



Major Economic News

- Saudi Arabia closed 71 start-up deals worth SAR 251mn in FY19, the highest in the past 5 years, supported by government initiatives, accelerator programs and a surge in investors, as per startup data platform MAGNiTT. The total number of startup investments and deals in FY19 grew by 35% Y/Y and 92% Y/Y, respectively. (Source: Argaam)

Major Corporate News

- Savola Group's board of directors approved to repurchase 700,000 shares (0.13% of total shares) and retain them as treasury shares under the Employees Long Term Incentive Program. (Source: Argaam)
- Saudi Basic Industries Corp. (SABIC) expects that the new capacities in key products lines that pressured its product prices and margins in FY19 will continue to impact FY20 earnings. (Source: Argaam)
- Saudi Kayan Petrochemical Co. will shut down its ethylene glycol/ ethylene oxide plants for 21 days starting from February 1, 2020 due to planned maintenance. A financial impact of SAR 117mn on Q1-20 financials based on the current average selling prices of these products. (Source: Argaam)
- Leejam Sports Company (Fitness Time) opened a new ladies' fitness center in Makkah. The financial impact will be reflected on the company's results as of Q1-20. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.2% to 8,185.5. The value traded stood at SAR 3.7bn (up 16.1% over previous day), while the advance-decline ratio stood at 124/57. The parallel market index decreased 0.6% to 7,209.3 points. The value traded stood at SAR 12.9mn (up 1.3% over previous day). Most sectors in the main market ended in the green. Transportation and Food & Staples (up 1.7% and 1.1%, respectively) advanced the most; Pharma & Bio Tech and Materials (down 0.9% and 0.7%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q4-19	Q4-18	Y/Y %	Q3-19	Q/Q %
Etihaad Ateeb Telecom. *	-9.8	-12.7	NM	-20.8	NM
Savola Group	137.3	-526.0	NM	221.8	-38.1
Dur Hospitality Co.	24.5	10.7	129.5	15.2	61.0
National Shipping Co.	249.1	91.4	172.5	146.7	69.8
Saudi Electricity Co.	-564	-3,801	NM	2,679	NM
Jarir Marketing Co.	276.9	290.3	-4.6	305.0	-9.2

*- Represents Q3-19 as year ending is March

Top Gainers

Company	Price	Change%
METLIFE AIG ANB	19.22	10.0
MEDGULF	22.82	9.9
ATAA	31.85	5.1
SISCO	23.04	5.1
SASCO	30.35	4.3

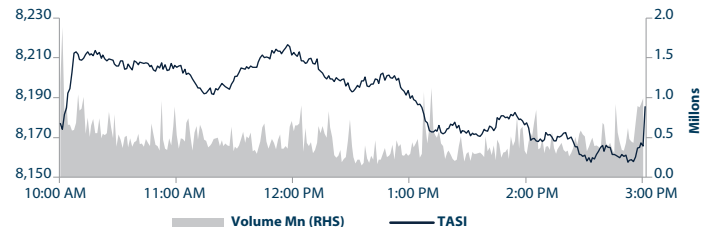
Top Losers

Company	Price	Change%
SPCC	69.60	-3.2
SAUDI CABLE	18.94	-3.0
ADC	12.14	-2.3
SAIB	17.26	-1.9
SABIC	87.20	-1.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,186	8,217	8,156	0.2	(2.4)
NomuC	7,209	7,457	7,209	(0.6)	0.4

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,279	0.3	(3.0)	18.5
Materials	5,030	(0.7)	(2.6)	34.5
Capital Goods	4,574	(0.1)	5.6	-12.2
Commercial Service	4,578	0.5	(4.1)	18.5
Transportation	4,631	1.7	5.4	22.2
Consumer Durables	3,716	0.6	6.0	-48.6
Consumer Services	4,180	0.6	5.6	40.1
Media	9,273	(0.1)	(1.4)	35.3
Retailing	7,845	1.1	1.9	33.5
Food & Staples	7,295	1.1	10.3	225.1
Food & Beverages	4,362	0.7	0.2	235.5
Healthcare	3,718	(0.6)	(0.3)	25.3
Pharma & Bio Tech	3,740	(0.9)	4.0	-22.9
Banks	7,846	0.7	(3.2)	13.7
Diversified Financials	3,482	0.2	5.4	633.0
Insurance	4,676	0.9	3.6	-300.3
Telecom	5,963	(0.5)	(7.9)	18.9
Utilities	4,341	0.8	(1.3)	-68.3
REITs	4,362	0.8	3.9	21.4
Real Estate	3,076	0.1	(1.8)	75.8
Software & Services	5,083	(0.5)	3.0	NA

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,249	8,350	8,334	3.84

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.2	626.6	652.6
Previous week	18.4	858.3	873.0

Top Weighted Companies

Company	Price	Change%
Al Rajhi	65.60	1.4
Saudi Aramco	34.40	0.4
NCB	45.80	1.6
SABIC	87.20	-1.9
STC	89.90	-1.1



Regional and International Markets

- Among other regional markets, Dubai increased 0.5%, while Abu Dhabi decreased 0.3%. Egypt and Bahrain rose 1.0% and 0.8%, respectively; while Kuwait and Qatar gained 0.4% and 0.2%, respectively. Meanwhile, Oman declined 0.2%.
- US Federal Reserve kept its benchmark funds rate unchanged between 1.5% to 1.75%, in-line with market expectations. The fed reaffirmed its commitment to raise the inflation level to targeted 2%. (Source: CNBC)
- As per the EIA, oil inventories in the US increased 3.5mn barrels (prior: down 0.4mn) to 431.7mn in the week ended January 24. Distillate inventories fell 1.3mn barrels (prior: down 1.2mn) to 144.7mn, and gasoline inventories increased 1.2mn barrels (prior: up 1.7mn) to 261.2mn. (Source: EIA, Econoday)
- US trade deficit increased to USD 68.3bn in December (consensus: USD 66.9bn) from USD 63.0bn in November. (Source: Econoday)
- Oil prices rose 0.5% as OPEC is considering preponing its March meeting by a month. However, increase in US oil inventories partly offset the gains.
- Gold prices rose 0.7% as the Federal Reserve kept US interest rates untouched. The prices were also supported by continued coronavirus risks.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	98.0	0.0	1.7	1.7
Euro	1.10	-0.1	-1.8	-1.8
Japanese Yen	109.0	-0.1	0.3	0.3
Sterling Pound	1.30	-0.1	-1.8	-1.8
Chinese Yuan	6.94	0.0	-0.4	-0.4
Indian Rupee	71.3	0.2	-0.1	-0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	0.0
Kuwaiti Dinar	0.30	0.0	0.3	0.3
Omani Rial	0.38	-0.1	0.0	0.0
Bahraini Dinar	0.38	-0.1	0.0	0.0
Egyptian Pound	15.75	0.0	-1.6	-1.6

Corporate Calendar

Date	Company	Event
30 th Jan	Jouf Cement	EGM
02 nd Feb	ADC	EGM
02 nd Feb	Derayah REIT	Cash Dividend Distribution
04 th Feb	Alujain	EGM
04 th Feb	Mulkia - Gulf REIT	OGM
06 th Feb	Mulkia - Gulf REIT	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,806	0.5	1.5	1.5	7.0
Abu Dhabi (ADX)	5,165	-0.3	1.8	1.8	13.4
Kuwait (KSE)	4,929	0.4	0.4	0.4	11.4
Qatar (QE)	10,441	0.2	0.1	0.1	14.4
Oman (MSM)	4,079	-0.2	2.5	2.5	8.3
Bahrain (BSE)	1,659	0.8	3.0	3.0	11.4
Egypt (EGX30)	13,763	1.0	-1.4	-1.4	9.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,734	0.0	0.7	0.7	20.9
Nasdaq	9,102	0.1	4.2	4.2	29.1
S&P 500	3,273	-0.1	1.3	1.3	23.4
FTSE 100	7,484	0.0	-0.8	-0.8	15.7
Germany DAX 30	13,345	0.2	0.7	0.7	17.9
France CAC 40	5,955	0.5	-0.4	-0.4	19.5
Japan Nikkei 225	23,379	0.7	-1.2	-1.2	18.7
Hong Kong Hang Seng	27,161	-2.8	-3.7	-3.7	10.9
China Shanghai Composite	2,977	0.0	-2.4	-2.4	11.7
Australia ASX 200	7,032	0.5	5.2	5.2	18.3
India Sensex	41,199	0.6	-0.1	-0.1	22.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	63.6	3.2	-7.7	-7.7
Brent Crude (\$/bbl)	59.8	0.5	-9.4	-9.4
Texas crude (\$/bbl)	53.3	-0.1	-12.8	-12.8
Natural Gas (\$/mmbtu)	1.88	-2.9	-14.3	-14.3
Gold (\$/oz)	1,577	0.7	3.9	3.9
Silver (\$/oz)	17.5	0.6	-1.6	-1.6
Steel (\$/ton)	580	-0.3	-1.4	-1.4
Iron Ore (CNY/MT)	710	0.0	2.1	2.1
Wheat (\$/bu)	562	-1.3	0.6	0.6
Corn (\$/bu)	384	-0.6	-0.9	-0.9
Sugar (\$/lb)	14.5	-0.3	8.0	8.0
SMP* (EUR/MT)	2,647	0.3	3.0	3.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.770	0.0	-13.9	-13.9
Saudi Arabia(SAIBOR)	2.181	-0.4	-5.0	-5.0
UAE (EIBOR)	2.039	0.5	-17.0	-17.0
Qatar (QIBOR)	2.308	1.9	5.8	5.8
Bahrain (BHIBOR)	2.667	0.0	0.0	0.0

Data Sources: Tadawul, Bloomberg, Reuters

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

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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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