

## Major Economic News

- Saudi insurance sector's GWP increased 19.0% Y/Y to SAR 15.0bn in Q1-22 from SAR 12.6bn in Q1-21. Out of 27 insurance companies, 19 companies recorded increases in GWPs during Q1-22. (Source: Argaam)
- Saudi Arabia's franchise investments reached SAR 56.0bn, equivalent to 50.0% of Middle East's franchise market. (Source: Argaam)

## Major Corporate News

- Alamar Foods issued a prospectus to list 10.6mn shares on Tadawul, which represent 41.7% of its share capital worth SAR 255.0mn. The book building process will run from June 20 to June 27, 2022, while the subscription period for retail investors will begin on July 20 and will run for two days. (Source: Argaam)
- Bupa Arabia for Cooperative Insurance Co's board of directors recommended increasing the company's capital to SAR 1.5bn from SAR 1.2bn, through 25.0% bonus shares issue. Bonus shares will be issued by capitalizing SAR 300.0mn of retained reserves. (Source: Argaam)
- Emaar The Economic City's shareholders approved the 25-year development lease contract with the US-based electric vehicle manufacturer Lucid Group Inc worth SAR 113.5mn for a land plot in King Abdullah Economic City. (Source: Argaam)
- Al-Moammar Information Systems Co. was awarded a disaster recovery site configuration and operation project from Saudi Data and Artificial Intelligence Authority for a total value of SAR 169.3mn. (Source: Argaam)
- Shatirah House Restaurant Co. announced that the number of its branches in Saudi Arabia reached 100. The relevant financial impact is expected to be seen in Q3-22. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 2.2% to 12,322.4. The value traded stood at SAR 7.4bn (up 32.5% over previous day), while the advance-decline ratio stood at 9/200. The parallel market index decreased 2.3% to 21,737.7 points. The value traded stood at SAR 21.1mn (up 13.7% over previous day). Most sectors in the main market ended in the red. Telecom (up 4.2%) was the only gainer; Capital Goods and Software & Services (down 4.8% and 4.3%, respectively) led the laggards.

### Top Gainers

Company	Price	Change%
STC	107.00	6.6
ALSAGR INSURANCE	12.40	2.0
ALRAJHI TAKAFUL	90.00	1.8
SALAMA	15.70	1.3
ATAA	57.90	1.2

### Top Losers

Company	Price	Change%
SIECO	81.20	-10.0
ARAB SEA	148.60	-9.9
ALUJAIN	63.00	-8.7
SAIC	39.95	-8.0
AMANA INSURANCE	17.02	-7.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,322	12,531	12,322	-2.2	9.2
NomuC	21,738	22,250	21,707	-2.3	-16.3

### TASI movement during session



### TASI Ratios

P/E* (x)	21
Price-to-Book (x)	2.5
Dividend Yield (%)	2.2
Return on Equity (%)	24.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,592	-3.0	19.5	18
Materials	7,446	-3.2	1.4	14.4
Capital Goods	6,953	-4.8	-7.8	23.5
Commercial Service	3,833	-3.3	-13.7	High
Transportation	4,846	-3.4	-7.4	Neg
Consumer Durables	4,933	-4.2	-22.3	Neg
Consumer Services	4,365	-2.5	-5.9	High
Media	26,921	-3.2	15.8	33.4
Retailing	7,894	-2.8	-19.8	28
Food & Staples	9,202	-2.0	0.9	28.3
Food & Beverages	5,104	-3.0	5.5	High
Healthcare	8,785	-2.0	20.1	43.3
Pharma & Bio Tech	4,228	-2.9	-18.6	High
Banks	13,967	-1.9	14.3	22.2
Diversified Financial	8,058	-3.5	18.0	9
Insurance	5,574	-1.7	-6.9	High
Telecom	7,364	4.2	1.2	20.2
Utilities	7,007	-2.9	18.1	13.8
REITs	4,287	-1.5	-7.0	High
Real Estate	3,244	-3.6	2.3	High
Software & Services	32,473	-4.3	13.3	32

### Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,601	12,686	12,614	6.23

### Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7.4	173.6	381.3
Previous week	29	770.1	1,613.00

### Top Weighted Companies

Company	Price	Change%
Saudi Aramco	39.20	-3.0
Al Rajhi	93.10	-1.2
SNB	70.00	-2.0
SABIC	110.60	-2.1
STC	107.00	6.6



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Qatar, Egypt, Kuwait, Bahrain and Oman declined 1.4%, 1.3%, 1.1%, 0.7% and 0.2%, respectively.
- US consumer sentiment index dropped to a record low of 50.2 in June (consensus: 58.0) from 58.4 in May. Consumer expectations fell to 46.8 in June from 55.2 in May, while economic conditions index slumped to 55.4 from 63.3. (Source: RTT news)
- US Federal Reserve is expected to raise rate by half percentage points, on Wednesday and next month. However, following May's high inflation data, investors expect acceleration in pace of rate hike or aggressive rate hikes. (Source: CNBC)
- China's CPI rose steadily by 2.1% Y/Y in May (consensus: a rise of 2.2% Y/Y). Food prices increased 2.1% Y/Y in May, while non-food prices were up by 2.3% Y/Y. Core inflation that excludes food and energy remained unchanged in May at 0.9% Y/Y. (Source: RTT news)
- China's banks extended credit of CNY 1.9tn in May from CNY 645.4bn in April. Lending was estimated to increase to CNY 1.3tn. Aggregate financing increased to CNY 2.8tn in May from CNY 910.2bn in April, while outstanding total social financing rose to 10.5% in May from 10.2% in April. (Source: RTT news)

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.15	0.0	2.4	8.9
Euro	1.05	0.0	-2.0	-7.5
Japanese Yen	134.41	0.0	4.5	16.8
Sterling Pound	1.23	0.0	-2.3	-9.0
Chinese Yuan	6.73	0.0	0.8	5.9
Indian Rupee	77.84	0.0	0.3	4.7
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	0.2	1.4
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	18.71	0.0	0.7	19.0

## Corporate Calendar

Date	Company	Event
13 <sup>th</sup> Jun	Nama Chemicals	OGM
13 <sup>th</sup> Jun	BATIC	OGM
13 <sup>th</sup> Jun	ALABDULLATIF	EGM
13 <sup>th</sup> Jun	SABB Takaful	OGM
13 <sup>th</sup> Jun	AXA COOPERATIVE	EGM
13 <sup>th</sup> Jun	MEPCO	OGM

\*EGM: Extra Ordinary Meeting  
\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,377	0.0	0.9	5.7	11.5
Abu Dhabi (ADX)	9,628	0.0	-4.2	13.4	20.7
Kuwait (KSE)	5,846	-1.1	-3.7	-0.7	9.3
Qatar (QE)	12,918	-1.4	0.0	11.1	15.6
Oman (MSM)	4,126	-0.2	0.2	-0.1	10.8
Bahrain (BSE)	1,870	-0.7	-2.6	4.1	7.3
Egypt (EGX30)	10,098	-1.3	-0.5	-15.5	5.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,393	0.0	-4.8	-13.6	16.9
Nasdaq	11,833	0.0	-6.4	-27.5	24.8
S&P 500	3,901	0.0	-5.6	-18.2	19.5
FTSE 100	7,318	0.0	-3.8	-0.9	16.8
Germany DAX 30	13,762	0.0	-4.4	-13.4	12.4
France CAC 40	6,187	0.0	-4.4	-13.5	14.0
Japan Nikkei 225	27,824	0.0	2.0	-3.4	19.2
Russia MOEX	2,286	0.0	-3.0	-39.7	3.8
Hong Kong Hang Seng	21,806	0.0	1.8	-6.8	7.6
South Korea KOSPI	2,596	0.0	-3.4	-12.8	10.8
China Shanghai Composite	3,285	0.0	3.1	-9.8	13.2
Australia ASX 200	6,932	0.0	-3.9	-6.9	16.1
India Sensex	54,303	0.0	-2.3	-6.8	21.4
MSCI EM	1,055	0.0	-2.1	-14.4	11.3
MSCI World	2,642	0.0	-5.4	-18.3	17.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	119.52	0.0	3.8	55.3
Brent Crude (\$/bbl)	122.01	0.0	-0.7	56.9
Texas crude (\$/bbl)	120.67	0.0	5.2	60.4
Natural Gas (\$/mmbtu)	8.85	0.0	8.7	151.1
Gold (\$/oz)	1,871.60	0.0	1.9	2.3
Silver (\$/oz)	21.89	0.0	1.6	-6.1
Steel (\$/ton)	1,160.00	0.0	-2.5	-19.2
Iron Ore (CNY/MT)	992.00	0.0	3.9	45.0
Wheat (\$/bu)	1,084.75	0.0	-0.3	41.9
Corn (\$/bu)	720.50	0.0	-4.4	21.4
Sugar (\$/lb)	19.07	0.0	-1.7	3.7
SMP* (EUR/MT)	4,128.00	0.0	1.9	22.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	1.74	0.0	0.1	1.5
Saudi Arabia (SAIBOR)	3.08	-0.1	-0.0	2.2
UAE (EIBOR)	1.37	0.0	-0.3	1.0
Kuwait (KSE)	2.00	0.1	0.1	0.5
Bahrain (BHIBOR)	2.81	0.0	0.1	1.3

Data Sources: Tadawul, Bloomberg, Reuters  
\* Three-month Interbank rate \*\*NA: Not Available  
Updated as of June 12 2022



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 | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia. Tel: 011 2256000 - Fax: 011 2256068