



## Major Economic News

- Privatization in Saudi Arabia's industries including water, healthcare and waste treatment, renewable energy and other sectors will increase by 20%, according to Minister of Finance Mohammed Al-Jadaan. He also added that Saudi Arabia's debt market grew by 200% in FY20, on the capital market reforms implemented by the Kingdom, as investors looked for predictable returns. (Source: Argaam)

## Major Corporate News

- Saudi Industrial Services Co. (SISCO) announced that it signed separate sale and purchase agreements with the Public Investment Fund (PIF) and COSCO SHIPPING Ports Ltd., through its wholly-owned subsidiary Sound Joyce Enterprises Ltd. – to acquire SISCO's 21.2% direct equity stake in its subsidiary Red Sea Gateway Terminal Ltd. for a total of SAR 556.5mn. (Source: Argaam)
- The Saudi General Authority for Competition approved the planned merger between National Commercial Bank and Samba Financial Group. (Source: Argaam)
- Arabian Centers Co.'s board of directors approved the receipt of all dues from FAS Holding Co. for Hotels (a related party) at a total of SAR 350.3mn as on September 30, 2020. The financial impact of this deal is expected to appear on the company's financial statements during the coming four quarters, starting from Q4-21 ending on March 31. (Source: Argaam)
- Solidarity Saudi Takaful Co.'s shareholders approved the offer submitted by Aljazira Takaful Taawuni Co. for the purpose of merger. The merger will be done through the issuance of 12.1mn new shares in Aljazira Takaful in favor of Solidarity. Shareholders of Aljazira Takaful Taawuni Co. also approved the merger through capital increase. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 8,784.1. The value traded stood at SAR 5.2bn (down 4.9% over previous day), while the advance-decline ratio stood at 72/112. The parallel market index increased 1.4% to 26,308.6 points. The value traded stood at SAR 13.9mn (down 13.2% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and REITs (up 1.7% and 0.9%, respectively) advanced the most; Utilities and Software & Services (down 1.9% and 1.1%, respectively) led the laggards.

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

Company	Q4-20	Q4-19	Y/Y %	Q3-20	Q/Q %
The Savola Group	44.7	137.3	-67.4	283.7	-84.2

## Top Gainers

Company	Price	Change%
BAAZEEM	118.00	7.7
ACC	46.00	7.2
ALSAGR INSURANCE	17.24	6.2
EPCCO	45.75	3.9
ALAKARIA	15.28	3.5

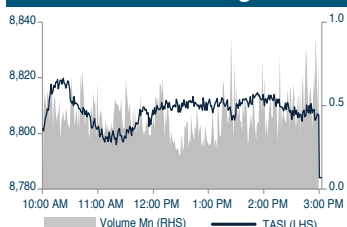
## Top Losers

Company	Price	Change%
SOLIDARITY	16.10	-3.8
ACIG	57.40	-2.4
ARABIAN S.	27.60	-2.1
SABB	26.15	-2.1
SEC	22.00	-2.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,784	8,820	8,784	(0.1)	1.1
NomuC	26,309	26,587	25,751	1.4	0.2

## TASI movement during session



## TASI P/E Ratios

P/E (Tadawul)	29.2
P/E (Bloomberg)	34.9
P/E*	45.2
P/E after exclusions*	43.5
P/E ex. loss-making comp.*	19.2
P/E: top 50 MCAP*	30.3

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,351	0.3	(0.7)	33.1
Materials	5,883	0.5	2.4	High
Capital Goods	6,672	0.2	2.0	Neg
Commercial Service	4,166	(0.1)	2.6	High
Transportation	4,925	(0.6)	1.7	Neg
Consumer Durables	5,913	0.2	3.3	Neg
Consumer Services	4,156	(0.5)	(2.6)	29.0
Media	10,010	0.6	(2.0)	38.1
Retailing	8,612	0.2	0.7	Neg
Food & Staples	10,660	0.5	1.2	33.9
Food & Beverages	5,303	(0.7)	(2.9)	29.5
Healthcare	5,863	(0.4)	3.7	35.2
Pharma & Bio Tech	5,079	1.7	(1.8)	Neg
Banks	7,673	(0.4)	1.1	18.1
Diversified Financials	4,547	(0.2)	(1.0)	Neg
Insurance	5,994	(0.4)	(0.5)	24.6
Telecom	7,183	0.1	4.1	22.5
Utilities	4,748	(1.9)	3.0	Neg
REITs	4,316	0.9	0.7	Neg
Real Estate	2,995	0.2	(0.8)	Neg
Software & Services	14,770	(1.1)	4.8	25.8

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,826	8,863	8,809	7.59

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	21.9	656.4	992.3
Previous week	37.7	1,187.7	1,598.8

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.00	0.0
Saudi Aramco	34.80	0.3
NCB	43.80	0.0
SABIC	101.60	0.0
STC	111.80	0.2



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 1.1% and 1.4%, respectively. Egypt and Kuwait rose 0.4% and 0.2%, respectively; while Qatar and Bahrain gained 0.1% each. Oman declined 0.5%.
- According to EIA, oil inventories in the US declined 9.9mn barrels (prior: up 4.4mn) to 476.7mn in the week ended January 22. Distillate inventories decreased 0.8mn barrels (prior: up 0.5mn) to 162.8mn, while gasoline inventories rose 2.5mn barrels (prior: down 0.3mn) to 247.7mn. (Source: EIA, Econoday)
- US durable goods orders grew 0.2% in December (consensus: an increase of 1.0%) compared to an upwardly revised 1.2% rise in November. The weaker than expected growth was partly due to lower orders for transportation equipment, which declined 1.0% in December. (Source: Econoday, RTT News)
- US MBA Mortgage Composite Index decreased 4.1% W/W in the week ended January 22 compared with a decline of 1.9% earlier; the Purchase Index fell 4.0% W/W against an increase of 3.0% earlier, and the Refinance Index decreased 5.0% W/W. (Source: Econoday)
- Oil prices decreased 0.2%, despite a significant drop in US oil inventories, as COVID-19 concerns prevailed.
- Gold prices fell 0.4%, as the stronger US dollar weighed on demand for the yellow metal.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.6	0.5	0.8	0.8
Euro	1.21	-0.4	-0.9	-0.9
Japanese Yen	104.1	0.5	0.8	0.8
Sterling Pound	1.37	-0.3	0.1	0.1
Chinese Yuan	6.48	0.3	-0.7	-0.7
Indian Rupee	73.1	0.2	0.0	0.0
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	-0.4	-0.4
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.66	-0.1	-0.2	-0.2

## Corporate Calendar

Date	Company	Event
03 <sup>rd</sup> Feb	HB	OGM
09 <sup>th</sup> Feb	ALBABTAIN	Cash Dividend Distribution
14 <sup>th</sup> Feb	DERAYAH REIT	Cash Dividend Distribution
15 <sup>th</sup> Feb	ALYAMAMAH STEEL	OGM
17 <sup>th</sup> Feb	HCC	EGM
04 <sup>th</sup> Mar	ALJOUF	OGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,726	1.1	9.4	9.4	12.9
Abu Dhabi (ADX)	5,662	1.4	12.2	12.2	16.4
Kuwait (KSE)	4,694	0.2	3.1	3.1	17.7
Qatar (QE)	10,648	0.1	2.0	2.0	17.4
Oman (MSM)	3,660	-0.5	0.0	0.0	9.3
Bahrain (BSE)	1,463	0.1	-1.8	-1.8	9.1
Egypt (EGX30)	11,579	0.4	6.8	6.8	8.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,303	-2.0	-1.0	-1.0	23.1
Nasdaq	13,271	-2.6	3.0	3.0	36.4
S&P 500	3,751	-2.6	-0.1	-0.1	30.3
FTSE 100	6,567	-1.3	1.7	1.7	17.2
Germany DAX 30	13,620	-1.8	-0.7	-0.7	24.5
France CAC 40	5,460	-1.2	-1.7	-1.7	58.6
Japan Nikkei 225	28,635	0.3	4.3	4.3	28.8
Russia MICEX	3,344	-1.4	1.7	1.7	13.3
Hong Kong Hang Seng	29,298	-0.3	7.6	7.6	16.1
South Korea KOSPI	3,123	-0.6	8.7	8.7	34.0
China Shanghai Composite	3,573	0.1	2.9	2.9	14.7
Australia ASX 200	6,781	-0.6	2.9	2.9	22.8
India Sensex	47,410	-1.9	-0.7	-0.7	29.1
MSCI EM	1,371	-1.2	6.2	6.2	26.4
MSCI World	2,694	-2.2	0.2	0.2	33.2

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	55.7	0.5	11.6	11.6
Brent Crude (\$/bbl)	55.8	-0.2	7.7	7.7
Texas crude (\$/bbl)	52.9	0.5	8.9	8.9
Natural Gas (\$/mmbtu)	2.76	3.9	8.7	8.7
Gold (\$/oz)	1,844	-0.4	-2.9	-2.9
Silver (\$/oz)	25.2	-0.8	-4.2	-4.2
Steel (\$/ton)	1,115	4.9	10.9	10.9
Iron Ore (CNY/MT)	1,189	0.3	10.1	10.1
Wheat (\$/bu)	658	-1.1	2.8	2.8
Corn (\$/bu)	534	0.3	10.3	10.3
Sugar (\$/lb)	15.8	0.4	2.0	2.0
SMP* (EUR/MT)	2,279	0.0	2.4	2.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.219	0.6	-2.0	-2.0
Saudi Arabia(SAIBOR)	0.816	0.0	-0.1	-0.1
UAE (EIBOR)	0.380	3.5	-13.3	-13.3
Qatar (QIBOR)	0.957	-11.4	-16.4	-16.4
Bahrain (BHIBOR)	2.233	0.0	-1.7	-1.7

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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