



## Major Economic News

- OPEC's overall production plunged by 6.3mn bpd to 24.2mn bpd in May, the first month of its new output reduction deal. OPEC expects global oil demand to fall by 9.1mn bpd in FY20. (Source: Argaam)
- The General Authority for Military Industries granted licenses to 18 new companies in the military industries field. The new firms are specialized in armored military equipment and spare parts, shelters, drone sensors, as well as maintenance and manufacturing services. (Source: Argaam)
- Around 1.2mn expat workers are expected to leave Saudi Arabia in FY20. Based on health insurance data, an estimated 300,000 expats have left the kingdom so far in this year. (Source: Arabian Business)

## Major Corporate News

- Saudi Aramco bought a 70% stake in Saudi Basic Industries Corp. from PIF, for a total price of SAR 259.1bn (USD 69.1bn), or SAR 123.4 price per share. (Source: Argaam)
- Saudi Basic Industries Corp. appointed Khalid Al-Dabbagh as new board chairman, with immediate effect. (Source: Argaam)
- Allianz Saudi Fransi Cooperative Insurance Co.'s shareholders approved the board of directors' recommendation to increase the company's capital from SAR 200mn to SAR 600mn through a rights issue. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange remained flat at 7,309.7. The value traded stood at SAR 6.1bn (down 5.2% over previous day), while the advance-decline ratio stood at 63/124. The parallel market index increased 3.5% to 9,496.0 points. The value traded stood at SAR 32.0mn (down 10.9% over previous day). Most sectors in the main market ended in the green. Consumer Services and Media (up 1.6% and 1.5%, respectively) advanced the most; Pharma & Bio Tech and Transportation (down 2.5% and 1.2%, respectively) led the laggards.

## Earnings update (Net Profit) (SAR mn)

Company	Q1-20	Q1-19	Y/Y %	Q4-19	Q/Q %
SATORP	-645.8	52.5	NM	274.8	NM
Anaam International	-0.5	-4.2	NM	-86.9	NM
Amana Coop. Ins. Co.	2.5	-20.8	NM	-4.6	NM
Seera Group Holding	1,112.0	49.0	NM	9.0	NM

\*\*NA: Not Meaningful

## Top Gainers

Company	Price	Change%
SPM	32.05	10.0
ALLIANZ SF	17.56	9.9
ALINMA TOKIO M	12.92	5.4
ALJOUF	29.90	4.6
ARABIAN SHIELD	15.88	4.2

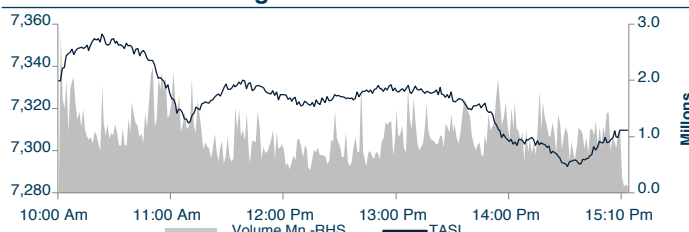
## Top Losers

Company	Price	Change%
ALSGR IN.	8.81	-5.9
GACO	13.40	-5.0
TAPRCO	28.80	-4.0
TADCO	16.68	-3.0
FARM SUP.	22.54	-2.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,310	7,355	7,292	0.0	(12.9)	25.7
NomuC	9,496	9,496	8,892	3.5	32.3	High

## TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	4,964	0.0	(8.8)	19.8
Materials	4,590	(0.5)	(11.2)	High
Capital Goods	3,832	(0.6)	(11.6)	Neg
Commercial Service	3,779	(0.3)	(20.8)	14.1
Transportation	3,669	(1.2)	(16.5)	16.6
Consumer Durables	3,239	0.0	(7.6)	Neg
Consumer Services	3,412	1.6	(13.8)	26.7
Media	7,737	1.5	(17.7)	22.6
Retailing	6,502	(0.2)	(15.5)	19.7
Food & Staples	9,081	0.5	37.3	45.1
Food & Beverages	5,205	1.2	19.6	42.3
Healthcare	3,906	1.0	4.7	27.2
Pharma & Bio Tech	3,938	(2.5)	9.5	Neg
Banks	6,472	0.1	(20.2)	12.0
Diversified Financials	3,119	(0.5)	(5.6)	High
Insurance	4,499	0.4	(0.3)	30.4
Telecom	6,505	0.3	0.5	20.3
Utilities	3,552	0.7	(19.3)	46.3
REITs	3,627	0.4	(13.6)	22.7
Real Estate	2,463	(1.0)	(21.4)	High
Software & Services	6,103	0.1	23.7	12.2

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,297	7,292	7,177	25.51

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	282.1	3,327.6	1,071.8
Previous week	25.9	1,290.1	1,256.7

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	58.90	0.2
Saudi Aramco	32.65	0.3
NCB	37.95	0.3
SABIC	89.00	-0.4
STC	99.00	0.8



## REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai remained flat, while Abu Dhabi increased 1.1%. Qatar rose 0.8%, while Bahrain, Egypt and Oman declined 0.4%, 0.3% and 0.2%, respectively. Meanwhile, Kuwait remained flat.
- According to EIA, oil inventories in the US rose 1.2mn barrels (prior: up 5.7mn) to 539.3mn in the week ended June 12. Distillate inventories decreased 1.4mn barrels (prior: up 1.6mn) to 174.5mn, while gasoline inventories fell 1.7mn barrels (prior: up 0.9mn) to 257.0mn. (Source: EIA, Econoday)
- US housing starts surged 4.3% to an annual rate of 974,000 in May (consensus: 1.1mn), compared to sharp decline of 26.4% to the revised rate of 934,000 in April. (Source: Econoday, RTT News)
- UK CPI was unchanged M/M in May (in line with the consensus) against a decline of 0.2% in April. On Y/Y basis, CPI increased 0.5% (in line with the consensus) compared to a rise of 0.8% in April. (Source: Econoday)
- Oil prices fell 0.6% due to a record built up in US crude oil inventories and continued fears of second wave of COVID-19.
- Gold prices were stable amid uncertainties over second wave of coronavirus and its impacts.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	34.4	0.4	20.2	-50.0
Euro	40.7	-0.6	15.2	-38.3
Japanese Yen	38.0	-1.1	7.0	-37.9
Sterling Pound	1.64	1.5	-11.4	-25.2
Chinese Yuan	1,726	0.0	0.0	13.8
Indian Rupee	17.6	1.1	-1.5	-1.4
UAE Dirham	503	-1.9	-1.9	-14.5
Qatari Rial	806	-0.4	3.8	15.9
Kuwaiti Dinar	489	-1.5	-6.1	-12.5
Omani Rial	330	0.4	1.4	-14.8
Bahraini Dinar	12.1	-0.7	11.0	-9.8
Egyptian Pound	2,190	0.5	1.0	-14.8

## Corporate Calendar

Date	Company	Event
18 <sup>th</sup> Jun	Saudi Aramco	Cash Dividend Distribution
18 <sup>th</sup> Jun	SGS	OGM
22 <sup>nd</sup> Jun	SASCO	OGM
22 <sup>nd</sup> Jun	SRECO	OGM
23 <sup>rd</sup> Jun	Gulf Union	OGM
24 <sup>th</sup> Jun	Jarir	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,071	0.0	6.5	-25.1	6.2
Abu Dhabi (ADX)	4,376	1.1	5.7	-13.8	11.9
Kuwait (KSE)	4,190	0.0	0.9	-14.7	10.6
Qatar (QE)	9,230	0.8	4.4	-11.5	14.1
Oman (MSM)	3,521	-0.2	-0.7	-11.6	8.0
Bahrain (BSE)	1,274	-0.4	0.4	-20.9	9.1
Egypt (EGX30)	10,906	-0.3	6.7	-21.9	8.0

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	26,120	-0.6	2.9	-8.5	19.9
Nasdaq	9,982	0.3	4.5	14.3	31.1
S&P 500	3,113	-0.4	2.3	-3.6	21.7
FTSE 100	6,253	0.2	2.9	-17.1	16.5
Germany DAX 30	12,382	0.5	6.9	-6.5	19.6
France CAC 40	4,996	0.9	6.4	-16.4	19.9
Japan Nikkei 225	22,456	-0.6	2.6	-5.1	20.2
Hong Kong Hang Seng	24,481	0.6	6.6	-13.2	10.7
China Shanghai Composite	2,936	0.1	2.9	-3.7	12.0
Australia ASX 200	5,992	0.8	4.1	-10.4	16.8
India Sensex	33,508	-0.3	3.3	-18.8	18.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	34.4	0.4	20.2	-50.0
Brent Crude (\$/bbl)	40.7	-0.6	15.2	-38.3
Texas crude (\$/bbl)	38.0	-1.1	7.0	-37.9
Natural Gas (\$/mmbtu)	1.64	1.5	-11.4	-25.2
Gold (\$/oz)	1,726	0.0	0.0	13.8
Silver (\$/oz)	17.6	1.1	-1.5	-1.4
Steel (\$/ton)	503	-1.9	-1.9	-14.5
Iron Ore (CNY/MT)	806	-0.4	3.8	15.9
Wheat (\$/bu)	489	-1.5	-6.1	-12.5
Corn (\$/bu)	330	0.4	1.4	-14.8
Sugar (\$/lb)	12.1	-0.7	11.0	-9.8
SMP* (EUR/MT)	2,190	0.5	1.0	-14.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.308	0.9	-3.6	-160.1
Saudi Arabia(SAIBOR)	1.019	0.0	-6.4	-121.3
UAE (EIBOR)	0.665	1.0	6.1	-154.4
Qatar (QIBOR)	1.165	-4.6	-11.1	-108.5
Bahrain (BHIBOR)	2.183	0.0	-3.3	-48.3

Data Sources: Tadawul, Bloomberg, Reuters

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

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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.

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