



Major Economic News

- Saudi Arabia's oil sector is expected to grow 13.0% in FY22, post the end of the oil output cuts and gradual increase in supplies by OPEC+, according to World Bank. The non-oil sector is expected to grow at an estimated 4.0% in FY22 and 3.2% during the mid-term. Inflation is expected to slow down and stabilize at 2.0% in FY22, as the impact of VAT increase is expected to fade given the appreciation of the US dollar and tight monetary policy. (Source: Argaam)
- Saudi Arabia's reserve assets rose by SAR 1.2bn M/M in April to SAR 1.7tn. On a Y/Y basis, reserve assets increased SAR 41bn. (Source: Argaam)
- The Ministry of Investment signed 101 deals worth of investments exceeding USD 4.0bn in Q1-22. A total of 57 out of the 101 deals are expected to create 5,816 jobs in the local economy. (Source: Argaam)
- Saudi-Jordanian Investment Fund signed an agreement with Jordan to invest close to USD 400.0mn in healthcare facilities in Jordan. (Source: Argaam)

Major Corporate News

- FAS labs equally owned by Arabian Centers Co. and Fawaz Abdulaziz Alhokair Co. signed a deal with valU for Consumer Finance to sell its 35.0% stake in FAS Finance to valU. FAS Labs will hold the remaining 65.0% stake equivalent to SAR 55.0mn. (Source: Argaam)
- Abdullah Al Othaim Markets Co. opened nine new branches in Q1-22, indicating an increase of 7.3% Y/Y in its branch network. (Source: Argaam)
- Saudi Real Estate Co. announced that the first, and second phases of Al Akaria Park project were fully booked. The two phases include 1,778 residential plots or 55.0% of the total residential land area. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 1.3% to 12,822.0. The value traded stood at SAR 6.9bn (up 40.5% over previous day), while the advance-decline ratio stood at 128/60. The parallel market index remained flat at 22,551.1. The value traded stood at SAR 19.9mn (down 25.7% over previous day). Most sectors in the main market ended in the green. Materials and Insurance (up 2.5% and 2.4%, respectively) advanced the most; Food & Staples and Retailing (down 0.5% and 0.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
NADEC	33.75	6.5
BUPA ARABIA	165.00	5.1
ALRAJHI TAKAFUL	82.90	4.9
MESC	16.24	4.5
TASNEE	19.26	4.1

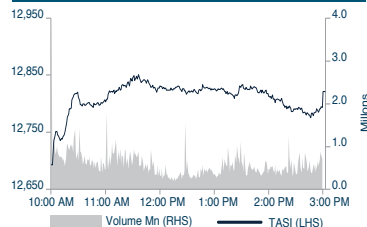
Top Losers

Company	Price	Change%
ZOUJAJ	38.90	-3.1
SAUDI CEMENT	55.50	-2.6
UCA	30.05	-2.6
AYYAN	21.08	-2.2
EMAAR EC	11.42	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,822	12,852	12,678	1.3	13.7
NomuC	22,551	22,585	22,341	0	-13.2

TASI movement during session



TASI Ratios

P/E* (x)	21.7
Price-to-Book (x)	2.6
Dividend Yield (%)	2.1
Return on Equity (%)	24.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,880	0.8	24.7	18.8
Materials	7,849	2.5	6.9	15.2
Capital Goods	7,581	0.5	0.5	25.3
Commercial Service	4,013	0.2	-9.7	High
Transportation	5,084	0.0	-2.9	Neg
Consumer Durables	5,249	-0.2	-17.3	Neg
Consumer Services	4,487	0.3	-3.3	High
Media	27,993	0.6	20.4	34.8
Retailing	8,299	-0.4	-15.7	29.4
Food & Staples	9,377	-0.5	2.8	28.7
Food & Beverages	5,306	1.2	9.7	High
Healthcare	9,096	1.5	24.3	44.6
Pharma & Bio Tech	4,505	0.0	-13.2	High
Banks	14,573	1.5	19.2	23.1
Diversified Financial	8,639	1.3	26.5	9.6
Insurance	5,641	2.4	-5.8	High
Telecom	7,146	0.0	-1.8	19.4
Utilities	7,224	0.6	21.8	14.3
REITs	4,428	-0.1	-4.0	High
Real Estate	3,383	-0.1	6.7	High
Software & Services	33,620	1.7	17.3	32.9

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,754	12,679	12,749	6.31

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.8	318.2	637.2
Previous week	47.5	1,126.00	1,956.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	41.00	0.9
Al Rajhi	96.90	1.0
SNB	73.00	2.0
SABIC	115.40	3.4
STC	101.80	0.0



Regional and International Markets

- Among other regional markets, Dubai increased 0.1%, while Abu Dhabi decreased 0.7%. Qatar and Oman increased 1.3% and 0.3%, respectively. Kuwait and Bahrain declined 0.7% and 0.1%, respectively. Meanwhile, Egypt remained flat.
- UK retail spending declined 1.1% Y/Y in May as shoppers were affected by surge in inflation. Like-for-like retail sales, which includes outlets open in May 2021, declined 1.5% Y/Y after contraction of 1.7% Y/Y in April. (Source: Reuters)
- China's Caixin services PMI rose to 41.4 in May from 36.2 in April. New business shrunk for fourth consecutive month in May. (Source: RTT news)
- Japan's household spending reduced 1.7% Y/Y in April (consensus: a decline of 0.8% Y/Y) as compared to 2.3% drop in March. Household spending rose 1.0% M/M (consensus: 1.3% increase) down from 4.1% growth in March. The average monthly income per household stood at JPY 539,738, reduction of 3.5% Y/Y. (Source: RTT news)
- Oil prices edged down 0.2%, amid expectations that higher oil output by OPEC+ would ease tight supply.
- Gold prices fell 0.5%, on account of aggressive tightening plans by major central banks that are expected to keep interest rates higher and in turn boost US Treasury yields and US dollar.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.44	0.3	0.7	7.1
Euro	1.07	-0.2	-0.4	-5.9
Japanese Yen	131.88	0.8	2.5	14.6
Sterling Pound	1.25	0.4	-0.6	-7.4
Chinese Yuan	6.66	0.0	-0.3	4.7
Indian Rupee	77.63	-0.0	-0.0	4.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.1	-0.3
Kuwaiti Dinar	0.31	0.0	0.1	1.2
Omani Rial	0.39	0.0	0.0	-0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	18.64	0.1	0.3	18.6

Corporate Calendar

Date	Company	Event
07 th Jun	NADEC	OGM
07 th Jun	NORTHERN CEMENT	OGM
07 th Jun	AICTEC	EGM
07 th Jun	SPIMACO	OGM
07 th Jun	ALBAHA	OGM
07 th Jun	Petro Rabigh	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,389	0.1	1.2	6.0	11.6
Abu Dhabi (ADX)	9,769	-0.7	-2.8	15.1	21.0
Kuwait (KSE)	5,997	-0.7	-1.2	1.9	9.5
Qatar (QE)	12,978	1.3	0.5	11.6	15.2
Oman (MSM)	4,135	0.3	0.5	0.1	10.7
Bahrain (BSE)	1,902	-0.1	-1.0	5.8	7.3
Egypt (EGX30)	9,985	0.0	-1.6	-16.4	5.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,916	0.0	-0.2	-9.4	17.7
Nasdaq	12,600	0.4	-0.3	-22.8	26.4
S&P 500	4,121	0.3	-0.3	-13.5	20.6
FTSE 100	7,608	0.0	0.0	3.0	17.4
Germany DAX 30	14,654	1.3	1.8	-7.7	13.2
France CAC 40	6,549	1.0	1.2	-8.4	14.8
Japan Nikkei 225	27,916	0.6	2.3	-3.0	19.9
Russia MOEX	2,282	-1.1	-3.1	-39.7	3.9
Hong Kong Hang Seng	21,654	0.0	1.1	-7.5	7.7
South Korea KOSPI	2,671	0.0	-0.6	-10.3	11.3
China Shanghai Composite	3,236	0.0	1.6	-11.1	13.1
Australia ASX 200	7,206	-0.4	-0.1	-3.2	16.5
India Sensex	55,675	-0.2	0.2	-4.4	22.3
MSCI EM	1,071	1.0	-0.6	-13.0	11.5
MSCI World	2,790	0.4	-0.0	-13.7	18.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	118.38	-0.3	2.8	53.8
Brent Crude (\$/bbl)	119.51	-0.2	-2.7	53.7
Texas crude (\$/bbl)	118.50	-0.3	3.3	57.6
Natural Gas (\$/mmbtu)	9.32	9.4	14.5	164.5
Gold (\$/oz)	1,841.43	-0.5	0.2	0.7
Silver (\$/oz)	22.07	0.7	2.4	-5.3
Steel (\$/ton)	1,155.00	0.0	-2.9	-19.5
Iron Ore (CNY/MT)	964.00	0.0	1.0	40.9
Wheat (\$/bu)	1,093.00	5.1	0.5	43.0
Corn (\$/bu)	742.50	2.1	-1.5	25.1
Sugar (\$/lb)	19.56	1.4	0.8	6.4
SMP* (EUR/MT)	4,125.00	0.0	1.9	22.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.63	0.0	0.0	1.4
Saudi Arabia (SAIBOR)	3.04	0.0	-0.1	2.1
UAE (EIBOR)	1.68	-0.0	0.0	1.3
Kuwait (KSE)	1.88	0.0	0.0	0.4
Bahrain (BHIBOR)	2.77	-0.0	0.0	1.3

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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