



## Major Economic News

- The unemployment rate among Saudis decreased to 14.9% in Q3-20 from 15.4% in Q2-20. Unemployment rate among males and females stood at 7.9% and 30.2%, respectively. Meanwhile, unemployment rate among all residents ( $\geq 15$  years) dropped from 9% to 8.5% by the end of Q3-20. (Source: Argaam)
- The number of expatriates working in Saudi Arabia fell by 257,200 during Q3-20 compared to Q2-20. On the other hand, the number of Saudi employees in the labor market rose by 81,900 Q/Q, reaching 3.3mn, during the same period. (Source: Argaam)

## Major Corporate News

- Saudi Basic Industries Corp. and Plastic Energy Ltd. announced plans to commence construction on the first commercial unit to produce its flagship certified circular polymers. The construction phase for the unit, located in the Netherlands, is expected to become operational in H2-22. (Source: Argaam)
- The National Shipping Company of Saudi Arabia's subsidiary, National Chemical Carriers Co., inked a SAR 1.2bn Murabaha financing agreement with Samba Financial Group. The financing facility tenor will extend for 12 years and will finance 80% of the costs of building 10 chemical tankers, with a capacity of 49,999 deadweight tonnage each. (Source: Argaam)
- Abdullah Al Othaim Markets Co. opened two new stores, one in Taif and another in Riyadh, bringing the total number of branches across Saudi Arabia to 252. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange remained flat at 8,876.5 on Thursday. The value traded stood at SAR 5.8bn (down 8.5% over previous day), while the advance-decline ratio stood at 86/92. The parallel market index decreased 0.9% to 26,045.6 points. The value traded stood at SAR 19.3mn (up 4.5% over previous day). Most sectors in the main market ended in the red. Utilities and Transportation (up 1.4% and 0.4%, respectively) advanced the most; Commercial Service and Media (down 0.8% and 0.7%, respectively) led the laggards.

## Earnings update (Net Profit) (SAR mn)

Company	Q4-20	Q4-19	Y/Y %	Q3-20	Q/Q %
Almarai Company	335.9	311.9	7.7	621.5	-46.0
SABIC Agri-Nutrients Co.	233.6	343.8	-32.1	397.5	-41.2
Saudi Telecom Company	2,683	2,321	15.6	2,766	-3.0
Saudi Kayan Petrochemical Co.	158.4	-167.4	NM	-28.2	NM
Herfy Food Service Company	21.3	49.6	-57.1	41.4	-48.5

\*Indicates Q3-20 results

## Top Gainers

Company	Price	Change%
SAICO	22.18	7.7
ZOUJAJ	31.15	4.9
JAZADCO	18.90	4.3
ALRAJHI TAKAFUL	88.50	4.0
GACO	19.52	3.5

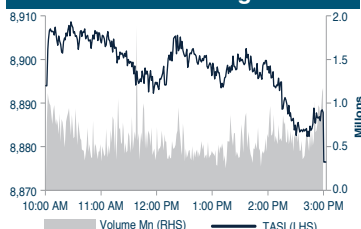
## Top Losers

Company	Price	Change%
ACIG	60.10	-2.0
ALINMA T	24.30	-1.9
ALETIHAD	25.35	-1.9
TAWUNIYA	79.50	-1.7
SADAFECO	165.40	-1.7

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,876	8,910	8,876	0.0	5.8
NomuC	26,046	26,279	25,731	(0.9)	262.8

## TASI movement during session



## TASI P/E Ratios

P/E (Tadawul)	29.2
P/E (Bloomberg)	34.9
P/E*	45.8
P/E after exclusions*	44.1
P/E ex. loss-making comp.*	19.4
P/E: top 50 MCAP*	30.7

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,351	(0.0)	(0.7)	33.1
Materials	5,946	(0.0)	3.5	High
Capital Goods	6,689	0.4	2.3	Neg
Commercial Service	4,193	(0.8)	3.3	High
Transportation	4,921	0.4	1.6	Neg
Consumer Durables	5,956	(0.4)	4.1	Neg
Consumer Services	4,233	0.1	(0.8)	29.5
Media	10,053	(0.7)	(1.6)	38.3
Retailing	8,635	(0.3)	0.9	Neg
Food & Staples	10,634	0.2	0.9	34.2
Food & Beverages	5,374	(0.3)	(1.6)	29.8
Healthcare	5,845	(0.3)	3.4	35.1
Pharma & Bio Tech	5,079	(0.1)	(1.8)	Neg
Banks	7,809	(0.0)	2.9	18.4
Diversified Financials	4,554	0.4	(0.9)	Neg
Insurance	6,112	(0.1)	1.5	25.1
Telecom	7,186	(0.1)	4.2	22.5
Utilities	4,899	1.4	6.3	Neg
REITs	4,306	(0.0)	0.5	Neg
Real Estate	3,000	(0.1)	(0.7)	Neg
Software & Services	14,498	(0.1)	2.9	25.3

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,895	8,886	8,794	8.16

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	37.7	1,187.7	1,598.8

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.90	-0.1
Saudi Aramco	34.80	0.0
NCB	45.30	-0.1
SABIC	103.80	0.0
STC	111.40	-0.2



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 2.0% and 1.1%, respectively. Oman and Egypt rose 0.9% and 0.5%, respectively; while Kuwait and Bahrain gained 0.4% each. Meanwhile, Qatar declined 0.6%.
- According to EIA, oil inventories in the US rose 4.4mn barrels (prior: down 3.2mn) to 486.6mn in the week ended January 15. Distillate inventories increased 0.5mn barrels (prior: up 4.8mn) to 163.7mn, while gasoline inventories fell 0.3mn barrels (prior: up 4.4mn) to 245.2mn. (Source: EIA, Econoday)
- US housing starts surged 5.8% to an annual rate of 1.669mn (consensus: 1.558mn) in December, compared to a revised rate of 1.578mn in November. Building permits increased 4.5% to an annual rate of 1.709mn in December from the revised rate of 1.635mn in November. (Source: Econoday, RTT News)
- US initial jobless claims dropped to 900,000 (in line with consensus), representing a fall of 26,000 from the prior week's revised level of 926,000. (Source: Econoday)
- Oil prices declined 1.2% on Friday, as US crude oil inventories increased for the first time in six weeks.
- Gold prices fell 0.8%, weighed down by a stronger US dollar, partly offset by hopes of US fiscal stimulus.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.2	0.1	0.3	0.3
Euro	1.22	0.0	-0.4	-0.4
Japanese Yen	103.8	0.3	0.5	0.5
Sterling Pound	1.37	-0.3	0.1	0.1
Chinese Yuan	6.48	0.3	-0.7	-0.7
Indian Rupee	73.0	0.0	-0.1	-0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	0.0
Kuwaiti Dinar	0.30	-0.1	-0.5	-0.5
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.68	0.0	-0.1	-0.1

## Corporate Calendar

Date	Company	Event
24 <sup>th</sup> Jan	NCLE	Cash Dividend Distribution
25 <sup>th</sup> Jan	SADAFICO	Cash Dividend Distribution
26 <sup>th</sup> Jan	ATAA	Cash Dividend Distribution
26 <sup>th</sup> Jan	SFICO	OGM
03 <sup>rd</sup> Feb	HB	OGM
14 <sup>th</sup> Feb	DERAYAH REIT	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,736	-2.0	9.8	9.8	13.0
Abu Dhabi (ADX)	5,611	-1.1	11.2	11.2	16.8
Kuwait (KSE)	4,677	0.4	2.7	2.7	17.6
Qatar (QE)	10,736	-0.6	2.9	2.9	17.5
Oman (MSM)	3,748	0.9	2.4	2.4	9.4
Bahrain (BSE)	1,453	0.4	-2.5	-2.5	9.1
Egypt (EGX30)	11,655	0.5	7.5	7.5	8.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,997	-0.6	1.3	1.3	23.2
Nasdaq	13,543	0.1	5.1	5.1	36.5
S&P 500	3,841	-0.3	2.3	2.3	30.3
FTSE 100	6,695	-0.3	3.6	3.6	17.5
Germany DAX 30	13,874	-0.2	1.1	1.1	24.8
France CAC 40	5,560	-0.6	0.1	0.1	60.1
Japan Nikkei 225	28,631	-0.4	4.3	4.3	28.8
Russia MICEX	3,383	-1.2	2.9	2.9	13.6
Hong Kong Hang Seng	29,448	-1.6	8.1	8.1	16.2
South Korea KOSPI	3,141	-0.6	9.3	9.3	36.2
China Shanghai Composite	3,607	-0.4	3.8	3.8	15.0
Australia ASX 200	6,800	-0.3	3.2	3.2	22.8
India Sensex	48,879	-1.5	2.4	2.4	30.2
MSCI EM	1,393	-0.9	7.9	7.9	27.3
MSCI World	2,756	-0.4	2.4	2.4	34.1

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	55.0	-0.5	10.1	10.1
Brent Crude (\$/bbl)	55.4	-1.2	7.0	7.0
Texas crude (\$/bbl)	52.3	-1.6	7.7	7.7
Natural Gas (\$/mmbtu)	2.45	-1.8	-3.7	-3.7
Gold (\$/oz)	1,856	-0.8	-2.3	-2.3
Silver (\$/oz)	25.4	-2.1	-3.6	-3.6
Steel (\$/ton)	1,058	-0.5	5.3	5.3
Iron Ore (CNY/MT)	1,175	1.2	8.9	8.9
Wheat (\$/bu)	635	-4.0	-0.9	-0.9
Corn (\$/bu)	501	-4.5	3.4	3.4
Sugar (\$/lb)	15.9	-1.1	2.5	2.5
SMP* (EUR/MT)	2,278	0.0	2.4	2.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.218	-0.5	-2.1	-2.1
Saudi Arabia(SAIBOR)	0.818	0.0	0.0	0.0
UAE (EIBOR)	0.358	-6.9	-15.5	-15.5
Qatar (QIBOR)	1.130	10.9	1.0	1.0
Bahrain (BHIBOR)	2.233	0.0	-1.7	-1.7

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of January 22, 2021



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