



Major Economic News

- King Salman approved a number of decisions taken by the Saudi Health Council, including adoption of the national plan to develop quality and patient safety in health sectors. (Source: Argaam)
- The value of Saudi Arabia's real estate transactions plunged 51% Y/Y to SAR 5.4bn in April-May 2020 (Ramadan 1441 Hijri year). The real estate deals grew by 38% M/M. The number of the real estate transactions in April-May stood at around 6,470, down from nearly 15,470 in FY19. (Source: Argaam)

Major Corporate News

- Gulf Union Cooperative Insurance Co. signed a binding merger agreement with Al-Ahlia Insurance Co. to acquire all its shareholders' issued shares through share swap without any cash payment. Gulf Union will increase its capital through issuing new ordinary shares to Al-Ahlia shareholders at a total par value of SAR 79.5mn. (Source: Argaam)
- The National Gas and Industrialization Co.'s shareholders approved the recommendation of the board of directors to transfer a surplus of SAR 45.6mn from the statutory reserves to offset accumulated losses. (Source: Argaam)
- National Building and Marketing Co. extended a MoU to fully acquire Etihad Al Kharj Metal Casting Co. for 3 months until September 7, 2020.
- Arab National Bank inked ~SAR 40mn insurance agreement with Walaa Cooperative Insurance Co. to cover leasing vehicles under its auto leasing financing program as of June 1, 2020. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.8% to 7,267.9 on Sunday. The value traded stood at SAR 4.4bn (down 7.8% over previous day), while the advance-decline ratio stood at 151/36. The parallel market index decreased 3.0% to 7,578.4 points. The value traded stood at SAR 26.0mn (down 45.2% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Food & Beverages (up 2.4% and 1.9%, respectively) advanced the most; Food & Staples and REITs (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 %
Wataniya Insurance Co.	-7.0	7.1	NM	36.6	NM
Walaa Cooperative Ins.	-11.7	15.3	NM	13.9	NM
Saudi Enaya Coop. Ins	-10.3	-17.6	NM	-23.2	NM

**NA: Not Meaningful

Top Gainers

Company	Price	Change%
NGC	14.58	10.0
ALAHLIA	8.96	9.9
NADEC	28.20	9.3
APC	13.80	5.8
AICC	11.98	5.8

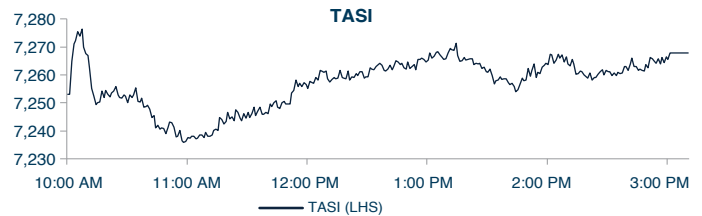
Top Losers

Company	Price	Change%
BUPA ARB.	112.60	-2.1
RIYAD RE.	7.74	-1.8
MULKIA	7.78	-1.3
RED SEA	11.88	-1.2
MASHAAR	7.07	-1.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,268	7,278	7,234	0.8	(13.4)	20.1
NomuC	7,578	8,153	7,578	(3.0)	5.6	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	4,921	0.7	(9.6)	19.7
Materials	4,530	1.2	(12.3)	49.7
Capital Goods	3,567	1.6	(17.7)	Neg
Commercial Service	3,677	1.4	(22.9)	13.7
Transportation	3,498	0.7	(20.4)	15.9
Consumer Durables	3,186	0.6	(9.1)	Neg
Consumer Services	3,167	0.4	(20.0)	25.0
Media	7,186	1.5	(23.6)	21.0
Retailing	6,357	1.0	(17.4)	19.2
Food & Staples	9,049	(0.6)	36.8	44.9
Food & Beverages	5,194	1.9	19.3	42.0
Healthcare	3,634	1.2	(2.6)	24.7
Pharma & Bio Tech	3,714	2.4	3.3	Neg
Banks	6,524	0.9	(19.5)	12.2
Diversified Financials	2,964	1.4	(10.2)	High
Insurance	4,467	0.2	(1.0)	29.8
Telecom	6,476	0.2	0.0	20.3
Utilities	3,520	(0.1)	(20.0)	45.8
REITs	3,610	(0.4)	(14.0)	22.6
Real Estate	2,474	0.3	(21.0)	High
Software & Services	6,068	0.1	23.0	12.1

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,254	7,155	6,919	5.59

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.4	225.9	216.2
Previous week	30.1	1,521.6	1,381.3

Top Weighted Companies

Company	Price	Change%
Al Rajhi	58.70	1.0
Saudi Aramco	32.40	0.6
NCB	39.55	0.3
SABIC	89.10	1.1
STC	99.50	-0.4



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 4.6% and 2.4%, respectively. Egypt, Qatar, Kuwait and Oman rose 4.6%, 1.1%, 0.8% and 0.6%, respectively, while Bahrain declined 0.3%.
- US initial jobless claims dropped to 1.9mn (consensus: 1.8mn), representing a fall of 249,000 from the previous week's revised level of 2.1mn. (Source: Econoday)
- China's exports fell 3.3% Y/Y (consensus: a decline of 7.0%) in May compared to a 3.5% gain in April. Imports decreased 16.7% Y/Y (consensus: a fall of 9.7%) in May versus a decline of 14.2% in April. (Source: CNBC)
- The European Central Bank projected an 8.7% contraction GDP in FY20 versus earlier projection of 0.8% growth. The growth forecast for FY21 was increased to 5.2% from 1.3% and raised to 3.3% from 1.4% for FY22. The inflation forecast for FY20 slashed to 0.3% from 1.1%. (Source: RTT News)
- Japan's GDP declined 2.2% Y/Y (consensus: a fall of 2.1%) in Q1-20, revised up from preliminary reading of contraction of 3.4%. On a seasonally adjusted quarterly basis, GDP was revised up to a decrease of 0.6% versus a preliminary reading of 0.9% decline. (Source: RTT News)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	96.9	0.0	-1.4	0.6
Euro	1.13	0.0	1.7	0.7
Japanese Yen	109.6	0.0	1.7	0.9
Sterling Pound	1.27	0.0	2.6	-4.5
Chinese Yuan	7.08	0.0	-0.8	1.7
Indian Rupee	75.6	0.0	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	BSFR	Cash Dividend Distribution
08 th Jun	Sharqiya Dev Co.	OGM
08 th Jun	Al Alamiya	OGM
08 th Jun	AlBaha	OGM
08 th Jun	SIECO	OGM
08 th Jun	Thob Al Aseel	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,133	4.6	9.7	-22.8	8.0
Abu Dhabi (ADX)	4,405	2.4	6.4	-13.2	11.7
Kuwait (KSE)	4,196	0.8	1.1	-14.6	10.5
Qatar (QE)	9,349	1.1	5.7	-10.3	14.2
Oman (MSM)	3,538	0.6	-0.2	-11.1	8.1
Bahrain (BSE)	1,270	-0.3	0.0	-21.1	9.1
Egypt (EGX30)	11,109	4.6	8.7	-20.4	7.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	27,111	0.0	6.8	-5.0	20.5
Nasdaq	9,824	0.0	2.8	12.5	30.8
S&P 500	3,194	0.0	4.9	-1.1	22.2
FTSE 100	6,484	0.0	6.7	-14.0	16.7
Germany DAX 30	12,848	0.0	10.9	-3.0	20.4
France CAC 40	5,198	0.0	10.7	-13.1	20.7
Japan Nikkei 225	22,864	0.0	4.5	-3.4	20.6
Hong Kong Hang Seng	24,770	0.0	7.9	-12.1	10.8
China Shanghai Composite	2,931	0.0	2.8	-3.9	12.0
Australia ASX 200	5,999	0.0	4.2	-10.3	16.9
India Sensex	34,287	0.0	5.7	-16.9	19.1

Commodity Markets

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

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.318	0.0	-2.6	-159.1
Saudi Arabia(SAIBOR)	1.054	-0.6	-2.9	-117.7
UAE (EIBOR)	0.745	-21.0	14.1	-146.4
Qatar (QIBOR)	1.136	-7.2	-14.1	-111.4
Bahrain (BHIBOR)	2.217	0.0	0.0	-45.0

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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