

Major Economic News

- GCC countries and core Islamic finance markets are expected to drive growth in global sukuk issuances in 2020, as per a report by S&P. Total sukuk issuance is set to witness a 5% Y/Y increase to USD 170bn in 2020, from USD 162bn in 2019. (Source: Argaam)
- The Ministry of Housing's Sakani program signed several agreements with real estate and contracting firms to implement and build 6,089 diverse housing units and develop nearly 19,000 residential land plots.
- The General Authority of Civil Aviation said that the second cargo station of the Singapore-based SATS Ltd. at King Khalid International Airport in Riyadh will serve nearly 40% of the Kingdom's air cargo volume connecting the company's stations in Dammam, Oman and other Asian countries. (Source: Argaam)
- UAE-based Al Habtoor Group plans to expand in Saudi Arabia with a project that will include up to 7mn sq. m. of hotels, restaurants, theaters, retail and residential facilities, lakes and beaches in partnership with Kingdom's tourism authorities. (Source: Argaam)

Major Corporate News

- Allied Cooperative Insurance's board recommended a 29.5% capital reduction to SAR 141mn from SAR 200mn to restructure capital and offset accumulated losses. The company also aims raising its capital later through a SAR 150mn rights issue. (Source: Argaam)
- Al Motaqadimah Schools Co. signed five partnership and cooperation agreements for a total of SAR 2.9bn. The agreements include the establishment and development of 58 educational compounds worth SAR 1.4bn. (Source: Argaam)
- The CMA approved Tihama Advertising and Public Relations Co.'s request to increase its capital through SAR 100mn rights issue. (Source: Argaam)
- SABIC and its partner Saudi Aramco to announce whether they will proceed with their joint crude oil to chemicals project in Q2-20. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange rose 0.3% to 8,459.8 on Thursday. The value traded stood at SAR 3.5bn (down 18.4% over previous day), while the advance-decline ratio stood at 118/64. The parallel market rose 3.3% to 7,391.1 points. The value traded stood at SAR 24.2mn (up 81.1%). Most sectors in the main market ended in the green. Insurance and Healthcare (up 1.3% and 1.2%, respectively) advanced the most; Commercial Service and Energy (down 0.4% and 0.3%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q4-19	Q4-18	Y/Y %	Q3-19	Q/Q %
United Electronics (Extra)	72.3	62.1	14.6	27.2	165.8
Almarai Company	311.9	370.8	-15.9	581.2	-46.4
Yamamah Steel	-18.67	-18.67	-30.7	(2.00)	-833.5

Top Gainers

Company	Price	Change%
MEDGULF	19.02	9.9
MALATH INSURANCE	11.16	6.7
ALKHABEER REIT	11.48	5.1
SAUDI RE FOR REINSURANCE	9.98	5.1
FAWAZ ALHOKAIR	27.15	4.2

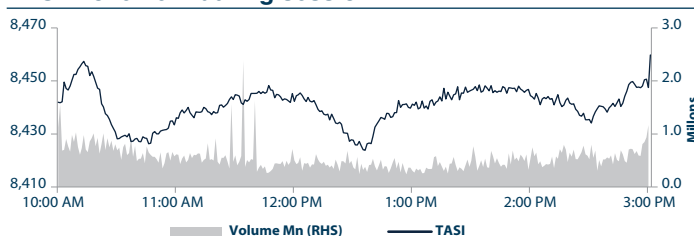
Top Losers

Company	Price	Change%
ALHOKAIR GROUP	19.12	-2.9
AXA INSURANCE	30.60	-2.7
ARABIA INSURANCE - AICC	16.30	-2.3
TOURISM ENTERPRISE - TECO	25.30	-1.8
PETRO RABIGH	21.56	-1.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,460	8,460	8,423	0.3	0.8
NomuC	7,391	7,393	7,102	3.3	3.0

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,337	(0.3)	(1.9)	18.7
Materials	5,250	0.3	1.6	36.0
Capital Goods	4,588	(0.1)	5.9	-12.3
Commercial Service	4,640	(0.4)	(2.8)	18.7
Transportation	4,596	0.8	4.6	22.0
Consumer Durables	3,626	0.7	3.4	-47.4
Consumer Services	4,132	0.2	4.4	39.6
Media	9,742	0.3	3.6	37.1
Retailing	7,862	0.8	2.1	33.6
Food & Staples	7,252	0.9	9.6	223.7
Food & Beverages	4,483	0.7	3.0	242.0
Healthcare	3,732	1.2	0.1	25.4
Pharma & Bio Tech	3,826	0.2	6.4	-23.5
Banks	8,194	0.4	1.1	14.4
Diversified Financials	3,499	0.8	5.9	636.2
Insurance	4,710	1.3	4.3	-302.5
Telecom	6,436	0.5	(0.6)	20.4
Utilities	4,427	0.7	0.6	-69.6
REITs	4,264	0.3	1.6	21.0
Real Estate	3,069	0.0	(2.0)	75.6
Software & Services	5,183	0.4	5.1	NA

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,436	8,325	8,349	4.00

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	20.7	950.8	884.8

Top Weighted Companies

Company	Price	Change%
AL RAJHI	66.30	0.5
SAUDI ARAMCO	34.60	-0.3
NCB	47.25	-0.1
SABIC	92.80	0.4
STC	98.50	0.5



Regional and International Markets

- Among regional markets, Dubai and Abu Dhabi increased 0.4% and 0.1%, respectively. Oman and Bahrain rose 0.5% and 0.2%, respectively; while Qatar and Egypt rose 0.4% each. Kuwait remained flat.
- China GDP rose 6.0% Y/Y in Q4-19 (consensus: 5.9%), unchanged from Q3-19 growth. GDP growth for 2019 stood at 6.1% (consensus: 6.2%) compared to 6.6% in 2018, the slowest since 1990. (Source: Econoday, RTT News)
- US initial jobless claims dropped to 204,000 in week ended January 11 (consensus: 215,000), representing a fall of 10,000 from the previous week's revised level of 214,000. (Source: Econoday)
- US retail sales grew 0.3% M/M in December (consensus: 0.4%) rising for the third straight month. Excluding auto, retail sales grew 0.7% M/M. Auto sales fell 1.3% M/M in December. (Source: Econoday)
- According to Baker-Hughes, the rig count in North America rose to 1040 in the week ended January 17 from 984 a week prior. The count in the US rose to 796 from 781 and to 244 from 203 in Canada. In the Gulf of Mexico it fell to 20 from 21. (Source: Econoday)
- Oil prices rose 0.4% on Friday as upbeat China GDP growth fueled hopes of an uptick in demand.
- Gold prices rose 0.2% on Friday amid the back-and-forth speculation of the success of the US-China deal.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	97.6	0.3	1.3	1.3
Euro	1.11	-0.4	-1.1	-1.1
Japanese Yen	110.1	0.0	1.4	1.4
Sterling Pound	1.30	-0.5	-1.9	-1.9
Chinese Yuan	6.86	-0.3	-1.5	-1.5
Indian Rupee	71.1	0.2	-0.4	-0.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	0.6	0.6
Kuwaiti Dinar	0.30	0.0	0.1	0.1
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.78	0.0	-1.4	-1.4

Corporate Calendar

Date	Company	Event
19 th Jan	Wafa Insurance	OGM
20 th Jan	Sharqiya Dev Co.	EGM
20 th Jan	Ataa Educational	EGM
21 st Jan	Atheeb Telecom	EGM
21 st Jan	Takween	EGM
22 nd Jan	AlSorayai Group	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,828	0.4	2.3	2.3	7.0
Abu Dhabi (ADX)	5,179	0.1	2.0	2.0	13.2
Kuwait (KSE)	4,886	0.0	-0.5	-0.5	11.2
Qatar (QE)	10,698	0.4	2.6	2.6	14.8
Oman (MSM)	4,061	0.5	2.0	2.0	8.3
Bahrain (BSE)	1,640	0.2	1.8	1.8	11.3
Egypt (EGX30)	13,824	0.4	-1.0	-1.0	9.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,348	0.2	2.8	2.8	21.2
Nasdaq	9,174	0.5	5.0	5.0	29.5
S&P 500	3,330	0.4	3.1	3.1	23.7
FTSE 100	7,675	0.9	1.8	1.8	16.0
Germany DAX 30	13,526	0.7	2.1	2.1	18.0
France CAC 40	6,101	1.0	2.1	2.1	19.9
Japan Nikkei 225	24,041	0.5	1.6	1.6	18.9
Hong Kong Hang Seng	29,056	0.6	3.1	3.1	11.6
China Shanghai Composite	3,075	0.0	0.8	0.8	12.2
Australia ASX 200	7,064	0.3	5.7	5.7	18.3
India Sensex	41,945	0.0	1.7	1.7	23.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	68.0	-0.1	-1.3	-1.3
Brent Crude (\$/bbl)	64.9	0.4	-1.7	-1.7
Texas crude (\$/bbl)	58.6	0.1	-4.2	-4.2
Natural Gas (\$/mmbtu)	2.00	-3.6	-8.5	-8.5
Gold (\$/oz)	1,556	0.2	2.6	2.6
Silver (\$/oz)	18.0	0.3	0.9	0.9
Steel (\$/ton)	581	-0.2	-1.2	-1.2
Iron Ore (CNY/MT)	714	-0.1	2.7	2.7
Wheat (\$/bu)	571	0.9	2.1	2.1
Corn (\$/bu)	389	3.7	0.4	0.4
Sugar (\$/lb)	14.5	0.1	7.7	7.7
SMP* (EUR/MT)	2,620	-0.9	1.9	1.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.827	0.0	-8.2	-8.2
Saudi Arabia(SAIBOR)	2.221	0.0	-1.0	-1.0
UAE (EIBOR)	2.062	4.1	-14.6	-14.6
Qatar (QIBOR)	2.300	0.0	5.0	5.0
Bahrain (BHIBOR)	2.667	0.0	0.0	0.0

Data Sources: Tadawul, Bloomberg, Reuters

* Three-month Interbank rate **NA: Not Available

Updated as of January 16, 2020



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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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