



## Major Economic News

- The Public Investment Fund aims to increase the contribution of local content in its investments to 60% of the volume of spending by FY25. This will be done by expanding opportunities for local companies to contribute to the fund's projects and stimulating local suppliers to develop their capabilities. The fund is also looking to contribute about SAR 1.2tn to the non-oil GDP in the next five years. (Source: Argam)
- King Abdullah Port recorded a 6.6% increase in container throughput in FY20, reaching 2.2mn twenty-foot equivalent unit (TEU) compared to 2.0 TEU in FY19. The number of imported containers also rose 16% Y/Y. In the bulk and general cargo segment, the port registered a 12.4% growth reaching 3.3mn tons. (Source: Zawya)
- Jadwa Investment Company announced the distribution of cash dividend to unitholders of Jadwa REIT Saudi Fund for Q4-20 at SAR 0.19 per unit, or 1.9% initial price per unit, totaling SAR 30.0mn. (Source: Argam)
- Saudi Arabia's king appointed Fahad al-Mubarak as central bank governor. This is his second term after holding the position during FY11-16. (Source: Argam)

## Major Corporate News

- Arab Petroleum Investments Corp (APICORP) has mandated banks to arrange investor calls ahead of a potential international bond issue. APICORP hired BofA Securities, China Construction Bank, Citi, Emirates NBD Capital, Maybank, Nomura and Standard Chartered. (Source: Zawya)
- Alhayat Medical Clinics appointed Alinma Investment Co. as financial advisor for its planned initial public offering on Nomu Parallel Market. (Source: Argam)

## Market Analysis

- The Saudi Stock Exchange increased 0.2% to 8,847.0. The value traded stood at SAR 5.7bn (down 1.7% over previous day), while the advance-decline ratio stood at 101/82. The parallel market index decreased 1.6% to 26,053.5 points. The value traded stood at SAR 21.6mn (down 0.9% over previous day). Most sectors in the main market ended in the green. Telecom and Software & Services (up 0.9% and 0.7%, respectively) advanced the most; Energy and Diversified Financials (down 0.5% and 0.4%, respectively) led the laggards.

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

Company	Q4-20	Q4-19	Y/Y %	Q3-20	Q/Q %
Hail Cement Co.	22.7	30.8	-26.5	22.8	-0.7

## Top Gainers

Company	Price	Change%
BAAZEEM	112.00	5.9
ARDCO	18.20	3.4
ENAYA	38.30	3.0
SIPCHEM	18.62	2.9
RED SEA	24.30	2.8

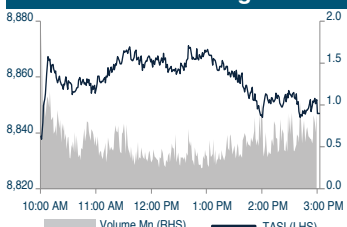
## Top Losers

Company	Price	Change%
JAZADCO	18.86	-3.1
ALOMRAN	113.80	-2.4
ALRJHI TAK.	87.00	-2.3
SOLIDARITY	16.90	-2.2
ARABIAN S.	27.75	-2.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,847	8,873	8,838	0.2	1.8
NomuC	26,053	26,543	25,862	(1.6)	(0.7)

## TASI movement during session



## TASI P/E Ratios

P/E (Tadawul)	29.2
P/E (Bloomberg)	34.8
P/E*	45.5
P/E after exclusions*	43.8
P/E ex. loss-making comp.*	19.3
P/E: top 50 MCAP*	30.5

\*Source: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,340	(0.5)	(0.9)	33.0
Materials	5,908	0.2	2.8	High
Capital Goods	6,689	0.2	2.3	Neg
Commercial Service	4,195	0.4	3.3	High
Transportation	4,957	0.3	2.4	Neg
Consumer Durables	5,976	0.6	4.4	Neg
Consumer Services	4,201	0.2	(1.6)	29.3
Media	10,004	(0.3)	(2.1)	38.1
Retailing	8,622	0.7	0.8	Neg
Food & Staples	10,668	0.6	1.2	34.1
Food & Beverages	5,343	(0.2)	(2.2)	29.7
Healthcare	5,875	0.2	3.9	35.2
Pharma & Bio Tech	5,026	(0.3)	(2.8)	Neg
Banks	7,779	0.3	2.5	18.3
Diversified Financials	4,567	(0.4)	(0.6)	Neg
Insurance	6,055	0.1	0.5	24.9
Telecom	7,183	0.9	4.1	22.5
Utilities	4,918	0.6	6.7	Neg
REITs	4,291	(0.1)	0.1	Neg
Real Estate	3,001	0.2	(0.6)	Neg
Software & Services	14,619	0.7	3.7	25.5

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,870	8,886	8,805	7.86

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.3	354.1	513.4
Previous week	37.7	1,187.7	1,598.8

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.70	0.3
Saudi Aramco	34.75	-0.6
NCB	44.80	0.6
SABIC	102.40	-0.2
STC	111.60	1.3



## Regional and International Markets

- Among other regional markets, Dubai decreased 0.7%, while Abu Dhabi remained flat. Kuwait and Bahrain rose 0.1% each, while Egypt, Oman and Qatar declined 1.1%, 0.5% and 0.3%, respectively.
- The UK government, under extended lockdown laws, has given the authority to local councils in England to close pubs, restaurants, shops and public spaces until July 17. (Source: Reuters)
- According to Baker Hughes, North America's rig count increased to 550 in the week ended January 22 from 534 earlier. The rig count rose to 378 in the US from 373 earlier, while remained unchanged at 16 in the Gulf of Mexico. The rig count in Canada increased to 172 from 161 earlier. (Source: Baker Hughes).
- US industrial production increased 1.6% M/M in December (consensus: 0.4% rise) compared with a revise rise of 0.5% in November. Manufacturing output edged up by 0.9% M/M in December versus a 0.8% increase in November. The capacity utilization rate for industrial sector rose to 74.5% in December (consensus: 73.6%). (Source: RTT News)
- UK retail sales volume increased 0.3% M/M December (consensus: 1.2% rise), against a 4.1% decline in November. (Source: RTT News)
- Eurozone composite PMI declined to 47.5 in January (consensus: 47.6), a third consecutive contraction, from 49.1 in December. (Source: RTT News)

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.5	0.3	0.6	0.6
Euro	1.21	-0.3	-0.7	-0.7
Japanese Yen	103.7	-0.1	0.4	0.4
Sterling Pound	1.36	-0.3	-0.2	-0.2
Chinese Yuan	6.48	0.1	-0.6	-0.6
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	-0.4	-0.4
Omani Rial	0.38	0.1	0.1	0.1
Bahraini Dinar	0.38	0.1	0.1	0.1
Egyptian Pound	15.74	0.4	0.3	0.3

## Corporate Calendar

Date	Company	Event
26 <sup>th</sup> Jan	ATAA	Cash Dividend Distribution
26 <sup>th</sup> Jan	SFICO	OGM
03 <sup>rd</sup> Feb	HB	OGM
09 <sup>th</sup> Feb	ALBAPTAIN	Cash Dividend Distribution
14 <sup>th</sup> Feb	DERAYAH REIT	Cash Dividend Distribution
15 <sup>th</sup> Feb	ALYAMAMAH STEEL	OGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,723	0.3	9.3	9.3	13.0
Abu Dhabi (ADX)	5,618	0.1	11.3	11.3	16.8
Kuwait (KSE)	4,695	0.3	3.1	3.1	17.6
Qatar (QE)	10,672	-0.3	2.3	2.3	17.5
Oman (MSM)	3,698	-0.9	1.1	1.1	9.4
Bahrain (BSE)	1,462	0.6	-1.8	-1.8	9.1
Egypt (EGX30)	11,510	-0.1	6.1	6.1	8.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,960	-0.1	1.2	1.2	25.4
Nasdaq	13,483	-0.4	4.6	4.6	41.5
S&P 500	3,855	0.4	2.6	2.6	30.9
FTSE 100	6,639	-0.8	2.8	2.8	179.5
Germany DAX 30	13,644	-1.7	-0.5	-0.5	65.7
France CAC 40	6,472	16.4	16.6	16.6	59.2
Japan Nikkei 225	28,564	-0.2	4.1	4.1	40.4
Russia MICEX	3,397	0.4	3.3	3.3	15.2
Hong Kong Hang Seng	29,514	0.2	8.4	8.4	17.1
South Korea KOSPI	3,146	0.2	9.5	9.5	36.7
China Shanghai Composite	3,571	-1.0	2.8	2.8	19.1
Australia ASX 200	6,825	0.4	3.6	3.6	45.1
India Sensex	48,348	-1.1	1.2	1.2	33.3
MSCI EM	1,410	1.2	9.2	9.2	27.2
MSCI World	2,757	0.0	2.5	2.5	34.2

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	55.0	0.0	10.1	10.1
Brent Crude (\$/bbl)	55.3	-0.3	6.7	6.7
Texas crude (\$/bbl)	52.4	0.3	8.0	8.0
Natural Gas (\$/mmbtu)	2.6	6.7	2.8	2.8
Gold (\$/oz)	1,854.8	0.0	-2.3	-2.3
Silver (\$/oz)	25.3	-0.3	-3.9	-3.9
Steel (\$/ton)	1,063.0	0.5	5.8	5.8
Iron Ore (CNY/MT)	1,180.0	0.5	9.4	9.4
Wheat (\$/bu)	643.3	1.4	0.4	0.4
Corn (\$/bu)	509.6	1.8	5.3	5.3
Sugar (\$/lb)	15.8	-0.6	1.8	1.8
SMP* (EUR/MT)	2,278.0	0.0	2.4	2.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.215	-0.3	-2.3	-2.3
Saudi Arabia(SAIBOR)	0.816	-0.1	-0.1	-0.1
UAE (EIBOR)	0.345	-0.1	-16.7	-16.7
Qatar (QIBOR)	1.005	-12.1	-11.5	-11.5
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 25, 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