



Major Economic News

- Saudi Arabia's gross savings declined 17% Y/Y to SAR 211.8bn during Q1-20. The gross savings to GDP ratio decreased 30.4% in Q1-20 when compared to 35.6% in Q1-19. (Source: Argaam)
- King Salman Energy Park's (SPARK) board chairman, Mohammed Al Qahtani, said that the first phase of the project is 60% complete and expects to finalize the development process in FY21. (Source: Argaam)

Major Corporate News

- Advanced Petrochemical Co. expects polypropylene prices to rise above USD 900 per ton, after sinking below USD 800 per ton in Q1-20, driven by improved prices and demand from China and South East Asia. (Source: Argaam)
- Saudi Real Estate Co. signed an agreement with National Commercial Bank to restructure an existing SAR 2.1bn credit facility to match the company's future cash flows. The new agreement extends the credit financing period to 7 years from 4 years for the first facility, amounting to SAR 1.6bn. The remaining amount of SAR 450mn is due on August 21, 2020. (Source: Argaam)
- Saudi Fisheries Co. reduced its accumulated losses to SAR 60.6mn, or 15.2% of its capital as on May 14, 2020, following a SAR 298.9mn rights issue to increase capital. (Source: Argaam)
- Abdulla Saad Abo Moati For Bookstore Co. opened a new showroom in Jeddah, spanning 373 sq.m. at a total investment of SAR 2.6mn. This is the seventh under Abo Moati's flagship brand, Ilahui, and the tenth in the Kingdom. (Source: Argaam)
- Allianz Saudi Fransi Cooperative Insurance Co.'s remaining rights issue shares were 538.8% oversubscribed, with a value of SAR 36.7mn from 2.5mn shares. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.2% to 7,431.6 on Sunday. The value traded stood at SAR 5.4bn (down 8.5% over previous day), while the advance-decline ratio stood at 109/74. The parallel market index decreased 0.7% to 8,270.4 points. The value traded stood at SAR 15.0mn (up 13.5% over previous day). Most sectors in the main market ended in the green. Diversified Financials and Commercial Service (up 2.3% and 2.1%, respectively) advanced the most; Telecom and Healthcare (down 0.5% and 0.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
TECO	26.75	10.0
ASEER	12.24	7.9
ALMRAKEZ	24.60	7.7
SRECO	13.46	7.0
ZOUJAJ	19.00	5.7

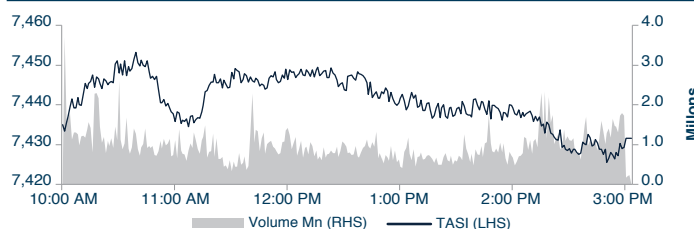
Top Losers

Company	Price	Change%
MUSHARAKA	8.35	-4.9
WALAA	17.18	-4.6
MALATH INS.	13.68	-3.0
BURUJ	17.42	-2.2
ALALAMIYA	17.34	-2.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,432	7,454	7,425	0.2	(11.4)	22.1
NomuC	8,270	8,349	8,171	(0.7)	15.2	High

TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,085	0.4	(6.6)	21.6
Materials	4,655	(0.1)	(9.9)	High
Capital Goods	4,034	1.0	(6.9)	Neg
Commercial Service	3,952	2.1	(17.2)	16.2
Transportation	3,837	1.8	(12.7)	22.8
Consumer Durables	3,470	0.2	(1.0)	Neg
Consumer Services	3,532	1.6	(10.8)	11.1
Media	7,475	(0.3)	(20.5)	25.6
Retailing	6,946	1.0	(9.8)	42.1
Food & Staples	9,383	(0.1)	41.8	39.5
Food & Beverages	5,334	0.5	22.5	37.8
Healthcare	4,425	(0.4)	18.6	31.4
Pharma & Bio Tech	3,958	0.2	10.1	Neg
Banks	6,461	0.1	(20.3)	12.2
Diversified Financials	3,336	2.3	1.0	High
Insurance	4,883	(0.2)	8.2	34.2
Telecom	6,418	(0.5)	(0.9)	19.8
Utilities	3,451	0.4	(21.6)	High
REITs	3,806	(0.4)	(9.3)	24.0
Real Estate	2,617	2.0	(16.4)	Neg
Software & Services	6,966	0.9	41.2	13.2

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,407	7,350	7,317	5.47

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	5.4	303.4	258.2
Previous week	30.0	1,598.1	1,396.6

Top Weighted Companies

Company	Price	Change%
Al Rajhi	57.90	0.3
Saudi Aramco	33.45	0.5
NCB	37.00	-0.3
SABIC	88.20	-0.6
STC	97.50	-0.5



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.2% and 0.5%, respectively. Bahrain, Egypt and Oman gained 2.1%, 1.0% and 0.3%, respectively, while Kuwait and Qatar rose 0.2% each.
- Gilead Sciences released new data on its antiviral drug remdesivir showing 62% reduction in the risk of death for severely sick coronavirus patients in comparison with standard treatment. (Source: CNBC)
- US Producer Price Index, final demand (PPI-FD) fell 0.2% M/M in June (consensus: 0.4% increase) against an increase of 0.4% in May. PPI-FD less food & energy declined 0.3% M/M in June (consensus: 0.1% increase) compared with a decrease of 0.1% in May. (Source: Econoday)
- People's Bank of China signalled that there is no need for additional emergency measures that had been rolled out in response to Covid-19 outbreak, as economy recovers from the shock. (Source: CNBC)
- China's banks extended CNY 1.8tn loans in June (in line with the consensus) compared to CNY 1.5tn in May. The increase in bank lending was driven by rise in demand for credit amid lower borrowing costs. (Source: RTT News)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	96.7	0.0	-0.8	0.3
Euro	1.13	0.0	0.6	0.8
Japanese Yen	106.9	0.0	-1.0	-1.6
Sterling Pound	1.26	0.0	1.8	-4.8
Chinese Yuan	7.00	0.0	-0.9	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	0.1
Bahraini Dinar	0.38	0.0	0.0	0.1
Egyptian Pound	15.94	0.0	-1.1	-0.4

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)	2,086	0.2	1.0	-24.6	6.3
Abu Dhabi (ADX)	4,316	0.5	0.7	-15.0	11.6
Kuwait (KSE)	4,206	0.2	0.4	-14.3	10.5
Qatar (QE)	9,337	0.2	3.8	-10.4	14.3
Oman (MSM)	3,504	0.3	-0.3	-12.0	7.7
Bahrain (BSE)	1,314	2.1	2.8	-18.4	9.1
Egypt (EGX30)	11,072	1.0	2.9	-20.7	8.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	26,075	0.0	1.0	-8.6	20.3
Nasdaq	10,617	0.0	5.6	18.3	31.1
S&P 500	3,185	0.0	2.7	-1.4	22.4
FTSE 100	6,095	0.0	-1.2	-19.2	16.4
Germany DAX 30	12,634	0.0	2.6	-4.6	19.8
France CAC 40	4,970	0.0	0.7	-16.9	19.9
Japan Nikkei 225	22,291	0.0	0.0	-5.8	20.2
Hong Kong Hang Seng	25,727	0.0	5.3	-8.7	11.3
China Shanghai Composite	3,383	0.0	13.4	10.9	13.8
Australia ASX 200	5,919	0.0	0.4	-11.4	16.6
India Sensex	36,594	0.0	4.8	-11.3	21.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	44.1	0.0	25.1	-36.0
Brent Crude (\$/bbl)	43.2	0.0	5.1	-34.5
Texas crude (\$/bbl)	40.6	0.0	3.3	-33.7
Natural Gas (\$/mmbtu)	1.81	0.0	3.1	-17.5
Gold (\$/oz)	1,798	0.0	1.0	18.5
Silver (\$/oz)	18.7	0.0	3.0	4.7
Steel (\$/ton)	481	0.0	-1.4	-18.2
Iron Ore (CNY/MT)	828	0.0	4.9	19.1
Wheat (\$/bu)	536	0.0	9.3	-4.1
Corn (\$/bu)	341	0.0	0.6	-12.2
Sugar (\$/lb)	11.8	0.0	-0.7	-12.4
SMP* (EUR/MT)	2,191	0.0	0.0	-14.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.266	0.0	-3.6	-164.2
Saudi Arabia(SAIBOR)	0.964	-0.1	-2.1	-126.7
UAE (EIBOR)	0.608	-3.5	-11.4	-160.1
Qatar (QIBOR)	0.886	-15.9	-27.2	-136.4
Bahrain (BHIBOR)	2.300	0.0	5.0	-36.7

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of July 12, 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