



Major Economic News

- Mortgage loans provided to retail and corporate clients by commercial banks in Saudi Arabia rose 42% Y/Y to SAR 392.1bn in Q3-20. Loans to retail clients, accounting for 71% of total mortgage loans, jumped 58% Y/Y to SAR 279.2bn in Q3-20, corporate loans grew by 14% Y/Y to SAR 112.9bn. (Source: Argaam)
- The aggregate sales of 17 Saudi cement producers rose by 15% Y/Y to 4.9mn tons in November. Clinker production grew by 5.5% Y/Y to 4.3mn tons, while clinker inventories reached 38.4mn tons by the end of November, down 10% Y/Y. (Source: Argaam)

Major Corporate News

- Saudi Ground Services Co. (SGS) renewed its agreement with Nigeria's Azman Air to provide ground handling services. Under the three-year agreement, SGS will provide passenger services in the lounges, aircraft services in the airport yards, cabin cleaning and sterilization services, and loading and unloading luggage to and from the aircraft. (Source: Argaam)
- Saudi Public Transport Co.'s board of directors approved using the statutory reserve of SAR 183.5mn to offset the accumulated losses as of September 30, 2020. SAPTCO's accumulated losses stood at SAR 134.2mn, accounting for 10.7% of capital. (Source: Argaam)
- Amana Cooperative Insurance Co.'s board of directors recommended reducing the company's capital to SAR 130mn from SAR 240mn, a 45.8% decrease, to write-off part of the accumulated losses of SAR 110mn. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 8,612.1. The value traded stood at SAR 13.4bn (up 40.3% over previous day), while the advance-decline ratio stood at 86/101. The parallel market index increased 8.1% to 20,428.6 points. The value traded stood at SAR 52.4mn (down 4.8% over previous day). Most sectors in the main market ended in the red. Transportation and Materials (up 0.7% and 0.5%, respectively) advanced the most; Healthcare and Food & Staples (down 1.9% and 1.8%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q1-21	Q1-20	Y/Y %	Q4-20	Q/Q %
Ataa Educational Co.	4.9	16.3	-69.7	29.9	-83.6

Year ending is July

Top Gainers

Company	Price	Change%
WAFRAH	178.20	10.0
SPM	68.30	10.0
SIECO	113.40	9.9
AMANA INSURANCE	37.50	4.8
SSP	30.00	4.5

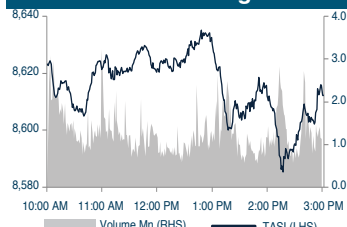
Top Losers

Company	Price	Change%
AMIAITIT	24.60	-3.9
GULF UNI.	20.02	-3.7
ALHABIB	106.00	-3.1
WATANIYA	47.40	-2.6
A.OTHAIM	122.00	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,612	8,636	8,584	(0.2)	2.7
NomuC	20,429	20,429	18,748	8.1	184.6

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	29.6
P/E (Bloomberg)	32.6
P/E*	42.9
P/E after exclusions*	41.3
P/E ex. loss-making comp.*	18.6
P/E: top 50 MCAP*	29.3

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,474	(0.1)	0.6	33.9
Materials	5,519	0.5	6.8	High
Capital Goods	6,105	0.2	40.9	High
Commercial Service	4,119	(0.6)	(13.7)	High
Transportation	4,602	0.7	4.7	Neg
Consumer Durables	5,230	(0.1)	49.2	Neg
Consumer Services	4,255	(0.3)	7.5	29.4
Media	10,078	(1.1)	7.2	38.4
Retailing	8,355	(0.3)	8.6	Neg
Food & Staples	10,625	(1.8)	60.6	34.1
Food & Beverages	5,511	(0.5)	26.6	30.4
Healthcare	5,457	(1.9)	46.3	32.3
Pharma & Bio Tech	5,290	(1.0)	47.2	Neg
Banks	7,564	(0.5)	(6.7)	17.7
Diversified Financials	4,568	(0.7)	38.3	Neg
Insurance	5,899	(0.1)	30.7	24.3
Telecom	6,925	(0.6)	7.0	21.5
Utilities	4,639	0.2	5.4	Neg
REITs	4,267	0.4	1.7	neg
Real Estate	3,088	(0.6)	(1.4)	Neg
Software & Services	13,277	0.3	169.1	22.9

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,639	8,676	8,614	12.17

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	33.3	1,137.6	1,377.3
Previous week	67.1	2,310.7	2,494.0

Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.60	-0.8
Saudi Aramco	35.60	-0.1
NCB	42.70	-0.4
SABIC	96.50	-0.2
STC	106.00	-0.7



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 2.0% and 0.4%, respectively. Kuwait, Oman and Egypt rose 0.6%, 0.3% and 0.2%, respectively; while Qatar and Bahrain declined 0.7% and 0.1%, respectively.
- China's CPI decreased 0.5% Y/Y in November (consensus: 0.0%) versus a 0.5% increase in October. On a monthly basis, CPI fell 0.6% (consensus: a fall of 0.2%) in November following 0.3% decline in the previous month. (Source: RTT News)
- Eurozone GDP grew 12.5% Q/Q in Q3-20 compared to a 11.7% fall in Q2-20. The growth rate was revised down marginally from 12.6% from earlier estimate. On Y/Y basis, GDP was down 4.3% in Q3-20 versus 14.7% decline in Q2-20. (Source: RTT News)
- Oil prices fell 0.1% due to increase in US oil inventories last week.
- Gold prices increased 0.4% to a three-week on expectations that the US Congress will agree on a new round of spending for the coronavirus pandemic.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	91.0	0.2	-1.0	-5.6
Euro	1.21	-0.1	1.5	7.9
Japanese Yen	104.2	0.1	-0.1	-4.1
Sterling Pound	1.34	-0.2	0.2	0.7
Chinese Yuan	6.53	0.0	-0.7	-6.2
Indian Rupee	73.7	-0.1	-0.4	3.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	-0.4	-0.9	0.0
Kuwaiti Dinar	0.30	0.0	-0.3	0.4
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.63	0.0	0.1	-2.3

Corporate Calendar

Date	Company	Event
13 th Dec	ACC	OGM
14 th Dec	SVCP	Cash Dividend Distribution
21 st Dec	ALKHALEEJ TRNG	OGM
22 nd Dec	LAZURDE	EGM
23 rd Dec	MESC	OGM
24 th Dec	SPCC	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,532	2.0	4.7	-8.4	11.8
Abu Dhabi (ADX)	5,062	0.4	2.0	-0.3	14.8
Kuwait (KSE)	4,459	0.6	2.0	-9.2	16.8
Qatar (QE)	10,529	-0.7	2.6	1.0	16.8
Oman (MSM)	3,667	0.3	0.6	-7.9	9.3
Bahrain (BSE)	1,493	-0.1	1.1	-7.3	9.1
Egypt (EGX30)	11,019	0.2	0.7	-21.1	7.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,174	0.3	1.8	5.7	23.3
Nasdaq	12,583	0.5	3.1	40.2	35.8
S&P 500	3,702	0.3	2.2	14.6	28.7
FTSE 100	6,559	0.1	4.7	-13.0	17.4
Germany DAX 30	13,278	0.1	-0.1	0.2	23.8
France CAC 40	5,561	-0.2	0.8	-7.0	57.4
Japan Nikkei 225	26,467	-0.3	0.1	11.9	26.5
Russia MICEX	3,180	-0.5	2.3	4.4	15.0
Hong Kong Hang Seng	26,305	-0.8	-0.1	-6.7	14.3
South Korea KOSPI	2,701	-1.6	4.2	22.9	30.9
China Shanghai Composite	3,410	-0.2	0.5	11.8	14.2
Australia ASX 200	6,688	0.2	2.6	0.1	22.5
India Sensex	45,609	0.4	3.3	10.6	28.5
MSCI EM	1,254	0.1	4.1	12.5	24.9
MSCI World	2,642	0.2	2.3	12.0	32.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	47.5	0.3	2.1	-31.0
Brent Crude (\$/bbl)	48.8	0.1	2.6	-26.0
Texas crude (\$/bbl)	45.6	-0.3	0.6	-25.4
Natural Gas (\$/mmbtu)	2.40	-0.3	-16.8	9.6
Gold (\$/oz)	1,871	0.4	5.3	23.3
Silver (\$/oz)	24.6	0.2	8.7	37.7
Steel (\$/ton)	814	0.0	1.8	38.4
Iron Ore (CNY/MT)	990	1.0	5.9	42.4
Wheat (\$/bu)	564	-1.3	-2.8	0.9
Corn (\$/bu)	417	-0.6	-0.7	7.5
Sugar (\$/lb)	14.4	-0.4	-0.8	7.2
SMP* (EUR/MT)	2,200	0.0	0.7	-14.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.230	0.5	0.3	-167.8
Saudi Arabia(SAIBOR)	0.829	0.0	-0.3	-140.3
UAE (EIBOR)	0.358	1.3	2.5	-185.1
Qatar (QIBOR)	1.115	3.5	-10.6	-113.5
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 December 8, 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