



Oil & Petrochemicals Monthly Report

October | 2025



Crude prices firm on Russia sanctions and IEA's 2026 demand upgrade, supply surplus to persist through FY26 but narrow post Q1-26

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EDC, styrene, urea and PP prices declined in October, ammonia and EVA rose; propane and butane prices cut by Aramco for November

- **Naphtha, propane and butane declined in October:** Naphtha prices fell 4.9% M/M to USD 580 per ton in October. Propane and butane prices decreased 4.8% M/M and 3.1% M/M to USD 495 per ton and USD 475 per ton, respectively. Aramco lowered propane and butane prices for November to USD 475 per ton and USD 460 per ton, respectively.
- **Majority of product prices ended lower in October:** Ammonia prices surged 14.1% M/M to USD 445 per ton driven by strong demand from Asia, Europe and India with supply remaining tight amid shutdowns. **EVA** prices gained 3.3% M/M to USD 1,270 per ton, supported by higher downstream demand. **EDC** prices declined 7.3% M/M to USD 190 per ton, affected by oversupply and weaker margin for downstream PVC. **Styrene** prices fell 5.3% M/M to USD 800 per ton amid oversupply and high inventory level. **Urea** prices dropped 4.8% M/M to USD 395 per ton due to weak demand and limited trading activity. **PP** prices declined 4.0% M/M to USD 840 per ton due to increased Chinese production, while demand remained subdued.
- **Petchem Spreads Trend:** PP-propane spread decreased to USD 465 per ton in October from USD 467 per ton in September. PP-butane spread reduced to USD 481 per ton in October from USD 491 per ton in September. HDPE-naphtha spread increased to USD 288 per ton in October from USD 255 per ton in September.

Oil prices slid in October on oversupply concerns and weak demand, holds range in November amid mixed drivers

- **Brent crude fell in October:** Brent prices were weighed down by fears of oversupply and weakening demand during the month. The oil price decline was driven by resumed Kurdish exports from Iraq, expectations of higher OPEC+ output, and rising non-OPEC supply, while weak Chinese demand and trade tensions added to bearish sentiment. In the first half of November, oil prices were range-bound as OPEC+ opted for modest output hike. Moreover, geopolitical risks such as sanctions on Russian and Iranian oil and sporadic infrastructure attacks were offset by strong US dollar and forecasts of higher US output.
- Brent and WTI both fell by 7.2% M/M in October, ending at USD 65.1/bbl and USD 61.0/bbl, respectively. Natural gas prices at Henry Hub surged 45.5% M/M to USD 4.1/mn Btu.
- **Manufacturing activity displayed varied patterns across major economies:** In October, the US ISM manufacturing PMI slipped to 48.7 from 49.1, signaling a deeper contraction amid weak new orders and falling inventories. China's Caixin PMI eased to 50.6 from 51.2, reflecting slower growth in output and orders despite a slight rebound in employment. Meanwhile, the Eurozone HCOB PMI edged up to 50.0 from 49.8, indicating stabilization, though new orders stagnated and job cuts persisted.

Table 1: Petchem Prices – October FY25

| Name | Price (USD per ton) | M/M % | Q/Q % | Y/Y % | YTD % |
|---------------------------|---------------------|-------|--------|--------|--------|
| Naphtha | 580 | -4.9% | 0.0% | -13.4% | -10.1% |
| Saudi Propane | 495 | -4.8% | -13.9% | -20.8% | -22.0% |
| Saudi Butane | 475 | -3.1% | -12.8% | -23.4% | -24.6% |
| Ethylene | 725 | -6.5% | -6.5% | -8.8% | -13.2% |
| Propylene-Asia | 740 | -2.0% | 0.0% | -10.8% | -9.8% |
| HDPE | 850 | -0.6% | -2.9% | -7.1% | -4.5% |
| LDPE | 1,015 | -1.0% | -1.9% | -11.0% | -10.6% |
| LLDPE | 835 | -1.8% | -2.3% | -13.0% | -11.6% |
| PP-Asia | 840 | -4.0% | -8.7% | -6.7% | -5.1% |
| Styrene-Asia | 800 | -5.3% | -13.5% | -23.4% | -21.6% |
| Polystyrene-Asia | 1,010 | -1.9% | -6.5% | -17.2% | -16.5% |
| PET - Asia | 730 | -2.7% | -5.2% | -12.0% | -8.2% |
| PVC-Asia | 690 | -2.1% | -1.4% | -6.8% | -6.8% |
| MEG (Asia) | 490 | -3.0% | -9.3% | -10.9% | -10.1% |
| Methanol-China | 260 | 0.0% | -7.1% | -8.8% | -16.1% |
| DAP-Gulf | 795 | 0.0% | -0.6% | 25.2% | 27.2% |
| Urea-Gulf | 395 | -4.8% | -16.8% | 5.3% | 11.3% |
| Ammonia-Gulf | 445 | 14.1% | 36.9% | 4.7% | 1.1% |
| MTBE-Asia | 665 | -2.2% | 2.3% | -10.1% | -6.3% |
| EDC | 190 | -7.3% | -15.6% | -35.6% | -33.3% |
| MEG (SABIC) | 720 | -1.4% | -2.7% | -8.9% | -7.7% |
| PC | 1,505 | 0.0% | -2.0% | -13.0% | -10.7% |
| Acetic Acid-AA | 410 | -1.2% | -1.2% | -8.9% | -5.7% |
| EVA | 1,270 | 3.3% | 7.2% | 9.0% | 8.5% |
| Vinyl Acetate Monomer-VAM | 785 | 1.3% | -0.6% | 0.6% | 0.0% |

Note: Prices as of October 26, 2025

Source: Argaam, Reuters Eikon, Aljazira Capital Research

Table 2: Economic Calendar

| Date | Country | Event |
|-----------------|---------|---------------------------------|
| November 19, 26 | US | Weekly Petroleum Status Report |
| 19-Nov | US | Trade Balance |
| 20-Nov | US | Unemployment Rate |
| 20-Nov | US | US Initial Jobless Claims |
| 21-Nov | US | S&P Global US Manufacturing PMI |
| 26-Nov | US | GDP Annualized QoQ |
| 30-Nov | KSA | M3 Money Supply YoY |
| 30-Nov | KSA | SAMA Net Foreign Assets SAR |
| 3-Dec | KSA | S&P Global Saudi Arabia PMI |
| 8-Dec | KSA | GDP Constant Prices YoY |
| 9-Dec | | EIA Short-term Energy Outlook |
| 11-Dec | | IEA Oil Market Report |
| 11-Dec | | OPEC Monthly Oil Market Report |
| 15-Dec | KSA | CPI YoY |
| 28-Dec | KSA | Current Account Balance |

Source: Bloomberg, EIA, OPEC, IEA

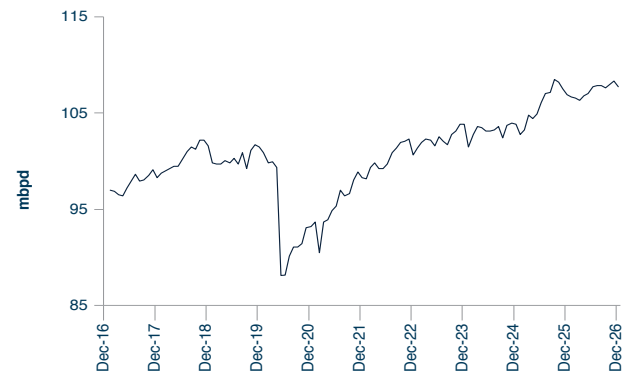
Key comments from international energy agencies

Crude oil supply

Global supply

- Global supplies of crude oil and liquid fuels are expected to rise by 2.8 mbpd to 106.0 mbpd in FY25 (vs. 2.7 mbpd increase in previous estimate) and by 1.4 mbpd in FY26 (vs. 1.3 mbpd increase in previous estimate), as per **EIA**. Non-OPEC supply is forecast to grow 1.9 mbpd to 72.4 mbpd in FY25 and 1.1 mbpd to 73.5 mbpd in FY26.
- Global oil supply is expected to rise by 3.1 mbpd in FY25 (0.1 mbpd higher than earlier) and increase further by 2.5 mbpd in FY26 (0.1 mbpd higher than earlier), according to **IEA**.
- Global refining throughputs are expected to be at 83.6 mbpd in FY25 and 84.1 mbpd in FY26, according to **IEA**.

Figure 1: World Oil Production



Source: Bloomberg, AlJazira Capital Research

OPEC Supply

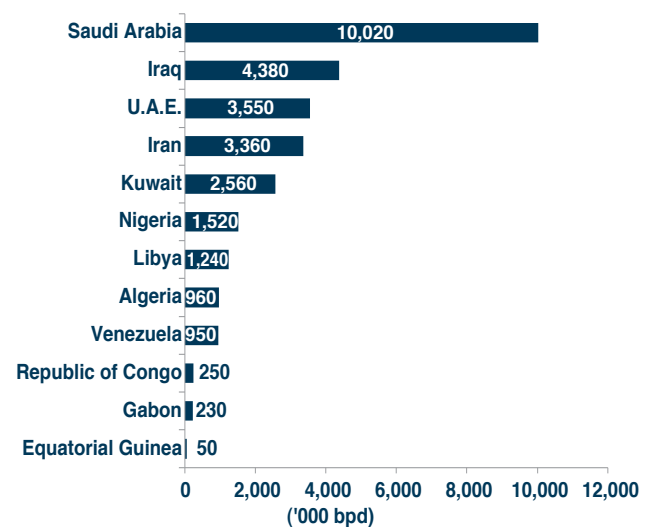
- OPEC crude oil production rose ~30,000 bpd M/M in October to an average of 28.5 mbpd, as per **OPEC's** secondary sources.
- On average, OPEC members are expected to produce 28.1 mbpd of crude oil in Q4-25 (vs 28.3 mbpd in Q3-25), as per **EIA**.
- OPEC's average crude production is estimated at 27.8 mbpd in FY25 and 27.9 mbpd in FY26, according to **EIA**.
- OPEC's unplanned oil supply disruptions averaged 1.14 mbpd in October (vs. 1.00 mbpd in September), as per **EIA**.

Table 3: OPEC Oil Production ('000 bpd; excl. Angola)

| Prod. ('000 bpd) | Cap. | Jul 2025 | Aug 2025 | Sep 2025 | Oct 2025 | % M/M Chg. |
|-------------------|---------------|---------------|---------------|---------------|---------------|-------------|
| Equatorial Guinea | 80 | 50 | 50 | 50 | 50 | 0.0% |
| Gabon | 230 | 210 | 220 | 220 | 230 | 4.5% |
| Republic of Congo | 300 | 260 | 250 | 250 | 250 | 0.0% |
| Venezuela | 1,000 | 900 | 910 | 1,000 | 950 | -5.0% |
| Algeria | 1,060 | 940 | 950 | 960 | 960 | 0.0% |
| Libya | 1,320 | 1,300 | 1,270 | 1,310 | 1,240 | -5.3% |
| Nigeria | 1,600 | 1,580 | 1,630 | 1,550 | 1,520 | -1.9% |
| Kuwait | 2,820 | 2,500 | 2,540 | 2,520 | 2,560 | 1.6% |
| Iran | 3,830 | 3,310 | 3,350 | 3,360 | 3,360 | 0.0% |
| U.A.E. | 4,650 | 3,570 | 3,500 | 3,500 | 3,550 | 1.4% |
| Iraq | 4,800 | 4,160 | 4,320 | 4,320 | 4,380 | 1.4% |
| Saudi Arabia | 12,000 | 9,370 | 9,660 | 9,980 | 10,020 | 0.4% |
| Total OPEC | 33,690 | 28,150 | 28,650 | 29,020 | 29,070 | 0.2% |

Source: Bloomberg

Figure 2: OPEC October Oil Production ('000 bpd)



Source: Bloomberg

Crude oil demand

Global

- OPEC estimates a 1.3 mbpd increase in global consumption in FY25 (unchanged from previous month's estimate) and a further growth of 1.4 mbpd in FY26 (unchanged from previous month's estimate). IEA estimates global oil demand to increase by 0.8 mbpd growth in FY25 (~0.1 mbpd higher than earlier estimate) and by 0.8 mbpd in FY26. As per **EIA**, global consumption of petroleum and liquid fuels is forecasted to increase by 1.1 mbpd Y/Y in FY25 (unchanged from earlier projection) and 1.1 mbpd Y/Y in FY26 (unchanged from earlier projection).
- Global demand for petroleum and liquid fuels stood at 103.8 mbpd in October, up 0.4% Y/Y, as per **EIA**.
- DoC (countries participating in the Declaration of Cooperation) crude demand for FY25 is forecasted to grow 0.3 mbpd Y/Y to 42.4 mbpd (0.1 mbpd lower than the previous month's estimate), according to OPEC. The DoC demand is estimated to increase to 43.0 mbpd in FY26 (0.1 mbpd lower than the previous month's estimate), up by around 0.6 mbpd Y/Y.

Inventory

- Global oil inventories rose by 77.7 mb in September, to the highest level since July 2021, as per **IEA**.
- EIA** forecasts OECD inventories at 2.93bn barrels by end-FY25 and 3.2bn by FY26.
- Natural gas inventories in the US are estimated at 2.0tn cu. ft. by March 2026, as per **EIA**.

Figure 3: OECD Monthly Oil Inventories



Source: US EIA, AlJazira Capital Research

Price outlook

- Brent spot prices are forecasted to average USD 69 per barrel in FY25 and at USD 55 per barrel in FY26, as per **EIA**.
- Morgan Stanley raised its forecast for Brent prices in FY26 to USD 60 per barrel from USD 57.5 per barrel earlier, following OPEC+'s decision to pause production hikes over the first three months of next year. **EIA** expects natural gas prices at Henry Hub to average USD 3.50/mn Btu in FY25 and USD 4.00/mn Btu in FY26.

Table 4: World Oil Demand and Supply

| (mbpd) | FY24 | | | | FY25E | | | | FY24 | FY25E | FY26E |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | |
| World Crude Oil & Liq. Fuels Supply | | | | | | | | | | | |
| OPEC Supp. | 32.72 | 32.77 | 32.65 | 32.77 | 32.91 | 33.41 | 34.00 | 33.87 | 32.73 | 33.55 | 33.76 |
| Non-OPEC Suppl. | 69.87 | 70.44 | 70.43 | 71.04 | 70.70 | 71.72 | 73.56 | 73.67 | 70.46 | 72.37 | 73.46 |
| Total World Supply | 102.59 | 103.21 | 103.07 | 103.81 | 103.62 | 105.14 | 107.56 | 107.54 | 103.17 | 105.98 | 107.37 |
| World Crude Oil & Liq. Fuels Cons. | | | | | | | | | | | |
| OECD Cons. | 44.94 | 45.79 | 46.41 | 46.28 | 45.19 | 45.68 | 46.35 | 45.86 | 45.86 | 45.77 | 45.86 |
| Non-OECD Cons. | 57.07 | 57.33 | 57.20 | 57.33 | 57.37 | 58.54 | 58.64 | 58.89 | 57.23 | 58.37 | 59.34 |
| Total World Cons. | 102.00 | 103.12 | 103.61 | 103.61 | 102.57 | 104.21 | 104.99 | 104.75 | 103.09 | 104.14 | 105.20 |
| OECD Comm. Inventory (mn barrels) | 2,758 | 2,834 | 2,794 | 2,743 | 2,741 | 2,779 | 2,875 | 2,927 | 2,743 | 2,927 | 3,181 |
| OPEC Surplus Crude Oil Prod. Cap. | 1.39 | 1.29 | 1.44 | 1.16 | 1.11 | 1.10 | 1.09 | n/a | 1.32 | n/a | n/a |

Source: EIA STEO November 2025, AlJazira Capital Research

- The gap between crude consumption and supply is estimated to increase to 2.79 mbpd in Q4-25 (higher supply than consumption) vs. 2.57 mbpd in Q3-25 (higher supply than consumption).
- OECD's crude inventories are expected to be at 2.93bn barrels in Q4-25 compared to 2.88bn barrels in Q3-25.

Petrochemical sector news

- **Rabigh Refining and Petrochemical Co. (Petro Rabigh)** completed the early repayment of a part of its phase II loans. The petrochemicals producer paid SAR 3.7bn (USD 982.5mn), via proceeds from the subscription of Class B ordinary shares. The company said the positive impact of this early repayment includes reducing its debt burden and associated financing costs, which will reflect positively on its financial position and performance. (Source: Tadawul)
- **Petro Rabigh's** board of directors approved proceeding with engineering works for its low-value fuel oil upgrade project. The company said it is in the process of awarding the engineering contract to a specialized firm to carry out detailed technical studies and determine the most effective methods for project implementation. (Source: Tadawul)
- **Saudi Aramco** and the Public Investment Fund (PIF) and announced signing a non-binding term sheet outlining the key terms for Aramco to acquire a significant minority stake in HUMAIN, a PIF company, advancing a full range of AI capabilities globally. (Source: Argaam)
- **Nama Chemicals Co.** announced a power cut at its subsidiary, Jubail Chemical Industries Co. (JANA), on November 9. The company attributed the electricity disconnection to outstanding dues owed by JANA to Saudi Electricity Co. The company will carry out the necessary maintenance activities for the plants during the period of power outage. (Source: Tadawul)
- **Saudi Basic Industries Corp. (SABIC)** expects Q4-25 sales volumes to remain at similar levels as Q3, with a marginal increase, according to CEO Abdulrahman Al-Fageeh. He added demand for end-products and applications in the petrochemicals sector, particularly plastics, is also likely to remain unchanged with the possibility of slight growth. (Source: Argaam)
- **National Industrialization Co. (Tasnee)** CEO Fawaz Al Fawaz said the value of its investment in Tronox declined by nearly SAR 367mn due to volatility in the titanium sector, which led to a drop in Tronox's share price. (Source: Argaam)
- The market is facing pressure from a glut of products, particularly petrochemicals, CEO of **Tasnee** Fawaz Al-Fawaz said, adding that about six months, until mid-2026, may be needed for the surplus to ease and supply-demand balance to return. (Source: Argaam)

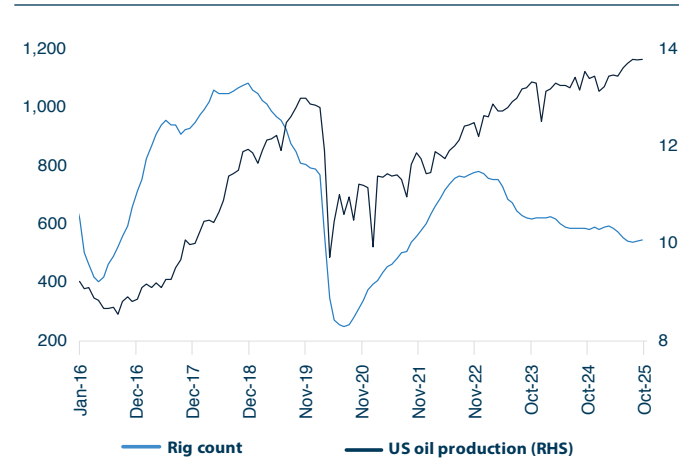
Table 5: KSA Petrochemical Companies Key Metrics

| Company | Net profit (TTM; SAR mn) | P/E (Adjusted) | P/B | EV/ EBITDA | DPS (SAR) TTM | Dividend Yield (2024) | YTD returns |
|----------------------|-----------------------------|-------------------|------|------------|------------------|--------------------------|-------------|
| SABIC | -6,736.3 | High | 1.1x | 13.9x | 3.40 | 6.0% | -15.4% |
| TASNEE | 304.4 | NEG | 0.7x | High | - | - | 4.8% |
| YANSAB | 97.9 | High | 1.6x | 15.3x | 2.00 | 6.4% | -17.9% |
| SABIC Agri-Nutrients | 4,288.6 | 13.1x | 2.9x | 9.5x | 6.00 | 5.1% | 7.0% |
| Sipchem | -422.6 | NEG | 0.9x | 27.4x | 1.00 | 5.8% | -30.9% |
| Advanced | -62.8 | High | 2.9x | 31.3x | - | - | 7.5% |
| KAYAN | -2,294.0 | NEG | 0.8x | 22.0x | - | - | -21.7% |
| SIIG | 57.5 | NEG | 1.2x | - | 0.50 | 3.3% | -11.1% |
| Nama Chemical | 77.9 | NEG | 2.1x | - | - | - | -10.7% |
| Chemanol | -705.5 | NEG | 2.4x | - | - | - | -50.0% |
| ALUJAIN | -88.2 | High | 0.6x | 19.3x | - | - | -19.8% |

Source: Bloomberg, Tadawul, Argaam, Aljazeera Capital Research; Data as of November 17, 2025

US oil and gas developments

Figure 4: US Oil Production versus Rig Count

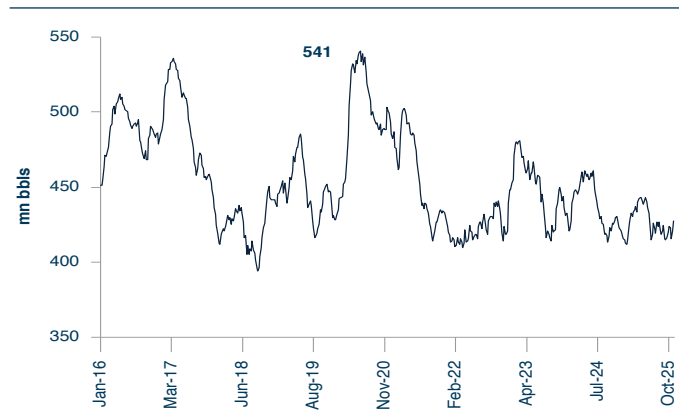


Source: US EIA, AlJazira Capital Research

US oil production averaged 13.79 mbpd in October 2025. Production increased 0.1% M/M and 1.9% Y/Y from 13.53 mbpd in October 2024.

In the week ended October 31, the rotary rig count in the US stood at 546 (down 4 W/W). The average number of rigs rose 1.2% M/M in October vis-à-vis an increase of 0.6% in September. The average rig count was 6.4% Y/Y down in October. As of November 14, of the total 549 rigs, 417 (up 3 W/W) were used to drill for oil and 125 (down 3 W/W) for natural gas. In the US, oil exploration decreased 12.8% Y/Y, while gas exploration rose 23.8% Y/Y.

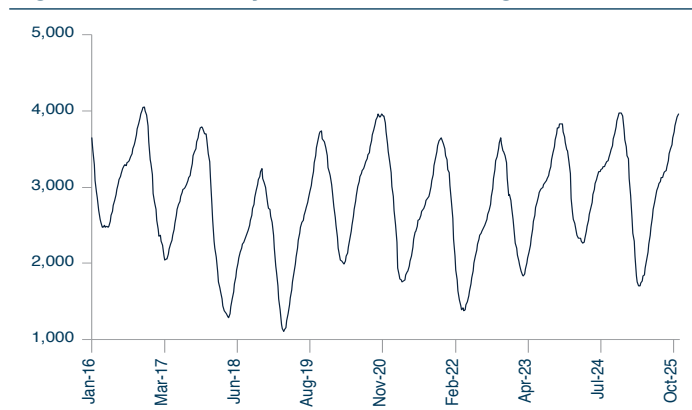
Figure 5: US Weekly Oil Inventories



- US weekly oil inventories increased 1.3% W/W to 421.2mm barrels for the week ended October 31. On M/M basis, inventories rose 1.1%.

Source: US EIA, AlJazira Capital Research

Figure 6: US Weekly Natural Gas Storage

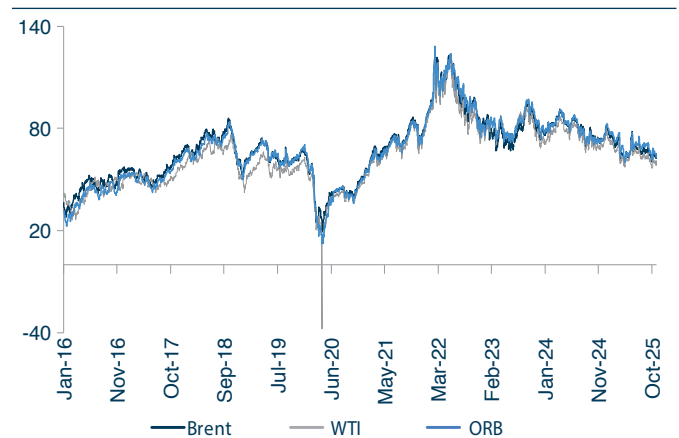


- US weekly natural gas storage increased 0.9% W/W to 3,915 bcf in the week ended October 31. On M/M basis, natural gas storage rose 9.9%.

Source: US EIA, AlJazira Capital Research

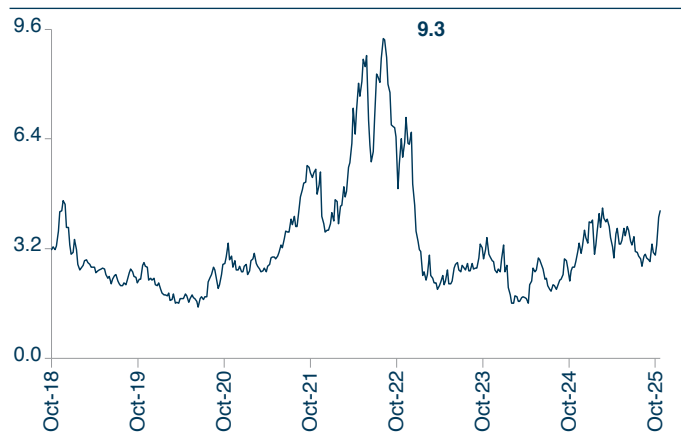
Price Trend: Oil, Natural Gas & Petrochemicals Products

Figure 7: Oil Price Trends (USD / Barrel)



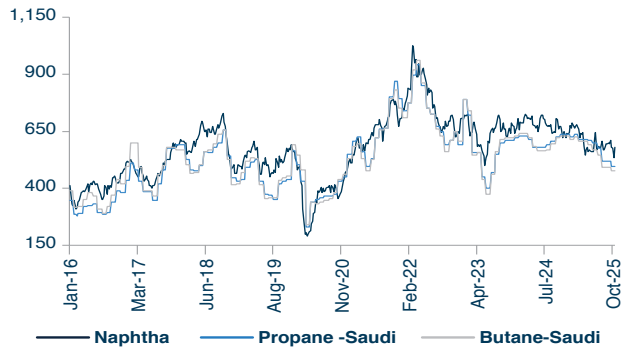
Source: Reuters Eikon, AlJazira Capital Research

Figure 8: Henry Hub Natural Gas (USD / MMBTu)



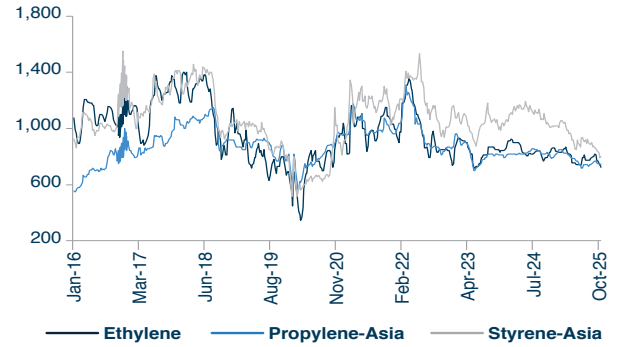
Source: OPEC, AlJazira Capital Research

Figure 9: Feedstock Price Trends (USD / Ton)



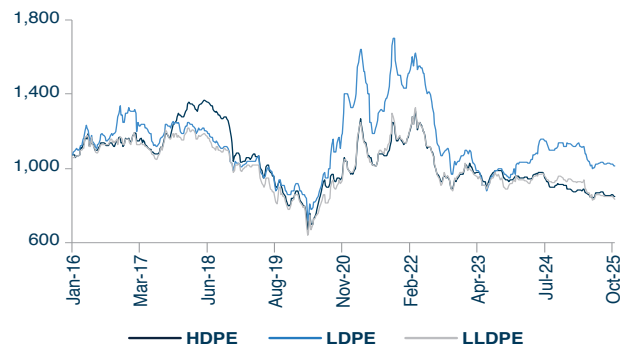
Source: Argaam, AlJazira Capital Research

Figure 10: Basic Petchem Price Trends (USD / Ton)



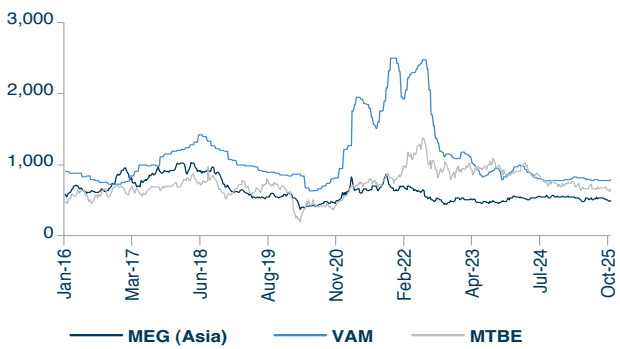
Source: Argaam, AlJazira Capital Research

Figure 11: Polyethylene Price Trends (USD / Ton)



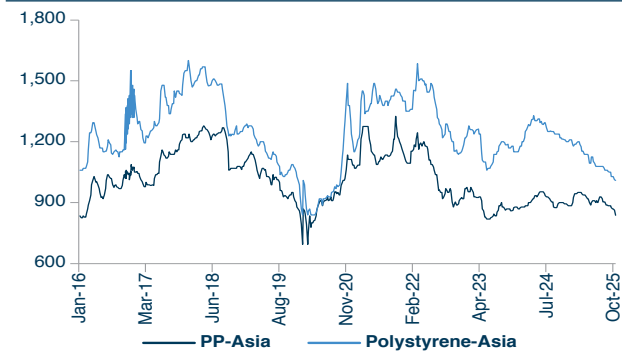
Source: Argaam, AlJazira Capital Research

Figure 12: Intermediates Price Trends (USD / Ton)



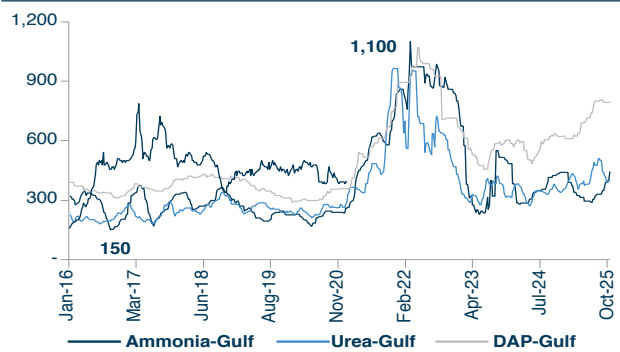
Source: Argaam, AlJazira Capital Research

Figure 13: Polypropylene & Polystyrene



Source: Argaam, AlJazira Capital Research

Figure 14: Ammonia, Urea & DAP



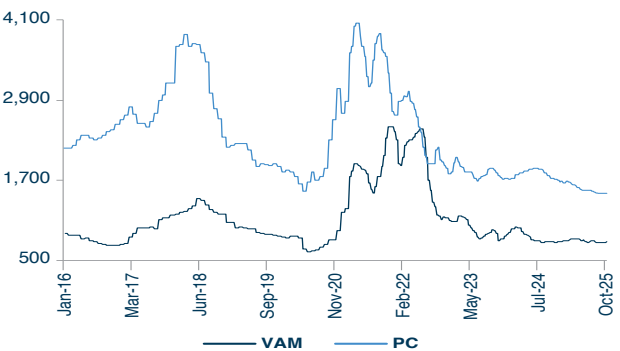
Source: Argaam, AlJazira Capital Research

Figure 15: Methanol-China (USD / Ton)



Source: Argaam, AlJazira Capital Research

Figure 16: PC-VAM

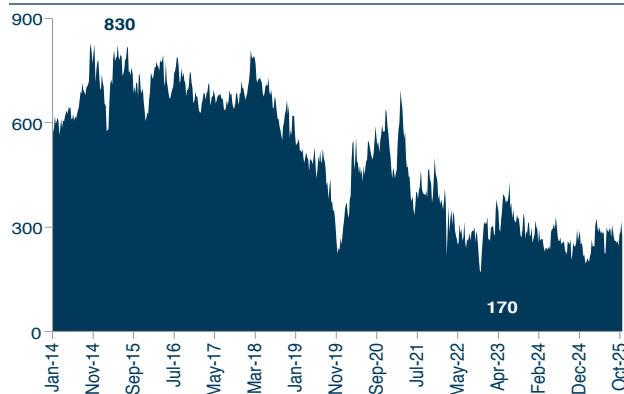


Source: Argaam, AlJazira Capital Research

Petchem Spreads Trend

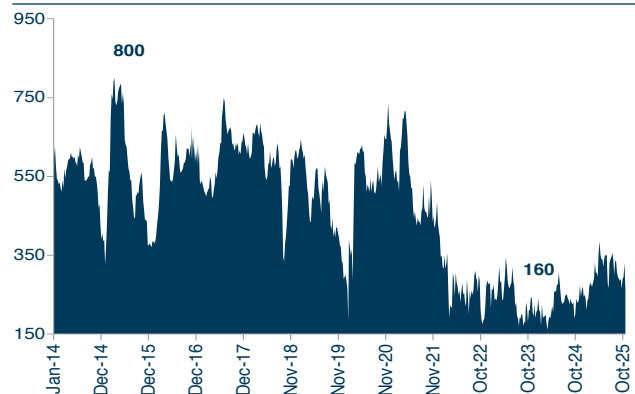
- Naphtha prices averaged 568 per ton in October, down from USD 600 per ton in September.
- Polypropylene average prices edged down to USD 861 per ton in October from USD 883 per ton in September.
- The HDPE-naphtha spread increased to USD 288 per ton in October from USD 255 per ton in September.
- The PP-naphtha spread rose to USD 294 per ton from USD 283 per ton during the previous month.
- The PP-propane spread decreased to USD 465 per ton in October from USD 467 per ton in September.
- The PVC-EDC spread contracted to USD 461 per ton in October from USD 475 per ton in September.
- The polystyrene-benzene spread increased to USD 339 per ton in October compared to USD 333 per ton in September.
- The HDPE-ethylene spread jumped to USD 109 per ton in October from USD 55 per ton in September.
- PP-butane spread reduced to USD 481 per ton in October from USD 491 per ton in September.
- LDPE-naphtha spread expanded by 5.5% M/M to USD 453 per ton, while LDPE-ethylene widened 19.7% M/M to USD 274 per ton in October.
- LLDPE-naphtha spread rose 10.5% to USD 250 per ton and LLDPE-ethylene surged 95.0% M/M to USD 98 per ton in October.

Figure 17: Naphtha- HDPE



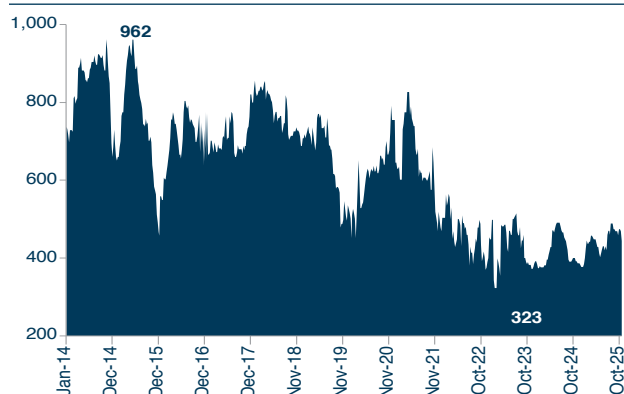
Source: Argaam, AlJazira Capital Research

Figure 18: Naphtha- PP



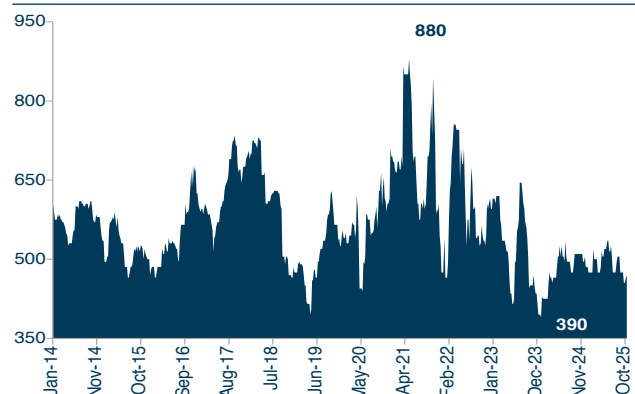
Source: Argaam, AlJazira Capital Research

Figure 19: Propane (Saudi) - PP



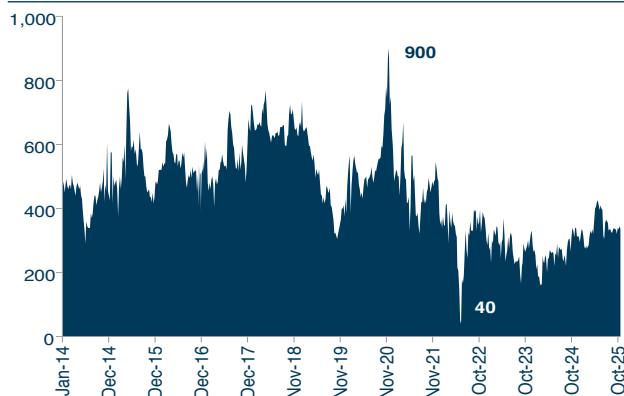
Source: Argaam, AlJazira Capital Research

Figure 20: EDC- PVC



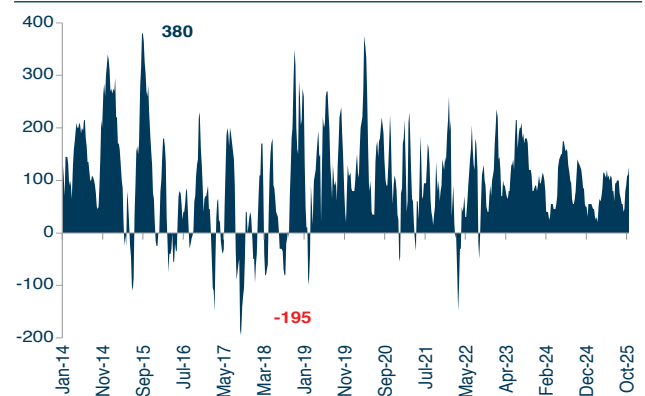
Source: Argaam, AlJazira Capital Research

Figure 21: Benzene- Polystyrene



Source: Argam, AlJazira Capital Research

Figure 22: Ethylene- HDPE



Source: Argam, AlJazira Capital Research

Table 6: Petrochemical Products by Saudi Petrochemical Companies

| Company | Finished Products |
|--|--|
| SABIC | Polyethylene, polypropylene, poly styrene, ethylene glycol (MEG), methyl tert-butyl ether (MTBE), benzene, urea, ammonia, PVC, and PTA |
| SABIC Agri- Nutrients | Urea, ammonia |
| YANSAB | Polyethylene, polypropylene, MEG, MTBE, and benzene |
| Tasnee | Polyethylene, polypropylene, and propylene (TiO2) |
| Saudi Kayan | Polyethylene, polypropylene, MEG, polycarbonate, and bisphenol A |
| Petro Rabigh | Polyethylene, polypropylene, propylene oxide, and refined petroleum products |
| Sahara Petrochemicals (Sipchem) | Polyethylene, polypropylene, Methanol, butanol, acetic acid, and vinyl acetate monomer |
| Saudi Group | Styrene, benzene, cyclohexene, propylene, polyethylene, polypropylene, and polystyrene |
| Advanced | Polypropylene |
| Alujain | Polypropylene |
| CHEMANOL | Formaldehyde – improvers concrete |
| NAMA | Epoxy resin, hydrochloric acid, liquid caustic soda, and soda granule |
| MAADEN | Ammonia and DAP |

Source: Argam Plus



RESEARCH
DIVISION

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RESEARCH
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RATING
TERMINOLOGY

1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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