



Al Rajhi Capital Issues “Saudi Equity Strategy” Report

Riyadh, 23 Jan. – The Al Rajhi Capital Research Department has issued its report on Saudi equity investment strategy. The full report is already posted and available on the Al Rajhi Capital website www.alrajhi-capital.com. The Saudi economy, while going through the global recession, is moving on the road to recovery as the government concentrates its efforts on stabilizing the economy and optimizing resources, and as the oil price firms.

Meanwhile, the Saudi Arabian market, which fell much less than other GCC indices in 2009, has still not recovered to its 2008 highs. Not only does this slow recovery provide an excellent opportunity for value investing, but also certain sectors are seeing significant investment activity and are recipients of strong government support.

Coupled with favorable demographics and a high level of private investment, these factors should drive these certain sectors upwards such as Telecoms, Agriculture, Cement, and Petrochemicals – all of which we rated as overweight.

Dr. Saleh Al Suhaibani, Head of Research at Al Rajhi Capital, commented “We believe many Saudi companies are attractive when compared to their regional counterparts. Our report highlights ten key stocks on the basis of strong fundamental parameters such as high revenue growth, high margins and low gearing ratios. Our list includes some of the leading companies in the market like SABIC, in addition to medium and smaller-cap stocks like Mobily, Jarir and Yanbu Cement. “

It is recognised that the Dubai crisis has adversely affected investor sentiment in the GCC region. However, the Saudi economy, backed by huge reserves from oil revenues, should not be greatly affected by this crisis, in addition Saudi banks have minimal exposure to other GCC markets meanwhile confidence remains fragile and the Saudi stock market may be volatile in the near term, when we would use any weakness as an opportunity to invest.

Over the coming year Al Rajhi Capital intends to broaden and strengthen its research coverage. Provision of in-depth equity research is a key element of that plan, and the new equity research sector reports should be published shortly. The plan for Research is part of The Al Rajhi Capital general strategy of expanding our investment banking operations.



Al Rajhi Capital is headquartered in Riyadh and provides securities-related services, including brokerage, asset management, arranging, underwriting, private equity, advisory and custodial services. Al Rajhi Capital is a leader in providing brokerage services and manages 15 funds. Al Rajhi Capital has been well recognized over the years through several awards.