



Major Economic News

- Banks in Saudi Arabia saw an increase of 41% Y/Y in non-performing loans to SAR 32bn in Q1-20. NPLs coverage ratio declined by 35% to 137% in Q1-20 from 172% in Q1-19. Credit provisions increased by 96% Y/Y to SAR 3.3bn in Q1-20. (Source: Argaam)
- The aggregate sales of 17 Saudi cement producers dipped 20% Y/Y to 2.1mn tons in May. The decline was attributed to seasonal factors, as Ramadan and Eid Al-Fitr occurred in May, in addition to the precautionary measures adopted to curb the COVID-19 pandemic. Clinker production grew by 7% Y/Y to 4.3mn tons in May. (Source: Argaam)
- The Saudi Cabinet approved licensing the first, second, third and fourth milling companies and transferred their full ownership to the National Center for Privatization. The cabinet also approved the mining investment law. (Source: Argaam)

Major Corporate News

- Takween Advanced Industries Co. signed a non-binding MoU with China-based JOFO Nonwoven Co. Ltd. to sell 70% of its subsidiary, Advanced Fabrics. The two parties agreed that the fair market value of Advanced Fabrics is SAR 307.5mn. (Source: Argaam)
- Saudi Arabia's uber-luxury destination Amaala awarded the construction supervision contract for Phase I of Triple Bay project to Saudi Arabian Parsons Ltd. (Source: Argaam)
- CMA approved United Wire Factories Co.'s request to reduce its capital by 20% to SAR 351mn from SAR 438.8mn. (Source: Argaam)
- Saudi Industrial Export Co. signed an agreement with Rabigh Refining and Petrochemical Co. to buy the available quantities of sulphur. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.4% to 7,329.4. The value traded stood at SAR 5.2bn (down 6.1% over previous day), while the advance-decline ratio stood at 121/67. The parallel market index decreased 0.7% to 8,175.1 points. The value traded stood at SAR 22.7mn (down 54.0% over previous day). Most sectors in the main market ended in the green. Media and Capital Goods (up 2.3% and 1.9%, respectively) advanced the most; Pharma & Bio Tech and Software & Services (down 1.4% and 0.9%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q1-20	Q1-19	Y/Y %	Q4-19	Q/Q %
Mediterranean and Gulf In.	8.2	7.0	17.2	2.7	201.7
Al-Etihad Coop. Ins. Co.	17.5	15.0	16.8	17.1	2.6

**NA: Not Meaningful

Top Gainers

Company	Price	Change%
SPM	23.64	10.0
AXA COOPERATIVE	30.30	5.9
TECO	21.08	5.7
TADCO	16.48	5.0
SPPC	12.80	4.6

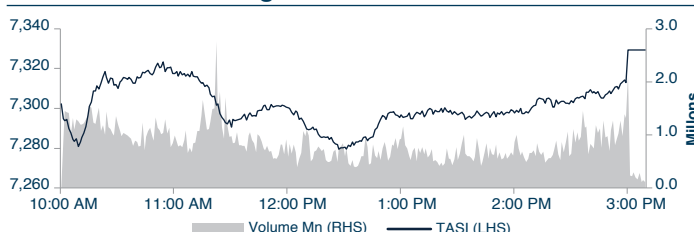
Top Losers

Company	Price	Change%
GULF UN.	13.30	-5.3
SHAKER	9.09	-2.2
DUR	23.76	-2.0
NADEC	27.45	-2.0
ATAA	35.90	-1.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,329	7,329	7,278	0.4	(12.6)	20.1
NomuC	8,175	8,243	8,169	(0.7)	13.9	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	4,926	0.3	(9.5)	19.6
Materials	4,547	0.2	(12.0)	49.8
Capital Goods	3,714	1.9	(14.3)	Neg
Commercial Service	3,683	0.7	(22.8)	13.8
Transportation	3,594	1.2	(18.2)	16.3
Consumer Durables	3,237	1.3	(7.7)	Neg
Consumer Services	3,231	(0.2)	(18.4)	25.5
Media	7,392	2.3	(21.4)	21.6
Retailing	6,369	0.2	(17.3)	19.2
Food & Staples	9,103	1.5	37.6	45.2
Food & Beverages	5,206	0.2	19.6	42.2
Healthcare	3,667	1.0	(1.7)	25.1
Pharma & Bio Tech	3,760	(1.4)	4.6	Neg
Banks	6,632	0.7	(18.2)	12.3
Diversified Financials	3,021	0.6	(8.5)	High
Insurance	4,547	1.0	0.7	30.4
Telecom	6,474	0.1	0.0	20.3
Utilities	3,515	(0.3)	(20.1)	45.8
REITs	3,628	0.3	(13.6)	22.7
Real Estate	2,472	(0.4)	(21.1)	High
Software & Services	5,999	(0.9)	21.6	12.1

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,266	7,222	6,985	5.54

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	15.2	765.8	730.4
Previous week	30.1	1,521.6	1,381.3

Top Weighted Companies

Company	Price	Change%
Al Rajhi	59.30	0.7
Saudi Aramco	32.30	0.2
NCB	39.35	-0.5
SABIC	88.70	0.1
STC	99.20	-0.1



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.8% and 0.8%, respectively. Kuwait and Bahrain rose 0.5% and 0.3%, respectively; while Egypt, Qatar and Oman declined 0.7%, 0.6% and 0.4%, respectively.
- China's CPI fell 0.8% M/M in May compared to a decline of 0.9% M/M in April. On a Y/Y basis, CPI increased 2.4% in May (consensus: 2.7%) compared with 3.3% in April. (Source: Econoday, RTT News)
- China's producer price index declined 3.7% Y/Y in May (consensus: fall of 3.2%) from a decrease of 3.1% in April. (Source: Econoday)
- Eurozone GDP declined 3.6% Q/Q in Q1-20 (consensus: fall of 3.8%) compared to 0.1% Q/Q expansion earlier. On Y/Y basis, GDP contracted 3.1% (consensus: decline of 3.2%) versus growth of 1.0% in Q4-19. (Source: Econoday)
- Oil prices rose 0.9% driven by expectations for recovery in energy demand partly offset by worries over compliance of OPEC+ output cut extension.
- Gold prices increased 1.2% on expectations that US Federal Reserve will continue with its stance of monetary easing in its ongoing meeting.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	96.3	-0.3	-2.1	-0.1
Euro	1.13	0.4	2.2	1.2
Japanese Yen	107.7	-0.6	0.0	-0.8
Sterling Pound	1.27	0.1	3.1	-4.0
Chinese Yuan	7.08	0.1	-0.8	1.6
Indian Rupee	75.5	0.1	-0.1	5.8
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	-0.6	0.0	0.0
Kuwaiti Dinar	0.31	-0.1	-0.3	1.5
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.1	0.1
Egyptian Pound	16.14	-0.1	1.8	0.9

Corporate Calendar

Date	Company	Event
10 th Jun	Alandalus Property	Cash Dividend Distribution
10 th Jun	AlAbdullatif	OGM
10 th Jun	Alujain Holding	OGM
10 th Jun	SABIC	EGM
10 th Jun	AL-Babtain	OGM
11 th Jun	Pharmaceutical	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,125	-1.8	9.2	-23.2	6.4
Abu Dhabi (ADX)	4,332	-0.8	4.6	-14.6	11.8
Kuwait (KSE)	4,238	0.5	2.1	-13.7	10.7
Qatar (QE)	9,258	-0.6	4.7	-11.2	14.2
Oman (MSM)	3,523	-0.4	-0.6	-11.5	8.1
Bahrain (BSE)	1,281	0.3	0.9	-20.4	9.1
Egypt (EGX30)	11,063	-0.7	8.2	-20.8	8.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	27,272	-1.1	7.4	-4.4	20.7
Nasdaq	9,967	0.7	4.3	14.1	31.0
S&P 500	3,207	-0.8	5.3	-0.7	22.4
FTSE 100	6,336	-2.1	4.3	-16.0	16.3
Germany DAX 30	12,618	-1.6	8.9	-4.8	20.0
France CAC 40	5,095	-1.6	8.5	-14.8	20.2
Japan Nikkei 225	23,091	-0.4	5.5	-2.4	20.8
Hong Kong Hang Seng	25,057	1.1	9.1	-11.1	10.9
China Shanghai Composite	2,956	0.6	3.6	-3.1	12.1
Australia ASX 200	6,145	2.4	6.8	-8.1	17.3
India Sensex	33,957	-1.2	4.7	-17.7	18.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	35.0	-6.2	22.3	-49.1
Brent Crude (\$/bbl)	41.2	0.9	16.6	-37.6
Texas crude (\$/bbl)	38.9	2.0	9.7	-36.3
Natural Gas (\$/mmbtu)	1.77	-1.2	-4.4	-19.3
Gold (\$/oz)	1,714	1.2	-0.7	13.0
Silver (\$/oz)	17.6	-1.5	-1.4	-1.3
Steel (\$/ton)	518	0.6	1.0	-11.9
Iron Ore (CNY/MT)	792	-0.6	2.0	13.9
Wheat (\$/bu)	505	-1.4	-3.1	-9.7
Corn (\$/bu)	328	-1.9	0.5	-15.5
Sugar (\$/lb)	12.0	0.5	10.0	-10.6
SMP* (EUR/MT)	2,138	0.0	-1.4	-16.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.310	-0.3	-3.4	-159.9
Saudi Arabia(SAIBOR)	1.041	-0.7	-4.1	-119.0
UAE (EIBOR)	0.899	17.4	29.5	-130.9
Qatar (QIBOR)	1.231	11.9	-4.6	-101.9
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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