



Major Economic News

- Saudi Arabia's CPI grew 0.4% in July. The impact of VAT increase from 5% to 15%, which was introduced in July 2020, faded in July, and does not affect the annual change in CPI anymore. The increase in CPI was mainly driven by a rise of 7.8% Y/Y in the average prices of transport, and a 1.2% increase in the food & beverages sector as food prices grew by 1.3%. (Source: Argaam)

Major Corporate News

- Saudi Arabia's Ministry of Finance and National Debt Management Center signed an agreement with Al Rajhi Bank to appoint it as a primary dealer of government debt securities. (Source: Argaam)
- Riyad Capital announced that Riyadh REIT Fund invested SAR 60mn in a US office building. The net leasable area is 39,867 sq. m. The investment is expected to generate an average annual yield of 8% to the fund over a five-year investment period. (Source: Argaam)
- National Building and Marketing Co. announced that its wholly-owned subsidiary Ajeej Steel Manufacturing Co. signed a contract worth SAR 180mn with Rajhi Steel. The deal will reflect positively on the company's sales and earnings during H2-21. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.2% to 11,351.6 on Sunday. The value traded stood at SAR 6.5bn (down 24.6% over previous day), while the advance-decline ratio stood at 103/87. The parallel market index increased 0.6% to 24,780.9 points. The value traded stood at SAR 53.7mn (up 105.4% over previous day). Most sectors in the main market ended in the green. Software & Services and Utilities (up 2.6% and 2.0%, respectively) advanced the most; Healthcare and Transportation (down 2.2% and 1.8%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q2-21	Q2-20	Y/Y %	Q1-21	Q/Q %
Arabian Cement Co.	33.5	7.6	340.8	67.0	-50.0
SRMG	134.6	75.3	78.8	91.5	47.1
CHUBB	4.3	12.0	-64.1	2.4	77.9
Saudi Re	16.9	9.0	87.2	19.6	-13.7
UCA	-6.5	-1.4	NM	-27.0	NM
Aseer	-0.8	-3.2	NM	-1.4	NM
Jabal Omar	270.6	-453.5	NM	-345.3	NM

Top Gainers

Company	Price	Change%
ATAA	72.20	9.9
SARCO	173.00	7.5
ALRAJHI TAKAFUL	104.00	5.6
ARAB SEA	157.00	5.5
MEPCO	37.00	5.4

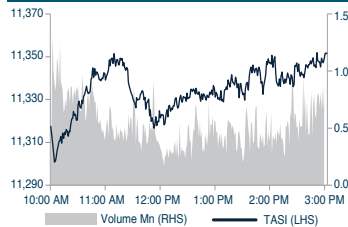
Top Losers

Company	Price	Change%
CHEMICAL	41.35	-3.4
SGS	34.35	-3.1
ALHAMMADI	40.50	-2.9
MOUWASAT	202.80	-2.5
THEEB	68.80	-2.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,352	11,354	11,295	0.2	30.6
NomuC	24,781	24,905	24,607	0.6	(5.6)

TASI movement during session



TASI Ratios

P/E* (x)	28.4
Price-to-Book (x)	2.4
Dividend Yield (%)	1.8
Return on Equity (%)	16.6

Source: Argaam
* Excluding Aramco

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,574	0.5	3.5	35.1
Materials	7,549	0.8	31.4	High
Capital Goods	9,099	(0.4)	39.2	High
Commercial Service	4,428	(0.8)	9.1	Neg
Transportation	6,293	(1.8)	29.9	Neg
Consumer Durables	8,170	0.5	42.8	High
Consumer Services	5,189	1.6	21.6	Neg
Media	20,082	(1.1)	96.6	High
Retailing	10,828	0.4	26.5	Neg
Food & Staples	10,013	(0.2)	(5.0)	31.2
Food & Beverages	5,782	0.1	5.8	32.3
Healthcare	8,410	(2.2)	48.8	48.4
Pharma & Bio Tech	7,018	(1.1)	35.7	High
Banks	11,067	0.1	45.8	27.9
Diversified Financials	7,794	(0.1)	69.6	Neg
Insurance	7,235	1.6	20.1	31.4
Telecom	8,434	(0.5)	22.3	25.3
Utilities	6,045	2.0	31.2	16.3
REITs	5,064	(0.0)	18.2	High
Real Estate	3,611	0.3	19.6	Neg
Software & Services	28,194	2.6	100.1	High

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
11,300	11,245	11,058	7.68

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	6.5	165.0	277.6
Previous week	39.8	1,048.0	1,634.8

Top Weighted Companies

Company	Price	Change%
Al Rajhi	121.80	0.7
SNB	59.10	-1.5
Saudi Aramco	35.35	0.4
SABIC	123.60	0.7
STC	135.40	-0.6



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai remained flat, while Abu Dhabi increased 0.1%. Egypt, Oman and Bahrain gained 1.3%, 0.4% and 0.3%, respectively; while Kuwait and Qatar rose 0.1% each.
- US initial jobless claims dropped to 375,000 (in line with consensus), representing a fall of 12,000 from the previous week's revised level of 387,000. (Source: Econoday)
- UK's GDP grew 4.8% Q/Q in Q2-21 (in line with consensus), as against a 1.6% decline in Q1-21. The growth was driven by improved consumer spending due to easing of COVID-19 restrictions during the quarter. (Source: RTT News)
- Eurozone's trade surplus fell to a seasonally adjusted EUR 12.4bn in June from EUR 13.8bn in May. Exports dropped 0.7% in June, while imports remained stable from the previous month. On an unadjusted basis, the trade surplus decreased to EUR 18.1bn from EUR 20.0bn in the same period last year. (Source: RTT News)
- China's retail sales rose by 8.5% Y/Y in July (consensus: a growth of 11.5%). Auto-related sales was the only category to decline in July, down 1.8% Y/Y. (Source: CNBC)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	92.5	0.0	0.4	2.9
Euro	1.18	0.0	-0.7	-3.5
Japanese Yen	109.6	0.0	-0.1	6.1
Sterling Pound	1.39	0.0	-0.3	1.4
Chinese Yuan	6.48	0.0	0.2	-0.7
Indian Rupee	74.2	0.0	-0.1	1.6
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	0.0
Kuwaiti Dinar	0.30	-0.1	0.1	-1.1
Omani Rial	0.38	-0.1	-0.1	0.0
Bahraini Dinar	0.38	0.1	-0.1	0.0
Egyptian Pound	15.65	0.0	-0.1	-0.3

Corporate Calendar

Date	Company	Event
17 th Aug	ASLAK	Cash Dividend Distribution
17 th Aug	YCC	Cash Dividend Distribution
18 th Aug	UCA	OGM
19 th Aug	DERAYAH REIT	Cash Dividend Distribution
19 th Aug	SABB	Cash Dividend Distribution
22 nd Aug	SPCC	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,816	0.0	1.8	13.0	20.0
Abu Dhabi (ADX)	7,602	0.1	3.9	50.7	19.4
Kuwait (KSE)	5,445	0.1	0.1	19.6	14.8
Qatar (QE)	10,933	0.1	1.7	4.8	15.8
Oman (MSM)	4,019	0.4	-0.3	9.9	10.3
Bahrain (BSE)	1,636	0.3	2.5	9.8	12.9
Egypt (EGX30)	11,030	1.3	2.7	1.7	8.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,515	0.0	1.7	16.0	21.5
Nasdaq	14,823	0.0	1.0	15.0	31.0
S&P 500	4,468	0.0	1.7	19.0	26.7
FTSE 100	7,219	0.0	2.7	11.7	15.2
Germany DAX 30	15,977	0.0	2.8	16.5	15.3
France CAC 40	6,896	0.0	4.3	24.2	26.0
Japan Nikkei 225	27,977	0.0	2.5	1.9	15.0
Russia MOEX	3,873	0.0	2.7	17.8	9.6
Hong Kong Hang Seng	26,392	0.0	1.7	-3.1	13.6
South Korea KOSPI	3,171	0.0	-1.0	10.4	16.8
China Shanghai Composite	3,516	0.0	3.5	1.2	12.1
Australia ASX 200	7,629	0.0	3.2	15.8	20.8
India Sensex	55,437	0.0	5.4	16.1	26.6
MSCI EM	1,281	0.0	0.2	-0.8	16.8
MSCI World	3,125	0.0	1.8	16.2	24.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	72.9	0.0	-3.3	46.1
Brent Crude (\$/bbl)	70.6	0.0	-7.5	36.3
Texas crude (\$/bbl)	68.4	0.0	-7.5	41.1
Natural Gas (\$/mmbtu)	3.86	0.0	-1.4	52.1
Gold (\$/oz)	1,780	0.0	-1.9	-6.3
Silver (\$/oz)	23.7	0.0	-6.8	-9.9
Steel (\$/ton)	1,880	0.0	-0.4	87.1
Iron Ore (CNY/MT)	1,119	0.0	8.5	3.7
Wheat (\$/bu)	762	0.0	8.3	19.0
Corn (\$/bu)	568	0.0	3.9	17.4
Sugar (\$/lb)	20.0	0.0	11.4	28.8
SMP* (EUR/MT)	2,500	0.0	1.6	12.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.125	0.0	0.7	-11.4
Saudi Arabia (SAIBOR)	0.796	0.1	0.1	-2.2
UAE (EIBOR)	0.366	-0.6	-0.4	-14.7
Qatar (QIBOR)	1.150	22.1	20.0	2.9
Bahrain (BHIBOR)	1.575	0.0	-1.7	-67.5

Data Sources: Tadawul, Bloomberg, Reuters

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

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RESEARCH
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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.

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