



Major Economic News

- Saudi Export Development Authority signed a MoU with the US-Saudi Arabian Business Council to promote and boost Saudi non-oil exports to the US and establish a strategic partnership that contributes to strengthening trade relations between the two countries. (Source: Argaam)
- The Ministry of Finance received a total of 608,700 payment orders worth SAR 696bn from the public and private sectors in the first nine months of FY20. Payment orders of the public sector were valued at SAR 558bn, accounting for 80.2% of the total orders. The ministry fulfilled SAR 546.7bn orders, while SAR 11.2bn worth of payment orders are still pending. (Source: Argaam)

Major Corporate News

- Moody's Investors Service affirmed all ratings and assessments of National Commercial Bank and Samba Financial Group, including their long-term and short-term deposit ratings at A1/P-1, and Baseline Credit Assessments at baa1 and a2 respectively. The outlook on the long-term deposit ratings for both banks remains negative. (Source: Argaam)
- Chubb Arabia Cooperative Insurance Co. appointed Kamran Mazhar as the CEO, effective October 20, 2020. Mazhar was serving as the acting CEO since September 4, 2019, prior to which he held the post of chief operating officer. (Source: Argaam)
- Al-Etihad Cooperative Insurance Co. announced the resumption of all services across the Kingdom, in line with the implementation of the business continuity plan. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 8,533.0. The value traded stood at SAR 10.2bn (up 12.2% over previous day), while the advance-decline ratio stood at 43/150. The parallel market index increased 3.8% to 14,962.3 points. The value traded stood at SAR 23.8mn (up 45.4% over previous day). Most sectors in the main market ended in the red. Utilities and Food & Staples (up 3.7% and 3.3%, respectively) advanced the most; Consumer Durables and Media (down 2.7% and 2.3%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

| Company | Q3-20 | Q3-19 | Y/Y % | Q2-20 | Q/Q % |
|------------------------------|-------|-------|-------|--------|-------|
| Saudi Kayan | -28.2 | 1.3 | NM | -398.2 | NM |
| Saudi Arabian Fertilizer Co. | 397.5 | 414.2 | -4.0 | 359.8 | 10.5 |

Source: Tadawul, AJC

Top Gainers

| Company | Price | Change% |
|-------------------|-------|---------|
| HB | 74.10 | 9.9 |
| FARM SUPERSTORES | 36.05 | 9.9 |
| HERFY FOODS | 62.30 | 9.9 |
| SIPCHEM | 17.32 | 4.2 |
| SAUDI ELECTRICITY | 22.18 | 4.1 |

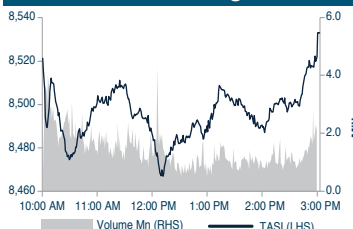
Top Losers

| Company | Price | Change% |
|------------|-------|---------|
| ALJAZ. RE. | 22.42 | -9.0 |
| ALSAGR | 15.20 | -4.9 |
| GULF GEN. | 23.50 | -4.9 |
| BURUJ | 25.85 | -4.3 |
| FITAIHI | 21.32 | -4.0 |

Saudi Stock Exchange

| Index | Closing | High | Low | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI | 8,533 | 8,533 | 8,466 | (0.2) | 1.7 |
| NomuC | 14,962 | 14,968 | 14,236 | 3.8 | 108.4 |

TASI movement during session



TASI P/E Ratios

| | |
|----------------------------|------|
| P/E (Tadawul) | 25.9 |
| P/E (Bloomberg) | 30.7 |
| P/E* | 40.3 |
| P/E after exclusions* | 38.7 |
| P/E ex. loss-making comp.* | 18.2 |
| P/E: top 50 MCAP* | 28.6 |

*Source: Argaam (Excluding Aramco)

| Index | Close | Daily Change% | YTD % | PE (TTM) |
|------------------------|--------|---------------|--------|----------|
| Energy | 5,452 | (0.6) | 0.2 | 28.5 |
| Materials | 5,401 | (0.3) | 4.5 | Neg |
| Capital Goods | 5,825 | (0.3) | 34.4 | Neg |
| Commercial Service | 4,280 | (0.8) | (10.3) | 31.5 |
| Transportation | 4,568 | (0.1) | 3.9 | High |
| Consumer Durables | 4,880 | (2.7) | 39.2 | Neg |
| Consumer Services | 4,231 | (0.7) | 6.9 | 18.6 |
| Media | 10,069 | (2.3) | 7.1 | 39.6 |
| Retailing | 8,705 | (0.6) | 13.1 | High |
| Food & Staples | 11,528 | 3.3 | 74.2 | 38.2 |
| Food & Beverages | 6,056 | 1.0 | 39.1 | 34.1 |
| Healthcare | 5,515 | 0.4 | 47.9 | 35.1 |
| Pharma & Bio Tech | 4,637 | 0.4 | 29.0 | Neg |
| Banks | 7,207 | (0.4) | (11.1) | 16.7 |
| Diversified Financials | 4,274 | (1.4) | 29.4 | Neg |
| Insurance | 5,868 | (1.2) | 30.0 | 24.8 |
| Telecom | 6,942 | (0.8) | 7.2 | 21.5 |
| Utilities | 4,796 | 3.7 | 9.0 | Neg |
| REITs | 4,287 | (0.9) | 2.1 | Neg |
| Real Estate | 3,422 | 1.0 | 9.2 | Neg |
| Software & Services | 12,028 | 1.0 | 143.8 | 21.3 |

**Neg: Negative

Average Index Value

| Average 5 days | Average 10 days | Average 20 days | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|---|
| 8,557 | 8,522 | 8,401 | 11.44 |

Market Statistics

| | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week | 28.6 | 1,233.0 | 1,185.4 |
| Previous week | 61.2 | 2,488.1 | 2,386.6 |

Top Weighted Companies

| Company | Price | Change% |
|--------------|--------|---------|
| Al Rajhi | 66.70 | -0.1 |
| Saudi Aramco | 35.50 | -0.4 |
| NCB | 40.30 | -0.5 |
| SABIC | 96.50 | -0.5 |
| STC | 103.40 | -1.0 |



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.3% and 0.4%, respectively. Kuwait and Qatar rose 0.2% each, while Bahrain and Egypt declined 0.4% and 0.1%, respectively. Meanwhile, Oman remained flat.
- US housing starts rose 1.9% to an annual rate of 1.415mn in September (consensus: 1.463mn), from the revised rate of 1.388mn in August. Housing permits increased to 1.553mn in September (consensus: 1.520mn), compared to a prior revised 1.476mn in August. (Source: Econoday)
- Japan posted a merchandise trade surplus of JPY 675.0bn in September (consensus: JPY 989.8bn surplus) compared to JPY 248.3bn surplus in August. Exports decreased 4.9% Y/Y to JPY 6.1tn (consensus: a fall of 2.4%) versus a decline in 14.8% Y/Y in August. Imports fell 17.2% Y/Y to JPY 5.4tn (consensus: a decline of 21.4%), compared to a decrease of 20.8% in August. (Source: RTT News)
- Oil prices increased 1.3% driven by expectations of a new US coronavirus stimulus deal before elections to boost economic recovery.
- Gold prices rose 0.2% on expectations of a new US coronavirus stimulus deal before elections.

Forex / Currency

| Currency | Close | Daily Change% | MTD % | YTD % |
|----------------|-------|---------------|-------|-------|
| Dollar Index | 93.1 | -0.4 | -0.9 | -3.4 |
| Euro | 1.18 | 0.5 | 0.9 | 5.5 |
| Japanese Yen | 105.5 | 0.1 | 0.0 | -2.9 |
| Sterling Pound | 1.29 | 0.0 | 0.2 | -2.4 |
| Chinese Yuan | 6.68 | -0.1 | -1.7 | -4.1 |
| Indian Rupee | 73.4 | 0.1 | -0.2 | 2.9 |
| 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 | 0.9 |
| Omani Rial | 0.38 | 0.0 | 0.0 | 0.0 |
| Bahraini Dinar | 0.38 | 0.0 | 0.0 | 0.1 |
| Egyptian Pound | 15.65 | 0.0 | -0.5 | -2.2 |

Corporate Calendar

| Date | Company | Event |
|----------------------|----------------|----------------------------|
| 22 nd Oct | BAHRI | Cash Dividend Distribution |
| 22 nd Oct | MAADEN | OGM |
| 25 th Oct | Atheeb Telecom | OGM |
| 26 th Oct | APC | EGM |
| 27 th Oct | Catering | Cash Dividend Distribution |
| 27 th Oct | ALSAGR INS. | OGM |

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

| Market | Close | Daily Change% | MTD % | YTD % | P/E |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM) | 2,181 | -1.3 | -4.1 | -21.1 | 7.9 |
| Abu Dhabi (ADX) | 4,543 | -0.4 | 0.5 | -10.5 | 13.0 |
| Kuwait (KSE) | 4,405 | 0.2 | 2.4 | -10.3 | 5.7 |
| Qatar (QE) | 10,016 | 0.2 | 0.3 | -3.9 | 15.6 |
| Oman (MSM) | 3,587 | 0.0 | -0.8 | -9.9 | 8.5 |
| Bahrain (BSE) | 1,455 | -0.4 | 1.4 | -9.7 | 9.1 |
| Egypt (EGX30) | 11,158 | -0.1 | 1.5 | -20.1 | 8.6 |

International Markets

| Index | Close | Daily Change% | MTD % | YTD % | P/E |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones | 28,309 | 0.4 | 1.9 | -0.8 | 23.1 |
| Nasdaq | 11,516 | 0.3 | 3.1 | 28.4 | 34.7 |
| S&P 500 | 3,443 | 0.5 | 2.4 | 6.6 | 27.4 |
| FTSE 100 | 5,889 | 0.1 | 0.4 | -21.9 | 18.0 |
| Germany DAX 30 | 12,737 | -0.9 | -0.2 | -3.9 | 22.7 |
| France CAC 40 | 4,929 | -0.3 | 2.6 | -17.5 | 43.8 |
| Japan Nikkei 225 | 23,567 | -0.4 | 1.6 | -0.4 | 23.1 |
| Hong Kong Hang Seng | 24,570 | 0.1 | 4.7 | -12.8 | 12.8 |
| China Shanghai Composite | 3,328 | 0.5 | 3.4 | 9.1 | 13.8 |
| Australia ASX 200 | 6,185 | -0.7 | 6.3 | -7.5 | 19.5 |
| India Sensex | 40,544 | 0.3 | 6.5 | -1.7 | 23.8 |

Commodity Markets

| Commodity | Price | Daily Change% | MTD % | YTD % |
|---------------------------|-------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 40.5 | -0.1 | 0.5 | -41.1 |
| Brent Crude (\$/bbl) | 43.2 | 1.3 | 5.4 | -34.6 |
| Texas crude (\$/bbl) | 41.5 | 1.5 | 3.1 | -32.2 |
| Natural Gas (\$/mmbtu) | 2.91 | 4.2 | 15.3 | 33.1 |
| Gold (\$/oz) | 1,907 | 0.2 | 1.1 | 25.7 |
| Silver (\$/oz) | 24.6 | 0.6 | 6.2 | 38.2 |
| Steel (\$/ton) | 640 | 0.0 | 4.1 | 8.8 |
| Iron Ore (CNY/MT) | 867 | 0.5 | -9.7 | 24.7 |
| Wheat (\$/bu) | 632 | 0.8 | 9.3 | 13.1 |
| Corn (\$/bu) | 409 | 0.9 | 7.8 | 5.4 |
| Sugar (\$/lb) | 14.5 | -1.2 | 11.2 | 8.3 |
| SMP* (EUR/MT) | 2,225 | 0.0 | 2.9 | -13.4 |

*SMP: Skimmed Milk Powder

Interbank Rates

| Region | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|----------------------|-------|-------------------|-----------|-----------|
| USD LIBOR | 0.209 | -1.0 | -2.5 | -170.0 |
| Saudi Arabia(SAIBOR) | 0.851 | -0.3 | -1.8 | -138.0 |
| UAE (EIBOR) | 0.378 | -7.9 | -11.0 | -183.1 |
| Qatar (QIBOR) | 1.150 | -5.0 | 21.5 | -110.0 |
| Bahrain (BHIBOR) | 2.250 | 0.0 | 0.0 | -41.7 |

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of October 20, 2020



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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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