



## Major Economic News

- Saudi Arabia's inflation accelerated to 6.2% in August from 6.1% recorded in July. The inflation growth was mainly driven by a rise of 13.5% Y/Y in the average prices of food and beverages, and an 8.2% increase in transport sector. (Source: Argaam)
- Global index provider FTSE Russell said it will implement changes to the FTSE Saudi Arabia Inclusion Index Series during the semi-annual review for September 2020. All constituent changes will become effective on Monday, September 21, or after the close of business on Friday, September 18. (Source: Argaam)
- The General Authority of Civil Aviation confirmed the operational readiness of airports in KSA for the first stage of lifting suspension of international flights, in coordination with the Ministry of Health and the relevant government agencies. (Source: Argaam)

## Major Corporate News

- Saudi Telecom Co. asked banks to pitch for roles in a potential public offering of STC Solutions, its products and services development arm, according informed sources. The request for proposals to international and local banks was sent last week. The company's valuation could be around SAR 9bn (USD 2.4bn) if it garners 18-20 times its earnings multiples. The IPO size could be around USD 500mn if the company sells 20% stake. (Source: Argaam)
- Leejam Sports Co. opened a new fitness center in Riyadh. The facility is the fourth ladies center to open in the past 15 days, taking the total number of women's centers to 36 from 32 at the end of Q2-20. The financial impact of the launch will reflect Q3-20 onwards. (Source: Argaam)
- Alkhabeer REIT Fund completed the acquisition of Elegance Office Tower in Al Murooj District, Riyadh, expanding the fund's asset base and diversifying its revenue resources, which will reflect positively on the fund performance and financials. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.8% to 8,321.7. The value traded stood at SAR 14.7bn (down 20.7% over previous day), while the advance-decline ratio stood at 104/85. The parallel market index increased 5.9% to 12,544.8 points. The value traded stood at SAR 43.2mn (down 25.4% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Telecom (up 10.0% and 2.6%, respectively) advanced the most; Software & Services and Food & Beverages (down 2.1% and 1.9%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
CHEMICAL	30.80	10.0
WATANIYA	51.70	10.0
ENAYA	29.75	10.0
NAMA CHEMICALS	32.00	10.0
SPIMACO	36.95	10.0

## Top Losers

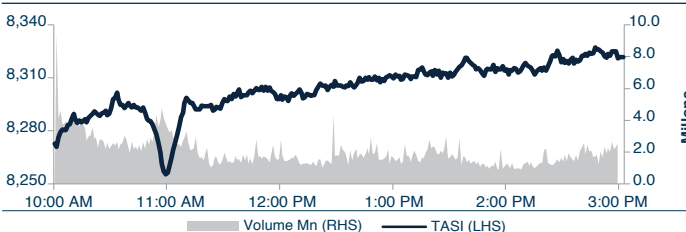
Company	Price	Change%
SFICO	51.70	-6.0
ALJOUF	42.85	-5.7
SHARQIYAH	93.80	-4.2
SAUDI CER.	44.00	-4.0
GACO	21.10	-3.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %	PE (TTM)*
TASI	8,322	8,329	8,252	0.8	(0.8)	38.7
NomuC	12,545	12,572	11,418	5.9	74.7	High

\*Source: Argaam (Excluding Aramco)

## TASI movement during session



Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,512	0.3	1.3	29.0
Materials	5,111	0.6	(1.1)	Neg
Capital Goods	5,151	(1.3)	18.9	Neg
Commercial Service	4,211	(0.2)	(11.7)	31.1
Transportation	4,503	(0.1)	2.4	High
Consumer Durables	4,806	(0.2)	37.1	Neg
Consumer Services	4,222	(0.2)	6.6	18.4
Media	9,595	(0.8)	2.1	37.7
Retailing	8,332	1.0	8.2	High
Food & Staples	10,298	0.3	55.7	33.9
Food & Beverages	5,783	(1.9)	32.8	32.6
Healthcare	5,298	2.0	42.0	34.4
Pharma & Bio Tech	4,875	10.0	35.6	Neg
Banks	7,256	1.4	(10.5)	16.7
Diversified Financials	4,485	2.5	35.8	Neg
Insurance	5,580	0.3	23.6	23.7
Telecom	6,706	2.6	3.6	20.6
Utilities	3,712	(0.0)	(15.6)	Neg
REITs	4,073	0.8	(3.0)	Neg
Real Estate	3,313	(0.1)	5.8	Neg
Software & Services	10,156	(2.1)	105.9	17.9

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,199	8,122	8,021	12.82

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	46.4	1,911.6	1,654.0
Previous week	60.4	2,415.9	2,280.7

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	68.60	1.0
Saudi Aramco	36.15	0.3
NCB	38.05	0.1
SABIC	89.00	1.0
STC	102.00	2.8



## Regional and International Markets

- Among other regional markets, Dubai increased 0.5%, while Abu Dhabi decreased 0.1%. Qatar rose 0.2%, while Kuwait, Oman and Egypt declined 0.3%, 0.2% and 0.1%, respectively. Meanwhile, Bahrain remained flat.
- US industrial production increased by 0.4% M/M in August (consensus: 1.2% rise) compared to an upwardly revised 3.5% growth in July. Manufacturing output increased 1.0% (consensus: 1.9% increase) in August versus a gain of 3.9% July. Capacity utilization stood at 71.4% (consensus: 71.6%) against 71.1% in July. (Source: Econoday)
- UK's unemployment claimant count rose by 73,700 M/M in August (consensus: a rise of 100,000) compared to the previous month's increase of 69,900. Unemployment rate increased to 4.1% in August (consensus: 4.0%) versus 3.9% recorded in July. (Source: Econoday)
- Japan's merchandise trade surplus rose to JPY 248.3bn in August (consensus: deficit of JPY 37.5bn), from JPY 11.6bn surplus in July. (Source: RTT News)
- Oil prices rose 2.3% due to concerns of production shutdowns ahead of an expected hurricane in the US.
- Gold prices decreased 0.1% ahead of US Fed meet, as US dollar recovered.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.1	0.0	1.0	-3.5
Euro	1.18	-0.2	-0.8	5.7
Japanese Yen	105.4	-0.3	-0.4	-2.9
Sterling Pound	1.29	0.3	-3.6	-2.8
Chinese Yuan	6.78	-0.4	-1.0	-2.6
Indian Rupee	73.6	0.3	0.5	3.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.7	0.8	0.8
Kuwaiti Dinar	0.31	0.1	0.1	0.8
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.2	0.1
Egyptian Pound	15.71	-0.1	-0.7	-1.8

## Corporate Calendar

Date	Company	Event
16 <sup>th</sup> Sep	MIS	Cash Dividend Distribution
20 <sup>th</sup> Sep	SABIC	Cash Dividend Distribution
21 <sup>st</sup> Sep	ALHOKAIR	OGM
22 <sup>nd</sup> Sep	Maharah	Cash Dividend Distribution
22 <sup>nd</sup> Sep	Emaar EC	OGM
24 <sup>th</sup> Sep	NORTHERN CEMENT	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,293	0.5	2.1	-17.1	8.7
Abu Dhabi (ADX)	4,509	-0.1	-0.2	-11.2	12.8
Kuwait (KSE)	4,332	-0.3	3.5	-11.8	5.7
Qatar (QE)	9,893	0.2	0.5	-5.1	15.2
Oman (MSM)	3,678	-0.2	-2.5	-7.6	8.6
Bahrain (BSE)	1,401	0.0	1.5	-13.0	9.1
Egypt (EGX30)	11,028	-0.1	-3.0	-21.0	8.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	27,996	0.0	-1.5	-1.9	22.9
Nasdaq	11,190	1.2	-5.0	24.7	34.1
S&P 500	3,401	0.5	-2.8	5.3	27.1
FTSE 100	6,106	1.3	2.4	-19.1	18.4
Germany DAX 30	13,218	0.2	2.1	-0.2	23.8
France CAC 40	5,068	0.3	2.4	-15.2	46.9
Japan Nikkei 225	23,455	-0.4	1.4	-0.9	23.4
Hong Kong Hang Seng	24,733	0.4	-1.8	-12.3	12.6
China Shanghai Composite	3,296	0.5	-2.9	8.1	13.7
Australia ASX 200	5,895	-0.1	-2.7	-11.8	18.7
India Sensex	39,044	0.7	1.1	-5.4	23.0

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	40.1	0.8	-14.6	-41.8
Brent Crude (\$/bbl)	40.5	2.3	-10.5	-38.6
Texas crude (\$/bbl)	38.3	2.7	-10.2	-37.4
Natural Gas (\$/mmbtu)	2.36	2.3	-10.2	7.9
Gold (\$/oz)	1,954	-0.1	-0.7	28.8
Silver (\$/oz)	27.2	0.3	-3.5	52.7
Steel (\$/ton)	540	0.0	4.2	-8.2
Iron Ore (CNY/MT)	929	-1.4	-0.7	33.7
Wheat (\$/bu)	538	-1.9	-1.1	-3.7
Corn (\$/bu)	366	2.4	5.0	-5.6
Sugar (\$/lb)	12.1	2.7	-4.6	-10.0
SMP* (EUR/MT)	2,150	0.2	0.9	-16.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.237	-1.3	-0.4	-167.1
Saudi Arabia(SAIBOR)	0.885	-0.5	-0.5	-134.6
UAE (EIBOR)	0.453	0.8	-7.5	-175.6
Qatar (QIBOR)	1.200	18.5	24.6	-105.0
Bahrain (BHIBOR)	2.283	0.0	0.0	-38.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of September 15, 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