

Major Economic News

- The Saudi Customs Authority announced the launch of a new service, through which importers will be allowed to file for postponing the payment of customs tariffs and tax for 30 days as of the date of clearing. It added that the postponement will be either through the provision of a bank guarantee or a promissory note. (Source: Argaam)

Major Corporate News

- Al Mashaar REIT Fund signed an MoU to invest SAR 135mn in a commercial building, i-Offices, in Riyadh. The REIT intends to acquire three towers on a fully occupied basis, with total annual rent of SAR 10.5mn. (Source: Argaam)
- Saudi Real Estate Co.'s affiliate, Saudi Real Estate Infrastructure Co. signed a contract with Saudi Entertainment Ventures Co. to carry out the preparatory work on the entertainment complex project in Riyadh. The contract is valued at SAR 104.7mn for 7.5 months. The project's financial impact will be reflected on the company's Q1-21 to Q4-21 statements. (Source: Argaam)
- Middle East Paper Co. renewed a Shariah-compliant bank facility agreement worth SAR 93mn with Samba Financial Group. The revolving credit facility agreement is renewable every year at the end of June. The facility is secured by a promissory note, equivalent to facility value, in favor of the bank. (Source: Argaam)
- Shareholders of National Commercial Bank (NCB) and Samba Financial Group approved the merger of both banks. Shareholders also approved increasing NCB's capital from SAR 30bn to SAR 44.8bn, as per the agreement. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 9,138.4. The value traded stood at SAR 13.1bn (up 11.0% over previous day), while the advance-decline ratio stood at 119/74. The parallel market index increased 1.5% to 25,824.7 points. The value traded stood at SAR 46.8mn (up 12.9% over previous day). Most sectors in the main market ended in the green. Diversified Financials and Insurance (up 5.7% and 1.7%, respectively) advanced the most; Software & Services and Telecom (down 2.3% and 1.4%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)					
Company	Q4-20	Q4-19	Y/Y %	Q3-20	Q/Q %
Saudi Paper Mfg, Co.	6.2	-11.4	NM	4.0	56.8

Top Gainers		
Company	Price	Change%
AWPT	93.60	30.0
ALABDULLATIF	17.18	10.0
SAIC	28.20	9.9
ASEER	24.56	9.9
ALAKARIA	17.04	9.9

Top Losers		
Company	Price	Change%
FITAIHI GROUP	20.32	-4.6
ALBILAD	31.15	-4.3
ACC	40.80	-3.9
YCC	44.60	-3.8
ALJOUF	77.00	-3.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	9,138	9,223	9,132	(0.1)	5.2
NomuC	25,825	25,881	25,467	1.5	(1.6)

TASI movement during session



TASI P/E Ratios

P/E (Tadawul)	29.2
P/E (Bloomberg)	35.7
P/E*	43.5
P/E after exclusions*	41.9
P/E ex. loss-making comp.*	24.6
P/E: top 50 MCAP*	29.9

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,340	0.1	(0.9)	32.8
Materials	6,184	0.6	7.6	High
Capital Goods	7,147	0.4	9.3	Neg
Commercial Service	4,103	(0.0)	1.1	High
Transportation	5,267	0.6	8.7	Neg
Consumer Durables	6,269	0.4	9.6	Neg
Consumer Services	4,171	1.0	(2.3)	29.4
Media	10,208	(0.3)	(0.1)	38.9
Retailing	8,638	0.5	1.0	Neg
Food & Staples	10,472	(0.5)	(0.6)	33.0
Food & Beverages	5,225	(0.9)	(4.4)	28.8
Healthcare	5,833	0.6	3.2	35.4
Pharma & Bio Tech	5,356	0.9	3.6	Neg
Banks	8,260	(0.7)	8.8	19.3
Diversified Financials	5,718	5.7	24.4	Neg
Insurance	6,120	1.7	1.6	25.2
Telecom	7,334	(1.4)	6.3	23.0
Utilities	4,558	(0.4)	(1.1)	Neg
REITs	4,327	0.6	1.0	Neg
Real Estate	2,997	1.5	(0.8)	Neg
Software & Services	18,571	(2.3)	31.8	32.4

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
9,149	9,112	8,963	13.14

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	25.0	906.3	1,026.8
Previous week	72.7	2,156.9	2,731.7

Top Weighted Companies

Company	Price	Change%
Al Rajhi	87.30	-2.3
Saudi Aramco	34.50	0.1
NCB	48.30	2.2
SABIC	104.20	0.8
STC	115.60	-1.5



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained flat. Qatar, Kuwait, Bahrain and Oman rose 0.6%, 0.5%, 0.4% and 0.3%, respectively. Meanwhile, Egypt remained flat.
- US ISM manufacturing PMI rose to 60.8 in February (consensus: 58.9) from 58.7 in January. The higher-than-expected increase by the headline index was driven by rise in the new orders index to 64.8 in February versus 61.1 in January. (Source: Econoday, RTT News)
- UK's seasonally adjusted CIPS PMI rose to 55.1 in February (consensus: 54.9) compared to 54.1 in January. Output growth was the slowest in past nine months, as supply chain disruptions and raw material shortages pushed input cost inflation to its highest rate for over four years (Source: Econoday, RTT News)
- The unemployment rate in Japan remained unchanged at a seasonally adjusted 2.9% in January (consensus: 3.0%). The jobs-to-applicant ratio stood at 1.10 (consensus: 1.06). The participation rate was 61.8% in January compared to 62.0% a month earlier. (Source: Econoday, RTT News)
- Oil prices plunged 3.7% due to concerns that OPEC+ will increase output levels for April during their meeting scheduled later this week.
- Gold prices fell 0.5%, as the yellow metal continued to show weakness amid increased levels of bond yields.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	91.0	0.2	0.2	1.2
Euro	1.20	-0.2	-0.2	-1.4
Japanese Yen	106.8	0.2	0.2	3.4
Sterling Pound	1.39	-0.1	-0.1	1.8
Chinese Yuan	6.46	-0.1	-0.1	-0.9
Indian Rupee	73.4	-0.7	-0.7	0.5
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	0.0	-0.4
Omani Rial	0.38	0.1	0.1	0.1
Bahraini Dinar	0.38	0.1	0.1	0.1
Egyptian Pound	15.68	0.2	0.2	-0.1

Corporate Calendar

Date	Company	Event
03 rd Mar	ASLAK	Cash Dividend Distribution
03 rd Mar	APC	EGM
04 th Mar	ALJOUF	OGM
04 th Mar	Enaya	OGM
08 th Mar	ALANDALUS	OGM
09 th Mar	TADCO	EGM

*EGM: Extra Ordinary Meeting

**OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,552	0.0	0.0	2.4	20.9
Abu Dhabi (ADX)	5,663	0.0	0.0	12.2	16.4
Kuwait (KSE)	4,673	0.5	0.5	2.7	14.6
Qatar (QE)	10,210	0.6	0.6	-2.2	18.0
Oman (MSM)	3,622	0.3	0.3	-1.0	9.2
Bahrain (BSE)	1,472	0.4	0.4	-1.2	9.1
Egypt (EGX30)	11,521	0.0	0.0	6.2	9.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,536	1.9	1.9	3.0	23.6
Nasdaq	13,589	3.0	3.0	5.4	34.6
S&P 500	3,902	2.4	2.4	3.9	29.0
FTSE 100	6,589	1.6	1.6	2.0	18.8
Germany DAX 30	14,013	1.6	1.6	2.1	22.6
France CAC 40	5,793	1.6	1.6	4.3	54.5
Japan Nikkei 225	29,664	2.4	2.4	8.1	25.1
Russia MICEX	3,386	1.2	1.2	3.0	13.5
Hong Kong Hang Seng	29,453	1.6	1.6	8.2	16.1
South Korea KOSPI	3,013	0.0	0.0	4.9	27.6
China Shanghai Composite	3,551	1.2	1.2	2.3	14.7
Australia ASX 200	6,790	1.7	1.7	3.1	22.1
India Sensex	49,850	1.5	1.5	4.4	31.0
MSCI EM	1,362	1.7	1.7	5.5	24.9
MSCI World	2,784	2.1	2.1	3.5	34.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	65.1	1.3	1.3	30.4
Brent Crude (\$/bbl)	63.7	-3.7	-3.7	23.0
Texas crude (\$/bbl)	60.6	-1.4	-1.4	25.0
Natural Gas (\$/mmbtu)	2.78	0.2	0.2	9.4
Gold (\$/oz)	1,725	-0.5	-0.5	-9.1
Silver (\$/oz)	26.5	-0.4	-0.4	0.6
Steel (\$/ton)	1,260	-0.3	-0.3	25.4
Iron Ore (CNY/MT)	1,257	0.4	0.4	16.5
Wheat (\$/bu)	644	-1.7	-1.7	0.5
Corn (\$/bu)	548	-1.4	-1.4	13.1
Sugar (\$/lb)	16.2	-7.5	-7.5	4.6
SMP* (EUR/MT)	2,393	0.3	0.3	7.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.188	0.0	0.0	-5.0
Saudi Arabia(SAIBOR)	0.800	0.0	0.0	-1.8
UAE (EIBOR)	0.335	2.9	2.9	-17.7
Qatar (QIBOR)	1.033	6.4	6.4	-8.7
Bahrain (BHIBOR)	1.942	0.0	0.0	-30.8

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of March 01, 2021



RESEARCH DIVISION

AGM-Head of Research
Talha Nazar
+966 11 2256250
t.nazar@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

Analyst
Faisal Alsuwelimy
+966 11 2256115
F.alsuweilmy@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

- 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.
- 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.
- 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.
- 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/tax 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.