



## Major Economic News

- Governor of SAMA, Ahmed Alkholifey, said the positive signals after reopening the economy remain intact, adding that while the economy is expected to contract in Q4-20, the pace will be slower than Q2-20 and Q3-20. (Source: Argaam)

## Major Corporate News

- National Commercial Bank and Samba Financial Group expect to finalize the planned merger in the Q2-21, based on the expected timeline of the process. Both banks also expected SAR 800mn in annual cost synergies, which will be realized in phases after the merger completion. (Source: Argaam)
- The Mediterranean and Gulf Insurance and Reinsurance Co. (MEDGULF) signed a contract with Saudi Electricity Co. to provide cooperative health insurance services to the company's employees and their approved family members, in accordance with the agreed terms and conditions. The contract value is more than 5% of the MEDGULF's gross written premiums for FY19. (Source: Argaam)
- Middle East Specialized Cables Co. (MESC) said Riyadh Commercial Court issued a final ruling, ordering Al Mousa Foundation, a major client, to pay the dues it owes to MESC in monthly installments until the end of March 2021. MESC expects the court decision to have a positive impact on its operations. (Source: Argaam)
- Raydan Food Co. opened a franchise branch in Khamis Mushayt, Abha. The relevant financial impact will appear on Q4-20 revenue. (Source: Argaam)
- Mobile Telecommunication Company Saudi Arabia's shareholders approved the board's recommendation on a capital increase from SAR 4.5bn to SAR 9.0bn through a SAR 450mn rights issue. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 8,592.1. The value traded stood at SAR 12.2bn (down 1.5% over previous day), while the advance-decline ratio stood at 90/101. The parallel market index increased 1.7% to 15,227.7 points. The value traded stood at SAR 23.0mn (down 57.6% over previous day). Most sectors in the main market ended in the green. Consumer Durables and Capital Goods (up 1.8% and 1.6%, respectively) advanced the most; Healthcare and Insurance (down 1.1% and 0.9%, respectively) led the laggards.

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

Company	Q3-20	Q3-19	Y/Y %	Q2-20	Q/Q %
Yanbu Cement Co.	82.5	61.9	33.2	37.3	120.9

Source: Tadawul, AJC

## Top Gainers

Company	Price	Change%
SAUDI CABLE	27.15	9.8
ZAIN KSA	17.66	8.2
APC	19.24	8.1
AMIAANTIT	16.52	7.6
MESC	16.04	7.4

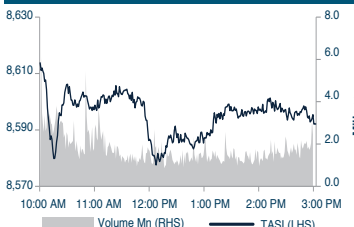
## Top Losers

Company	Price	Change%
TECO	51.80	-3.2
GULF GEN	26.30	-3.1
BUPA	123.60	-3.0
ANAAM	362.00	-2.8
KAYAN	11.24	-2.8

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,592	8,614	8,577	(0.1)	2.4
NomuC	15,228	15,283	14,798	1.7	112.1

## TASI movement during session



## TASI P/E Ratios

P/E (Tadawul)	26.1
P/E (Bloomberg)	31.0
P/E*	40.5
P/E after exclusions*	38.9
P/E ex. loss-making comp.*	18.4
P/E: top 50 MCAP*	28.9

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,518	(0.4)	1.4	28.7
Materials	5,468	(0.5)	5.8	Neg
Capital Goods	5,825	1.6	34.5	Neg
Commercial Service	4,293	0.5	(10.0)	31.6
Transportation	4,609	0.9	4.9	High
Consumer Durables	5,073	1.8	44.7	Neg
Consumer Services	4,320	0.1	9.1	18.8
Media	10,466	1.0	11.3	41.2
Retailing	8,788	1.5	14.2	High
Food & Staples	11,247	(0.0)	70.0	37.1
Food & Beverages	5,771	0.1	32.6	32.6
Healthcare	5,468	(1.1)	46.6	35.1
Pharma & Bio Tech	4,650	(0.4)	29.4	Neg
Banks	7,356	(0.0)	(9.3)	17.1
Diversified Financials	4,426	0.3	34.0	Neg
Insurance	5,976	(0.9)	32.4	25.2
Telecom	7,011	(0.4)	8.3	21.5
Utilities	4,332	1.2	(1.5)	Neg
REITs	4,311	(0.5)	2.7	Neg
Real Estate	3,354	0.5	7.1	Neg
Software & Services	11,111	0.0	125.2	19.7

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,533	8,412	8,356	12.00

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	49.7	1,955.0	1,912.5
Previous week	55.6	2,353.2	2,238.0

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	67.50	-0.7
Saudi Aramco	35.80	-0.3
NCB	42.00	0.1
SABIC	97.40	-0.7
STC	105.60	-0.8



## Regional and International Markets

- Among other regional markets, Dubai decreased 0.9%, while Abu Dhabi increased 0.6%. Egypt rose 0.4%, while Bahrain declined 0.4%. Kuwait and Qatar fell 0.3% each. Meanwhile, Oman remained flat.
- US Producer Price Index, final demand (PPI-FD) rose 0.4% M/M in September (consensus: 0.2% increase), against an increase of 0.3% in August. On Y/Y basis, PPI-FD was up 0.4% (consensus: 0.2% rise), versus a decline of 0.2% in August. (Source: Econoday)
- China's CPI rose 0.2% M/M (consensus: an increase of 0.3%) in September, compared to 0.4% increase in August. On Y/Y basis, CPI grew 1.7% (consensus: an increase of 1.9%) in September, versus a 2.4% growth seen in August. (Source: Econoday)
- Eurozone industrial production rose 0.7% M/M in August (consensus: 0.5% increase) compared with a rise of 5.0% in July. On a Y/Y basis, it declined 7.2% in August (consensus: a decline of 7.4%), against a decrease of 7.1% in July. (Source: Econoday)
- Oil prices increased 2.0% on expectations of a large drawdown in US crude oil inventories and optimism over OPEC+ compliance to the output cut.
- Gold prices rose 0.5%, as weakness in US dollar boosted the yellow metal prices.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.4	-0.2	-0.5	-3.1
Euro	1.17	0.0	0.2	4.8
Japanese Yen	105.2	-0.3	-0.3	-3.2
Sterling Pound	1.30	0.6	0.7	-1.9
Chinese Yuan	6.71	-0.5	-1.1	-3.6
Indian Rupee	73.2	-0.2	-0.4	2.6
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	-0.3	0.8
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.1
Egyptian Pound	15.65	0.1	-0.5	-2.2

## Corporate Calendar

Date	Company	Event
15 <sup>th</sup> Oct	Najran Cement	Cash Dividend Distribution
15 <sup>th</sup> Oct	SABB Takaful	OGM
15 <sup>th</sup> Oct	JADWA REIT AL.	OGM
19 <sup>th</sup> Oct	Allianz SF	OGM
20 <sup>th</sup> Oct	SFICO	OGM
20 <sup>th</sup> Oct	UCA	OGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,218	-0.9	-2.4	-19.8	8.0
Abu Dhabi (ADX)	4,573	0.6	1.2	-9.9	13.0
Kuwait (KSE)	4,452	-0.3	3.5	-9.3	5.7
Qatar (QE)	10,026	-0.3	0.4	-3.8	15.5
Oman (MSM)	3,594	0.0	-0.6	-9.7	8.4
Bahrain (BSE)	1,477	-0.4	2.9	-8.3	9.1
Egypt (EGX30)	11,334	0.4	3.1	-18.8	8.6

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,514	-0.6	2.6	-0.1	23.4
Nasdaq	11,769	-0.8	5.4	31.2	35.9
S&P 500	3,489	-0.7	3.7	8.0	27.9
FTSE 100	5,935	-0.6	1.2	-21.3	18.2
Germany DAX 30	13,028	0.1	2.1	-1.7	23.3
France CAC 40	4,942	-0.1	2.9	-17.3	43.9
Japan Nikkei 225	23,627	0.1	1.9	-0.1	23.1
Hong Kong Hang Seng	24,667	0.1	5.1	-12.5	12.9
China Shanghai Composite	3,341	-0.6	3.8	9.5	13.9
Australia ASX 200	6,179	-0.3	6.2	-7.6	19.6
India Sensex	40,795	0.4	7.2	-1.1	24.2

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	40.0	0.9	-0.7	-41.8
Brent Crude (\$/bbl)	43.3	2.0	5.8	-34.4
Texas crude (\$/bbl)	41.0	2.1	2.0	-32.9
Natural Gas (\$/mmbtu)	2.64	-7.7	4.3	20.4
Gold (\$/oz)	1,902	0.5	0.8	25.3
Silver (\$/oz)	24.3	0.5	4.6	36.2
Steel (\$/ton)	637	-0.3	3.6	8.3
Iron Ore (CNY/MT)	906	-0.9	-5.7	30.4
Wheat (\$/bu)	597	0.5	3.2	6.8
Corn (\$/bu)	397	1.3	4.6	2.3
Sugar (\$/lb)	14.2	1.4	8.6	5.8
SMP* (EUR/MT)	2,215	0.1	2.4	-13.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.237	0.8	0.3	-167.2
Saudi Arabia(SAIBOR)	0.859	0.0	-1.0	-137.3
UAE (EIBOR)	0.433	11.3	-5.5	-177.6
Qatar (QIBOR)	1.049	-9.6	11.4	-120.1
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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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.
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