

Saudi Stock Market – Weekly Update

For the Week ending 29 January 2015

"We announced way back that in the first half of 2015, which is until the end of June, we would open up the market, and we are still on track."

- Mr. Mohamed Al Sheikh, Head of Saudi Arabian Capital Market Authority

TASI PERFORMANCE FOR THE WEEK

TASI SURGES AHEAD

"TASI gains
5.8%"

The Saudi Arabian stock exchange registered high trading activity during the week and moved from a low of 8,342 points to reach a high point of 8,937. Tadawul All Share Index (TASI) ascended 5.8% during the week to close at 8,879 points. The news of Saudi Arabian market opening up to foreign investors and the expectations that oil prices have bottomed around the range of USD 45 - USD 50 a barrel provided impetus to the market.

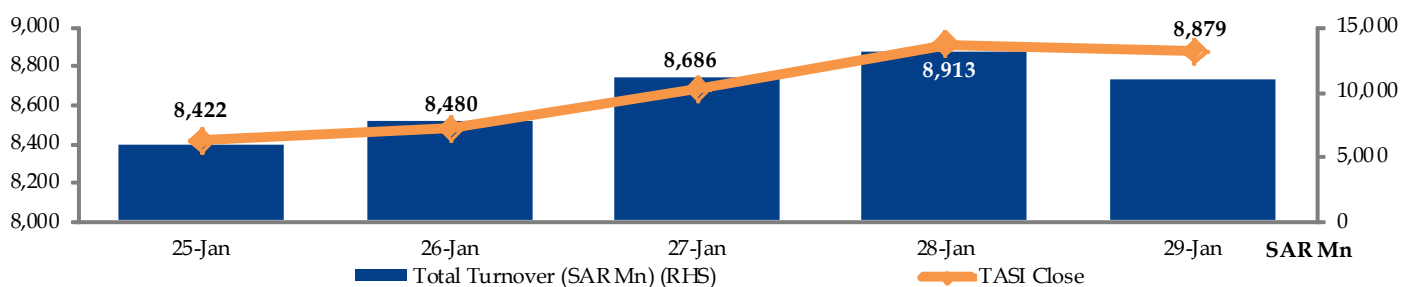
Most of the regional and global markets were in the negative territory during the week. Regionally, Dubai registered the highest loss of 5.4%

Globally, Greece elected a 40 year old Alexis Tsipras as new prime minister who is starting to make sweeping changes to the current state of affairs in the country. The new prime minister challenged international creditors by halting privatization plans which were agreed as a part of the country's bailout deal. The new government also started rolling back several austerity policies and reintroduced the EUR 751 monthly minimum wage. It will be interesting to see what Greece does with the EUR 1.6bn debt repayment scheduled for February.

"Russia rating was
cut to 'Junk' BB+ by
S & P"

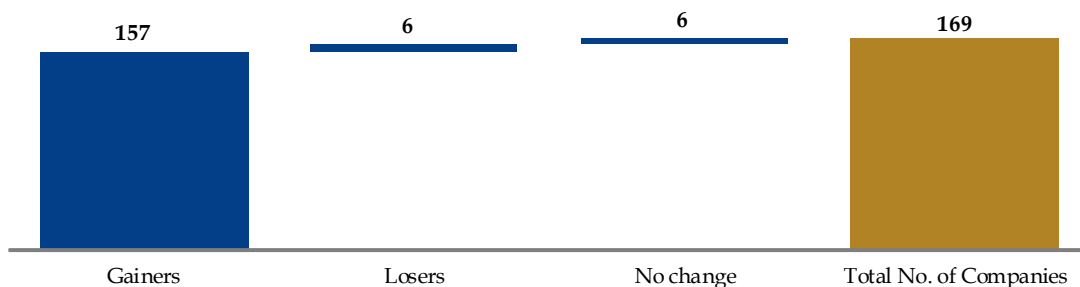
S&P stripped Russia of its investment-grade rating, cutting it to "junk" status with a warning of weak growth. Russian federation's rating has been cut from BBB- to BB+ with Negative outlook.

Chart 1: TASI Close & Market Turnover



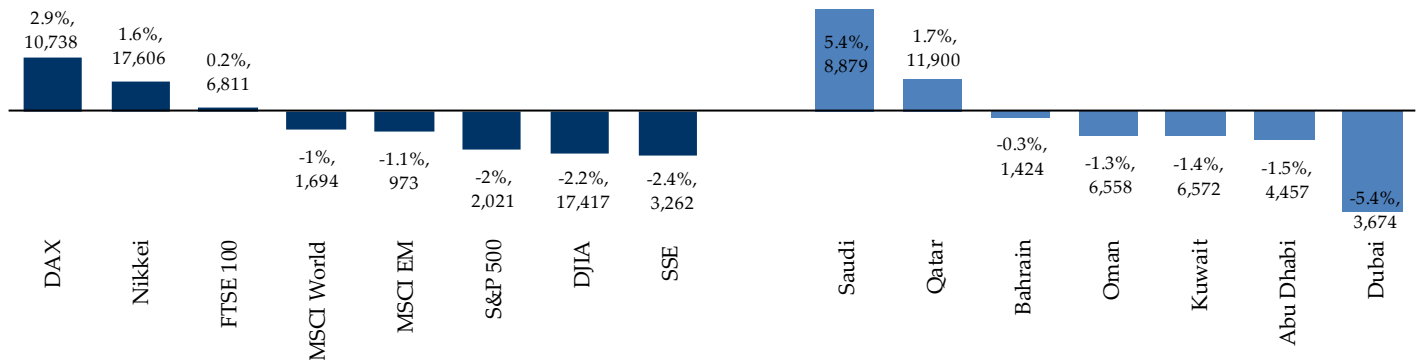
Note : The close of 25-Jan is carried forward from previous working day

Chart 2: Trading Statistics



Saudi market
breadth was
positive with
157 gainers as
against 6 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

“14 out of 15 indices closed the week in Green”

Sector indices reflected the broader market with 14 indices closing with week with gains. Industrial Investment index gained the most, surging 9.8%, closely followed by Building & Construction (+9.4%) and Real Estate (+9.3%). Telecom & IT (-9.4%) continued to slide and was the only index closing in Red. Banks and Petrochemicals surged 6.5% and 9.0% respectively.

Banks was the top traded sector contributing 18.1% to total traded value and 14.9% to total volumes. Real Estate came second with 15.1% contribution to total traded value and 30.4% to the volume.

Index	Open	Close	WTD (%)	YTD (%)	Total Volume (Mn)	Total Turnover (SAR Mn)	No. of Trades
TASI	8,394	8,879	5.8%	6.5%	2,173	48,757	830,109
Banks & Financial Services	18,495	19,689	6.5%	7.5%	323	8,822	84,758
Petrochemical Industries	5,636	6,144	9.0%	4.9%	223	6,003	83,844
Cement	7,011	7,239	3.3%	5.6%	46	1,207	25,454
Retail	15,510	15,799	1.9%	1.8%	24	1,615	29,401
Energy & Utilities	5,644	5,865	3.9%	3.8%	13	205	3,087
Agriculture & Food Industries	11,578	12,267	5.9%	5.1%	59	2,101	47,516
Telecom & IT	2,017	1,827	-9.4%	-5.9%	282	4,499	65,591
Insurance	1,365	1,467	7.4%	14.9%	201	6,441	192,292
Multi-Investment	3,865	4,043	4.6%	9.9%	82	1,674	33,913
Industrial Investment	6,986	7,669	9.8%	16.3%	109	4,003	59,244
Building & Construction	3,346	3,662	9.4%	10.9%	106	3,036	76,801
Real Estate Development	6,003	6,559	9.3%	10.9%	660	7,357	88,930
Transport	7,480	8,009	7.1%	10.6%	27	965	18,160
Media and Publishing	2,143	2,286	6.7%	3.9%	8	202	7,117
Hotel & Tourism	21,446	23,018	7.3%	16.4%	11	626	14,001

THIS WEEK'S WINNERS & LOSERS

Top Gainer

Al Alamiya for Cooperative Insurance Co. (+32.0%)

Al Alamiya for Cooperative Insurance Co. (+32.0%) topped the gainers table during the week, followed by Dar Al Arkan Real Estate Development Co. (+22%). Al Alamiya closed at SAR 117.28. and has gained 92.2% YTD.

On the other side, Etihad Etisalat (Mobily), the top loser for the second consecutive week slumped 13.4%. Saudi Airlines Catering came distant second slipping 1.5% followed by Mouwasat Medical Services (-1.2%).

Top Loser

Etihad Etisalat (-13.4%)

SABIC, the gulf's largest company, gained 9.06% for the week and clocked a turnover of SAR 2bn. SABIC has increased 3.34% YTD to close SAR 86.29.

Top Gainers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
Al Alamiya	117.25	32.0%	92.2%	171
Dar Al Arkan	10.13	22.1%	24.6%	4,577
Jazira Takaful	64.92	14.5%	0.1%	234
MESC	24.98	13.9%	14.0%	445
SRMG	17.51	13.7%	5.4%	55

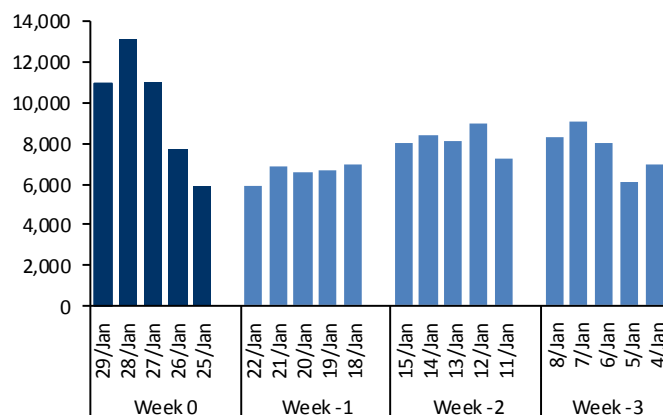
Top Losers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
Etihad Etisalat	36.99	-13.4%	-15.7%	2,646
Catering	186.86	-1.5%	0.5%	45
Mouwasat	125.98	-1.2%	2.1%	50
Trade Union	41.02	-0.3%	19.5%	568
Southern Cement	107.16	-0.1%	-2.0%	34

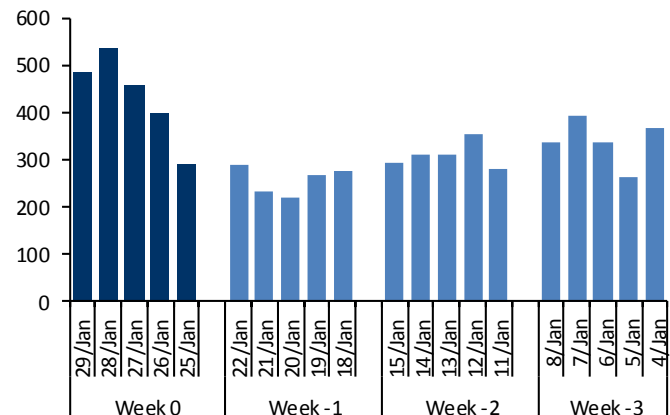
THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity jumped during the week with the overall market trading 2,173mn shares (1,288mn, 1,551mn shares in the preceding two weeks). The week's turnover also climbed to SAR 48.8bn as against SAR 33.0bn, SAR 40.8bn in the preceding two weeks.

TASI Weekly Turnover Trend (SAR Mn)



TASI Weekly Volume Trend (Mn)



SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ A Unified Investment Plan was presented by the governor of Saudi Arabian General Investment Authority (SAGIA) which aims to transform Saudi Arabia's investment landscape by diversifying the economy, building its knowledge base, creating job opportunities and maintaining the ease of doing business.
- ▶ GE's power conversion business will provide the electrical variable speed drive (eVSD) system technology to help power the new Yanbu 3 power and desalination plant in Saudi Arabia. The systems from GE will increase the efficiency of the desalination plant.
- ▶ Sadara Chemical Company and Chemie-Cluster Bayern GmbH have signed an agreement to cooperate and jointly support the development of Chemical based value chains in PlasChem Park in Jubail.
- ▶ Plans are under way to set up open markets with selected countries to export Saudi Arabian products, Commerce and Industry Minister said.
- ▶ LVMH's private-equity arm, L Capital is in talks to acquire a minority stake in Saudi Arabian gourmet confectionery producer and restaurant chain Bateel. Bateel has a presence in 14 countries across Africa, Europe, Asia and the Middle East.
- ▶ Saudi Aramco reportedly plans to start natural gas production facility at a field in northern Saudi Arabia next year.
- ▶ Saudi Arabia's Emaar the Economic City expects demand for its industrial and residential property to grow this year as companies increase investment despite the plunge in oil prices.
- ▶ Saudi Arabia's Fawaz Alhokair Group plans to raise as much as USD 400mn from an initial public offering for its Egyptian malls unit.
- ▶ Biolab Arabia, a Saudi Arabian chemical company based in Jubail Industrial City, is set to construct a 30-tonne polymerisation reactor and a new facility to house raw materials as part of its four-phase expansion plan.
- ▶ Saudi Arabian Mining Co. said it plans to boost the production capacity of its wholly-owned Ma'aden Gold Co. to 236 thousand ounce in 2015, an increase by 53.3% from 153.98 thousand ounce in 2014.
- ▶ Saudi Transport and Investment Co. (Mubarrad) signed an agreement to acquire 95% of Arabian Security & Safety Services Co. for SAR 180.3mn.
- ▶ Aldrees Petroleum and Transport Services said in 2014 board report that it plans to open 21 stations in 2015 through buying three stations and leasing 18 others.
- ▶ Saudi Aramco will renegotiate some contracts and postpone some projects due to falling oil prices, the chief executive said.
- ▶ Spain's Abengoa has been selected by Advanced Water Technology to jointly develop the world's first large-scale desalination plant to be powered by solar energy, in Saudi Arabia.

OTHER GULF NEWS

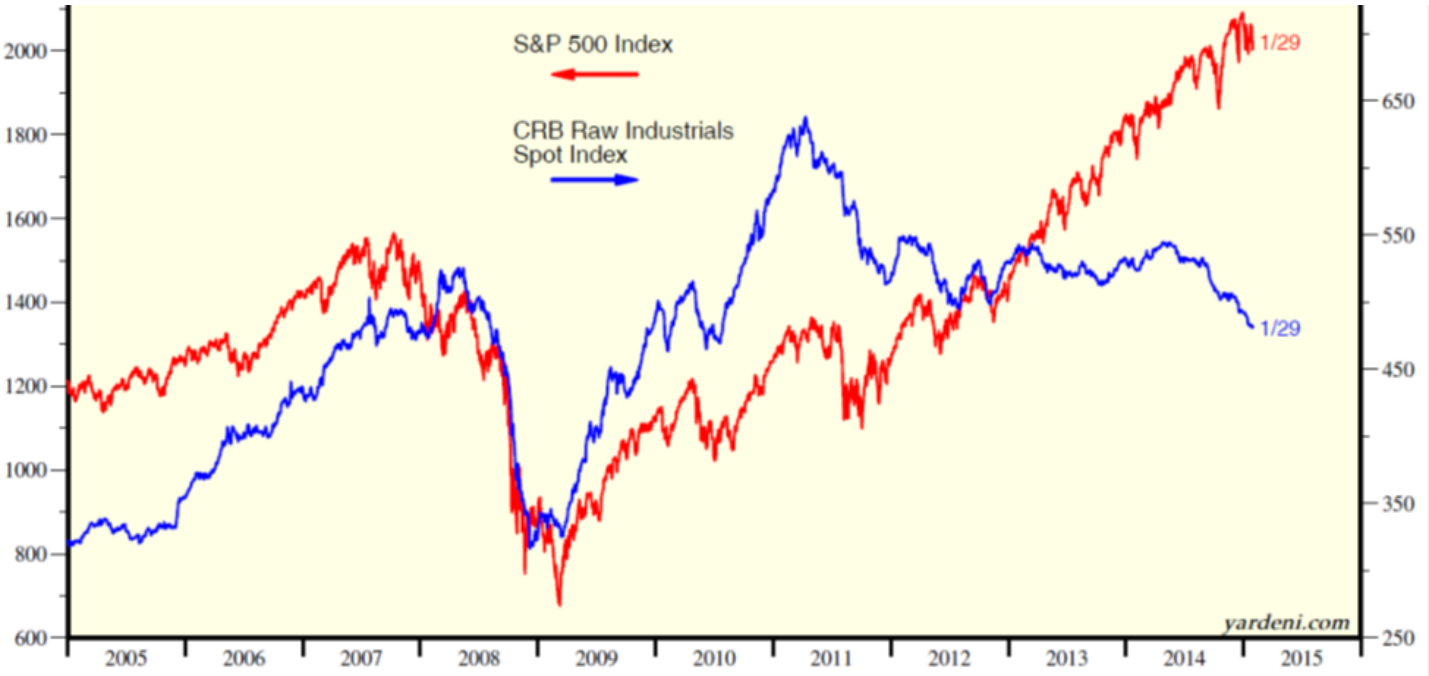
- ▶ Standard & Poor's forecasts that Dubai home prices could fall by as much as 20% this year due to increased supply and weakening investor sentiment triggered by the tumbling price of oil.
- ▶ Foreign currency exchange firm Travelex will be merged with money transfer company UAE Exchange and listed in Abu Dhabi by early on in 2017, new owner of Travelex said.
- ▶ Abu Dhabi National Oil Company signed an agreement with Total giving the French oil major a 10% stake in a new 40-year onshore concession to help operate the United Arab Emirates' biggest oilfields.
- ▶ Dubai's Arabtec Holding has won a AED 345mn contract from the Abu Dhabi National Oil Company (ADNOC) to expand a housing complex.
- ▶ A subsidiary of Dubai's Drake & Scull International has won a AED 198mn engineering contract in the emirate.
- ▶ Qatar Fuel Additives Company (Qafac) will formally launch the world's largest commercial-scale carbon dioxide (CO2) capture facility on February 9.
- ▶ Bahrain's Investcorp is set to buy Fritta, a specialist producer of intermediates for the ceramic industry, from financial investor Nazca Private Equity.
- ▶ Kuwait's finance ministry has slashed spending and projected a big deficit in a draft budget for the next fiscal year. Kuwait's draft budget for the year starting in April envisages spending of KWD 19.07bn, down by KWD 4.14bn or 17.8% from planned spending for the current 2014/15 year.
- ▶ Egypt is considering whether to reduce fuel subsidies by EGP 20bn (USD 2.64bn) next fiscal year, but it needs to study the social implications before coming to a decision, the investment minister said.
- ▶ Royal Dutch Shell signed deal with Iraq worth USD 11bn to build a petrochemicals plant in the southern oil hub of Basra, Industry Minister said.
- ▶ Royal Bank of Scotland is to exit its corporate debt and debt capital markets business in the Middle East and Africa, the bank said.

GLOBAL ECONOMIC NEWS

- ▶ Royal Dutch Shell Plc will cut USD 15bn of investment over the next three years because of the crash in oil prices. Shell will defer or cancel about 40 projects worldwide.
- ▶ Britain's GDP expanded by 0.5% in the fourth quarter of 2014 compared to the previous three months. Year-on-year, the economy grew by 2.6%, representing the strongest annual growth since 2007.
- ▶ U.S. mobile-phone carrier AT&T agreed to buy NII Holdings Inc.'s Mexican wireless assets for USD 1.875bn in its third deal to expand south of the U.S. border.
- ▶ Energy Transfer Partners LP agreed to buy Regency Energy Partners LP, a pipeline company it controls. The cash-and-stock deal values Regency at about USD 11bn.

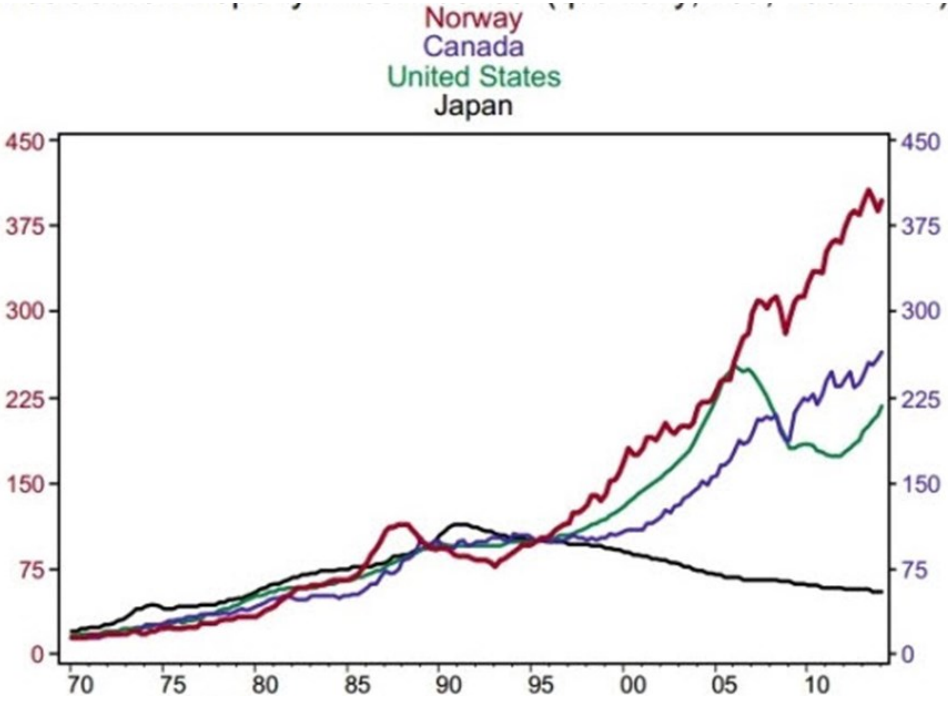
CHARTS OF THE WEEK

Chart 1: Trend in S&P 500 Index & Industrial Commodity Prices



Source: Thomson Reuters I/B/E/S and Commodity Research Bureau, Ed Yardeni


Chart 2: Residential Property Price Indexes in Select Countries (1995=100)



Source: BIS, NS/Haver


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