

## Saudi Stock Market – Weekly Update

For the Week ending 15 January 2015

“We are telling the market and other producers that they need to be rational and like OPEC, they need to look at growth in the international market for oil and need to cater that additional production to that growth”

- Mr. Suhail bin Mohammed al-Mazroui, Oil Minister, United Arab Emirates

### TASI PERFORMANCE FOR THE WEEK

### TASI GAINS DESPITE OIL PLUNGE

“TASI gains  
2.1%”

Tadawul All Share Index (“TASI”) showed enormous strength during the week and did not get impaired by the continuing plunge in oil prices. After many weeks of fall, TASI registered a gain of 2.1% for the week and closed at 8,429.

However, oil continued to lose ground and touched a low of USD 45 a barrel before recovering during the latter part of the week. Analysts are predicting prices to go still lower in order for large scale production cuts to happen to balance demand supply.

Globally, the Swiss National Bank shocked the markets by scrapping the 1.20 francs per euro currency movement cap introduced in 2011. Switzerland’s currency, which is seen as a safe haven, soared by 30% soon after the announcement was made. To fend off new money flow into the country, the central bank also reduced its key interest rate from -0.25% to -0.75% (Yes, negative!). Swiss stock market closed down 9% as the move could affect the country which is reliant on exports (mainly to Europe) and tourism.

“Swiss National Bank terminated the currency cap against Euro”

Economic implications apart, this is yet another example of what governments and central bankers could do (at the stroke of a pen) which can distort all well laid business plans, asset allocation and risk management decisions.

Chart 1: TASI Close & Market Turnover

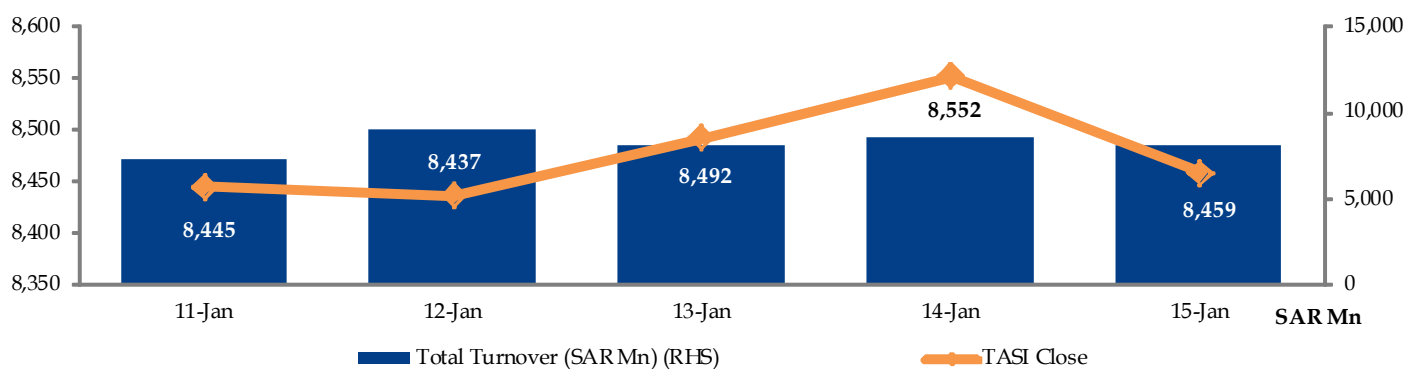
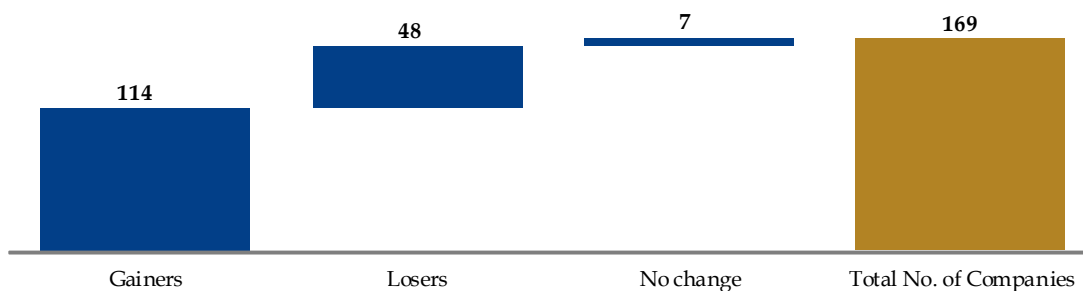
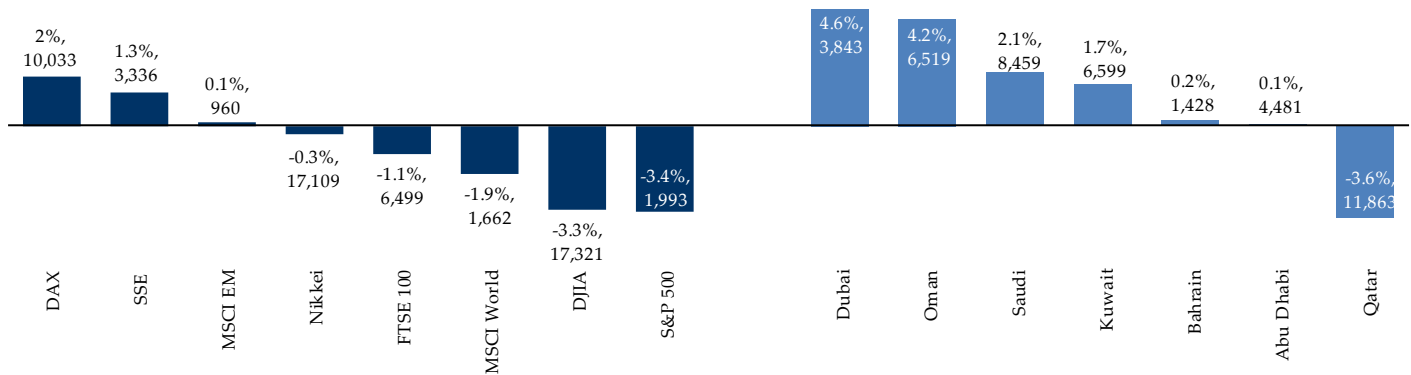


Chart 2: Trading Statistics



Saudi market breadth was positive with 114 gainers as against 48 losing stocks

Chart 3: Global Indices - Weekly Returns



Note: Weekly returns are calculated considering Friday to Thursday week. Numbers indicate weekly returns and index closing values.

### SAUDI - SECTOR INDICES

**“13 out of 15 sector indices closed the week in Green”**

Out of the 15 sector indices, 13 indices closed the week in positive territory. Telecom & IT was the largest gainer, increasing 7.7%, followed by Industrial Investment (+5.8%) and Insurance (+3.8%). Energy & Utilities (-1.5%) and Media and Publishing (-1.3%) are the losing indices. Banks and Petrochemicals gained 2.8% and 0.2% respectively.

Banks, the top traded sector, contributed 23.6% to total traded value and 23.7% to total volumes. Insurance stood second with 15.8% contribution to total traded value and 14% to the volume.

Index	Open	Close	WTD (%)	YTD (%)	Total Volume (Mn)	Total Turnover (SAR Mn)	No. of Trades
TASI	8,285	8,459	2.1%	1.5%	1,551	40,820	751,423
Banks & Financial Services	18,251	18,757	2.8%	2.4%	368	9,621	84,553
Petrochemical Industries	5,687	5,700	0.2%	-2.7%	169	4,514	65,479
Cement	6,978	7,018	0.6%	2.4%	54	1,209	23,338
Retail	15,253	15,491	1.6%	-0.2%	25	1,425	30,879
Energy & Utilities	5,651	5,565	-1.5%	-1.5%	14	220	3,152
Agriculture & Food Industries	11,418	11,671	2.2%	0.0%	45	1,705	42,976
Telecom & IT	1,984	2,138	7.7%	10.1%	116	2,611	32,737
Insurance	1,291	1,341	3.8%	5.1%	217	6,469	207,152
Multi-Investment	3,654	3,774	3.3%	2.6%	42	994	25,399
Industrial Investment	6,639	7,025	5.8%	6.5%	129	4,466	68,724
Building & Construction	3,312	3,347	1.1%	1.3%	149	3,726	94,867
Real Estate Development	5,912	5,914	0.0%	0.0%	178	2,003	29,647
Transport	7,156	7,178	0.3%	-0.9%	28	930	19,074
Media and Publishing	2,195	2,167	-1.3%	-1.5%	4	91	4,489
Hotel & Tourism	19,997	20,714	3.6%	4.8%	14	835	18,957

## THIS WEEK'S WINNERS & LOSERS

### Top Gainer

**Saudi Arabia Refineries Co**  
(+17.8%)

Saudi Arabia Refineries Co (+17.8%) was the top gainer during the week, followed by Al Alamiya for Cooperative Insurance Co (+15%). Saudi Arabia Refineries Co closed at SAR 58.63.

On the other side, Tabuk Agriculture Development Co (-7.1%) led the table. Wafa Insurance decreased 5.6% followed by Aldrees Petroleum & Transport Services Co (4.9%).

### Top Loser

**Tabuk Agriculture Co**  
(-7.1%)

SABIC, the gulf's largest company, slipped 0.9% for the week and clocked a turnover of SAR 1.8bn. SABIC has lost 6.1% YTD to close SAR 78.37.

### Top Gainers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
SARCO	58.63	17.8%	18.6%	384
Al Alamiya	77.93	15.0%	27.8%	137
Tawuniya	60.08	13.8%	20.3%	429
Ethiad Etisalat	49.5	12.7%	12.8%	2,002
SHAKER	69.67	11.6%	16.5%	154

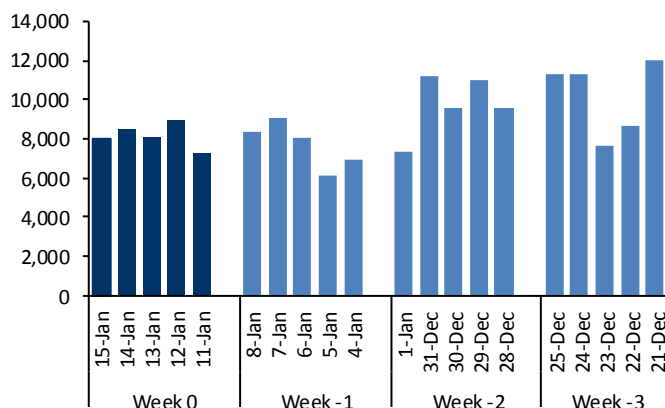
### Top Losers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
Tabuk Agriculture	17.72	-7.1%	4.5%	116
Wafa Insurance	30.22	-5.6%	6.5%	193
Aldrees	49.13	-4.9%	-4.1%	261
AlAbdullatif	32.61	-4.6%	-2.3%	74
H B	83	-4.2%	4.3%	26

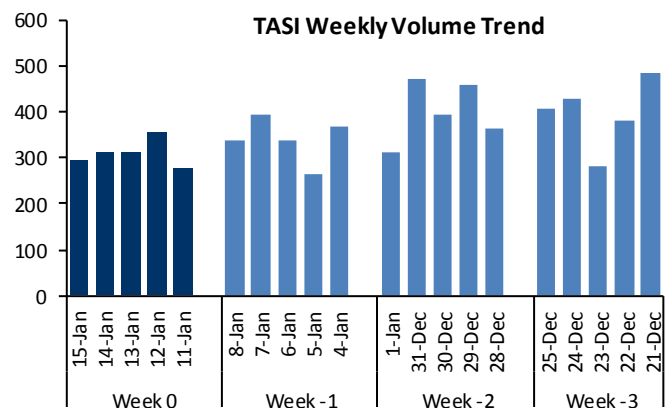
## THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity decreased during the week with the overall market trading 1,551mn shares (1,705mn, 2,000mn shares in the preceding two weeks). However, the week's total turnover was higher at SAR 40.8bn as against SAR 38.5bn, SAR 48.5bn in the preceding two weeks.

### TASI Weekly Turnover Trend (SAR Mn)



### TASI Weekly Volume Trend (Mn)



## SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ Ritaj Residential Project in Riyadh jointly developed by Blominvest Saudi Arabia and Maskan Arabia Real Estate Development Company is more than 95% complete and first phase delivery is expected to be in end of January.
- ▶ A consortium led by Saudi Arabia's ACWA Power International has won a USD 2bn contract to build two solar power plants totalling 350 megawatts in the southern Moroccan city of Ouarzazate.
- ▶ GE and King Abdullah University of Science & Technology (Kaust) have signed a cooperative research agreement to undertake cutting-edge research on enhancing the fuel flexibility of GE's advanced gas turbines.
- ▶ Saudi Arabian government has approved several educational projects worth SAR 319mn across the Kingdom.
- ▶ Saudi Arabia's housing ministry is reportedly moving to tax undeveloped land, in a policy that could help to end a shortage of homes and spur economic growth.
- ▶ The privatisation of Saudi Arabia's Saline Water Conversion Corporation is being studied by the Supreme Economic Council and a decision on the matter is expected soon, Al Sharq Al Awsat newspaper reported.
- ▶ Aramco is set to launch oil projects that will add one million barrels per day of Arab Light Crude at the end of 2015. In addition, Aramco is gearing up for operating Sadara project which is being undertaken at a total value of more than USD 20bn
- ▶ Saudi Arabian Mining Co. has signed a contract worth SAR 563mn with Al Rashid Co. for Trade & Contracting Ltd to carry out design, engineering and infrastructure works in a residential city in King Abdullah project.
- ▶ Spain's Indra has signed a USD 314mn contract to implement the entire ticketing and access control technology for the new public transportation system currently under construction in Riyadh.
- ▶ Saudi Electricity Co. has estimated its planned capital investments in power generation and transfer at around SAR 384bn over the coming five years.
- ▶ The Royal Commission for Jubail and Yanbu has allocated a site in the Yanbu Industrial City for Korea's Doosan Heavy Industries to build a plant for the manufacture of equipment and spare parts for the desalination industry including electric generators, turbines and boilers.
- ▶ A study on a railway connecting Bahrain and Saudi Arabia is expected to be completed by the end of March.
- ▶ Taiba Holding, a subsidiary of Arab Resort Areas Company (ARAC), has sold Bakkah ARAC Hotel, located at Ajyad Street, Makkah, for a total value of SAR 330mn.
- ▶ Cayan Group has announced that it is developing SAR 1.2bn mega property projects in Dubai and Riyadh.
- ▶ Saudi Basic Industries Corp will plough ahead with projects in Saudi Arabia despite the halving of oil prices, the company's chief executive said. It is also considering expanding in China and the United States.
- ▶ Saudi International Petrochemical Co. and King Fahd University of Petroleum & Minerals have signed an agreement to support scientific and industrial research, applications of petrochemical products and manufacturing industries.

## OTHER GULF NEWS

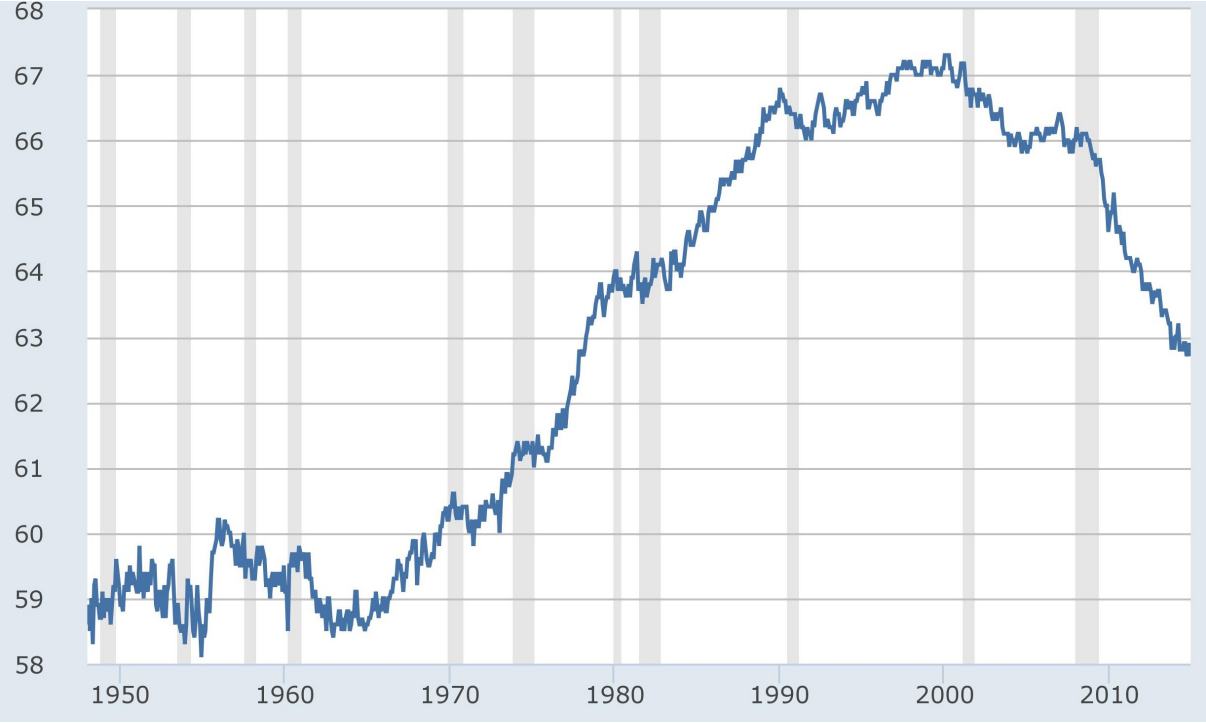
- ▶ Dubai's Emaar Properties is watching the markets closely to make a decision on a time frame for listing its hotels business, the company said.
- ▶ Emirates Nuclear Energy Corporation has completed the construction of the concrete dome for the Unit 1 Reactor Containment Building in UAE.
- ▶ Dubai Aluminium has completed USD 1.8bn seven-year loan for general business purposes. The deal was underwritten by Citigroup, Emirates NBD and Societe Generale.
- ▶ Dubai Electricity and Water Authority (Dewa) announced that a consortium of Saudi Arabia's ACWA Power and Spain's TSK had been selected as the preferred bidder to build a solar power plant in the UAE emirate.
- ▶ Kuwait-based Agility broke ground on the construction of a distribution park on a 40-acre site in the Tema Port Free Trade Zone Enclave in Accra, Ghana.
- ▶ Kuwait-based Jazeera Airways plans to sell 15 Airbus A320 aircraft owned by its fully-owned Sahaab Aircraft Leasing for USD 507mn as part of a strategic shift to a leased aircraft operation and a focus on the passenger airline business.
- ▶ The sale of Kuwaiti food company (Americana) is reportedly being put on hold, weighed down by differences on price and a difficult environment for deal-making.
- ▶ Oman's government may sell off part of oil refiner Oman Oil Refineries and Petroleum Industries Co, Oil minister was quoted as saying.
- ▶ Oman's Al Raid Group has entered into a joint venture agreement with British developer Consero London to develop up to USD 455mn of luxury residential property across Oman and the wider Middle East.
- ▶ Abu Dhabi's Masdar is planning wind and solar energy projects in Oman and Saudi Arabia.
- ▶ Qatar Petroleum and Shell have decided not to proceed with their joint Al Karaana petrochemical project in Qatar, a joint statement from the two firms said.

## GLOBAL ECONOMIC NEWS

- ▶ The World Bank lowered its global growth forecast for 2015 and next year due to disappointing economic prospects in the euro zone, Japan and some emerging economies. The bank predicted global economy to grow 3% this year, below a forecast of 3.4% made in June.
- ▶ Inflation in the UK fell sharply to 0.5% in December from 1% in November, to its lowest rate since May 2000.
- ▶ China Railway Signal & Communication Corp., China's biggest provider of rail traffic control systems, plans to seek about USD 2bn from an initial public offering in Hong Kong.
- ▶ Four of the world's biggest tech giants - Apple, Google, Intel and Adobe - have agreed to a new settlement of USD 415mn in an attempt to resolve a lawsuit in which the firms agreed not to poach staff from each other.

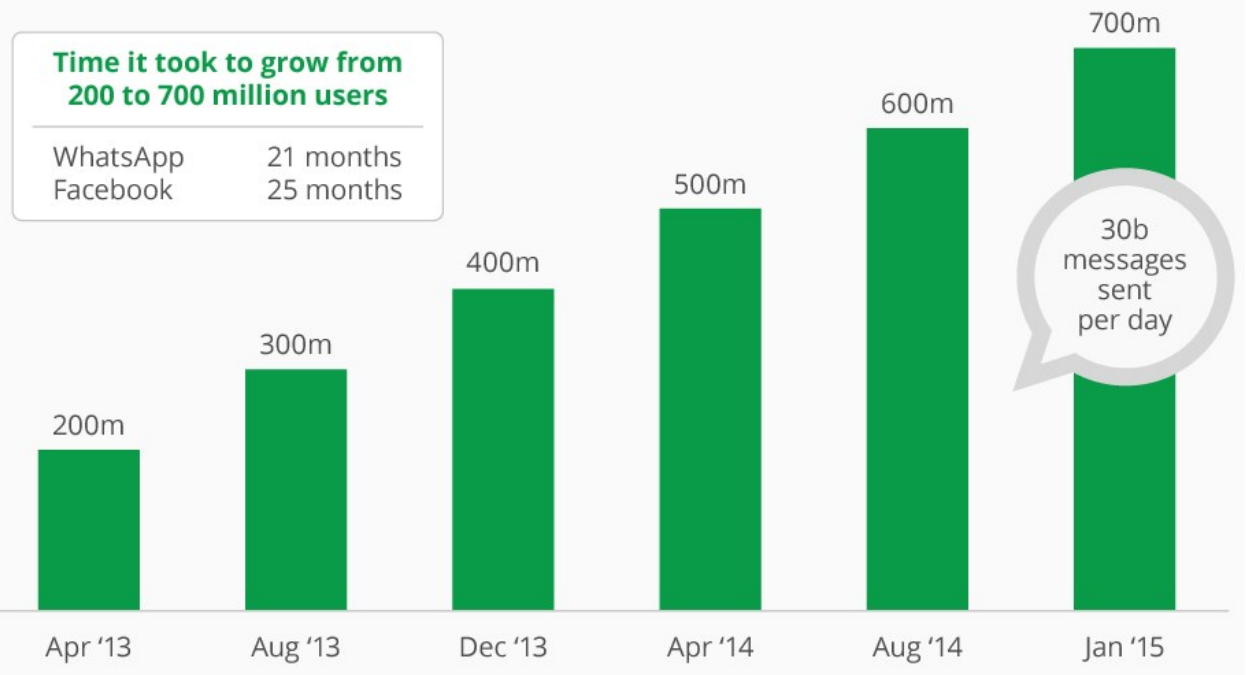
CHARTS OF THE WEEK

Chart 1: United States Civilian Labour Force Participation Rate (Percentage)



Source US Bureau of Labor Statistics, St. Louis Fed


Chart 2: WhatsApp's Monthly Active Users Worldwide




Source: Company Announcements, Statista


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