



Major Economic News

- Saudi Arabia's banking sector remains well capitalized, reflecting stiff regulatory requirements and strong profitability, credit ratings agency Fitch Ratings said in a report. The report added that Saudi banks have one of the highest weighted average common equity Tier 1 ratio globally. Further it noted that non-performing loan ratios have been rising but remain low by international standards. (Source: Argaam)
- Saudi bank loans granted to the public and private sectors rose 7% Y/Y by the end of December 2019 to SAR 1.60tn compared to 1.49tn in December 2018, according to data from SAMA. Private sector lending also rose 7% Y/Y to SAR 1.54tn, while the value of loans to the public sector jumped 15% Y/Y to SAR 61.6bn by the end of December. (Source: Argaam)

Major Corporate News

- Dr. Sulaiman Al Habib Medical Group (HMG) issued a prospectus for its IPO. The medical group will float 52.50mn shares, or 15% of its capital in the planned IPO. The institutional offering will begin on February 10 and end on February 19, and the offering price will be announced on February 20. The retail offering will run from February 26 to March 3. (Source: Argaam)
- Family-owned companies, BinDawood Group and Supreme Foods are expected to go public in 2020. BinDawood Group, which aims to raise SAR 1.5bn, is expected to list on the Saudi Stock Exchange around the end of Q1-20 or early Q2-20. Supreme Foods, which produces processed and cooked meat in 3 factories, plans to list in Q2-20 and raise SAR 300mn to SAR 400mn. (Source: Argaam)
- Mulkia Gulf Real Estate REIT's unitholders approved a capital increase from SAR 600mn to SAR 681mn. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.5% to 8,094.4. The value traded stood at SAR 3.6bn (down 7.4% over previous day), while the advance-decline ratio stood at 77/106. The parallel market index decreased 3.6% to 7,230.0 points. The value traded stood at SAR 30.1mn (up 251.3% over previous day). Most sectors in the main market ended in the red. Healthcare and Transportation (up 1.6% and 1.4%, respectively) advanced the most; Pharma & Bio Tech and Telecom (down 1.6% and 1.4%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q4-19	Q4-18	Y/Y %	Q3-19	Q/Q %
BANQUE SAUDI FRANSI	515	-1,432	NM	880.0	-41.5

Top Gainers

Company	Price	Change%
SHARQIYAH DEV	71.00	9.9
ALJOUF	25.40	9.4
NCLE	31.30	8.1
ATAA	34.50	3.6
FITNESS TIME	84.50	3.1

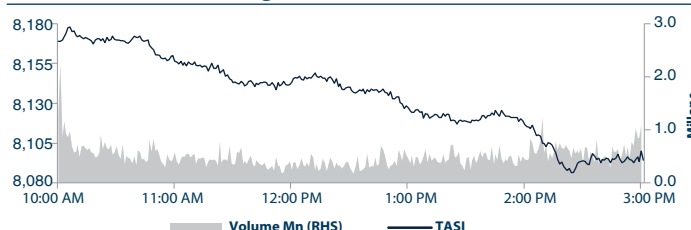
Top Losers

Company	Price	Change%
SAUDI CABLE	15.28	-9.9
JOUF CEMENT	10.36	-5.7
ALSORAYAI GROUP	18.20	-3.7
JADWA REIT	8.32	-3.3
TCC	17.16	-3.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,094	8,179	8,085	(0.5)	(3.5)
NomuC	7,230	7,619	7,187	(3.6)	0.7

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,140	(0.7)	(5.6)	17.6
Materials	4,933	(0.7)	(4.5)	42.9
Capital Goods	4,516	(0.5)	4.2	-12.1
Commercial Service	4,571	0.1	(4.2)	18.4
Transportation	4,724	1.4	7.5	22.6
Consumer Durables	3,697	(0.2)	5.4	-390.4
Consumer Services	4,285	0.7	8.2	39.9
Media	9,213	0.3	(2.0)	35.1
Retailing	7,815	(0.2)	1.5	33.3
Food & Staples	7,307	(0.5)	10.4	225.5
Food & Beverages	4,361	0.8	0.2	47.7
Healthcare	3,804	1.6	2.0	25.9
Pharma & Bio Tech	3,753	(1.6)	4.4	-23.0
Banks	7,794	(0.6)	(3.9)	13.8
Diversified Financials	3,530	(0.8)	6.9	641.8
Insurance	4,627	(0.2)	2.5	-297.2
Telecom	5,856	(1.4)	(9.5)	19.7
Utilities	4,305	(0.6)	(2.1)	47.5
REITs	4,348	(0.2)	3.6	21.6
Real Estate	3,043	(0.9)	(2.9)	74.4
Software & Services	5,389	0.0	9.2	NA

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,150	8,199	8,316	3.71

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.8	610.7	676.0
Previous week	18.0	772.3	808.7

Top Weighted Companies

Company	Price	Change%
Al Rajhi	66.40	0.2
Saudi Aramco	33.65	-0.6
NCB	46.05	-0.8
SABIC	86.40	-0.7
STC	88.20	-1.1



Regional and International Markets

- Among other regional markets, Dubai increased 0.2%, while Abu Dhabi decreased 0.3%. Egypt and Qatar rose 0.5% and 0.3%, respectively, while Kuwait, Oman and Bahrain declined 0.5% each.
- China declared that it will halve tariffs on US goods worth approximately USD 75bn. Tariffs will be reduced from 10% to 5% on some goods, and from 5% to 2.5% on others. (Source: CNBC)
- According to EIA, oil inventories in the US increased 3.4mn barrels (prior: up 3.5mn) to 435.0mn in the week ended January 31. Distillate inventories fell 1.5mn barrels (prior: down 1.3mn) to 143.2mn, and gasoline inventories declined 0.1mn barrels (prior: up 1.2mn) to 261.1mn. (Source: EIA, Econoday)
- US ISM Non-manufacturing Index rose to 55.5 in January (consensus: 55.2) from 54.9 in December. The business activity index jumped to 60.9 in January from 57.0 in December. (Source: Econoday, RTT News)
- Oil prices rose 2.4%, as investors anticipated recovery in oil demand on optimism that vaccine development for the coronavirus could help control the epidemic.
- Gold prices rose 0.3%, as investors capitalized on overall upward trend in the metal due to low interest rate environment and global uncertainties.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	98.3	0.3	0.9	2.0
Euro	1.10	-0.4	-0.9	-1.9
Japanese Yen	109.8	0.3	1.3	1.1
Sterling Pound	1.30	-0.2	-1.5	-2.0
Chinese Yuan	6.97	-0.4	0.5	0.1
Indian Rupee	71.2	0.1	-0.5	-0.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	-0.6	0.0
Kuwaiti Dinar	0.30	0.0	0.1	0.3
Omani Rial	0.38	0.1	0.0	0.1
Bahraini Dinar	0.38	0.1	0.0	0.0
Egyptian Pound	15.73	-0.1	-0.1	-1.7

Corporate Calendar

Date	Company	Event
06 th Feb	Mulkia - Gulf REIT	Cash Dividend Distribution
12 nd Feb	Northern Cement	EGM
18 th Feb	GACO	OGM
18 th Feb	QACCO	Cash Dividend Distribution
19 th Feb	TADCO	EGM
19 th Feb	Tihama	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,772	0.2	-0.7	0.2	6.9
Abu Dhabi (ADX)	5,081	-0.3	-1.5	0.1	13.0
Kuwait (KSE)	4,861	-0.5	-1.2	-1.0	11.3
Qatar (QE)	10,298	0.3	-1.4	-1.2	14.2
Oman (MSM)	4,125	-0.5	1.1	3.6	8.6
Bahrain (BSE)	1,655	-0.5	-0.2	2.8	11.4
Egypt (EGX30)	13,987	0.5	0.5	0.2	10.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,291	1.7	3.7	2.6	20.3
Nasdaq	9,367	0.4	4.2	7.3	28.9
S&P 500	3,335	1.1	3.4	3.2	23.3
FTSE 100	7,482	0.6	2.7	-0.8	16.3
Germany DAX 30	13,478	1.5	3.8	1.7	18.0
France CAC 40	5,985	0.8	3.1	0.1	19.6
Japan Nikkei 225	23,320	1.0	-1.4	-1.4	18.4
Hong Kong Hang Seng	26,787	0.4	1.8	-5.0	10.8
China Shanghai Composite	2,818	1.3	-5.3	-7.6	11.1
Australia ASX 200	6,976	0.4	-0.6	4.4	18.1
India Sensex	41,143	0.9	1.0	-0.3	21.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	58.4	0.6	-15.1	-15.1
Brent Crude (\$/bbl)	55.3	2.4	-5.0	-16.2
Texas crude (\$/bbl)	50.9	2.6	-1.4	-16.8
Natural Gas (\$/mmbtu)	1.86	-0.6	1.1	-15.0
Gold (\$/oz)	1,556	0.3	-2.1	2.6
Silver (\$/oz)	17.6	0.1	-2.4	-1.3
Steel (\$/ton)	579	0.0	-1.5	-1.5
Iron Ore (CNY/MT)	694	-4.9	-0.2	-0.2
Wheat (\$/bu)	562	0.9	1.5	0.6
Corn (\$/bu)	381	-0.4	-0.1	-1.8
Sugar (\$/lb)	14.7	0.1	0.8	9.8
SMP* (EUR/MT)	2,647	2.8	3.0	3.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.737	0.0	-1.4	-17.1
Saudi Arabia(SAIBOR)	2.160	0.0	-1.9	-7.1
UAE (EIBOR)	1.903	-16.2	-16.9	-30.6
Qatar (QIBOR)	2.288	-0.6	-1.4	3.8
Bahrain (BHIBOR)	2.583	-8.3	-8.3	-8.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of February 5 2020



RESEARCH DIVISION

AGM-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
lalmutawa@aljaziracapital.com.sa

AGM-Head of Qassim & Eastern Province
Abdullah Al-Rahit
+966 16 3617547
aalrahit@aljaziracapital.com.sa

AGM-Head of Central & Western 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

- 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.
- 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.
- 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.
- 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