

NINE-MONTH MARKET REVIEW

Boursa Kuwait: The Journey So Far

Nine Months 2026

Performance | Liquidity | Valuation | Q3 Results Set-up

Data as at 30 September 2026

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Asset Management Division — Corporate Clients Portfolio



COAST

Investment & Development Company

-1.4%

All Share Index, 9M 2026
Premier Market **-3.5%**

+17.5%

Main 50 Index, 9M 2026
Main Market +9.5%

KD 15.6bn

Value traded, 9M 2026
-19.0% year on year

16.8x

Market P/E, 30 Sep 2026
15.8x at 31 Dec 2025

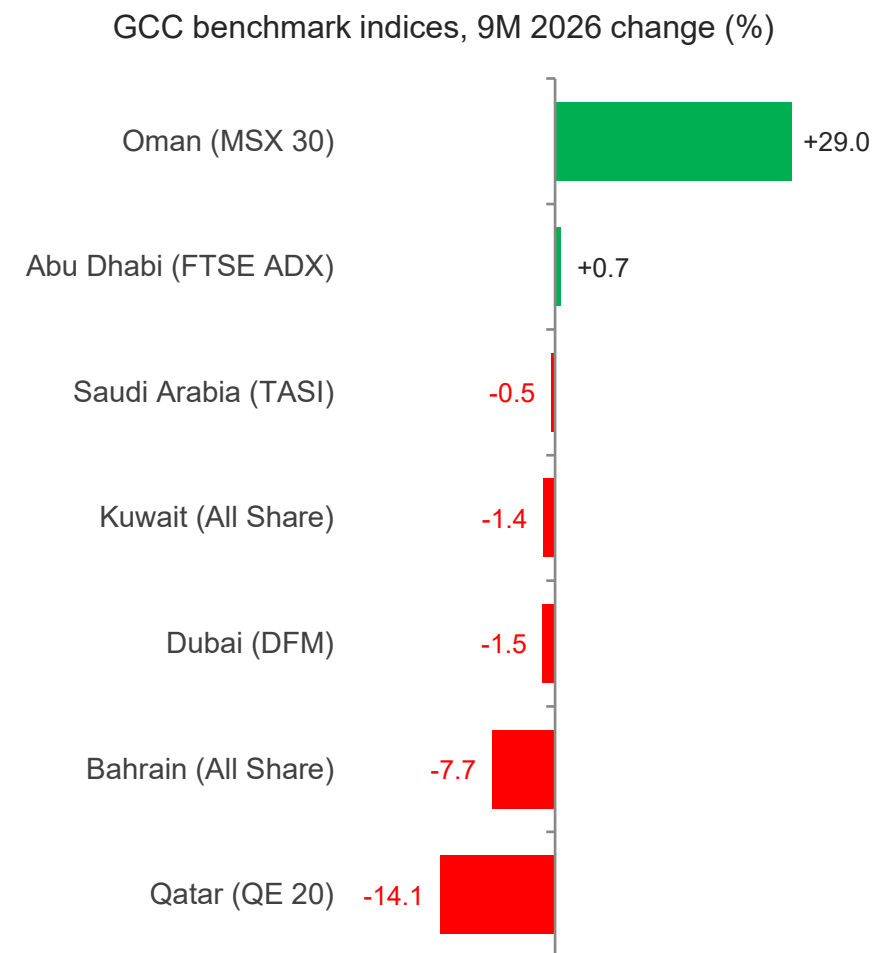
- 1 Flat headline, wide dispersion.** 74 of 139 stocks rose and the average stock gained 13.8% (median 1.2%), yet the cap-weighted market returned only 1.6% including dividends, because Premier Market stocks fell.
- 2 Two stocks set the index.** KFH added 1.4 percentage points and NBK took 1.4 away; together they are 43% of market capitalisation. Excluding NBK, the market returned 3.6%.
- 3 Liquidity is lower but broader.** Value traded fell 19.0%, and three of last year's most traded stocks explain 77% of the drop. The ten most traded stocks took 37% of value, down from 48%.
- 4 No re-rating.** The P/E rose from 15.8x only because trailing earnings fell; P/BV slipped to 1.78x and ROE to 10.6%. Q3 results must show that earnings have stopped falling.

Source: Coast analysis of Boursa Kuwait data as at 30 September 2026; index levels from Boursa Kuwait. Returns are adjusted for cash dividends and corporate actions.

Headline indices are flat; the Main Market is not

Index	31 Dec 2025	30 Jun 2026	30 Sep 2026	H1	Q3	9M
Premier Market	9,498.33	9,082.68	9,167.93	-4.4%	+0.9%	-3.5%
Main 50	8,688.80	9,820.37	10,212.60	+13.0%	+4.0%	+17.5%
Main Market	8,302.39	9,061.40	9,094.64	+9.1%	+0.4%	+9.5%
All Share	8,907.60	8,706.33	8,779.38	-2.3%	+0.8%	-1.4%
Market cap (KD bn)	53.33	52.14	52.63	-2.2%	+0.9%	-1.3%

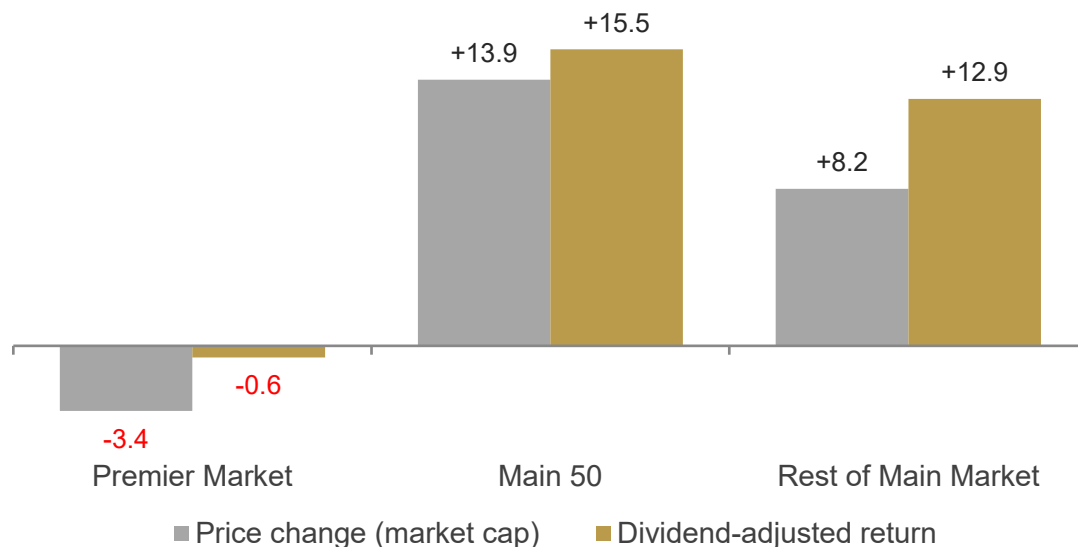
Kuwait's headline indices ended nine months slightly lower, but the Main Market gained 9.5% and the Main 50 gained 17.5%. Every index rose in Q3. September gave part of that back: the Premier Market fell 1.3% and the Main 50 fell 7.1% in the month, as a regional sell-off took the MSCI GCC index down 3.5%.



Sources: Boursa Kuwait; Kamco Invest; CEIC. Market cap per Coast data. Abu Dhabi, Dubai and Bahrain derived from August year-to-date and September monthly changes.

Two markets in one: large caps fell, small caps rallied

9M 2026 performance by market segment (%)



Segment	Stocks	Up	Down	Median	Mkt cap (KD bn)	Weight
Premier Market	39	13	26	-5.4%	43.46	82.6%
Main 50	47	25	21	+1.2%	3.26	6.2%
Rest of Main Market	53	36	17	+8.0%	5.91	11.2%
Total market	139	74	64	+1.2%	52.63	100.0%

32

stocks gained more than 20%

10

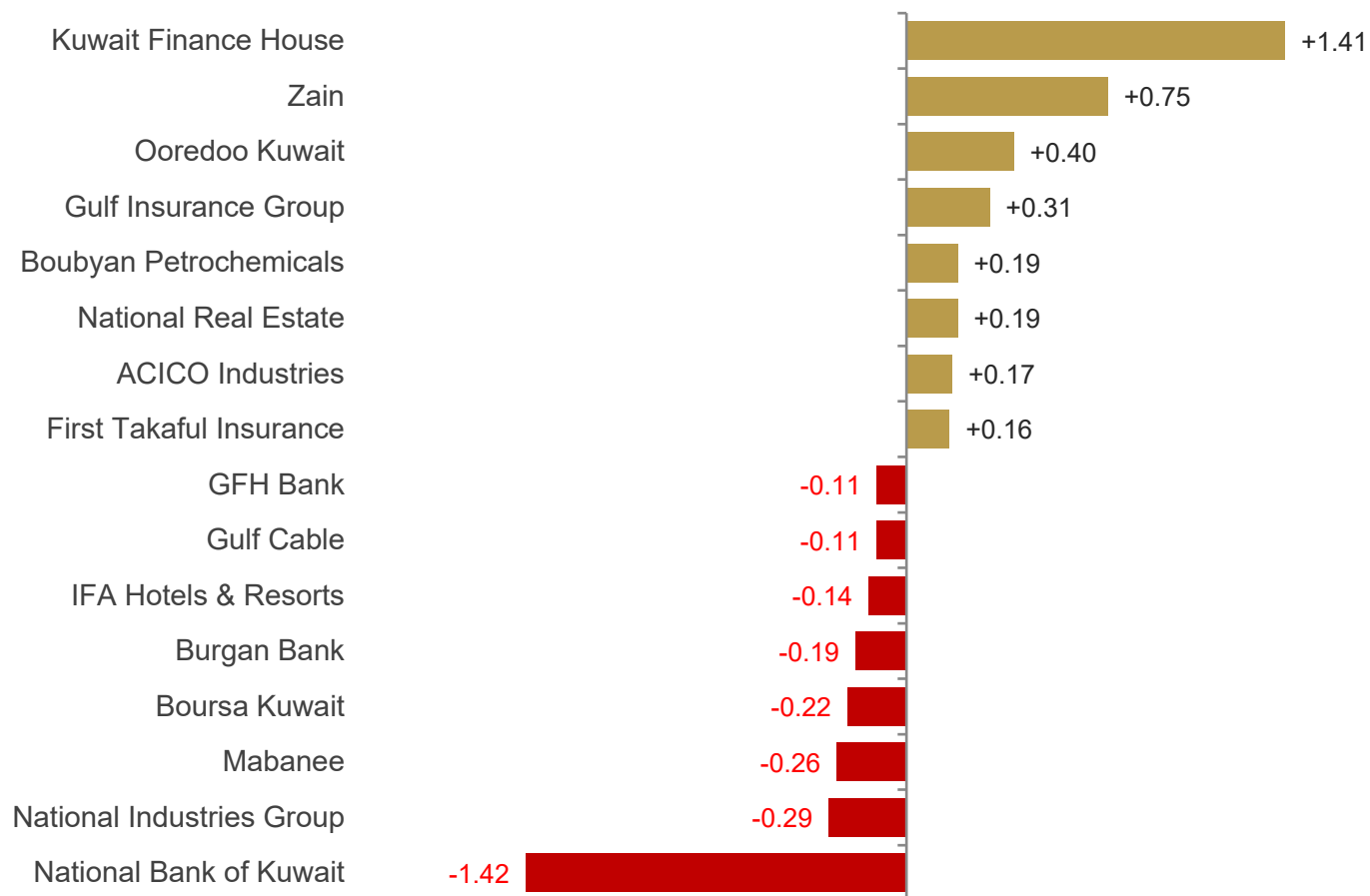
stocks lost more than 20%

The Premier Market holds 83% of market capitalisation, and two thirds of its stocks fell. The Main Market did the opposite: 61 of its 100 stocks rose. The breadth of that rally is real, but its quality is mixed: 27 of the 100 Main Market companies were loss-making on a trailing basis, against 1 of 39 in the Premier Market.

Source: Coast analysis of Boursa Kuwait data. Median = median dividend-adjusted stock return. Rest of Main Market = Main Market excluding Main 50 constituents.

KFH and NBK cancelled each other out

Contribution to the market's 9M 2026 return (percentage points)



+3.9 pts

added by the ten largest positive contributors

-2.9 pts

taken away by the ten largest negative contributors

+3.6%

market return excluding NBK, against +1.6% including it

KFH and NBK are 43% of market capitalisation and moved in opposite directions. Outside the top and bottom ten, the other 119 stocks together added only 0.6 points.

Source: Coast analysis of Boursa Kuwait data. Contribution = stock's dividend-adjusted gain divided by opening market capitalisation of all 139 stocks. Market return +1.6%.

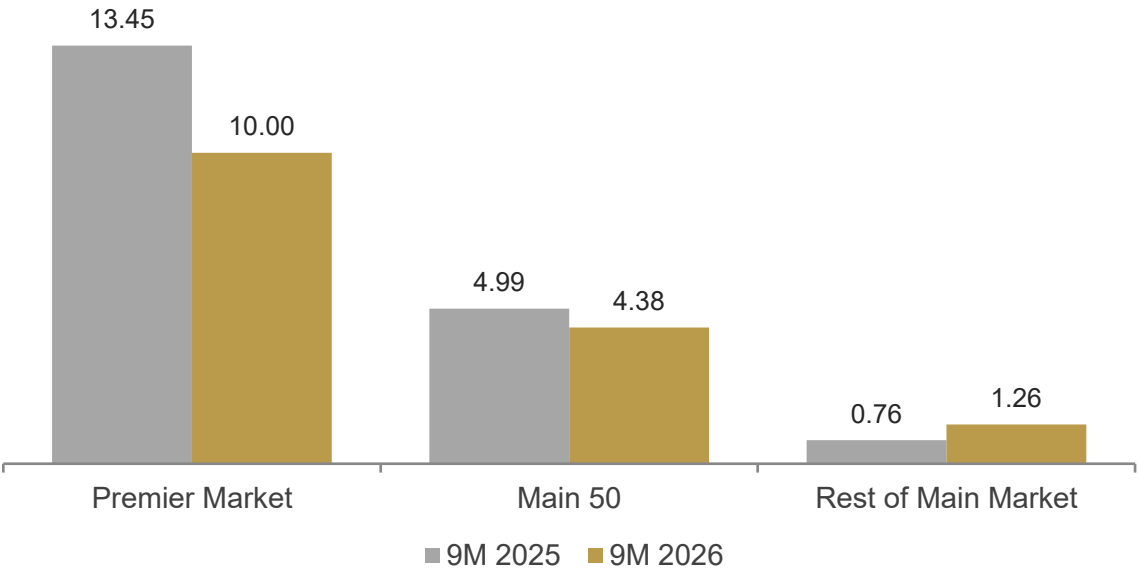
Telecom and Insurance led; Financial Services lagged

Sector	Stocks	Mkt cap (KD mn)	Weight	H1 change	Q3 change	9M change	9M div-adj. return	Up / Down
Banking	9	31,552	59.9%	-5.1%	+2.7%	-2.6%	+0.3%	5 / 4
Financial Services	44	5,586	10.6%	-8.9%	+0.5%	-8.4%	-5.9%	16 / 27
Telecommunications	4	4,200	8.0%	+17.7%	-4.6%	+12.3%	+17.3%	3 / 1
Real Estate	29	4,192	8.0%	-1.1%	-1.3%	-2.4%	-0.9%	16 / 13
Industrials	19	2,461	4.7%	0.0%	-1.4%	-1.4%	+2.2%	10 / 9
Consumer Discretionary	11	1,666	3.2%	-3.7%	+0.1%	-3.6%	-0.3%	6 / 5
Insurance	8	1,043	2.0%	+50.0%	-10.5%	+34.2%	+36.7%	7 / 1
Basic Materials	3	515	1.0%	+3.1%	+6.3%	+9.6%	+13.4%	1 / 2
Energy	6	501	1.0%	+3.1%	+4.1%	+7.3%	+12.0%	6 / 0
Consumer Staples	2	370	0.7%	-14.4%	+5.0%	-10.2%	-6.8%	1 / 1
Health Care	2	312	0.6%	+14.3%	-3.7%	+10.1%	+10.1%	2 / 0
Utilities	1	149	0.3%	-4.0%	-5.6%	-9.4%	-6.0%	0 / 1
Technology	1	86	0.2%	+461.1%	+16.7%	+555.0%	+555.0%	1 / 0
Total market	139	52,630	100.0%	-2.2%	+0.9%	-1.3%	+1.6%	74 / 64

Source: Coast analysis of Boursa Kuwait data. Changes are measured on sector market capitalisation and include capital changes; official sector indices differ. Technology is a single stock.

Liquidity fell 19% and moved down the cap scale

Value traded by market segment (KD bn)



-19.0%

Value traded: KD 15.64bn, against KD 19.31bn in 9M 2025

-28.4%

Volume: 59.8bn shares, against 83.5bn

77%

of the fall in value came from three stocks: Oula Fuel, Kuwait Business Town and Warba Bank

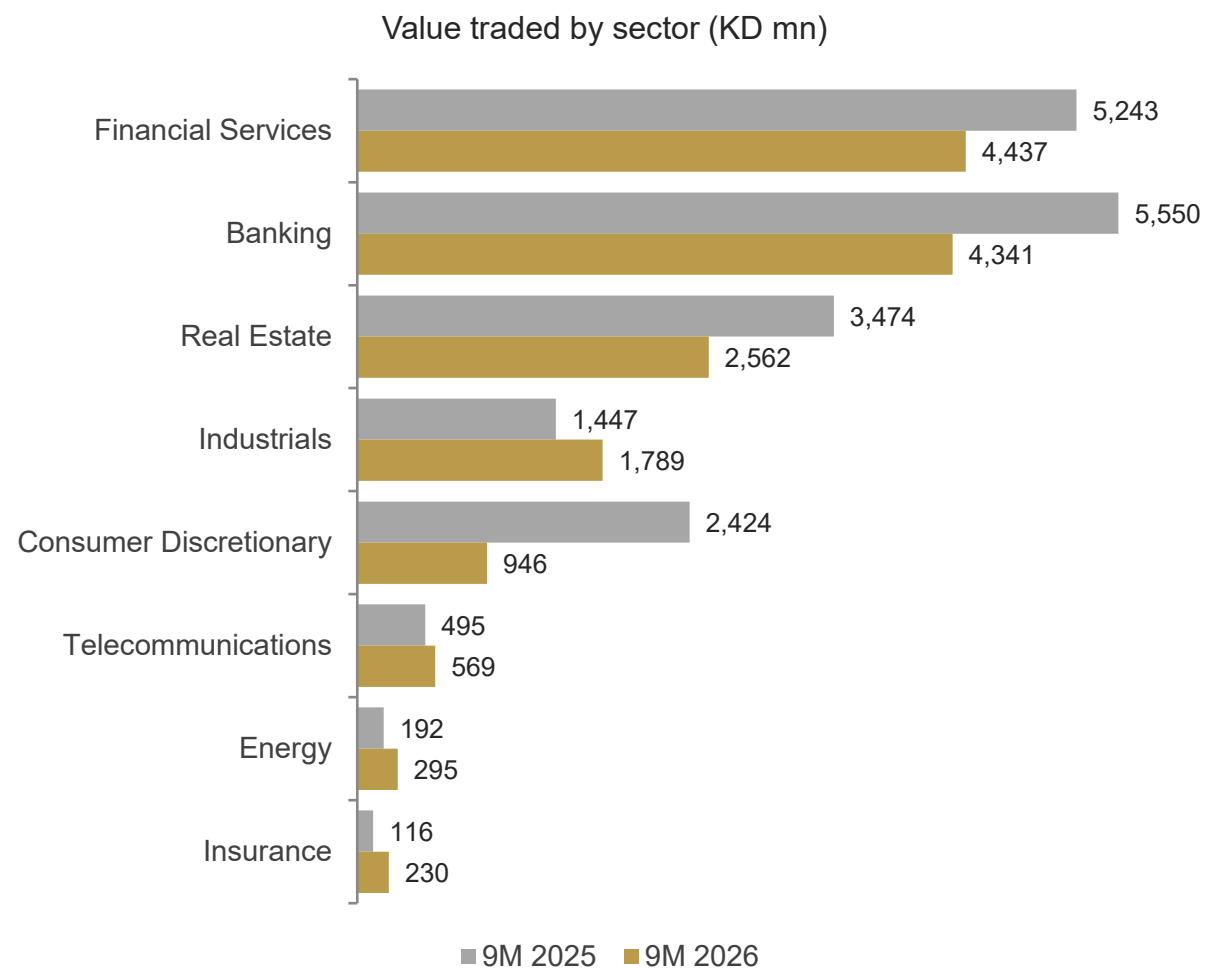
37%

share of the ten most traded stocks, down from 48% in 9M 2025

Premier Market value fell 26% and the Main 50 fell 12%, while the rest of the Main Market rose 66% from a small base. Activity improved into quarter-end: Q3 accounted for KD 5.8bn, 37% of the nine-month total, and September value rose 38% month on month to KD 2.4bn.

Sources: Coast analysis of Boursa Kuwait data, 1 January to 30 September; Q3 and September from Boursa Kuwait and Kamco Invest. 9M 2025 total includes KD 110mn in two delisted companies.

Where the money went: sectors and stocks



Most traded, 9M 2026	Value (KD mn)	Share	YoY	9M return
Kuwait Finance House	1,665	10.6%	-6%	+5.2%
National Bank of Kuwait	1,111	7.1%	+12%	-8.5%
GFH Bank	545	3.5%	+32%	-8.1%
National Cleaning	465	3.0%	+1,088%	+166.9%
Zain	365	2.3%	+12%	+17.9%
National Real Estate	361	2.3%	+457%	+68.4%
Gulf Bank	359	2.3%	-38%	+0.8%
Intl. Financial Advisors	336	2.1%	-43%	+11.5%
Warba Bank	332	2.1%	-62%	-1.2%
Kuwait International Bank	325	2.1%	-40%	-1.3%

National Cleaning and National Real Estate entered the top ten, trading about 12 times and 6 times last year's value.

Source: Coast analysis of Boursa Kuwait data, 1 January to 30 September each year. Returns are adjusted for cash dividends and corporate actions.

P/E is higher only because earnings are lower

16.8x

P/E, against 15.8x at Dec-25

1.78x

P/BV, against 1.85x at Dec-25

10.6%

ROE, against 11.7% at Dec-25

3.2%

Div. yield, against 3.2% at Dec-25

Sector	P/E Dec-25	P/E Sep-26	P/BV Dec-25	P/BV Sep-26	ROE Dec-25	ROE Sep-26
Banking	17.3x	19.4x	2.09x	1.99x	12.1%	10.3%
Financial Services	13.1x	14.5x	1.33x	1.23x	10.2%	8.5%
Telecommunications	10.2x	9.3x	1.80x	1.84x	17.7%	19.8%
Real Estate	20.4x	19.3x	1.54x	1.42x	7.6%	7.4%
Industrials	16.8x	16.1x	1.61x	1.58x	9.6%	9.8%
Consumer Discretionary	14.3x	16.8x	2.84x	2.82x	19.8%	16.7%
Insurance	10.3x	11.5x	0.90x	1.22x	8.7%	10.6%
Basic Materials	15.5x	23.6x	1.59x	1.71x	10.2%	7.3%
Energy	12.9x	13.3x	1.56x	1.41x	12.1%	10.6%
Consumer Staples	23.5x	17.3x	3.18x	2.66x	13.5%	15.4%
Total market	15.8x	16.8x	1.85x	1.78x	11.7%	10.6%

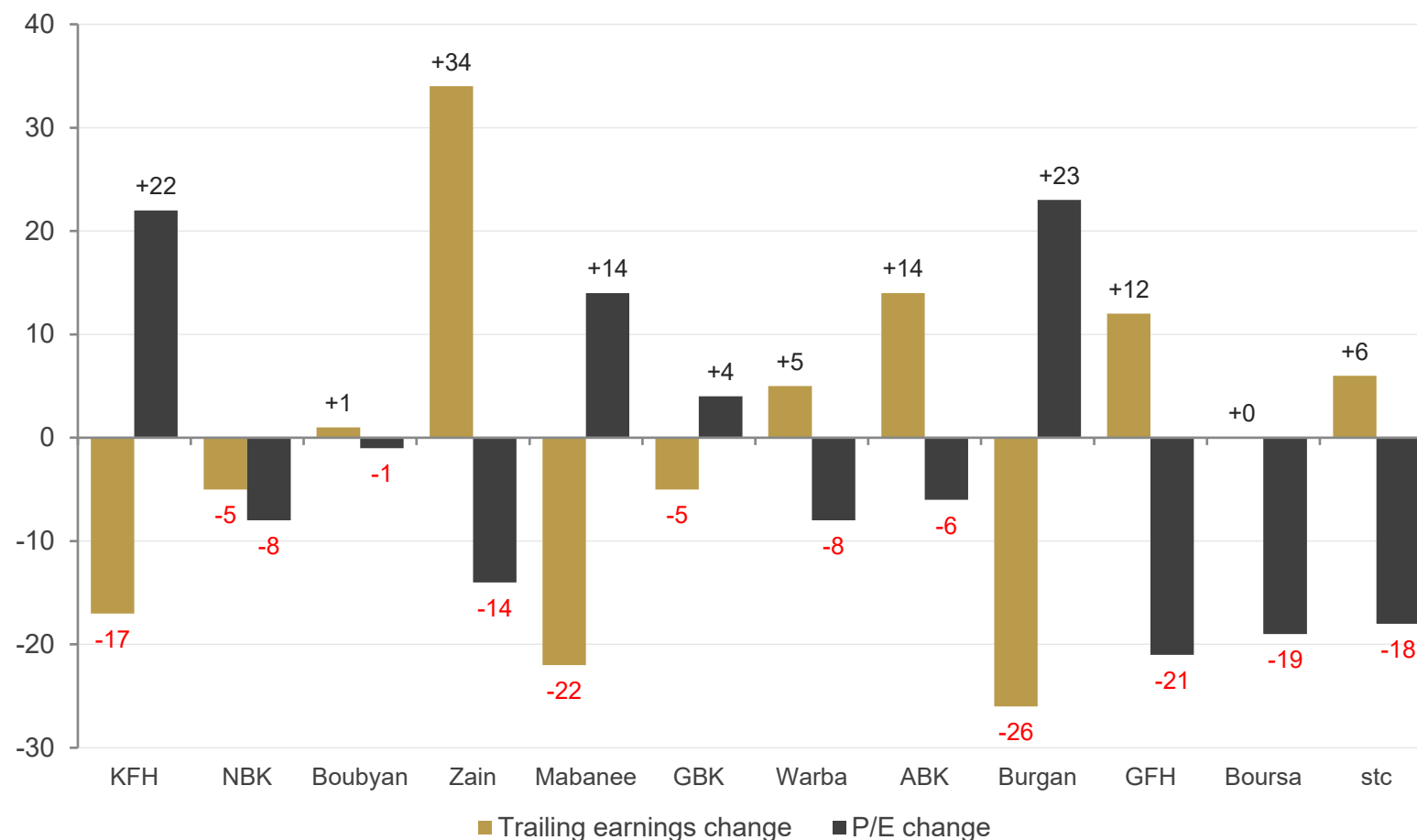
Prices are lower than at year-end, yet the market P/E is higher. The difference is earnings: trailing net profit in Coast's valuation history is about 7% lower. KFH and CBK explain 89% of that fall; excluding them, earnings are down about 1%. On book value, the market is cheaper than in December.

Telecommunications stands out: its P/E fell to 9.3x while ROE rose to 19.8%.

Source: Coast valuation history (trailing twelve-month earnings, latest reported equity). Earnings change is derived from market capitalisation and P/E for the 90 stocks with a P/E at both dates.

Earnings or re-rating? The large caps one by one

31 Dec 2025 to 30 Sep 2026: change in trailing earnings and in P/E (%)



Delivered, but de-rated

Zain (earnings +34%, P/E -14%), ABK, GFH, stc and Warba Bank grew trailing earnings, yet their P/E fell. Boursa Kuwait held earnings flat and de-rated 19%.

Priced for recovery

KFH (earnings -17%, P/E +22%), Burgan, Mabaneer and Gulf Bank have lower trailing earnings and a higher P/E. They need Q3 to show a turn.

Lower on both

NBK: earnings -4.8%, P/E -7.5%. The largest drag on the index, now on 13.8x earnings against 15.0x at year-end.

Source: Coast valuation history. The twelve largest Premier Market stocks with a P/E at both dates. Earnings change is derived from market capitalisation and P/E; it is not a reported figure.

Gainers and losers: the top of the table is speculative

Top 10 gainers	Market	9M return	Mkt cap (KD mn)	Value (KD mn)	P/E
Automated Systems	Main 50	+555.0%	86	152	n.m.
First Takaful Insurance	Main	+294.7%	118	163	n.m.
National Cleaning	Main 50	+166.9%	79	465	19.5x
Rasiyat Holding	Main 50	+89.4%	112	147	24.0x
Digitus Group	Main 50	+89.1%	185	53	n.m.
Sanam Real Estate	Main 50	+87.3%	86	200	32.8x
ACICO Industries	Main 50	+80.3%	206	200	n.m.
Specialities Group	Main 50	+72.5%	53	34	20.8x
Gulf Insurance Group	Main	+71.1%	404	1.2	12.3x
National Real Estate	Main 50	+68.4%	254	361	n.m.

Top 10 losers	Market	9M return	Mkt cap (KD mn)	Value (KD mn)	P/E
RE Trade Centers	Main 50	-45.1%	32	148	36.3x
Dalqan Real Estate	Main 50	-40.9%	7	14	18.6x
Kuwait Foundry	Main	-34.1%	27	3.7	17.4x
IFA Hotels & Resorts	Premier	-24.1%	231	208	34.1x
Combined Group (CGC)	Premier	-23.7%	144	118	8.4x
AlKout Industrial	Main	-23.7%	84	0.3	15.9x
Al Safat Investment	Main 50	-23.0%	59	160	n.m.
Gulf Investment House	Main 50	-22.6%	169	102	n.m.
Kuwait Business Town	Main 50	-20.5%	46	76	19.3x
National Industries Grp	Premier	-20.4%	590	253	12.7x

Nineteen of the twenty best performers are Main Market stocks, and nine of them have no meaningful P/E. Gulf Insurance Group gained 71% on only KD 1.2mn of trading. The Technology sector index fell 50.1% in September alone, which shows how quickly such gains can reverse.

YTD performance is adjusted for cash dividends distributed and any other corporate actions during the year to date. Source: Coast analysis of Boursa Kuwait data; Kamco Invest.

What Q3 results must deliver

Sector	P/E, Dec-25 to Sep-26	ROE, Dec-25 to Sep-26	9M price	What the results need to show
Banking	17.3x to 19.4x	12.1% to 10.3%	-2.6%	Earnings must stabilise. KFH and CBK drove the trailing decline; another fall leaves the sector near 20x.
Financial Services	13.1x to 14.5x	10.2% to 8.5%	-8.4%	Proof that ROE has bottomed. Investment income is the swing factor after the small-cap rally.
Telecommunications	10.2x to 9.3x	17.7% to 19.8%	+12.3%	Hold the Zain-led gain: trailing earnings rose about 23%, against a 12% rise in price.
Real Estate	20.4x to 19.3x	7.6% to 7.4%	-2.4%	Little has changed in price or multiple. Mabanee's lower trailing earnings is the item to watch.
Industrials	16.8x to 16.1x	9.6% to 9.8%	-1.4%	Steady margins. Contracting names fell sharply in Q3: Combined Group, Heavy Engineering, Integrated.
Insurance	10.3x to 11.5x	8.7% to 10.6%	+34.2%	ROE held above 10%. The sector re-rated from 0.90x to 1.22x book, the largest move in the market.
Main 50 small caps	n.m.	n.m.	+17.5%	Profits. 19 of 47 companies were loss-making on a trailing basis and the index fell 7.1% in September.

Q3 financial statements are due within 45 days of quarter-end, by mid-November 2026. Sector price change is on market capitalisation; Main 50 is the index. Source: Coast valuation history.

Q4 set-up: dividend yield is the cushion

Highest yields, Premier Market	Div. yield	P/E	ROE	9M return
Humansoft	11.8%	9.0x	38.0%	-0.6%
Kuwait Investment Co.	9.8%	6.9x	10.8%	-13.3%
National Investment Co.	9.1%	12.6x	8.4%	-1.1%
stc Kuwait	6.4%	17.4x	15.7%	-8.0%
Ali Alghanim Sons Automotive	5.4%	13.7x	25.3%	-7.7%
Jazeera Airways	5.3%	16.5x	54.8%	+1.4%
Boursa Kuwait	4.2%	22.5x	39.7%	-15.5%
Mezzan Holding	4.2%	17.3x	15.4%	-9.8%
Salhiah Real Estate	4.1%	18.6x	6.5%	-3.6%
Gulf Cable	4.0%	17.4x	6.6%	-14.0%

Yields are trailing. Where a high yield sits beside a falling price, as with Kuwait Investment Co., Boursa Kuwait and Gulf Cable, Q3 earnings need to confirm the payout.

Source: Coast analysis of Boursa Kuwait data; Kamco Invest; Central Bank of Kuwait. Dividend yield = dividends in Coast's dataset divided by market capitalisation at 30 September 2026.

Results window

Q3 statements are due by mid-November. Banks set the tone: they are 60% of market capitalisation.

Yield support

The market yields 3.2%. 15 of 39 Premier Market stocks yield more than the 3.5% CBK discount rate.

Small-cap fatigue

The Main 50 fell 7.1% in September after a strong run. Watch whether liquidity stays in the Main Market.

Regional risk

Brent touched USD 109 in September and the MSCI GCC index fell 3.5%; Kuwait fell less than Saudi Arabia and Qatar.

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