



Major Economic News

- Saudi Arabia plans to cancel a foreign worker sponsorship system, known as kafala, and replace it with a new form of contract between employers and employees. The Ministry of Human Resources and Social Development intends next week to announce a new initiative that improves the contractual relationship between employers and expatriate workers. (Source: Argaam)

Major Corporate News

- AlAhli Takaful Co. and Chubb Arabia Cooperative Insurance Co. decided to end their preliminary discussions and not continue with the study of a possible merger. The two insurers said there is no financial impact of this decision. (Source: Argaam)
- Saudia Dairy and Foodstuff Co. shareholders are set to vote on repurchasing 2.75mn of its shares to be retained as treasury shares, during the extraordinary general meeting that will be held on November 18, 2020. (Source: Argaam)
- The shareholders of Anaam International Holding Group approved to increase capital from SAR 15mn to SAR 105mn through a SAR 90mn rights issue. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.5% to 8,198.9. The value traded stood at SAR 7.8bn (down 31.7% over previous day), while the advance-decline ratio stood at 115/69. The parallel market index decreased 3.0% to 14,438.1 points. The value traded stood at SAR 19.6mn (down 44.5% over previous day). Most sectors in the main market ended in the green. Insurance and Utilities (up 3.0% and 1.3%, respectively) advanced the most; Diversified Financials and Retailing (down 0.7% and 0.6%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q3-20	Q3-19	Y/Y %	Q2-20	Q/Q %
Bawan Co.	29.6	3.3	806.7	15.5	91.3
National Gypsum Co.	9.3	7.0	34.2	5.2	80.3
Alhokair Group	-109.3	-15.5	NM	2.1	NM
Alujain Holding	15.9	108.5	NM	183.0	-91.3
Electrical Industries Co.	10.6	4.9	115.6	-7.7	NM
Halwani Bros.	25.0	-3.4	NM	25.9	-3.5
National Commercial Bank	3,158.0	2,551.0	23.8	2,088.0	51.2
Alinma Bank	629.0	713.0	-11.8	572.0	10.0
Eastern Province Cement	43.0	36.0	19.4	30.0	43.3

Source: Tadawul, AJC

Top Gainers

Company	Price	Change%
SOLIDARITY	17.82	10.0
ALAHLIA	13.88	10.0
ENAYA	31.95	10.0
AMANA INSURANCE	32.00	10.0
MAADANIYAH	35.35	10.0

Top Losers

Company	Price	Change%
PETRO RA.	13.32	-4.7
ALKHALEEJ	20.70	-3.7
HERFY	52.20	-3.2
ALAKARIA	16.20	-2.6
FITAIHI GRP	17.16	-2.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,199	8,199	8,101	0.5	(2.3)
NomuC	14,438	14,894	14,324	(3.0)	101.1

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	25.2
P/E (Bloomberg)	29.2
P/E*	38.0
P/E after exclusions*	36.6
P/E ex. loss-making comp.*	17.5
P/E: top 50 MCAP*	27.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,295	1.2	(2.7)	27.7
Materials	5,139	0.5	(0.5)	Neg
Capital Goods	5,190	0.6	19.8	Neg
Commercial Service	4,208	(0.3)	(11.8)	31.1
Transportation	4,346	0.3	(1.1)	High
Consumer Durables	4,323	0.3	23.3	Neg
Consumer Services	3,797	(0.5)	(4.1)	16.7
Media	9,415	0.4	0.1	37.0
Retailing	8,248	(0.6)	7.2	High
Food & Staples	11,156	1.2	68.6	High
Food & Beverages	5,554	0.2	27.6	31.5
Healthcare	5,310	(0.4)	42.4	34.4
Pharma & Bio Tech	4,499	(0.3)	25.1	Neg
Banks	7,081	0.5	(12.7)	16.4
Diversified Financials	3,859	(0.7)	16.8	Neg
Insurance	5,679	3.0	25.8	24.0
Telecom	6,776	0.4	4.7	21.3
Utilities	4,462	1.3	1.4	Neg
REITs	4,144	0.9	(1.3)	Neg
Real Estate	3,127	(0.5)	(0.2)	Neg
Software & Services	11,766	1.0	138.5	20.8

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,302	8,430	8,406	10.82

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	28.4	1,181.6	1,301.3
Previous week	45.6	1,930.6	1,908.2

Top Weighted Companies

Company	Price	Change%
Al Rajhi	66.30	0.5
Saudi Aramco	34.50	1.2
NCB	39.90	1.1
SABIC	93.50	1.0
STC	103.60	0.6



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 1.1% and 1.3%, respectively. Egypt and Qatar rose 0.5% each, while Bahrain fell 0.5%. Oman and Kuwait declined 0.2% each.
- US durable goods orders increased by 1.9% in September (consensus: an increase of 0.5%), compared to a rise of 0.4% in August. Economists had expected durable goods orders to increase by 0.5 percent. The growth in durable goods orders was driven by 4.1% increase in orders for transportation equipment in September versus a decline of 0.9% in August. (Source: RTT News)
- US consumer confidence fell to 100.9 in October (consensus: 102.0) from 101.3 in September. Consumers' assessment of current conditions improved while expectations declined, mainly due to softening in the short-term outlook for jobs. (Source: Econoday, RTT News)
- Oil prices rose 1.8% due to another shut down in production in the Gulf of Mexico due to Hurricane Zeta.
- Gold prices increased 0.3%, as investors turned to the safe haven metal amid rising COVID-19 concerns globally.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	92.9	-0.1	-1.0	-3.6
Euro	1.18	-0.1	0.7	5.2
Japanese Yen	104.4	-0.4	-1.0	-3.9
Sterling Pound	1.30	0.2	1.0	-1.6
Chinese Yuan	6.70	-0.1	-1.3	-3.7
Indian Rupee	73.6	-0.5	0.1	3.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	0.0
Kuwaiti Dinar	0.31	0.2	-0.2	1.0
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.1
Egyptian Pound	15.67	0.1	-0.4	-2.1

Corporate Calendar

Date	Company	Event
28 th Oct	SAIC	OGM
02 nd Nov	ALAHIA	EGM
04 th Nov	MULKIA REIT	Cash Dividend Distribution
09 th Nov	Advanced	Cash Dividend Distribution
09 th Nov	ALKHODARI	OGM
09 th Nov	ALRAJHI	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,191	1.1	-3.6	-20.7	9.0
Abu Dhabi (ADX)	4,683	1.3	3.6	-7.7	13.2
Kuwait (KSE)	4,334	-0.2	0.7	-11.7	5.7
Qatar (QE)	9,853	0.5	-1.4	-5.5	15.2
Oman (MSM)	3,556	-0.2	-1.6	-10.7	8.4
Bahrain (BSE)	1,427	-0.5	-0.5	-11.3	9.1
Egypt (EGX30)	10,560	0.5	-3.9	-24.4	8.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	27,463	-0.8	-1.1	-3.8	22.0
Nasdaq	11,431	0.6	2.4	27.4	34.4
S&P 500	3,391	-0.3	0.8	4.9	27.1
FTSE 100	5,729	-1.1	-2.3	-24.0	17.2
Germany DAX 30	12,064	-0.9	-5.5	-8.9	22.3
France CAC 40	4,731	-1.8	-1.5	-20.9	42.2
Japan Nikkei 225	23,486	0.0	1.3	-0.7	23.2
Hong Kong Hang Seng	24,787	-0.5	5.7	-12.1	12.9
China Shanghai Composite	3,254	0.1	1.1	6.7	13.5
Australia ASX 200	6,051	-1.7	4.0	-9.5	19.1
India Sensex	40,522	0.9	6.4	-1.8	23.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	39.0	-0.5	-3.4	-43.4
Brent Crude (\$/bbl)	41.2	1.8	0.6	-37.6
Texas crude (\$/bbl)	39.6	2.6	-1.6	-35.3
Natural Gas (\$/mmbtu)	3.02	-0.2	19.5	37.9
Gold (\$/oz)	1,908	0.3	1.2	25.8
Silver (\$/oz)	24.6	0.9	5.8	37.7
Steel (\$/ton)	645	0.0	4.9	9.7
Iron Ore (CNY/MT)	853	-0.8	-11.2	22.7
Wheat (\$/bu)	616	-0.7	6.5	10.2
Corn (\$/bu)	416	-0.4	9.8	7.3
Sugar (\$/lb)	14.8	0.4	13.5	10.5
SMP* (EUR/MT)	2,203	0.0	1.8	-14.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.222	0.6	-1.2	-168.6
Saudi Arabia(SAIBOR)	0.848	0.0	-2.1	-138.4
UAE (EIBOR)	0.454	-2.0	-3.4	-175.5
Qatar (QIBOR)	0.600	-26.3	-33.5	-165.0
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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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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