



Major Economic News

- Moody's Investors Services (Moody's) maintained Saudi Arabia's credit rating at A1, with a negative outlook, citing external shocks due to COVID-19 pandemic. The agency expects Saudi real GDP growth to reach 1.6% and 5.0% in FY21 and FY22, respectively. Moreover, Moody's lowered its forecast for fiscal deficit from 6.2% to 4.7% of GDP in FY21. (Source: Argaam)

Major Corporate News

- Majid Al Futtaim Retail, the exclusive franchisee to operate Carrefour in the Middle East, plans to launch six new stores (three hypermarkets and supermarkets each) by year-end FY21, according to CEO Hani Weiss. The company is planning to open new stores in Al-Qatif, Khams Mushait and Najran. (Source: Argaam)
- CMA approved Abdulmohsen Alhokair Group for Tourism and Development's request to reduce its capital from SAR 550mn to SAR 343mn. (Source: Argaam)
- Maaden Gold and Base Metals Co., a wholly-owned subsidiary of Saudi Arabian Mining Co., expects construction of the Mansourah-Massarah gold mine project to be completed by May 2022, as per CEO Ameen Alghamdi. The project's total costs, excluding operating expenses, might reach SAR 3.3bn. (Source: Argaam)
- Arabian Pipes Co.'s board of directors recommended a capital decrease by 75% to SAR 100mn from SAR 400mn to amortize accumulated losses. Post the capital decrease process the company will increase its capital from SAR 100mn to SAR 400mn, through a rights issue worth SAR 300mn. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.5% to 10,790.2. The value traded stood at SAR 16.5bn (down 15.5% over previous day), while the advance-decline ratio stood at 102/80. The parallel market index decreased 2.4% to 23,357.4 points. The value traded stood at SAR 69.0mn (up 166.5% over previous day). All sectors in the main market except Software & Services ended in the green. Pharma & Bio Tech and Media (up 9.9% and 4.0%, respectively) advanced the most; Software & Services (down 0.3%) was the only laggard.

Earnings update (Net Profit) (SAR mn)

Company	Q4-20	Q4-19	Y/Y %	Q3-20	Q/Q %
Arabian Pipes Co.	-156.2	4.8	NM	-3.4	NM

Top Gainers

Company	Price	Change%
SPIMACO	50.60	9.9
SAIC	56.90	9.6
AYYAN	28.60	7.1
ALKHALEEL TRNG	30.00	6.4
BAAZEEM	138.00	6.2

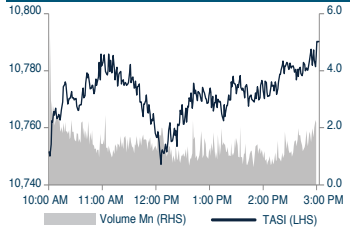
Top Losers

Company	Price	Change%
PETROCHEM	46.25	-2.6
ALJOUF	87.70	-2.6
SHARQIYAH DEV	102.80	-2.5
ZOUJAJ	40.15	-2.0
RAYDAN	36.30	-1.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,790	10,790	10,747	0.5	24.2
NomuC	23,357	24,534	23,342	(2.4)	(11.0)

TASI movement during session



TASI Ratios

P/E* (x)	38.9
Price-to-Book (x)	2.5
Dividend Yield (%)	3.4
Return on Equity (%)	12.9

Source: Argaam
* Excluding Aramco

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,565	0.1	3.3	35.1
Materials	7,305	0.2	27.1	50.0
Capital Goods	9,046	0.0	38.4	High
Commercial Service	4,398	0.5	8.3	Neg
Transportation	6,235	0.5	28.8	Neg
Consumer Durables	7,894	0.0	38.0	High
Consumer Services	4,872	1.1	14.1	Neg
Media	18,496	4.0	81.0	High
Retailing	10,720	1.0	25.3	Neg
Food & Staples	11,027	0.7	4.7	33.7
Food & Beverages	6,286	2.1	15.0	34.4
Healthcare	7,789	1.2	37.8	44.2
Pharma & Bio Tech	6,675	9.9	29.1	High
Banks	9,923	0.4	30.8	25.2
Diversified Financials	8,009	3.1	74.3	Neg
Insurance	6,486	0.2	7.7	27.9
Telecom	8,540	0.2	23.8	25.4
Utilities	5,434	0.2	17.9	14.6
REITs	4,960	0.4	15.7	High
Real Estate	3,646	0.3	20.8	Neg
Software & Services	19,175	(0.3)	36.1	High

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
10,726	10,650	10,508	14.57

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	65.8	1,803.8	2,328.9
Previous week	61.7	2,052.7	2,323.6

Top Weighted Companies

Company	Price	Change%
Al Rajhi	105.00	0.8
Saudi Aramco	35.40	0.0
NCB	53.80	-0.2
SABIC	125.00	-0.5
STC	135.00	0.3



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai decreased 0.1%, while Abu Dhabi increased 0.6%. Oman, Egypt Kuwait, Bahrain and Qatar rose 1.0%, 0.8%, 0.4%, 0.3% and 0.2%, respectively.
- According to EIA, oil inventories in the US declined 5.2mn barrels (prior: down 5.1mn) to 474.0mn in the week ended June 04. Distillate inventories increased 4.4mn barrels (prior: up 3.7mn) to 137.2mn, while gasoline inventories rose 7.0mn barrels (prior: up 1.5mn) to 241.0mn. (Source: EIA, Econoday)
- US is expected to announce to buy 500mn more doses of the Pfizer Covid-19 vaccine intended for donation to 92 lower-income countries and the African Union over the next year through the global COVAX alliance. (Source: CNBC)
- Eurozone GDP contracted 0.3% Q/Q in Q1-21 (preliminary estimate: 0.6% decline) compared to a drop of 0.6% Q4-20. On Y/Y basis, GDP declined 1.3% (preliminary estimate: 1.8% decrease) versus a fall of 4.7% in Q4-20. (Source: Econoday)
- Oil prices remained flat, as decrease in US crude oil inventories was offset by increase in gasoline inventories due to lower-than-expected fuel demand in the US despite start of the summer driving season.
- Gold prices fell 0.2% in spite of lower bond yields as investors remained cautious ahead of US inflation data.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	90.1	0.0	0.1	0.2
Euro	1.22	0.1	-0.4	-0.3
Japanese Yen	109.6	0.1	0.1	6.2
Sterling Pound	1.41	-0.3	-0.6	3.3
Chinese Yuan	6.39	-0.2	0.3	-2.1
Indian Rupee	73.0	0.0	0.6	-0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	-1.0	0.0
Kuwaiti Dinar	0.30	-0.1	0.0	-1.1
Omani Rial	0.38	0.0	0.0	0.1
Bahraini Dinar	0.38	0.0	0.2	0.1
Egyptian Pound	15.64	0.3	-0.1	-0.3

Corporate Calendar

Date	Company	Event
10 th Jun	Bawan	EGM
10 th Jun	FIPCO	OGM
13 th Jun	ALANDALUS	Cash Dividend Distribution
13 th Jun	ARAMCO TOTAL ARAB	OGM
13 th Jun	ALKHALEEL TRNG	Cash Dividend Distribution
13 th Jun	Salama	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,832	-0.1	1.2	13.6	21.3
Abu Dhabi (ADX)	6,711	0.6	2.3	33.0	17.8
Kuwait (KSE)	5,240	0.4	1.1	15.1	14.0
Qatar (QE)	10,691	0.2	-0.5	2.4	17.9
Oman (MSM)	4,020	1.0	4.3	9.9	10.4
Bahrain (BSE)	1,546	0.3	1.2	3.8	9.1
Egypt (EGX30)	10,042	0.8	-2.6	-7.4	7.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,600	0.0	0.2	13.0	22.7
Nasdaq	13,912	-0.1	1.2	7.9	32.4
S&P 500	4,220	-0.2	0.4	12.3	27.7
FTSE 100	7,081	-0.2	0.8	9.6	17.6
Germany DAX 30	15,581	-0.4	1.0	13.6	18.9
France CAC 40	6,563	0.2	1.8	18.2	47.0
Japan Nikkei 225	28,964	0.0	0.4	5.5	17.0
Russia MOEX	3,843	0.9	3.3	16.9	11.0
Hong Kong Hang Seng	28,743	-0.1	-1.4	5.6	15.0
South Korea KOSPI	3,216	-1.0	0.4	11.9	20.6
China Shanghai Composite	3,591	0.3	-0.7	3.4	13.1
Australia ASX 200	7,270	-0.3	1.5	10.4	22.4
India Sensex	51,942	-0.6	0.0	8.8	29.1
MSCI EM	1,373	-0.3	-0.2	6.3	17.2
MSCI World	2,997	-0.2	0.7	11.4	29.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	72.1	1.5	4.9	44.5
Brent Crude (\$/bbl)	72.2	0.0	4.2	39.4
Texas crude (\$/bbl)	70.0	-0.1	5.5	44.2
Natural Gas (\$/mmbtu)	3.13	0.0	4.8	23.2
Gold (\$/oz)	1,889	-0.2	-1.0	-0.5
Silver (\$/oz)	27.8	0.4	-1.1	5.3
Steel (\$/ton)	1,650	0.0	-0.9	64.2
Iron Ore (CNY/MT)	1,270	1.4	7.4	17.7
Wheat (\$/bu)	682	-0.4	2.8	6.5
Corn (\$/bu)	691	1.6	5.2	42.7
Sugar (\$/lb)	17.7	0.1	2.1	14.5
SMP* (EUR/MT)	2,620	-0.6	0.0	17.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.128	0.5	-0.3	-11.0
Saudi Arabia(SAIBOR)	0.791	0.0	0.0	-2.6
UAE (EIBOR)	0.410	1.4	3.5	-10.2
Qatar (QIBOR)	1.176	-0.4	0.8	5.5
Bahrain (BHIBOR)	1.642	5.0	2.3	-60.8

Data Sources: Tadawul, Bloomberg, Reuters

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

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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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