



Major Economic News

- OPEC oil output declined by 509,000 bpd to 28.9 mbpd in January. The organization lowered its forecast for global oil demand growth to 1.0 mbpd in FY20 due to the Coronavirus outbreak. As regards the non-OPEC countries, output is expected to reduce by 100,000 bpd to 2.4 mbpd. The average price of OPEC's crude basket during January was USD65.1 per barrel, a USD1.4 drop from USD66.5 in December. (Source: Argaam)
- PIF targets to increase its assets to USD 400bn (SAR 1.5tn) by the end of FY20. According to data from SWF Institute, PIF's assets reached USD320bn (SAR 1.2tn) in May 2019. (Source: Argaam)
- The bank branches operating in Saudi Arabia reached 2,076 in FY19, up from 2,064 branches at the end of FY18. A total of 48 new branches opened last year, while 36 others were closed down. (Source: Argaam)

Major Corporate News

- ACWA Power is in talks with PIF to increase the latter's stake in the company to 45% from current 25%. The deal is expected to be closed between the end Q1-20 or the beginning of Q2-20. (Source: Argaam)
- SAMA approved the request of United Cooperative Assurance Co. to amend its activity permit, limiting it to insurance activity only. Its previous activity included insurance and cooperative reinsurance services. (Source: Argaam)
- Arabian Shield Cooperative Insurance Co. received the approval of the Saudi Council of Cooperative Health Insurance on requalification for 3 years. The requalification is effective from February 15, 2020 until February 14, 2023. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.2% to 7,915.4. The value traded stood at SAR 3.4bn (down 7.3% over previous day), while the advance-decline ratio stood at 72/113. The parallel market index increased 1.1% to 7,953.9 points. The value traded stood at SAR 31.7mn (up 46.6% over previous day). Most sectors in the main market ended in the red. Media and Software & Services (up 2.7% and 1.5%, respectively) advanced the most; Pharma & Bio Tech and Consumer Services (down 1.2% and 1.1%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q4-19	Q4-18	Y/Y %	Q3-19	Q/Q %
Rabigh Refining & Petchem	-887.0	-105.0	NM	394.0	NM

Top Gainers

Company	Price	Change%
ANAAM HOLDING	168.20	9.2
SRECO	14.20	6.0
BAAZEEM	42.85	3.9
SHAKER	13.00	3.8
TCC	17.28	3.6

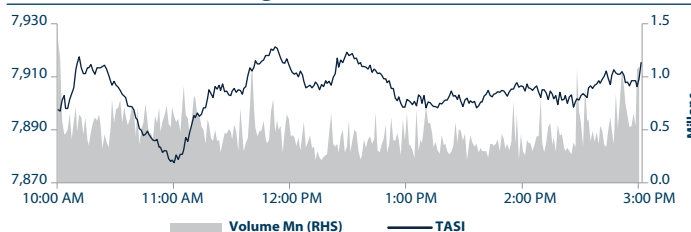
Top Losers

Company	Price	Change%
SARCO	44.55	-10.0
ZAIN KSA	10.14	-7.0
DAR ALARKAN	9.19	-5.9
DUR	31.55	-4.4
NCLE NCLE	28.80	-3.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	7,915	7,923	7,877	0.2	(5.6)
NomuC	7,954	8,253	7,785	1.1	10.8

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,061	(0.7)	(7.0)	17.3
Materials	4,827	(0.1)	(6.6)	42.0
Capital Goods	4,458	0.4	2.9	-11.9
Commercial Service	4,463	(0.3)	(6.5)	18.0
Transportation	4,611	(0.7)	4.9	22.1
Consumer Durables	3,650	(0.2)	4.1	-385.4
Consumer Services	4,236	(1.1)	7.0	39.5
Media	9,378	2.7	(0.2)	35.7
Retailing	7,631	0.2	(0.9)	32.5
Food & Staples	7,135	(0.3)	7.8	220.1
Food & Beverages	4,330	0.0	(0.5)	47.4
Healthcare	3,773	0.4	1.1	25.6
Pharma & Bio Tech	3,707	(1.2)	3.1	-22.7
Banks	7,612	1.1	(6.1)	13.4
Diversified Financials	3,514	(1.0)	6.4	639.0
Insurance	4,530	0.5	0.4	-291.0
Telecom	5,668	(0.4)	(12.4)	19.1
Utilities	4,044	(0.4)	(8.1)	44.6
REITs	4,222	(0.6)	0.6	21.0
Real Estate	2,975	(0.9)	(5.0)	72.8
Software & Services	5,300	1.5	7.4	NA

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,958	8,054	8,202	3.72

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.2	557.6	645.5
Previous week	19.3	782.4	860.9

Top Weighted Companies

Company	Price	Change%
Al Rajhi	63.90	1.3
Saudi Aramco	33.20	-0.7
NCB	45.85	1.2
SABIC	83.60	0.1
STC	86.00	-0.2



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.5% and 0.2%, respectively. Kuwait and Oman rose 0.1% each, while Qatar, Egypt and Bahrain declined 1.4%, 1.2%, and 0.1%, respectively.
- According to the EIA, oil inventories in the US increased 7.5mn barrels (prior: up 3.4mn) to 442.5mn in the week ended February 7. Distillate inventories fell 2.0mn barrels (prior: down 1.5mn) to 141.2mn, and gasoline inventories declined 0.1mn barrels (prior: down 0.1mn) to 261.0mn. (Source: EIA, Econoday)
- Eurozone industrial production declined 2.1% M/M in December (consensus: -1.8%) after remaining flat in November. On a Y/Y basis, it fell 4.1% in December (consensus: -2.1%) against a decrease of 1.7% in November. Capital goods decreased to 4.0%, while intermediates, consumer durable and consumer non-durables fell 1.7%, 1.1% and 1.3%, respectively. (Source: Econoday, RTT News)
- Oil prices surged 3.3% due to speculation that China was gaining grip on its fight against coronavirus, further supported by hopes of Russia agreeing to output cut proposed by OPEC.
- Gold prices fell 0.1%, as investors turned to risk assets on easing fears of spread of coronavirus.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	99.0	0.3	1.7	2.8
Euro	1.09	-0.4	-2.0	-3.0
Japanese Yen	110.1	0.3	1.6	1.4
Sterling Pound	1.30	0.1	-1.8	-2.3
Chinese Yuan	6.97	0.1	0.5	0.1
Indian Rupee	71.3	0.0	-0.3	-0.1
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	0.3	0.5
Omani Rial	0.38	-0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.68	0.1	-0.4	-2.0

Corporate Calendar

Date	Company	Event
18 th Feb	GACO	OGM
18 th Feb	QACCO	Cash Dividend Distribution
19 th Feb	TADCO	EGM
19 th Feb	Tihama	EGM
20 th Feb	Wataniya	OGM
24 th Feb	Wafa Insurance	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,730	-0.5	-2.2	-1.3	6.8
Abu Dhabi (ADX)	5,066	-0.2	-1.8	-0.2	12.9
Kuwait (KSE)	4,841	0.1	-1.6	-1.4	11.3
Qatar (QE)	9,953	-1.4	-4.7	-4.5	13.9
Oman (MSM)	4,108	0.1	0.7	3.2	8.5
Bahrain (BSE)	1,662	-0.1	0.2	3.2	11.5
Egypt (EGX30)	13,845	-1.2	-0.5	-0.8	10.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,551	0.9	4.6	3.5	20.5
Nasdaq	9,613	1.0	6.9	10.1	29.1
S&P 500	3,379	0.6	4.8	4.6	23.6
FTSE 100	7,534	0.5	3.4	-0.1	16.4
Germany DAX 30	13,750	0.9	5.9	3.8	18.3
France CAC 40	6,105	0.8	5.1	2.1	19.6
Japan Nikkei 225	23,861	0.7	0.9	0.9	18.8
Hong Kong Hang Seng	27,824	0.9	5.7	-1.3	11.2
China Shanghai Composite	2,927	0.9	-1.7	-4.0	11.6
Australia ASX 200	7,088	0.5	1.0	6.0	18.3
India Sensex	41,566	0.8	2.1	0.8	22.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	57.8	1.4	-16.1	-16.1
Brent Crude (\$/bbl)	55.8	3.3	-4.1	-15.5
Texas crude (\$/bbl)	51.1	2.3	-0.9	-16.4
Natural Gas (\$/mmbtu)	1.84	3.1	0.2	-15.8
Gold (\$/oz)	1,565	-0.1	-1.5	3.2
Silver (\$/oz)	17.5	-1.0	-3.2	-2.1
Steel (\$/ton)	578	0.2	-1.7	-1.7
Iron Ore (CNY/MT)	681	0.0	-2.0	-2.0
Wheat (\$/bu)	548	1.0	-1.1	-2.0
Corn (\$/bu)	383	0.9	0.5	-1.2
Sugar (\$/lb)	15.8	2.4	8.0	17.6
SMP* (EUR/MT)	2,600	-1.8	1.2	1.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.707	0.0	-4.4	-20.1
Saudi Arabia(SAIBOR)	2.146	-0.1	-3.3	-8.6
UAE (EIBOR)	1.984	1.9	-8.8	-22.4
Qatar (QIBOR)	2.322	-1.6	2.1	7.2
Bahrain (BHIBOR)	2.583	0.0	-8.3	-8.3

Data Sources: Tadawul, Bloomberg, Reuters

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

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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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