



Major Economic News

- Ministry of Finance launched a Corporate Sustainability Program (CSP) initiative at SAR 670mn to defer payment of the outstanding loan installments for the private sector entities, in line with Saudi Vision 2030. The initiative comprises deferring payment of loan installments due in FY20, for a year, for all segments entitled for CSP initiative. (Source: Argaam)
- The value of KSA's real estate transactions increased 21% Y/Y to SAR 12.8bn in May-June 2020 (Shawwal 1441 Hijri year). The real estate deals grew by 145% or SAR 7.6bn M/M. The number of the real estate transactions in May-June stood at around 15,000, down from 19,780 a year earlier. (Source: Argaam)

Major Corporate News

- A joint venture between Saudi-based Nesma & Partners Contracting Co. Ltd and Almadani General Contractors has won the airside infrastructure works contract for the mega Red Sea tourism project's international airport. The value of the contract is the largest awarded to date. (Source: Argaam)
- Jazan Energy and Development Co. signed an agreement with Tabuk Fisheries Co., Tharawat Seas, and Aquaculture Sharq Farms Co. to establish a new limited liability company operating in the aquaculture sector, "Advanced Aquaculture Company". Advanced Aquaculture Co.'s capital will be SAR 100,000, and JAZADCO has amended its stake in the company to be 25%, to be paid from its own resources without transferring any assets. (Source: Argaam)
- The subscription period to increase the assets of Alkhabeer REIT Fund is set to begin on July 19, 2020 and will continue for 10 business days until August 6, 2020, as per the fund manager Alkhabeer Capital. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.3% to 7,412.2. The value traded stood at SAR 5.9bn (up 9.8% over previous day), while the advance-decline ratio stood at 69/115. The parallel market index increased 0.7% to 8,331.0 points. The value traded stood at SAR 10.3mn (down 31.2% over previous day). Most sectors in the main market ended in the red. Pharma & Bio Tech and Media (up 1.7% and 0.6%, respectively) advanced the most; Software & Services and Diversified Financials (down 1.4% and 1.3%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q2-20	Q2-19	Y/Y %	Q1-20	Q/Q %
Zain KSA	59.0	130.0	-54.6	105.0	-43.8

Source: Tadawul, AJC

Top Gainers

Company	Price	Change%
AMLAKE	17.60	10.0
TAPRCO	33.35	9.9
NASEEJ	13.20	8.6
SAUDI RE	9.50	6.6
SIDC	7.91	4.8

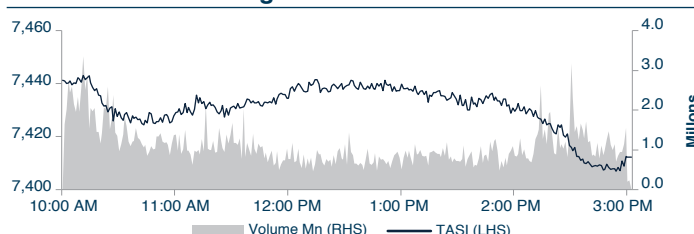
Top Losers

Company	Price	Change%
ALMRAKEZ	23.60	-4.1
SHARQIYAH	67.50	-3.9
TECO	25.75	-3.7
MEDGULF	22.82	-3.7
SIIG	18.80	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,412	7,443	7,406	(0.3)	(11.6)	22.1
NomuC	8,331	8,373	8,269	0.7	16.0	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,065	(0.4)	(6.9)	21.6
Materials	4,644	(0.2)	(10.1)	High
Capital Goods	4,044	0.2	(6.7)	Neg
Commercial Service	3,904	(1.2)	(18.2)	16.4
Transportation	3,849	0.3	(12.4)	23.2
Consumer Durables	3,480	0.3	(0.8)	Neg
Consumer Services	3,519	(0.4)	(11.1)	11.2
Media	7,519	0.6	(20.0)	25.7
Retailing	6,909	(0.5)	(10.2)	42.3
Food & Staples	9,305	(0.8)	40.7	39.2
Food & Beverages	5,327	(0.1)	22.4	37.9
Healthcare	4,411	(0.3)	18.3	31.3
Pharma & Bio Tech	4,024	1.7	11.9	Neg
Banks	6,445	(0.2)	(20.5)	12.2
Diversified Financials	3,293	(1.3)	(0.3)	High
Insurance	4,881	0.0	8.1	34.1
Telecom	6,380	(0.6)	(1.4)	19.6
Utilities	3,433	(0.5)	(22.0)	High
REITs	3,799	(0.2)	(9.5)	23.8
Real Estate	2,623	0.2	(16.3)	Neg
Software & Services	6,869	(1.4)	39.2	13.1

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,411	7,362	7,325	5.52

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.3	644.8	548.3
Previous week	30.0	1,598.1	1,396.6

Top Weighted Companies

Company	Price	Change%
Al Rajhi	57.50	-0.7
Saudi Aramco	33.30	-0.4
NCB	36.85	-0.4
SABIC	88.20	0.0
STC	97.00	-0.5



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.9% and 0.2%, respectively. Kuwait and Bahrain rose 0.3% and 0.1%, respectively, while Egypt, Qatar and Oman declined 0.6%, 0.4% and 0.2%, respectively.
- China's exports grew 0.5% Y/Y in June (consensus: 1.5% fall) compared to 3.3% decline in May, while imports increased 2.7% Y/Y (consensus: a decrease of 10%) from a fall of 16.7% in May. The trade surplus amounted to USD 46.4bn in June (consensus: USD 58.6bn) versus USD 62.9bn in May. (Source: Reuters)
- China responded to the latest rejection of its claims in the South China Sea by the US, saying that it unnecessarily provokes tension in the region. (Source: CNBC)
- US federal budget deficit rose to USD 864bn in June (consensus: USD 863bn deficit) from USD 399bn in May due to continued spending on COVID-19 relief programs and a decrease in individual and corporate tax receipts. (Source: Reuters, RTT News)
- Oil prices declined 1.2%, ahead of OPEC+ meeting, amid increase in US oil inventories.
- Gold prices increased 0.2%, as rising number of COVID-19 cases across the world kept demand for the safe haven metal high.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	96.5	-0.2	-1.0	0.1
Euro	1.13	0.4	1.0	1.2
Japanese Yen	107.3	0.3	-0.6	-1.2
Sterling Pound	1.26	-0.5	1.2	-5.3
Chinese Yuan	7.00	0.0	-1.0	0.5
Indian Rupee	75.2	0.0	-0.5	5.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	0.0
Kuwaiti Dinar	0.31	0.0	0.0	1.5
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	-0.2	-0.2	-0.1
Egyptian Pound	15.92	-0.1	-1.2	-0.5

Corporate Calendar

Date	Company	Event
14 th Jul	SIIG	Cash Dividend Distribution
15 th Jul	Fitaihi Group	OGM
15 th Jul	Tihama	EGM
15 th Jul	ASLAK	EGM
16 th Jul	Seera Holding	EGM
20 th Jul	HMG	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,068	-0.9	0.1	-25.2	6.2
Abu Dhabi (ADX)	4,307	-0.2	0.5	-15.1	11.6
Kuwait (KSE)	4,221	0.3	0.7	-14.1	10.6
Qatar (QE)	9,298	-0.4	3.3	-10.8	14.2
Oman (MSM)	3,498	-0.2	-0.5	-12.1	7.7
Bahrain (BSE)	1,315	0.1	2.9	-18.3	9.1
Egypt (EGX30)	11,008	-0.6	2.3	-21.2	8.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	26,086	0.0	1.1	-8.6	20.3
Nasdaq	10,391	-2.1	3.3	15.8	31.1
S&P 500	3,155	-0.9	1.8	-2.3	22.4
FTSE 100	6,176	1.3	0.1	-18.1	16.6
Germany DAX 30	12,800	1.3	4.0	-3.4	20.0
France CAC 40	5,056	1.7	2.4	-15.4	20.3
Japan Nikkei 225	22,785	2.2	2.2	-3.7	20.6
Hong Kong Hang Seng	25,772	0.2	5.5	-8.6	11.3
China Shanghai Composite	3,443	1.8	15.4	12.9	14.0
Australia ASX 200	5,978	1.0	1.3	-10.6	16.8
India Sensex	36,694	0.3	5.1	-11.1	21.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	43.7	-0.8	24.1	-36.5
Brent Crude (\$/bbl)	42.7	-1.2	3.8	-35.3
Texas crude (\$/bbl)	40.1	-1.1	2.1	-34.4
Natural Gas (\$/mmbtu)	1.74	-3.7	-0.7	-20.6
Gold (\$/oz)	1,803	0.2	1.2	18.8
Silver (\$/oz)	19.1	2.2	5.2	7.0
Steel (\$/ton)	481	0.0	-1.4	-18.2
Iron Ore (CNY/MT)	840	1.5	6.5	20.9
Wheat (\$/bu)	525	-2.1	7.1	-6.1
Corn (\$/bu)	334	-1.9	-1.3	-13.9
Sugar (\$/lb)	11.6	-1.5	-2.2	-13.7
SMP* (EUR/MT)	2,175	-0.7	-0.7	-15.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.268	0.2	-3.4	-164.0
Saudi Arabia(SAIBOR)	0.963	-0.1	-2.3	-126.9
UAE (EIBOR)	0.500	-10.8	-22.1	-170.9
Qatar (QIBOR)	1.009	12.3	-14.9	-124.1
Bahrain (BHIBOR)	2.300	0.0	5.0	-36.7

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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