



Major Economic News

- Saudi Arabia is temporarily suspending entry to the Kingdom for non-citizens coming from 20 countries, except for diplomats, health practitioners, and their families starting February 03, at 9 pm. (Source: Argaam)
- Remittances from expatriates in KSA increased by 19% or SAR 24.2bn Y/Y to SAR 149.7bn in FY20. This was the first annual rise in expat remittances since FY15. (Source: Argaam)
- Saudi bank loans granted to the public and private sectors increased 15% by the end of December 2020 to SAR 1.8tn compared to SAR 1.6tn a year earlier. (Source: Argaam)
- Saudi Arabia posted a trade surplus of SAR 10.4bn in November 2020. Total exports dropped 28% Y/Y to SAR 58.2bn, while imports grew by 8% Y/Y to SAR 47.8bn. Oil exports plunged 40% to SAR 37.6bn, whereas non-oil exports rose 12% to SAR 20.6bn. (Source: Argaam)

Major Corporate News

- National Commercial Bank and Samba Financial Group received SAMA's approval for the merger and relevant matters. The merger is expected to be completed in H1-21. (Source: Argaam)
- Middle East Specialized Cables Co. signed a facility agreement worth SAR 50mn with the Saudi Industrial Development Fund. The two-year facility is aimed to fund the working capital with respect to export sales. (Source: Argaam)
- Saudi Arabian Mining Co.'s board of directors recommended withholding cash dividends for FY20. The cash will be directed to execute ongoing and future projects. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.3% to 8,618.6. The value traded stood at SAR 8.4bn (down 5.6% over previous day), while the advance-decline ratio stood at 53/139. The parallel market index decreased 0.7% to 25,067.2 points. The value traded stood at SAR 41.5mn (up 7.4% over previous day). Most sectors in the main market ended in the red. Software & Services and Food & Staples (up 1.8% and 1.4%, respectively) advanced the most; Consumer Durables and Pharma & Bio Tech (down 1.9% each) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q4-20	Q4-19	Y/Y %	Q3-20	Q/Q %
Saudi Arabian Mining Co.	571.9	-276.5	NM	6.5	NM

Top Gainers

Company	Price	Change%
SARCO	122.00	9.9
HB	126.80	9.9
RED SEA	27.95	9.8
UCA	22.08	4.6
SIECO	117.80	4.3

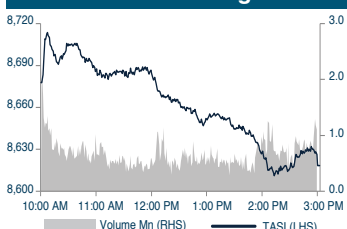
Top Losers

Company	Price	Change%
JAZADCO	18.04	-8.4
MALATH INSURANCE	21.06	-4.5
FITNESS TIME	69.30	-3.8
ACC	43.00	-3.5
AMANA INSURANCE	37.90	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	8,619	8,715	8,611	(0.3)	(0.8)
NomuC	25,067	25,358	24,705	(0.7)	(4.5)

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	28.7
P/E (Bloomberg)	33.4
P/E*	41.8
P/E after exclusions*	40.3
P/E ex. loss-making comp.*	23.1
P/E: top 50 MCAP*	28.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,270	0.2	(2.2)	32.5
Materials	5,793	(0.4)	0.8	High
Capital Goods	6,524	(0.7)	(0.2)	Neg
Commercial Service	4,071	(0.8)	0.3	High
Transportation	4,750	(0.2)	(1.9)	Neg
Consumer Durables	5,809	(1.9)	1.5	Neg
Consumer Services	3,977	(1.0)	(6.8)	27.9
Media	9,692	(1.5)	(5.1)	36.9
Retailing	8,603	(0.4)	0.5	Neg
Food & Staples	10,571	1.4	0.3	33.8
Food & Beverages	5,211	(0.7)	(4.6)	29.1
Healthcare	5,787	0.3	2.4	34.9
Pharma & Bio Tech	4,881	(1.9)	(5.6)	Neg
Banks	7,508	(0.4)	(1.1)	17.7
Diversified Financials	4,444	(0.4)	(3.3)	Neg
Insurance	5,901	(0.3)	(2.1)	24.3
Telecom	7,127	0.3	3.3	22.4
Utilities	4,591	(1.1)	(0.4)	Neg
REITs	4,264	(0.3)	(0.5)	Neg
Real Estate	2,876	(1.6)	(4.8)	Neg
Software & Services	15,302	1.8	8.6	26.7

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
8,712	8,779	8,815	8.65

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	27.0	676.4	1,123.9
Previous week	28.4	834.2	1,270.9

Top Weighted Companies

Company	Price	Change%
Al Rajhi	71.50	-0.7
Saudi Aramco	34.20	0.1
NCB	43.20	2.1
SABIC	98.70	-1.3
STC	111.60	0.5



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 1.0% and 1.1%, respectively. Egypt and Qatar rose 0.4% each, while Kuwait gained 0.1%. Oman fell 0.8%. Meanwhile, Bahrain remained flat.
- Eurozone GDP fell 0.7% Q/Q in Q4-20 (consensus: a decline of 1.7%) against a growth of 12.4% in Q3-20. On Y/Y basis, the economy shrank 5.1% (consensus: a contraction of 6.0%) compared to 4.3% decline in Q3-20. (Source: Econoday)
- China's Caixin/Markit services PMI fell to 52.0 in January from 56.3 in December, representing slowest expansion in nine months. Service providers witnessed slower increases in sales. (Source: CNBC, RTT News)
- Japan's services PMI declined to 46.1 in January (consensus: 45.7) compared to 47.7 in December. The contraction was attributable to a fall in new work due to the introduction of a state of emergency to curb rising COVID-19 infections. (Source: Econoday, RTT News)
- Oil prices jumped 2.0% driven by better compliance to output cut by OPEC+ members, further supported by optimism over US economic stimulus.
- Gold prices fell 1.2%, as investors abandoned the safe haven metal to switch to risky assets.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	91.2	0.2	0.7	1.4
Euro	1.20	-0.1	-0.8	-1.4
Japanese Yen	105.0	0.1	0.3	1.7
Sterling Pound	1.37	0.0	-0.3	-0.1
Chinese Yuan	6.46	-0.2	0.5	-1.1
Indian Rupee	72.9	-0.3	0.0	-0.2
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	0.1	-0.3
Omani Rial	0.38	0.1	0.1	0.1
Bahraini Dinar	0.38	0.1	0.1	0.1
Egyptian Pound	15.70	0.1	0.3	0.1

Corporate Calendar

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

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,724	1.0	2.6	9.3	13.4
Abu Dhabi (ADX)	5,698	1.1	1.9	12.9	16.7
Kuwait (KSE)	4,709	0.1	-0.7	3.4	17.9
Qatar (QE)	10,518	0.4	0.4	0.8	17.6
Oman (MSM)	3,623	-0.8	-0.8	-1.0	9.5
Bahrain (BSE)	1,467	0.0	0.3	-1.6	9.1
Egypt (EGX30)	11,638	0.4	0.8	7.3	9.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,687	1.6	2.4	0.3	22.7
Nasdaq	13,613	1.6	4.1	5.6	34.7
S&P 500	3,826	1.4	3.0	1.9	29.3
FTSE 100	6,517	0.8	1.7	0.9	17.2
Germany DAX 30	13,835	1.6	3.0	0.8	24.6
France CAC 40	5,563	1.9	3.0	0.2	59.5
Japan Nikkei 225	28,362	1.0	2.5	3.3	28.5
Russia MICEX	3,360	2.1	2.5	2.2	13.3
Hong Kong Hang Seng	29,249	1.2	3.4	7.4	16.1
South Korea KOSPI	3,097	1.3	4.1	7.8	30.9
China Shanghai Composite	3,534	0.8	1.5	1.7	14.6
Australia ASX 200	6,763	1.5	2.3	2.7	22.7
India Sensex	49,798	2.5	7.6	4.3	30.3
MSCI EM	1,381	1.5	3.9	7.0	26.1
MSCI World	2,732	1.3	2.6	1.6	33.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	57.1	2.8	4.4	14.4
Brent Crude (\$/bbl)	57.5	2.0	2.8	10.9
Texas crude (\$/bbl)	54.8	2.3	4.9	12.9
Natural Gas (\$/mmbtu)	2.85	-0.2	11.0	12.1
Gold (\$/oz)	1,838	-1.2	-0.5	-3.2
Silver (\$/oz)	26.6	-8.1	-1.4	1.0
Steel (\$/ton)	1,157	0.4	0.7	15.1
Iron Ore (CNY/MT)	1,261	6.2	6.5	16.9
Wheat (\$/bu)	645	-1.0	-2.8	0.7
Corn (\$/bu)	543	-1.1	-0.7	12.2
Sugar (\$/lb)	16.3	0.9	2.9	5.2
SMP* (EUR/MT)	2,358	-0.7	-0.7	6.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.196	-0.6	-0.6	-4.3
Saudi Arabia(SAIBOR)	0.814	-0.1	-0.1	-0.4
UAE (EIBOR)	0.292	-7.8	-4.9	-22.1
Qatar (QIBOR)	1.018	-4.2	6.8	-10.2
Bahrain (BHIBOR)	2.200	0.0	0.0	-5.0

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of February 2, 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