Daily Report

ALJAZIRA CAPITAL الجزيرة للأسواق المالية

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
24th Oct	ALANDALUS	Cash Dividend Distribution
24th Oct	BAHRI	Cash Dividend Distribution
28th Oct	ALSAGR INSURANCE	OGM
03rd Nov	SISCO	OGM
07th Nov	ATAA	OGM
10th 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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ALJAZIRA CAPITAL الجزيرة كابيتال الجزيرة للأسواق المالية

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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