



Major Economic News

- Saudi Arabia's Industrial Production Index fell by 13.4% Y/Y to 108.52 points in July 2020. The decline was attributed to the fall in the mining and quarrying activity index by 11% in July, as the Kingdom decreased oil production to 8.4mn bpd in July 2020 from 9.5mn bpd in July 2019. (Source: Argaam)
- The value of Saudi Arabia's real estate deals fell 28% Y/Y to SAR 11.7bn in August-September 2020 from SAR 16.2bn a year earlier. However, the real estate deals jumped 102%, or SAR 5.9bn on M/M basis. (Source: Argaam)

Major Corporate News

- National Commercial Bank (NCB) entered into a legally binding merger agreement with Samba Financial Group (Samba). The merger will take place through transferring all Samba's assets and liabilities to NCB. Shareholders of Samba Group will acquire new shares in NCB, as per the exchange ratio of 0.739 shares in NCB for every Samba share. Both the banks have agreed to appoint Ammar Alkhudairy as chairman and Saeed Al-Ghamdi as managing director and CEO of the merged bank. (Source: Argaam)
- The Appeal Committee for Resolution of Securities Disputes convicted a number of Etihad Etisalat Co.'s former executives of violating the Capital Market Law. These executives were charged of violations that led to a false and misleading impression about the value of Mobily's stock. (Source: Argaam)
- Lazurde Company for Jewelry's board of directors recommended a capital increase through a SAR 143.3mn rights issue to support the future expansion activities and provide working capital to increase operational capacity and reduce debt-to-equity ratio. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 1.2% to 8,513.3 on Sunday. The value traded stood at SAR 11.7bn (up 4.0% over previous day), while the advance-decline ratio stood at 128/58. The parallel market index decreased 1.4% to 14,794.6 points. The value traded stood at SAR 51.5mn (up 35.8% over previous day). Most sectors in the main market ended in the green. Software & Services and Utilities (up 8.8% and 4.9%, respectively) advanced the most; Healthcare and Insurance (down 0.3% each) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q3-20	Q3-19	Y/Y %	Q2-20	Q/Q %
Jarir Marketing Co	255.2	305.0	-16.3	208.4	22.5

Source: Tadawul, AJC

Top Gainers

Company	Price	Change%
ASEER	15.18	10.0
ANAAM HOLDING	372.80	10.0
MAADANIYAH	37.00	10.0
ARAB SEA	70.70	10.0
ZAMIL INDUST	23.68	9.9

Top Losers

Company	Price	Change%
BURUJ	26.90	-5.6
ALAHLIA	16.08	-5.1
ALKATHIRI	106.40	-3.3
GULF UN.	20.36	-3.0
MEDGULF	23.46	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,513	8,514	8,437	1.2	1.5
NomuC	14,795	15,079	14,240	(1.4)	106.1

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	26.1
P/E (Bloomberg)	30.6
P/E*	40.1
P/E after exclusions*	38.5
P/E ex. loss-making comp.*	18.1
P/E: top 50 MCAP*	28.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,542	0.4	1.8	28.8
Materials	5,487	3.0	6.2	Neg
Capital Goods	5,498	1.4	26.9	Neg
Commercial Service	4,197	(0.0)	(12.0)	31.0
Transportation	4,509	1.0	2.6	High
Consumer Durables	4,970	1.4	41.7	Neg
Consumer Services	4,213	0.7	6.4	18.5
Media	10,297	1.4	9.5	40.5
Retailing	8,754	1.1	13.7	High
Food & Staples	11,324	0.6	71.2	37.3
Food & Beverages	5,744	0.4	31.9	32.3
Healthcare	5,491	(0.3)	47.2	35.2
Pharma & Bio Tech	4,617	0.3	28.4	Neg
Banks	7,156	0.7	(11.7)	16.5
Diversified Financials	4,447	4.3	34.6	Neg
Insurance	6,084	(0.3)	34.8	25.7
Telecom	6,973	1.3	7.7	21.4
Utilities	4,366	4.9	(0.8)	Neg
REITs	4,405	0.0	4.9	Neg
Real Estate	3,347	0.8	6.9	Neg
Software & Services	10,916	8.8	121.3	19.4

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,315	8,308	8,289	11.73

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.7	454.6	441.8
Previous week	55.6	2,353.2	2,238.0

Top Weighted Companies

Company	Price	Change%
Al Rajhi	67.10	1.1
Saudi Aramco	35.95	-0.1
NCB	38.50	0.0
SABIC	97.80	6.4
STC	105.40	1.3



Regional and International Markets

- Among other regional markets, Dubai increased 0.4%, while Abu Dhabi decreased 0.4%. Bahrain, Kuwait and Egypt rose 1.0%, 0.8% and 0.3%, respectively; while Oman and Qatar declined 0.4% and 0.3%, respectively.
- Democrats in the House and Republicans in the Senate conveyed opposition to US President Donald Trump's new USD 1.8tn coronavirus stimulus offer, reducing hopes for a deal before Presidential elections. (Source: CNBC)
- China's Caixin composite services PMI rose to 54.8 in September, a fifth consecutive rise, from 54.0 in August. The expansion was driven by a sustained rise in total new business amid stronger domestic demand. (Source: RTT News)
- UK manufacturing output rose 0.7% M/M in August (consensus: 3.0% increase), compared to 6.9% growth in July, while total industrial output grew 0.3% (consensus: 2.5% increase) versus 5.2% in previous month. (Source: FXStreet)
- The average of household spending in Japan was down 6.9% Y/Y in August to JPY 276,360, in line with consensus, compared to 7.6% decline in July. On a monthly basis, household spending was up

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.1	0.0	-0.9	-3.5
Euro	1.18	0.0	0.9	5.5
Japanese Yen	105.6	0.0	0.1	-2.8
Sterling Pound	1.30	0.0	1.0	-1.6
Chinese Yuan	6.69	0.0	-1.4	-3.9
Indian Rupee	73.0	0.0	-0.7	2.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	0.0
Kuwaiti Dinar	0.31	-0.1	-0.2	0.9
Omani Rial	0.38	-0.1	-0.1	0.0
Bahraini Dinar	0.38	-0.1	-0.1	0.0
Egyptian Pound	15.66	0.0	-0.4	-2.1

Corporate Calendar

Date	Company	Event
12 th Oct	Salama	OGM
15 th Oct	Najran Cement	Cash Dividend Distribution
15 th Oct	SABB Takaful	OGM
15 th Oct	JADWA REIT AL.	OGM
19 th Oct	Allianz SF	OGM
20 th Oct	SFICO	OGM

*EGM: Extra Ordinary Meeting
*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,224	0.4	-2.2	-19.6	8.4
Abu Dhabi (ADX)	4,493	-0.4	-0.6	-11.5	12.9
Kuwait (KSE)	4,470	0.8	3.9	-9.0	5.7
Qatar (QE)	10,001	-0.3	0.1	-4.1	15.3
Oman (MSM)	3,591	-0.4	-0.7	-9.8	8.4
Bahrain (BSE)	1,473	1.0	2.7	-8.5	9.1
Egypt (EGX30)	11,360	0.3	3.4	-18.6	8.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,587	0.0	2.9	0.2	23.4
Nasdaq	11,580	0.0	3.7	29.1	35.0
S&P 500	3,477	0.0	3.4	7.6	27.7
FTSE 100	6,017	0.0	2.6	-20.2	18.3
Germany DAX 30	13,051	0.0	2.3	-1.5	23.2
France CAC 40	4,947	0.0	3.0	-17.3	44.0
Japan Nikkei 225	23,620	0.0	1.9	-0.2	23.1
Hong Kong Hang Seng	24,119	0.0	2.8	-14.4	12.6
China Shanghai Composite	3,272	0.0	1.7	7.3	13.6
Australia ASX 200	6,102	0.0	4.9	-8.7	19.3
India Sensex	40,509	0.0	6.4	-1.8	24.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	40.4	0.0	0.2	-41.3
Brent Crude (\$/bbl)	42.9	0.0	4.6	-35.1
Texas crude (\$/bbl)	40.6	0.0	0.9	-33.6
Natural Gas (\$/mmbtu)	2.74	0.0	8.5	25.2
Gold (\$/oz)	1,930	0.0	2.4	27.3
Silver (\$/oz)	25.1	0.0	8.2	40.9
Steel (\$/ton)	633	0.0	2.9	7.7
Iron Ore (CNY/MT)	994	0.0	3.5	43.0
Wheat (\$/bu)	594	0.0	2.7	6.3
Corn (\$/bu)	395	0.0	4.2	1.9
Sugar (\$/lb)	14.2	0.0	8.9	6.0
SMP* (EUR/MT)	2,213	0.0	2.3	-13.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.221	0.0	-1.3	-168.8
Saudi Arabia(SAIBOR)	0.861	0.0	-0.8	-137.0
UAE (EIBOR)	0.340	-11.1	-14.8	-186.9
Qatar (QIBOR)	1.064	-14.2	12.9	-118.6
Bahrain (BHIBOR)	2.250	0.0	0.0	-41.7

Data Sources: Tadawul, Bloomberg, Reuters
* Three-month Interbank rate **NA: Not Available
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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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