



## Major Economic News

- Saudi Arabia's non-oil exports fell 6%, or SAR 1.1bn, Y/Y to SAR 16.6bn in June 2020. When compared to May, non-oil exports saw a rise of SAR 3.95bn. The value of non-oil exports accounted for 38.1% of total merchandise exports amounting to SAR 43.5bn. (Source: Argaam)
- POS transactions fell by 2% to SAR 6.6bn in the week ending August 22, 2020, from SAR 6.74bn in the previous week, while the total of transactions processed stood at 58.5mn. (Source: Argaam)
- Tadawul will launch of the derivatives market and the beginning of trading MT30 Index Futures on 30 August. MT30 Index Futures will be Saudi Arabia's first exchange-traded derivatives product and marks the beginning of derivatives trading in the Kingdom. (Source: Argaam)
- The Saudi Ministry of Human Resources and Social Development will localize more jobs over the coming period, as per ministry spokesperson, Nasser Al-Hazani. This followed the Saudi government's decision on the localization of engineering jobs in the Kingdom. He added that 60% of the job opportunities covered by the decision will be in the mega entities and will be available for all job seekers across the Kingdom. (Source: Argaam)

## Major Corporate News

- Arab National Bank (ANB) is planning to fully redeem its SAR 2bn, Tier 2 Sukuk on October 7, 2020 at face value. The ten-year Sukuk, originally maturing on October 7, 2025, was classified as Tier 2 subordinated debt in accordance with the Basel III framework. (Source: Argaam)
- ACIG's shareholders approved a 29.5% capital cut to SAR 141mn from SAR 200mn during the EGM held on August 26, 2020. The capital cut is intended to offset accumulated losses through writing off 5.9mn shares. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.2% to 7,955.0 on Wednesday. The value traded stood at SAR 9.5bn (up 5.2% over previous day), while the advance-decline ratio stood at 117/66. The parallel market index decreased 0.2% to 8,716.1 points. The value traded stood at SAR 11.4mn (down 29.1% over previous day). Most sectors in the main market ended in the green. Media and Consumer Durables (up 5.5% and 2.3%, respectively) advanced the most; Food & Staples and Commercial Services (down 1.0% and 0.7%, respectively) led the laggards.

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

Company	Q2-20	Q2-19	Y/Y %	Q1-20	Q/Q %
SALAMA	29.49	(35.38)	-	(25.40)	-

Source: Tadawul, AJC

## Top Gainers

Company	Price	Change%
APC	15.40	10.0
ALBAHA	24.26	10.0
GACO	18.14	9.9
FITAIHI GROUP	13.52	9.9
SFICO	32.80	9.9

## Top Losers

Company	Price	Change%
ALBILAD	24.00	-3.3
SAUDI CEM	54.00	-2.5
CARE	50.50	-1.9
SULAIMAN	89.50	-1.8
QACCO	67.90	-1.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,955	7,955	7,908	0.2	(5.2)	30.1
NomuC	8,716	8,821	8,625	(0.2)	21.4	High

## TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,318	(0.1)	(2.3)	22.7
Materials	4,949	0.3	(4.2)	High
Capital Goods	4,556	1.1	5.2	Neg
Commercial Service	4,052	(0.7)	(15.1)	17.0
Transportation	4,184	1.0	(4.8)	25.1
Consumer Durables	4,025	2.3	14.8	Neg
Consumer Services	3,818	1.8	(3.6)	12.3
Media	8,920	5.5	(5.1)	31.0
Retailing	7,835	0.5	1.8	48.0
Food & Staples	9,978	(1.0)	50.8	42.2
Food & Beverages	5,549	(0.1)	27.5	39.2
Healthcare	4,823	(0.6)	29.3	33.3
Pharma & Bio Tech	4,189	1.1	16.5	Neg
Banks	7,115	0.2	(12.2)	13.4
Diversified Financials	3,511	2.2	6.3	High
Insurance	5,250	1.0	16.3	36.7
Telecom	6,344	(0.2)	(2.0)	19.4
Utilities	3,485	1.2	(20.8)	High
REITs	3,928	(0.3)	(6.4)	24.5
Real Estate	2,789	(0.2)	(11.0)	Neg
Software & Services	9,163	1.9	85.7	17.3

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,919	7,852	7,680	7.40

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	35.8	1,544.4	1,422.1
Previous week	38.7	1,736.2	1,645.3

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	66.00	0.0
Saudi Aramco	34.90	-0.1
NCB	38.10	0.0
SABIC	88.50	0.1
STC	96.50	0.0



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.7% and 0.6% respectively. Oman and Kuwait rose 0.5% and 0.4% respectively, while Qatar, Bahrain, and Egypt declined 0.1% each.
- According to EIA, oil inventories in the US fell 4.7mn barrels (prior: down 1.6mn) to 507.8mn in the week ended August 21. Distillate inventories increased 1.4mn barrels (prior: down 3.3mn) to 179.2mn, while gasoline inventories fell 4.6mn barrels (prior: down 3.3mn) to 239.2mn. (Source: Econoday, EIA)
- The US MBA Mortgage Composite Index increased 6.5% W/W in the week ended August 21 compared with a decline of 3.3% earlier; the Purchase Index rose 0.4% W/W against an increase of 1.0% earlier, and the Refinance Index fell 10.0% W/W compared with a decline of 5.0%. (Source: Econoday)
- Oil prices declined 0.5% on Wednesday, as decline in US stockpiles was more than offset by potential fall in fuel demand from inactivity due to hurricane Laura.
- Gold prices rose 1.4% on Wednesday, as traders looked forward to Fed Chariman Jay Powell to present dollar-dovish speech.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.0	0.0	-0.4	-3.5
Euro	1.18	0.0	0.5	5.5
Japanese Yen	106.0	-0.4	0.1	-2.4
Sterling Pound	1.32	0.4	0.9	-0.4
Chinese Yuan	6.89	-0.4	-1.3	-1.1
Indian Rupee	74.2	0.0	-0.9	4.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	-0.2	0.0
Kuwaiti Dinar	0.31	0.0	0.0	0.9
Omani Rial	0.38	0.0	0.1	0.0
Bahraini Dinar	0.38	-0.2	-0.1	-0.1
Egyptian Pound	15.82	-0.2	-0.6	-1.1

## Corporate Calendar

Date	Company	Event
30 <sup>th</sup> Aug	SACO	Cash Dividend Distribution
31 <sup>st</sup> Aug	Saudi Aramco	Cash Dividend Distribution
06 <sup>th</sup> Sep	SULAIMAN ALHABIB	Cash Dividend Distribution
06 <sup>th</sup> Sep	Atheeb Telecom	EGM
09 <sup>th</sup> Sep	QACCO	Cash Dividend Distribution
09 <sup>th</sup> Sep	Abo Moati	OGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,289	-0.7	11.6	-17.2	8.7
Abu Dhabi (ADX)	4,530	-0.6	5.2	-10.8	12.9
Kuwait (KSE)	4,160	0.4	1.8	-15.3	5.5
Qatar (QE)	9,899	-0.1	5.7	-5.1	15.2
Oman (MSM)	3,748	0.5	5.0	-5.9	8.9
Bahrain (BSE)	1,373	-0.1	6.4	-14.7	9.1
Egypt (EGX30)	11,454	-0.1	8.1	-18.0	8.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,332	0.3	7.2	-0.7	23.4
Nasdaq	11,665	1.7	8.6	30.0	35.5
S&P 500	3,479	1.0	6.3	7.7	25.8
FTSE 100	6,046	0.1	2.5	-19.8	17.9
Germany DAX 30	13,190	1.0	7.1	-0.4	23.8
France CAC 40	5,048	0.8	5.5	-15.6	44.7
Japan Nikkei 225	23,291	0.0	7.3	-1.5	23.2
Hong Kong Hang Seng	25,492	0.0	3.6	-9.6	11.5
China Shanghai Composite	3,330	-1.3	0.6	9.2	13.6
Australia ASX 200	6,116	-0.7	3.2	-8.5	19.0
India Sensex	39,074	0.6	3.9	-5.3	22.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	46.2	1.0	8.3	-32.8
Brent Crude (\$/bbl)	45.6	-0.5	5.4	-30.8
Texas crude (\$/bbl)	43.4	0.1	7.7	-29.0
Natural Gas (\$/mmbtu)	2.46	-1.1	36.8	12.4
Gold (\$/oz)	1,954	1.4	-1.1	28.8
Silver (\$/oz)	27.5	4.1	12.9	54.3
Steel (\$/ton)	508	13.6	5.4	-13.6
Iron Ore (CNY/MT)	906	-0.9	3.1	30.4
Wheat (\$/bu)	532	0.9	0.1	-4.8
Corn (\$/bu)	341	-0.1	7.8	-12.2
Sugar (\$/lb)	12.6	-1.4	-0.5	-6.3
SMP* (EUR/MT)	2,103	1.9	3.9	-18.2

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.251	1.7	0.2	-165.7
Saudi Arabia(SAIBOR)	0.893	-0.1	-3.9	-133.9
UAE (EIBOR)	0.474	0.5	-4.2	-173.4
Qatar (QIBOR)	0.983	-16.7	-16.0	-126.7
Bahrain (BHIBOR)	2.283	0.0	-1.7	-38.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of August 26, 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