



Major Economic News

- Bank lending to corporates is set to recover due to the PIF's programs, which create business for contractors, as per S&P Global Ratings new report. The cost of risk will remain high during FY21, especially after SAMA raised support measures, while lower interest rates weigh on banks profitability. (Source: Argaam)
- Saudi Arabia's Cabinet approved merging the National Project Management, Operation and Maintenance Organization (Mashroaf) with the Center of Spending Efficiency. (Source: Argaam)
- Saudi Arabia has grabbed the fifth rank as the world's fastest in container ship handling per hour, according to the UNCTAD annual index issued by the United Nations Conference on Trade and Development with an average of 16.8 hours for container handling in local ports. (Source: Argaam)

Major Corporate News

- Theeb Rent a Car Company issued prospectus for its IPO on the Saudi Stock Exchange. Theeb will float 12.9mn shares, or 30% of its share capital. The book-building process for the participating parties will run from March 07-15, 2021, while the one-day retail offering will open on March 21. (Source: Argaam)
- Apollo Global Management Inc. and Global Infrastructure Partners are among suitors that bid for a stake in Saudi Aramco's oil pipelines worth USD 10bn (SAR 37.5 bn). Canada's Brookfield Asset Management Inc., BlackRock Inc., sovereign wealth fund China Investment Corp. and Beijing-backed Silk Road Fund Co. have also made non-binding offers. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.8% to 9,151.7. The value traded stood at SAR 15.9bn (up 7.7% over previous day), while the advance-decline ratio stood at 86/103. The parallel market index decreased 0.7% to 27,321.9 points. The value traded stood at SAR 66.1mn (up 14.2% over previous day). Most sectors in the main market ended in the green. Diversified Financials and Banks (up 5.0% and 1.5%, respectively) advanced the most; Pharma & Bio Tech and Food & Beverages (down 1.5% and 1.0%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

| Company | Q4-20 | Q4-19 | Y/Y % | Q3-20 | Q/Q % |
|-----------------------|-------|-------|-------|-------|-------|
| Najran Cement Company | 83.8 | 35.9 | 133.4 | 47.4 | 76.8 |

Top Gainers

| Company | Price | Change% |
|------------------|-------|---------|
| NAMA CHEMICALS | 39.10 | 10.0 |
| ATHEEB TELECOM | 23.58 | 10.0 |
| SAIC | 23.20 | 10.0 |
| FARM SUPERSTORES | 37.65 | 9.9 |
| ASEER | 18.18 | 9.9 |

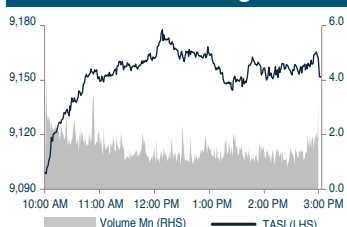
Top Losers

| Company | Price | Change% |
|----------|--------|---------|
| WAFRAH | 180.40 | -4.1 |
| TAWUNIYA | 81.80 | -3.4 |
| JAZADCO | 22.56 | -3.3 |
| MIS | 139.40 | -3.2 |
| BSFR | 28.70 | -3.0 |

Saudi Stock Exchange

| Index | Closing | High | Low | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI | 9,152 | 9,178 | 9,095 | 0.8 | 5.3 |
| NomuC | 27,322 | 27,863 | 26,966 | (0.7) | 4.1 |

TASI movement during session



TASI P/E Ratios

| | |
|----------------------------|------|
| P/E (Tadawul) | 29.3 |
| P/E (Bloomberg) | 35.1 |
| P/E* | 42.9 |
| P/E after exclusions* | 41.4 |
| P/E ex. loss-making comp.* | 24.4 |
| P/E: top 50 MCAP* | 29.8 |

*Source: Argaam (Excluding Aramco)

| Index | Close | Daily Change% | YTD % | PE (TTM) |
|------------------------|--------|---------------|-------|----------|
| Energy | 5,371 | 0.2 | (0.3) | 33.0 |
| Materials | 6,185 | 1.0 | 7.6 | High |
| Capital Goods | 7,255 | 1.4 | 11.0 | Neg |
| Commercial Service | 4,179 | (1.0) | 2.9 | High |
| Transportation | 5,236 | (0.5) | 8.1 | Neg |
| Consumer Durables | 6,375 | 0.2 | 11.4 | Neg |
| Consumer Services | 4,172 | 0.3 | (2.3) | 29.3 |
| Media | 10,388 | (0.4) | 1.7 | 39.5 |
| Retailing | 8,720 | 0.1 | 1.9 | Neg |
| Food & Staples | 10,723 | 0.5 | 1.8 | 34.0 |
| Food & Beverages | 5,368 | (1.0) | (1.8) | 29.5 |
| Healthcare | 5,871 | (0.4) | 3.9 | 35.4 |
| Pharma & Bio Tech | 5,508 | (1.5) | 6.5 | Neg |
| Banks | 8,189 | 1.5 | 7.9 | 19.1 |
| Diversified Financials | 5,016 | 5.0 | 9.2 | Neg |
| Insurance | 6,156 | (1.0) | 2.2 | 25.4 |
| Telecom | 7,455 | 1.3 | 8.1 | 23.3 |
| Utilities | 4,689 | 0.3 | 1.7 | Neg |
| REITs | 4,291 | 0.0 | 0.1 | Neg |
| Real Estate | 3,009 | (0.1) | (0.3) | Neg |
| Software & Services | 20,814 | (0.4) | 47.7 | 36.1 |

**Neg: Negative

Average Index Value

| Average 5 days | Average 10 days | Average 20 days | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|-----------------------------------------|
| 9,085 | 9,049 | 8,880 | 11.96 |

Market Statistics

| | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week | 42.1 | 1,161.5 | 1,585.7 |
| Previous week | 66.3 | 2,061.8 | 2,521.6 |

Top Weighted Companies

| Company | Price | Change% |
|--------------|--------|---------|
| Al Rajhi | 87.90 | 4.0 |
| Saudi Aramco | 34.70 | 0.3 |
| NCB | 46.00 | 1.8 |
| SABIC | 105.00 | 1.0 |
| STC | 117.20 | 1.7 |



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.2% each. Oman rose 0.4%; while Bahrain, Egypt, Qatar and Kuwait declined 1.8%, 1.2%, 0.6% and 0.1%, respectively.
- US Federal Reserve Chairman Jerome Powell told Senate Banking Committee members that the central bank is likely to maintain ultra-easy monetary policy for the foreseeable future. (Source: RTT News)
- US consumer confidence increased to 91.3 in February (consensus: 90.0) from prior revised 88.9 in January. The bigger than expected increase in the headline index came as the present situation index climbed to 92.0 in February from 85.5 in January. (Source: Econoday, RTT News)
- UK's unemployment rate rose to a five-year high of 5.1% (in line with the consensus) in January from 5.0% in December. The number of people looking for jobs increased by 121,000 sequentially, while employment declined by 144,000. (Source: Econoday, RTT News)
- Oil prices rose 0.2% driven by positive economic outlook and lower supplies from the US due to slower recovery from the snowstorm.
- Gold prices fell 0.2%, as higher yields and stronger US dollar weighed on demand for the yellow metal.

Forex / Currency

| Currency | Close | Daily Change% | MTD % | YTD % |
|----------------|-------|---------------|-------|-------|
| Dollar Index | 90.2 | 0.2 | -0.5 | 0.3 |
| Euro | 1.21 | 0.0 | 0.1 | -0.5 |
| Japanese Yen | 105.2 | 0.2 | 0.5 | 1.9 |
| Sterling Pound | 1.41 | 0.3 | 3.0 | 3.2 |
| Chinese Yuan | 6.46 | 0.0 | 0.6 | -0.9 |
| Indian Rupee | 72.4 | -0.1 | -0.7 | -0.9 |
| 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 | 15.63 | 0.0 | -0.2 | -0.4 |

Corporate Calendar

| Date | Company | Event |
|----------------------|-----------------|----------------------------|
| 25 th Feb | ALYAMAMAH STEEL | Cash Dividend Distribution |
| 28 th Feb | SVCP | EGM |
| 01 st Mar | NCB | EGM |
| 01 st Mar | SAMBA | EGM |
| 03 rd Mar | ASLAK | Cash Dividend Distribution |
| 03 rd Mar | APC | EGM |

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

| Market | Close | Daily Change% | MTD % | YTD % | P/E |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM) | 2,547 | 0.2 | -4.0 | 2.2 | 20.8 |
| Abu Dhabi (ADX) | 5,671 | 0.2 | 1.4 | 12.4 | 16.4 |
| Kuwait (KSE) | 4,653 | -0.1 | -1.9 | 2.2 | 14.6 |
| Qatar (QE) | 10,020 | -0.6 | -4.3 | -4.0 | 17.1 |
| Oman (MSM) | 3,575 | 0.4 | -2.2 | -2.3 | 9.1 |
| Bahrain (BSE) | 1,460 | -1.8 | -0.1 | -2.0 | 9.1 |
| Egypt (EGX30) | 11,417 | -1.2 | -1.1 | 5.3 | 9.3 |

International Markets

| Index | Close | Daily Change% | MTD % | YTD % | P/E |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones | 31,537 | 0.0 | 5.2 | 3.0 | 24.2 |
| Nasdaq | 13,465 | -0.5 | 3.0 | 4.5 | 35.4 |
| S&P 500 | 3,881 | 0.1 | 4.5 | 3.3 | 29.6 |
| FTSE 100 | 6,626 | 0.2 | 3.4 | 2.6 | 17.8 |
| Germany DAX 30 | 13,865 | -0.6 | 3.2 | 1.1 | 22.7 |
| France CAC 40 | 5,780 | 0.2 | 7.0 | 4.1 | 53.0 |
| Japan Nikkei 225 | 30,156 | 0.0 | 9.0 | 9.9 | 25.5 |
| Russia MICEX | 3,434 | 0.0 | 4.8 | 4.4 | 13.6 |
| Hong Kong Hang Seng | 30,633 | 1.0 | 8.3 | 12.5 | 16.9 |
| South Korea KOSPI | 3,070 | -0.3 | 3.2 | 6.8 | 29.4 |
| China Shanghai Composite | 3,636 | -0.2 | 4.4 | 4.7 | 15.1 |
| Australia ASX 200 | 6,839 | 0.9 | 3.5 | 3.8 | 23.2 |
| India Sensex | 49,751 | 0.0 | 7.5 | 4.2 | 30.9 |
| MSCI EM | 1,398 | 0.0 | 5.2 | 8.3 | 25.9 |
| MSCI World | 2,789 | 0.0 | 4.8 | 3.7 | 34.3 |

Commodity Markets

| Commodity | Price | Daily Change% | MTD % | YTD % |
|---------------------------|-------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 62.7 | 2.0 | 14.6 | 25.7 |
| Brent Crude (\$/bbl) | 65.4 | 0.2 | 17.0 | 26.2 |
| Texas crude (\$/bbl) | 61.7 | 0.0 | 18.1 | 27.1 |
| Natural Gas (\$/mmbtu) | 2.88 | -2.5 | 12.3 | 13.4 |
| Gold (\$/oz) | 1,806 | -0.2 | -2.3 | -4.9 |
| Silver (\$/oz) | 27.6 | -1.9 | 2.3 | 4.8 |
| Steel (\$/ton) | 1,165 | 0.0 | 1.4 | 15.9 |
| Iron Ore (CNY/MT) | 1,208 | -0.5 | 2.1 | 12.0 |
| Wheat (\$/bu) | 666 | 0.3 | 0.4 | 3.9 |
| Corn (\$/bu) | 554 | 0.5 | 1.2 | 14.4 |
| Sugar (\$/lb) | 18.4 | -2.0 | 16.3 | 18.9 |
| SMP* (EUR/MT) | 2,388 | 0.0 | 0.5 | 7.3 |

*SMP: Skimmed Milk Powder

Interbank Rates

| Region | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|----------------------|-------|-------------------|-----------|-----------|
| USD LIBOR | 0.176 | 0.0 | -2.6 | -6.3 |
| Saudi Arabia(SAIBOR) | 0.801 | -0.2 | -1.4 | -1.6 |
| UAE (EIBOR) | 0.321 | -6.8 | -1.9 | -19.1 |
| Qatar (QIBOR) | 1.043 | 2.9 | 9.3 | -7.8 |
| Bahrain (BHIBOR) | 2.033 | 0.0 | -16.7 | -21.7 |

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of February 23, 2021



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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.

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