

Saudi Stock Market - Weekly Update

For the Week ending 16 April 2015

"In the past, OPEC has often shouldered the burden of ensuring oil market stability alone. In the current situation, which should be of great concern to ALL, is it not time for this burden to be shared?"

- OPEC Monthly Bulletin

TASI PERFORMANCE FOR THE WEEK

TASI CONTINUES TO ASCEND

"TASI increases
3.4%"

Tadawul All Share Index (TASI) continues to march up and register a gain of 3.4% during the week. The market touched a high of 9,290 points before closing at 9,251 points.

Saudi Arabian capital market authority announced that it will open the market and allow qualified foreign institutions to buy shares from June 15. Final rules regarding the opening is expected to be published on May 4. The time has finally come and the move is expected to open up numerous avenues for growth of capital markets.

Crude oil prices are also recovering with the Brent reaching USD 64.95 per barrel, the highest level in 2015. In the US, it was reported that 40 additional oil & gas rigs were removed from operations bringing the rig count to below 1,000.

Meanwhile in Europe, the doors are clearly closing in on Greece as IMF indicated that it would not let Greece postpone any scheduled bailout repayment. Greece owes about USD 1bn in repayments to IMF in May 2015. Now that the message from IMF is very clear, Greece reportedly has to decide either to pay IMF or public sector wages & pension. With the country's 3 year bond yield rising to 27% and the condition getting precarious, it is very unlikely that Greece will receive any funding from outside of Europe. We only hope that the sky on Greece will be a little clearer during the next few weeks with the best scenario playing out!

"Crude oil prices
touch USD 65 per
barrel level"

Chart 1: TASI Close & Market Turnover

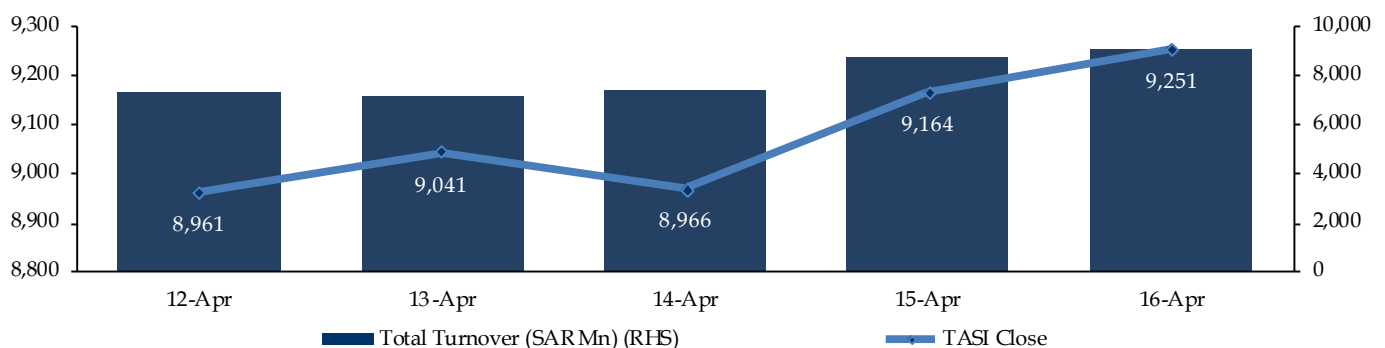
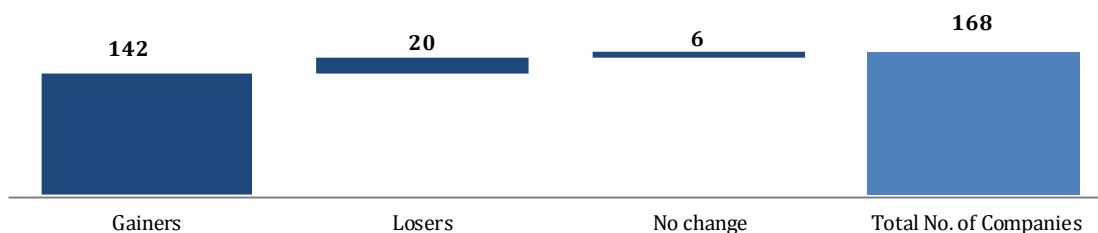
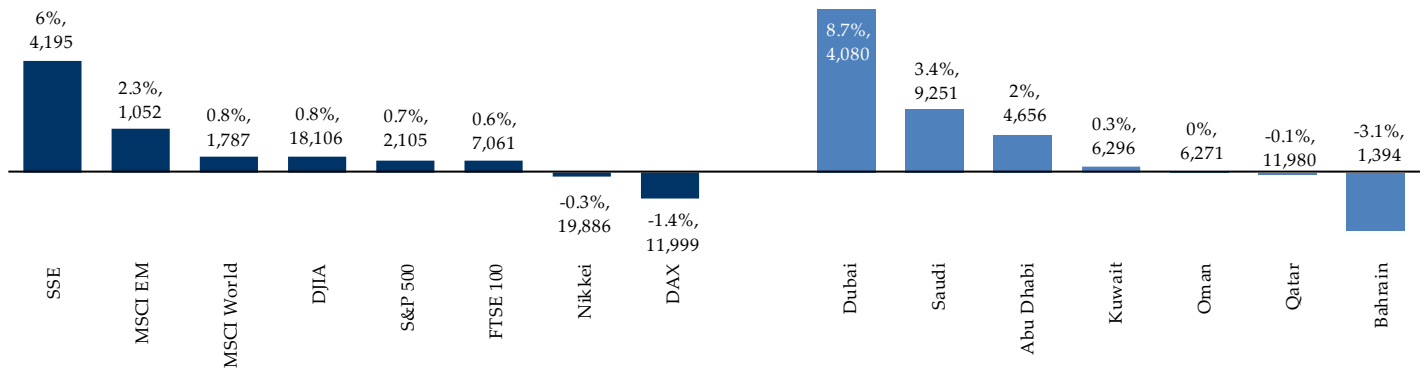


Chart 2: Trading Statistics



Saudi market
breadth was
positive with
142 gainers as
against 20 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 emulated TASI’s positive movement with 14 indices ending the week in Green. Energy & Utilities (+10.2%) was the largest gainer followed by Industrial Investment (+6.9%) and Agriculture & Food (+4.9%). Real Estate Development(-0.6%) was the only declining index. Banks (+4.3%) and Petrochemicals (+2.2%) also ascended during the week.

Banks & Financial Services was the top trading sector contributing 18.0% to total traded value and 16.8% to total volumes. Petrochemicals contributed 14.8% to the total traded value and 15.4% to the total volume and stood second.

Index	Open	Close	WTD (%)	YTD (%)	Total Volume (Mn)	Total Turnover (SAR Mn)	No. of Trades
TASI	8,950	9,251	3.4%	11.0%	1,536	39,608	653,907
Banks & Financial Services	19,925	20,784	4.3%	13.5%	258	7,125	65,334
Petrochemical Industries	5,876	6,007	2.2%	2.6%	237	5,851	81,161
Cement	6,592	6,742	2.3%	-1.6%	45	1,253	24,274
Retail	17,131	17,618	2.8%	13.5%	28	1,679	32,588
Energy & Utilities	6,306	6,949	10.2%	23.0%	30	567	6,686
Agriculture & Food Industries	11,510	12,072	4.9%	3.4%	47	1,527	35,598
Telecom & IT	1,752	1,794	2.4%	-7.6%	126	2,106	33,739
Insurance	1,515	1,580	4.3%	23.8%	151	4,893	141,730
Multi-Investment	4,022	4,148	3.1%	12.7%	45	891	20,446
Industrial Investment	8,092	8,648	6.9%	31.2%	79	3,413	49,606
Building & Construction	3,532	3,678	4.1%	11.4%	58	1,737	42,531
Real Estate Development	7,885	7,836	-0.6%	32.5%	357	5,625	74,399
Transport	9,182	9,629	4.9%	32.9%	62	2,244	32,300
Media and Publishing	2,184	2,209	1.2%	0.4%	2	78	2,627
Hotel & Tourism	23,364	24,046	2.9%	21.6%	9	618	10,888

THIS WEEK'S WINNERS & LOSERS

Top Gainer
Al Alamiya for Cooperative Insurance Co.
(+17.7%)

Al Alamiya for Cooperative Insurance Company (+17.7%) was the top gainer during the week followed by Advanced Petrochemical Company (+14.7%). Al Alamiya closed the week at SAR 77.32 and has gained 26.8% YTD. Conversely, Al-Rajhi Company for Cooperative Insurance (-4.5%) topped the loser table. This was followed by Jabal Omar Development Company (-4.5%) and Yanbu Cement Co. (-3.7%).

Top Loser
Al-Rajhi Company for Cooperative Insurance
(-4.5%)

SABIC, the gulf's largest company climbed 1.34% for the week and clocked a turnover of SAR 1.92bn. SABIC has increased 4.43% YTD to close SAR 87.2.

Top Gainers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
Al Alamiya	77.32	17.7%	26.8%	382
Advanced	51.82	14.7%	28.9%	367
Alujain	22.76	13.4%	40.5%	165
Bupa Arabia	199.76	12.6%	18.3%	229
Saudi Electric.	19.1	11.5%	28.2%	542

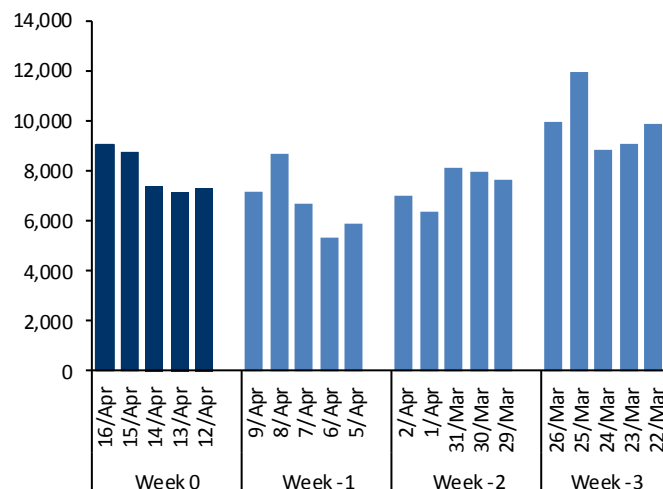
Top Losers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
AlRajhi Takaful	25.32	-4.5%	13.8%	86
Jabal Omar	75.94	-4.5%	44.7%	596
YCC	65.31	-3.7%	6.0%	72
SAFCO	112.69	-3.2%	0.0%	132
Buruj	31.08	-3.2%	50.3%	134

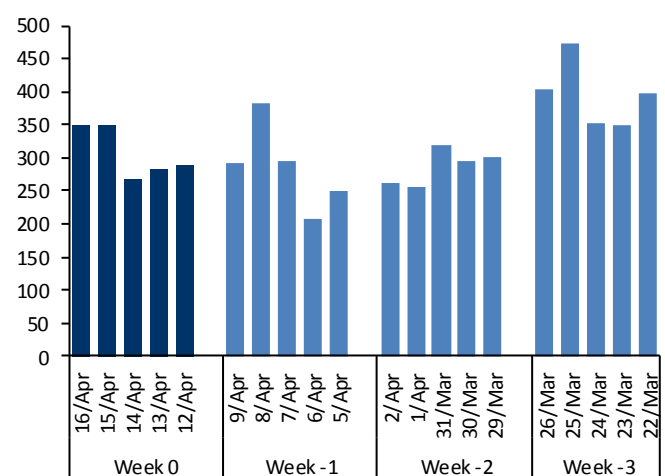
THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity increased during the week with the overall market trading 1,536mn shares (1,426mn and 1,432mn in the preceding two weeks). The week's turnover was SAR 39.6bn vis-a-vis SAR 33.7bn and SAR 37.1bn in the preceding two weeks.

TASI Weekly Turnover Trend (SAR Mn)



TASI Weekly Volume Trend (Mn)



SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ Saudi Arabia's March inflation was at 2% down from 2.1% in February, according the data released by Central Department of Statistics.
- ▶ Saudi Arabia's imports rose 1.6% from a year earlier in February, while nonoil exports dropped 19.9%, according to data from the Central Department of Statistics and Information.
- ▶ The weekly session of the Cabinet decided that all government projects and purchase contracts amounting to SAR 100mn or more can be awarded only with the approval of the Council of Ministers, .
- ▶ Saudi Arabia boosted daily crude output by 658,800 barrels in March to an average of 10.294m barrels per day.
- ▶ Saudi Arabia is planning to spend more than SAR 800bn over the next 10 years on water and electricity projects, deputy electricity minister said.
- ▶ Saudi Arabia's Ministry of Municipal and Rural Affairs plans to expropriate 749 properties around the country at a cost of SR 466mn for flood projects, road works and regulating neighborhoods.
- ▶ Saudi Company for Tools and Hardware (SACO) has set the price for its 30% initial share sale (IPO) at SAR 70 each. A subscription period for retail investors will run between April 22 and April 28.
- ▶ G3 Global Grain Group, a joint venture between Saudi Agricultural & Livestock Investment Co and US grain trader Bunge Ltd, said it will buy a 50.1% stake in Canadian grain handler CWB for about USD 201mn.
- ▶ Yanbu National Petrochemical Co (Yansab) plans to shut its petrochemical complex this month for maintenance for 35 days. Yansab estimated a financial impact of SAR 350mn taking into consideration the drop in the current average price of products.
- ▶ The First Investor, the investment banking division of Barwa Bank Group has acquired a residential compound in Riyadh in a deal worth SAR 300mn.
- ▶ Mohammad Al Mojil Group recorded accumulated loss of SAR 3.34bn at the end of March, representing 267.4% of capital.
- ▶ Saudi Aramco has started testing parts of its Wasit gas programme, raising hopes that it can be begin part operations this summer when demand for power peaks
- ▶ The Middle East Paper Co is planning to undertake investments reaching SAR 1.5bn.
- ▶ Binladin Contracting Group, Saudi Arabia has received contract from Nshama, UAE for the first phase of Town Square Dubai.
- ▶ Saudi Arabian Airlines will purchase more than 100 new aircraft in five years to strengthen its domestic and international operations.
- ▶ Saudi Arabia's Tadawul stock market reported a 74% jump in net profit in 2014, aided by higher income from trading. The company made a net profit of SAR 265mn in 2014.

OTHER GULF NEWS

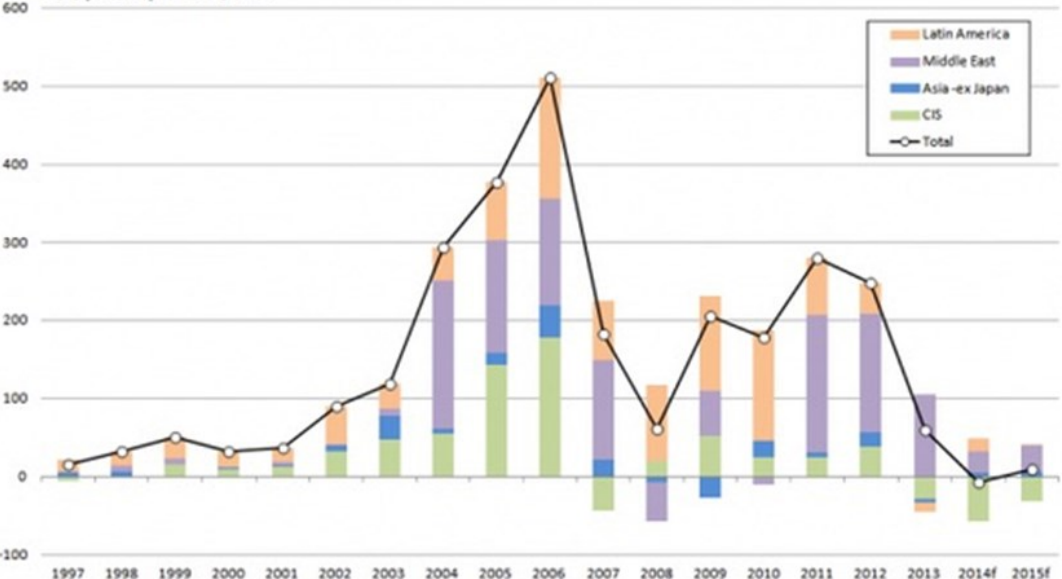
- ▶ The IMF has cut its GDP growth forecast for Middle East, North Africa, Afghanistan and Pakistan to 2.9% this year, down from its earlier prediction of 3.3%.
- ▶ OPEC has pumped 30.79mn bpd of oil in March, an increase of 810,000 bpd from February. OPEC forecasts demand for its oil to average 29.27mn bpd in 2015.
- ▶ Moody's downgraded Bahrain's long-term government issuer rating from Baa2 to Baa3. The outlook on the rating remains Negative.
- ▶ Middle East sovereign wealth funds' new investments in real estate in the rest of the world dropped 31% to USD 5.84bn in 2014 from USD 8.45bn in 2013, consultants CBRE estimated.
- ▶ Dubai Electricity and Water Authority (Dewa) will invest AED 30bn to increase the capacity of Shaikh Mohammad Bin Rashid Al Maktoum Solar Park, MD and CEO of Dewa said.
- ▶ Dubai's annual inflation rate stood at 4% in March as against February's annual rate of 4.3%.
- ▶ Dubai Metro will be extended for 14.5 kilometres, branching out from Nakheel Harbour and Tower station to the Expo 2020 site near Al Maktoum International Airport, the Roads and Transport Authority has announced.
- ▶ Dubai's Amlak Finance says it provisionally plans to resume trading on the Dubai Financial Market in May.
- ▶ United Iron & Steel, a JV between Saudi Arabia's Safid Group and the UAE's Abdul Jalil Group will begin construction work on the AED 1bn galvanized steel plant.
- ▶ The Kuwaiti government has deposited USD 2bn in the Central Bank of Egypt to support the country's economy.
- ▶ Egypt has signed preliminary deals with Kuwait's Alghanim International for two energy-related projects worth USD 1.6bn.
- ▶ Agreements worth around OMR 60mn were signed by the Public Establishment for Industrial Estates to develop Sumail and Sohar Industrial Estates.

GLOBAL ECONOMIC NEWS

- ▶ UK unemployment rate has dropped to 5.6% in March, the lowest rate since July 2008.
- ▶ Greece's credit rating has been cut by Standard & Poor's from B- to CCC+ with Negative outlook.
- ▶ US crude oil production will peak at 10.6 million barrels per day in 2020, a million barrels more than the high forecast a year earlier, Energy Information Administration said.
- ▶ Rolls-Royce said it had won a USD 9.2bn order to supply engines for 50 A380 aircraft for Dubai's Emirates airline, providing a boost for the British company.
- ▶ Lafarge SA has agreed to sell a cement plant in Iowa and seven distribution terminals on the Mississippi river to Summit Materials Inc. for USD 450mn.

CHARTS OF THE WEEK

Chart 1: Net Exported Capital by energy-exporting countries (USD bn)



Source: BNP Paribas, Zero Hedge


Chart 2: China Monthly Crude Steel Consumption (Seasonally Adjusted)




Source: WSA, Customs Data, Credit Suisse Estimates


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