



Major Economic News

- Saudi Arabia re-imposed strict measures against COVID-19 in Jeddah for 15 days, starting from June 6 until June 20, in response to an evaluation of the health situation in the city by relevant authorities. The curfew in Jeddah will be between 3 p.m. and 6 a.m. and prayers at mosques will be suspended again. (Source: Argaam)
- Saudi bank loans granted to the public and private sectors increased 12% Y/Y by the end of April 2020 to SAR 1.7tn. Private sector lending also rose 12% Y/Y to SAR 1.6tn. (Source: Argaam)

Major Corporate News

- NCB Capital Co., the fund manager of AlAhli REIT Fund 1, announced the gradual reopening of Alandalus Mall. Restaurants and cafes at the mall will open from 6am to 8pm until June 20. However, activities that do not ensure social distancing, such as beauty salons, recreation centers, cinemas and others specified by competent authorities will not be permitted. (Source: Argaam)
- National Water Co. has completed 84 water and environmental projects worth SAR 2.8bn by the end of May. The new projects will provide services for 630,000 additional users across the Kingdom. (Source: Argaam)
- Fawaz Abdulaziz Alhokair & Co. announced that its stores in Jeddah will remain open from 6.30am to 2.30pm until June 20. (Source: Argaam)
- Saudi Ground Services Company relocated its headquarters in Jeddah, effective June 7, to Al Yasamin Commercial Center in King Abdul Aziz Road, Al-Basatin district. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 7,207.8 on Thursday. The value traded stood at SAR 4.8bn (down 17.5% over previous day), while the advance-decline ratio stood at 83/100. The parallel market index increased 4.5% to 7,810.8 points. The value traded stood at SAR 47.4mn (down 29.1% over previous day). Most sectors in the main market ended in the red. Insurance and Food & Staples (up 1.1% each) advanced the most; Utilities and Software & Services (down 1.8% and 1.7%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q1-20 (SAR bn)	Q1-19 (SAR bn)	Y/Y %	Q1-19 (SAR bn)	Q/Q %
Saudi Chemical Co.	38.0	39.3	-3.4	-50.7	NM
Red Sea International Co.	-25.1	-18.0	NM	1.5	NM
National Gypsum Co.	17.7	-3.5	NM	9.3	89.6

**NA: Not Meaningful

Top Gainers

Company	Price	Change%
SHARQIYAH DEV	66.80	5.7
BUPA ARABIA	115.00	4.7
CHUBB	22.88	4.2
JAZIRA TAKAFUL	16.60	3.8
ALJOUF	27.65	3.4

Top Losers

Company	Price	Change%
MEDGULF	22.40	-5.3
YCC	25.55	-5.2
ALBABTAIN	21.60	-2.4
SABB	22.84	-2.4
NAMA CH.	18.06	-2.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,208	7,208	7,129	(0.2)	(14.1)	20.0
NomuC	7,811	7,923	7,460	4.5	8.8	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	4,887	(1.4)	(10.2)	19.5
Materials	4,476	(0.3)	(13.4)	49.1
Capital Goods	3,509	(0.4)	(19.0)	Neg
Commercial Service	3,625	0.2	(24.0)	13.5
Transportation	3,475	0.4	(20.9)	15.8
Consumer Durables	3,167	(0.5)	(9.7)	Neg
Consumer Services	3,155	0.5	(20.3)	24.9
Media	7,080	(1.0)	(24.7)	20.7
Retailing	6,296	(0.6)	(18.2)	19.0
Food & Staples	9,106	1.1	37.6	45.2
Food & Beverages	5,098	0.7	17.1	41.5
Healthcare	3,593	0.6	(3.7)	24.4
Pharma & Bio Tech	3,628	0.9	0.9	Neg
Banks	6,469	(0.1)	(20.2)	12.1
Diversified Financials	2,925	(0.1)	(11.4)	High
Insurance	4,460	1.1	(1.2)	29.8
Telecom	6,462	0.8	(0.2)	20.3
Utilities	3,525	(1.8)	(19.9)	45.9
REITs	3,624	(0.7)	(13.7)	22.6
Real Estate	2,467	(0.6)	(21.3)	High
Software & Services	6,061	(1.7)	22.9	12.1

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,243	7,111	6,885	5.89

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	30.1	1,521.6	1,381.3

Top Weighted Companies

Company	Price	Change%
Al Rajhi	58.10	0.5
Saudi Aramco	32.20	-1.7
NCB	39.45	-0.6
SABIC	88.10	0.1
STC	99.90	0.4



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 2.0% and 0.4%, respectively. Egypt gained 1.9%, while Kuwait and Qatar rose 0.4% each. Oman and Bahrain declined 0.5% and 0.2%, respectively.
- OPEC+ agreed to extend record oil production cuts of 9.7mn bpd until the end of July.
- The US nonfarm payroll increased 2.5mn M/M in May (consensus: decline of 7.7mn) compared with prior revised decrease of 20.7mn in April. The unemployment rate level decreased to 13.3% in May (consensus: 19.8%) from 14.7% in April. The private payroll increased 3.1mn in May compared with prior revised decline of 19.7mn in April. (Source: Econoday)
- According to Baker Hughes, North America's rig count decreased to 305 in the week ended June 05 from 321 earlier. The rig count fell to 284 from 301 in the US, while increased to 13 from 12 in the Gulf of Mexico. The rig count in Canada rose to 21 from 20 earlier. (Source: Econoday)
- Oil prices jumped 5.8% on Friday driven by unexpected recovery in US job data in May, supported by hopes of extension output cut by OPEC+.
- Gold prices fell 1.5%, as investors abandoned safe haven following better than expected US jobs data.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	96.9	0.3	-1.4	0.6
Euro	1.13	-0.5	1.7	0.7
Japanese Yen	109.6	0.4	1.7	0.9
Sterling Pound	1.27	0.5	2.6	-4.5
Chinese Yuan	7.08	-0.4	-0.8	1.7
Indian Rupee	75.6	0.2	0.0	5.9
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	0.6	0.6
Kuwaiti Dinar	0.31	-0.1	-0.1	1.6
Omani Rial	0.38	0.0	-0.1	0.0
Bahraini Dinar	0.38	-0.1	-0.1	0.0
Egyptian Pound	16.23	0.0	2.3	1.4

Corporate Calendar

Date	Company	Event
08 th Jun	HB	Cash Dividend Distribution
08 th Jun	Alinma Tokio M	EGM
08 th Jun	Mepco	OGM
09 th Jun	Buruj	OGM
09 th Jun	GACO	OGM
09 th Jun	Nama Chemicals	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,039	2.0	4.9	-26.2	8.0
Abu Dhabi (ADX)	4,303	0.4	3.9	-15.2	11.7
Kuwait (KSE)	4,163	0.4	0.3	-15.2	10.5
Qatar (QE)	9,252	0.4	4.6	-11.3	14.2
Oman (MSM)	3,518	-0.5	-0.8	-11.6	8.1
Bahrain (BSE)	1,273	-0.2	0.3	-20.9	9.1
Egypt (EGX30)	10,621	1.9	3.9	-23.9	7.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	27,111	3.2	6.8	-5.0	20.5
Nasdaq	9,824	2.0	2.8	12.5	30.8
S&P 500	3,194	2.6	4.9	-1.1	22.2
FTSE 100	6,484	2.3	6.7	-14.0	16.7
Germany DAX 30	12,848	3.4	10.9	-3.0	20.4
France CAC 40	5,198	3.7	10.7	-13.1	20.7
Japan Nikkei 225	22,864	0.7	4.5	-3.4	20.6
Hong Kong Hang Seng	24,770	1.7	7.9	-12.1	10.8
China Shanghai Composite	2,931	0.4	2.8	-3.9	12.0
Australia ASX 200	5,999	0.1	4.2	-10.3	16.9
India Sensex	34,287	0.9	5.7	-16.9	19.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	35.5	7.0	23.9	-48.5
Brent Crude (\$/bbl)	42.3	5.8	19.7	-35.9
Texas crude (\$/bbl)	39.6	5.7	11.4	-35.3
Natural Gas (\$/mmbtu)	1.78	-2.2	-3.6	-18.6
Gold (\$/oz)	1,685	-1.5	-2.4	11.1
Silver (\$/oz)	17.4	-2.0	-2.6	-2.6
Steel (\$/ton)	517	0.0	0.8	-12.1
Iron Ore (CNY/MT)	795	0.3	2.4	14.4
Wheat (\$/bu)	515	-1.6	-1.1	-7.8
Corn (\$/bu)	331	0.7	1.7	-14.6
Sugar (\$/lb)	12.0	2.5	10.2	-10.4
SMP* (EUR/MT)	2,145	-1.4	-1.1	-16.5

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.313	-0.5	-3.1	-159.6
Saudi Arabia(SAIBOR)	1.060	-1.0	-2.3	-117.1
UAE (EIBOR)	0.955	9.8	35.1	-125.4
Qatar (QIBOR)	1.208	-0.2	-6.9	-104.2
Bahrain (BHIBOR)	2.217	0.0	0.0	-45.0

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of June 04, 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