



Major Economic News

- KSA's seasonally adjusted IHS Markit PMI rose slightly to 44.4 in April from 42.4 in March, which was the lowest reading since the survey began in August 2009. The non-oil private sector shrank for the second consecutive month in April and its output hit a record low as lockdowns and business closures to tackle the new coronavirus impacted the economy. (Source: Zawya)
- SAMA affirmed its commitment to the riyal-dollar peg, as a strategic choice. The Central bank stated that it remains committed to maintaining the exchange rate at the official rate of SAR 3.75 to the USD as an anchor of monetary and financial stability. (Source: Argaam)

Major Corporate News

- Al Moammar Information Systems Co. signed a SAR 290mn Shariah compliant bank facilities agreement with Riyadh Bank. The credit is intended to be used to finance project contracts waived for the benefit of Riyadh Bank. (Source: Argaam)
- Saudi Basic Industries Corp. is suspending new capital expenditure after an oil-price slump and coronavirus-related lockdowns hammered demand for chemicals and pushed the company into a SAR 950mn loss in Q1-20. (Source: Arabian Business)
- Electrical Industries Co.'s shareholders approved buying back of 350,000 treasury shares under the Employee Long Term Incentive Program. (Source: Argaam)
- AlAbdullatif Industrial Investment Co. said that the government's precautionary measures to contain the spread of the COVID-19 outbreak will have a negative impact on the revenues of the company and its subsidiaries, due to reducing staff numbers. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.2% to 6,596.0 on Wednesday. The value traded stood at SAR 4.9bn (down 11.0% over previous day), while the advance-decline ratio stood at 128/55. The parallel market index increased 1.4% to 6,726.4 points. The value traded stood at SAR 14.1mn (down 55.9% over previous day). Most sectors in the main market ended in the green. Media and Food & Staples (up 6.5% and 4.6%, respectively) advanced the most; Banks and Real Estate (down 0.6% and 0.4%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

| Company | Q1-20 | Q1-19 | Y/Y % | Q4-19 | Q/Q % |
|-------------------------------|-------|-------|-------|-------|-------|
| National Medical Care Company | 33.2 | 30.0 | 10.6 | 19.6 | 68.9 |
| Middle East Paper Co. | 4.1 | 5.8 | -28.7 | 3.5 | 17.3 |

**NA: Not Meaningful

Top Gainers

| Company | Price | Change% |
|------------|-------|---------|
| ACIG | 19.84 | 10.0 |
| ALLIANZ SF | 24.26 | 10.0 |
| WATANIYA | 20.90 | 8.9 |
| SRMG | 60.40 | 6.7 |
| GULF UNION | 11.44 | 6.5 |

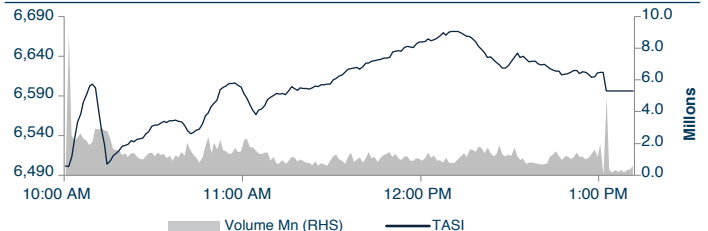
Top Losers

| Company | Price | Change% |
|----------|-------|---------|
| ZAIN KSA | 10.18 | -7.3 |
| QACCO | 48.30 | -6.8 |
| UACC | 17.46 | -6.2 |
| YSCC | 17.76 | -5.6 |
| SPCC | 45.55 | -5.4 |

Saudi Stock Exchange

| Index | Closing | High | Low | Daily Change% | YTD % | PE (TTM) |
|-------|---------|-------|-------|---------------|--------|----------|
| TASI | 6,596 | 6,673 | 6,493 | 0.2 | (21.4) | 18.7 |
| NomuC | 6,726 | 6,900 | 6,574 | 1.4 | (6.3) | High |

TASI movement during session



| Index | Close | Daily Change% | YTD % | PE (TTM) |
|------------------------|-------|---------------|--------|----------|
| Energy | 4,638 | 1.7 | (14.8) | 18.5 |
| Materials | 3,877 | (0.2) | (25.0) | 41.2 |
| Capital Goods | 3,250 | (0.3) | (25.0) | Neg |
| Commercial Service | 3,421 | 1.3 | (28.3) | 12.8 |
| Transportation | 3,180 | (0.2) | (27.7) | 14.3 |
| Consumer Durables | 2,911 | 0.1 | (17.0) | Neg |
| Consumer Services | 2,970 | 1.3 | (25.0) | 23.6 |
| Media | 7,289 | 6.5 | (22.5) | 21.3 |
| Retailing | 6,435 | 1.2 | (16.4) | 19.5 |
| Food & Staples | 7,679 | 4.6 | 16.1 | 38.3 |
| Food & Beverages | 4,437 | 0.2 | 1.9 | 36.0 |
| Healthcare | 3,292 | 1.5 | (11.7) | 22.4 |
| Pharma & Bio Tech | 3,298 | 0.1 | (8.3) | Neg |
| Banks | 5,902 | (0.6) | (27.2) | 10.9 |
| Diversified Financials | 2,744 | 1.1 | (16.9) | High |
| Insurance | 4,073 | 2.4 | (9.8) | 27.2 |
| Telecom | 5,828 | (0.1) | (10.0) | 18.1 |
| Utilities | 3,467 | (0.1) | (21.2) | 45.1 |
| REITs | 3,549 | 1.4 | (15.4) | 22.3 |
| Real Estate | 2,508 | (0.4) | (19.9) | High |
| Software & Services | 5,622 | 2.5 | 14.0 | 11.2 |

**Neg: Negative

Average Index Value

| Average 5 days | Average 10 days | Average 20 days | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|---|
| 6,833 | 6,747 | 6,787 | 5.23 |

Market Statistics

| | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week | 10.5 | 557.8 | 471.1 |
| Previous week | 25.9 | 1,308.7 | 1,123.2 |

Top Weighted Companies

| Company | Price | Change% |
|--------------|-------|---------|
| Al Rajhi | 52.70 | 0.2 |
| Saudi Aramco | 30.50 | 1.7 |
| NCB | 34.50 | -0.4 |
| SABIC | 69.00 | 0.0 |
| STC | 88.40 | 0.2 |



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.1% and 1.7%, respectively. Egypt, Oman, Kuwait, Bahrain and Qatar declined 1.2%, 1.1%, 0.8%, 0.7% and 0.2%, respectively.
- WHO said that it will speak with the US government and Gilead Sciences on how antiviral drug Remdesivir could be made more widely available to treat Covid-19, as data shows its effectiveness. (Source: CNBC)
- US factory orders declined by 10.3% in March (consensus: a fall of 9.5%) compared to a revised decrease of 0.1% in February. The orders decreased for both durable (-14.7%) and non-durable (-5.8%) goods. (Source: Econoday, RTT News)
- Eurozone final PMI fell to 33.4 in March (flash estimate: 33.6), a record low, from 44.5 in February. Output, new orders, export sales, and purchasing activity, all fell at record rates due to a combination of factors such as widespread factory closures, slumping demand and supply shortages amid covid-19. (Source: Econoday, RTT News)
- Oil prices increased 2.9%, as investors expected easing of supply glut due to output cuts.
- Gold prices rose 0.1% on rising tension between US and China after US president criticized China on handling of the coronavirus pandemic.

Forex / Currency

| Currency | Close | Daily Change% | MTD % | YTD % |
|----------------|-------|---------------|-------|-------|
| Dollar Index | 99.5 | 0.4 | 0.5 | 3.2 |
| Euro | 1.09 | -0.7 | -0.4 | -2.7 |
| Japanese Yen | 106.7 | -0.2 | -0.4 | -1.7 |
| Sterling Pound | 1.24 | -0.5 | -1.2 | -6.2 |
| Chinese Yuan | 7.06 | 0.0 | 0.0 | 1.4 |
| Indian Rupee | 75.6 | -0.2 | 0.7 | 6.0 |
| UAE Dirham | 3.67 | 0.0 | 0.0 | 0.0 |
| Qatari Rial | 3.65 | -0.1 | -0.1 | 0.3 |
| Kuwaiti Dinar | 0.31 | -0.2 | -0.2 | 1.9 |
| Omani Rial | 0.38 | 0.0 | 0.0 | 0.0 |
| Bahraini Dinar | 0.38 | -0.1 | -0.1 | 0.1 |
| Egyptian Pound | 15.70 | 0.0 | 0.0 | -1.9 |

Corporate Calendar

| Date | Company | Event |
|----------------------|--------------|----------------------------|
| 05 th May | Saudi Cement | Cash Dividend Distribution |
| 05 th May | BJAZ | Cash Dividend Distribution |
| 05 th May | SABB | Cash Dividend Distribution |
| 05 th May | Extra | EGM |
| 05 th May | Nadec | EGM |
| 05 th May | TASNEE | OGM |

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

| Market | Close | Daily Change% | MTD % | YTD % | P/E |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM) | 1,925 | -1.1 | -5.0 | -30.4 | 4.8 |
| Abu Dhabi (ADX) | 4,038 | -1.7 | -4.6 | -20.4 | 10.4 |
| Kuwait (KSE) | 4,139 | -0.8 | -2.1 | -15.7 | 10.5 |
| Qatar (QE) | 8,668 | -0.2 | -1.1 | -16.9 | 13.3 |
| Oman (MSM) | 3,500 | -1.1 | -1.1 | -12.1 | 7.7 |
| Bahrain (BSE) | 1,301 | -0.7 | -0.7 | -19.2 | 9.7 |
| Egypt (EGX30) | 10,082 | -1.2 | -4.5 | -27.8 | 7.4 |

International Markets

| Index | Close | Daily Change% | MTD % | YTD % | P/E |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones | 23,750 | 0.1 | -2.4 | -16.8 | 17.7 |
| Nasdaq | 8,834 | 1.3 | -1.8 | 1.2 | 27.0 |
| S&P 500 | 2,843 | 0.4 | -2.4 | -12.0 | 20.5 |
| FTSE 100 | 5,754 | -0.2 | -2.5 | -23.7 | 13.9 |
| Germany DAX 30 | 10,467 | -3.6 | -3.6 | -21.0 | 15.8 |
| France CAC 40 | 4,378 | -4.2 | -4.2 | -26.8 | 16.2 |
| Japan Nikkei 225 | 19,619 | -2.8 | 3.7 | -17.1 | 16.8 |
| Hong Kong Hang Seng | 23,614 | -4.2 | -4.2 | -16.2 | 10.2 |
| China Shanghai Composite | 2,860 | 0.0 | 0.0 | -6.2 | 11.9 |
| Australia ASX 200 | 5,320 | 1.4 | -3.7 | -20.4 | 15.1 |
| India Sensex | 31,715 | -5.9 | -5.9 | -23.1 | 17.6 |

Commodity Markets

| Commodity | Price | Daily Change% | MTD % | YTD % |
|---------------------------|-------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 19.1 | -7.2 | -7.2 | -72.3 |
| Brent Crude (\$/bbl) | 27.2 | 2.9 | 7.6 | -58.8 |
| Texas crude (\$/bbl) | 20.4 | 3.1 | 8.2 | -66.7 |
| Natural Gas (\$/mmbtu) | 1.99 | 5.4 | 2.3 | -9.0 |
| Gold (\$/oz) | 1,701 | 0.1 | 1.3 | 12.2 |
| Silver (\$/oz) | 14.8 | -0.7 | -1.2 | -16.8 |
| Steel (\$/ton) | 483 | 0.6 | 3.2 | -17.9 |
| Iron Ore (CNY/MT) | 691 | 0.0 | 0.0 | -0.6 |
| Wheat (\$/bu) | 524 | 0.5 | -1.0 | -6.2 |
| Corn (\$/bu) | 311 | -0.2 | -0.2 | -19.9 |
| Sugar (\$/lb) | 10.4 | -5.2 | 0.1 | -22.5 |
| SMP* (EUR/MT) | 1,850 | 0.0 | 0.0 | -28.0 |

*SMP: Skimmed Milk Powder

Interbank Rates

| Region | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|----------------------|-------|-------------------|-----------|-----------|
| USD LIBOR | 0.541 | -1.5 | -1.5 | -136.8 |
| Saudi Arabia(SAIBOR) | 1.206 | -1.4 | -2.9 | -102.6 |
| UAE (EIBOR) | 1.213 | -16.3 | -33.7 | -99.6 |
| Qatar (QIBOR) | 1.260 | 6.0 | -2.3 | -99.0 |
| Bahrain (BHIBOR) | 2.133 | 16.7 | 16.7 | -53.3 |

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of May 4, 2020



RESEARCH DIVISION

AGM-Head of Research

Talha Nazar

+966 11 2256250
t.nazar@aljaziracapital.com.sa

Analyst

Faisal Alsuwelimy

+966 11 2256115
F.alsuwelimy@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 institutions

Ahmad Salman, CFA

+966 11 2256201
a.salman@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

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 maybe, 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