

Daily Market Report

Saudi Arabia Stock Exchange
16 January 2020

الراجحي المالية
Al Rajhi Capital



TASI Index	8,432.6	-0.50%
Turnover (SAR mn)	4,282.3	-5%

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Economic Indicators

Date	Economic Indicator	Actual	Consensus	Previous
13-Jan	UK Industrial Production (m-o-m) (Nov)	-1.2%	-0.1%	0.4%
14-Jan	China Trade Balance (Dec)	\$46.8bn	\$48bn	\$37.9bn
14-Jan	US Consumer Inflation (y-o-y) (Dec)	2.3%	2.3%	2.1%
15-Jan	UK Consumer Inflation (y-o-y) (Dec)	1.3%	1.5%	1.5%
16-Jan	US Initial Jobless Claims		220K	214K
16-Jan	US Retail Sales (m-o-m) (Dec)		0.3%	0.2%
17-Jan	China GDP (y-o-y) (Q4)		6.0%	6.0%
17-Jan	Eurozone Consumer Inflation (y-o-y) (Dec)		1.3%	1.3%
17-Jan	US Housing Starts (m-o-m) (Dec)		1.365mn	1.365mn
17-Jan	UK Retail Sales (y-o-y) (Dec)		2.6%	1.0%

Data Sources: Al Rajhi Capital, FXStreet

Regional Indices

	Close	1D%	WTD%	YTD%
KSA (TASI)	8,433	-0.5	1.0	0.5
KSA (MT30)	1,180	-0.6	0.5	-0.2
Qatar (DSM)	10,635	0.0	1.8	2.0
Kuwait (KSE)	6,352	0.3	1.9	1.1
Abu Dhabi (ADSM)	5,174	0.1	1.9	1.9
Dubai (DFM)	2,818	0.5	2.5	1.9
Oman (MSM30)	4,039	1.6	1.6	1.5
Bahrain (BSE)	1,636	1.0	2.4	1.6
MSCI GCC	575	-0.2	1.4	0.9

Major Commodities / Currencies

	Close	1D %	WTD %	YTD %
Gold Spot \$/Oz	1,556	0.0	-0.4	2.5
Silver Spot \$/Oz	17.93	-0.4	-1.0	0.5
Crude Oil (Brent)	64.43	0.7	-0.8	-2.4
OPEC Basket	65.63	-0.7	-2.1	-3.4
Euro	1.12	0.0	0.3	-0.5
USD Index	97.20	0.0	-0.2	0.8
JPY	109.930	0.0	-0.4	-1.2

Major Global Indices

	Close	1D %	WTD %	YTD %
DJ Industrial	29,030	0.3	0.7	1.7
S&P 500	3,289	0.2	0.7	1.8
Nikkei 225	23,929	0.1	0.3	1.2
Hang seng	28,752	-0.1	0.4	2.0
FTSE 100	7,643	0.3	0.7	1.3
CAC 40	6,033	-0.1	-0.1	0.9
MSCI World	2,392	0.1	0.6	1.4
MSCI EM	1,138	-0.5	0.4	2.1

Interest Rates

	1M	3M	12M	3M Chg 1Y
LIBOR (USD)	1.67	1.84	1.96	-0.94
SAIBOR	2.06	2.22	2.30	-0.75
EIBOR	1.88	2.02	2.26	-0.91

Data Sources: Bloomberg

Updated as of 16/Jan/2020 10:07 AM

Global commentary

- US stock markets rose on Wednesday after the US and China signed the phase one of the trade deal. As per the deal, some tariffs will be rolled back, which will boost Chinese purchase of US manufactured goods and services. The Dow Jones, the S&P 500 and the Nasdaq Composite Index advanced 0.3%, 0.2% and 0.1%, respectively aided by healthcare stocks.
- Most European markets slipped yesterday. The DAX fell 0.2%, weighed down by real estate sector; while the CAC40 edged down 0.1%, pulled down by utilities and financials shares. However, the FTSE 100 advanced 0.3% amid the signing of phase one of the US-China trade deal. Meanwhile, Germany's GDP growth was in-line with the expectations at +0.6%. Further, UK's consumer inflation data was lower than expected (+1.3% y-o-y in Dec Vs +1.5% consensus), while Eurozone's industrial production data was lower than expected (-1.5% y-o-y in Nov Vs -1.1% consensus).
- Majority of the stock markets in the GCC region advanced on Wednesday. Oman and Bahrain jumped 1.6% and 1.0%, respectively; while Dubai rose 0.5%, driven by Dubai Islamic Bank and Emirates NBD. Further, Kuwait gained 0.4%; while Abu Dhabi edged up 0.1%, aided by International Holding Company and Emirates Telecommunications. Meanwhile, Qatar ended on a flat note.
- Most Asian markets are trading in the red this morning. The Shanghai Composite Index and the Hang Sang Index are down 0.3% and 0.1%, respectively. However, the KOSPI is up 0.3%; while the Nikkei 225 is trading on a flat note. Meanwhile, Japan's machinery order growth was higher than expected (+5.3% y-o-y in Nov Vs -5.4% consensus).
- Brent price fell 0.8% on Wednesday, following the reported increase in US domestic supplies as per the government data. Key crude contracts Brent and WTI ended at US\$ 64.00 (-0.8%) and US\$ 57.81 (-0.7%), respectively.

Saudi commentary

- Tadawul All Share Index (TASI)** fell 42.25 points or -0.5% to close at 8,432.56. Sixteen of the twenty one sectors indices closed lower. The advance decline ratio was 75/106. Trading turnover was around SAR 4.3bn.
- Foreign investments in Saudi Arabia rise 11% in 9M 2019:** Foreign investments in Saudi Arabia rose by 11% y-o-y to SAR 1.738 trillion in the 9M of 2019, based on the data issued by the SAMA. (Source: Argaam)
- JAZADCO signs MoU to set up aquaculture firm through merger:** Jazan Energy and Development Company (JAZADCO) signed a MoU with Tabuk Fisheries Co. (TFC), Tharawat Seas, and Aquaculture Sharq Farms Company to conduct a feasibility study of the 3 companies' merger with JAZADCO's aquaculture sector. (Source: Tadawul)
- Saudi Arabia to issue new MVNO licenses in 2020:** Saudi Arabia's CITC released a Request for Application (RFA) to issue licenses to foreign mobile virtual network operators (MVNO) and to enable them to invest in Saudi Arabia, CITC said. (Source: Argaam)



Summary of our Coverage

(SAR)	Mcap (SARmn)	Last Price	TP	Upside (%)	ADTV (SARmn)	P/E (x)			EV/EBITDA (x)		
						2018A	2019E	2020E	2018A	2019E	2020E
SABIC	277,200	92.4	95.0	2.81	183.5	16.1x	34.2x	29.8x	7.5x	9.2x	9.6x
Sipchem	13,435	18.32	20.0	9.17	32.7	12.6x	14.8x	13.8x	7.3x	10.5x	8.8x
SAFCO	33,000	79.2	75.0	(5.30)	21.3	18.4x	22.0x	20.3x	14.1x	17.3x	15.6x
NIC	9,178	13.72	10.4	(24.20)	40.3	8.4x	17.6x	NM	7.0x	19.5x	14.9x
Yansab	31,106	55.3	55.0	(0.54)	33.5	14.8x	27.7x	18.4x	9.5x	11.8x	10.9x
APCC	10,889	50.3	55.0	9.34	14.8	13.9x	14.3x	13.7x	10.4x	10.9x	11.1x
Arabian Cement	3,900	39	41.0	5.13	6.6	NM	18.1x	17.3x	21.5x	10.9x	10.8x
Yamama Cement	5,994	29.6	26.0	(12.16)	11.2	NM	24.3x	28.2x	22.9x	16.3x	15.2x
Saudi Cement	10,634	69.5	64.0	(7.91)	9.9	18.5x	25.6x	21.4x	12.9x	17.1x	15.2x
Qassim Cement	6,741	74.9	78.0	4.14	6.6	25.1x	21.2x	17.9x	12.8x	15.1x	13.1x
Yanbu Cement	6,206	39.4	40.0	1.52	8.3	41.4x	25.3x	21.6x	13.8x	13.6x	12.7x
Southern Cement	9,450	67.5	60.0	(11.11)	5.2	26.5x	22.8x	20.5x	13.9x	15.7x	14.6x
Ma'aden	54,577	44.35	45.0	1.47	21.2	31.2x	NM	NM	15.6x	15.8x	13.2x
Telecom											
STC	196,000	98	91.0	(7.14)	69.0	17.0x	17.7x	16.5x	8.3x	9.1x	9.0x
Mobily	20,906	27.15	24.0	(11.60)	33.3	NM	NM	NM	5.4x	6.8x	6.5x
Zain	7,016	12.02	13.0	NA	32.1	14.5x	13.4x	11.4x	4.5x	4.5x	4.4x
Food & Agriculture											
Almarai	49,500	49.5	51.0	3.03	18.2	23.9x	25.3x	24.6x	12.9x	13.9x	13.5x
Savola	19,197	35.95	30.0	(16.55)	24.7	NM	30.2x	28.3x	34.0x	30.3x	29.1x
Herfy	3,370	52.1	62.0	19.00	3.6	14.3x	14.7x	13.0x	10.9x	13.4x	12.2x
Catering	8,462	103.2	91.0	(11.82)	10.7	14.5x	18.1x	17.2x	11.9x	16.4x	15.5x
Sadafco	4,557	140.2	156.0	11.27	4.5	12.5x	21.1x	17.7x	8.2x	13.8x	11.8x
Retail											
Jarir	20,016	166.8	156.2	(6.35)	20.4	19.0x	19.6x	18.5x	18.9x	18.5x	17.4x
Alhokair	5,471	26.05	22.0	(15.55)	8.4	44.0x	37.8x	NA	10.9x	17.4x	9.4x
Alothaim	8,010	89	79.0	(11.24)	9.1	20.9x	30.6x	28.2x	12.0x	16.6x	15.5x
Extra	3,790	75.8	74.0	(2.37)	5.7	19.9x	18.0x	16.1x	15.2x	14.1x	12.7x
Healthcare											
Dallah	3,469	46.25	52.0	12.43	7.4	23.4x	30.8x	21.0x	18.0x	19.1x	15.3x
Mouwasat	8,400	84	89.0	5.95	5.4	22.4x	21.0x	17.5x	17.0x	15.5x	13.5x
NMCC	2,130	47.5	47.0	(1.05)	5.0	36.2x	25.0x	23.8x	12.9x	11.1x	10.8x
Al Hammadi	2,659	22.16	22.0	(0.72)	13.5	34.4x	25.8x	18.5x	17.5x	14.3x	12.1x
Other											
Bupa Arabia	12,384	103.2	102.0	(1.16)	11.4	18.4x	20.6x	19.5x	NM	NM	NM
Bahri	15,199	38.6	UR	NA	38.0	13.9x	12.6x	12.6x	10.3x	9.5x	9.5x
Saudi Ceramic	2,412	40.2	36.0	(10.45)	16.4	NM	NM	11.0x	46.2x	21.1x	8.7x
Leejam Sports	4,227	80.7	95.0	17.72	10.5	17.1x	17.5x	13.5x	11.6x	14.3x	11.8x

Source: Bloomberg, AlRajhi capital. Fawaz Al Hokair fiscal ending is March, hence 2019e corresponds to Year ending March 2020



Performance of Regional markets

Country	Last Close	Index Change (%)			**MCap US\$ bn	^FF MCap US\$ bn	Volume mn shr	Turnover US\$ mn	P/E (x) 12M	P/B (x) Current	Div Yld 12M (%)
		1D	1M	YTD							
Saudi Arabia*	8,433	-0.5	0.5	0.5	2,378	306	185	1,142	23.9	1.9	3.2
Saudi Arabia (MT30)	1,180	-0.6	-0.2	-0.2	NA	NA	49	NA	15.3	1.6	4.0
Qatar	10,635	0.0	2.0	2.0	163	91	225	59	11.2	1.0	4.1
Dubai	2,818	0.5	1.9	1.9	104	35	225	61	11.2	1.0	4.1
Abu Dhabi	5,174	0.1	1.9	1.9	148	68	39	37	15.8	1.5	4.8
Kuwait (All Share)	6,352	0.3	1.1	1.1	119	81	204	177	15.6	1.5	3.4
Oman	4,039	1.6	1.5	1.5	17	13	26	13	6.7	0.7	7.4
Bahrain	1,636	1.0	1.6	1.6	27	14	2	2	13.0	1.0	4.8

Data Sources: Al Rajhi Capital, Bloomberg; Note: P/E & Div Yield LTM basis; *The TTM PE ratio for TASI has been revised after adjusting zakat expenses for banking stocks; ^Free Float Market Capitalization; **Respective Stock Exchange.

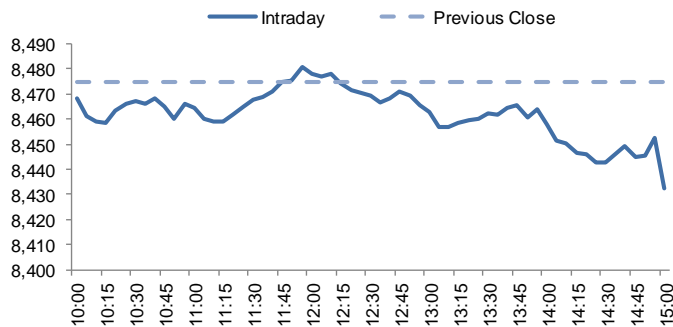
Performance of FTSE Emerging Index

Country	Last Close	Index Change (%)			MCap US\$ bn	^FF MCap US\$ bn	Volume mn shr	Turnover US\$ mn	P/E (x) 12M	P/B (x) Current	Div Yld 12M (%)
		1D	1M	YTD							
Brazil	116,414	-1.0	0.7	0.7	879	550	557	3,967	18.4	2.3	2.9
Czech Republic	1,133	-0.5	1.6	1.6	55	28	1	19	12.8	1.4	5.2
Greece	929	0.5	1.3	1.3	63	34	37	100	33.3	0.8	2.8
Hungary	44,565	-0.9	-3.3	-3.3	29	20	3	48	10.6	1.3	2.7
Malaysia	1,580	-0.3	-0.6	-0.6	251	78	85	139	18.2	1.6	3.5
Mexico	44,453	-0.7	2.1	2.1	294	173	179	395	17.3	2.1	3.1
South Africa	58,064	0.2	1.7	1.7	1,039	703	190	1,119	16.0	1.8	3.6
Taiwan	12,049	-0.4	0.4	0.4	1,218	808	1,970	4,717	19.8	1.8	3.8
Thailand	1,586	0.3	0.4	0.4	552	279	3,487	1,858	19.0	1.7	3.2
Turkey	120,939	-0.4	5.7	5.7	141	55	3,378	2,495	9.2	1.1	3.1
Chile	4,884	-0.8	4.6	4.6	128	54	952	155	15.5	1.4	3.5
China	4,154	-0.3	1.4	1.4	4,861	1,490	10,463	23,669	14.8	1.9	2.0
Colombia	1,649	-0.3	-0.8	-0.8	108	42	21	38	12.9	1.2	3.8
Egypt	1,258	0.0	-1.9	-1.9	21	14	57	19	12.9	1.5	2.7
India	12,384	0.3	1.8	1.8	1,292	633	684	2,529	26.8	3.0	1.2
Indonesia	6,277	-0.1	-0.4	-0.4	532	179	5,119	437	19.7	2.1	2.4
Kuwait	6,352	0.3	1.1	1.1	119	81	204	177	15.6	1.5	3.4
Pakistan	42,993	0.0	5.5	5.5	45	15	120	33	10.0	1.3	4.8
Peru	1,672	0.8	-0.5	-0.5	55	18	1	31	17.4	2.2	3.6
Philippines	7,651	-0.2	-2.1	-2.1	188	78	133	87	16.6	1.9	1.6
Qatar	10,635	0.0	2.0	2.0	163	91	49	59	15.3	1.6	4.0
Russia	1,602	-0.2	3.4	3.4	713	307	69,705	1,268	7.0	1.1	6.3
UAE	5,174	0.1	1.9	1.9	148	68	39	37	15.8	1.5	4.8
FTSE Emerging Index	570	-0.1	2.0	2.0	18,322	7,951	101,023	62,114	15.9	1.9	2.7

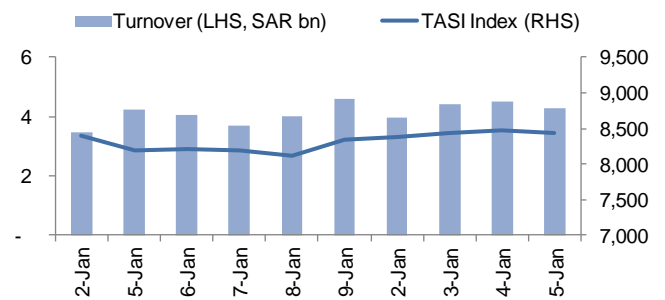
Data Sources: Al Rajhi Capital, Bloomberg; ^Free Float Market Capitalization



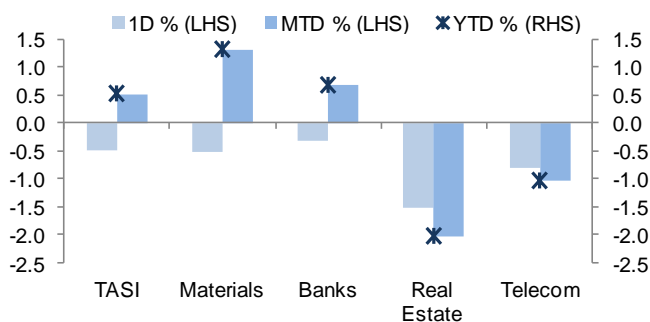
TASI Intra Day Movement



TASI – Activity Trend (Last 10 Days)



TASI – Large Cap (>10% Index weight) Sectors' Performance

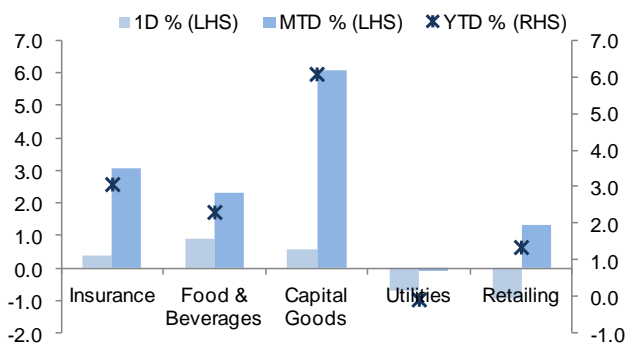


TASI – Top Gainers / Losers

Company	Last Price	Chg %	Vol (mn)	Value Trd (SAR mn)
Hail Cement	14.16	6.5	3.220	45.00
Umm Al Qura Cem	25.35	4.7	1.025	25.65
Axa Cooperative	31.45	4.3	1.147	36.59
Alinma Tokio Mar	13.22	3.3	1.940	25.97
Malath Insurance	10.46	3.2	2.076	21.85

Company	Last Price	Chg %	Vol (mn)	Value Trd (SAR mn)
Dar Al Arkan	10.04	-6.0	40.282	415.99
Al Othaim	89.00	-3.9	0.198	18.11
Al Mouwasat	84.00	-3.1	0.098	8.31
Alahli Takaful	28.80	-3.0	0.560	16.28
Anaam Intl Hldg	162.20	-3.0	0.151	24.94

TASI – Mid Cap (5 -10% index weight) Sectors' Performance

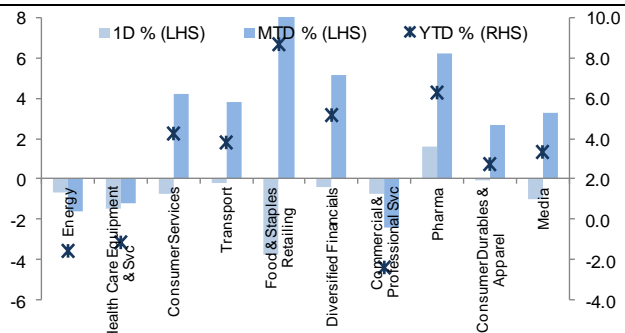


TASI – Top Index Movers / Losers (Heavy weight stocks)

Company	Last Price	Chg %	Index Imp	Value Trd (SAR mn)
Savola	35.95	2.7	3.3	1.07
Bank Albilad	27.70	2.2	2.6	2.37
Sabb	35.15	0.6	1.9	0.62
Yamamah Cem	29.60	2.1	0.8	1.07
Hail Cement	14.16	6.5	0.6	3.22

Company	Last Price	Chg %	Index Imp	Value Trd (SAR mn)
Al Rajhi Bk	66.00	-0.6	-6.3	205.20
Sabir	92.40	-0.9	-5.0	115.55
Dar Al Arkan	10.04	-6.0	-4.7	415.99
STC	98.00	-0.9	-3.7	43.32
NCB	47.30	-0.8	-3.7	42.82

TASI – Small Cap (<5% index weight) Sectors' Performance



TASI – Volume Leaders

Company	Last Price	Chg %	Vol (mn)	Value Trd (SAR mn)
Dar Al Arkan	10.04	-6.0	40.282	415.99
SAUDI ARABIAN OI	34.70	-0.4	10.733	372.27
Saudi Kayan	10.94	-2.0	7.068	78.47
Al Jouf Cement	10.46	2.2	6.724	69.87
Alinma Bk	25.55	-0.2	6.165	157.90
Saudi Enaya Coop	11.82	1.4	3.743	45.02
Saudi Indl Devt	8.86	2.0	3.359	29.68
North Reg Cem	12.38	0.5	3.297	40.71
Hail Cement	14.16	6.5	3.220	45.00
Al Rajhi Bk	66.00	-0.6	3.097	205.20



TASI – Stocks Closer to 52 Week High

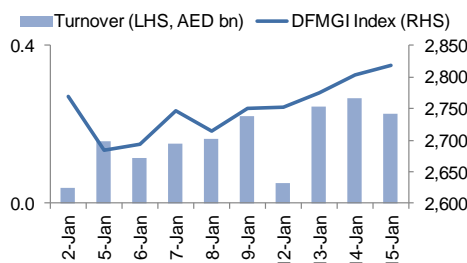
Company	Last Price	52Wk High	% Diff	Value Trd (SAR mn)
Al Babtain Power	28.05	28.10	0.2%	8.035
North Reg Cem	12.38	12.46	0.6%	40.712
Najran Cement	12.82	12.92	0.8%	38.338
City Cement	19.70	19.88	0.9%	19.186
Sisco	20.30	20.50	1.0%	8.171

Data Sources: Al Rajhi Capital, Bloomberg

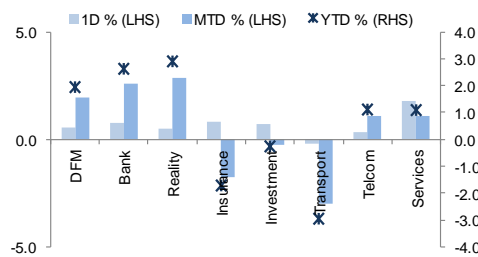
TASI - Stocks Closer to 52 Week Low

Company	Last Price	52Wk Low	% Diff	Value Trd (SAR mn)
National Medical	47.50	44.30	7.2%	9.468
STC	98.00	91.10	7.6%	43.319
Dallah Healthcare	46.25	42.70	8.3%	18.634
Almarai	49.50	45.55	8.7%	20.120
Sabir	92.40	84.60	9.2%	115.549

Dubai – Activity Trend (Last 10 Days)



Dubai – Sector Performances



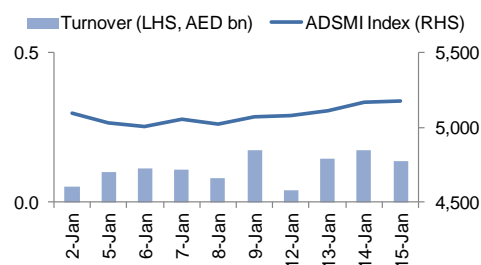
Dubai – Top Gainers / Losers

Company	Last Price	Change %	Vol (mn)
Union Properties	0.24	10.2	123.85
Takaful Emarat Ins	1.38	9.5	0.48
Tabreed	1.99	2.1	1.55
Amanat Holdings	0.81	1.5	3.08
Islamic Arab Ins	0.58	1.1	10.93

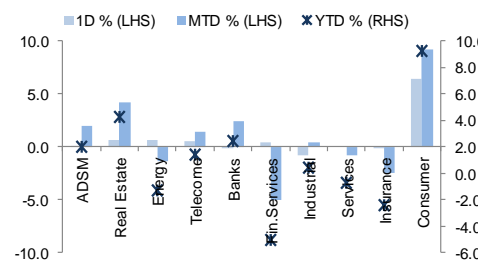
Company	Last Price	Change %	Vol (mn)
Mashreq Bk	77.00	-3.8	0.00
Gulf Navigation	0.45	-1.5	1.29
Com Bk Dubai	3.95	-1.3	0.16
DXB Entertainments	0.18	-1.1	2.78
Ajman Bank	0.88	-0.5	0.22

Data Sources: Al Rajhi Capital, Bloomberg

Abu Dhabi – Activity Trend (Last 10 Days)



Abu Dhabi – Sector Performances

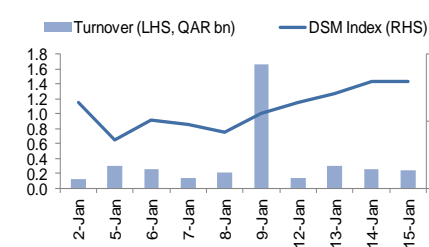


Abu Dhabi – Top Gainers / Losers

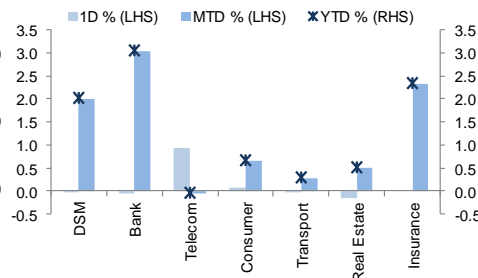
Company	Last Price	Change %	Vol (mn)
International holding	7.30	9.6	1.105
Rak Properties	0.46	2.9	3.379
Gulf Cement Co	0.60	2.6	0.306
Abu Dhabi Nation	3.10	1.6	5.568
RAK Ceramics	1.60	0.6	0.859

Company	Last Price	Change %	Vol (mn)
Ras Al Khaimah Co	0.89	-10.0	0.003
United Arab Bk	1.02	-9.7	0.001
Abu Dhabi Ship	1.77	-9.7	0.030
Abu Dhabi Natl Taka	3.10	-7.5	0.010
RAK Cement	0.71	-4.1	0.080

Qatar – Activity Trend (Last 10 Days)



Qatar – Sector Performances



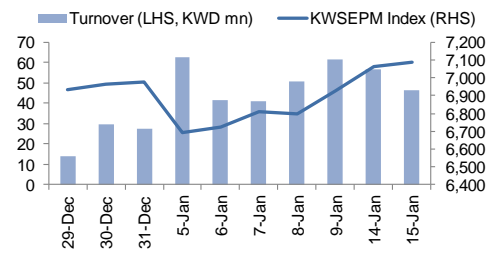
Qatar – Top Gainers / Losers

Company	Last Price	Change %	Vol (mn)
Vodafone Qatar	1.19	2.6	4.304
QlsB	16.29	1.8	1.791
Gulf Intl Servcs	1.69	1.2	7.228
Qatar Electric	16.69	1.2	0.209
Ezdan Hold	0.63	1.1	6.261

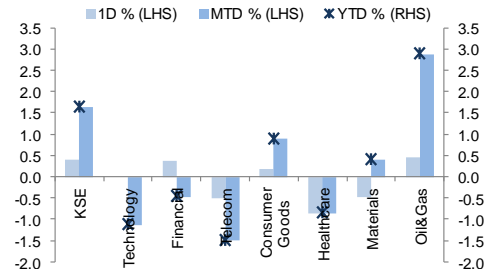
Company	Last Price	Change %	Vol (mn)
Doha Bank	2.90	-1.4	1.731
Nakilat	2.40	-0.8	0.603
Mas Al Rayan	4.09	-0.5	6.420
CBQ	4.97	-0.4	5.431
Barwa Real Est	3.53	-0.3	1.534



Kuwait – Activity Trend (Last 10 Days)



Kuwait – Sector Performances

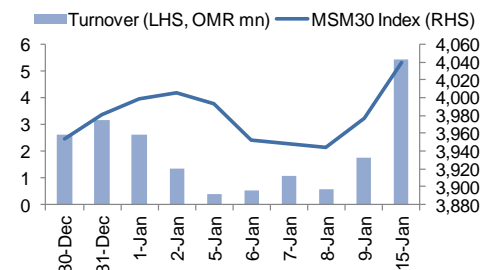


Kuwait – Top Gainers / Losers

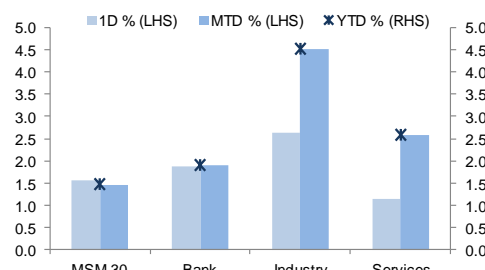
Company	Last Price	Change %	Vol (mn)
Human Soft	3150	3.3	0.685
Ahli United Bank	334	1.5	19.418
Natl Industries Gp	243	1.3	16.095
NBK	1097	0.8	7.993
Boubyan Bank	664	0.5	0.788

Company	Last Price	Change %	Vol (mn)
Zain Group	594	-0.8	5.779
Agility	809	-0.7	2.982
Al-Qurain Petroc	310	-0.6	0.829
Mezzan Holding	501	-0.6	0.027
Boubyan Petrochem	674	-0.4	0.420

Oman – Activity Trend (Last 10 Days)



Oman – Sector Performances



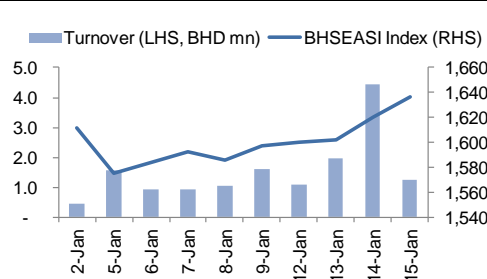
Oman – Top Gainers / Losers

Company	Last Price	Change %	Vol (mn)
Al-Anwar Ceramic	0.153	8.5	2.271
Raysut Cement	0.484	7.6	0.695
Galfar Engineering	0.074	7.3	1.380
Al Sharqiya Inv	0.098	6.5	1.941
Gulf Invest Svcs	0.075	5.6	7.171

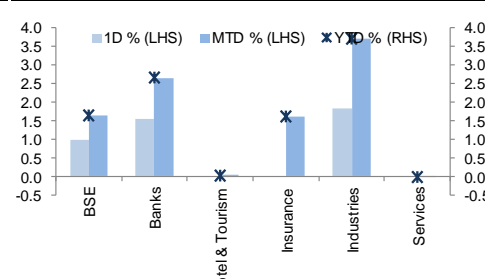
Company	Last Price	Change %	Vol (mn)
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

Data Sources: Al Rajhi Capital, Bloomberg

Bahrain – Activity Trend (Last 10 Days)



Bahrain – Sector Performances



Bahrain – Top Gainers / Losers

Company	Last Price	Change %	Vol (mn)
Ahli United Bk	1.097	2.5	0.638
Aluminium Bahrain	0.434	1.9	0.497
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

Company	Last Price	Change %	Vol (mn)
Albaraka Banking	0.310	-0.6	0.040
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

Data Sources: Al Rajhi Capital, Bloomberg



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