



Major Economic News

- Qualified foreign investors were net buyers of SAR 2.5bn worth of stocks on the Saudi Stock Exchange in October 2020. Foreign investors purchased SAR 11.5mn worth of shares through swap agreements. Saudi corporates net purchasers reached SAR 2.1bn, while mutual funds were net sellers of shares worth SAR 140.4mn. (Source: Argaam)

Major Corporate News

- BATIC Investments and Logistics Co. signed a MoU with Al-Marshad Holding and Smart Cities Solutions Co. to form an alliance and bid for a project to establish and manage car parking lots in Olaya district, Riyadh. (Source: Argaam)
- Mobile Telecommunication Company Saudi Arabia rights issue was 86.8% subscribed, as subscribers injected SAR 3.9bn in 390mn shares. The remaining shares will be reoffered to institutional investors pro rata on November 03-04, 2020. (Source: Argaam)
- The Red Sea Development Company has so far signed more than 500 contracts with local and international firms at a total value of SAR 7.5bn. (Source: Argaam)
- Osool & Bakheet Investment Co., the fund manager of Al Maather REIT Fund, said the extension to the MoU it signed with Al-Roqi National Schools Co. to develop and build Al-Roqi National School in Riyadh has expired without renewal. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.5% to 7,864.8 on Sunday. The value traded stood at SAR 5.1bn (down 35.2% over previous day), while the advance-decline ratio stood at 78/111. The parallel market index decreased 0.1% to 16,145.9 points. The value traded stood at SAR 27.6mn (down 57.8% over previous day). Most sectors in the main market ended in the red. Software & Services and Insurance (up 2.8% and 1.1%, respectively) advanced the most; Transportation and Utilities (down 1.5% each) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q3-20	Q3-19	Y/Y %	Q2-20	Q/Q %
Al-Etihad Cooperative Ins.	29.9	14.1	111.6	33.3	-10.3
Medgulf	7.6	5.3	43.8	27.0	-71.9
Leejam Sports Company	26.6	48.8	-45.6	-91.0	NM
Sharqiyah Development	-0.4	-0.9	NM	-0.5	NM
Tawuniya	113.8	109.1	4.3	210.1	-45.8
Saudi Enaya	-10.1	-32.9	NM	-1.8	NM

Source: Tadawul, AJC

Top Gainers

Company	Price	Change%
WAFRAH	80.40	10.0
ANAAM HOLDING	86.40	9.9
ARABIAN SHIELD	19.72	9.9
BURUJ	23.00	8.5
CHUBB	28.85	8.5

Top Losers

Company	Price	Change%
SPPC	20.08	-5.7
ALKATHIRI	75.50	-5.5
TAPRCO	42.60	-4.9
ZAMIL IND.	19.50	-4.8
ZOUJAJ	22.50	-4.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	7,865	7,921	7,843	(0.5)	(6.3)
NomuC	16,146	16,364	16,056	(0.1)	124.9

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	24.5
P/E (Bloomberg)	28.2
P/E*	37.3
P/E after exclusions*	35.8
P/E ex. loss-making comp.*	16.8
P/E: top 50 MCAP*	26.3

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,148	(0.3)	(5.4)	27.0
Materials	4,877	(0.7)	(5.6)	Neg
Capital Goods	4,802	(0.8)	10.8	Neg
Commercial Service	4,030	(0.8)	(15.5)	30.0
Transportation	4,092	(1.5)	(6.9)	High
Consumer Durables	3,992	(0.1)	13.8	Neg
Consumer Services	3,569	(0.2)	(9.9)	15.7
Media	8,942	0.4	(4.9)	35.0
Retailing	7,903	(1.1)	2.7	High
Food & Staples	11,038	0.8	66.8	High
Food & Beverages	5,202	(1.4)	19.5	30.0
Healthcare	5,147	0.0	38.0	33.4
Pharma & Bio Tech	4,255	(1.4)	18.3	Neg
Banks	6,845	(0.8)	(15.6)	16.0
Diversified Financials	3,627	0.1	9.8	Neg
Insurance	5,421	1.1	20.1	22.6
Telecom	6,572	0.7	1.5	20.5
Utilities	4,058	(1.5)	(7.8)	Neg
REITs	4,063	(0.1)	(3.2)	Neg
Real Estate	2,980	(0.1)	(4.9)	Neg
Software & Services	11,496	2.8	133.0	19.8

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,108	8,318	8,378	10.54

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	5.1	229.7	277.7
Previous week	44.2	1,857.7	2,084.3

Top Weighted Companies

Company	Price	Change%
Al Rajhi	65.70	-0.2
Saudi Aramco	33.60	-0.3
NCB	38.60	-1.2
SABIC	88.80	-1.3
STC	100.20	0.5



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.6% and 0.5%, respectively. Kuwait, Egypt, Qatar, Oman, and Bahrain declined 1.0%, 0.6%, 0.5%, 0.2% and 0.1%, respectively.
- US personal income increased by 0.9% in September (consensus: a rise of 0.4%), compared to a revised decline of 2.5% in August. Personal spending surged by 1.4% in September, as against an increase of 1.0% in August. (Source: RTT News)
- US initial jobless claims dropped to 751,000 (consensus: 775,000), representing a fall of 40,000 from the previous week's revised level of 791,000. (Source: RTT News)
- Eurozone unemployment rate stood at 8.3% in September (in line with consensus), unchanged from the August reading. (Source: RTT News)
- Eurozone harmonized CPI decreased 0.3% Y/Y in October (in line with expectations). On M/M basis, CPI rose 0.2% in October. (Source: RTT News)
- Japan's industrial production increased a seasonally adjusted 4.0% M/M in September (consensus: a gain of 3.2%), compared to an increase 1.0% in August. (Source: RTT News)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	94.0	0.1	0.2	-2.4
Euro	1.16	-0.2	-0.6	3.9
Japanese Yen	104.6	0.0	-0.8	-3.7
Sterling Pound	1.29	0.1	0.2	-2.4
Chinese Yuan	6.69	-0.3	-1.4	-3.9
Indian Rupee	74.6	0.2	1.4	4.5
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	0.8
Omani Rial	0.38	-0.1	-0.1	0.0
Bahraini Dinar	0.38	-0.1	-0.1	0.0
Egyptian Pound	15.65	0.0	0.0	-2.2

Corporate Calendar

Date	Company	Event
02 nd Nov	ALAHLIA	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
15 th Nov	SULAIMAN ALHABIB	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,152	-1.6	-1.6	-22.2	9.0
Abu Dhabi (ADX)	4,635	-0.5	-0.5	-8.7	13.6
Kuwait (KSE)	4,288	-1.0	-1.0	-12.7	5.7
Qatar (QE)	9,640	-0.5	-0.5	-7.5	15.4
Oman (MSM)	3,552	-0.2	-0.2	-10.8	8.6
Bahrain (BSE)	1,426	-0.1	-0.1	-11.4	9.1
Egypt (EGX30)	10,456	-0.6	-0.6	-25.1	8.0

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	26,502	0.0	-4.6	-7.1	21.2
Nasdaq	10,912	0.0	-2.3	21.6	32.1
S&P 500	3,270	0.0	-2.8	1.2	25.9
FTSE 100	5,577	0.0	-4.9	-26.1	16.6
Germany DAX 30	11,556	0.0	-9.4	-12.8	21.1
France CAC 40	4,594	0.0	-4.4	-23.1	47.4
Japan Nikkei 225	22,977	0.0	-0.9	-2.9	22.6
Hong Kong Hang Seng	24,107	0.0	2.8	-14.5	12.5
China Shanghai Composite	3,225	0.0	0.2	5.7	13.3
Australia ASX 200	5,928	0.0	1.9	-11.3	19.0
India Sensex	39,614	0.0	4.1	-4.0	23.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	36.5	0.0	-9.5	-47.0
Brent Crude (\$/bbl)	37.5	0.0	-8.5	-43.2
Texas crude (\$/bbl)	35.8	0.0	-11.0	-41.5
Natural Gas (\$/mmbtu)	3.35	0.0	32.7	53.2
Gold (\$/oz)	1,879	0.0	-0.4	23.8
Silver (\$/oz)	23.6	0.0	1.8	32.5
Steel (\$/ton)	699	0.0	13.7	18.9
Iron Ore (CNY/MT)	859	0.0	-10.6	23.6
Wheat (\$/bu)	599	0.0	3.5	7.1
Corn (\$/bu)	399	0.0	5.1	2.8
Sugar (\$/lb)	14.4	0.0	9.9	7.0
SMP* (EUR/MT)	2,158	0.0	-0.2	-16.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.214	0.0	-2.0	-169.4
Saudi Arabia(SAIBOR)	0.845	-0.1	-0.1	-138.6
UAE (EIBOR)	0.467	3.2	3.2	-174.1
Qatar (QIBOR)	0.847	8.1	8.1	-140.3
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 November 1, 2020



RESEARCH DIVISION

AGM-Head of Research

Talha Nazar

+966 11 2256250
t.nazar@aljaziracapital.com.sa

Analyst

Faisal Alsuwelimy

+966 11 2256115
F.alsuwelimy@aljaziracapital.com.sa

Senior Analyst

Jassim Al-Jubran

+966 11 2256248
j.aljabran@aljaziracapital.com.sa

Analyst

Abdulrahman Al-Mashal

+966 11 2256374
A.Almashal@Aljaziracapital.com.sa

BROKERAGE AND INVESTMENT CENTERS DIVISION

General Manager – Brokerage Services & sales

Alaa Al-Yousef

+966 11 2256060
a.yousef@aljaziracapital.com.sa

AGM-Head of international and institutions

Ahmad Salman, CFA

+966 11 2256201
a.salman@aljaziracapital.com.sa

AGM-Head of Qassim & Eastern Province

Abdullah Al-Rahit

+966 16 3617547
aalrahit@aljaziracapital.com.sa

AGM-Head of Central & Western Region

Investment Centers

Sultan Ibrahim AL-Mutawa

+966 11 2256364
s.almutawa@aljaziracapital.com.sa

RESEARCH DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

RATING TERMINOLOGY

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Corporate Finance | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068