



Major Economic News

- S&P Global Ratings said in a report that the growth of mortgage portfolios and the launch of major construction projects as part of Vision 2030 will support the credit growth of Saudi banks, that will likely reach 15% in FY21 and remain above 10% in FY22. The rating agency added that cost of risk is likely to stabilize at nearly 90 to 100 basis points, before starting to return to normality in FY22. (Source: Argaam)
- Saudi Arabia's Industrial Production Index rose by 5.9% Y/Y to 114.90 points in July 2021. The index increase was attributed to the rise in the mining and quarrying activity index by 12% by the end of July, as the Kingdom hiked oil production to 9.4 mbpd during the month from 8.4 mbpd in July 2020. (Source: Argaam)

Major Corporate News

- Abdullah Al Othaim Markets Co. announced opening of a new branch in Riyadh, bringing the total number of branches in Saudi Arabia to 259. The new branch is located in Al Janadriyah district, Riyadh. (Source: Argaam)
- Saudi Investment Bank sold 75mn treasury shares for total proceeds of SAR 1.0bn. The bank intends to support its financial position through the sale of the treasury shares and the proceeds of the sale will be used to support its capital base, increase its liquidity ratios, and finance its expansion activities and future operations. (Source: Argaam)
- Bawan Co. announced completing all legal procedures related to selling the full stake of its 85.5%-owned subsidiary, United Transformers Electric Co. Ltd., in Utec Algeria for approximately SAR 30mn. The deal will result in a loss of SAR 2.1mn. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.3% to 11,417.8 on Thursday. The value traded stood at SAR 7.5bn (up 10.4% over previous day), while the advance-decline ratio stood at 40/149. The parallel market index decreased 0.5% to 25,662.7 points. The value traded stood at SAR 52.8mn (up 23.1% over previous day). Most sectors in the main market ended in the red. Diversified Financials and Food & Beverages (up 0.7% and 0.4%, respectively) advanced the most; Software & Services and Consumer Durables (down 1.4% and 1.0%, respectively) led the laggards.

Top Gainers		
Company	Price	Change%
ALJOUF	83.20	9.3
SADR	402.00	4.9
BATIC	46.20	4.2
TADCO	40.70	3.6
MCDC	70.20	3.5

Top Losers		
Company	Price	Change%
FITAIHI GROUP	57.50	-3.2
ARAB SEA	148.60	-3.0
TECO	78.00	-2.7
ATAA	64.90	-2.6
TAKWEEN	22.18	-2.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,418	11,451	11,398	(0.3)	31.4
NomuC	25,663	25,908	25,482	(0.5)	(2.2)

TASI movement during session



TASI Ratios

P/E* (x)	28.1
Price-to-Book (x)	2.5
Dividend Yield (%)	1.8
Return on Equity (%)	16.8

Source: Argaam
* Excluding Aramco

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,530	(0.5)	2.7	25.6
Materials	7,557	(0.2)	31.5	24.7
Capital Goods	9,002	(0.7)	37.7	High
Commercial Service	4,645	0.0	14.4	Neg
Transportation	6,361	(0.1)	31.3	Neg
Consumer Durables	8,322	(1.0)	45.4	High
Consumer Services	5,167	(1.0)	21.0	Neg
Media	20,641	(0.4)	102.0	High
Retailing	10,958	0.0	28.1	47.9
Food & Staples	10,082	(0.0)	(4.3)	40.5
Food & Beverages	5,794	0.4	6.0	38.6
Healthcare	8,062	(0.9)	42.6	42.9
Pharma & Bio Tech	6,675	(1.0)	29.1	High
Banks	11,255	(0.5)	48.3	21.7
Diversified Financials	7,821	0.7	70.2	High
Insurance	7,168	(0.5)	19.0	44.1
Telecom	8,414	0.0	22.0	25.3
Utilities	6,175	(0.6)	34.0	8.6
REITs	5,033	(0.5)	17.4	Neg
Real Estate	3,612	0.0	19.6	Neg
Software & Services	28,909	(1.4)	105.2	High

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
11,406	11,342	11,280	7.13

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	36.8	937.4	1,538.9

Top Weighted Companies

Company	Price	Change%
Al Rajhi	123.80	-0.2
SNB	61.30	-0.6
Saudi Aramco	34.95	-0.4
SABIC	123.80	-0.2
STC	135.40	0.4



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai remained flat, while Abu Dhabi increased 1.2%. Kuwait, Bahrain and Qatar rose 0.5%, 0.3% and 0.2%, respectively; while Egypt and Oman declined 0.7% and 0.2%, respectively.
- U.S. offshore oil companies restored almost 200,000 barrels of production on Friday, while most of the Gulf Coast crude output remained offline following Hurricane Ida, government data showed. (Source: Reuters)
- Wall Street ended sharply lower on Friday as investors weighed signs of higher inflation, while Apple Inc (AAPL.O) tumbled following an unfavorable court ruling related to its app store. (Source: Reuters)
- Oil rose to briefly top \$73 a barrel on Friday, supported by growing signs of supply tightness in the United States as a result of Hurricane Ida and as U.S.-China trade hopes gave riskier assets a boost. (Source: Reuters)
- The dollar rose on Friday in line with higher U.S. Treasury yields as investors focused on when the Federal Reserve is likely to begin reducing its asset purchases. (Source: Reuters)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	92.6	0.1	0.4	2.9
Euro	1.18	-0.1	-0.5	-3.3
Japanese Yen	109.9	0.2	0.2	6.5
Sterling Pound	1.38	0.0	-0.4	1.2
Chinese Yuan	6.44	-0.1	-0.3	-1.3
Indian Rupee	73.5	0.0	-1.1	0.6
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.1	1.1	1.1
Kuwaiti Dinar	0.30	0.0	0.2	-1.0
Omani Rial	0.38	0.0	0.0	0.1
Bahraini Dinar	0.38	0.0	0.0	0.1
Egyptian Pound	15.71	-0.2	0.2	0.1

Corporate Calendar

Date	Company	Event
15 th Sep	MIS	Cash Dividend Distribution
15 th Sep	SWICORP WABEL REIT	OGM
16 th Sep	Baazeem	EGM
16 th Sep	ABO MOATI	OGM
19 th Sep	AWPT	Cash Dividend Distribution
19 th Sep	BATIC	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,908	0.0	0.2	16.7	21.5
Abu Dhabi (ADX)	7,861	1.2	2.3	55.8	21.5
Kuwait (KSE)	5,559	0.5	0.9	22.1	15.2
Qatar (QE)	11,100	0.2	0.1	6.4	16.1
Oman (MSM)	3,960	-0.2	-0.2	8.2	10.4
Bahrain (BSE)	1,670	0.3	1.5	12.1	13.0
Egypt (EGX30)	11,056	-0.7	-0.8	1.9	8.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,608	-0.8	-0.9	13.1	20.9
Nasdaq	15,441	-0.8	5.2	19.8	36.1
S&P 500	4,459	-0.8	1.4	18.7	26.7
FTSE 100	7,029	0.1	0.0	8.8	18.6
Germany DAX 30	15,610	-0.1	0.4	13.8	17.9
France CAC 40	6,664	-0.3	0.8	20.0	22.9
Japan Nikkei 225	30,382	1.2	11.4	10.7	17.5
Russia MOEX	4,003	0.2	6.1	21.7	9.2
Hong Kong Hang Seng	26,206	1.9	0.9	-3.8	10.8
South Korea KOSPI	3,126	0.4	-2.4	8.8	16.3
China Shanghai Composite	3,703	0.3	9.0	6.6	15.8
Australia ASX 200	7,407	0.5	0.2	12.4	24.5
India Sensex	58,305	0.0	10.9	22.1	30.2
MSCI EM	1,309	0.7	2.4	1.4	16.3
MSCI World	3,122	-0.4	1.7	16.1	24.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	73.6	0.1	-2.5	47.4
Brent Crude (\$/bbl)	72.9	2.1	-4.5	40.8
Texas crude (\$/bbl)	69.7	2.3	-5.7	43.7
Natural Gas (\$/mmbtu)	4.9	-1.8	26.2	94.5
Gold (\$/oz)	1,787.6	-0.4	-1.5	-5.9
Silver (\$/oz)	23.7	-1.2	-6.7	-9.9
Steel (\$/ton)	1,927.0	0.0	2.1	91.7
Iron Ore (CNY/MT)	832.0	3.3	-19.3	-22.9
Wheat (\$/bu)	688.5	-0.5	-2.2	7.5
Corn (\$/bu)	517.5	1.5	-5.4	6.9
Sugar (\$/lb)	19.5	-2.1	8.9	26.0
SMP* (EUR/MT)	2,610.0	0.6	6.1	17.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.116	0.0	-0.4	-12.3
Saudi Arabia (SAIBOR)	0.797	0.1	0.1	-2.0
UAE (EIBOR)	0.401	3.1	4.0	-11.1
Qatar (QIBOR)	1.150	12.5	13.1	2.9
Bahrain (BHIBOR)	1.558	-0.8	-0.8	-69.2

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of September 10, 2021



RESEARCH DIVISION

Head of Sell-Side Research
Jassim Al-Jubran
+966 11 2256248
j.aljabran@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