



Major Economic News

- The combined health & wellness food and beverage markets in KSA and the UAE (~ 85% of the GCC health and wellness market) is estimated to reach SAR 54.6bn (USD14.6bn) at a CAGR of 10.9% by the end of FY20, according to Frost & Sullivan. (Source: Argaam)
- Saudi Arabia witnessed a softer reduction in commercial real estate occupier confidence compared to other countries globally, despite a sharp decline in sentiment due to the COVID-19 pandemic and low oil prices, as per the Royal Institution of Chartered Surveyors. (Source: Argaam)

Major Corporate News

- Moody's Investors Service affirmed the ratings of the Saudi Aramco, Saudi Basic Industries Corporation (SABIC), Saudi Telecom Company and Saudi Electricity Company, but downgraded their outlook to negative from stable. The rating actions are a direct consequence of the sovereign rating action and reflect the credit linkages between the Government of KSA and each of the four government-related issuers. (Source: Argaam)
- Ataa Educational Co. terminated the agreement signed with Al-Falah Co. to acquire Riyadh-based Al-Falah Schools without any penal terms or financial impact in accordance with the conditions of the deal. The decision follows the government's measures to curb the spread of COVID-19, as the company will be unable to achieve the set plan supposed to start from the first day of purchase. (Source: Argaam)
- National Company for Learning & Education fulfilled all conditions stated in the purchase agreement to acquire Al-Ghad National Schools. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.4% to 6,628.5. The value traded stood at SAR 3.6bn (down 14.9% over previous day), while the advance-decline ratio stood at 58/124. The parallel market index decreased 2.2% to 6,972.9 points. The value traded stood at SAR 8.8mn (down 23.8% over previous day). Most sectors in the main market ended in the red. Healthcare and Capital Goods (up 1.1% and 0.7%, respectively) advanced the most; Pharma & Bio Tech and Utilities (down 3.0% and 1.3%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q1-20	Q1-19	Y/Y %	Q4-19	Q/Q %
The National Agricultural Dev. Co.	18.2	-3.7	NM	-60.0	NM
Arabian Cement Co.	45.1	37.1	21.6	73.6	-38.7
Saudi Company for Hardware	11.7	19.2	-39.1	6.1	93.4
The National Company for Glass Ind.	2.3	4.6	-50.0	-27.2	NM
City Cement Co.	70.5	41.4	70.1	55.4	27.2

**NA: Not Meaningful

Top Gainers

Company	Price	Change%
YSCC	18.96	4.0
MOUWASAT	83.30	3.5
SAUDI CERAMICS	28.00	3.3
SACO	40.20	3.1
FARM SUPERSTORES	21.00	2.9

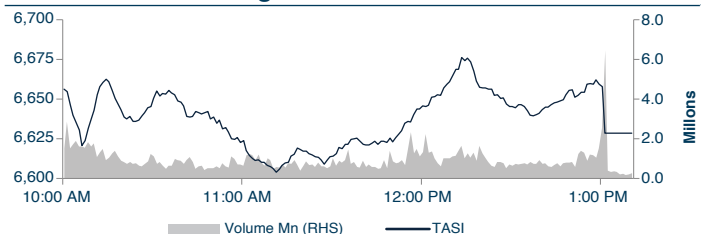
Top Losers

Company	Price	Change%
ARAB SEA	30.25	-4.9
ABO MO.	14.64	-3.7
ALHOKAIR	10.52	-3.5
MAADEN	32.40	-3.3
OASIS	46.30	-3.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	6,629	6,678	6,603	(0.4)	(21.0)	19.0
NomuC	6,973	7,169	6,914	(2.2)	(2.9)	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	4,698	(1.0)	(13.7)	18.8
Materials	3,918	(0.5)	(24.2)	41.7
Capital Goods	3,342	0.7	(22.9)	Neg
Commercial Service	3,391	(0.9)	(28.9)	12.7
Transportation	3,235	(0.3)	(26.4)	14.5
Consumer Durables	3,014	0.2	(14.0)	Neg
Consumer Services	2,981	(1.1)	(24.7)	23.7
Media	6,937	(0.5)	(26.2)	20.3
Retailing	6,286	(0.4)	(18.3)	19.0
Food & Staples	7,836	0.2	18.4	39.2
Food & Beverages	4,426	0.5	1.7	35.8
Healthcare	3,485	1.1	(6.6)	23.9
Pharma & Bio Tech	3,602	(3.0)	0.2	Neg
Banks	5,931	(0.1)	(26.8)	11.0
Diversified Financials	2,773	(0.6)	(16.0)	High
Insurance	4,076	(1.0)	(9.7)	27.2
Telecom	5,849	(0.4)	(9.6)	18.2
Utilities	3,388	(1.3)	(23.0)	44.0
REITs	3,542	(1.1)	(15.6)	22.2
Real Estate	2,458	(0.8)	(21.5)	High
Software & Services	5,733	(0.4)	16.2	11.3

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
6,635	6,783	6,737	4.57

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	22.8	1,187.3	1,054.0

Top Weighted Companies

Company	Price	Change%
Al Rajhi	53.60	0.2
Saudi Aramco	31.00	-0.8
NCB	33.90	-0.3
SABIC	70.80	0.1
STC	88.40	0.2



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.2% and 1.0%, respectively. Qatar and Oman rose 0.5% and 0.3%, respectively; while Egypt, Bahrain and Kuwait declined 1.1%, 0.7% and 0.6%, respectively.
- US non-farm payroll employment declined by 20.5mn jobs M/M (consensus: a fall of 21.5mn) in April after tumbling by a revised 870,000 jobs in March. The unemployment rate level increased to 14.7% in April (consensus: 16.4%) from 4.4% in March. (Source: Econoday)
- According to Baker Hughes, North America's rig count decreased to 400 in the week ended May 08. The rig count fell to 374 from 408 in the US, and to 15 from 16 in the Gulf of Mexico. The rig count in Canada fell to 26 from 27 earlier. (Source: Econoday)
- US initial jobless claims fell to 3,169k (consensus: 3,041k), representing a fall of 677k from the previous week's revised level of 3,846k. (Source: Econoday)
- Oil prices increased 5.1% on Friday, as US oil producers accelerated production cuts; while more US states intended to ease lockdown.
- Gold prices fell 1.0%, as investors turned to risky assets amid hopes of recovery in US economy despite dismal economic data.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	99.7	-0.2	0.7	3.5
Euro	1.08	0.1	-1.0	-3.3
Japanese Yen	106.7	0.4	-0.5	-1.8
Sterling Pound	1.24	0.4	-1.5	-6.4
Chinese Yuan	7.07	-0.1	0.2	1.6
Indian Rupee	75.5	-0.4	0.6	5.8
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	0.1	0.4
Kuwaiti Dinar	0.31	0.0	0.0	2.1
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.2	0.4
Egyptian Pound	15.70	0.0	0.0	-1.9

Corporate Calendar

Date	Company	Event
10 th May	SARCO	Cash Dividend Distribution
10 th May	Bahri	Cash Dividend Distribution
10 th May	Zahrat Al Waha	Cash Dividend Distribution
10 th May	Saudi Re	EGM
10 th May	HMG	EGM
11 st May	STC	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	1,923	0.2	-5.1	-30.5	4.8
Abu Dhabi (ADX)	4,062	1.0	-4.0	-20.0	10.7
Kuwait (KSE)	4,138	-0.6	-2.1	-15.7	10.4
Qatar (QE)	8,799	0.5	0.4	-15.6	13.5
Oman (MSM)	3,484	0.3	-1.6	-12.5	7.7
Bahrain (BSE)	1,280	-0.7	-2.4	-20.5	9.2
Egypt (EGX30)	10,177	-1.1	-3.6	-27.1	7.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	24,331	1.9	-0.1	-14.7	18.7
Nasdaq	9,220	1.3	2.4	5.6	28.7
S&P 500	2,930	1.7	0.6	-9.3	21.5
FTSE 100	5,936	0.0	0.6	-21.3	14.4
Germany DAX 30	10,904	1.3	0.4	-17.7	16.6
France CAC 40	4,550	1.1	-0.5	-23.9	18.1
Japan Nikkei 225	20,179	2.6	6.7	-14.7	17.3
Hong Kong Hang Seng	24,230	1.0	-1.7	-14.0	10.5
China Shanghai Composite	2,895	0.8	1.2	-5.1	12.0
Australia ASX 200	5,391	0.5	-2.4	-19.3	15.4
India Sensex	31,643	0.6	-6.2	-23.3	17.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	22.0	-3.1	7.0	-68.0
Brent Crude (\$/bbl)	31.0	5.1	22.6	-53.1
Texas crude (\$/bbl)	24.7	5.1	31.3	-59.5
Natural Gas (\$/mmbtu)	1.82	-3.7	-6.5	-16.7
Gold (\$/oz)	1,701	-1.0	1.2	12.1
Silver (\$/oz)	15.5	-0.3	2.9	-13.3
Steel (\$/ton)	479	1.1	2.4	-18.5
Iron Ore (CNY/MT)	687	1.5	-0.7	-1.2
Wheat (\$/bu)	530	0.1	0.0	-5.2
Corn (\$/bu)	319	0.9	2.4	-17.7
Sugar (\$/lb)	10.3	-0.4	-1.0	-23.3
SMP* (EUR/MT)	1,915	0.0	3.5	-25.5

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.435	-1.3	-12.2	-147.4
Saudi Arabia(SAIBOR)	1.169	-1.6	-6.6	-106.3
UAE (EIBOR)	0.863	-39.7	-68.7	-134.6
Qatar (QIBOR)	2.233	5.0	26.7	-43.3
Bahrain (BHIBOR)	2.183	3.3	21.7	-48.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of May 7, 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