

trade deal hopes buoy emerging stocks, FX

Emerging market stocks rose on Monday, with risk sentiment perkier on indications the United States and China are nearing a deal to put an end to their bruising trade war.

change for sanctions relief from Washington. MSCI's index of emerging market shares rose 0.13 percent, with stocks in index-heavy-weight China driving gains.

Emerging markets were battered in 2018 as the tit-for-tat tariff war pushed investors to safer plays, sucking money out of riskier assets.

The Wall Street Journal reported that the two nations could reach a formal agreement by March 27, and that China would lower tariffs on US imports including agricultural products, chemicals and cars in exchange for sanctions relief from Washington.

"Progress towards a trade deal supports our overweight on global equities and our preference for offshore Chinese equities in Asia portfolios," strategists at the UBS Chief Investment Office said in a note.

Hopes of a resolution helped Chinese blue-chips and the Shanghai Composite close more than 1 percent higher, while their more liquid peers in Hong Kong rose half a percent. The yuan tacked on 0.5 percent. (RTRS)

Kuwait stocks extend gains in choppy trade

KFH adds 4 fil, Agility slips

By John Mathews Arab Times Staff

KUWAIT CITY, March 4: Kuwait stocks logged modest rise on Monday as it extended its gains from the previous session. The All Shares Index rose 11.07 points in choppy trade to 5,272.71 pts led by some of the heavyweights even as the overall mood remained mixed.

The Premier Market climbed 24.14 points to 5,549.58 pts while Main Market was down 18.26 points at 4,772.99 points. The volume turnover meanwhile rose for second straight day to close above the 100 million mark. Over 104 million shares changed hands — a 9.33 pct rise from the day before.

The sectors closed swayed in both directions. Banks outshone the rest with 0.55 pct gain whereas telecommunications shed, the biggest loser of the day. Volume wise, banks accounted for the highest market share of 41.5 pct while real estate trailed with 18.97 percent contribution.

Among the standout performers, National Bank of Kuwait extended its gains with a 11 fil jump to 893 fil on back of 5.8 million shares while Kuwait Finance House was up 4 fil with a volume of 3.6 million and has gained 24 fil so far during the year.

Zain rose 3 fil to 460 fil on back of 1.5 million shares and Ooredoo was unchanged at 730 fil. Kuwait Telecommunications Co (VIVA) fell 5 fil to 825 fil and Agility gave up 7 fil before closing at 820 fil.

The market opened on a tame note and edged higher in early trade. The main index drifted listlessly in a narrow range between small gains and losses and revved up past the mid-session amid buying in some of the blue chips. It peaked at 5,278 pts in the final hour before closing with modest gains.

Top gainer of the day, SPEC rallied 5 pct to 72.5 fil and EK Holding climbed 4.7 pct to stand next. Tamdeen Investment skidded 13.4 percent, the steepest decliner of the day and Gulf Bank topped the volume with over 17 million shares.

Despite the day's gains, the losers outnumbered the winners. 43 stocks advanced whereas 57 closed lower. Of the 123 contracts active on Monday, 23 closed flat, 4,486 deals worth KD 22.34 million were transacted — a 12.6 pct increase in value from the day before.

National Industries Group rose 2 fil to 168 fil and Mezzan Holding followed suit to end at 430 fil. Boubyan Petrochemical Co slipped 9 fil to 923 fil and Al Qurain Petrochemical Co was down 6 fil at 369 fil. Heavy Engineering Industries and Shipbuilding Co climbed 5 fil to 390 fil.

Jazeera Airways was flat at 740 fil and ALAFCO gave up 5 fil to wind up at 279 fil. Mashaer Holding and ACICO Industries stood pat at 73 fil and 170 fil respectively whereas Combined Group Contracting Co fell 3 fil to 305 fil. OSOS tripped 1 fil and UPAC shed 10 fil before settling at 535 fil.

Kuwait Portland Cement Co skidded 40 fil to KD 1.200 and Kuwait Cement dropped 19 fil to 327 fil. Gulf Cable fell 3 fil to 380 fil while Equipment Holding and Warbacap

Ahead of FTSE inclusion Saudi market extends gains

DUBAI, March 4, (RTRS): Saudi Arabian stocks registered a fifth straight session of gains on Monday, ahead of the market's entry to the FTSE Russell's emerging market index in a little more than two weeks, rising along with most major Middle Eastern markets. The Saudi stock exchange expects passive fund inflows of between \$15 billion and \$20 billion this year as it gears up for inclusion in emerging market benchmarks, its chief executive told Reuters on Thursday.

Saudi stocks will become the largest Middle East market in the FTSE Emerging Index with an overall weighting of 2.7 percent, according to index compiler FTSE Russell. The Saudi index rose 0.4 percent on Monday, helped by petrochemicals stocks, with Sipchem up 3.3 percent in active trade after saying it completed maintenance activities for its polybutylene terephthalate plant.

Petrochemicals investor Alujain added 0.4 percent after providing an update on a fire in its affiliate's plant. The firm said it expects the plant to start operating in the first half from October 2019.

The Dubai index was flat, with Ajman Bank rising 1.9 percent. UAE's central bank approved cash dividends of 3.5 percent of its capital. Insurer Takaful Emarat rose 1.3 percent, with the company proposing a full-year cash dividend of 7 percent of its paid-up capital. Dubai's index is up 4.5 percent this year, lifted by strong fourth-quarter results at real estate companies, though an expected weakness in property prices is capping gains.

Although Dubai was one of the worst-performing markets globally last year, fund managers expressed optimism in the UAE. More than half of 11 fund managers in a Reuters poll last month said they would increase allocations to the country. Abu Dhabi's index slid 0.4 percent, weighed down by financial stocks.

Ras Al Khaimah Poultry and

Feeding plunged 7.9 percent while Sharjah Islamic Bank lost 5.8 percent. The Qatar index edged up by 0.1 percent as Mesaieed Petrochemical rose 2.8 percent and Qatar Gas Transport gained 2.3 percent. Qatar's exchange, which jumped 21 percent in 2018, was one of the world's best-performing markets for the year after limits were lifted on foreign share ownership. But the index has experienced a spate of selling this month, with investors looking to allocate money to other regional markets that offer better valuations.

Egypt's blue-chip index was flat, with Oriental Weavers slumping 5.1 percent after a drop in its fourth-quarter net profit and sales. But Talaat Mostafa Group climbed 2.5 percent after reporting real estate sales of 3.2 billion Egyptian pounds (\$183.07 million) in the first two months of the year, against 1.5 billion pounds a year ago.

Saudi Arabia The index rose 0.4 pct to 8,565 points

Dubai The index was flat at 2,644 points

Qatar The index inched up 0.1 pct to 10,118 points

Abu Dhabi The index fell 0.4 pct to 5,102 points

Egypt The index was flat at 14,815 points

Kuwait The index rose 0.4 pct to 5,550 points

Oman The index was up 0.4 pct to 4,153 points

Bahrain The index dipped 0.4 pct to 1,413 points

trimmed 0.1 fil each. NICBM dialed up 2 fil to close at 190 fil.

Kuwait and Gulf Links Transport Co fell 0.9 fil to 91 fil and KGL Logistics eased 0.2 fil to 40.9 fil. Independent Petroleum Group and Al Rai Media Group clipped 1 fil each whereas IFA Hotels and Resorts paused at 62 fil. KPPC ticked 0.9 fil higher and Inovest added 2.4 fil.

In the banking sector, Burgan Bank fell 3 fil to 313 fil and Kuwait International Bank dialed up 2 fil. Boubyan Bank sprinted 7 fil to 554 fil and Ahli United Bank held ground at 250 fil.

Commercial Bank fell 3 fil to 519 fil and Al Ahli Bank added 3 fil before winding up at 304 fil. Warba Bank took in 1 fil to close at 220 fil and Al Mutahed gave up 2 fil.

KIPCO slipped 3 fil to 189 fil and Gulf Finance House ticked 0.3 fil higher to 76.2 fil. Kuwait Investment Co was flat at 123 fil and Al Mal Investment too did not budge from its earlier close of 18.5 fil. FACIL added 2 fil and International Financial Advisors trimmed 0.2 fil.

KAMCO and Al Deera Holding were unchanged at 75.3 fil and 18 fil

respectively whereas KMEFIC eased 1 fil to 48.5 fil. Unicap added 2.2 fil while KFIC and Ektittab Holding trimmed 0.5 fil each to end at 34.5 fil and 18.4 fil respectively.

Bayan Investment fell 2.1 fil to 42.1 fil and Madar Investment dialed up 2 fil. Coast Investment Co fell 0.8 fil to 38.2 fil while Securities House and GIH took in 0.3 fil each to close at 51.5 fil and 43.9 fil respectively. Sokook Holding paused at 41.2 fil.

Noor Financial Investment rose 1.5 fil to 86 fil whereas Al Imtiaz and Warba Insurance closed flat at 123 fil and 63 fil respectively. Tamdeen Investment Co tumbled 43 fil to 276 fil and Wethaq Takaful clipped 2 fil.

Mabaneq Co eased 1 fil to 587 fil and Kuwait Real Estate was unchanged at 55.8 fil. United Real Estate fell 1.5 fil to 58.5 fil and Salhiya Real Estate gave up 2 fil. Mazaya Holding trimmed 0.6 fil and Injazat climbed 3 fil to 89 fil.

The bourse has been upbeat so far during the week, scaling 41 points in last two sessions after gaining 26 points during the whole of last month. Boursa Kuwait, with 176 listed stocks, is the second largest market in the region.

Debt agency announces new 10-year syndication

Greek bond yields hit 12-yr low on ratings boost

LONDON, March 4, (RTRS): Greece's benchmark 10-year government bond yields dropped to their lowest since 2006 on Monday after Moody's raised its rating late last week, bolstering investor optimism towards the euro-zone's most indebted country.

"There was some front running of this ratings upgrade, the two notch upgrade was a bit surprising," said Michael Leister, rates strategist at Commerzbank. "It is a text book case of profit taking."

Greek 10-year government bond yields have fallen nearly 75 basis points since January. A recently-issued five-year bond's yield fell to its lowest in its short trading history at 2.735 percent.

"The move from Moody's is reflection that the reforms are already bearing fruit in the shape of some fiscal improvement with the primary surplus," said DZ Bank strategist Daniel Lenz.

"But I think what is also important is that Greece is showing it has access to markets." Although the Greek bond yield did rise off the 12-year low after the deal announcement, evidence of market access for Greece is considered positive, given the country's massive debt-to-GDP ratio — 176 percent.

Italian government bond yields rose 1-3 bps across the curve, with one analyst saying investors were using BTP Futures as a hedging tool as they prepare to invest in the new Greek deal.

"The only real liquid market for hedging peripheral risk is the BTP Futures, so I think that is what is causing some weakness in Italy today," UniCredit rates strategist Luca Cazzulani said. Long-dated BTP Futures were lower 21 ticks while 10-year Italian yields were up 3 bps at 2.764 percent.

Italian government bond yields also briefly rose after Italy's Deputy Prime Minister said that the Italian government would not pass any budget correction with tax hikes but did rule out other measures to fix 2019 finances. Broader euro zone government bond yields edged lower, though still near recent two-week highs as signs grew of a possible US-China trade deal. World equity markets rose on the possibility an agreement might be signed around a summit on March 27.

KAMCO Boursa Kuwait Daily Report. Prepared by KAMCO Investment Research Department. 4-Mar-2019. Table with columns: Index Returns & Market Capitalization, Percentage Change (DTD, MTD, YTD), Trading Indicators (Volume, Trades), and Value/Price Change. Includes sub-sections for Basic Materials, Consumer Goods, Health Care, Insurance, Real Estate, and Technology.

PE & P/BV multiples are calculated based on current prices and TTM 10Q-2018 net profit and shareholders' equity as of 30-Sep-18, respectively. Dividend Yield for individual stocks is based on 2017 cash dividends and current prices, the sectors' average is a weighted average based on market cap. Companies with different fiscal years are treated on an individual basis. (N/A not applicable, NM Not meaningful) \* Avg. daily trading volume for new companies in market on the number of trading days since the listing date, as for the sectors and the market since the beginning of the year. \*YTD % return for individual stocks and sectors is calculated based on the change in market cap. For more information please contact KAMCO Investment Research Dept. at e-mail: kamco\_research@kamco.com. http://www.kamco.com