

Major Economic News

- New foreign companies setting up operations in KSA rose by 54% Y/Y to 1,131 businesses in FY-19, the largest increase in 10 years, stated Saudi Arabian General Investment Authority (SAGIA). Q4-19 proved to be the busiest period of the year, with the number of new foreign companies increasing to 305 from 238 in Q4-18. (Source: Argaam)

Major Corporate News

- National Medical Care Company was awarded a contract by the Ministry of National Guard to provide admission services for the ministry's patients. The contract is valued at SAR 278.5mn including VAT and is valid for 3 years. (Source: Argaam)
- The Middle East Healthcare Company received the final license from the Ministry of Health to operate its hospital in Dammam with a capacity of 150 beds. The company expects to start receiving patients in its Dammam branch, located on King Fahad District Airport Road, from February 1, 2020. (Source: Argaam)
- UAE-based conglomerate Al Habtoor Group plans to expand in Saudi Arabia with a multimillion-dollar investment project in partnership with the Kingdom's tourism authorities. The project will include up to 7mn square meters of hotels, restaurants, theatres, retail and residential facilities, and lakes and beaches. (Source: Argaam)
- Saudi Marketing Co. renewed its SAR 200mn Shariah-compliant facility agreement with Al Rajhi Bank. The loan tenure starts from December 30, 2019 to November 30, 2020. The credit facility, which is guaranteed by a promissory note, will be used to finance working capital needs. (Source: Argaam)
- Saudi Enaya's board of directors recommended a 50% capital reduction to SAR 150mn from SAR 300mn to offset accumulated losses. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 8,449.3 on Sunday. The value traded stood at SAR 3.3bn (down 5.1% over previous day), while the advance-decline ratio stood at 126/56. The parallel market index increased 1.7% to 7,518.6 points. The value traded stood at SAR 21.8mn (down 9.9% over previous day). Most sectors in the main market ended in the green. Retailing and Transportation (up 1.9% and 1.4%, respectively) advanced the most; Food & Beverages and Pharma & Bio Tech (down 1.0% and 0.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
NGC	16.50	8.0
ALHOKAIR	28.90	6.5
EXTRA	82.00	5.1
SISCO	22.08	4.8
AMIANIT	16.28	4.8

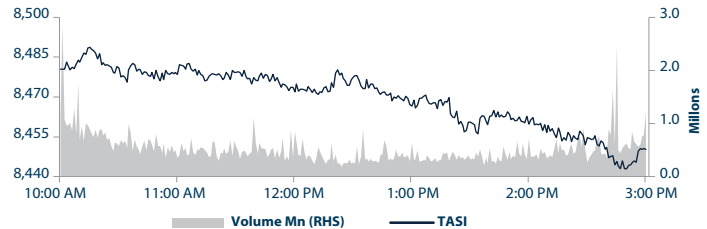
Top Losers

Company	Price	Change%
SABB	34.70	-2.0
TCC	16.20	-1.9
TAWUNIYA	79.00	-1.9
SHARQIYAH DEV	54.40	-1.8
METLIFE AIG ANB	20.60	-1.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,449	8,490	8,442	(0.1)	0.7
NomuC	7,519	7,576	7,336	1.7	4.7

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,310	(0.5)	(2.4)	18.6
Materials	5,253	0.0	1.7	36.0
Capital Goods	4,649	1.3	7.3	-12.4
Commercial Service	4,635	(0.1)	(2.9)	18.7
Transportation	4,660	1.4	6.0	22.3
Consumer Durables	3,635	0.2	3.7	-47.5
Consumer Services	4,152	0.5	4.9	39.8
Media	9,820	0.8	4.4	37.4
Retailing	8,015	1.9	4.1	34.3
Food & Staples	7,297	0.6	10.3	225.1
Food & Beverages	4,439	(1.0)	2.0	239.7
Healthcare	3,775	1.2	1.2	25.7
Pharma & Bio Tech	3,793	(0.9)	5.5	-23.3
Banks	8,157	(0.5)	0.6	14.3
Diversified Financials	3,525	0.8	6.7	641.0
Insurance	4,705	(0.1)	4.3	-302.2
Telecom	6,422	(0.2)	(0.8)	20.3
Utilities	4,452	0.6	1.2	-70.0
REITs	4,296	0.8	2.4	21.1
Real Estate	3,090	0.7	(1.4)	76.2

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,452	8,350	8,357	3.95

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	3.3	158.1	160.2
Previous week	20.7	950.8	884.8

Top Weighted Companies

Company	Price	Change%
AL RAJHI	66.30	0.2
SAUDI ARAMCO	34.60	0.7
NCB	47.25	0.1
SABIC	92.80	0.7
STC	98.50	0.1

Regional and International Markets

- Among other regional markets, Dubai increased 1.2%, while Abu Dhabi decreased 0.1%. Egypt, Kuwait and Oman rose 0.7%, 0.5% and 0.3%, respectively. Meanwhile, Qatar and Bahrain gained 0.1% each.
- The US housing starts surged 16.9% to an annual rate of 1.608mn (consensus: 1.375mn), a 13-year high in December, from the 1.375mn in November. Building permits fell 3.9% to a rate of 1.416mn units in December after hitting their highest level in more than 12.5 years in November. (Source: CNBC)
- The US consumer sentiment index fell to 99.1 in January (consensus: 99.6) from 99.3 in December. The sentiment indicator indicates how consumers view their personal finances and business and buying conditions. (Source: Marketwatch)
- US industrial production decreased 0.3% M/M in December (consensus: -0.2%) from rise of 0.8% in November, while manufacturing rose 0.2% M/M in December against 1.0% in November. The capacity utilization decreased to 77.0% in December from 77.4% in November. (Source: RTT News)
- UK retail sales declined 0.6% M/M in December (consensus: 0.6% growth). On a Y/Y basis, retail sales increased 0.9% in December compared with 0.8% in November. (Source: RTT News)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	97.6	0.0	1.3	1.3
Euro	1.11	0.0	-1.1	-1.1
Japanese Yen	110.1	0.0	1.4	1.4
Sterling Pound	1.30	0.0	-1.9	-1.9
Chinese Yuan	6.86	0.0	-1.5	-1.5
Indian Rupee	71.1	0.0	-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
20 th Jan	Sharqiya Dev Co.	OGM
20 th Jan	Ataa Educational	EGM
21 st Jan	Atheeb Telecom	EGM
21 st Jan	Takween	EGM
22 nd Jan	AlSorayai Group	EGM
27 th Jan	GASCO	EGM

*EGM: Extra Ordinary Meeting
*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,863	1.2	3.6	3.6	7.1
Abu Dhabi (ADX)	5,174	-0.1	1.9	1.9	13.2
Kuwait (KSE)	4,909	0.5	0.0	0.0	11.2
Qatar (QE)	10,713	0.1	2.8	2.8	14.8
Oman (MSM)	4,074	0.3	2.3	2.3	8.4
Bahrain (BSE)	1,642	0.1	2.0	2.0	11.3
Egypt (EGX30)	13,918	0.7	-0.3	-0.3	9.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,348	0.0	2.8	2.8	21.3
Nasdaq	9,174	0.0	5.0	5.0	29.7
S&P 500	3,330	0.0	3.1	3.1	23.8
FTSE 100	7,675	0.0	1.8	1.8	16.1
Germany DAX 30	13,526	0.0	2.1	2.1	18.1
France CAC 40	6,101	0.0	2.1	2.1	20.1
Japan Nikkei 225	24,041	0.0	1.6	1.6	19.0
Hong Kong Hang Seng	29,056	0.0	3.1	3.1	11.7
China Shanghai Composite	3,075	0.0	0.8	0.8	12.2
Australia ASX 200	7,064	0.0	5.7	5.7	18.4
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	0.0	-1.3	-1.3
Brent Crude (\$/bbl)	64.9	0.0	-1.7	-1.7
Texas crude (\$/bbl)	58.6	0.0	-4.2	-4.2
Natural Gas (\$/mmbtu)	2.00	0.0	-8.5	-8.5
Gold (\$/oz)	1,556	0.0	2.6	2.6
Silver (\$/oz)	18.0	0.0	0.9	0.9
Steel (\$/ton)	581	0.0	-1.2	-1.2
Iron Ore (CNY/MT)	714	0.0	2.7	2.7
Wheat (\$/bu)	571	0.0	2.1	2.1
Corn (\$/bu)	389	0.0	0.4	0.4
Sugar (\$/lb)	14.5	0.0	7.7	7.7
SMP* (EUR/MT)	2,620	0.0	1.9	1.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.819	0.0	-8.9	-8.9
Saudi Arabia(SAIBOR)	2.213	-0.9	-1.9	-1.9
UAE (EIBOR)	2.033	-2.9	-17.6	-17.6
Qatar (QIBOR)	2.288	-1.2	3.8	3.8
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 19, 2020



RESEARCH DIVISION

Head of Research

Talha Nazar

+966 11 2256250

t.nazar@aljaziracapital.com.sa

Senior Analyst

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

Analyst

Abdulrahman Al-Mashal

+966 11 2256374

A.Almashal@Aljaziracapital.com.sa

BROKERAGE AND INVESTMENT CENTERS DIVISION

General Manager – Brokerage Services & sales

Alaa Al-Yousef

+966 11 2256060

a.yousef@aljaziracapital.com.sa

AGM-Head of international and institutional brokerage

Luay Jawad Al-Motawa

+966 11 2256277

l.almutawa@aljaziracapital.com.sa

AGM-Head of Qassim & Eastern Province

Abdullah Al-Rahit

+966 16 3617547

a.alrahit@aljaziracapital.com.sa

AGM-Head of Sales And Investment Centers

Central Region, & acting head Western and

Southern Region Investment Centers

Sultan Ibrahim AL-Mutawa

+966 11 2256364

s.almutawa@aljaziracapital.com.sa

RESEARCH DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities may, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Corporate Finance | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068