



## Major Economic News

- Saudi Arabia's Industrial Production Index rose by 5.8% Y/Y to 119.05 points in August. The increase in index was attributed to the rise in the mining and quarrying activity index by 7% by the end of August, as the Kingdom hiked oil production to 9.5 mbpd during the month from 8.9 mbpd a year earlier. (Source: Argaam)
- Saudi food exports increased by 9% Y/Y to SAR 7.4bn in H1-21, according to Faisal AlBedah, Secretary General of Saudi Export Development Authority. (Source: Argaam)

## Major Corporate News

- The General Authority for Competition approved Al Hammadi Company for Development and Investment's acquisition of a 35% stake in Sudair Pharmaceutical Company. (Source: Argaam)
- National Medical Care Co. canceled its contract with Tabrak Najed Contracting Co. (TNC) due to TNC's inability to fulfill its contractual obligations as of October 16. (Source: Argaam)
- GIB Capital, the bookrunner of Arabian Contracting Services Co.'s IPO, announced that the offering price range was set at SAR 90-100 per share. The bidding and book-building period for participating parties is open from October 10 until October 19. (Source: Argaam)
- Tourism Enterprise Co. submitted a request for capital reduction to the CMA. The company's board of directors earlier approved amending the recommendation on reducing capital by 48.2% to SAR 52.6mn due to the losses incurred in Q2-21. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,566.0 on Sunday. The value traded stood at SAR 7.5bn (up 13.9% over previous day), while the advance-decline ratio stood at 27/172. The parallel market index decreased 2.4% to 23,010.9 points. The value traded stood at SAR 35.6mn (down 14.7% over previous day). Most sectors in the main market ended in the red. Banks and Retailing (up 1.1% and 0.2%, respectively) were the only gainers; Consumer Durables and Media (down 3.9% and 3.3%, respectively) led the laggards.

## Earnings update (Net Profit) (SAR mn)

| Company                | Q3-21 | Q3-20 | Y/Y % | Q2-21 | Q/Q % |
|------------------------|-------|-------|-------|-------|-------|
| United Electronics Co. | 89.1  | 53.4  | 66.7  | 100.5 | -11.3 |

## Top Gainers

| Company        | Price  | Change% |
|----------------|--------|---------|
| CHEMANOL       | 36.80  | 3.2     |
| ALRAJHI        | 134.20 | 2.9     |
| SAUDI CERAMICS | 61.70  | 2.7     |
| ALHAMMADI      | 39.15  | 2.2     |
| YANSAB         | 73.50  | 2.1     |

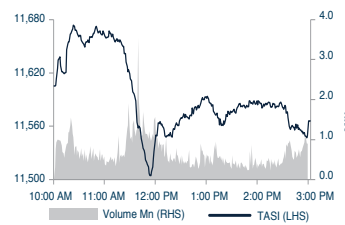
## Top Losers

| Company  | Price  | Change% |
|----------|--------|---------|
| NASEEJ   | 108.60 | -9.7    |
| SFICO    | 55.60  | -6.1    |
| WATANIYA | 44.20  | -6.0    |
| TAKWEEN  | 19.80  | -5.8    |
| ENAYA    | 35.65  | -5.6    |

## Saudi Stock Exchange

| Index | Closing | High   | Low    | Daily Change% | YTD %  |
|-------|---------|--------|--------|---------------|--------|
| TASI  | 11,566  | 11,675 | 11,502 | (0.2)         | 33.1   |
| NomuC | 23,011  | 23,596 | 22,921 | (2.4)         | (12.3) |

## TASI movement during session



## TASI Ratios

|                      |      |
|----------------------|------|
| P/E* (x)             | 27.7 |
| Price-to-Book (x)    | 2.5  |
| Dividend Yield (%)   | 1.8  |
| Return on Equity (%) | 16.9 |

Source: Argaam  
\* Excluding Aramco

| Index                  | Close  | Daily Change% | YTD % | PE (TTM) |
|------------------------|--------|---------------|-------|----------|
| Energy                 | 5,790  | (0.7)         | 7.5   | 27.0     |
| Materials              | 7,905  | (0.4)         | 37.6  | 26.0     |
| Capital Goods          | 8,471  | (1.7)         | 29.6  | High     |
| Commercial Service     | 4,695  | (1.4)         | 15.7  | Neg      |
| Transportation         | 5,900  | (3.3)         | 21.8  | Neg      |
| Consumer Durables      | 7,584  | (3.9)         | 32.5  | High     |
| Consumer Services      | 5,164  | (1.3)         | 21.0  | Neg      |
| Media                  | 18,811 | (3.3)         | 84.1  | High     |
| Retailing              | 10,495 | 0.2           | 22.7  | 45.6     |
| Food & Staples         | 9,724  | (1.4)         | (7.7) | 39.1     |
| Food & Beverages       | 5,436  | (2.1)         | (0.5) | 36.3     |
| Healthcare             | 7,593  | (0.7)         | 34.3  | 40.4     |
| Pharma & Bio Tech      | 5,805  | (2.5)         | 12.2  | High     |
| Banks                  | 11,811 | 1.1           | 55.6  | 22.7     |
| Diversified Financials | 7,196  | (2.7)         | 56.6  | High     |
| Insurance              | 6,624  | (2.2)         | 9.9   | 38.3     |
| Telecom                | 7,639  | (1.4)         | 10.7  | 22.6     |
| Utilities              | 6,032  | (1.6)         | 30.9  | 8.5      |
| REITs                  | 4,921  | (1.0)         | 14.8  | Neg      |
| Real Estate            | 3,402  | (1.6)         | 12.7  | Neg      |
| Software & Services    | 29,634 | (1.3)         | 110.3 | 39.2     |

\*\*Neg: Negative

## Average Index Value

| Average 5 days | Average 10 days | Average 20 days | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|---|
| 11,550         | 11,484          | 11,422          | 7.81                                    |

## Market Statistics

|               | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week  | 7.5                   | 205.6               | 342.9                |
| Previous week | 39.4                  | 966.7               | 1,675.5              |

## Top Weighted Companies

| Company      | Price  | Change% |
|--------------|--------|---------|
| Al Rajhi     | 134.20 | 2.9     |
| SNB          | 64.40  | 0.6     |
| Saudi Aramco | 36.95  | -0.5    |
| SABIC        | 127.80 | 1.3     |
| STC          | 119.60 | -1.3    |



## REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai remained flat, while Abu Dhabi increased 0.3%. Egypt, Kuwait and Bahrain gained 1.2%, 0.3% and 0.1%, respectively; while Oman and Qatar rose 0.2% each.
- US initial jobless claims dropped to 326,000 (consensus: 348,000), representing a fall of 38,000 from the previous week's revised level of 364,000. (Source: Econoday)
- China's Caixin services PMI rose to 53.4 in September from 46.7 in August. The rise in the index was driven by strong increases in both new work and output. (Source: RTT News)
- Japan recorded a current account surplus of JPY 1,666bn in August (consensus: a surplus of JPY 1,541bn) versus JPY 1,911bn surplus in July. Imports were up 45.9% Y/Y, while exports jumped 27.1%, resulting in a trade deficit of JPY 372bn. (Source: RTT News)
- Japan's average of household spending declined 3.0% Y/Y in August (consensus: a fall of 1.5%) as against 0.7% increase in July. On M/M basis, household spending dropped 3.9% (consensus: a decline of 2.0%) after slipping 0.9% in the previous month. (Source: RTT News)

## Forex / Currency

| Currency       | Close | Daily Change% | MTD % | YTD % |
|----------------|-------|---------------|-------|-------|
| Dollar Index   | 94.1  | 0.0           | -0.2  | 4.6   |
| Euro           | 1.16  | 0.0           | -0.1  | -5.3  |
| Japanese Yen   | 112.2 | 0.0           | 0.9   | 8.7   |
| Sterling Pound | 1.36  | 0.0           | 1.0   | -0.5  |
| Chinese Yuan   | 6.44  | 0.0           | 0.0   | -1.2  |
| Indian Rupee   | 75.1  | 0.0           | 1.3   | 2.8   |
| UAE Dirham     | 3.67  | 0.0           | 0.0   | 0.0   |
| Qatari Rial    | 3.66  | 0.2           | 0.5   | 0.5   |
| Kuwaiti Dinar  | 0.30  | 0.0           | 0.0   | -0.8  |
| Omani Rial     | 0.38  | -0.1          | -0.1  | 0.0   |
| Bahraini Dinar | 0.38  | 0.0           | 0.0   | 0.1   |
| Egyptian Pound | 15.65 | 0.0           | -0.3  | -0.3  |

## Corporate Calendar

| Date                 | Company          | Event                      |
|----------------------|------------------|----------------------------|
| 13 <sup>th</sup> Oct | HB               | OGM                        |
| 14 <sup>th</sup> Oct | Dallah Health    | Cash Dividend Distribution |
| 17 <sup>th</sup> Oct | Najran Cement    | Cash Dividend Distribution |
| 24 <sup>th</sup> Oct | BAHRI            | Cash Dividend Distribution |
| 28 <sup>th</sup> Oct | ALSAGR INSURANCE | OGM                        |
| 08 <sup>th</sup> Nov | OASIS            | OGM                        |

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

| Market          | Close  | Daily Change% | MTD % | YTD % | P/E  |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM)     | 2,774  | 0.0           | -2.5  | 11.3  | 21.0 |
| Abu Dhabi (ADX) | 7,730  | 0.3           | 0.4   | 53.2  | 21.3 |
| Kuwait (KSE)    | 5,743  | 0.3           | 2.2   | 26.2  | 15.4 |
| Qatar (QE)      | 11,553 | 0.2           | 0.6   | 10.7  | 16.5 |
| Oman (MSM)      | 3,969  | 0.2           | 0.7   | 8.5   | 10.5 |
| Bahrain (BSE)   | 1,701  | 0.1           | -0.3  | 14.2  | 13.2 |
| Egypt (EGX30)   | 10,663 | 1.2           | 1.4   | -1.7  | 7.9  |

## International Markets

| Index                    | Close  | Daily Change% | MTD % | YTD % | P/E  |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones                | 34,746 | 0.0           | 2.7   | 13.5  | 21.3 |
| Nasdaq                   | 14,580 | 0.0           | 0.9   | 13.1  | 30.6 |
| S&P 500                  | 4,391  | 0.0           | 1.9   | 16.9  | 26.1 |
| FTSE 100                 | 7,096  | 0.0           | 0.1   | 9.8   | 14.4 |
| Germany DAX 30           | 15,206 | 0.0           | -0.4  | 10.8  | 15.6 |
| France CAC 40            | 6,560  | 0.0           | 0.6   | 18.2  | 22.3 |
| Japan Nikkei 225         | 28,049 | 0.0           | -4.8  | 2.2   | 15.1 |
| Russia MOEX              | 4,238  | 0.0           | 3.3   | 28.9  | 9.3  |
| Hong Kong Hang Seng      | 24,838 | 0.0           | 1.1   | -8.8  | 11.4 |
| South Korea KOSPI        | 2,956  | 0.0           | -3.7  | 2.9   | 15.7 |
| China Shanghai Composite | 3,592  | 0.0           | 0.7   | 3.4   | 12.0 |
| Australia ASX 200        | 7,320  | 0.0           | -0.2  | 11.1  | 17.6 |
| India Sensex             | 60,059 | 0.0           | 1.6   | 25.8  | 28.6 |
| MSCI EM                  | 1,257  | 0.0           | 0.3   | -2.7  | 15.6 |
| MSCI World               | 3,044  | 0.0           | 1.2   | 13.1  | 23.7 |

## Commodity Markets

| Commodity                 | Price | Daily Change% | MTD % | YTD % |
|---------------------------|-------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 80.0  | 0.0           | 1.3   | 60.3  |
| Brent Crude (\$/bbl)      | 82.4  | 0.0           | 4.9   | 59.1  |
| Texas crude (\$/bbl)      | 79.4  | 0.0           | 5.8   | 63.5  |
| Natural Gas (\$/mmbtu)    | 5.57  | 0.0           | -5.1  | 119.2 |
| Gold (\$/oz)              | 1,757 | 0.0           | 0.0   | -7.5  |
| Silver (\$/oz)            | 22.7  | 0.0           | 2.1   | -14.0 |
| Steel (\$/ton)            | 1,882 | 0.0           | -0.9  | 87.3  |
| Iron Ore (CNY/MT)         | 715   | 0.0           | 0.0   | -33.7 |
| Wheat (\$/bu)             | 734   | 0.0           | 1.2   | 14.6  |
| Corn (\$/bu)              | 531   | 0.0           | -1.2  | 9.6   |
| Sugar (\$/lb)             | 20.3  | 0.0           | 2.3   | 31.0  |
| SMP* (EUR/MT)             | 2,830 | 0.0           | 1.8   | 27.2  |

\*SMP: Skimmed Milk Powder

## Interbank Rates

| Region                | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|-----------------------|-------|-------------------|-----------|-----------|
| USD LIBOR             | 0.124 | 0.0               | -0.6      | -11.5     |
| Saudi Arabia (SAIBOR) | 0.814 | 0.3               | 0.6       | -0.3      |
| UAE (EIBOR)           | 0.311 | -4.4              | -1.3      | -20.1     |
| Qatar (QIBOR)         | 1.150 | 0.0               | 0.0       | 2.9       |
| Bahrain (BHIBOR)      | 1.550 | 0.0               | 0.0       | -70.0     |

Data Sources: Tadawul, Bloomberg, Reuters

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

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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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