

## Saudi Stock Market – Weekly Update

For the Week ending 30 April 2015

“Asian demand for oil remains strong and we are ready to supply whatever is required. As the Asian population grows, and as the middle class expands, so the demand for energy will increase”

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

### TASI PERFORMANCE FOR THE WEEK

### TASI CLIMBS YET AGAIN

“TASI gains  
2.3%”

Tadawul All Share Index (TASI) continued its upward ascend for the fourth consecutive week to register a gain of 2.3%. TASI gained 12% in April and closed at 9,835 points. The market has taken the new announcement that came from the Government, regarding the appointment of Crown Prince, on a positive note.

Tadawul has increased 18% Year-to-date (YTD) helped by index heavy weights Banks (+19%) and Petrochemicals (+19.2%). Recovery in global Oil prices to USD 66 per barrel levels combined with policy changes inside the country has given the Saudi Arabian market a positive impetus. Regional markets were mixed during the week with Dubai (+3.4%) gaining the most and taking its YTD tally to +12%.

In Europe, the stalemate still continues even as Greek Government demoted its finance minister from leading the negotiations as a sign of appeasing lenders. The talks are expected to extend during the weekend with both sides agreeing on a news blackout during the meeting.

Meanwhile, the Greek government possibly struggled to complete payments to more than 2 million pensioners as it claimed that a “technical hitch” had delayed the disbursement. The ongoing negotiations, if fruitful, could unlock EUR 7.2bn of bail-out aid to Greece. A EUR 750mn payment to the IMF falls due on May 12 in addition to EUR 200mn payment on May 2. Greece will take in the bailout money and repay IMF, how easy!

“Bailout talks to  
continue in Greece “

Chart 1: TASI Close & Market Turnover

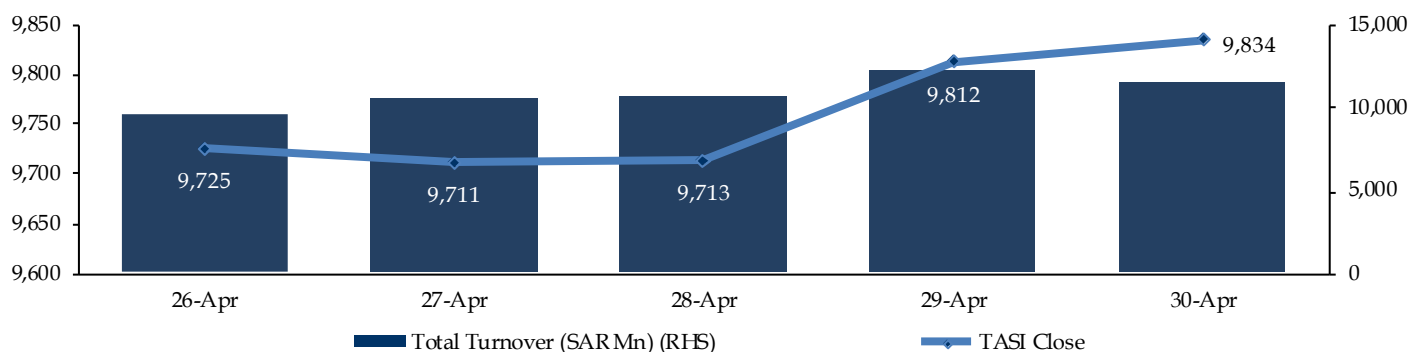
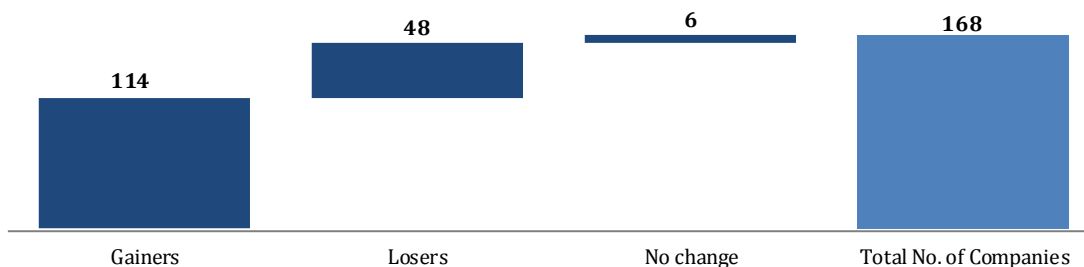
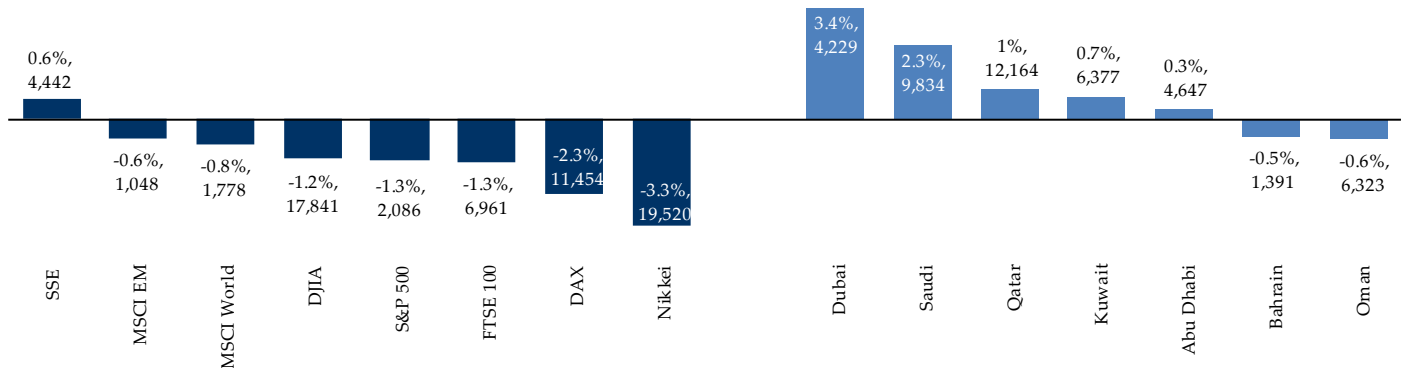


Chart 2: Trading Statistics



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

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

Sector indices reflected the broader market trend with 10 indices closing the week in positive territory. Petrochemical Industries (+7.8%) was the largest gainer for second week in a row followed by Energy & Utilities (+5.7%) and Media and Publishing (+4.1%). Agriculture & Food Industries (-1.7%) was the biggest losing index.

Petrochemicals was the top traded sector comprising 22.4% of traded value and 20.1% of total volume. Real Estate Development stood second with 17.6% contribution to traded value and 27.6% to total volume.

| Index                                    | Open   | Close  | WTD (%) | YTD (%) | Total Volume (Mn) | Total Turnover (SAR Mn) | No. of Trades |
|--|--------|--------|---------|---------|-------------------|-------------------------|---------------|
| <b>TASI</b>                              | 9,615  | 9,834  | 2.3%    | 18.0%   | 2,049             | 54,575                  | 794,032       |
| <b>Banks &amp; Financial Services</b>    | 21,440 | 21,791 | 1.6%    | 19.0%   | 271               | 8,089                   | 63,300        |
| <b>Petrochemical Industries</b>          | 6,476  | 6,982  | 7.8%    | 19.2%   | 412               | 12,217                  | 121,633       |
| <b>Cement</b>                            | 6,997  | 7,064  | 1.0%    | 3.1%    | 57                | 1,699                   | 29,691        |
| <b>Retail</b>                            | 17,979 | 17,800 | -1.0%   | 14.7%   | 26                | 1,491                   | 29,669        |
| <b>Energy &amp; Utilities</b>            | 6,912  | 7,303  | 5.7%    | 29.3%   | 26                | 535                     | 5,866         |
| <b>Agriculture &amp; Food Industries</b> | 12,511 | 12,296 | -1.7%   | 5.4%    | 80                | 2,760                   | 59,871        |
| <b>Telecom &amp; IT</b>                  | 1,868  | 1,862  | -0.3%   | -4.1%   | 104               | 2,056                   | 31,073        |
| <b>Insurance</b>                         | 1,646  | 1,664  | 1.1%    | 30.4%   | 206               | 5,664                   | 159,847       |
| <b>Multi-Investment</b>                  | 4,244  | 4,339  | 2.2%    | 17.9%   | 47                | 1,041                   | 19,560        |
| <b>Industrial Investment</b>             | 8,919  | 9,176  | 2.9%    | 39.2%   | 98                | 4,344                   | 63,038        |
| <b>Building &amp; Construction</b>       | 3,740  | 3,785  | 1.2%    | 14.6%   | 104               | 2,659                   | 59,767        |
| <b>Real Estate Development</b>           | 8,095  | 8,324  | 2.8%    | 40.7%   | 567               | 9,606                   | 107,520       |
| <b>Transport</b>                         | 9,858  | 9,775  | -0.8%   | 35.0%   | 38                | 1,666                   | 26,854        |
| <b>Media and Publishing</b>              | 2,334  | 2,430  | 4.1%    | 10.4%   | 6                 | 138                     | 5,133         |
| <b>Hotel &amp; Tourism</b>               | 24,816 | 24,597 | -0.9%   | 24.4%   | 9                 | 611                     | 11,210        |

## THIS WEEK'S WINNERS & LOSERS

**Top Gainer**  
**Arabia Insurance Cooperative Co.**  
**(+28.2%)**

Arabia Insurance Cooperative Co. (+28.2%) led the gainers table followed by Saudi Land Transport Co (+13.8%) and AXA Cooperative Insurance Co. (+12.9%). Arabia Insurance closed the week at SAR 17.76 and has gained 39% YTD. Conversely, Ash-Sharqiyah Development Co (-9.9%) topped the losers table. This was followed by Saudi Arabian Cooperative Insurance Co (-7.1%) and United International Transportation Co. (-6.0%).

**Top Loser**  
**Ash-Sharqiyah Development Co.**  
**(-9.9%)**

SABIC, the gulf's largest company climbed 12.2% for the week and clocked a turnover of SAR 4.9bn. SABIC has increased 30% YTD to close SAR 108.68

### Top Gainers

| Company         | Close  | WTD (%) | YTD (%) | Value Traded (SAR Mn) |
|-----------------|--------|---------|---------|-----------------------|
| AICC            | 17.76  | 28.2%   | 38.9%   | 236                   |
| Mubarrad        | 55.13  | 13.8%   | 64.0%   | 700                   |
| AXA-Cooperative | 25.36  | 12.9%   | 21.2%   | 383                   |
| Petrochem       | 29.4   | 12.8%   | 34.3%   | 179                   |
| SABIC           | 108.68 | 12.2%   | 30.2%   | 4,872                 |

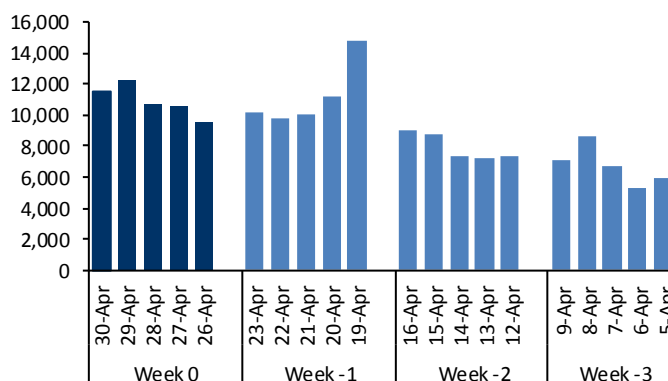
### Top Losers

| Company         | Close | WTD (%) | YTD (%) | Value Traded (SAR Mn) |
|-----------------|-------|---------|---------|-----------------------|
| Sharqiya Dev Co | 82.6  | -9.9%   | 13.5%   | 685                   |
| SAICO           | 44.92 | -7.1%   | 34.4%   | 116                   |
| Budget Saudi    | 59.45 | -6.0%   | 6.2%    | 203                   |
| Farm Superstore | 75    | -5.4%   | -8.4%   | 84                    |
| ATC             | 66.67 | -4.7%   | 61.1%   | 103                   |

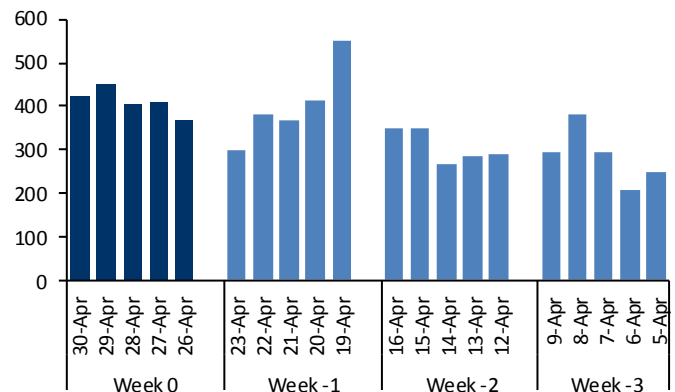
## THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity during the week was relatively higher with the overall market trading 2,049mn shares (2,005mn and 1,538mn in the preceding two weeks). The week's turnover decreased a little to SAR 54.6bn vis-a-vis SAR 56.1bn and SAR 39.6bn in the preceding two weeks.

### TASI Weekly Turnover Trend (SAR Mn)



### TASI Weekly Volume Trend (Mn)



## SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ Saudi Arabia's Supreme Economic Council has reportedly approved a restructuring of state oil company Saudi Aramco that includes separating it from the oil ministry.
- ▶ Saudi Arabia's central bank would welcome mergers among local insurance companies as long as they were positive for all parties, central bank governor said.
- ▶ Zamil Steel Construction Company has been awarded a turnkey project contract worth SAR 90.8mn by the Gulf Real Estate Company for its new shopping mall project in Saudi Arabia.
- ▶ Net foreign assets at Saudi Arabia's central bank dropped 4.7% from a year earlier in March to SAR 2.59 trillion, their lowest level since July 2013, central bank data showed.
- ▶ Saudi Arabia's crude oil exports fell in February from a month earlier. The country shipped 7.35 million barrels per day of crude oil in February, down from 7.474 million in January.
- ▶ Residential property sales in Saudi Arabia's capital Riyadh have plunged since the Kingdom introduced tougher mortgage rules last November, research from JLL shows, and the consultancy also predicted the restrictions would spur further country-wide declines
- ▶ Aldrees Petroleum and Transport Services Co. has completed the procedures for establishing a new joint venture with Swiss logistics firm Bertschi.
- ▶ Saudi Automotive Services Co. has signed a Shariah-compliant financing agreement worth SAR 551mn with Banque Saudi Fransi.
- ▶ Mouwasat Medical Services has signed a memorandum of understanding with Project Build Co. to construct a hospital in Al-Khobar at a total value of SAR 243.5mn.
- ▶ Saudi Arabia's housing ministry plans to purchase residential units from real estate developers as part of efforts to provide housing for citizens, Housing Minister said .
- ▶ Ma'aden Gold & Base Metals, a subsidiary of Saudi Arabian Mining Company, has signed a financing agreement worth SAR 1.2bn with Saudi Industrial Development Fund to develop Al-Duwayhy mine.
- ▶ Itqan Capital, a subsidiary of Al Baraka Banking Group, has signed an MoU with Mubasher Financial Services BSC, to establish a sharia-compliant global brokerage company.
- ▶ Saudi International Petrochemical Co. has resumed operations at the carbon monoxide plant of the International Gas Co. and the acetic acid plant of the International Acetyl Co.
- ▶ Jarir Marketing opened its first showroom in Jazan, bringing the total number of showrooms to 32 inside Saudi Arabia and 37 across the GCC.
- ▶ National Industrialisation Company (Tasnee) said it has chosen Taiwan's CTCI and Japan's Chiyoda Corp to build a titanium sponge plant for its majority-owned Cristal subsidiary.

## OTHER GULF NEWS

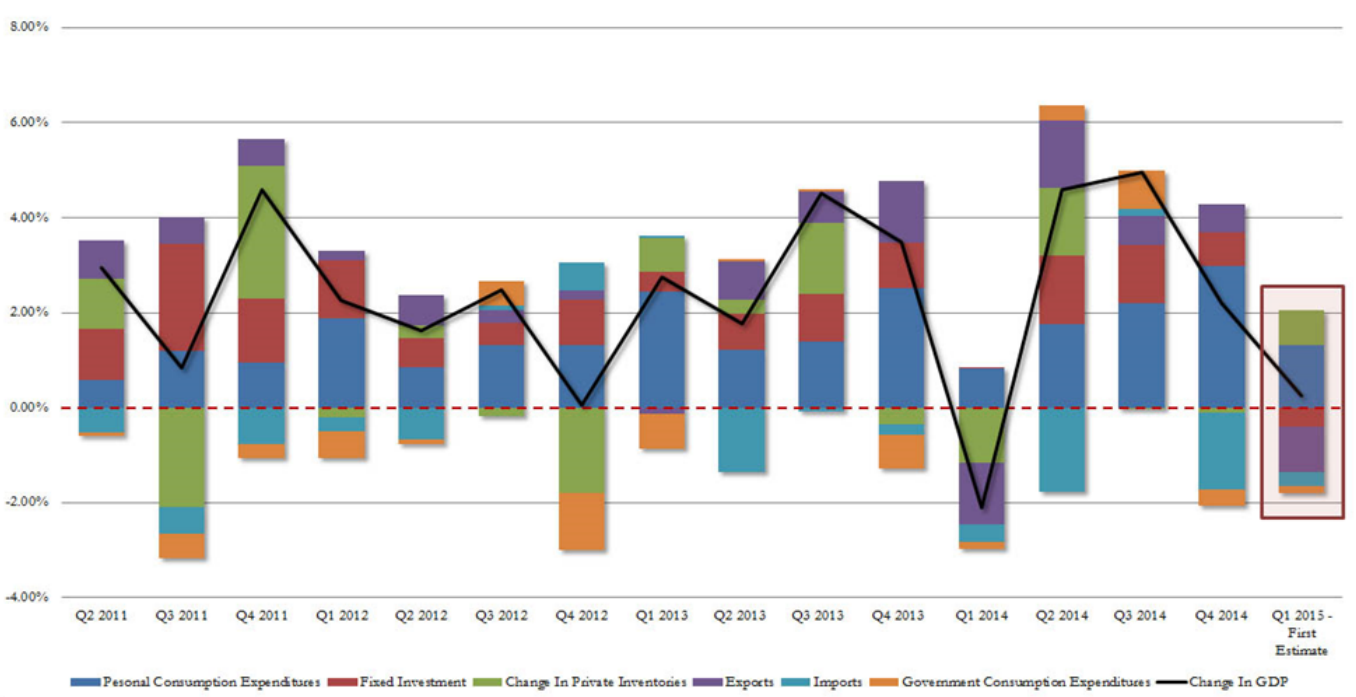
- ▶ Kuwait National Petroleum Co is reportedly in talks with banks to raise a loan worth around USD 10bn to expand and refurbish the country's main refineries.
- ▶ Abu Dhabi Investment Authority has agreed to buy a 50% stake in three Hong Kong hotels from a group led by New World Development Co Ltd in a USD 2.4bn deal.
- ▶ Abu Dhabi National Oil Company granted Japan's Inpex Corp a 5% stake in a new 40-year concession to help operate the UAE's biggest oilfields.
- ▶ Qatar Investment Authority is setting up an office in New York to manage its growing portfolio in the United States, the state news agency reported.
- ▶ Kuwait's Capital Markets Authority will separate settlement of trades from its central depository and also make the time allowed for transfer of securities the same for all investors, to bring its practices in line with international norms.
- ▶ Dubal Holding is considering possible acquisitions in local & international energy projects, its chief executive said.
- ▶ Petroleum Development Oman has signed a USD 600mn contract with the Indonesian oil and gas company Medco Energi to continue developing the Karim Small Fields project in southern Oman
- ▶ Oman's State General Reserve Fund and Spain's COFIDES signed an agreement to launch a joint fund of OMR 84mn with OMR 42mn contribution from each.
- ▶ Oman's national solid waste utility is studying the feasibility of establishing a Waste-to-Energy project aimed at converting part of the municipal waste generated daily to produce electricity for seawater desalination.
- ▶ Oman Oil Refineries and Petroleum Industries has finalized the front-end engineering design of its USD 3.6bn Liwa Plastics Industries Complex (LPIC).
- ▶ The Egyptian government is working on amending the payment method of a new tax on stock dividends and capital gains, the finance minister said, dampening market expectations of any big changes to the levy.

## GLOBAL ECONOMIC NEWS

- ▶ United States' GDP rose at a 0.2% annualized rate in the first quarter after advancing 2.2% in the prior quarter.
- ▶ UK's economy grew by 0.3% in the first quarter of 2015, compared to 0.6% growth in the last three months of 2014.
- ▶ Consumer prices in the eurozone scraped out of deflation in April after four months. The inflation rate stood at 0% in April, up from a rate of -0.1% in March.
- ▶ The Russian central bank has cut interest rates by 1.5% to 12.5%, following a recovery in the rouble amid signals that the country's inflation rate had peaked.
- ▶ Perrigo Co. rejected Mylan NV's increased acquisition offer of USD 32.7 billion in cash and stock, calling the offer too low and putting pressure on Mylan to raise the bid further

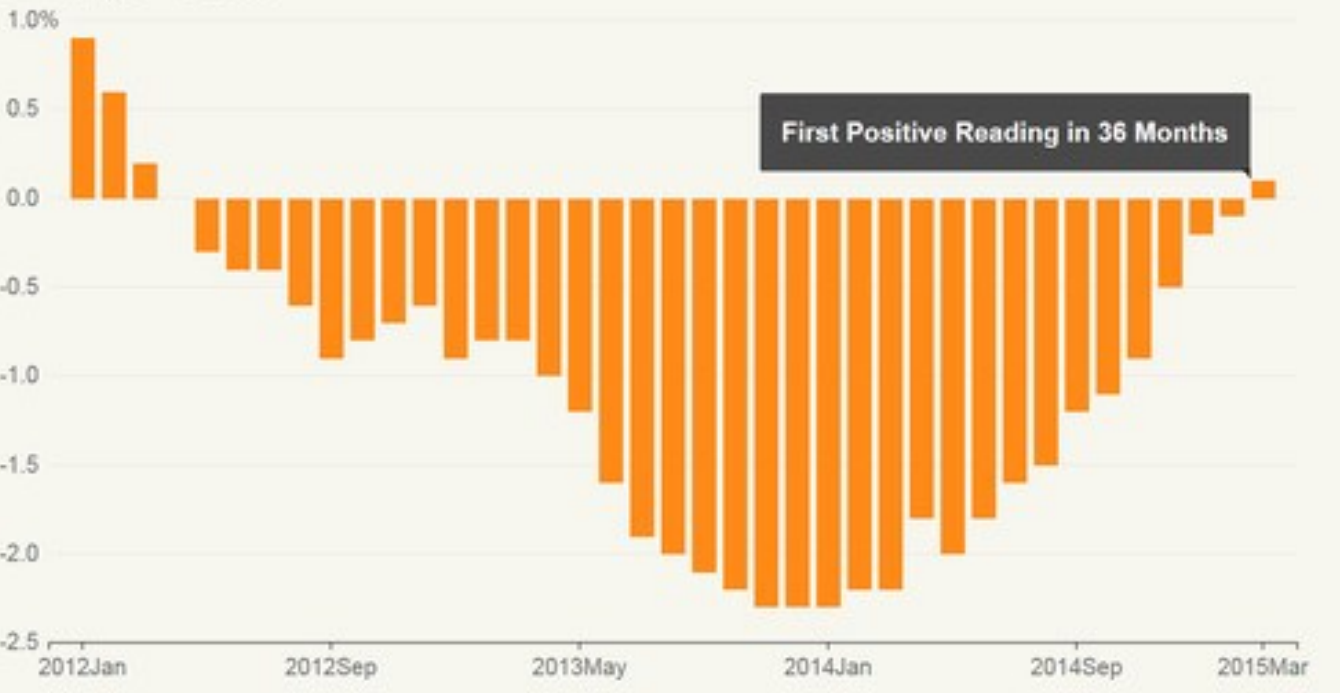
CHARTS OF THE WEEK

Chart 1: US Quarterly GDP Growth by Component Breakdown



Source: Zero Hedge

Chart 2: Euro-Area Loans to Private Sector – Annual Growth Rate




Source: Bloomberg


**Treeline Business Solutions  
Private Limited**

**Corporate Office:**


 37, Chamiers Road  
Teynampet  
Chennai 600018 India


 +91 44 2435 7756

 [www.treeline.co](http://www.treeline.co)

 [tirtha@treeline.co](mailto:tirtha@treeline.co)  
[madhu@treeline.co](mailto:madhu@treeline.co)

**Delivery Center:**

 C/o Jarir Investment  
Olaya Street  
PO Box 300 734  
Riyadh 11372  
Saudi Arabia

 +966 55 485 9799

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