

Major Economic News

- KSA's inflation stood at 0.2% in December, bucking an 11-month negative trend. The CPI for December rose to 106.5 points compared to 106.2 points in December 2018. Restaurants and hotels as well as miscellaneous goods and services saw the biggest increase of 2.6%, followed by 2.3% in Education. (Source: Argaam)
- Saudi Arabia sold its first Eurobond of the year as tension in the Middle East eased over the US assassination of a top Iranian general. The kingdom issued USD 5bn of debt, taking advantage of low borrowing costs globally, as it seeks to finance its growing budget deficit by selling about USD 32bn of local currency and international debt during 2020. (Source: Bloomberg)

Major Corporate News

- Saudi Paper Manufacturing Co.'s board of directors approved a chairman decision to revoke the chief executive's, Hassan Asiree, contract effective from January 21, 2020 based on Article 80 from the labor law. The board named Khaled Abo Hana as acting CEO effective from the same date. (Source: Argaam)
- Middle East Healthcare Co. expects to report better financial results in FY20 compared to FY19, stated President Makarem Sobhi Batterjee. He attributed the company's low profitability to the economic slowdown and lower receivables from the Ministry of Health, one of the company's main clients. The administrative monitoring business model in hospitals outside KSA helps the company increase profitability without incurring additional expenses. (Source: Argaam)
- Global hotel chain InterContinental Hotels Group (IHG) plans to open an office in Riyadh in March 2020, in a bid to support its existing operation and expansion drive in Saudi Arabia. Currently, IHG has a portfolio of 33 hotels and 20 hotels in the pipeline, which are expected to open in the next 3-5 years. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.3% to 8,445.3. The value traded stood at SAR 3.7bn (down 0.7% over previous day), while the advance-decline ratio stood at 98/87. The parallel market index increased 1.5% to 7,465.1 points. The value traded stood at SAR 17.5mn (up 22.6% over previous day). Most sectors in the main market ended in the red. Consumer Services and Pharma & Bio Tech (up 1.1% and 0.7%, respectively) advanced the most; Utilities and Transportation (down 0.7% each) led the laggards.

Top Gainers

Company	Price	Change%
ALYAMAMAH STEEL	20.98	8.3
MEDGULF	20.60	7.5
WALAA	19.00	6.4
SAUDI GERMAN HOSPTL	32.45	6.1
ALKHALEEJ TRNG	15.66	5.4

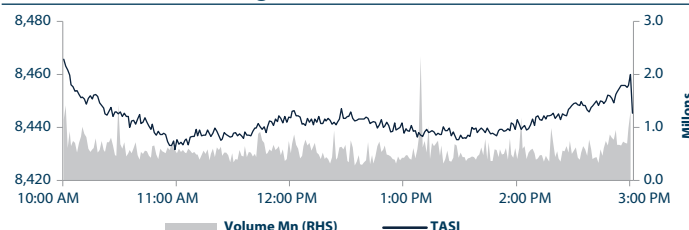
Top Losers

Company	Price	Change%
SISCO	22.20	-4.0
SHAKER	13.24	-3.4
ALHOKAIR	28.75	-2.7
MULKIA REIT	9.75	-2.2
ATAA	30.15	-2.0

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,445	8,466	8,431	(0.3)	0.7
NomuC	7,465	7,737	7,297	1.5	4.0

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,326	(0.2)	(2.1)	18.6
Materials	5,231	(0.4)	1.2	35.9
Capital Goods	4,649	0.2	7.3	-12.4
Commercial Service	4,698	(0.2)	(1.5)	19.0
Transportation	4,678	(0.7)	6.4	22.4
Consumer Durables	3,648	(0.2)	4.0	-47.7
Consumer Services	4,163	1.1	5.2	39.9
Media	9,722	(0.6)	3.4	37.0
Retailing	8,014	0.0	4.1	34.3
Food & Staples	7,228	0.5	9.3	223.0
Food & Beverages	4,437	0.0	1.9	239.6
Healthcare	3,810	0.6	2.1	25.9
Pharma & Bio Tech	3,839	0.7	6.8	-23.5
Banks	8,137	(0.6)	0.4	14.3
Diversified Financials	3,550	(0.1)	7.5	645.5
Insurance	4,766	0.7	5.6	-306.1
Telecom	6,462	0.1	(0.2)	20.4
Utilities	4,386	(0.7)	(0.3)	-69.0
REITs	4,303	0.0	2.5	21.2
Real Estate	3,111	0.6	(0.7)	76.7
Software & Services	5,233	(0.2)	6.1	NA

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,451	8,401	8,361	3.91

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	10.7	507.3	516.7
Previous week	20.7	950.8	884.8

Top Weighted Companies

Company	Price	Change%
Al Rajhi	66.10	-0.5
Saudi Aramco	34.55	-0.1
NCB	47.00	-0.5
SABIC	92.00	-1.0
STC	98.20	-0.3

Regional and International Markets

- Among other regional markets, Dubai increased 0.1%, while Abu Dhabi decreased 0.6%. Kuwait and Bahrain rose 0.1% each, while Oman and Egypt declined 0.4% and 1.0%, respectively. Meanwhile, Qatar remained flat.
- The Republican-controlled US Senate obstructed Democratic attempts to obtain evidence and call a witness in President Donald Trump's impeachment trial, an early indication that the proceeding could advance towards Trump's favour. (Source: Reuters)
- The UK employment rate reached a record high at 76.3% (0.6% Y/Y) in three months to November. Employment increased by 208,000 Q/Q to a record high of 32.90mn. Unemployment rate was unchanged at 3.8% (in-line with consensus). (Source: RTT News)
- Eurozone's net demand for loans declined in Q4-19, first time since 2013, despite low interest rates. However, demand for housing and consumer loans increased. (Source: RTT News)
- Oil prices declined 0.9%, as impact of Libyan crisis was offset by buildup in US gasoline and distillate inventories in past two weeks.
- Gold prices fell 0.2%, as the US investors shrugged off concerns related to coronavirus in China.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	97.5	-0.1	1.2	1.2
Euro	1.11	-0.1	-1.1	-1.1
Japanese Yen	109.9	-0.3	1.2	1.2
Sterling Pound	1.30	0.3	-1.6	-1.6
Chinese Yuan	6.90	0.6	-0.8	-0.8
Indian Rupee	71.2	0.2	-0.3	-0.3
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	0.2	0.2
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.76	0.1	-1.5	-1.5

Corporate Calendar

Date	Company	Event
22 nd Jan	AlSorayai Group	EGM
26 th Jan	SEDCO Capital REIT	Cash Dividend Distribution
27 th Jan	GASCO	EGM
27 th Jan	Walaa Insurance	EGM
27 th Jan	MetLife AIG Alarabi	EGM
28 th Jan	SABB	OGM

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

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,855	0.1	3.3	3.3	7.0
Abu Dhabi (ADX)	5,185	-0.6	2.1	2.1	13.3
Kuwait (KSE)	4,913	0.1	0.0	0.0	11.3
Qatar (QE)	10,694	0.0	2.6	2.6	14.8
Oman (MSM)	4,060	-0.4	2.0	2.0	8.4
Bahrain (BSE)	1,644	0.1	2.1	2.1	11.3
Egypt (EGX30)	13,640	-1.0	-2.3	-2.3	9.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,196	-0.5	2.3	2.3	21.3
Nasdaq	9,167	-0.1	5.0	5.0	29.7
S&P 500	3,321	-0.3	2.8	2.8	23.8
FTSE 100	7,611	-0.5	0.9	0.9	16.0
Germany DAX 30	13,556	0.1	2.3	2.3	18.2
France CAC 40	6,046	-0.5	1.1	1.1	19.9
Japan Nikkei 225	23,865	-0.9	0.9	0.9	18.9
Hong Kong Hang Seng	27,985	-2.8	-0.7	-0.7	11.2
China Shanghai Composite	3,052	-1.4	0.1	0.1	12.0
Australia ASX 200	7,066	-0.2	5.7	5.7	18.4
India Sensex	41,324	-0.5	0.2	0.2	22.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	67.5	-1.1	-1.9	-1.9
Brent Crude (\$/bbl)	64.6	-0.9	-2.1	-2.1
Texas crude (\$/bbl)	58.3	-0.5	-4.7	-4.7
Natural Gas (\$/mmbtu)	1.90	-5.4	-13.4	-13.4
Gold (\$/oz)	1,558	-0.2	2.7	2.7
Silver (\$/oz)	17.8	-1.6	-0.3	-0.3
Steel (\$/ton)	587	1.0	-0.2	-0.2
Iron Ore (CNY/MT)	710	-0.5	2.1	2.1
Wheat (\$/bu)	582	1.9	4.1	4.1
Corn (\$/bu)	388	-0.4	-0.1	-0.1
Sugar (\$/lb)	14.6	0.7	8.4	8.4
SMP* (EUR/MT)	2,625	0.2	2.1	2.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.802	0.0	-10.6	-10.6
Saudi Arabia(SAIBOR)	2.207	-0.4	-2.4	-2.4
UAE (EIBOR)	1.984	1.9	-22.4	-22.4
Qatar (QIBOR)	2.324	0.6	7.4	7.4
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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