



## Major Economic News

- Saudi Arabia's economy is expected to see a "gradual" recovery in H2-20, following the resumption of all economic and commercial activities, and the end of closures, Asharq Al-Awsat newspaper reported, citing the IMF envoy to Saudi Arabia, Tim Callen. (Source: Argaam)

## Major Corporate News

- Aljazira Takaful Taawuni Co. inked a binding merger agreement with Solidarity Saudi Takaful Co. on August 23, 2020. The agreement will be implemented via a swap deal as Aljazira will issue 12.1mn new shares at SAR 10 each to Solidarity in exchange for all of its issued shares, with no cash payment in return. (Source: Argaam)
- Bahri signed an agreement to establish an equally owned JV, the National Grain Company, with the Saudi Agricultural and Livestock Investment Company (SALIC), at an estimated cost of SAR 412.5mn. (Source: Argaam)
- NADEC stated removal of subsidy for the daily segment is expected to result in additional cost of SAR 50-60mn in FY20. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.7% to 7,957.4 on Monday. The value traded stood at SAR 9.4bn (up 18.4% over previous day), while the advance-decline ratio stood at 103/83. The parallel market index decreased 3.2% to 8,508.4 points. The value traded stood at SAR 11.3mn (down 36.1% over previous day). Most sectors in the main market ended in the green. Media and Healthcare (up 9.2% and 2.9%, respectively) advanced the most; Software & Services and Insurance (down 1.3% and 0.5%, respectively) led the laggards.

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

Company	Q2-20	Q2-19	Y/Y %	Q1-20	Q/Q %
Jabal Omar Development	-465.2	29.8	NM	-217.3	NM
Saudi Industrial Services	56.5	21.3	165.3	26.6	112.4
Saudi Real Estate Co.	-4.7	21.5	NM	-2.9	NM
Seera Group Holding	-172.0	66.0	NM	1,112	NM
Fitaihi Holding Group	-16.9	7.5	NM	-2.4	NM
Dar Alarkan Real Estate	10.4	75.0	-86.2	12.4	-16.5
NADEC	131.6	7.1	1,761	18.2	623.6

Source: Tadawul, AJC

## Top Gainers

Company	Price	Change%
SPPC	16.94	10.0
SRMG	68.80	9.9
SIECO	72.90	7.7
ALKHALEEJ TRNG	16.50	5.5
ABO MOATI	27.05	5.3

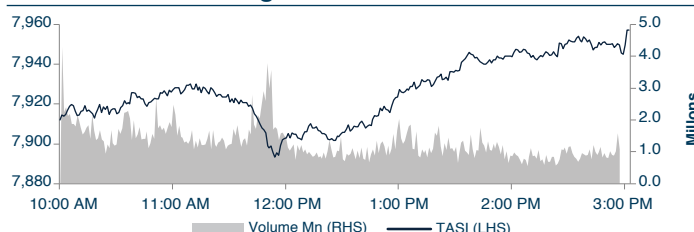
## Top Losers

Company	Price	Change%
SOLIDARITY	14.30	-4.9
ZOUJAJ	28.20	-4.7
ALINMA T	15.28	-2.9
SIIG	22.80	-2.7
ARAB SEA	59.70	-2.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)
TASI	7,957	7,957	7,892	0.7	(5.1)	29.2
NomuC	8,508	8,978	8,444	(3.2)	18.5	High

## TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,316	2.1	(2.3)	22.2
Materials	4,955	0.0	(4.1)	High
Capital Goods	4,498	0.7	3.8	Neg
Commercial Service	4,028	1.0	(15.6)	16.7
Transportation	4,120	0.7	(6.3)	24.5
Consumer Durables	3,893	(0.2)	11.0	Neg
Consumer Services	3,699	0.3	(6.6)	11.8
Media	8,514	9.2	(9.4)	27.1
Retailing	7,754	0.4	0.7	47.3
Food & Staples	10,058	1.2	52.0	42.1
Food & Beverages	5,544	(0.3)	27.4	39.6
Healthcare	4,863	2.9	30.4	32.6
Pharma & Bio Tech	4,142	(0.2)	15.2	Neg
Banks	7,114	0.7	(12.3)	13.3
Diversified Financials	3,446	1.0	4.3	High
Insurance	5,252	(0.5)	16.4	36.8
Telecom	6,350	0.2	(1.9)	19.5
Utilities	3,452	(0.3)	(21.5)	High
REITs	3,925	0.7	(6.5)	24.4
Real Estate	2,860	0.9	(8.7)	Neg
Software & Services	9,093	(1.3)	84.3	17.3

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
7,882	7,790	7,628	7.14

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	17.4	761.8	692.0
Previous week	38.7	1,736.2	1,645.3

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	65.80	1.1
Saudi Aramco	34.90	2.3
NCB	38.75	-0.8
SABIC	88.50	-0.2
STC	96.70	0.0



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 2.0% and 0.6%, respectively. Oman, Kuwait, and Egypt rose 1.7%, 0.5%, and 0.4%, respectively, while Bahrain and Qatar increased 0.8% each.
- The US and Chinese trade negotiators held a phone call about implementing the phase one agreement between the two countries. The call came after a planned six-month review of the deal set for August 15 was delayed to an unspecified date, and US President Donald Trump subsequently claimed he postponed the talks. (Source: CNBC).
- The US FDA has provided emergency authorization to use plasma to treat COVID-19 patients. The FDA states initial trials indicate it is safe, although more are required to prove effectiveness. (Source: BBC)
- Oil prices rose 1.8% on Monday, driven by signs of progress in development of treatment for COVID-19 and concerns over demand from two storms towards the Gulf Coast which forced a shutdown of the oil sector.
- Gold prices fell 0.6% on Monday, as optimism over US authorization of blood plasma treatment for COVID-19 and firm dollar weighed on the appetite for yellow metal.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.3	0.1	-0.1	-3.2
Euro	1.18	-0.1	0.1	5.1
Japanese Yen	106.0	0.2	0.1	-2.4
Sterling Pound	1.31	-0.2	-0.2	-1.5
Chinese Yuan	6.92	0.0	-0.8	-0.6
Indian Rupee	74.2	-1.0	-1.0	3.9
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	0.1	0.1	0.0
Bahraini Dinar	0.38	0.1	0.1	0.1
Egyptian Pound	15.84	-0.3	-0.5	-1.0

## Corporate Calendar

Date	Company	Event
25 <sup>th</sup> Aug	STC	Cash Dividend Distribution
25 <sup>th</sup> Aug	City Cement	EGM
26 <sup>th</sup> Aug	JARIR	Cash Dividend Distribution
26 <sup>th</sup> Aug	ACC	Cash Dividend Distribution
26 <sup>th</sup> Aug	ACIG	EGM
30 <sup>th</sup> Aug	SACO	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,281	2.0	11.2	-17.5	8.5
Abu Dhabi (ADX)	4,570	0.6	6.2	-10.0	13.0
Kuwait (KSE)	4,134	0.5	1.2	-15.8	5.6
Qatar (QE)	9,890	0.8	5.6	-5.1	15.1
Oman (MSM)	3,690	1.7	3.4	-7.3	8.6
Bahrain (BSE)	1,366	0.8	5.8	-15.2	9.1
Egypt (EGX30)	11,434	0.4	7.9	-18.1	8.2

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,308	1.4	7.1	-0.8	23.2
Nasdaq	11,380	0.6	5.9	26.8	35.1
S&P 500	3,431	1.0	4.9	6.2	25.3
FTSE 100	6,105	1.7	3.5	-19.1	17.8
Germany DAX 30	13,067	2.4	6.1	-1.4	23.0
France CAC 40	5,008	2.3	4.7	-16.2	44.3
Japan Nikkei 225	22,986	0.3	5.9	-2.8	22.8
Hong Kong Hang Seng	25,552	1.7	3.9	-9.4	11.2
China Shanghai Composite	3,386	0.1	2.3	11.0	13.7
Australia ASX 200	6,130	0.3	3.4	-8.3	18.3
India Sensex	38,799	0.9	3.2	-6.0	22.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	44.8	0.2	5.0	-34.9
Brent Crude (\$/bbl)	45.1	1.8	4.2	-31.6
Texas crude (\$/bbl)	42.6	0.7	5.8	-30.3
Natural Gas (\$/mmbtu)	2.51	2.7	39.7	14.8
Gold (\$/oz)	1,929	-0.6	-2.4	27.2
Silver (\$/oz)	26.5	-0.6	8.9	48.9
Steel (\$/ton)	447	-0.4	-7.3	-24.0
Iron Ore (CNY/MT)	918	-0.2	4.4	32.1
Wheat (\$/bu)	521	-1.2	-2.0	-6.8
Corn (\$/bu)	332	1.5	5.0	-14.4
Sugar (\$/lb)	12.7	-0.9	0.6	-5.3
SMP* (EUR/MT)	2,063	0.0	1.9	-19.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.250	-0.6	0.1	-165.8
Saudi Arabia(SAIBOR)	0.900	0.0	-3.1	-133.1
UAE (EIBOR)	0.436	-3.0	-8.0	-177.2
Qatar (QIBOR)	0.987	-6.2	-15.6	-126.3
Bahrain (BHIBOR)	2.283	0.0	-1.7	-38.3

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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