



## Major Economic News

- The government spending on information and communication technologies (ICT) in Saudi Arabia will increase at a compound annual growth rate of 6.4% over the next 4 years, according to the latest forecast from International Data Corporation. The Saudi ICT market is set to grow in FY20 and will be driven by cloud services. (Source: Argaam)
- The Saudi Stock Exchange approved the request of Finance Ministry to list debt instruments issued by the government from a previously listed class, for a total value of SAR 6.0bn. The listing of government debt instruments reissue will start tomorrow January 28. (Source: Argaam)
- The value of Saudi Arabia's oil exports reached around SAR 62.3bn in November 2019, down 15% Y/Y. Oil exports accounted for 78.1% of the total exports for the month. Oil exports increased by SAR 4.7mn M/M. (Source: Argaam)
- The Ministry of Finance closed the January 2020 issuance under the Saudi Arabian Government SAR-denominated Sukuk Program. The issuance size was set at SAR 6.7bn divided into two tranches. (Source: Argaam)

## Major Corporate News

- Edarat Telecommunications and Information Technology, which is 50% owned by Al Moammar Information Systems, obtained a license to provide cloud computing services (level 1). (Source: Argaam)
- Saudi Enaya Cooperative Insurance Co. inked an agreement with International Medical Center to provide medical insurance services to the latter's staff and their dependents. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 1.8% to 8,178.5. The value traded stood at SAR 3.9bn (up 10.9% over previous day), while the advance-decline ratio stood at 22/169. The parallel market index decreased 1.1% to 7,376.8 points. The value traded stood at SAR 9.9mn (down 3.6% over previous day). Most sectors in the main market ended in the red. Food & Staples (up 0.8%) was the only gainer; Banks and Capital Goods (down 2.6% and 2.0%, respectively) led the laggards.

## Earnings update (Net Profit) (SAR mn)

Company	Q4-19	Q4-18	Y/Y %	Q3-19	Q/Q %
SIIG	62	26	138.5	160	-61.3
National Petrochemical Co.	131	236	-44.5	171	-23.4

## Top Gainers

Company	Price	Change%
MEDGULF	22.78	3.7
SABB TAKAFUL	18.80	3.4
ALHOKAIR	29.00	3.4
DUR	27.55	2.4
THOB ALASEEL	44.20	2.3

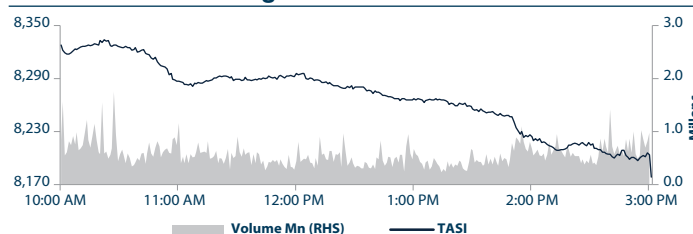
## Top Losers

Company	Price	Change%
ALSORAYAI GROUP	20.64	-9.6
UCA	10.22	-6.4
SABB	32.35	-5.6
WALAA	17.48	-5.5
METLIFE AIG ANB	18.44	-5.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,178	8,335	8,178	(1.8)	(2.5)
NomuC	7,377	7,535	7,334	(1.1)	2.8

## TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,245	(0.5)	(3.6)	18.3
Materials	5,068	(1.8)	(1.9)	34.7
Capital Goods	4,619	(2.0)	6.6	-12.3
Commercial Service	4,591	(1.4)	(3.8)	18.5
Transportation	4,579	(1.7)	4.2	21.9
Consumer Durables	3,689	(1.5)	5.2	-48.2
Consumer Services	4,164	(0.7)	5.2	39.9
Media	9,430	(1.3)	0.3	35.9
Retailing	7,883	(0.8)	2.4	33.7
Food & Staples	7,279	0.8	10.0	224.6
Food & Beverages	4,293	(1.3)	(1.4)	231.8
Healthcare	3,723	(1.8)	(0.2)	25.3
Pharma & Bio Tech	3,786	(0.9)	5.3	-23.2
Banks	7,810	(2.6)	(3.7)	13.7
Diversified Financials	3,473	(1.1)	5.2	631.5
Insurance	4,673	(1.9)	3.5	-300.1
Telecom	6,028	(1.8)	(6.9)	19.1
Utilities	4,306	(0.8)	(2.1)	-67.7
REITs	4,290	0.0	2.2	21.1
Real Estate	3,086	(0.8)	(1.5)	76.1
Software & Services	5,111	(1.4)	3.6	NA

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,353	8,405	8,354	3.88

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7.3	349.9	336.3
Previous week	18.4	858.3	873.0

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	64.70	-1.2
Saudi Aramco	34.25	-0.1
NCB	45.25	-3.1
SABIC	88.50	-1.4
STC	91.50	-1.2



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.2% each. Qatar, Egypt, and Bahrain fell 0.9%, 0.6%, and 0.1%, respectively. Kuwait and Oman declined 0.3% each.
- The US new home sales fell 0.4% M/M to annual rate of 694,000 in December (consensus: 728,000) compared with 697,000 in November. The decline was largely attributed to decrease in new home sales in the South, which plunged by 15.4% to a rate of 347,000. (Source: Econoday, RTT News)
- Deaths from coronavirus increased by 25 to at least 106 in China as the US and other governments prepared to fly their citizens out of the locked-down city at center of the outbreak. (Source: Marketwatch)
- Japanese Economy Minister Yasutoshi Nishimura warned that factory production and corporate profits might impact from the coronavirus outbreak in China. China is Japan's second largest export destination and a huge market for its retailers. (Source: Investing.com)
- Oil prices declined 2.3% to a three-month low, as coronavirus death toll continued to increase, which could result in decrease in demand for oil.
- Gold prices rose 0.7%, as investors relied on yellow metal amid fears of fast spreading coronavirus.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	98.0	0.1	1.6	1.6
Euro	1.10	-0.1	-1.7	-1.7
Japanese Yen	108.9	-0.3	0.3	0.3
Sterling Pound	1.31	-0.2	-1.6	-1.6
Chinese Yuan	6.94	0.0	-0.4	-0.4
Indian Rupee	71.4	0.2	0.1	0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.6	0.6	0.6
Kuwaiti Dinar	0.30	0.0	0.2	0.2
Omani Rial	0.38	-0.1	0.0	0.0
Bahraini Dinar	0.38	-0.1	0.0	0.0
Egyptian Pound	15.74	-0.1	-1.6	-1.6

## Corporate Calendar

Date	Company	Event
28 <sup>th</sup> Jan	SABB	OGM
30 <sup>th</sup> Jan	Jouf Cement	EGM
2 <sup>nd</sup> Feb	ADC	EGM
2 <sup>nd</sup> Feb	Derayah REIT	Cash Dividend Distribution
4 <sup>th</sup> Feb	Alujain	EGM
4 <sup>th</sup> Feb	Mulkia - Gulf REIT	OGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,789	-1.2	0.9	0.9	6.9
Abu Dhabi (ADX)	5,167	-1.2	1.8	1.8	13.2
Kuwait (KSE)	4,862	-0.3	-1.0	-1.0	11.3
Qatar (QE)	10,489	-0.9	0.6	0.6	14.5
Oman (MSM)	4,071	-0.3	2.3	2.3	8.3
Bahrain (BSE)	1,647	-0.1	2.3	2.3	11.3
Egypt (EGX30)	13,640	-0.6	-2.3	-2.3	9.8

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,536	-1.6	0.0	0.0	21.1
Nasdaq	8,952	-2.1	2.5	2.5	29.4
S&P 500	3,244	-1.6	0.4	0.4	23.6
FTSE 100	7,412	-2.3	-1.7	-1.7	15.5
Germany DAX 30	13,205	-2.7	-0.3	-0.3	17.7
France CAC 40	5,863	-2.7	-1.9	-1.9	19.3
Japan Nikkei 225	23,344	-2.0	-1.3	-1.3	18.5
Hong Kong Hang Seng	27,950	0.0	-0.9	-0.9	11.2
China Shanghai Composite	2,977	0.0	-2.4	-2.4	11.7
Australia ASX 200	7,091	0.0	6.1	6.1	18.5
India Sensex	41,155	-1.1	-0.2	-0.2	22.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	65.1	0.0	-5.4	-5.4
Brent Crude (\$/bbl)	59.3	-2.3	-10.1	-10.1
Texas crude (\$/bbl)	53.1	-1.8	-13.2	-13.2
Natural Gas (\$/mmbtu)	1.90	0.5	-13.1	-13.1
Gold (\$/oz)	1,582	0.7	4.3	4.3
Silver (\$/oz)	18.1	0.0	1.4	1.4
Steel (\$/ton)	582	0.0	-1.0	-1.0
Iron Ore (CNY/MT)	710	0.0	2.1	2.1
Wheat (\$/bu)	572	-0.2	2.4	2.4
Corn (\$/bu)	381	-1.7	-1.9	-1.9
Sugar (\$/lb)	14.2	-1.3	5.9	5.9
SMP* (EUR/MT)	2,640	0.0	2.7	2.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.795	0.0	-11.3	-11.3
Saudi Arabia(SAIBOR)	2.196	-0.1	-3.6	-3.6
UAE (EIBOR)	1.979	-3.1	-23.0	-23.0
Qatar (QIBOR)	2.285	-5.4	3.5	3.5
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 27, 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