



Major Economic News

- Saudi Arabia's revenues for the FY21 state budget are estimated at SAR 849bn, with forecast expenditures of SAR 990bn, reflecting a deficit of SAR 141bn or 4.9% of the Kingdom's GDP. Total revenues for FY20 are projected at SAR 770bn, while expenditures are expected to stand at SAR 1,068bn, with an expected deficit of SAR 298bn. The Kingdom's GDP shrank by 16.4% to SAR 2,486bn in FY20, while the inflation rate accelerated to 3.7% Y/Y. (Source: Argaam)

Major Corporate News

- Sahara International Petrochemical Co. signed a 20-year strategic partnership agreement with Linde GMBH to set up a 50:50-owned joint venture (JV) to develop industrial gas projects across the Kingdom. The JV is forecast to unleash substantial investment opportunities of approximately USD 500mn over the next five years, subject to their economic viability. (Source: Argaam)
- Sahara International Petrochemical Co. is planning to mothball the Polybutylene Terephthalate and Ethylene Vinyl Acetate Film plants. Steps to implement the decision are underway, adding that the suspension of both plants will start on January 01, 2021, until further notice. The company expects a positive financial impact starting from Q1-21 results. (Source: Argaam)
- Arab National Bank signed a bancassurance distribution agreement with Walaa Cooperative Insurance Co. The agreement was signed after receiving the approval letter from Saudi Central Bank on December 1, 2020. (Source: Argaam)
- The General Authority for Competition announced approving the completion of the takeover by Al Elm Information Security Company for the entire shares (100%) of Saudi Company for Exchanging Digital Information (Tabadul) from the Public Investment Fund. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange remained flat at 8,659.4. The value traded stood at SAR 11.9bn (up 9.3% over previous day), while the advance-decline ratio stood at 111/71. The parallel market index increased 1.6% to 20,268.3 points. The value traded stood at SAR 38.2mn (down 19.2% over previous day). Most sectors in the main market ended in the green. Retailing and Software & Services (up 1.3% and 0.8%, respectively) advanced the most; Utilities and Banks (down 0.8% and 0.6%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
HB	74.80	10.0
ACIG	61.10	9.9
SACO	55.50	6.9
SARCO	116.00	6.6
CHEMANOL	13.08	6.2

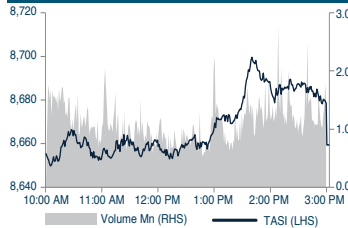
Top Losers

Company	Price	Change%
EIC	27.30	-3.4
ALSAMAANI	232.00	-2.6
RIBL	20.10	-2.2
BSFR	31.70	-2.2
NASEEJ	44.20	-2.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,659	8,700	8,649	0.0	3.2
NomuC	20,268	20,268	19,780	1.6	182.3

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	29.5
P/E (Bloomberg)	34.9
P/E*	43.4
P/E after exclusions*	41.6
P/E ex. loss-making comp.*	18.7
P/E: top 50 MCAP*	29.5

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,464	0.2	0.4	33.7
Materials	5,658	0.6	9.5	High
Capital Goods	6,517	0.1	50.4	High
Commercial Service	4,116	0.4	(13.7)	High
Transportation	4,719	0.6	7.4	Neg
Consumer Durables	5,417	0.6	54.5	Neg
Consumer Services	4,276	0.7	8.0	29.7
Media	10,304	0.1	9.6	39.2
Retailing	8,545	1.3	11.0	Neg
Food & Staples	10,474	0.4	58.3	33.8
Food & Beverages	5,497	0.6	26.3	30.3
Healthcare	5,558	0.0	49.0	33.1
Pharma & Bio Tech	5,475	(0.2)	52.3	Neg
Banks	7,542	(0.6)	(7.0)	17.7
Diversified Financials	4,741	0.0	43.6	Neg
Insurance	5,861	0.2	29.9	24.2
Telecom	6,904	(0.2)	6.7	21.5
Utilities	4,503	(0.8)	2.4	Neg
REITs	4,299	0.1	2.4	Neg
Real Estate	3,111	(0.2)	(0.7)	Neg
Software & Services	13,523	0.8	174.1	23.2

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,654	8,646	8,653	11.74

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	33.2	984.6	1,303.7
Previous week	56.1	1,844.1	2,222.8

Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.10	-0.7
Saudi Aramco	35.45	0.1
NCB	42.80	0.6
SABIC	99.20	1.3
STC	105.80	-0.2



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.0% and 0.4%, respectively. Kuwait, Oman and Egypt rose 0.9%, 0.3% and 0.1%, respectively; Bahrain declined 0.1%. Meanwhile, Qatar remained flat.
- US industrial production increased 0.4% M/M in November (consensus: a rise of 0.3%) from prior revised 0.9% growth in October. Manufacturing output rose 0.8% M/M in November (consensus: an increase of 0.4%) against 1.1% gain in October. The capacity utilization rate was 73.3% in November compared to 73.0% earlier. (Source: Econoday)
- UK unemployment rate rose to 4.9% in three months to October (consensus: 5.1%) compared to 4.8% recorded in three months to September. The number of people claiming unemployment benefits increased 64,300 in November from the previous month. (Source: RTT News)
- Oil prices increased 0.9%, as investor confidence remained high amid COVID-19 vaccines rollout, despite tighter lockdown in Europe and estimates of lower demand in FY21.
- Gold prices rose 1.4% due to renewed efforts from US lawmakers for COVID-19 stimulus deal.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.5	-0.3	-1.5	-6.1
Euro	1.22	0.1	1.9	8.4
Japanese Yen	103.7	-0.4	-0.6	-4.6
Sterling Pound	1.35	1.0	1.1	1.5
Chinese Yuan	6.54	-0.1	-0.6	-6.1
Indian Rupee	73.6	-0.1	-0.6	3.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	-1.0	0.0
Kuwaiti Dinar	0.30	-0.1	-0.1	0.6
Omani Rial	0.38	-0.1	0.0	0.0
Bahraini Dinar	0.38	-0.1	0.0	0.0
Egyptian Pound	15.66	-0.3	0.3	-2.1

Corporate Calendar

Date	Company	Event
21 st Dec	ALKHALEEL TRNG	OGM
22 nd Dec	LAZURDE	EGM
23 rd Dec	MESC	OGM
24 th Dec	SPCC	OGM
27 th Dec	SAUDI ELECTRICITY	OGM
28 th Dec	Salama	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,531	-1.0	4.6	-8.5	11.8
Abu Dhabi (ADX)	5,133	-0.4	3.4	1.1	15.0
Kuwait (KSE)	4,592	0.9	5.0	-6.5	17.4
Qatar (QE)	10,481	0.0	2.1	0.5	16.8
Oman (MSM)	3,608	0.3	-1.0	-9.4	9.1
Bahrain (BSE)	1,493	-0.1	1.1	-7.3	9.1
Egypt (EGX30)	11,058	0.1	1.0	-20.8	7.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,199	1.1	1.9	5.8	23.1
Nasdaq	12,595	1.2	3.2	40.4	35.3
S&P 500	3,695	1.3	2.0	14.4	28.2
FTSE 100	6,513	-0.3	3.9	-13.6	17.3
Germany DAX 30	13,363	1.1	0.5	0.9	23.8
France CAC 40	5,530	0.0	0.2	-7.5	57.1
Japan Nikkei 225	26,688	-0.2	1.0	12.8	26.7
Russia MICEX	3,248	-0.2	4.5	6.6	13.6
Hong Kong Hang Seng	26,207	-0.7	-0.5	-7.0	14.2
South Korea KOSPI	2,757	-0.2	6.4	25.4	31.5
China Shanghai Composite	3,367	-0.1	-0.7	10.4	14.0
Australia ASX 200	6,631	-0.4	1.7	-0.8	22.3
India Sensex	46,263	0.0	4.8	12.1	28.9
MSCI EM	1,250	0.0	3.7	12.2	24.6
MSCI World	2,644	0.9	2.3	12.1	32.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	49.6	0.0	6.5	-28.0
Brent Crude (\$/bbl)	50.8	0.9	6.7	-23.1
Texas crude (\$/bbl)	47.6	1.3	5.0	-22.1
Natural Gas (\$/mmbtu)	2.68	0.0	-6.9	22.5
Gold (\$/oz)	1,854	1.4	4.3	22.2
Silver (\$/oz)	24.5	2.8	8.3	37.3
Steel (\$/ton)	862	1.3	7.7	46.6
Iron Ore (CNY/MT)	1,051	4.5	12.4	51.2
Wheat (\$/bu)	600	1.1	3.4	7.3
Corn (\$/bu)	425	1.3	1.2	9.5
Sugar (\$/lb)	14.2	0.6	-2.1	5.9
SMP* (EUR/MT)	2,203	0.4	0.8	-14.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.219	0.3	-0.8	-168.9
Saudi Arabia(SAIBOR)	0.824	-0.3	-0.8	-140.8
UAE (EIBOR)	0.454	-3.3	12.2	-175.5
Qatar (QIBOR)	1.550	0.1	32.9	-70.0
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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