



Major Economic News

- Saudi Minister of Energy said users who switch from gas to oil could account for additional demand for oil ranging between 500,000 to 600,000 bpd. He added that the additional demand would depend on winter weather and energy prices. (Source: Argaam)
- Saudi Arabia issued around 441,000 work visas in Q2-21, compared to 512,300 visas in Q1-21. A total of 302,650 work visas, representing 68.6% of total permits, were issued to the private sector entities in the quarter. (Source: Argaam)

Major Corporate News

- Alkhaleej Training and Education Co. entered into a non-binding MoU with the owners of Al-Faisaliah Private Schools Company Ltd. in Jeddah to acquire 60% of the latter. The MoU aims to define the framework of understanding about the primary mutual obligations and rights between the two parties regarding the potential acquisition. (Source: Argaam)
- Gulf Union Alahlia Cooperative Insurance Co.'s board recommended increasing the company's capital, through rights issue of SAR 229.5mn. The capital increase aims to support the company's future plans, enhance solvency margins and increase investment income. (Source: Argaam)
- The Saudi Investment Bank is planning to redeem its SAR 500mn subordinated Tier 1 sukuk on the first call date, November 21, 2021, at face value. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.9% to 11,903.7. The value traded stood at SAR 7.2bn (down 1.9% over previous day), while the advance-decline ratio stood at 56/135. The parallel market index increased 0.3% to 24,450.0 points. The value traded stood at SAR 25.6mn (down 34.1% over previous day). Most sectors in the main market ended in the red. Materials and Healthcare (up 2.2% and 1.8%, respectively) advanced the most; Commercial Service and Consumer Durables (down 2.1% and 1.1%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q3-21	Q3-20	Y/Y %	Q2-21	Q/Q %
SADAFICO*	53.7	70.3	-23.6	38.0	41.3
Arriyadh Development Co.	70.8	55.1	28.5	143.4	-50.6
Bank Albilad	449.7	382.6	17.5	416.1	8.1

*- indicates Q2-22 results, as year ending is March

Top Gainers

Company	Price	Change%
SIPCHEM	46.95	10.0
PETRO RABIGH	32.45	8.2
BCI	46.15	4.9
RIBL	29.50	4.4
SIIG	41.50	4.0

Top Losers

Company	Price	Change%
AMANA INSURANCE	49.10	-3.2
MAHARAH	80.90	-2.9
MESC	23.02	-2.7
ALKHABEER REIT	9.09	-2.6
SALAMA	22.38	-2.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,904	11,904	11,810	0.9	37.0
NomuC	24,450	24,523	24,242	0.3	(6.8)

TASI movement during session



TASI Ratios

P/E* (x)	28.2
Price-to-Book (x)	2.6
Dividend Yield (%)	1.7
Return on Equity (%)	16.8

Source: Argaam
* Excluding Aramco

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,875	(0.2)	9.0	27.3
Materials	8,285	2.2	44.2	27.3
Capital Goods	8,391	(0.9)	28.3	High
Commercial Service	4,784	(2.1)	17.9	Neg
Transportation	6,116	(0.9)	26.3	Neg
Consumer Durables	7,732	(1.1)	35.1	High
Consumer Services	5,326	(0.3)	24.8	Neg
Media	19,023	(0.4)	86.2	High
Retailing	10,498	0.0	22.7	45.6
Food & Staples	9,811	0.0	(6.9)	39.5
Food & Beverages	5,452	0.1	(0.2)	36.3
Healthcare	7,697	1.8	36.1	40.8
Pharma & Bio Tech	5,633	(0.6)	8.9	High
Banks	12,244	1.4	61.3	23.5
Diversified Financials	7,370	(1.1)	60.4	High
Insurance	6,726	(0.2)	11.6	38.8
Telecom	7,598	0.4	10.1	22.4
Utilities	6,206	(0.5)	34.6	11.4
REITs	4,850	(0.1)	13.2	Neg
Real Estate	3,536	(0.6)	17.1	Neg
Software & Services	29,583	(1.0)	109.9	39.1

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
11,785	11,676	11,553	7.86

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	29.5	800.1	1,325.6
Previous week	41.2	1,047.5	1,934.1

Top Weighted Companies

Company	Price	Change%
Al Rajhi	141.20	1.6
SNB	65.30	0.6
Saudi Aramco	37.25	-0.5
SABIC	133.60	2.0
STC	118.60	1.0



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai increased 1.4%, while Abu Dhabi decreased 0.2%. Qatar, Kuwait, Oman and Bahrain rose 0.8%, 0.5%, 0.3% and 0.2%, respectively; while Egypt declined 0.6%.
- According to EIA, oil inventories in the US fell 0.4mn barrels (prior: up 6.1mn) to 426.5mn in the week ended October 15. Gasoline inventories decreased 5.4mn barrels (prior: down 2.0mn) to 217.7mn, while distillate inventories declined 3.9mn barrels (prior: unchanged) to 125.4mn. (Source: EIA, Econoday)
- US Food and Drug Administration approved booster shots of both Johnson & Johnson and Moderna Covid-19 vaccines. The regulator also authorized "mixing and matching" of vaccines, allowing people to get a booster shot from a different drugmaker than the one that made their initial doses. (Source: CNBC)
- UK's CPI rose 3.1% Y/Y (consensus: an increase of 3.2%) in September compared to 3.2% growth in August. On M/M basis, CPI gained 0.3% versus 0.7% increase in the previous month. (Source: RTT News)
- Oil prices rose 0.9%, as data revealed that US oil inventories decreased unpredictably last week.
- Gold prices increased 1.0% driven by a weakness in US dollar, which boosted demand for the yellow metal.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	93.6	-0.2	-0.7	4.0
Euro	1.16	0.1	0.6	-4.6
Japanese Yen	114.3	-0.1	2.7	10.7
Sterling Pound	1.38	0.2	2.6	1.1
Chinese Yuan	6.39	0.2	-0.8	-2.0
Indian Rupee	74.8	-0.4	0.8	2.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.5	0.5	0.5
Kuwaiti Dinar	0.30	0.0	0.0	-0.8
Omani Rial	0.38	0.0	0.0	0.1
Bahraini Dinar	0.38	0.0	0.0	0.1
Egyptian Pound	15.65	-0.2	-0.3	-0.3

Corporate Calendar

Date	Company	Event
21 st Oct	SEDCO CAPITAL REIT	Cash Dividend Distribution
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

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	2,857	1.4	0.4	14.7	21.1
Abu Dhabi (ADX)	7,876	-0.2	2.3	56.1	21.7
Kuwait (KSE)	5,900	0.5	5.0	29.6	15.7
Qatar (QE)	11,856	0.8	3.2	13.6	16.7
Oman (MSM)	3,981	0.3	1.0	8.8	10.6
Bahrain (BSE)	1,722	0.2	0.9	15.6	13.4
Egypt (EGX30)	11,132	-0.6	5.8	2.6	8.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,609	0.4	5.2	16.3	21.1
Nasdaq	15,122	0.0	4.7	17.3	31.6
S&P 500	4,536	0.4	5.3	20.8	26.6
FTSE 100	7,223	0.1	1.9	11.8	14.7
Germany DAX 30	15,523	0.0	1.7	13.2	15.9
France CAC 40	6,706	0.5	2.8	20.8	22.8
Japan Nikkei 225	29,256	0.1	-0.7	6.6	15.7
Russia MOEX	4,288	0.3	4.5	30.4	9.4
Hong Kong Hang Seng	26,136	1.4	6.3	-4.0	11.9
South Korea KOSPI	3,013	-0.5	-1.8	4.9	16.0
China Shanghai Composite	3,587	-0.2	0.5	3.3	12.0
Australia ASX 200	7,414	0.5	1.1	12.5	17.8
India Sensex	61,260	-0.7	3.6	28.3	28.7
MSCI EM	1,301	0.5	3.8	0.8	16.0
MSCI World	3,148	0.4	4.7	17.0	24.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.7	-0.8	6.0	67.8
Brent Crude (\$/bbl)	85.8	0.9	9.3	65.7
Texas crude (\$/bbl)	83.0	0.0	10.6	71.0
Natural Gas (\$/mmbtu)	5.17	1.6	-11.9	103.6
Gold (\$/oz)	1,782	1.0	1.4	-6.1
Silver (\$/oz)	24.3	2.6	9.3	-7.9
Steel (\$/ton)	1,900	0.3	0.0	89.1
Iron Ore (CNY/MT)	607	-9.9	-15.1	-43.7
Wheat (\$/bu)	749	1.8	3.3	17.0
Corn (\$/bu)	539	1.7	0.5	11.4
Sugar (\$/lb)	19.0	0.5	-4.3	22.5
SMP* (EUR/MT)	2,825	0.0	1.6	27.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.130	-0.2	-0.1	-10.9
Saudi Arabia (SAIBOR)	0.820	0.3	1.1	0.2
UAE (EIBOR)	0.412	5.8	8.8	-10.0
Qatar (QIBOR)	1.150	0.0	0.0	2.9
Bahrain (BHIBOR)	1.500	-1.7	-5.0	-75.0

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of October 20, 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