

Saudi Stock Market - Weekly Update

For the Week ending 14 May 2015

“In the supposed standoff between OPEC and U.S. light tight oil (LTO), LTO appears to have blinked. Following months of cost cutting and a 60% plunge in the U.S. rig count, the relentless rise in U.S. supply seems to be finally abating .”

- International Energy Agency , Oil Market Report

TASI PERFORMANCE FOR THE WEEK

TASI EDGES UP A LITTLE

“TASI gains a marginal 0.14%”

Tadawul All Share Index (TASI) registered some volatility during the week as the index made a recovery in the later part of the week. TASI gained 238 points from the low of 9,539 to the high of 9,777 before closing at 9,732 points. TASI ended with a marginal gain of 0.14% for the week. Global markets were generally positive while regionally, all the indices were up barring Dubai (-0.8%) and Kuwait(-0.6%).

The data from US Crude inventories showed a drop of 2.2m barrels in the last week which had a positive rebound effect on the WTI Crude which rose to USD 60 per barrel. Latest data from the US also shows decline in the number of rigs to 894 as of May 2014 compared to 1,854 rigs in May 2014. The OPEC’s upcoming semiannual meeting is also a keenly watched event.

In Europe, Greece withdrew funds from its reserve account placed at the International Monetary Fund (IMF), called Special Drawing Rights, and repaid EUR 750mn of maturing IMF loan. This unusual move has given Greece a few more weeks to reach a deal with its European creditors. Sepe

“Greece has unblocked the stake sale of 51% of Piraeus port”

Meanwhile in Europe, Greece has unblocked the sale of a 51% stake of its largest port at Piraeus and has invited Cosco, China and two others to submit bids. It could be viewed as a sign that Greece is moving to meet the demands of the creditors.

Chart 1: TASI Close & Market Turnover

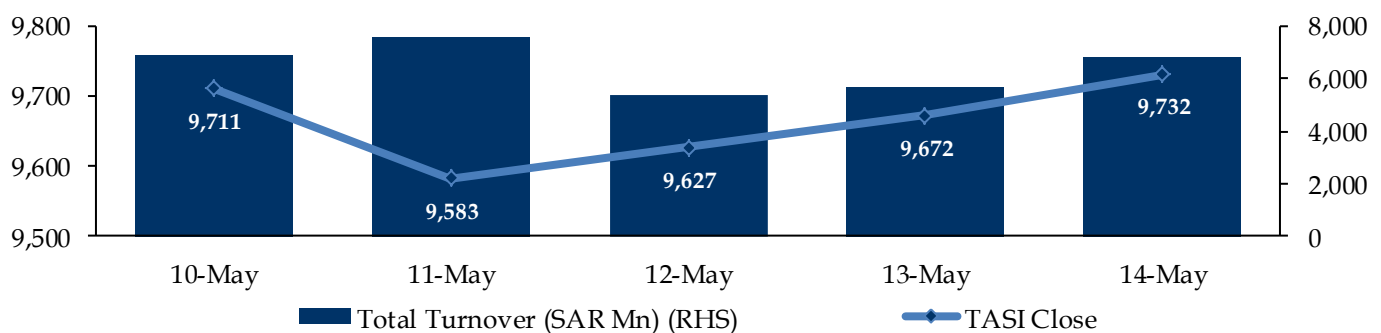
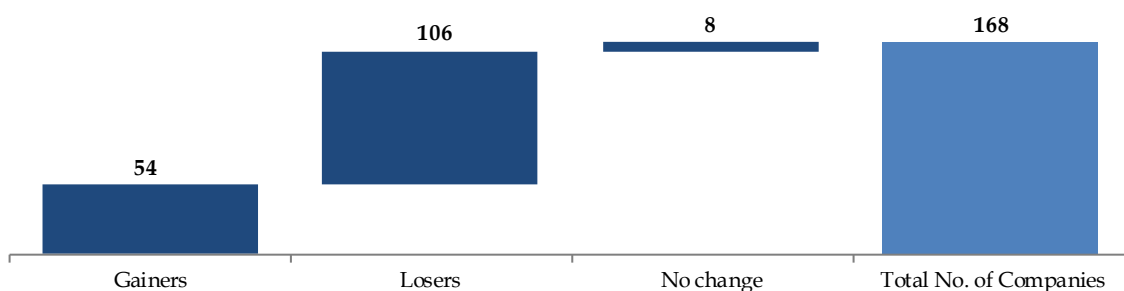
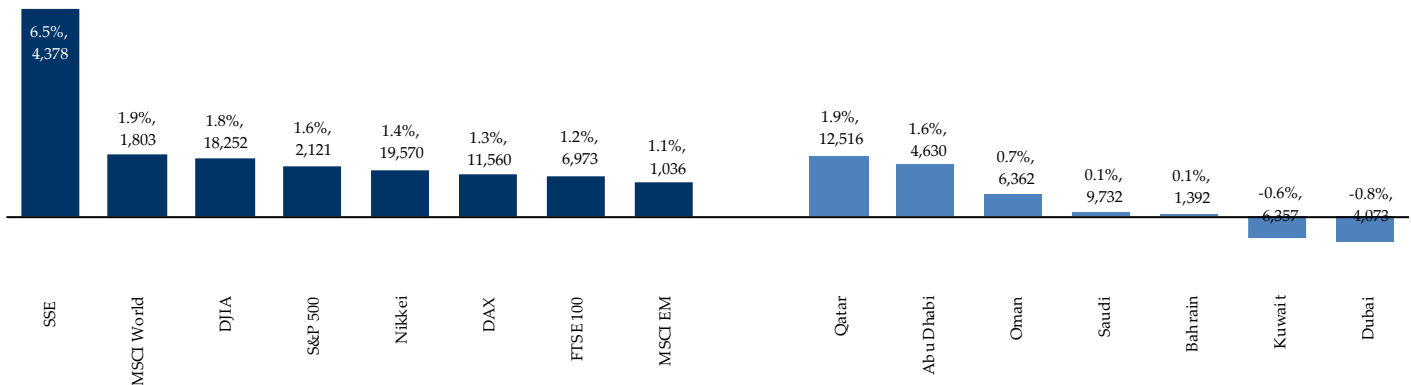


Chart 2: Trading Statistics



Saudi market breadth was negative with 54 gainers as against 106 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

“9 out of 15 indices closed the week in Red”

Sector indices reflected a negative trend with 9 losing indices out of the 15. Multi Investment (+4.9%) reported highest gain followed by Energy & Utilities (+3.1%) and Hotel & Tourism (+2.5%). Media & Publishing (-3.0%) was the top loser. Index heavy weights Banks increased 1.1% while Petrochemicals declined -0.2% during the week.

Petrochemicals continued to be top traded sector comprising 19.2% of traded value and 17.3% of total volume. Banks & Financial Services contributed 14.3% to the value and 13.1% to the volume and stood second.

Index	Open	Close	WTD (%)	YTD (%)	Total Volume (Mn)	Total Turnover (SAR Mn)	No. of Trades
TASI	9,718	9,732	0.1%	16.8%	1,137	32,279	588,474
Banks & Financial Services	21,625	21,862	1.1%	19.4%	149	4,625	45,683
Petrochemical Industries	6,892	6,879	-0.2%	17.4%	197	6,212	67,912
Cement	7,053	7,077	0.3%	3.3%	55	1,398	23,402
Retail	17,561	17,306	-1.4%	11.5%	12	773	22,354
Energy & Utilities	7,056	7,273	3.1%	28.8%	15	300	4,688
Agriculture & Food Industries	12,202	12,139	-0.5%	4.0%	33	1,557	33,105
Telecom & IT	1,829	1,823	-0.3%	-6.1%	69	1,678	23,904
Insurance	1,598	1,581	-1.1%	23.9%	131	3,210	98,117
Multi-Investment	4,313	4,525	4.9%	23.0%	38	801	18,167
Industrial Investment	9,107	9,020	-0.9%	36.8%	82	3,918	124,202
Building & Construction	3,788	3,801	0.4%	15.1%	66	2,046	44,216
Real Estate Development	8,155	8,025	-1.6%	35.7%	258	3,994	49,442
Transport	9,585	9,552	-0.3%	31.9%	20	999	16,851
Media and Publishing	2,385	2,313	-3.0%	5.1%	3	166	4,302
Hotel & Tourism	23,868	24,460	2.5%	23.7%	9	603	12,129

THIS WEEK'S WINNERS & LOSERS

Top Gainer
Saudi Co. for Hardware.
(+32.5%)

Saudi Co. for Hardware which listed during the week gained 32.5% in three sessions and became the top gainer. It closed at SAR 92.75. This was followed by Kingdom Holding Company (+11.9%) and Al Rajhi Bank (+5.8%). On the other side, Saudi Indian Company for Co-operative Insurance slipped 11.5% and became the top loser followed by Arabia Insurance Cooperative Company (-9.6%) and Amana Cooperative Insurance (-7.3%).

Top Loser
Wafa Insurance
(-11.5%)

SABIC, the gulf's largest company gained 1.06% for the week and clocked a turnover of SAR 2.92bn. SABIC has increased 28.92% YTD to close SAR 107.65.

Top Gainers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
SACO	92.75	32.5%	32.5%	6
Kingdom	22.64	11.9%	25.1%	161
Al Rajhi	66.58	5.8%	29.4%	1,158
Zamil Indust	66.53	5.3%	41.5%	291
Najran Cement	29.95	5.1%	13.3%	114

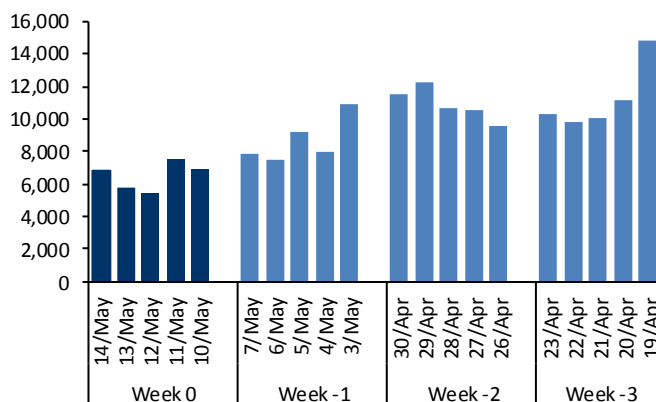
Top Losers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
Wafa Insurance	20.03	-11.5%	8.6%	453
AICC	14.02	-9.6%	9.6%	286
Amana Insurance	13.18	-7.3%	-15.3%	87
MCDC	101.46	-6.7%	29.0%	47
Solidarity	15.06	-6.6%	-24.3%	147

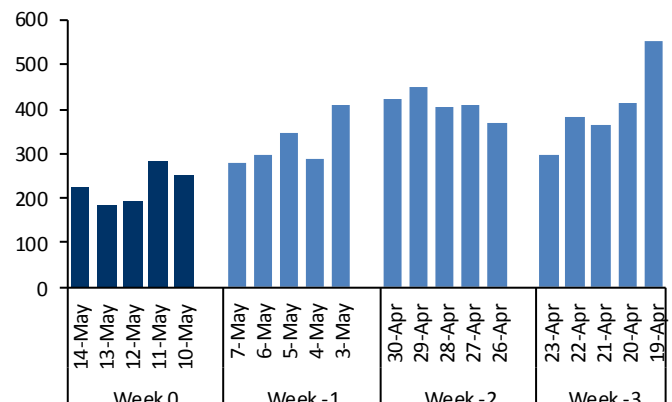
THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity declined, yet again, during the week with the overall market trading 1,137mn shares (1,619mn shares and 2,051mn in the preceding two weeks). The week's turnover also decreased to SAR 32.3bn vis-a-vis SAR 43.4bn and SAR 54.6bn in the preceding two weeks.

TASI Weekly Turnover Trend (SAR Mn)



TASI Weekly Volume Trend (Mn)



SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ Morgan Stanley Capital International (MSCI) has unveiled a list of companies that will be included in two Saudi standalone stock indexes to be launched on 1 June.
- ▶ Saudi Arabia has reportedly pumped 10.308 million barrels of oil per day in April, compared to 10.29 million bpd in March.
- ▶ Saudi Aramco will dedicate most of its spending to oil production over the next decade and reported that it discovered eight new oil and gas fields in the eastern part of the Kingdom in 2014. Separately, Aramco plans to spend between USD 70bn and USD 80bn on overseas acquisitions and investments during the next five years.
- ▶ A jointly operated onshore oilfield between Saudi Arabia and Kuwait will shut for two weeks for maintenance.
- ▶ Dur Hospitality signed a contract worth SAR 27.3mn to build a residential complex for its employees in Riyadh.
- ▶ SEDCO Holding Group, Saudi Arabia has acquired a 50% stake in Turkey's Mektebim Okullari which operates in the private education sector in Turkey
- ▶ Abdullah A.M. Al-Khodari Sons Co. signed a credit facility agreement worth SAR 229.7m with Abu Dhabi Commercial Bank.
- ▶ Mobily indicated that sale of telecom towers was still under study. Separately, Saudi Arabia's Capital Market Authority has referred a case of suspected insider trading at Mobily to public prosecutors.
- ▶ Saudi Transport and Investment signed an agreement with ND Logistics to carry Alsafi Danone's products for three and a half years, starting from 1 June and it is expected to generate revenues of more than SAR 85mn.
- ▶ Abdulmohsen Alhokair Group for Tourism and Development Co. plans to launch four hotels via a joint venture with Carlson Rezidor, the brand owner for Raddison Blu and Park Inn.
- ▶ Petro Rabigh has extended maintenance work on its vacuum distillation unit for another six days, due to leakage of the unit's cooling line.
- ▶ Saudi Arabian Chevron started shutting down production at the Wafra oil fields, removing about 250,000 bpd of potential supply from world markets.
- ▶ Mohammad Al Mojil Group's accumulated losses reached nearly SAR 3.3bn until 30 April, representing 270.9% of paid-up capital.
- ▶ Saudi Arabia's Capital Market Authority is reportedly studying plans to introduce rules governing the listing of real estate investment trusts (REITs).
- ▶ The National Water Company has stated that it has 301 water projects valued at SAR 25.2bn in the fields of service, infrastructure development and water treatment in Makkah, Riyadh, Taif and Jeddah.

OTHER GULF NEWS

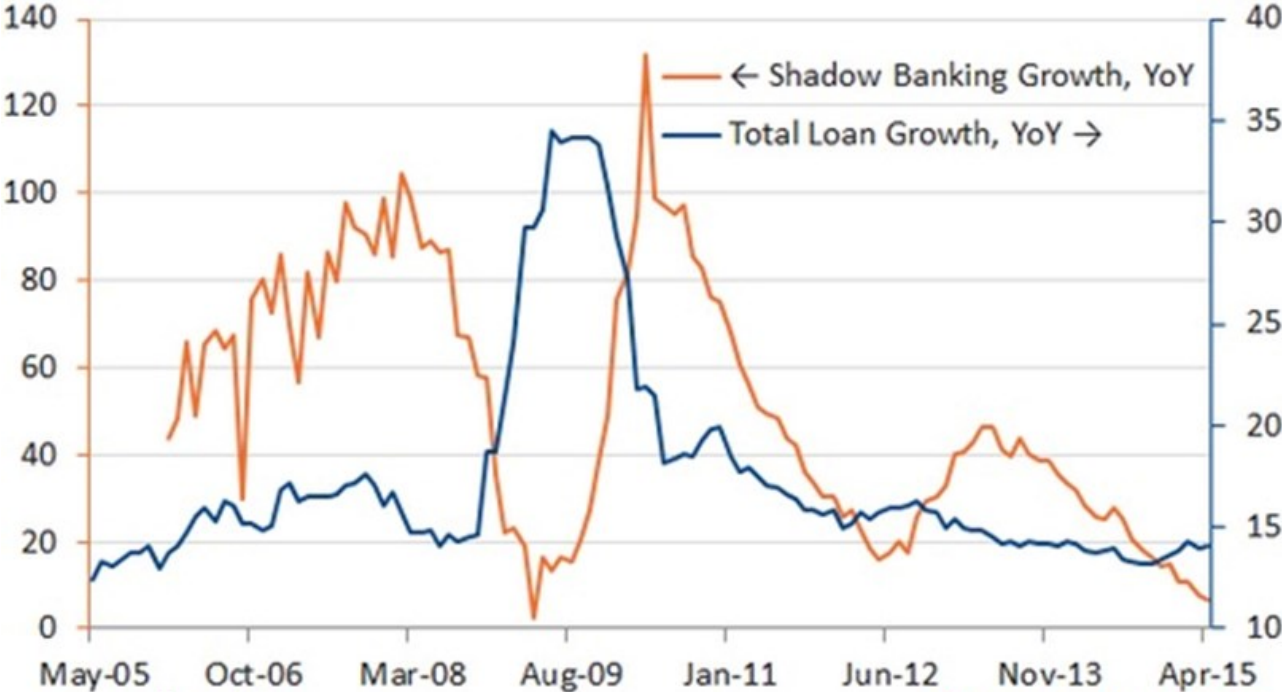
- ▶ The UAE is committed to its current three-year budget and will not cut spending despite sustained prolonged global weak oil prices, Minister of Economy said.
- ▶ Consumer prices in Abu Dhabi edged up 0.2% in April 2015 compared to March 2015, according to the Statistics Centre.
- ▶ GS Energy will buy a stake worth USD 676mn in a new 40-year onshore oil concession in Abu Dhabi.
- ▶ Economic Zones World, Dubai and Dubai Department of Tourism and Commerce Marketing signed a Memorandum of Understanding to promote Dubai as Tourism and investment destination.
- ▶ Alibaba, China's cloud-computing unit has formed a joint venture with Meraas Holding, Dubai to offer big data and cloud computing services to government and private enterprises in the region.
- ▶ Marka, Dubai has acquired restaurant chain Reem Al Bawadi for around AED 315mn
- ▶ DP World, Dubai is expected to raise USD 500mn from a five-year bond issue.
- ▶ Kuwait Finance House (KFH) is exploring the possible sale of assets including its Malaysia unit, as the Islamic lender looks for a leaner structure while seeking greener pastures through its Turkey franchise.
- ▶ Oman is reportedly planning to sell its first sovereign Islamic bond, an issue of OMR 200mn of Sukuk, through a private placement.
- ▶ Fitch Ratings has withdrawn Qatar Real Estate Investment Company's long-term Issuer Default Rating of 'BBB+', senior unsecured rating of 'BBB+' and Short-term IDR of 'F2'.
- ▶ Qatar's Public Works Authority has awarded 11 contracts for infrastructure projects with a total value of QAR 6bn.
- ▶ Gulf Warehousing Company which has won the right to construct Bu Sulba logistics hub for small and medium enterprises, is planning to raise as much as QAR 458mn from the secondary markets as part of strengthening its capital base to support the expansion plans.

GLOBAL ECONOMIC NEWS

- ▶ UK interest rates have been held at 0.5% for another month by the Bank of England. The Bank also left the scale of its quantitative easing stimulus programme unchanged at GBP 375bn.
- ▶ UK's unemployment rate has fallen to 5.5% , lowest since 2008. The number of people out of work fell to 1.83mn.
- ▶ The Eurozone posted growth of 0.4% in the first three months of this year while Germany grew by 0.3% .
- ▶ Verizon has agreed to buy AOL Inc. in a deal valued at USD 4.4bn.
- ▶ China's money supply grew 10.1% year on year while the Fixed asset investment rose 12% year on year in the first four months of 2015.

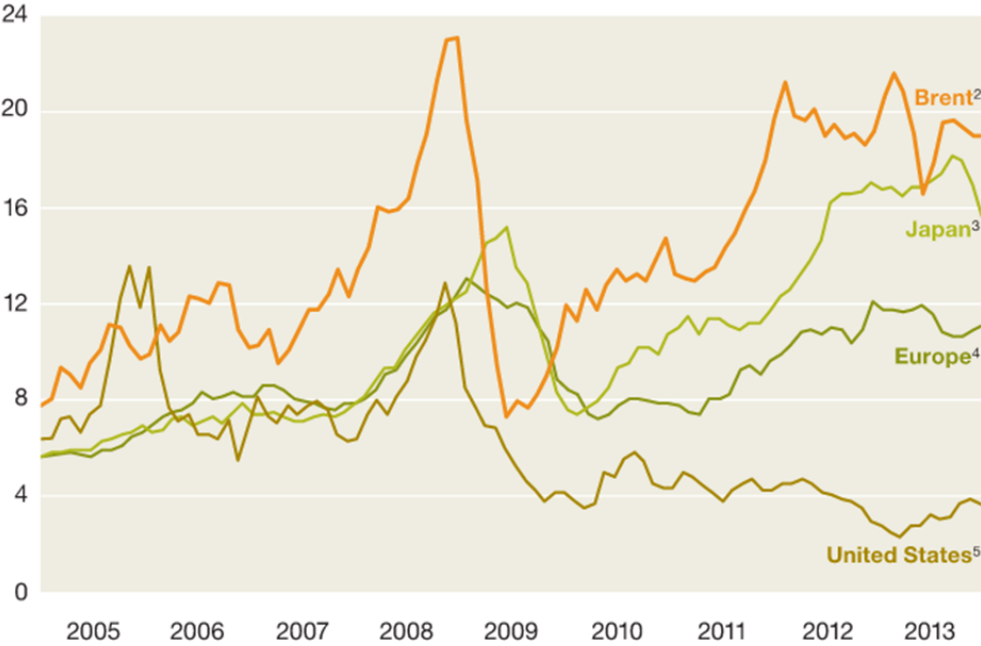
CHARTS OF THE WEEK

Chart 1: Loan Growth in China



Source: Bloomberg


Chart 2: Regional Gas Prices, USD per MMBtu




Source: McKinsey Report


**Treeline Business Solutions
Private Limited**

Corporate Office:


 37, Chamiers Road
Teynampet
Chennai 600018 India


 +91 44 2435 7756

 www.treeline.co

 tirtha@treeline.co
madhu@treeline.co

Delivery Center:

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

 +966 55 485 9799

Treeline Business Solutions® is a boutique provider of business process outsourcing services based in Chennai, India, with Sales offices in the GCC and serving diverse range of clients around the world.

Over a period of time, Treeline has successfully built in-house expertise and professional capability to handle business needs of various clients in the following functional areas:

Transaction Processing & Oversight	Fund Administration
Family Office & Wealth Management	Recruitment Services
Business Support	IT Support

Our Family Office and Wealth Management Support Services focus on the following areas:

- ▶ Financial Modelling and Business Research Support
- ▶ Family Office Set-up and Governance
- ▶ Investment Back Office
- ▶ Private Equity Fund Administration
- ▶ Portfolio Performance Valuation, Benchmarking & Reporting

Treeline has clients across the world and serves many industries & sectors including banks, investment companies and family offices. Our clients value our commitment to producing high-quality work with quick turnaround. Treeline follows and adheres to best practices in maintaining sanctity of transactional information or privileged inputs, received in due course of project execution. IT enables strict access controls coupled with employer–employee confidentiality agreements puts in place the basics of data confidentiality and ensures no breach of set norms through strict compliance measures.

We are recognized for our practical approach—“rolling up our sleeves to make change happen”. Our sole focus is on doing what is right for our clients.

Treeline has launched the beta version of Cedar—Saudi Capital Market Analytics platform. For more details on Cedar, download the product presentation by visiting <https://cedar.treeline.co/introduction/> and for getting the trial access kindly visit the webpage <https://cedar.treeline.co>

Disclaimer: The information in this report is prepared by Treeline Business Solutions Private Limited (herein after referred as "Treeline"). The report is intended to be circulated for general information only and should not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The information and statistical data herein have been obtained from sources we believe to be reliable but no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Treeline makes no representation as to the accuracy or completeness of such information. Nothing contained in this document shall be construed to be an investment advice or an assurance of the benefits of investing in the any of the securities indicated in this report. Recipient alone shall be fully responsible for any decision taken on the basis of this document.

Treeline has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn.

This report may not consider the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to make their own investigation or seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily indicative of future performance.