



Major Economic News

- The Ministry of Finance announced, through the National Debt Management Center, closing the July 2021 issuance under the Saudi Arabian Government SAR-denominated sukuk program. The issue size was set at SAR 10.4bn divided into two tranches. (Source: Argaam)
- Saudi Tadawul Group received 25 new listing applications in FY21, according to CEO Khalid Alhussan. The Saudi market witnessed 25 listings in the last three years. (Source: Argaam)
- Foreign investors were net buyers of shares worth SAR 12.6bn during H1-21, a rise of 21%, compared to SAR 10.4bn in the same period last year. Total foreign purchases hit SAR 92.9bn in H1-21, while total sales amounted to SAR 80.4bn. (Source: Argaam)

Major Corporate News

- Saudi Fransi Capital, the bookrunner and underwriter for the IPO of Tanmiah Food Co., successfully completed the book building process for institutional subscription to the company's shares, and the coverage ratio reached 95.3x. The price of the offered shares has been set at SAR 67 per share. (Source: Argaam)
- Middle East Healthcare Co. announced extending the non-binding MoU signed with Sobhi Abdul Jalil Batterjee Medical Hospital in Jeddah by 90 working days. (Source: Argaam)
- Alinma Tokio Marine Co.'s board of directors approved the appointment of Abdulmohsen bin Abdulaziz Al-Fares as Chairman and Hironari Iwakuma as Vice Chairman for the new three-year term started July 6. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.3% to 10,971.2. The value traded stood at SAR 10.6bn (down 12.3% over previous day), while the advance-decline ratio stood at 75/110. The parallel market index increased 1.0% to 22,939.6 points. The value traded stood at SAR 31.1mn (up 58.0% over previous day). Most sectors in the main market ended in the red. Software & Services and Utilities (up 6.8% and 2.9%, respectively) advanced the most; Pharma & Bio Tech and Healthcare (down 1.8% and 1.0%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q2-21	Q2-20	Y/Y %	Q1-21	Q/Q %
Advanced Petrochemical	265.0	155.0	71.0	171.0	55.0

Top Gainers

Company	Price	Change%
MIS	156.20	10.0
BAAZEEM	156.00	5.8
SEDCO CAPITAL REIT	12.76	5.8
NASEEJ	110.00	4.8
MALATH INSURANCE	33.50	4.7

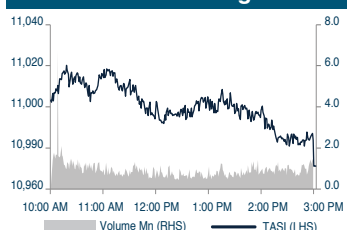
Top Losers

Company	Price	Change%
THEEB	72.90	-2.0
APC	22.00	-0.6
ALAHLI REIT 1	12.52	-0.3
GASCO	42.00	-1.0
ALAKARIA	25.70	-0.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,971	11,021	10,971	(0.3)	26.3
NomuC	22,940	22,940	22,559	1.0	(12.6)

TASI movement during session



TASI Ratios

P/E* (x)	40.7
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	5,538	0.1	2.8	34.7
Materials	7,331	0.0	27.6	High
Capital Goods	9,181	(0.6)	40.4	High
Commercial Service	4,343	(0.4)	7.0	Neg
Transportation	6,375	0.9	31.6	Neg
Consumer Durables	8,553	(0.0)	49.5	High
Consumer Services	4,965	(0.3)	16.3	Neg
Media	20,889	0.7	104.5	High
Retailing	10,853	(0.6)	26.8	Neg
Food & Staples	10,536	(0.7)	(0.0)	32.3
Food & Beverages	6,177	(0.9)	13.1	33.8
Healthcare	7,512	(1.0)	32.9	42.5
Pharma & Bio Tech	7,401	(1.8)	43.1	High
Banks	10,413	(0.6)	37.2	26.4
Diversified Financials	8,074	1.3	75.7	Neg
Insurance	6,777	0.1	12.5	29.2
Telecom	8,120	(0.9)	17.7	24.1
Utilities	5,610	2.9	21.7	15.1
REITs	5,046	0.2	17.8	High
Real Estate	3,601	(0.0)	19.2	Neg
Software & Services	26,512	6.8	88.1	High

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
10,993	10,970	10,909	11.90

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	35.5	1,032.0	1,317.6
Previous week	62.3	1,897.0	2,393.7

Top Weighted Companies

Company	Price	Change%
Al Rajhi	111.80	-0.5
Saudi Aramco	34.95	0.0
NCB	57.60	-0.5
SABIC	119.60	-0.8
STC	128.00	-0.9



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai and Abu Dhabi decreased 0.7% and 0.1%, respectively. Oman rose 0.5%; while Egypt, Kuwait, Bahrain and Qatar declined 1.9%, 0.5%, 0.3% and 0.2%, respectively.
- US ISM services PMI fell to 60.1 in June (consensus: 63.5) compared to 64.0 in May. The bigger than expected decrease in services PMI was due to a decrease in business activity index to 60.4 in June from 66.3 in May and new orders index to 62.1 from 63.9. (Source: RTT News)
- Eurozone retail sales grew 4.6% M/M in May (consensus: an increase of 4.4%) as against a 3.9% fall in April. Sales of food, drinks and tobacco dropped 0.2%, while non-food product sales rose 8.8%. Sales of automotive fuel in specialized stores grew 8.1%. On Y/Y basis, retail sales growth moderated to 9.0% in May (consensus: a rise 8.2%) from 23.3% in April. (Source: Econoday)
- Oil prices plunged 3.4%, as investors were concerned about the future of OPEC+ cartel after its meeting on output policy was cancelled.
- Gold prices rose 0.4%, as decline in US treasury yields boosted demand for the yellow metal.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	92.5	0.4	0.1	2.9
Euro	1.18	-0.3	-0.3	-3.2
Japanese Yen	110.6	-0.3	-0.5	7.1
Sterling Pound	1.38	-0.3	-0.2	0.9
Chinese Yuan	6.48	0.2	0.3	-0.8
Indian Rupee	74.6	0.4	0.3	2.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.69	0.1	-0.1	1.5
Kuwaiti Dinar	0.30	0.1	0.2	-0.9
Omani Rial	0.38	0.1	0.0	0.1
Bahraini Dinar	0.38	-0.1	0.0	-0.1
Egyptian Pound	15.64	0.1	-0.1	-0.3

Corporate Calendar

Date	Company	Event
07 th Jul	Fitaihi Group	EGM
07 th Jul	UCA	OGM
08 th Jul	ALHOKAIR GROUP	EGM
12 th Jul	SADAFSCO	EGM
13 th Jul	YANSAB	Cash Dividend Distribution
13 th Jul	RAYDAN	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,783	-0.7	-1.0	11.7	21.1
Abu Dhabi (ADX)	6,985	-0.1	2.2	38.4	18.2
Kuwait (KSE)	5,255	-0.5	-1.2	15.4	14.4
Qatar (QE)	10,781	-0.2	0.5	3.3	18.0
Oman (MSM)	4,122	0.5	1.4	12.6	10.7
Bahrain (BSE)	1,574	-0.3	-0.9	5.6	9.1
Egypt (EGX30)	10,155	-1.9	-1.0	-6.4	8.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,577	-0.6	0.2	13.0	22.8
Nasdaq	14,664	0.2	1.1	13.8	34.5
S&P 500	4,344	-0.2	1.1	15.6	28.6
FTSE 100	7,101	-0.9	0.9	9.9	17.7
Germany DAX 30	15,511	-1.0	-0.1	13.1	18.9
France CAC 40	6,507	-0.9	0.0	17.2	45.1
Japan Nikkei 225	28,643	0.2	-0.5	4.4	16.9
Russia MOEX	3,884	0.0	1.1	18.1	11.2
Hong Kong Hang Seng	28,073	-0.3	-2.6	3.1	14.8
South Korea KOSPI	3,305	0.4	0.3	15.0	21.2
China Shanghai Composite	3,530	-0.1	-1.7	1.6	12.5
Australia ASX 200	7,262	-0.7	-0.7	10.2	22.3
India Sensex	52,861	0.0	0.7	10.7	27.8
MSCI EM	1,347	-0.6	-2.0	4.3	16.8
MSCI World	3,043	-0.2	0.8	13.1	30.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	77.2	0.0	2.8	54.6
Brent Crude (\$/bbl)	74.6	-3.4	-0.8	43.9
Texas crude (\$/bbl)	73.5	-2.2	0.0	51.4
Natural Gas (\$/mmbtu)	3.64	-1.7	-0.4	43.2
Gold (\$/oz)	1,798	0.4	1.6	-5.3
Silver (\$/oz)	26.1	-1.2	0.1	-0.9
Steel (\$/ton)	1,800	0.6	-0.6	79.1
Iron Ore (CNY/MT)	1,346	0.0	-2.5	24.7
Wheat (\$/bu)	620	-4.0	-7.7	-3.2
Corn (\$/bu)	656	-5.9	-8.9	35.5
Sugar (\$/lb)	17.9	-1.5	1.4	15.4
SMP* (EUR/MT)	2,518	-0.6	-3.1	13.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.138	0.0	-0.8	-10.0
Saudi Arabia(SAIBOR)	0.793	0.0	0.0	-2.5
UAE (EIBOR)	0.388	4.8	3.8	-12.5
Qatar (QIBOR)	1.099	10.1	10.1	-2.1
Bahrain (BHIBOR)	1.642	0.0	0.0	-60.8

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of July 6, 2021



RESEARCH DIVISION

Head of Research

Talha Nazar

+966 11 2256250
t.nazar@aljaziracapital.com.sa

Analyst

Faisal Alsuwelimy

+966 11 2256115
F.alsuwelimy@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

BROKERAGE AND INVESTMENT CENTERS DIVISION

General Manager of Client Service and Distribution

Alaa Al-Yousef

+966 11 2256060
a.yousef@aljaziracapital.com.sa

Head of Sales and Distribution

Sultan Ibrahim AL-Mutawa

+966 11 2256364
s.almutawa@aljaziracapital.com.sa

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