



Major Economic News

- Saudi Arabia's oil exports rose by 4% M/M to 5.97 mbpd in August. On a Y/Y basis, oil exports declined 13% in August. The Kingdom's crude output increased by 6% M/M to 8.98 mbpd. Local crude consumption edged up 10% to 3.02 mbpd in August from 2.75 mbpd in July. (Source: Argaam)
- Saudi Arabia's Minister of Energy Prince Abdulaziz bin Salman said that the OPEC+ countries that had produced beyond the level stipulated by the crude oil output-cut agreement have pledged to compensate during the period from October to December. (Source: Argaam)

Major Corporate News

- MEFIC Capital, the fund manager of MEFIC REIT Fund, announced the extension of the lease of the land plot for the hospitality project by additional five years until March 31, 2040. The fund manager said that the rent for the period from April 1, 2020, to March 31, 2021, will be reduced to SAR 3mn from SAR 5.5mn. (Source: Argaam)
- Arab National Bank announced its intention to issue the second tranche of US dollar-denominated Tier 2 sukuk to eligible investors in Saudi Arabia and abroad. The sukuk aims to support the bank's capital base and fulfill its financial and strategic needs. (Source: Argaam)
- Banque Saudi Fransi is started, from October 19, the issuance of SAR-denominated additional Tier 1 Sukuk through private placement. The number and value of sukuk to be offered will be determined based on market conditions. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 8,547.6. The value traded stood at SAR 9.1bn (down 1.4% over previous day), while the advance-decline ratio stood at 44/148. The parallel market index decreased 1.4% to 14,419.2 points. The value traded stood at SAR 16.4mn (down 44.5% over previous day). Most sectors in the main market ended in the red. Utilities and Food & Beverages (up 5.7% and 1.2%, respectively) advanced the most; REITs and Insurance (down 1.5% and 1.2%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q3-20	Q3-19	Y/Y %	Q2-20	Q/Q %
Yamama Cement	77.7	54.7	42.0	47.9	62.4
Saudia Dairy and Foodstuff Co*	70.3	65.1	7.9	70.5	-0.4

Source: Tadawul, AJC

*- indicates Q2-21 results, as year ending is March

Top Gainers

Company	Price	Change%
SAUDI CABLE	29.25	10.0
ANAAM HOLDING	393.00	7.1
MESC	16.48	6.9
SAUDI ELECTRICITY	21.30	6.3
ALALAMIYA	25.95	4.8

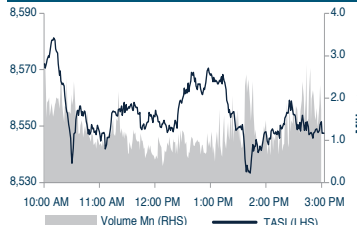
Top Losers

Company	Price	Change%
TALEEM	13.04	-6.1
CHEMANOL	11.34	-6.0
ZAIN KSA	13.76	-4.8
ALETIHAD	19.50	-4.8
SOLIDARITY	19.76	-4.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,548	8,582	8,531	(0.2)	1.9
NomuC	14,419	14,608	14,346	(1.4)	100.8

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	26.0
P/E (Bloomberg)	30.8
P/E*	40.4
P/E after exclusions*	38.8
P/E ex. loss-making comp.*	18.3
P/E: top 50 MCAP*	28.7

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,484	(0.6)	0.8	28.6
Materials	5,418	(0.4)	4.9	Neg
Capital Goods	5,841	0.5	34.8	Neg
Commercial Service	4,313	(0.4)	(9.6)	31.8
Transportation	4,573	(0.4)	4.0	High
Consumer Durables	5,014	(0.3)	43.0	Neg
Consumer Services	4,263	(1.1)	7.7	18.6
Media	10,304	(0.5)	9.6	40.5
Retailing	8,755	0.5	13.7	High
Food & Staples	11,163	(0.1)	68.7	36.8
Food & Beverages	5,998	1.2	37.8	33.9
Healthcare	5,494	(0.0)	47.3	35.2
Pharma & Bio Tech	4,617	(0.3)	28.4	Neg
Banks	7,233	(0.5)	(10.8)	16.7
Diversified Financials	4,336	(0.9)	31.3	Neg
Insurance	5,937	(1.2)	31.5	25.1
Telecom	6,995	1.0	8.1	21.7
Utilities	4,623	5.7	5.1	Neg
REITs	4,325	(1.5)	3.0	Neg
Real Estate	3,387	(0.2)	8.1	Neg
Software & Services	11,912	1.1	141.5	21.2

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,571	8,505	8,388	11.53

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	18.3	792.4	759.2
Previous week	61.2	2,488.1	2,386.6

Top Weighted Companies

Company	Price	Change%
Al Rajhi	66.80	-0.3
Saudi Aramco	35.65	-0.6
NCB	40.50	-1.3
SABIC	97.00	-0.1
STC	104.40	1.0



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 1.3% and 0.3%, respectively. Bahrain, Kuwait and Oman fell 1.1%, 0.8% and 0.4%, respectively; while Qatar and Egypt declined 0.1% each.
- US NAHB/Wells Fargo Housing Market Index (HMI) rose to 85, a new record high, in October (consensus: 83), from 83 in September. All the HMI indices recorded or matched their highest readings ever. (Source: RTT News)
- China's GDP grew 4.9% Y/Y in Q3-20 (consensus: an increase of 5.2%), compared to 3.2% growth witnessed in Q2-20. On a quarterly basis, GDP was up 2.7% (consensus: a 3.2% rise). The growth was supported by recovery in domestic consumption and increase in global demand for medical equipments. (Source: RTT News)
- Oil prices decreased 0.7% due to weaker than expected economic data from China and new restriction in Europe to fight COVID-19.
- Gold prices rose 0.3%, as weaker US dollar boosted the demand for the yellow metal.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.4	-0.3	-0.5	-3.1
Euro	1.18	0.4	0.4	5.0
Japanese Yen	105.4	0.0	0.0	-2.9
Sterling Pound	1.29	0.3	0.2	-2.4
Chinese Yuan	6.68	-0.2	-1.6	-4.0
Indian Rupee	73.4	-0.1	-0.3	2.8
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	-0.1	1.0
Omani Rial	0.38	0.1	0.0	0.0
Bahraini Dinar	0.38	0.1	0.0	0.1
Egyptian Pound	15.65	0.0	-0.5	-2.2

Corporate Calendar

Date	Company	Event
20 th Oct	SFICO	OGM
20 th Oct	UCA	OGM
22 th Oct	BAHRI	Cash Dividend Distribution
22 nd Oct	MAADEN	OGM
25 nd Oct	Atheeb Telecom	OGM
26 th Oct	APC	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,209	1.3	-2.8	-20.1	8.0
Abu Dhabi (ADX)	4,560	0.3	0.9	-10.2	13.0
Kuwait (KSE)	4,398	-0.8	2.2	-10.4	5.7
Qatar (QE)	10,000	-0.1	0.1	-4.1	15.6
Oman (MSM)	3,589	-0.4	-0.7	-9.9	8.5
Bahrain (BSE)	1,461	-1.1	1.9	-9.3	9.1
Egypt (EGX30)	11,171	-0.1	1.7	-20.0	8.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,195	-1.4	1.5	-1.2	23.4
Nasdaq	11,479	-1.7	2.8	27.9	35.3
S&P 500	3,427	-1.6	1.9	6.1	27.8
FTSE 100	5,885	-0.6	0.3	-22.0	18.0
Germany DAX 30	12,855	-0.4	0.7	-3.0	22.9
France CAC 40	4,929	-0.1	2.6	-17.5	43.8
Japan Nikkei 225	23,671	1.1	2.1	0.1	23.1
Hong Kong Hang Seng	24,542	0.6	4.6	-12.9	12.8
China Shanghai Composite	3,313	-0.7	2.9	8.6	13.8
Australia ASX 200	6,229	0.9	7.1	-6.8	19.7
India Sensex	40,432	1.1	6.2	-2.0	23.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	40.6	1.3	0.6	-41.0
Brent Crude (\$/bbl)	42.6	-0.7	4.1	-35.4
Texas crude (\$/bbl)	40.8	-0.1	1.5	-33.2
Natural Gas (\$/mmbtu)	2.80	0.8	10.6	27.7
Gold (\$/oz)	1,904	0.3	1.0	25.5
Silver (\$/oz)	24.5	1.4	5.6	37.4
Steel (\$/ton)	640	0.2	4.1	8.8
Iron Ore (CNY/MT)	863	-0.8	-10.2	24.1
Wheat (\$/bu)	627	0.3	8.5	12.2
Corn (\$/bu)	405	0.8	6.9	4.5
Sugar (\$/lb)	14.7	2.0	12.6	9.7
SMP* (EUR/MT)	2,225	0.7	2.9	-13.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.218	0.1	-1.6	-169.0
Saudi Arabia(SAIBOR)	0.854	-0.2	-1.5	-137.8
UAE (EIBOR)	0.456	7.5	-3.1	-175.2
Qatar (QIBOR)	1.200	60.0	26.5	-105.0
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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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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