



## Major Economic News

- The Public Investment Fund increased its holding of US equities to nearly USD 12.8bn in Q4-20 from USD 7.1bn in Q3-20. The sovereign wealth fund acquired stakes in four new companies, when compared to Q3-20. (Source: Argaam)
- Saudi Arabia's cabinet approved setting up a small and medium enterprises bank. The cabinet also decided to terminate the Saudi Railways Organization (SRO) starting from next April. Saudi Railway Company (SAR) will replace the SRO in all contracts, agreement, contractual obligations, licenses, permits or decisions. (Source: Argaam)
- Jeddah Municipality announced that 213 judicial decisions were issued in its favor in FY20, resulting in savings of SAR 543mn. The move is part of the municipality's efforts to protect the public properties and funds. (Source: Argaam)

## Major Corporate News

- Tihama Advertising and Public Relations Co. expects to complete all regulatory formalities to acquire an additional 35% stake in its subsidiary, Integrated Production Co. for Audiovisual Media Production, on March 02, 2021. (Source: Argaam)
- Sumou Real Estate Co. announced an early settlement of a loan obtained from a local bank, amounting to SAR 110mn. This settlement will contribute to reduce financing expenses, which will reflect positively on the company's financial results, starting from H1-21. (Source: Argaam)
- Al Yamamah Steel Industries Co.'s shareholders approved the board's recommendation to pay 10% cash dividend (or SAR 1 per share) for FY20 ended September 30, 2020. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.2% to 9,102.0. The value traded stood at SAR 13.7bn (down 4.6% over previous day), while the advance-decline ratio stood at 127/55. The parallel market index increased 5.3% to 26,588.9 points. The value traded stood at SAR 51.3mn (up 87.5% over previous day). Most sectors in the main market ended in the green. Software & Services and Real Estate (up 3.6% each) advanced the most; Banks and Utilities (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 %
United Wire Factories Co.	17.0	4.9	246.9	17.8	-4.5

## Top Gainers

Company	Price	Change%
TADCO	43.45	10.0
SAPTCO	20.04	10.0
JAZADCO	22.80	9.9
KEC	12.86	9.9
ATHEEB TELECOM	14.68	9.9

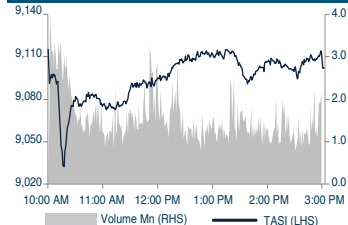
## Top Losers

Company	Price	Change%
ALYAMAMAH STEEL	35.20	-2.9
CHUBB	39.20	-2.6
OASIS	91.00	-2.6
HB	118.60	-2.2
SARCO	151.00	-2.0

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	9,102	9,118	9,027	0.2	4.7
NomuC	26,589	27,260	25,133	5.3	1.3

## TASI movement during session



## TASI P/E Ratios

P/E (Tadawul)	29.4
P/E (Bloomberg)	35.1
P/E*	43.6
P/E after exclusions*	42.0
P/E ex. loss-making comp.*	24.4
P/E: top 50 MCAP*	29.7

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,382	0.6	(0.1)	33.1
Materials	6,060	0.3	5.5	High
Capital Goods	7,061	0.8	8.0	Neg
Commercial Service	4,116	1.1	1.4	High
Transportation	4,990	2.2	3.0	Neg
Consumer Durables	6,179	0.6	8.0	Neg
Consumer Services	4,098	0.4	(4.0)	28.5
Media	10,469	0.6	2.5	39.8
Retailing	8,681	0.3	1.5	Neg
Food & Staples	10,725	(0.1)	1.8	34.1
Food & Beverages	5,397	0.6	(1.2)	29.7
Healthcare	5,817	0.4	2.9	35.1
Pharma & Bio Tech	5,000	(0.4)	(3.3)	Neg
Banks	8,156	(0.5)	7.5	19.1
Diversified Financials	4,743	1.9	3.2	Neg
Insurance	6,170	0.9	2.4	25.4
Telecom	7,574	(0.1)	9.8	23.8
Utilities	4,754	(0.4)	3.1	Neg
REITs	4,271	0.5	(0.3)	Neg
Real Estate	3,031	3.6	0.4	Neg
Software & Services	20,439	3.6	45.0	35.4

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
9,013	8,862	8,820	11.26

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	40.2	1,190.4	1,470.7
Previous week	58.2	1,386.3	2,146.6

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	83.60	-1.6
Saudi Aramco	34.85	0.6
NCB	46.30	1.5
SABIC	103.00	0.4
STC	119.80	-0.2



## Regional and International Markets

- Among other regional markets, Dubai decreased 1.2%, while Abu Dhabi increased 0.3%. Bahrain, Kuwait and Egypt rose 0.9%, 0.2% and 0.1%, respectively; while Oman declined 0.3%. Meanwhile, Qatar remained flat.
- Eurozone GDP declined 0.6% Q/Q (consensus: a fall of 0.7%) in Q4-20 against a growth of 12.4% in Q3-20. On a yearly basis, GDP fell 5.0% percent (consensus: 5.1% decrease) compared to 4.3% decline in Q3-20. GDP for FY20 was down 6.8%. (Source: Econoday)
- Japan's merchandise trade deficit stood at JPY 323.9bn in January (consensus: deficit of JPY 600bn) compared to a surplus of JPY 749.6bn in December. Exports increased 6.4% Y/Y (consensus: an increase of 6.6%) to JPY 5,779.8bn against a rise of 2.0% in December. Imports fell 9.5% Y/Y (consensus: 6.0% decrease) to JPY 6,103.7bn compared to a decline of 11.6% in December. (Source: Econoday, RTT News)
- Oil prices rose 0.1%, as the energy crisis in the US deepened, shutting down one third of the country's production.
- Gold prices fell 1.3%, as increase in US bond yields to one-year highs impacted the demand for the safe haven metal.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.5	0.0	-0.1	0.6
Euro	1.21	-0.2	-0.3	-0.9
Japanese Yen	106.0	0.6	1.3	2.7
Sterling Pound	1.39	0.0	1.5	1.7
Chinese Yuan	6.45	0.0	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	0.0	-0.1	-0.5
Omani Rial	0.38	-0.1	0.0	0.0
Bahraini Dinar	0.38	-0.1	0.0	0.0
Egyptian Pound	15.57	0.0	-0.6	-0.8

## Corporate Calendar

Date	Company	Event
17 <sup>th</sup> Feb	HCC	EGM
17 <sup>th</sup> Feb	SAUDI CABLE	OGM
21 <sup>st</sup> Feb	QACCO	Cash Dividend Distribution
21 <sup>st</sup> Feb	HB	Cash Dividend Distribution
28 <sup>th</sup> Feb	SVCP	EGM
01 <sup>st</sup> Mar	NCB	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,611	-1.2	-1.6	4.8	19.2
Abu Dhabi (ADX)	5,664	0.3	1.3	12.3	16.4
Kuwait (KSE)	4,695	0.2	-1.0	3.1	15.3
Qatar (QE)	10,460	0.0	-0.1	0.2	17.7
Oman (MSM)	3,554	-0.3	-2.7	-2.9	9.1
Bahrain (BSE)	1,474	0.9	0.8	-1.1	9.1
Egypt (EGX30)	11,534	0.1	-0.1	6.4	9.2

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	62.8	0.0	14.8	25.8	23.9
Nasdaq	63.4	0.1	13.4	22.3	37.1
S&P 500	60.1	1.0	15.0	23.8	30.2
FTSE 100	3.13	7.5	22.0	23.2	17.9
Germany DAX 30	1,794	-1.3	-2.9	-5.5	24.7
France CAC 40	27.2	-1.3	0.8	3.3	70.8
Japan Nikkei 225	1,170	0.0	1.8	16.4	25.9
Russia MICEX	1,155	0.0	-2.4	7.0	13.8
Hong Kong Hang Seng	658	3.3	-0.8	2.7	16.5
South Korea KOSPI	552	2.5	1.0	14.1	31.0
China Shanghai Composite	16.7	2.1	5.7	8.0	15.1
Australia ASX 200	2,388	0.6	0.5	7.3	24.6
India Sensex	52,104	-0.1	12.6	9.1	32.4
MSCI EM	1,442	0.3	8.5	11.7	27.0
MSCI World	2,828	-0.1	6.3	5.1	35.4

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	62.8	0.0	14.8	25.8
Brent Crude (\$/bbl)	63.4	0.1	13.4	22.3
Texas crude (\$/bbl)	60.1	1.0	15.0	23.8
Natural Gas (\$/mmbtu)	3.13	7.5	22.0	23.2
Gold (\$/oz)	1,794	-1.3	-2.9	-5.5
Silver (\$/oz)	27.2	-1.3	0.8	3.3
Steel (\$/ton)	1,170	0.0	1.8	16.4
Iron Ore (CNY/MT)	1,155	0.0	-2.4	7.0
Wheat (\$/bu)	658	3.3	-0.8	2.7
Corn (\$/bu)	552	2.5	1.0	14.1
Sugar (\$/lb)	16.7	2.1	5.7	8.0
SMP* (EUR/MT)	2,388	0.6	0.5	7.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.192	-0.2	-1.0	-4.7
Saudi Arabia(SAIBOR)	0.806	-0.1	-0.9	-1.1
UAE (EIBOR)	0.359	6.5	1.9	-15.4
Qatar (QIBOR)	0.971	-8.6	2.1	-14.9
Bahrain (BHIBOR)	2.167	0.0	-3.3	-8.3

Data Sources: Tadawul, Bloomberg, Reuters

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

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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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