



Major Economic News

- S&P Global Ratings said that the residential mortgage lending continues to drive strong banking growth in Saudi Arabia. The rating agency added that GCC banks are positively geared to rising interest rates, as the US Federal Reserve is likely to rise interest rates three times in FY22. (Source: Argaam)

Major Corporate News

- Saudi Cable Co. announced the prospectus for its capital increase through offering rights issue shares worth SAR 500mn. The move aims to restructure capital and inject fresh liquidity to provide working capital, so that the company can boost its operating capacity and support future business. (Source: Argaam)
- Batic Investments and Logistics Co.'s subsidiary, Smart Cities Solutions Co., signed a SAR 422mn contract with Qassim Amanah for a smart parking project in the downtown area of Buraidah for a period of 25 years. (Source: Argaam)
- Emaar The Economic City signed a SAR 60mn contract with National Security Services Company to provide security services at King Abdullah Economic City. The contract will extend for five years, as of the date of signing, and is expected to reflect positively on the company's financial results for FY21 – 26. (Source: Argaam)
- Amana Cooperative Insurance Co.'s board of directors recommended a capital hike through a SAR 300mn rights issue. The capital hike aims to support future plans and boost solvency margin. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.5% to 12,165.8. The value traded stood at SAR 8.5bn (down 2.8% over previous day), while the advance-decline ratio stood at 122/68. The parallel market index decreased 0.4% to 26,180.0 points. The value traded stood at SAR 107.4mn (down 16.2% over previous day). Most sectors in the main market ended in the green. Diversified Financials and Software & Services (up 2.9% and 2.8%, respectively) advanced the most; Healthcare and REITs (down 1.1% and 0.1%, respectively) led the laggards.

Earnings update (Net Profit) (SAR mn)

Company	Q4-21	Q4-20	Y/Y %	Q3-21	Q/Q %
ALDREES	54.1	39.5	37.0	47.4	14.1

Top Gainers

Company	Price	Change%
TADAWUL GROUP	160.00	5.8
SOLUTIONS	213.00	5.3
TANMIAH	93.50	5.2
ALMUNAJEM	62.80	4.7
NAYIFAT	33.95	4.3

Top Losers

Company	Price	Change%
MOUWASAT	186.20	-2.6
ALAHLI REIT 1	11.90	-2.0
MAADEN	91.00	-1.6
SULAIMAN ALHABIB	167.40	-1.5
ENAYA	30.75	-1.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,166	12,166	12,049	0.5	7.8
NomuC	26,180	26,300	25,942	(0.4)	0.8

TASI movement during session



TASI Ratios

P/E* (x)	24.6
Price-to-Book (x)	2.5
Dividend Yield (%)	1.0
Return on Equity (%)	19.9

Source: Argaam
*Excluding Aramco

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,716	0.5	3.6	21.5
Materials	7,914	(0.0)	7.8	20.2
Capital Goods	8,028	0.1	6.4	High
Commercial Service	4,449	(0.1)	0.1	Neg
Transportation	5,689	1.5	8.7	Neg
Consumer Durables	6,664	1.1	4.9	49.5
Consumer Services	4,959	1.6	6.9	Neg
Media	27,071	1.3	16.4	44.0
Retailing	10,329	1.1	4.9	38.8
Food & Staples	9,417	0.3	3.2	36.3
Food & Beverages	5,064	1.1	4.7	39.7
Healthcare	7,758	(1.1)	6.1	41.0
Pharma & Bio Tech	5,369	1.5	3.4	High
Banks	13,477	0.4	10.3	24.4
Diversified Financials	7,766	2.9	13.7	49.8
Insurance	6,095	(0.1)	1.7	49.6
Telecom	7,505	1.4	3.1	21.6
Utilities	6,589	0.1	11.1	9.6
REITs	4,725	(0.1)	2.5	Neg
Real Estate	3,284	0.4	3.6	Neg
Software & Services	31,049	2.8	8.4	36.3

**Neg: Negative

Average Index Value

Average 5 days	Average 10 days	Average 20 days	Average value traded for the month (bn)
12,031	11,762	11,507	6.76

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	17.3	421.9	772.5
Previous week	36.7	954.7	1,661.4

Top Weighted Companies

Company	Price	Change%
Al Rajhi	150.00	-0.1
SNB	73.00	1.4
Saudi Aramco	36.90	0.4
SABIC	123.80	0.3
STC	116.00	1.8



REGIONAL AND INTERNATIONAL MARKETS

- Among other regional markets, Dubai and Abu Dhabi decreased 0.7% and 0.1%, respectively. Qatar rose 0.3%, while Kuwait and Egypt increased 0.2% each. Oman fell 0.6%, while Bahrain remained flat.
- China's industrial production grew 4.3% Y/Y in December (consensus: an increase of 3.6%). Retail sales were up 1.7% in December (consensus: a rise of 3.7%). (Source: RTT News)
- Bank Of Japan raised its inflation projection for the FY22 to 1.1% from 0.9%. For FY23, inflation is seen at 1.1% versus the previous outlook of 1.0%. The central bank downgraded its growth outlook for FY21 to 2.8% from 3.4% earlier, while upgraded the projection for FY22 to 3.8% from 2.9%. The growth forecast for FY23 was cut to 1.1% from 1.3%. (Source: RTT News)
- UK's unemployment rate for three-months ended December remained unchanged at 4.2% (in line with consensus). (Source: Econoday)
- Oil prices increased 0.5% due to anticipation of tight supply partly offset by increase in Libya's output.
- Gold prices rose 0.1%, as the yellow metal's appeal as inflation hedge was partly offset by expectations of interest rate hike by the US Fed.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	95.3	0.1	-0.4	-0.4
Euro	1.14	0.0	0.3	0.3
Japanese Yen	114.6	0.4	-0.4	-0.4
Sterling Pound	1.36	-0.2	0.8	0.8
Chinese Yuan	6.35	-0.1	-0.1	-0.1
Indian Rupee	74.2	0.1	-0.1	-0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.4	-0.4
Kuwaiti Dinar	0.30	0.1	-0.1	-0.1
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	15.74	0.3	0.2	0.2

Corporate Calendar

Date	Company	Event
20 th Jan	NCLE	Cash Dividend Distribution
20 th Jan	SICO SAUDI REIT	OGM
20 th Jan	Baazeem	OGM
20 th Jan	Jouf Cement	EGM
25 th Jan	SADAFSCO	Cash Dividend Distribution
26 th Jan	SRECO	OGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,179	-0.7	-0.5	-0.5	19.9
Abu Dhabi (ADX)	8,413	-0.1	-0.9	-0.9	21.0
Kuwait (KSE)	6,081	0.2	3.3	3.3	9.8
Qatar (QE)	12,471	0.3	7.3	7.3	15.9
Oman (MSM)	4,217	-0.6	2.1	2.1	11.2
Bahrain (BSE)	1,815	0.0	1.0	1.0	10.3
Egypt (EGX30)	11,859	0.2	-0.8	-0.8	8.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,912	0.0	-1.2	-1.2	19.9
Nasdaq	15,612	0.0	-4.3	-4.3	38.1
S&P 500	4,663	0.0	-2.2	-2.2	25.6
FTSE 100	7,611	0.9	3.1	3.1	18.3
Germany DAX 30	15,934	0.3	0.3	0.3	15.4
France CAC 40	7,202	0.8	0.7	0.7	21.8
Japan Nikkei 225	28,334	0.7	-1.6	-1.6	16.0
Russia MOEX	3,560	-1.0	-6.0	-6.0	6.8
Hong Kong Hang Seng	24,218	-0.7	3.5	3.5	9.6
South Korea KOSPI	2,890	-1.1	-2.9	-2.9	13.3
China Shanghai Composite	3,542	0.6	-2.7	-2.7	15.2
Australia ASX 200	7,417	0.3	-0.4	-0.4	23.1
India Sensex	61,309	0.1	5.2	5.2	28.5
MSCI EM	1,254	-0.2	1.8	1.8	14.2
MSCI World	3,176	0.1	-1.7	-1.7	22.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	88.0	1.3	11.1	11.1
Brent Crude (\$/bbl)	86.5	0.5	11.2	11.2
Texas crude (\$/bbl)	83.8	0.0	11.4	11.4
Natural Gas (\$/mmbtu)	4.3	0.0	14.3	14.3
Gold (\$/oz)	1,819.2	0.1	-0.5	-0.5
Silver (\$/oz)	23.0	0.2	-1.2	-1.2
Steel (\$/ton)	1,437.0	0.0	0.1	0.1
Iron Ore (CNY/MT)	696.0	-3.5	1.8	1.8
Wheat (\$/bu)	741.5	0.0	-3.8	-3.8
Corn (\$/bu)	596.3	0.0	0.5	0.5
Sugar (\$/lb)	18.3	0.0	-3.0	-3.0
SMP* (EUR/MT)	3,400.0	0.0	1.0	1.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	0.241	0.9	15.4	15.4
Saudi Arabia (SAIBOR)	0.929	0.2	2.5	2.5
UAE (EIBOR)	0.428	7.5	17.4	17.4
Qatar (QIBOR)	1.150	0.0	2.2	2.2
Bahrain (BHIBOR)	1.517	0.0	0.0	0.0

Data Sources: Tadawul, Bloomberg, Reuters

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

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RESEARCH
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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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