



## Major Economic News

- According to the Minister of Finance, Mohammed Al-Jadaan, Saudi Arabia's economic outlook is highly positive, supported by growth in the non-oil GDP by 6.0% in the mid-term. (Source: Argaam)
- The point-of-sale transactions amounted to SAR 8.8bn in the week ending May 21, compared to SAR 9.3bn in the previous week. Data showed that a total of 124.2mn transactions were processed last week. (Source: Argaam)
- As per the World Economic Forum, Saudi Arabia moved up to the 33rd rank from 43rd rank in 2019 on the Travel and Tourism Development Index. (Source: Argaam)

## Major Corporate News

- Naqi Water Co.'s application for registration and initial public offering of 6.0mn shares is approved by the CMA. The offered shares represent 30.0% of the company's SAR 20.0mn capital. (Source: Argaam)
- Amana Cooperative Insurance Co. announced a prospectus for increase in capital through offering right issue shares worth SAR 300.0mn. Post issue of rights shares, the capital will increase to SAR 430.0mn through offering 10mn right issue shares at a nominal value of SAR 10 per share. (Source: Argaam)
- Maharah Human Resources Co.'s wholly owned subsidiary, Growth Avenue Co., signed a sale and purchase agreement to acquire a 40.0% stake in Salis for Trading and Marketing Co. which owns Soror application. (Source: Argaam)
- Ataa Educational Co. obtained the approval of the CMA to increase its capital from SAR 400.0mn to SAR 420.9mn through issuing 2.1mn shares to acquire Naba'a Educational Co., through its wholly owned subsidiary, Arabian Educational and Training Group. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 2.3% to 12,588.9. The value traded stood at SAR 8.6bn (up 25.8% over previous day), while the advance-decline ratio stood at 138/50. The parallel market index decreased 1.0% to 22,020.0 points. The value traded stood at SAR 27.9mn (up 6.4% over previous day). Most sectors in the main market ended in the green. Media and Food & Beverages (up 6.3% and 3.8%, respectively) advanced the most; Real Estate and Capital Goods (down 0.5% and 0.4%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
RIBL	37.40	8.3
SRMG	247.00	7.0
ALBILAD	49.15	6.9
SAUDI ELECTRICITY	25.45	6.2
ALMARAI	52.00	6.0

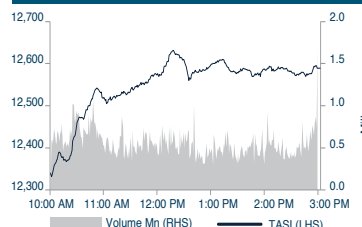
## Top Losers

Company	Price	Change%
SIECO	100.00	-5.5
ENAYA	25.60	-3.2
SALAMA	13.20	-2.9
AMANA INSURANCE	25.30	-2.7
BURUJ	20.90	-2.5

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,589	12,631	12,325	2.3	11.6
NomuC	22,020	22,423	21,977	-1.0	-15.2

## TASI movement during session



## TASI Ratios

P/E* (x)	21.3
Price-to-Book (x)	2.5
Dividend Yield (%)	2.1
Return on Equity (%)	24.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,874	2.1	24.6	21.8
Materials	7,682	1.8	4.6	16.3
Capital Goods	7,441	-0.4	-1.4	25.3
Commercial Service	3,938	-0.3	-11.4	High
Transportation	4,971	1.2	-5.0	Neg
Consumer Durables	5,108	0.5	-19.6	High
Consumer Services	4,433	1.7	-4.5	Neg
Media	28,585	6.3	22.9	38.6
Retailing	8,370	1.2	-15.0	29.4
Food & Staples	9,423	0.3	3.3	30.6
Food & Beverages	5,061	3.8	4.7	High
Healthcare	9,194	0.3	25.7	48.9
Pharma & Bio Tech	4,380	2.0	-15.6	High
Banks	14,193	3.3	16.1	23.8
Diversified Financial	8,351	0.8	22.3	38.6
Insurance	5,260	-0.1	-12.2	High
Telecom	7,310	1.4	0.4	20.2
Utilities	7,156	3.6	20.6	13.9
REITs	4,464	0.2	-3.2	High
Real Estate	3,217	-0.5	1.4	High
Software & Services	31,417	0.2	9.6	33.8

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,378	12,619	13,107	8.98

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	35.8	1,305.90	1,440.90
Previous week	43.4	903	2,043.20

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	41.00	2.1
Al Rajhi	94.00	3.2
SNB	68.30	0.7
SABIC	113.00	0.5
STC	104.40	0.8



## Regional and International Markets

- Among other regional markets, Dubai ended flat, while Abu Dhabi increased 0.9%. Kuwait increased 0.6%, while Egypt declined 1.6%. Bahrain and Qatar fell 0.1% each. Meanwhile, Oman remained flat.
- According to EIA, oil inventories in the US fell 1.0mn barrels (prior: down 3.4mn) to 419.8mn in the week ended May 20. Gasoline inventories decreased 0.5mn barrels (prior: down 4.8mn) to 219.7mn, while distillate inventories rose 1.7mn barrels (prior: up 1.2mn) to 106.9mn. (Source: EIA, Econoday)
- US Federal Reserve's May meeting minutes revealed inclination of members towards more 50 bps hikes in future. The Fed intends to apply both interest rate hikes and reductions in balance sheet to move towards neutral policy. (Source: RTT news)
- US durable goods orders increased 0.4% M/M in April (consensus: a rise of 0.5%) after rising 0.6% M/M in March. Order excluding transportation increased 0.3% M/M (consensus: a rise of 0.6%) as compared to 1.1% M/M in the previous month. (Source: Econoday)
- Oil prices edged up 0.4%, after data revealed weekly drop in US crude and gasoline inventories, but surge in distillate inventories limited the rise in prices.
- Gold prices fell 0.7%, as US Federal Reserve meeting showed the central bank was likely to stay the course of rising interest rates.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.06	0.2	-0.9	6.7
Euro	1.07	-0.5	1.3	-6.1
Japanese Yen	127.32	0.4	-1.8	10.6
Sterling Pound	1.26	0.3	0.0	-7.1
Chinese Yuan	6.71	0.8	1.1	5.6
Indian Rupee	77.53	-0.1	1.4	4.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.1	0.2	-0.3
Kuwaiti Dinar	0.31	-0.0	-0.2	1.1
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	-0.0
Egyptian Pound	18.62	0.6	0.7	18.5

## Corporate Calendar

Date	Company	Event
26 <sup>th</sup> May	FIPCO	OGM
26 <sup>th</sup> May	NGC	OGM
26 <sup>th</sup> May	OASIS	Cash Dividend Distribution
26 <sup>th</sup> May	Alwasail	Cash Dividend Distribution
29 <sup>th</sup> May	Amana Insurance	EGM
29 <sup>th</sup> May	SOLUTIONS	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,258	0.0	-12.4	1.9	13.4
Abu Dhabi (ADX)	9,559	0.9	-5.4	12.6	20.6
Kuwait (KSE)	5,925	0.6	-7.3	0.7	9.3
Qatar (QE)	12,859	-0.1	-5.4	10.6	15.3
Oman (MSM)	4,122	0.0	-0.9	-0.2	10.6
Bahrain (BSE)	1,889	-0.1	-8.1	5.1	7.3
Egypt (EGX30)	10,247	-1.6	-7.2	-14.2	5.6

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,120	0.6	-2.6	-11.6	17.3
Nasdaq	11,944	1.5	-7.1	-26.8	25.2
S&P 500	3,979	0.9	-3.7	-16.5	19.9
FTSE 100	7,523	0.5	-0.3	1.9	17.2
Germany DAX 30	14,008	0.6	-0.6	-11.8	12.6
France CAC 40	6,299	0.7	-3.6	-11.9	14.2
Japan Nikkei 225	26,678	-0.3	-0.6	-7.3	18.9
Russia MOEX	2,340	2.0	-4.3	-38.2	4.0
Hong Kong Hang Seng	20,171	0.3	-4.4	-13.8	7.3
South Korea KOSPI	2,617	0.4	-2.9	-12.1	11.2
China Shanghai Composite	3,107	1.2	2.0	-14.6	12.6
Australia ASX 200	7,155	0.4	-3.8	-3.9	16.9
India Sensex	53,749	-0.6	-5.8	-7.7	21.6
MSCI EM	1,020	0.3	-5.3	-17.2	11.5
MSCI World	2,700	0.7	-3.4	-16.5	17.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	111.78	0.8	1.3	45.2
Brent Crude (\$/bbl)	114.03	0.4	4.3	46.6
Texas crude (\$/bbl)	110.33	0.5	5.4	46.7
Natural Gas (\$/mmbtu)	8.97	2.0	23.8	154.5
Gold (\$/oz)	1,853.46	-0.7	-2.3	1.3
Silver (\$/oz)	21.99	-0.6	-3.5	-5.7
Steel (\$/ton)	1,200.00	-13.4	-14.3	-16.4
Iron Ore (CNY/MT)	952.00	-0.9	0.8	39.2
Wheat (\$/bu)	1,148.25	-0.6	8.8	50.2
Corn (\$/bu)	772.25	0.1	-5.1	30.1
Sugar (\$/lb)	19.68	-0.4	2.8	7.0
SMP* (EUR/MT)	4,092.00	1.0	2.3	21.6

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.53	0.0	0.2	1.3
Saudi Arabia (SAIBOR)	2.93	0.2	2.1	2.0
UAE (EIBOR)	1.51	-0.1	0.2	1.1
Kuwait (KSE)	1.88	0.0	0.4	0.4
Bahrain (BHIBOR)	2.64	0.0	1.3	1.1

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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