

## BUSINESS

## Tesla to build huge Shanghai factory

US electric-car maker Tesla has reached an agreement to build a factory capable of producing 500,000 automobiles per year in Shanghai, the city's government said on Tuesday.

The deal marks the biggest overseas foray yet for Tesla, which is looking to expand into global markets, plans that faced a potential threat from the intensifying China-US trade row.

An announcement by Shanghai's government said an agreement had been reached to build the plant in the commercial hub's Lingang district.

It said Shanghai would provide full support to Tesla in a project combining manufacturing, research and development, and sales and aimed at supercharging the electric-vehicle development in the city.

Anticipation about a potential big Tesla investment had bubbled over the past year, with expectations spiking after Bloomberg News reported that Tesla boss Elon Musk would travel to the city on Tuesday.

Tesla last month told shareholders that it was working with officials in China to build electric cars and battery packs in Shanghai. (AFP)

## Kuwait index resumes rally; volume rebounds

Zain climbs 7 fils; Jazeera Airways flat

By John Mathews  
Arab Times Staff

**KUWAIT CITY, July 10:** Kuwait stocks swung higher on Tuesday following the slight pullback in the last session. The All Shares Index jumped 47.79 pts to 5179.01 points amid renewed buying in most of the heavyweights.

The Premier Market soared 57.09 points to 5302.31 pts taking the month's gains to a whopping 398 pts while Main Market climbed 30.97 points. The volume turnover meanwhile rebounded following the two-day drop. Over 194 million shares changed hands – 48.5 pct surge from the day before.

The sectors closed mostly in green turf. Consumer goods and telecommunications both outshone the rest with 1.13 pct gain whereas technology dipped 4.7 percent, the worst performer of the day. Volume wise, banks accounted for the highest marketplace.

Among the notable performers, Kuwait Finance House rallied 9 fils on back of 11.9 million shares and National Bank of Kuwait was up 5 fils with brisk trading. Mabanee Co extended its gains with 8 fils rise to 662 fils whereas KIPCO gave up 2 fils before settling at 246 fils.

Zain climbed 7 fils to 488 fils on back of 2.6 million shares and Ooredoo eased 1 fil following Monday's robust gains. Kuwait Telecommunications Co (VIVA) added 4 fils and Agility scaled 9 fils with a volume of over 1 million.

Gulf Bank rose 4 fils to 247 fils and Boubyan Bank took 1 fil. The bank has registered a 17.8 pct jump in profits to KD 12.56 million during the first quarter of 2017 from same quarter in 2017.

## Firm

The market opened firm and headed north in early trade. The man index saw a brief pull back before resuming its advance amid positive sentiment and closed with strong gains.

Top gainer of the day, KMEFIC spiked 17.33 pct to 26.4 fils and

Massaleh rallied 15.5 percent to stand next. Sanam Real Estate slumped 9.4 percent, the steepest decliner of the day and Investors Holding topped the volume with over 15 million shares.

Mirroring the day's robust gains the market spread was heavily skewed towards the winners. 80 stocks advanced whereas 22 closed lower. Of the 127 counters active on Tuesday, 19 closed flat. 7371 deals worth KD 32.8 million were transacted – a 35.4 pct surge in value from the day before.

National Industries Group rose 3 fils on back of over 8 million shares and Boubyan Petrochemical Co was up 5 fils at 935 fils. Mezzan Holding gained 5 fils and Al Qurain Petrochemical Co ticked 1 fil higher to 346 fils.

Jazeera Airways was flat at 748 fils and off steep early lows and ALAFCO scaled 8 fils to wind up at 357 fils. Equipment Holding Co dialed up 0.4 fils while Heavy Engineering Industries and Shipbuilding Co inched 1 fil into green.

Kuwait Portland Cement jumped 39 fils to KD 1.100 and Kuwait Cement Co paused at 400 fils. Al Rai Median Group rose 3 fils to 103 fils, while KPPC took in 0.5 fils.

Gulf Cable rose 4 fils to 386 fils and NICBM stood pat at 17 1 fil. Automated Systems Co shed 6 fils whereas Kuwait National Cinema Co and Educational Holding Co closed flat at KD 1.045 and 320 fils respectively.

NAPESCO and Humansoft Holding clipped 1 fil each to close at 740 fils and KD 3.699 respectively. Independent Petroleum Group and IFA Hotels and Resorts were

## Mid-east Stocks

## Saudi petrochem, banks rise

## Earnings hopes lift Qatar

**DUBAI, July 10, (RTRS):** Most Gulf stocks ended higher on Tuesday, led by Qatar, whose main index surged to an over five-month high on expectations of strong corporate earnings, while firm oil prices boosted petrochemical stocks in Saudi Arabia.

Qatar index closed 1.4 up at 9,396 points, its highest since January 30 this year. The gains were fuelled by a 2.2 percent gain in Qatar National Bank and a 2.1 percent rise in Industries Qatar.

QNB Financial Services said in a note it estimates banks, under its coverage, are expected to post an annual increase of 18.4 percent in earnings during the second quarter, largely due to a base effect stemming from Qatar's Commercial Bank.

Commercial Bank, the Gulf Arab state's third-largest lender by assets, had reported a 58.4 percent slump in second-quarter net profit in 2017.

The forecast excluded Qatar National Bank, which is reporting its earnings on Wednesday.

For diversified non-bank earnings, the securities firm forecast a year-on-year jump of 30.1 percent in the second quarter.

"For the time being, valuations are attractive versus the region's forward price-to-earnings multiples and dividend yields remain superior to the region," QNB analysts said in the report.

The Qatar Stock Exchange Index trades at a 2019 forward earnings ratio of 11.4 times with a dividend yield of 4.7 percent, while the MSCI GCC Index, which covers the Gulf region, trades at a 12.0 times earnings and a dividend yield of 4.4 percent, QNB said.

The Saudi index rose 1.1 percent as higher oil prices boosted shares of petrochemical companies.

Saudi Kayan Petrochemical was up almost one percent at 16.88 riyals. Goldman Sachs said in a report this week it is raising its 12-month price target to 18.5 riyals from 16.9 riyals, on the back of higher estimates to reflect higher product pricing and lower feedstock costs.

Saudi Basic Industries was up nearly 1 percent.

Financial stocks also rallied with Samba Financial Group surging 3.5 percent and Al Rajhi Bank up 1.2 per-

centage unchanged at 449 fils and 110 fils respectively.

Kuwait and Gulf Links Transport Co stalled at 115 fils and KGL Logistics dialed up 0.5 fils before ending at 45. 1 fil. Mashaer Holding rose 1.4 fils to 50.4 fils whereas OSOS stood pat at 85 fils.

In the banking sector, Commercial Bank climbed 10 fils to 500 fils and Ahli Bank fell 1 fil to 338 fils. AIMutahab was up 2 fils at 286 fils and Kuwait International Bank scaled 8 fils.

Kuwait International Bank rose 8 fils to 247 fils on back of 7.7 million shares and Burgan Bank ticked 1 fil higher to 27 1 fil. Warba Bank was up 5 fils at 22 1 fil and Ahli United Bank added 3 fils.

National Investment Co slipped 0.7 fils 95.2 fils whereas Bayan Investment Co and Kuwait Investment Co took in 2 fils each. Coast Investment Co edged 0.4 fils higher and Securities House Co inched 0. 1 fil into green.

KAMCO climbed 4.7 fils to 74.7 fils while Sokook Holding and Al Madina dialed up 0. 1 fil each to close at 42.7 fils and 28.6 fils respectively.

cent.

"We believe most Saudi Arabia large caps trade are at full valuations," said Vrajesh Bhandari, a portfolio manager at Al Mal Capital.

"Still, we do find pockets of value in Saudi not only in banks, but also in petrochemicals. Chemical product prices have been strong over the last quarter and that would show in earnings."

Strong quarterly earnings for National Bank of Kuwait lifted Kuwait's index, which also fuelled gains in other financial stocks.

National Bank of Kuwait posted a 16 percent rise in second-quarter net profit from a year earlier, boosting its share price by 0.6 percent.

Kuwait Finance House rose 1.5 percent and Gulf Bank climbed 1.7 percent.

Property and financial stocks lifted Abu Dhabi stocks, which ended 1.1 percent higher.

Aidar Properties rose 2.4 percent and First Abu Dhabi Bank climbed 1.6 percent. Property stocks also rallied in Dubai, lifting the benchmark index by 0.7 percent.

## Saudi Arabia

■ The index gained 1.1 percent to 8,418 points.

## Dubai

■ The index closed 0.7 percent higher to 2,896 points.

## Abu Dhabi

■ The index rose by 1.1 percent to 4,669 points.

## Qatar

■ The index rose 1.4 percent to 9,396 points.

## Kuwait

■ The index rose 1.1 percent to 5,302 points.

## Bahrain

■ The index closed flat to 1,335 points.

## Oman

■ The index was down 0.4 percent at 4,498 points.

## Egypt

■ The index rose 0.8 percent to 15,917 points.

International Financial Advisors closed 0.5 fils in green.

Unicap gained 1.5 fils and Al Mal Investment rose 0.6 fils to 20 fils. Ektittab Holding trimmed 0. 1 fil and Al Deera Holding gave up 1. 1 fil to settle at 19.4 fils.

Noor Financial Investment Co climbed 1.3 fils to 55.6 fils while Amwal Investment fell 1.5 fils to 54 fils. Al Intiaz took in 1 fil to close at 140 fils and Ahleia Insurance Co gained 5 fils. Warba Insurance Co rose 2.3 fils to 66.3 fils.

Kuwait Real Estate Co added 1.6 fils whereas Salhiya Real Estate Co dipped 7 fils to 328 fils. National Real Estate Co rallied 5 fils on back of over 3 million shares.

United Real Estate closed flat at 63.5 fils and Al Mazaya Holding closed 1.9 fils up. Aqar Real Estate eased 1 fil

The market has been largely positive so far during the week gaining 47 pts in last two sessions and has rallied 240 pts so far during the month. Boursa Kuwait, with 176 listed stocks, is the second largest market in the region.

## Turkish lira hit by cabinet concerns

**LONDON/ISTANBUL, July 10, (RTRS):** The Turkish lira surrendered early gains on Tuesday as investors worried about the make-up of newly empowered President Tayyip Erdogan's cabinet, in which his son-in-law will serve as treasury and finance minister.

The new cabinet excludes former deputy prime minister Mehmet Simsek, considered the most market-friendly minister in the previous government.

The lira, which has lost nearly a fifth of its value against the dollar this

year, stood at 4.7272 at 1105 GMT, having weakened as far as 4.75 overnight. It had closed at 4.5745 on Friday.

The appointment of Berat Albayrak, a former energy minister, to run the economy underscores worries among investors about Erdogan's drive for greater control over monetary policy.

It "has heightened concern that the new government will not take the appropriate policy action required to address an overheating economy and structural problems," said Derek

Halpenny, European Head of Global Markets Research at MUFG.

The yield on Turkey's benchmark 10-year bond rose to 17.84 percent from 17.35 percent at Monday's close, while the two-year bond yield rose 46 percentage points to over 20.23 percent.

Turkey's dollar bonds also fell and their average yields surged.

The market will be keeping a close eye on the new minister's comments and signals regarding Turkey's persistent double-digit inflation and wide current account deficit.

KAMCO		KAMCO Boursa Kuwait Daily Report													
KAMCO		Prepared by KAMCO Investment Research Department													
KAMCO		10-Jul-2018													
Index Returns & Market Capitalization	Value	Daily Point Change	Percentage Change			Trading Indicators	Value	Daily Point Change	Daily Percent Change	YTD Daily Average	52 Week Price (KWD)				
			DTD	MTD	YTD						High	Low	Open	Close	Volume
Premier Market Index	5,302.3	57.09	1.09%	8.10%	10.62%	Volume (000 shares)	194,630	63,657	48.60%	76,617					
Main Market Index	4,955.4	30.97	0.63%	1.89%	2.64%	Value (000 KWD)	32,817	8,587	35.44%	12,735					
All Share Market Index	5,179.0	47.79	0.93%	5.90%	7.22%	Trades	7,372	1,615	28.05%	3,209					
Market Cap (KWD Million)	29,063.8	267.12	0.93%	5.86%	4.92%										
	Close	Vol Traded ('000's)	Trades	Value Traded (KWD '000)	Daily (%)	Change in Price YTD (%)	Beta	Dividend Yield	P/E	P/BV	52 Week Price (KWD)	YTD Daily Average	Volume ('000 shares)		
ENERGY	0.031	151	7	4.6	1.00	-11.4%	1.55	0.00%	NM	0.42	0.045	0.024	126.3		
IPG	0.449	1	1	0.4	0.00	12.5%	0.32	6.35%	11.0	0.71	0.450	0.345	16.2		
NAPESCO	0.740	9	2	6.5	-1.00	-6.6%	0.19	10.63%	7.4	2.44	1.566	0.644	17.2		
ENERGYH	0.029	40	7	1.2	0.00	0.7%	0.80	0.00%	NM	0.75	0.041	0.022	19.5		
GPI	0.028	5,305	126	143.9	1.80	-4.5%	1.32	0.00%	NM	0.38	0.043	0.024	1,030.3		
ABAR	0.085	0	0	0.0	0.00	1.2%	NA	0.00%	7.6	0.31	0.104	0.049	21.6		
Oil & Gas	5,506	143	156.7	17.7%					59.2%	18.1	0.74	0.11	1,221		
KFOUC	0.199	0	0	0.0	0.00	-20.1%	0.44	15.07%	6.0	0.68	0.313	0.193	56.1		
BPPC	0.935	256	22	239.3	5.00	39.6%	0.75	4.66%	48.1	1.69	0.936	0.554	393.0		
ALKOUT	0.680	0	0	0.0	0.00	13.3%	0.03	7.35%	11.0	2.10	0.680	0.580	0.5		
ALQURAIN	0.346	649	39	224.2	1.00	5.2%	0.74	3.02%	10.9	1.07	0.364	0.300	442.9		
Basic Materials	905	61	463.5	19.6%				4.54%	17.3	1.35			892		
SPEC	0.063	117	9	7.3	1.80	-13.1%	0.30	0.00%	NM	0.36	0.105	0.050	144.6		
KCEM	0.400	10	2	4.0	0.00	-14.9%	0.50	4.86%	17.1	1.49	0.495	0.395	31.1		
CABLE	0.386	179	15	69.0	4.00	-7.9%	1.07	5.18%	9.8	0.57	0.560	0.352	47.1		
SHIP	0.353	266	47	93.8	1.00	70.5%	0.53	2.83%	10.5	1.27	0.375	0.173	399.9		
PCEM	1.100	32	14	34.5	39.00	18.9%	0.54	8.18%	12.0	1.61	1.249	0.880	29.4		
PAPER	0.249	0	0	0.0	0.00	3.3%	0.19	6.76%	13.2	1.32	0.310	0.193	4.7		
MFC	0.050	0	0	0.0	0.00	-33.3%	0.49	0.00%	73.3	0.28	0.124	0.040	1.0		
KACCO	0.241	0	0	0.0	0.00	-3.8%	0.46	4.52%	14.9	0.72	0.240	0.210	12.7		
HCC	0.115	0	0	0.0	0.00	-26.3%	0.04	0.00%	NM	0.84	0.190	0.056	1.6		
NICBM	0.171	0	1	0.0	0.00	-17.4%	0.17	-4.68%	18.5	0.70	0.213	0.144	11.9		
EQUIPMENT	0.030	984	50	29.1	0.40	-11.7%	1.41	0.00%	NM	0.44	0.053	0.026	266.2		
NCCI	0.084	0	0	0.0	0.00	-6.7%	NA	0.00%	NM	0.93	0.100	0.041	1.6		
SALBOOKH	0.048	322	10	14.9	1.90	-9.6%	0.79	0.00%	NM	0.50	0.066	0.037	52.9		
AGLTY	0.849	1,194	271	1,009.9	9.00	21.7%	1.48	1.47%	19.0	1.34	0.984	0.703	71.1		
EDU	0.320	1	1	0.4	0.00	3.6%	0.20	-4.67%	13.9	1.86	0.377	0.250	12.6		
CLEANING	0.054	0	0	0.0	0.00	0.7%	1.05	0.00%	10.3	0.35	0.079	0.044	241.4		
KGL	0.115	569	44	65.9	0.00	75.8%	1.03	0.00%	8.2	0.45	0.142	0.052	1,246.8		
KPCP	0.160	0	0	0.0	0.00	13.5%	0.25	6.19%	6.8	0.71	0.196	0.134	7.6		
HUMANSOFT	3.699	12	22	44.5	-1.00	-1.1%	0.39	4.31%	16.1	7.95	4.400	3.250	109.1		
SFC	0.021	11	1	0.2	0.00	-70.4%	NA	0.00%	NA	0.00	0.040	0.020	1.0		
CSGC	0.403	104	21	42.1	-26.00	-6.5%	NA	4.52%	9.5	1.46	0.619	0.375	12.0		
MTCC	0.056	0	0	0.0	0.00	0.0%	0.95	0.00%	N/A	N/A	N/A	N/A	0.0		
UPAC	0.605	0	0	0.0	0.00	3.4%	0.23	15.70%	6.3	1.56	0.800	0.375	5.7		
ALAFCO	0.357	519	44	183.3	8.00	-4.8%	0.42	1.40%	10.4	1.19	0.410	0.317	175.1		
MUBARRAD	0.061	88	11	5.3	0.20	-4.7%	0.92	8.20%	5.4	0.51	0.077	0.055	114.2		
LOGISTICS	0.045	14,956	296	677.8	0.50	-1.7%	0.88	0.00%	5.1	0.31	0.070				