



## Major Economic News

- Saudi Arabia's inflation accelerated to 5.7% in May 2021. The growth was attributed to an increase in the value-added tax from 5% to 15%, effective July 1, 2020. The cost-of-living index for May rose to 104.09 points compared to 98.50 points the year before. (Source: Argaam)
- Goldman Sachs Group Inc. raised its expectations for Saudi Arabia's GDP growth to 4.5% in FY21 compared to 2.5% earlier, backed by the rise in oil prices to more than USD 70 per barrel and the improvement of the non-oil sector. The bank expects the Saudi economy expanding 7.0% in FY22 compared to a 5.7% forecast previously, followed by an unchanged 1.2% growth rate in FY23 and FY24. (Source: Argaam)
- The Ministry of Finance closed the June 2021 issuance under the Saudi Arabian Government SAR-denominated sukuk program. The issuance size was set at SAR 8.3bn. (Source: Argaam)
- The Saudi Building Code National Committee said the enactment of the residential building code will begin as of July 1. (Source: Argaam)

## Major Corporate News

- Watani Iron Steel Co. announced full repayment of a short-term loan it secured from Saudi British Bank, amounting to SAR 40mn. The repayment will contribute to reducing financing expenses, which will positively reflect on the company's financial results as of H2-21. (Source: Argaam)
- Mohammed Hasan Al Naqool Sons Co. completed the first phase of its expansion project in Egypt with SAR 20mn investments. The project started pilot operations from June 15, for 60 days, and is forecast to be completed by Q4-21. Commercial operations will be launched by Q3-21. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.8% to 10,831.4. The value traded stood at SAR 12.2bn (down 19.8% over previous day), while the advance-decline ratio stood at 69/111. The parallel market index increased 1.1% to 23,202.4 points. The value traded stood at SAR 56.4mn (up 133.0% over previous day). Most sectors in the main market ended in the red. Media and Insurance (up 2.3% and 1.4%, respectively) advanced the most; Telecom and Consumer Services (down 1.8% and 1.2%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
MALATH INSURANCE	32.00	10.0
AICC	31.80	6.0
ALINMA TOKIO M	41.40	5.9
SAUDI RE	16.72	5.4
SHAKER	25.35	4.9

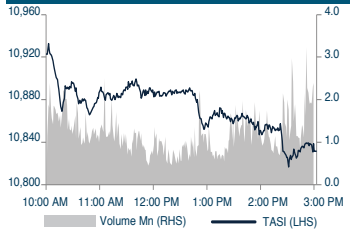
## Top Losers

Company	Price	Change%
NGC	49.55	-3.2
THEEB	62.00	-3.1
YANSAB	71.60	-2.7
ATAA	48.85	-2.7
DALLAH HEALTH	79.00	-2.5

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,914	10,990	10,845	0.1	25.6
NomuC	23,145	23,389	23,109	(1.0)	(11.8)

## TASI movement during session



## TASI Ratios

P/E* (x)	40.6
Price-to-Book (x)	2.5
Dividend Yield (%)	3.5
Return on Equity (%)	12.8

Source: Argaam  
\* Excluding Aramco

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,551	(0.0)	3.0	35.0
Materials	7,209	(0.8)	25.5	49.3
Capital Goods	9,010	0.1	37.8	High
Commercial Service	4,340	0.1	6.9	Neg
Transportation	6,196	(0.6)	27.9	Neg
Consumer Durables	7,934	(0.6)	38.7	High
Consumer Services	4,799	(1.2)	12.4	Neg
Media	20,160	2.3	97.3	High
Retailing	10,772	0.0	25.9	Neg
Food & Staples	10,898	(1.0)	3.4	33.3
Food & Beverages	6,232	(1.0)	14.1	34.1
Healthcare	7,834	(0.3)	38.6	44.6
Pharma & Bio Tech	7,296	(0.9)	41.1	High
Banks	10,152	(1.1)	33.8	25.7
Diversified Financials	7,843	1.2	70.7	Neg
Insurance	6,538	1.4	8.5	28.1
Telecom	8,458	(1.8)	22.6	25.2
Utilities	5,404	(0.2)	17.3	14.5
REITs	4,936	(0.5)	15.2	High
Real Estate	3,574	(0.6)	18.3	Neg
Software & Services	19,678	(0.1)	39.6	High

\*\*Neg: Negative

## Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
10,846	10,772	10,612	14.38

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	41.8	1,178.7	1,580.8
Previous week	80.1	2,190.9	2,832.8

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	110.60	-2.1
Saudi Aramco	35.30	0.0
NCB	54.30	0.2
SABIC	123.20	-1.1
STC	133.80	-2.3



## REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai and Abu Dhabi increased 0.1% each. Oman, Kuwait and Bahrain rose 0.4%, 0.3% and 0.2%, respectively; while Egypt and Qatar declined 0.4% and 0.2%, respectively.
- US industrial production increased 0.8% M/M in May (consensus: 0.6% growth) compared with a rise of 0.1% in April. Manufacturing output rose 0.9% M/M in May (consensus: 0.4% increase) against a fall of 0.1% in April. The capacity utilization rate increased to 75.2% in May (consensus: 75.0%) from 74.6% in April. (Source: Econoday)
- US retail sales declined by 1.3% in May (consensus: a fall of 0.5%) against a prior revised increase of 0.9% in April. The bigger than expected decrease in sales was attributed to lower sales from motor vehicle and parts retailers (down 3.7%). Excluding auto sales, retail sales dropped 0.7% in May after remaining unchanged in April. (Source: Econoday, RTT News)
- UK's unemployment rate fell to 4.7% in three months to April (in line with consensus) from 4.8% in three months to March. (Source: Econoday)
- Oil prices increased 1.6%, reaching a fresh two-year high, as investors continued to expect quick recovery in demand in H2-21.
- Gold prices fell 0.4%, as investors remained cautious ahead of US Federal Reserve meet.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.5	0.0	0.6	0.7
Euro	1.21	0.0	-0.8	-0.7
Japanese Yen	110.1	0.0	0.5	6.6
Sterling Pound	1.41	-0.2	-0.9	3.0
Chinese Yuan	6.41	0.1	0.6	-1.8
Indian Rupee	73.4	0.2	1.2	0.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.69	0.3	0.3	1.3
Kuwaiti Dinar	0.30	-0.1	-0.1	-1.1
Omani Rial	0.38	0.0	0.0	0.1
Bahraini Dinar	0.38	0.0	0.0	-0.1
Egyptian Pound	15.64	0.1	-0.1	-0.3

## Corporate Calendar

Date	Company	Event
16 <sup>th</sup> Jun	Care	Cash Dividend Distribution
16 <sup>th</sup> Jun	SPIMACO	Cash Dividend Distribution
16 <sup>th</sup> Jun	Saudi Cement	Cash Dividend Distribution
16 <sup>th</sup> Jun	SASCO	OGM
17 <sup>th</sup> Jun	ALSAGR INSURANCE	OGM
17 <sup>th</sup> Jun	SAUDI GERMAN HOSPITAL	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,869	0.1	2.6	15.1	21.8
Abu Dhabi (ADX)	6,741	0.1	2.8	33.6	17.8
Kuwait (KSE)	5,317	0.3	2.6	16.8	14.3
Qatar (QE)	10,793	-0.2	0.4	3.4	18.1
Oman (MSM)	4,049	0.4	5.1	10.7	10.5
Bahrain (BSE)	1,564	0.2	2.4	5.0	9.1
Egypt (EGX30)	9,891	-0.4	-4.1	-8.8	7.8

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,299	-0.3	-0.7	12.1	22.6
Nasdaq	14,073	-0.7	2.4	9.2	33.0
S&P 500	4,247	-0.2	1.0	13.1	27.9
FTSE 100	7,172	0.4	2.1	11.0	17.8
Germany DAX 30	15,730	0.4	2.0	14.7	19.2
France CAC 40	6,640	0.4	3.0	19.6	47.5
Japan Nikkei 225	29,441	1.0	2.0	7.3	17.4
Russia MOEX	3,822	-1.0	2.7	16.2	10.9
Hong Kong Hang Seng	28,639	-0.7	-1.8	5.2	15.0
South Korea KOSPI	3,259	0.2	1.7	13.4	20.8
China Shanghai Composite	3,557	-0.9	-1.6	2.4	12.9
Australia ASX 200	7,380	0.9	3.0	12.0	22.8
India Sensex	52,773	0.4	1.6	10.5	29.6
MSCI EM	1,378	-0.4	0.1	6.7	17.2
MSCI World	3,017	-0.1	1.4	12.2	30.1

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	73.1	0.2	6.3	46.4
Brent Crude (\$/bbl)	74.0	1.6	6.7	42.8
Texas crude (\$/bbl)	72.1	1.7	8.7	48.6
Natural Gas (\$/mmbtu)	3.24	-3.3	8.5	27.6
Gold (\$/oz)	1,859	-0.4	-2.5	-2.1
Silver (\$/oz)	27.6	-0.7	-1.5	4.9
Steel (\$/ton)	1,658	0.2	-0.4	65.0
Iron Ore (CNY/MT)	1,291	-3.7	9.2	19.6
Wheat (\$/bu)	662	-1.9	-0.3	3.3
Corn (\$/bu)	668	1.3	1.6	37.9
Sugar (\$/lb)	17.1	-1.4	-1.8	10.1
SMP* (EUR/MT)	2,620	0.0	0.0	17.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.118	-0.1	-1.3	-12.0
Saudi Arabia(SAIBOR)	0.791	0.0	0.0	-2.6
UAE (EIBOR)	0.333	-5.8	-4.3	-18.0
Qatar (QIBOR)	1.061	-9.5	-10.7	-5.9
Bahrain (BHIBOR)	1.642	0.0	2.3	-60.8

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of June 15, 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 Central & Western Region Investment Centers  
**Sultan Ibrahim AL-Mutawa**  
+966 11 2256364  
s.almutawa@aljaziracapital.com.sa

AGM-Head of international and institutions  
**Ahmad Salman, CFA**  
+966 11 2256201  
a.salman@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/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.

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