

## Major Economic News

- The Saudi Arabian General Investment Authority signed SAR 615mn MoU with China's Shen Gong New Materials to establish an intelligent electronic manufacturing facility. The factory will be constructed through 3 phases and will produce plastics and lighting materials. (Source: Argaam)
- According to Minister of Communications and Information Technology Abdullah Al-Swaha, about five companies have applied to obtain a license for mobile virtual network operators. (Source: Argaam)

## Major Corporate News

- Al-Sorayai Trading and Industrial Group shareholders approved a capital hike to SAR 178.2mn from SAR 65.5mn, through rights issue worth SAR 112.7mn. (Source: Argaam)
- The General Authority for Competition approved Fawaz Abdulaziz Alhokair Co.'s request to acquire Innovative Union Co. In August 2019, it had signed an agreement to acquire Innovative Union, owned by Food and Entertainment Company, for SAR 340mn. The transaction includes acquiring main brands such as Seattle's Best Coffee, Cinnabon, Mama Bunz, and Molten Chocolate Café. (Source: Argaam)
- Samba Financial Group announced its intention to offer notes under its USD 5bn Euro Medium Term Note program. The offer is expected to be in US dollars through a special purpose vehicle. (Source: Argaam)
- Sadara Chemical Company announced that Paris-based Veolia Middle East SAS has laid the foundation stone of a waste-to-energy plant in PlasChem Park located in Jubail Industrial City II. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 8,428.2 points. The value traded stood at SAR 3.6bn (down 0.3% over previous day), while the advance-decline ratio stood at 92/83. The parallel market index was flat at 7,464.3 points. The value traded stood at SAR 11.3mn (down 35.1% over previous day). Most sectors in the main market ended in the red. Consumer Services and Capital Goods (up 1.4% each) advanced the most; Pharma & Bio Tech and Retailing (down 0.9% and 0.8%, respectively) led the laggards.

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

Company	Q4-19	Q4-18	Y/Y %	Q3-19	Q/Q %
Saudi Telecom Co.	2,411	3,106	-22.4	2,746	-12.2
Yanbu National Petchem.	170.9	233.5	-26.8	212.1	-19.4

## Top Gainers

Company	Price	Change%
ALHOKAIR GROUP	20.42	5.8
UACC	28.00	5.3
SABB TAKAFUL	18.32	4.8
SPPC	14.12	4.3
CITY CEMENT	19.68	3.9

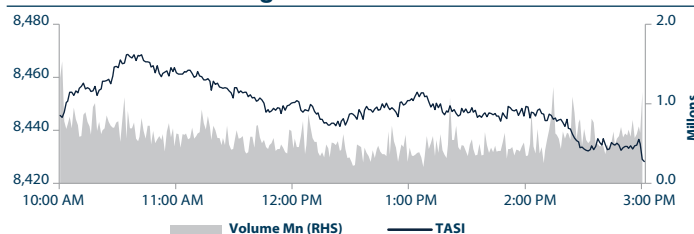
## Top Losers

Company	Price	Change%
ALSORAYAI GROUP	34.20	-3.4
SASCO	28.95	-3.2
ALMRAKEZ	30.55	-2.9
MASHAAR REIT	8.05	-2.8
ZAIN KSA	12.32	-2.7

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,428	8,471	8,428	(0.2)	0.5
NomuC	7,464	7,558	7,387	0.0	4.0

## TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,308	(0.3)	(2.5)	18.6
Materials	5,240	0.2	1.4	35.9
Capital Goods	4,713	1.4	8.8	-12.6
Commercial Service	4,704	0.1	(1.4)	19.0
Transportation	4,669	(0.2)	6.2	22.3
Consumer Durables	3,667	0.5	4.6	-47.9
Consumer Services	4,222	1.4	6.6	40.5
Media	9,712	(0.1)	3.3	37.0
Retailing	7,949	(0.8)	3.3	34.0
Food & Staples	7,224	(0.1)	9.2	222.9
Food & Beverages	4,438	0.0	1.9	239.6
Healthcare	3,805	(0.1)	2.0	25.9
Pharma & Bio Tech	3,806	(0.9)	5.9	-23.3
Banks	8,101	(0.4)	(0.1)	14.2
Diversified Financials	3,540	(0.3)	7.2	643.6
Insurance	4,763	(0.1)	5.5	-305.9
Telecom	6,436	(0.4)	(0.6)	20.4
Utilities	4,367	(0.4)	(0.7)	-68.7
REITs	4,309	0.1	2.7	21.2
Real Estate	3,114	0.1	(0.6)	76.8
Software & Services	5,194	(0.7)	5.3	NA

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,450	8,432	8,365	3.89

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.3	677.3	686.3
Previous week	20.7	950.8	884.8

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	66.10	0.0
Saudi Aramco	34.45	-0.3
NCB	47.00	0.0
SABIC	91.80	-0.2
STC	97.80	-0.4

## Regional and International Markets

- Among other regional markets, Dubai decreased 0.2%, while Abu Dhabi increased 1.0%. Egypt and Bahrain rose 0.8% and 0.5%, respectively. Kuwait declined 0.2%, while Oman and Qatar fell 0.1% each.
- US President Donald Trump warned to impose high tariffs on imports of cars from European Union if the union doesn't agree to a trade deal. (Source: Reuters)
- US existing home sales increased 3.6% M/M in December (consensus: 1.2%) to annual rate of 5.54mn, compared to a fall of 1.7% M/M in November. The existing home sales rose 10.8% Y/Y versus 2.7% in November. (Source: Econoday, RTT News)
- US MBA Mortgage Composite Index declined 1.2% W/W in the week ended January 17 compared with a growth of 30.2% earlier. The Purchase Index fell 2.0% W/W against an increase of 16.0% earlier, and the Refinance Index was down 2.0% W/W compared with a prior rise of 43.0%. (Source: Econoday)
- Oil prices dropped 2.1% to a seven-week low due to surplus supply forecast by the International Energy Agency and concerns over the adverse economic impact from the coronavirus.
- § Gold prices rose 0.1% as ambiguity over coronavirus led to the demand for safe-haven yellow metal.

## 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
26 <sup>th</sup> Jan	SEDCO CAPITAL REIT	EGM
27 <sup>th</sup> Jan	GASCO	Cash Dividend Distribution
27 <sup>th</sup> Jan	Walaa Insurance	EGM
27 <sup>th</sup> Jan	MetLife AIG Alarabi	EGM
27 <sup>th</sup> Jan	MIS	EGM
28 <sup>th</sup> Jan	SABB	OGM

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

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,849	-0.2	3.0	3.0	7.0
Abu Dhabi (ADX)	5,234	1.0	3.1	3.1	13.3
Kuwait (KSE)	4,903	-0.2	-0.2	-0.2	11.3
Qatar (QE)	10,681	-0.1	2.4	2.4	14.7
Oman (MSM)	4,056	-0.1	1.9	1.9	8.3
Bahrain (BSE)	1,651	0.5	2.6	2.6	11.4
Egypt (EGX30)	13,752	0.8	-1.5	-1.5	9.7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,186	0.0	2.3	2.3	21.2
Nasdaq	9,189	0.2	5.2	5.2	29.6
S&P 500	3,322	0.0	2.8	2.8	23.8
FTSE 100	7,572	-0.5	0.4	0.4	15.9
Germany DAX 30	13,516	-0.3	2.0	2.0	18.1
France CAC 40	6,011	-0.6	0.6	0.6	19.8
Japan Nikkei 225	24,031	0.7	1.6	1.6	19.0
Hong Kong Hang Seng	28,341	1.3	0.5	0.5	11.4
China Shanghai Composite	3,061	0.3	0.3	0.3	12.1
Australia ASX 200	7,133	0.9	6.7	6.7	18.6
India Sensex	41,115	-0.5	-0.3	-0.3	22.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	67.2	-0.5	-2.4	-2.4
Brent Crude (\$/bbl)	63.2	-2.1	-4.2	-4.2
Texas crude (\$/bbl)	56.8	-2.6	-7.2	-7.2
Natural Gas (\$/mmbtu)	1.91	0.5	-13.0	-13.0
Gold (\$/oz)	1,559	0.1	2.7	2.7
Silver (\$/oz)	17.8	0.3	-0.1	-0.1
Steel (\$/ton)	581	-1.0	-1.2	-1.2
Iron Ore (CNY/MT)	701	-1.2	0.9	0.9
Wheat (\$/bu)	578	-0.6	3.4	3.4
Corn (\$/bu)	389	0.3	0.3	0.3
Sugar (\$/lb)	14.7	0.8	9.2	9.2
SMP* (EUR/MT)	2,640	0.6	2.7	2.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.806	0.0	-10.2	-10.2
Saudi Arabia(SAIBOR)	2.204	-0.3	-2.7	-2.7
UAE (EIBOR)	1.980	-0.5	-22.9	-22.9
Qatar (QIBOR)	2.325	0.1	7.5	7.5
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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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.
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