

Saudi Stock Market - Weekly Update

For the Week ending 23 April 2015

"I have said many times we will always be happy to supply to our customers with what they want. Now they want 10 million"

- Mr. Ali Al-Naimi, Minister of Petroleum and Mineral Resources, Saudi Arabia

TASI PERFORMANCE FOR THE WEEK

TASI CLIMBS YET AGAIN

"TASI gains
3.9%"

Tadawul All Share Index (TASI) continued to climb and registered 3.9% gains during the week. TASI has increased 15.9% Year-to-date and stood at 9,615 points.

All the regional indices, except Abu Dhabi (-0.5%), reported positive returns during the week. The largest gainer after Saudi Arabia was Oman (+1.4%). Oil prices also continued to see some upward movement with the Brent closing at USD 65 per barrel levels.

In Europe, the Greek Government passed a decree to force local government bodies to place cash reserves at the central bank. Meanwhile, Euro zone finance ministers warned Greece that it will get no more aid until it agrees a complete economic reform plan. As time runs out for Greece, which should repay its creditors nearly EUR 1bn next month, the inevitable will eventually happen.

Separately, as global economic growth becomes tough, the interest rate easing continues with People's Bank of China (PBOC) cutting the cash reserve requirement for its banks from 19.5% to 18.5%. This is the second time this year the reserve requirement has been brought down by PBOC. The move is expected to release almost CNY 1tn to the economy. The Chinese Central bank has also announced several interest rate cuts this year to revive the slowing economy and compensate for capital outflows.

"China cuts Reserve
Requirement to
18.5%"

Chart 1: TASI Close & Market Turnover

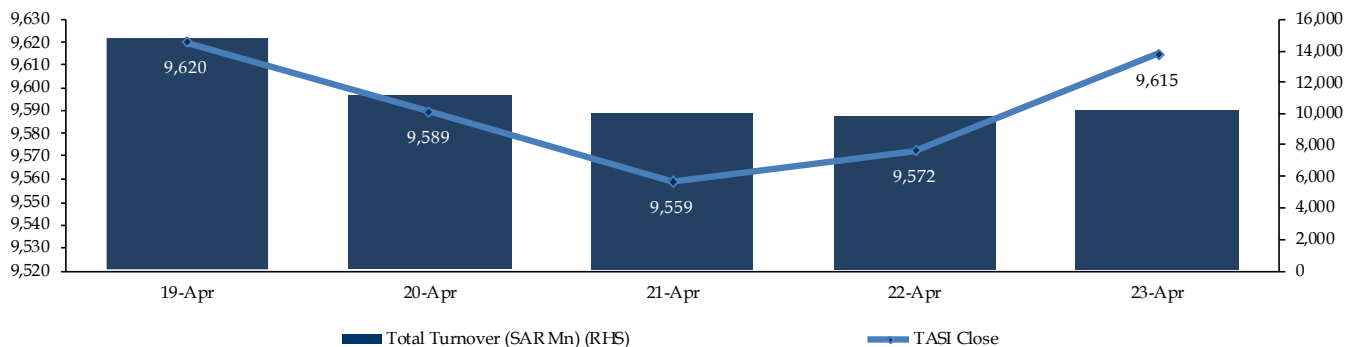
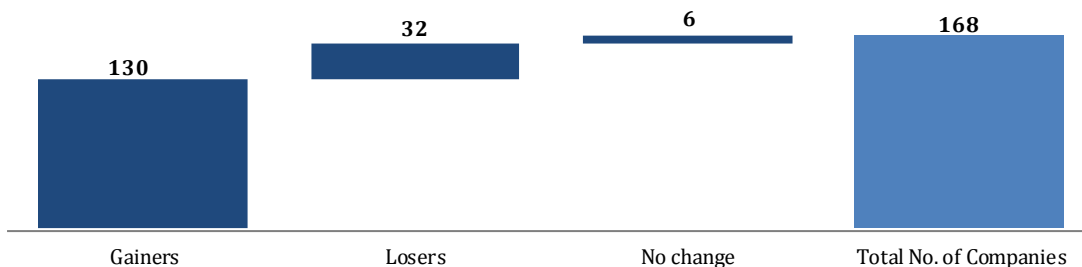
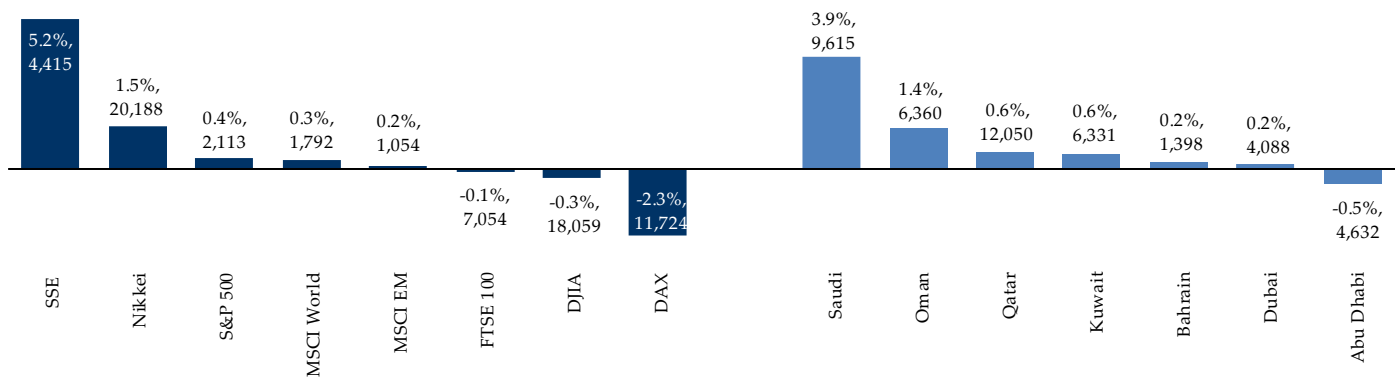


Chart 2: Trading Statistics



Saudi market
breadth was
positive with
130 gainers as
against 32 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 trend and 14 indices closed the week in positive returns. Petrochemical Industries (+7.8%) was the largest gainer followed by Media and Publishing (+5.6%) and Insurance (+4.2%). Energy & Utilities (-0.5%) was the only index to close the week in Red.

Petrochemicals was the top traded sector comprising 22.4% of traded value and 19.7% of total volume. Another index heavy weight, Banks stood second with 15.3% contribution to traded value and 14.4% to total volume.

| Index | Open | Close | WTD (%) | YTD (%) | Total Volume (Mn) | Total Turnover (SAR Mn) | No. of Trades |
|-------------------------------|--------|--------|---------|---------|-------------------|-------------------------|---------------|
| TASI | 9,251 | 9,615 | 3.9% | 15.4% | 2,005 | 56,131 | 797,103 |
| Banks & Financial Services | 20,784 | 21,440 | 3.2% | 17.1% | 288 | 8,611 | 80,330 |
| Petrochemical Industries | 6,007 | 6,476 | 7.8% | 10.6% | 396 | 12,581 | 117,689 |
| Cement | 6,742 | 6,997 | 3.8% | 2.1% | 99 | 3,221 | 40,700 |
| Retail | 17,618 | 17,979 | 2.0% | 15.9% | 34 | 2,047 | 40,331 |
| Energy & Utilities | 6,949 | 6,912 | -0.5% | 22.4% | 31 | 620 | 6,814 |
| Agriculture & Food Industries | 12,072 | 12,511 | 3.6% | 7.2% | 59 | 2,318 | 50,496 |
| Telecom & IT | 1,794 | 1,868 | 4.1% | -3.8% | 276 | 5,977 | 73,416 |
| Insurance | 1,580 | 1,646 | 4.2% | 29.0% | 177 | 5,515 | 147,231 |
| Multi-Investment | 4,148 | 4,244 | 2.3% | 15.4% | 45 | 982 | 21,331 |
| Industrial Investment | 8,648 | 8,919 | 3.1% | 35.3% | 81 | 3,641 | 53,986 |
| Building & Construction | 3,678 | 3,740 | 1.7% | 13.2% | 83 | 2,273 | 50,986 |
| Real Estate Development | 7,836 | 8,095 | 3.3% | 36.8% | 370 | 5,254 | 63,914 |
| Transport | 9,629 | 9,858 | 2.4% | 36.1% | 46 | 1,852 | 29,270 |
| Media and Publishing | 2,209 | 2,334 | 5.6% | 6.1% | 6 | 134 | 4,917 |
| Hotel & Tourism | 24,046 | 24,816 | 3.2% | 25.5% | 14 | 1,103 | 15,692 |

THIS WEEK'S WINNERS & LOSERS

Top Gainer
Ash-Sharqiyah Development Co.
(+23.3%)

Ash-Sharqiyah Development Company (+23.3%) led the gainers table followed by Allied Cooperative Insurance Group (+20.0%) and Saudi Land Transport Co (+14.0%). Ash-Sharqiyah closed the week at SAR 91.68 and has gained 26.0% YTD. Conversely, Solidarity Saudi Takaful Co. (-13.9%) topped the losers table. This was followed by United Electronics Company (-7.7%) and Al-Babtain Power & Telecommunication Co (-4.0%).

Top Loser
Solidarity Saudi Takaful Co.
(-13.9%)

SABIC, the gulf's largest company climbed 11.1% for the week and clocked a turnover of SAR 3.3bn. SABIC has increased 16% YTD to close SAR 96.87.

Top Gainers

| Company | Close | WTD (%) | YTD (%) | Value Traded (SAR Mn) |
|-----------------|-------|---------|---------|-----------------------|
| Sharqiya Dev Co | 91.68 | 23.3% | 26.0% | 582 |
| ACIG | 37.37 | 20.0% | 84.4% | 398 |
| Mubarrad | 48.46 | 14.0% | 44.2% | 601 |
| AXA-Cooperative | 22.46 | 14.0% | 7.4% | 201 |
| SPPC | 20.7 | 13.7% | 10.7% | 59 |

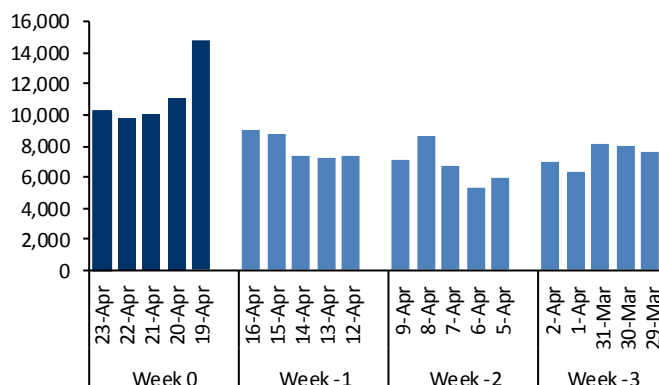
Top Losers

| Company | Close | WTD (%) | YTD (%) | Value Traded (SAR Mn) |
|------------|--------|---------|---------|-----------------------|
| Solidarity | 16.28 | -13.9% | -18.2% | 266 |
| Extra | 94.54 | -7.7% | 17.5% | 203 |
| Al-Babtain | 44.99 | -4.0% | 65.3% | 224 |
| Catering | 179.24 | -4.0% | -3.6% | 195 |
| BCI | 37.4 | -3.5% | 25.9% | 154 |

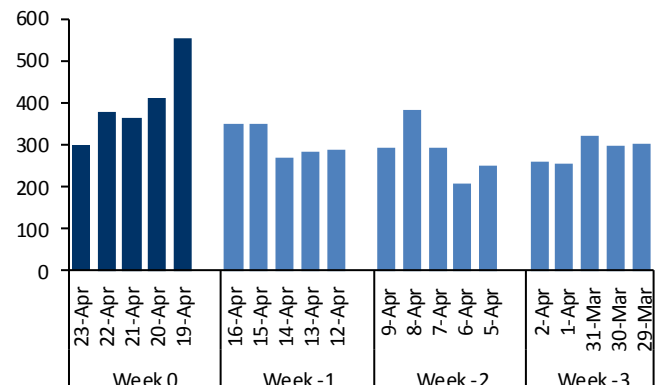
THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity surged during the week with the overall market trading 2,005mn shares (1,538mn and 1,427mn in the preceding two weeks). The week's turnover also swelled to SAR 56.1bn vis-a-vis SAR 39.6bn and SAR 33.7bn in the preceding two weeks.

TASI Weekly Turnover Trend (SAR Mn)



TASI Weekly Volume Trend (Mn)



SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ Saudi Arabia's crude exports fell to 7.35 million barrels a day in February from 7.47 million in January, according to Joint Organizations Data Initiative.
- ▶ Saudi Arabia and Ireland have signed agreement to establish a USD 100mn industrial plant in Riyadh.
- ▶ The Saudi Stock Exchange (Tadawul) could join the emerging markets index one year after it opens to foreign investors this June. Tadawul will organise roadshows for foreign investors in the fourth quarter of this year as it opens to direct foreign investment in listed shares, chairman of Tadawul said.
- ▶ The volume of investments injected into Jubail, Yanbu and Ras Al-Khair industrial cities has reached SAR 1tn, President of the Royal Commission for Jubail and Yanbu said.
- ▶ No decision has been taken to restrict the stay of expatriate workers in the Kingdom on the basis of either the period they spent in Saudi Arabia or the salaries they drew, the Labor Ministry announced.
- ▶ Chairman of the Saudi Railways Organization (SRO), has issued a strong warning to a company in the Spanish consortium responsible for implementing the high-speed Haramain Railway after it did not construct the central workshop for the service in Madinah on time.
- ▶ The Saudi-Yemeni Business Council intends to invest SAR 18.7bn in Yemen to revive the nation's economy.
- ▶ The Investor for Securities Company is launching the first tourism fund with a capital of SAR 100mn.
- ▶ Saudi International Petrochemical (Sipchem) has started initial operations at its SAR 600mn polybutylene terephthalate (PBT) plant in Jubail Industrial City.
- ▶ Etihad Etisalat will complete renegotiations with creditors over the terms of loans in the second quarter of 2015.
- ▶ Aramex is planning USD 100mn worth of investments in 2015 to complete its expansion plans in the UAE and Saudi Arabia.
- ▶ Dur Hospitality has signed an agreement with the National Commercial Bank to buy its stake in the Saudi Hotel Services Co at a total value of SAR 10.5mn.
- ▶ Saudi Aramco has awarded contract to ACWA to build, own and operate the world's largest industrial gas complex in the kingdom.
- ▶ Saudi Cable Company has signed a deal with three of its main lenders to restructure SAR 640mn of debt. The debt will be restructured over a period not exceeding eight years.
- ▶ Tasnee plans to launch operations at two new plants in the second half of 2015.
- ▶ Saudi Arabia, Kuwait and the United Arab Emirates deposited USD 6bn with Egypt's central bank, the bank's governor said. The interest on the deposits is 2.5% and maturities range from three to five years.

OTHER GULF NEWS

- ▶ Dubai Electricity and Water Authority will open a tender in two weeks to build a coal-fired plant with 1,200 MW capacity. It has also signed a contract with Siemens for construction of Jebel Ali M-Station worth USD 400mn which will be completed by end of April 2018.
- ▶ Abu Dhabi plans to invest over USD 25bn in the next five years on boosting its oil production capacity from off-shore fields, a senior official of Abu Dhabi National Oil Co said.
- ▶ Port operator DP World is reportedly issuing a dollar-denominated bond and could announce plans as soon as next week. The firm could raise between USD 750mn and USD 1bn from the bond issue.
- ▶ Dubai builder Arabtec said it was in talks with several local and international banks on financing the first phase of its project to build one million housing units in Egypt.
- ▶ Kuwait is studying proposals to introduce the same tax rates for local and foreign companies, Finance Minister said
- ▶ Qatar Investment Authority and Brookfield Property Partners have acquired 100% of London's Canary Wharf Group after buying out the remaining shareholders.
- ▶ Qatar as part of its sustainable development strategy will continue to invest around USD 350bn over the next 15 years to achieve the goals, General Manager of IFP Qatar, the organiser of the upcoming 'Project Qatar 2015' said.
- ▶ Oman's gross domestic product increased by 4.6% in 2014 recording OMR 31.45bn till December compared to OMR 30.06bn in 2013 and its non-oil exports grew 8.4% in 2014 reaching OMR 4.12bn.
- ▶ Oman Investment Fund has acquired a 40% stake in prominent Italian auto parts maker Sigit SpA.
- ▶ The boards of Oman National Investment Corp Holding and Oman International Development and Investment Company (Ominvest) have approved a proposed merger.
- ▶ Gulf Finance House announced that the Company will delist its Global Depositary Receipts from the London Stock Exchange but will keep its other stock listings in Bahrain, Kuwait and Dubai.

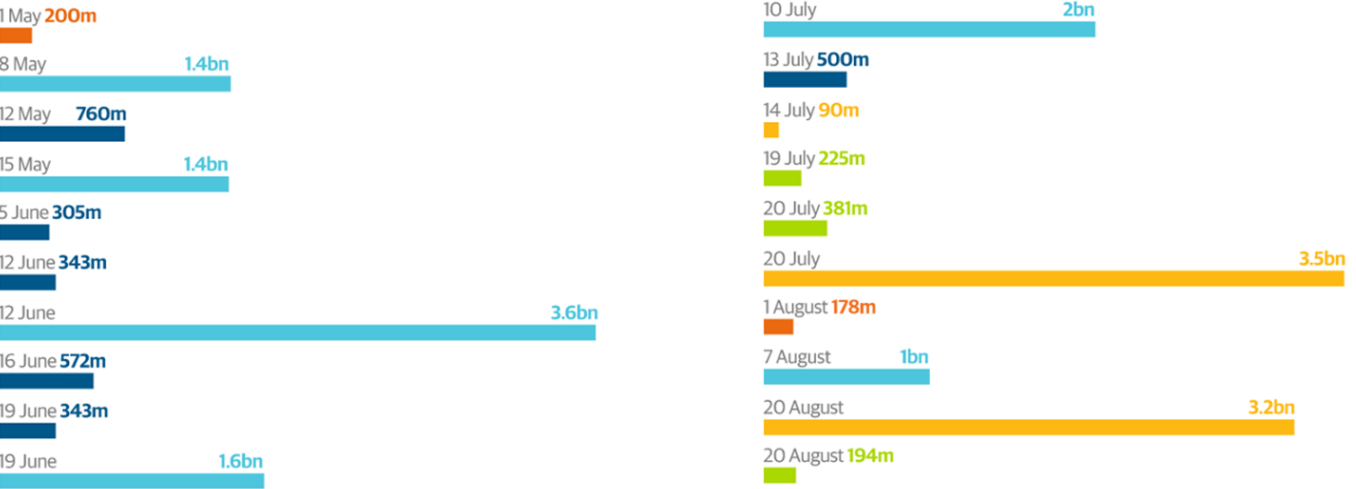
GLOBAL ECONOMIC NEWS

- ▶ U.K. government has sold about GBP 586mn of shares in Lloyds Banking Group Plc, cutting its stake below 21%.
- ▶ U.K. retailer Tesco has reported a loss of GBP 6.4bn as a result of huge writedowns on the value of its property portfolio and stock. They had also closed an additional 43 Tesco stores.
- ▶ Markit's Eurozone composite Purchasing Managers' Index (PMI) fell to 53.3 in April from 54.0 in March. Meanwhile, German composite PMI stood at 54.2 in April from 55.4 in March.
- ▶ The China flash HSBC/Markit PMI fell to 49.2 in April. Separately, Government owned Baoding Tianwei Group defaulted on CNY 85.5mn bond interest payment.
- ▶ Japan reported JPY 3.3bn trade surplus in March 2015, after 48 months of trade deficits.

CHARTS OF THE WEEK

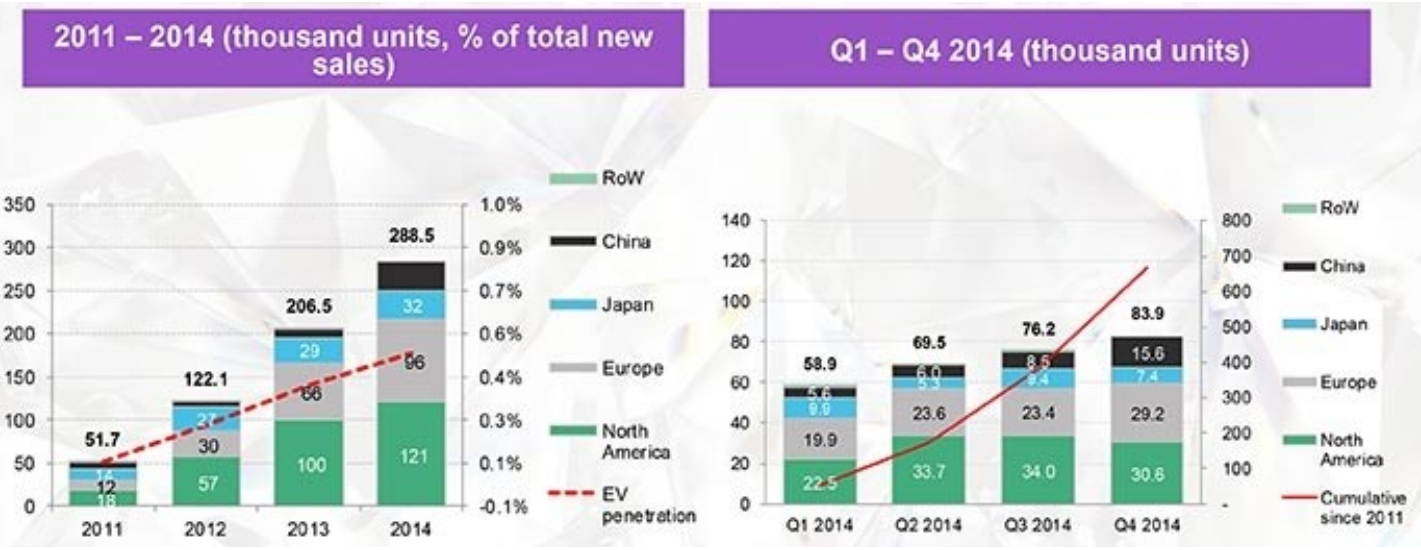
Chart 1: Greece Debt Repayment Profile (in Euros)

Euros IMF interest payment | T-bills maturing | IMF loan repayment
Government bonds mature | Government bond interest due



Source: Oxford Economics, UBS


Chart 2: Global Electric Vehicle Sales by Region




Source: Bloomberg


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