
23	Al-Arabiya Real Estate Co.	Real Estate	14.7	135,079	-
24	Arkan Al-Kuwait Real Estate Co.	Real Estate	20.7	36,528	-
25	Asiya Capital Investment Company	Financial Services	31.1	25,968	-
26	Bayan Investment Co.	Financial Services	17.4	128,808	-
27	Boubyan Int'l Industries Holding Co.	Financial Services	5.5	51,763	-
28	Gulf Cable & Electrical Industries Co.	Industrials	88.0	101,579	-
29	Combined Group Contracting Co.	Industrials	70.2	51,984	-
30	National Cleaning Co.	Industrials	12.6	43,889	-
31	Coast Investment & Development Co	Financial Services	19.0	165,171	-
32	Danah Al-Safat Foodstuff Co.	Consumer Goods	19.8	159,835	-
33	Educational Holding Group	Industrials	75.5	52,253	-
34	Ektitab Holding Co.	Financial Services	10.0	53,920	-
35	Equipment Holding Co.	Industrials	4.6	86,205	-

**Source: Boursa Kuwait.** ADTV: Average Daily Traded Value, A: Auction Market, D: To be Delisted

**Main Market – 2018 (cont'd)**

	Company	Sector	Market Cap (KD million)	ADTV 2017	Note
36	Al-Enmaa Real Estate Co.	Real Estate	15.1	65,741	-
37	Commercial Facilities Company	Financial Services	86.4	40,563	-
38	Fujairah Cement Industries	Industrials	26.7	44,282	-
39	First Dubai for Real Estate Dev.	Real Estate	42.9	74,187	-
40	Gulf Cement Company	Industrials	65.6	38,331	-
41	Gulf Investment House	Financial Services	3.7	104,547	-
42	Gulf North Africa Holding Co.	Financial Services	5.2	67,594	-
43	Gulf Petroleum Investment	Oil & Gas	13.3	184,251	-
44	HUMANSOFT Holding Co.	Industrials	454.9	537,492	-
45	International Financial Advisors	Financial Services	19.4	122,180	-
46	Inovest (BSC)	Financial Services	22.6	129,016	-
47	Investors Holding Group	Real Estate	10.7	261,027	-
48	International Resorts Co.	Real Estate	4.3	43,138	-
49	Ithamaar Holding BSC	Banks	122.8	574,598	-
50	Jazeera Airways Co.	Consumer Services	133.2	59,680	-
51	Jiyad Holding Co.	Consumer Services	30.5	108,228	-
52	Kuwait Business Town Real Estate Co.	Real Estate	25.4	120,324	-
53	Kuwait & Gulf Link Transport Co.	Industrials	18.1	34,329	-
54	Kuwait Investment Company	Financial Services	62.5	49,841	-
55	Privatization Holding Co.	Financial Services	32.5	95,312	-
56	Kuwait Real Estate Company	Real Estate	50.8	226,546	-
57	Kuwait Syrian Holding Co.	Financial Services	4.8	89,455	-
58	KGL Logistics Company	Industrials	31.5	101,942	-
59	Manazel Holding Co.	Financial Services	13.8	233,355	-
60	Mashaer Holding Company	Real Estate	11.1	80,192	-
61	Al-Mazaya Holding Co.	Real Estate	68.3	326,787	-
62	MENA Real Estate Company	Real Estate	3.2	53,837	-
63	Mubarrad Transport Co.	Industrials	10.5	59,512	-
64	Munshaat Real Estate Projects Co.	Real Estate	22.5	165,549	-
65	Kuwait Resorts Company	Consumer Services	12.8	49,147	-
66	Natioanl Petroleum Services Co.	Oil & Gas	76.9	26,102	-
67	Natioanl Int'l Holding Co.	Financial Services	10.9	26,212	-
68	Natioanl Investments Company	Financial Services	82.0	247,322	-
69	Noor Financial Investment	Financial Services	24.4	83,020	-
70	The National Real Estate Company	Real Estate	115.2	308,939	-

**Source: Boursa Kuwait.** ADTV: Average Daily Traded Value, A: Auction Market, D: To be Delisted

**Main Market – 2018 (cont'd)**

	Company	Sector	Market Cap (KD million)	ADTV 2017	Note
71	Osos Holding Group Company	Technology	9.2	24,208	-
72	Oula Fuel Marketing Co.	Consumer Services	44.2	24,919	-
73	Kuwait Portland Cement Company	Industrials	92.7	28,394	-
74	Real Estate Asset Management Co.	Real Estate	51.6	59,223	-
75	Kuwait Remal Real Estate Co.	Real Estate	11.9	267,647	-
76	Salbookh Trading Co.	Industrials	5.4	29,716	-
77	The Securities House co.	Financial Services	25.0	206,288	-
78	Senergy Holding Company (KSCP)	Oil & Gas	7.0	68,466	-
79	Heavy Eng'g Industries & Ship Bldg Co.	Industrials	37.3	24,392	-
80	National Ranges Company	Industrials	6.2	91,519	-
81	Sokouk Holding Co.	Real Estate	27.2	233,841	-
82	Specialities Group Holding Co.	Industrials	10.3	34,830	-
83	Taameer Real Estate Investment Co.	Real Estate	6.7	163,296	-
84	Unicap Investment & Finance	Financial Services	10.0	58,591	-
85	Kuwait Telecom Co. (VIVA)	Telecom	399.0	57,152	-
86	Kuwait Food Company (Americana)	Consumer Goods	435.0	97,189	D
87	Burgan Co. for Well Drilling	Oil & Gas	19.3	5,106	A
88	Al-Ahleia Insurance Company	Insurance	91.3	1,983	A
89	Al-Deera Holding Co.	Financial Services	5.5	16,408	A
90	Alkout Industrial Projects Co.	Basic Materials	60.5	1,653	A
91	Aqar Real Estate Investments Co.	Real Estate	14.2	3,196	A
92	Ajial Real Estate Entertainment Co.	Real Estate	32.4	4,882	A
93	AlArgan International Real Estate Co.	Real Estate	38.3	12,961	A
94	Arzan Financial Group	Financial Services	23.9	19,137	A
95	Automated Systems Company	Technology	13.8	2,044	A
96	Advanced Technology Company	Healthcare	165.0	27	A
97	Livestock Transport & Trading Co.	Consumer Goods	47.9	8,124	A
98	Commercial Bank of Kuwait	Banks	654.1	19,404	A
99	Egypt Kuwait Holding	Financial Services	252.0	21,570	A
100	The Energy House Co.	Oil & Gas	21.6	15,908	A
101	First Takaful Insurance Company	Insurance	6.9	6,348	A
102	Future Kid Entertainment & Real Estate	Consumer Services	11.0	916	A
103	Gulf Insurance	Insurance	147.5	3,281	A
104	Hilal Cement Co.	Industrials	15.8	402	A
105	IFA Hotels & Resorts Co.	Consumer Services	109.5	47	A

**Source: Boursa Kuwait.** ADTV: Average Daily Traded Value, A: Auction Market, D: To be Delisted

**Main Market – 2018 (cont'd)**

	Company	Sector	Market Cap (KD million)	ADTV 2017	Note
106	Injazzat Real Estate Development Co.	Real Estate	27.8	13,260	A
107	Independent Petroleum Group	Oil & Gas	72.1	6,347	A
108	KAMCO Investment Company	Financial Services	17.2	6,153	A
109	Kuwait Cerment Company	Industrials	335.2	22,008	A
110	Kuwait National Cinema	Consumer Services	122.6	4,616	A
111	Kuwait Cofor Process Plant Construction	Industrials	13.7	1,083	A
112	Kuwait Finance & Investment Co	Financial Services	14.0	2,156	A
113	Kuwait Foundry Co	Basic Materials	38.3	21,705	A
114	Kuwait Insurance Company	Insurance	50.8	3,501	A
115	Kuwait & Middle East Fin Investment Co.	Financial Services	6.3	7,690	A
116	Kuwait Reinsurance Company	Insurance	30.9	212	A
117	Al-Madar Finance & Investment Co.	Financial Services	5.1	7,403	A
118	Real Estate Trade Centers Co.	Real Estate	4.0	10,649	A
119	Kuwait Financial Center	Financial Services	52.4	2,705	A
120	Massaleh Real Estate Co.	Real Estate	8.2	13,803	A
121	Mushrif Trading & Contracting Co.	Industrials	17.2	0	A
122	Nafais Holding Company	Industrials	86.2	13,632	AD
123	National Industries Company	Industrials	72.2	8,741	A
124	National Mobile Telecom Co.	Telecom	541.3	19,281	A
125	Osoul Investment Co.	Financial Services	10.8	7,051	A
126	Shuaiba Industrial Co.	Industrials	23.9	9,198	A
127	Umm Al Qaiwan General Investment Co.	Fiancial Services	29.0	1,452	A
128	Ras Al-Khaimh Co.	Industrials	41.0	3,080	A
129	Sanam Real Estate Co	Real Estate	4.2	5,095	A
130	Sharjah Cement & Industrial Dev. Co.	Industrials	54.7	10,832	A
131	Soor Fuel Marketing Company	Consumer Services	44.5	10,279	A
132	Salhia Real Estate Company	Real Estate	174.0	19,728	A
133	Sultan Center Food Products Group Co.	Consumer Services	37.8	15,439	A
134	Credit Rating & Collection	Financial Services	4.1	493	A
135	Tamdeen Real Estate Company	Real Estate	161.4	3,681	A
136	Tamdeen Investment Company	Fiancial Services	103.2	5,031	A
137	Tijara & Real Estate Investment Co.	Real Estate	21.1	14,685	A
138	United Projects Co.	Industrials	55.7	2,573	A
139	United Real Estate Company	Real Estate	85.9	6,172	A
140	Wethaq Takaful Insurance Company	Insurance	4.9	6,991	A

**Source: Boursa Kuwait.** ADTV: Average Daily Traded Value, A: Auction Market, D: To be Delisted

**Main Market – 2018 (cont'd)**

	Company	Sector	Market Cap (KD million)	ADTV 2017	Note
141	Warba Insurance Company	Insurance	10.5	1,198	A
142	YIACO Medical Co.	Healthcare	31.8	5,393	A
143	Al-Eid Food Co.	Consumer Services	8.0	3	A
144	Amar For Finance & Leasing Co.	Financial Services	10.7	1,023	A
145	Al-Masaken Int'l Redevelopment Co.	Real Estate	7.8	7,814	A
146	Al-Maidan Clinic	Healthcare	305.0	9,410	A
147	Sanad Holding Company	Financial Services	43.7	0	A
148	Dar Al-Thuraya Real Estate Co.	Real Estate	29.9	0	A

**Source: Boursa Kuwait.** ADTV: Average Daily Traded Value, A: Auction Market, D: To be Delisted

**Auction Market – 2018**

	Company	Sector	Market Cap (KD million)	ADTV 2017
1	Tamkeen Holding Co.	Financial Services	1.2	43,133
2	Bahrain Kuwait Insurance Co.	Insurance	25.4	0
3	Kuwait Cable Vision	Consumer Services	0.7	482
4	Dalqan Real Estate Co.	Real Estate	17.5	0
5	Effect Real Estate Co.	Real Estate	1.9	13,561
6	Kuwait Bahrain Int'l Exchange Co.	Financial Services	7.3	0
7	Gulf Franchising Holding Co.	Financial Services	2.3	15,949
8	Kuwait Gypsum	Industrials	2.8	22
9	Hayat Communications Company	Telecom	6.0	16,807
10	Kuwait Hotels Company	Consumer Services	13.9	558
11	Metal & Recycling Co.	Industrials	7.5	1,266
12	National Consumer Holding Co.	Financial Services	8.1	285
13	Palms Agro Production Co.	Financial Services	4.4	289

**Source: Boursa Kuwait.** ADTV: Average Daily Traded Value



Contacts:

**Investment Strategy & Advisory  
Asset Management**

Arraya Tower II, Floor 35  
P.O. Box 4950, Safat 13050, Kuwait

**T.** (965) 2224 5111

**F.** (965) 2224 6904

**E.** [NBKCAPITAL.IA@nbkcapital.com](mailto:NBKCAPITAL.IA@nbkcapital.com)

NBK•CAPITAL

**Disclaimer:**

The information, opinions, tools, and materials contained in this report (the “Content”) are not addressed to, or intended for publication, distribution to, or use by, any individual or legal entity who is a citizen or resident of or domiciled in any jurisdiction where such distribution, publication, availability, or use would constitute a breach of the laws or regulations of such jurisdiction or that would require Watani Investment Company KSCC (“NBK Capital”) or its parent company, its subsidiaries or its affiliates (together “NBK Group”) to obtain licenses, approvals, or permissions from the regulatory bodies or authorities of such jurisdiction. The Content, unless expressly mentioned otherwise, is under copyright to NBK Capital. Neither the Content nor any copy of it may be in any way reproduced, amended, transmitted to, copied, or distributed to any other party without the prior express written consent of NBK Capital. All trademarks, service marks, and logos used in this report are trademarks or service marks or registered trademarks or registered service marks of NBK Capital.

The Content is provided to you for information purposes only and is not to be used, construed, or considered as an offer or the solicitation of an offer to sell or to buy or to subscribe for any investment (including but not limited to securities or other financial instruments). No representation or warranty, express or implied, is given by NBK Capital or any of its respective directors, partners, officers, affiliates, employees, advisors, or representatives that the investment referred to in this report is suitable for you or for any particular investor. Receiving this report shall not mean or be interpreted that NBK Capital will treat you as its customer. If you are in doubt about such investment, we recommend that you consult an independent investment advisor since the investment contained or referred to in this report may not be suitable for you and NBK Capital makes no representation or warranty in this respect.

The Content shall not be considered investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable or appropriate for your individual circumstances or otherwise constitutes a personal recommendation to you. NBK Capital does not offer advice on the tax consequences of investments, and you are advised to contact an independent tax adviser.

The information and opinions contained in this report have been obtained or derived from sources that NBK Capital believes are reliable without being independently verified as to their accuracy or completeness. NBK Capital believes the information and opinions expressed in this report are accurate and complete; however, NBK Capital gives no representations or warranty, express or implied, as to the accuracy or completeness of the Content. Additional information may be available upon request. NBK Capital accepts no liability for any direct, indirect, or consequential loss arising from the use of the Content. This report is not to be relied upon as a substitution for the exercise of independent judgment. In addition, NBK Capital may have issued, and may in the future issue, other reports that are inconsistent with and reach different conclusions from the information presented in this report. Those reports reflect the different assumptions, views, and analytical methods of the analysts who prepared the reports, and NBK Capital is under no obligation to ensure that such other reports are brought to your attention. NBK Capital may be involved in many businesses that relate to companies mentioned in this report and may engage with them. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions, and estimates contained in this report reflect a judgment at the report’s original date of publication by NBK Capital and are subject to change without notice.

The value of any investment or income may fall as well as rise, and you may not get back the full amount invested. Where an investment is denominated in a currency other than the local currency of the recipient of the research report, changes in the exchange rates may have an adverse effect on the value, price, or income of that investment. In the case of investments for which there is no recognized market, it may be difficult for investors to sell their investments or to obtain reliable information about their value or the extent of the risk to which they are exposed.

NBK Capital has not reviewed the addresses of, the hyperlinks to, or the websites referred to in the report and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to NBK Capital’s own website material) is provided solely for your convenience and information, and the content of the linked site does not in any way form part of this document. Accessing such websites or following such links through this report or NBK Capital’s website shall be at your own risk.

NBK Group may have a financial interest in one or any of the securities that are the subject of this report. Funds managed by NBK Group may own the securities that are the subject of this report. NBK Group may own units in one or more of the aforementioned funds.

NBK Group may be in the process of soliciting or executing fee-earning mandate or doing business for companies that are either the subject of this report or are mentioned in this report. As a result, you should be aware that NBK Group may have material conflict of interest that could affect the objectivity of this report.