



Major Economic News

- Saudi Arabia and Russia have agreed a preliminary deal to extend existing record oil output cuts by one month while raising pressure on countries with poor compliance to deepen their cuts. (Source: Reuters)
- The total assets under management held by licensed asset managers (public and private funds, and private portfolios) in Saudi Arabia decreased 4% or SAR 18.4bn Q/Q to SAR 481.4bn in Q1-20 (Source: Argaam)
- Remittances from expatriates in KSA fell by 9% Y/Y to SAR 9.8bn in April. On M/M basis, expat remittances declined 20% or SAR 2.4bn in April. (Source: Argaam)
- Mortgage loans provided to retail clients by banks in Saudi Arabia increased 26% Y/Y to SAR 7.6bn in April. On M/M basis, mortgage loans dropped by around SAR 3.1bn. (Source: Argaam)

Major Corporate News

- The first construction & demolition waste (CDW) recycling plant of Saudi Investment Recycling Company, a wholly-owned subsidiary of the Public Investment Fund, is set to become operational in Riyadh by July-end. The new facility will recycle up to 600 tons of CDW per hour and achieve recycling rates of over 90%. (Source: Argaam)
- Jahez International, announced the successful closing of its "Series A" investment round, led by Impact46, marking the largest VC deal of its kind in Saudi Arabia, in 2020. A SAR 137mn transaction entailing primary and secondary shares, all funded by private investors. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange fell 0.9% to 7,222.4. The value traded stood at SAR 5.8bn (down 9.2% over previous day), while the advance-decline ratio stood at 41/148. The parallel market index increased 1.3% to 7,473.3 points. The value traded stood at SAR 66.8mn (up 51.4% over previous day). Most of the sectors in the main market ended in the red. Software & Services and Food & Beverages (up 3.3% and 0.2%, respectively) advanced the most; Utilities and Media (down 4.0% and 2.5%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q1-20	Q1-19	Y/Y %	Q4-19	Q/Q %
Solidarity Saudi Takaful	9.9	5.7	74.5	-1.8	NM
AXA Cooperative Ins.	35.3	26.8	31.6	28.6	23.4
Alahli Takaful Co.	2.9	3.9	-26.5	2.9	-1.8
Saudi Industrial Dev.	-10.0	3.5	NM	-36.1	NM

**NA: Not Meaningful

Top Gainers

Company	Price	Change%
GACO	13.10	8.4
NADEC	25.55	5.1
WATANIYA	22.60	5.0
MIS	44.40	3.3
ALINMA TOKIO M	12.40	2.8

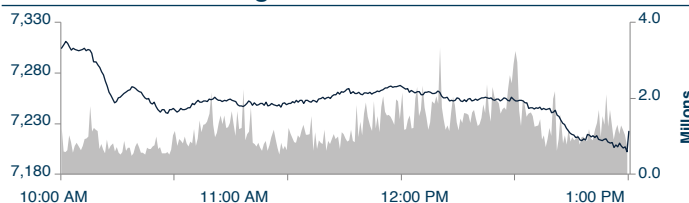
Top Losers

Company	Price	Change%
SFICO	22.56	-4.9
SAUDI ELE.	16.30	-4.3
APC	13.26	-3.8
SEERA	15.00	-3.6
DAR ALRKN	7.19	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,222	7,312	7,202	(0.9)	(13.9)	20.3
NomuC	7,473	7,641	7,343	1.3	4.1	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	4,959	0.2	(8.9)	19.9
Materials	4,491	(1.3)	(13.1)	49.2
Capital Goods	3,522	(1.0)	(18.7)	Neg
Commercial Service	3,619	0.0	(24.2)	13.5
Transportation	3,462	(2.1)	(21.2)	15.7
Consumer Durables	3,182	(0.6)	(9.3)	Neg
Consumer Services	3,139	(1.6)	(20.7)	24.9
Media	7,150	(2.5)	(24.0)	20.9
Retailing	6,335	(1.8)	(17.7)	19.1
Food & Staples	9,009	(1.5)	36.2	44.7
Food & Beverages	5,061	0.2	16.3	41.3
Healthcare	3,570	(0.5)	(4.3)	24.3
Pharma & Bio Tech	3,595	(2.3)	0.0	Neg
Banks	6,472	(0.9)	(20.2)	12.1
Diversified Financials	2,929	(0.9)	(11.3)	High
Insurance	4,412	0.0	(2.3)	29.4
Telecom	6,412	(0.7)	(0.9)	20.2
Utilities	3,588	(4.0)	(18.4)	46.8
REITs	3,648	(0.3)	(13.1)	22.8
Real Estate	2,482	(1.5)	(20.8)	High
Software & Services	6,165	3.3	25.0	12.2

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,212	7,062	6,880	6.33

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	25.3	1,287.4	1,143.4
Previous week	27.7	1,136.6	995.4

Top Weighted Companies

Company	Price	Change%
Al Rajhi	57.80	-1.0
Saudi Aramco	32.75	0.3
NCB	39.70	-1.4
SABIC	88.00	-1.8
STC	99.50	-0.2



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.8% and 0.2%, respectively. Qatar, Egypt, and Bahrain rose 1.6%, 0.8% and 0.4%, respectively; while Kuwait and Oman decreased 0.4% and 0.1%, respectively.
- The Trump administration is planning to ban Chinese passenger airlines from flying to the US starting later this month, a move aimed at increasing pressure on China, that has not allowed US carriers to resume flights there. (Source: CNBC)
- According to EIA, oil inventories in the US decreased 2.1mn barrels (prior: up 7.9mn) to 532.3mn in the week ended May 29. Distillate inventories rose 9.9mn barrels (prior: up 5.5mn) to 174.3mn, and gasoline inventories increased 2.8mn barrels (prior: down 0.7mn) to 257.8mn. (Source: EIA, Econoday)
- Eurozone jobless rate rose to a three-month high of 7.3% in April (consensus: 8.2%) from 7.1% in March. The number of unemployed increased by 211,000 from March to 11.9mn in April. (Source: Econoday, RTT News)
- Oil prices rose 0.6% on expectations of extension of output cut from OPEC+, partly offset by build-up in fuel products inventory in the US.
- Gold prices decreased 1.7%, as the rally continued on the Wall street reducing the demand for the safe haven metal.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	97.3	-0.4	-1.1	0.9
Euro	1.12	0.6	1.2	0.2
Japanese Yen	108.9	0.2	1.0	0.3
Sterling Pound	1.26	0.2	1.8	-5.2
Chinese Yuan	7.11	0.2	-0.3	2.2
Indian Rupee	75.3	0.3	-0.4	5.6
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	-0.8	0.0	0.0
Kuwaiti Dinar	0.31	-0.1	-0.2	1.6
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.1	0.1
Egyptian Pound	16.03	0.3	1.1	0.2

Corporate Calendar

Date	Company	Event
04 th Jun	ALKHODARI	OGM
04 th Jun	GASCO	OGM
07 th Jun	HB	Cash Dividend Distribution
07 th Jun	Alinma Tokio M	EGM
07 th Jun	Mepco	OGM
08 th Jun	BSFR	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,000	0.8	2.8	-27.7	7.8
Abu Dhabi (ADX)	4,285	0.2	3.5	-15.6	11.6
Kuwait (KSE)	4,148	-0.4	-0.1	-15.5	10.5
Qatar (QE)	9,213	1.6	4.2	-11.6	14.1
Oman (MSM)	3,535	-0.1	-0.3	-11.2	8.1
Bahrain (BSE)	1,275	0.4	0.5	-20.8	9.1
Egypt (EGX30)	10,424	0.8	2.0	-25.3	7.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	26,270	2.0	3.5	-7.9	19.7
Nasdaq	9,705	0.5	1.6	11.1	30.2
S&P 500	3,123	1.4	2.6	-3.3	21.7
FTSE 100	6,382	2.6	5.0	-15.4	16.5
Germany DAX 30	12,487	3.9	7.8	-5.7	19.8
France CAC 40	5,022	3.4	7.0	-16.0	20.0
Japan Nikkei 225	22,614	1.3	3.4	-4.4	20.4
Hong Kong Hang Seng	24,326	1.4	5.9	-13.7	10.6
China Shanghai Composite	2,923	0.1	2.5	-4.2	12.0
Australia ASX 200	5,942	1.8	3.2	-11.1	16.7
India Sensex	34,110	0.8	5.2	-17.3	19.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	34.6	-0.4	20.8	-49.8
Brent Crude (\$/bbl)	39.8	0.6	12.6	-39.7
Texas crude (\$/bbl)	37.3	1.3	5.1	-39.0
Natural Gas (\$/mmbtu)	1.82	2.5	-1.5	-16.8
Gold (\$/oz)	1,698	-1.7	-1.7	11.9
Silver (\$/oz)	17.7	-2.3	-1.0	-0.9
Steel (\$/ton)	510	-0.6	-0.6	-13.3
Iron Ore (CNY/MT)	793	1.9	2.2	14.1
Wheat (\$/bu)	512	0.8	-1.7	-8.4
Corn (\$/bu)	324	-0.1	-0.5	-16.4
Sugar (\$/lb)	11.6	3.6	6.5	-13.4
SMP* (EUR/MT)	2,210	2.6	1.9	-14.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.331	-0.7	-1.4	-157.8
Saudi Arabia(SAIBOR)	1.070	-0.7	-1.3	-116.1
UAE (EIBOR)	0.857	3.3	25.3	-135.1
Qatar (QIBOR)	1.210	2.1	-6.7	-104.1
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 3, 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