



Major Economic News

- Saudi Arabia's Ministry of Education decided to postpone the resumption of in-person classes for students under 12 years, which was scheduled for October 31, to maintain the safety of these groups and their families, according to the official spokesperson for public education. (Source: Argaam)
- The National Debt Management Center announced closing the October 2021 domestic issuance under the Saudi Arabian Government SAR-Denominated Sukuk Program. The issuance size was set at SAR 8.5bn and the sukuk issuances were divided into two tranches. (Source: Argaam)

Major Corporate News

- Arabia Insurance Cooperative Co. issued the prospectus for its SAR 265.0mn rights issue. The company's capital will be increased to SAR 530.0mn by offering 26.5mn shares at a nominal value of SAR 10 each. (Source: Argaam)
- The Mediterranean and Gulf Insurance and Reinsurance Co. announced the prospectus for its planned capital increase through a rights issue of SAR 420.0mn. Capital will be increased by 50% from SAR 700mn to SAR 1.1bn. (Source: Argaam)
- Saudi Water Partnership Co. achieved the financial closure for Jubail-3B independent water plant with a production capacity of 570,000 cubic meters per day at a total cost SAR 2.6bn. The plant will be built and operated by the private sector for a period of 25 years from the commercial operation date. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.3% to 11,792.5. The value traded stood at SAR 7.4bn (up 2.2% over previous day), while the advance-decline ratio stood at 57/140. The parallel market index increased 2.2% to 24,368.3 points. The value traded stood at SAR 38.8mn (up 54.5% over previous day). Most sectors in the main market ended in the red. Banks and Commercial Service (up 1.5% and 1.2%, respectively) advanced the most; Materials and Pharma & Bio Tech (down 1.0% each) led the laggards.

Earnings update (Net Profit) (SAR mn)

| Company | Q3-21 | Q3-20 | Y/Y % | Q2-21 | Q/Q % |
|------------------|---------|-------|-------|-------|-------|
| SIPCHEM | 1,029.5 | 10.0 | NM | 829.9 | 24.1 |
| Solutions by STC | 257.0 | 240.0 | 7.1 | 256.0 | 0.4 |

Top Gainers

| Company | Price | Change% |
|-----------------|--------|---------|
| TECO | 74.60 | 4.3 |
| ALRAJHI | 139.00 | 3.1 |
| MEPCO | 46.50 | 2.9 |
| ETIHAD ETISALAT | 31.10 | 2.8 |
| SAUDI RE | 19.36 | 2.8 |

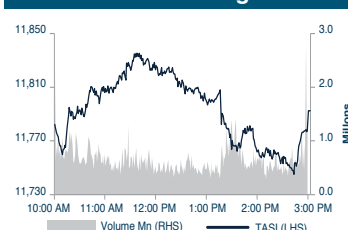
Top Losers

| Company | Price | Change% |
|----------------|-------|---------|
| YANSAB | 77.20 | -3.5 |
| AICC | 40.30 | -3.1 |
| ALINMA TOKIO M | 31.20 | -3.1 |
| PETRO RABIGH | 30.00 | -3.1 |
| UCA | 33.80 | -2.9 |

Saudi Stock Exchange

| Index | Closing | High | Low | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI | 11,793 | 11,836 | 11,745 | 0.3 | 35.7 |
| NomuC | 24,368 | 24,549 | 23,754 | 2.2 | (7.2) |

TASI movement during session



TASI Ratios

| | |
|----------------------|------|
| P/E* (x) | 28.2 |
| Price-to-Book (x) | 2.5 |
| Dividend Yield (%) | 1.7 |
| Return on Equity (%) | 16.8 |

Source: Argaam
* Excluding Aramco

| Index | Close | Daily Change% | YTD % | PE (TTM) |
|------------------------|--------|---------------|-------|----------|
| Energy | 5,884 | (0.2) | 9.2 | 27.4 |
| Materials | 8,104 | (1.0) | 41.0 | 26.8 |
| Capital Goods | 8,463 | (0.8) | 29.4 | High |
| Commercial Service | 4,887 | 1.2 | 20.4 | Neg |
| Transportation | 6,171 | 0.4 | 27.4 | Neg |
| Consumer Durables | 7,818 | (0.8) | 36.6 | High |
| Consumer Services | 5,342 | (0.6) | 25.1 | Neg |
| Media | 19,094 | 0.2 | 86.9 | High |
| Retailing | 10,497 | (0.3) | 22.7 | 45.7 |
| Food & Staples | 9,810 | (0.4) | (6.9) | 39.6 |
| Food & Beverages | 5,445 | (1.0) | (0.3) | 36.2 |
| Healthcare | 7,564 | 0.3 | 33.8 | 39.9 |
| Pharma & Bio Tech | 5,666 | (1.0) | 9.6 | High |
| Banks | 12,078 | 1.5 | 59.2 | 23.2 |
| Diversified Financials | 7,450 | (0.9) | 62.1 | High |
| Insurance | 6,738 | (0.7) | 11.8 | 38.9 |
| Telecom | 7,571 | 0.5 | 9.7 | 22.3 |
| Utilities | 6,237 | (0.6) | 35.3 | 11.4 |
| REITs | 4,857 | (0.6) | 13.3 | Neg |
| Real Estate | 3,559 | 0.3 | 17.9 | Neg |
| Software & Services | 29,867 | 0.0 | 112.0 | 39.6 |

**Neg: Negative

Average Index Value

| Average 5 days | Average 10 days | Average 20 days | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|---|
| 11,730 | 11,643 | 11,524 | 7.90 |

Market Statistics

| | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week | 22.2 | 610.3 | 1,012.4 |
| Previous week | 41.2 | 1,047.5 | 1,934.1 |

Top Weighted Companies

| Company | Price | Change% |
|--------------|--------|---------|
| Al Rajhi | 139.00 | 3.1 |
| SNB | 64.90 | -0.2 |
| Saudi Aramco | 37.45 | 0.1 |
| SABIC | 131.00 | -1.1 |
| STC | 117.40 | -0.2 |



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai remained flat, while Abu Dhabi decreased 0.1%. Kuwait, Bahrain and Qatar rose 0.8%, 0.5% and 0.2%, respectively; while Egypt declined 0.7%. Meanwhile, Oman remained closed.
- The International Monetary Fund (IMF) downgraded its FY21 economic growth forecast for Asia after the highly infectious Covid-19 delta variant caused a spike in cases in parts of the region. IMF now expects Asia's economy to grow by 6.5% in FY21, compared with its April forecast for a 7.6% expansion. (Source: CNBC)
- US housing starts fell by 1.6% to an annual rate of 1.555mn in September (consensus: 1.620mn) from a revised rate of 1.580mn in August. Building permits declined 7.7% to an annual rate of 1.589mn in September from a revised rate of 1.721mn in August. (Source: RTT News)
- Japan's merchandise trade deficit decreased to JPY 622.8bn in September (consensus: JPY 519.2bn) versus downwardly revised JPY 637.2bn deficit in August. Exports rose 13.0% Y/Y, while imports were up 38.6%. (Source: RTT News)
- Oil prices increased 0.9% driven by expectations of a build-up in US oil inventories and continued energy crisis.
- Gold prices fell 0.2%, as a rally in US treasury yields weighed on demand for the yellow metal.

Forex / Currency

| Currency | Close | Daily Change% | MTD % | YTD % |
|----------------|-------|---------------|-------|-------|
| Dollar Index | 93.7 | -0.2 | -0.5 | 4.2 |
| Euro | 1.16 | 0.2 | 0.4 | -4.8 |
| Japanese Yen | 114.4 | 0.0 | 2.8 | 10.8 |
| Sterling Pound | 1.38 | 0.5 | 2.4 | 0.9 |
| Chinese Yuan | 6.38 | -0.7 | -1.0 | -2.2 |
| Indian Rupee | 75.1 | -0.1 | 1.3 | 2.8 |
| UAE Dirham | 3.67 | 0.0 | 0.0 | 0.0 |
| Qatari Rial | 3.64 | -0.5 | 0.0 | 0.0 |
| Kuwaiti Dinar | 0.30 | -0.1 | -0.1 | -0.9 |
| Omani Rial | 0.38 | 0.0 | 0.0 | 0.1 |
| Bahraini Dinar | 0.38 | 0.0 | 0.0 | 0.1 |
| Egyptian Pound | 15.68 | -0.3 | -0.1 | -0.1 |

Corporate Calendar

| Date | Company | Event |
|----------------------|------------------|----------------------------|
| 24 th Oct | ALANDALUS | Cash Dividend Distribution |
| 24 th Oct | BAHRI | Cash Dividend Distribution |
| 28 th Oct | ALSAGR INSURANCE | OGM |
| 03 rd Nov | SISCO | OGM |
| 07 th Nov | ATAA | OGM |
| 10 th Nov | HCC | OGM |

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

| Market | Close | Daily Change% | MTD % | YTD % | P/E |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM) | 2,818 | 0.0 | -1.0 | 13.1 | 22.2 |
| Abu Dhabi (ADX) | 7,888 | -0.1 | 2.5 | 56.4 | 21.8 |
| Kuwait (KSE) | 5,872 | 0.8 | 4.5 | 29.0 | 15.6 |
| Qatar (QE) | 11,767 | 0.2 | 2.5 | 12.8 | 16.6 |
| Oman (MSM) | 3,970 | 0.0 | 0.7 | 8.5 | 10.6 |
| Bahrain (BSE) | 1,718 | 0.5 | 0.7 | 15.3 | 13.4 |
| Egypt (EGX30) | 11,195 | -0.7 | 6.4 | 3.2 | 8.5 |

International Markets

| Index | Close | Daily Change% | MTD % | YTD % | P/E |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones | 35,457 | 0.6 | 4.8 | 15.8 | 21.0 |
| Nasdaq | 15,129 | 0.7 | 4.7 | 17.4 | 31.5 |
| S&P 500 | 4,520 | 0.7 | 4.9 | 20.3 | 26.5 |
| FTSE 100 | 7,218 | 0.2 | 1.9 | 11.7 | 14.7 |
| Germany DAX 30 | 15,516 | 0.3 | 1.7 | 13.1 | 15.9 |
| France CAC 40 | 6,670 | 0.0 | 2.3 | 20.1 | 22.7 |
| Japan Nikkei 225 | 29,216 | 0.7 | -0.8 | 6.5 | 15.7 |
| Russia MOEX | 4,276 | 0.7 | 4.2 | 30.0 | 9.4 |
| Hong Kong Hang Seng | 25,787 | 1.5 | 4.9 | -5.3 | 11.8 |
| South Korea KOSPI | 3,029 | 0.7 | -1.3 | 5.4 | 16.1 |
| China Shanghai Composite | 3,593 | 0.7 | 0.7 | 3.5 | 12.0 |
| Australia ASX 200 | 7,375 | -0.1 | 0.6 | 12.0 | 17.7 |
| India Sensex | 61,716 | -0.1 | 4.4 | 29.2 | 28.9 |
| MSCI EM | 1,295 | 0.9 | 3.3 | 0.3 | 15.9 |
| MSCI World | 3,136 | 0.7 | 4.3 | 16.6 | 24.2 |

Commodity Markets

| Commodity | Price | Daily Change% | MTD % | YTD % |
|---------------------------|-------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 84.4 | -0.5 | 6.9 | 69.1 |
| Brent Crude (\$/bbl) | 85.1 | 0.9 | 8.4 | 64.2 |
| Texas crude (\$/bbl) | 83.0 | 0.6 | 10.6 | 71.0 |
| Natural Gas (\$/mmbtu) | 5.09 | 2.0 | -13.3 | 100.4 |
| Gold (\$/oz) | 1,765 | -0.2 | 0.5 | -7.0 |
| Silver (\$/oz) | 23.7 | 2.1 | 6.5 | -10.3 |
| Steel (\$/ton) | 1,895 | 0.1 | -0.3 | 88.6 |
| Iron Ore (CNY/MT) | 674 | 0.0 | -5.7 | -37.5 |
| Wheat (\$/bu) | 736 | 0.0 | 1.4 | 14.9 |
| Corn (\$/bu) | 530 | -0.5 | -1.2 | 9.6 |
| Sugar (\$/lb) | 18.9 | -2.5 | -4.8 | 21.8 |
| SMP* (EUR/MT) | 2,825 | 0.2 | 1.6 | 27.0 |

*SMP: Skimmed Milk Powder

Interbank Rates

| Region | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|-----------------------|-------|-------------------|-----------|-----------|
| USD LIBOR | 0.132 | 0.8 | 0.1 | -10.7 |
| Saudi Arabia (SAIBOR) | 0.817 | 0.1 | 0.9 | 0.0 |
| UAE (EIBOR) | 0.355 | -3.3 | 3.1 | -15.8 |
| Qatar (QIBOR) | 1.150 | 0.0 | 0.0 | 2.9 |
| Bahrain (BHIBOR) | 1.517 | 0.0 | -3.3 | -73.3 |

Data Sources: Tadawul, Bloomberg, Reuters

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

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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.

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