



Major Economic News

- OPEC+ oil output in June was almost 3 mbpd less than the target as some countries failed to comply with output target. (Source: Argaam)
- Saudi Arabia's Ministry of Environment, Water and Agriculture announced that a Royal Decree was issued on the allotment of SAR 105.0bn for water projects within the five-year capital portfolio which includes 1,335 projects. (Source: Argaam)

Major Corporate News

- United International Transportation Co.'s board of directors recommended a share buyback of up to 7.12mn shares, or a maximum of 10.0% of the total issued shares, to retain as treasury shares. (Source: Argaam)
- National Medical Care Co. announced signing of a non-binding MoU with Smartmed Investment Co. relating to the sale and purchase of shares representing 100.0% of Jiwar Medical Services Co. in exchange for cash. (Source: Tadawul)
- Mohammed Hasan AlNaqool Sons Co. signed an agreement with Saudi National Bank to obtain Sharia-compliant facilities worth SAR 15.0mn (Source: Argaam)
- Kingdom Holding Co. announced an investment of SAR 1.1bn in Phoenix Group, one of the largest insurance, savings and retirement companies in the UK. (Source: Argaam)

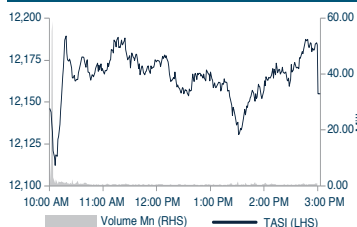
Market Analysis

- The Saudi Stock Exchange increased 0.9% to 12,155.0 on Thursday. The value traded stood at SAR 11.9bn (up 119.3% over previous day), while the advance-decline ratio stood at 175/28. The parallel market index increased 0.6% to 20,952.7 points. The value traded stood at SAR 44.3mn (up 111.6% over previous day). Most sectors in the main market ended in the green. Diversified Financials and Pharma & Bio Tech (up 2.6% and 2.2%, respectively) advanced the most; Energy and Media (down 0.1% each) were the only laggards.

Saudi Stock Exchange

| Index | Closing | High | Low | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI | 12,155 | 12,196 | 12,112 | 0.9 | 7.7 |
| NomuC | 20,953 | 20,970 | 20,799 | 0.6 | -19.3 |

TASI movement during session



TASI Ratios

| | |
|----------------------|------|
| P/E* (x) | 20.2 |
| Price-to-Book (x) | 2.5 |
| Dividend Yield (%) | 2.2 |
| Return on Equity (%) | 24.8 |

*Source: Argaam (Excluding Aramco)

| Index | Close | Daily Change% | YTD % | PE (TTM) |
|-----------------------|--------|---------------|-------|----------|
| Energy | 6,657 | -0.1 | 20.7 | 18.2 |
| Materials | 6,919 | 1.5 | -5.8 | 13.3 |
| Capital Goods | 5,888 | 2.1 | -22.0 | 20.1 |
| Commercial Service | 3,779 | 1.0 | -15.0 | High |
| Transportation | 4,839 | 1.4 | -7.6 | Neg |
| Consumer Durables | 4,471 | 1.4 | -29.6 | Neg |
| Consumer Services | 4,086 | 2.0 | -11.9 | High |
| Media | 22,654 | -0.1 | -2.6 | 28.9 |
| Retailing | 8,133 | 1.9 | -17.4 | 28.5 |
| Food & Staples | 9,462 | 1.6 | 3.7 | 29.1 |
| Food & Beverages | 4,857 | 0.1 | 0.5 | 49 |
| Healthcare | 9,337 | 0.9 | 27.7 | 45.5 |
| Pharma & Bio Tech | 3,668 | 2.2 | -29.4 | High |
| Banks | 13,967 | 0.9 | 14.3 | 22.2 |
| Diversified Financial | 7,982 | 2.6 | 16.9 | 8.7 |
| Insurance | 5,093 | 0.4 | -15.0 | High |
| Telecom | 7,011 | 0.9 | -3.7 | 19 |
| Utilities | 7,951 | 0.4 | 34.0 | 15.5 |
| REITs | 4,125 | 0.7 | -10.5 | High |
| Real Estate | 3,068 | 1.0 | -3.2 | High |
| Software & Services | 33,485 | 0.2 | 16.9 | 34.2 |

Average Index Value

| Average days 5 | Average days 10 | Average days 20 | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|---|
| 12,004 | 11,848 | 11,643 | 5.6 |

Market Statistics

| | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week | - | - | - |
| Previous week | 32.6 | 936.4 | 1,579.80 |

Top Weighted Companies

| Company | Price | Change% |
|--------------|--------|---------|
| Saudi Aramco | 39.70 | -0.1 |
| Al Rajhi | 89.60 | 1.1 |
| SNB | 70.10 | 0.3 |
| SABIC | 99.00 | 2.5 |
| STC | 100.40 | 1.0 |

Earnings update (Net Profit) (SAR mn)

| Company | Q2-22 | Q2-21 | Y/Y % | Q1-22 | Q/Q % |
|----------------|-------|-------|-------|-------|-------|
| Al Rajhi Bank | 4,258 | 3,605 | 18.1 | 4,134 | 3.0 |
| East Pipes | 6.2 | 2.1 | 190.2 | 14.3 | -56.5 |
| Takween | -15.0 | 7.9 | NM | -9.0 | NM |
| SAIB | 320.7 | 287.8 | 11.4 | 287.0 | 11.7 |
| Nama Chemicals | 26.7 | 9.6 | 178.6 | 33.4 | -20.2 |
| Budget Saudi | 62.5 | 69.2 | -9.7 | 60.3 | 3.7 |

Top Gainers

| Company | Price | Change% |
|-----------------|-------|---------|
| ZOUJAJ | 35.50 | 9.9 |
| ALYAMAMAH STEEL | 35.90 | 8.5 |
| TASNEE | 16.38 | 6.4 |
| ALKATHIRI | 46.30 | 5.0 |
| EIC | 24.38 | 4.9 |

Top Losers

| Company | Price | Change% |
|--------------|-------|---------|
| UCA | 10.68 | -8.6 |
| ALALAMIYA | 18.82 | -2.0 |
| SAUDI RE | 16.30 | -1.7 |
| PETRO RABIGH | 18.30 | -1.2 |
| ALMARAI | 52.20 | -1.1 |



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 1.1% and 1.0%, respectively. Egypt and Oman rose 0.9% and 0.5%, respectively. Meanwhile, Bahrain and Qatar rose 0.1% each and Kuwait remained flat.
- US GDP declined 0.9% in Q2-22 (consensus: increase by 0.5%) after slumping 1.6% in Q1-22. Increase in exports and consumer spending helped limit the downside; however, pace of consumer spending continued to slow to 1.0% in Q2-22 from 1.8% in Q1-22. (Source: RTT news)
- According to Baker Hughes, North America's rig count increased to 971 in the week ended July 29, from 953 in week earlier. The rig count increased to 767 in the US from 758 earlier and increased to 15 from 14 in the Gulf of Mexico. The rig count in Canada increased to 204 from 195 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims edged down to 256,000 (consensus: 253,000) in the week ended July 23, representing a rise of 5,000 from the previous week's revised level of 261,000. (Source: RTT news)
- Oil prices rose 2.7% on Friday, on account of dimming expectation of investors that OPEC will boost supply.
- Gold prices rose 0.6%, driven by weaker dollar on account of higher US inflation data.

Forex / Currency

| Currency | Close | Daily Change% | MTD % | YTD % |
|----------------|--------|---------------|-------|-------|
| Dollar Index | 105.90 | -0.4 | 1.2 | 10.7 |
| Euro | 1.02 | 0.2 | -2.5 | -10.1 |
| Japanese Yen | 133.27 | -0.7 | -1.8 | 15.8 |
| Sterling Pound | 1.22 | -0.1 | -0.1 | -10.1 |
| Chinese Yuan | 6.75 | 0.1 | 0.8 | 6.2 |
| Indian Rupee | 79.26 | -0.6 | 0.4 | 6.6 |
| UAE Dirham | 3.67 | 0.0 | 0.0 | 0.0 |
| Qatari Rial | 3.68 | 0.0 | 0.3 | 0.2 |
| Kuwaiti Dinar | 0.31 | -0.2 | -0.1 | 1.4 |
| Omani Rial | 0.39 | 0.1 | 0.0 | 0.0 |
| Bahraini Dinar | 0.38 | 0.0 | -0.0 | -0.0 |
| Egyptian Pound | 18.92 | -0.1 | 0.7 | 20.4 |

Corporate Calendar

| Date | Company | Event |
|----------------------|----------------------|----------------------------|
| 01 st Aug | SABIC AGRI-NUTRIENTS | Cash Dividend Distribution |
| 01 st Aug | AZM | EGM |
| 02 nd Aug | AICC | EGM |
| 04 th Aug | BSFR | Cash Dividend Distribution |
| 04 th Aug | MULKIA REIT | Cash Dividend Distribution |
| 07 th Aug | Raoom Trading | EGM |

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

| Market | Close | Daily Change% | MTD % | YTD % | P/E |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM) | 3,338 | 1.1 | 3.6 | 4.4 | 10.8 |
| Abu Dhabi (ADX) | 9,663 | 1.0 | 3.1 | 13.8 | 20.1 |
| Kuwait (KSE) | 5,875 | 0.0 | 3.4 | -0.2 | 9.2 |
| Qatar (QE) | 13,122 | 0.1 | 7.6 | 12.9 | 15.6 |
| Oman (MSM) | 4,532 | 0.5 | 9.9 | 9.7 | 12.1 |
| Bahrain (BSE) | 1,906 | 0.1 | 3.6 | 6.0 | 7.1 |
| Egypt (EGX30) | 9,369 | 0.9 | 1.6 | -21.6 | 5.1 |

International Markets

| Index | Close | Daily Change% | MTD % | YTD % | P/E |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones | 32,845 | 1.0 | 6.7 | -9.6 | 18.2 |
| Nasdaq | 12,948 | 1.8 | 12.6 | -20.7 | 27.6 |
| S&P 500 | 4,130 | 1.4 | 9.1 | -13.3 | 20.4 |
| FTSE 100 | 7,423 | 1.1 | 3.5 | 0.5 | 14.0 |
| Germany DAX 30 | 13,484 | 1.5 | 5.5 | -15.1 | 12.4 |
| France CAC 40 | 6,449 | 1.7 | 8.9 | -9.8 | 13.1 |
| Japan Nikkei 225 | 27,802 | -0.0 | 5.3 | -3.4 | 19.2 |
| Russia MOEX | 2,214 | 1.1 | 0.4 | -41.5 | 3.8 |
| Hong Kong Hang Seng | 20,157 | -2.3 | -7.8 | -13.9 | 7.4 |
| South Korea KOSPI | 2,452 | 0.7 | 5.1 | -17.7 | 10.1 |
| China Shanghai Composite | 3,253 | -0.9 | -4.3 | -10.6 | 13.3 |
| Australia ASX 200 | 6,945 | 0.8 | 5.7 | -6.7 | 16.0 |
| India Sensex | 57,570 | 1.3 | 8.6 | -1.2 | 22.4 |
| MSCI EM | 994 | -0.4 | -0.7 | -19.3 | 11.0 |
| MSCI World | 2,746 | 1.3 | 7.9 | -15.0 | 17.6 |

Commodity Markets

| Commodity | Price | Daily Change% | MTD % | YTD % |
|---------------------------|----------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 111.88 | -0.9 | -3.8 | 41.3 |
| Brent Crude (\$/bbl) | 110.01 | 2.7 | -4.2 | 38.7 |
| Texas crude (\$/bbl) | 98.62 | 2.3 | -6.8 | 28.1 |
| Natural Gas (\$/mmbtu) | 8.23 | 1.2 | 51.7 | 130.9 |
| Gold (\$/oz) | 1,765.94 | 0.6 | -2.3 | -2.7 |
| Silver (\$/oz) | 20.36 | 1.7 | 0.4 | -11.6 |
| Steel (\$/ton) | 855.00 | 0.1 | -8.1 | -40.1 |
| Iron Ore (CNY/MT) | 832.50 | 2.5 | -5.1 | 21.4 |
| Wheat (\$/bu) | 807.75 | -1.1 | -8.6 | 4.1 |
| Corn (\$/bu) | 620.00 | 0.2 | 0.0 | 13.6 |
| Sugar (\$/lb) | 17.54 | -1.0 | -5.2 | -3.7 |
| SMP* (EUR/MT) | 3,700.00 | -0.7 | -6.4 | 10.0 |

*SMP: Skimmed Milk Powder

Interbank Rates

| Region | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|-----------------------|-------|-------------------|-----------|-----------|
| USD LIBOR | 2.79 | 0.0 | 0.5 | 2.6 |
| Saudi Arabia (SAIBOR) | 3.11 | 0.2 | 0.2 | 2.2 |
| UAE (EIBOR) | 2.71 | 0.1 | 0.8 | 2.3 |
| Kuwait (KSE) | 2.31 | 0.3 | 0.1 | 0.8 |
| Bahrain (BHIBOR) | 4.09 | 0.1 | 0.5 | 2.6 |

Data Sources: Tadawul, Bloomberg, Reuters

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

Updated as of July 29 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