

## Saudi Stock Market – Weekly Update

For the Week ending 28 May 2015

“Increasing institutional investors' strategic ownership in listed companies supports governance practices and increases transparency, a target that is hard to achieve amid the dominance of retail investors in the market”

- Saudi Arabian Capital Market Authority

### TASI PERFORMANCE FOR THE WEEK

### TASI DECLINES

“TASI slipped marginally by 0.1%”

Tadawul All Share Index (TASI) dropped marginally during the week by 0.1% to close at 9,757 points. Market activity was low this week also as investors wait on the sidelines for the next big market movement. All regional indices descended during the week with the exception of Oman (+0.1%). Qatar (-4.4%) decreased the most.

Oil prices witnessed some pressure during the week with the Brent retracting to USD 63 per barrel levels. In the US, crude oil production rose to 9.56 million barrels a day even though drilling activity has slowed down. Meanwhile, globally, it has been reported that there is a surge in the oil storage tankers, to a seven year high, with charter rates increasing by 57% YoY. The OPEC meet on June 05 could be a next big event for Oil market.

In the Europe, Greek woes continue with bank deposits falling to EUR 139.4bn in April from EUR 145bn in March and reaching the lowest level since 2004. Separately, the IMF and creditors are sticking to their stance and insisting on sweeping reforms and credible surplus targets. The IMF's head has also indicated that a Greek exit from the euro zone was 'Possible'.

“Greek deposits fall to EUR 139.4bn, lowest since 2004”

Between, in the US the second estimate GDP showed that the economy experienced a 0.7% decline in output in the first quarter of 2015 as against a 0.2% advance for the period reported last month. Switzerland's GDP has also shrunk by 0.2% in the first quarter of 2015.

Chart 1: TASI Close & Market Turnover

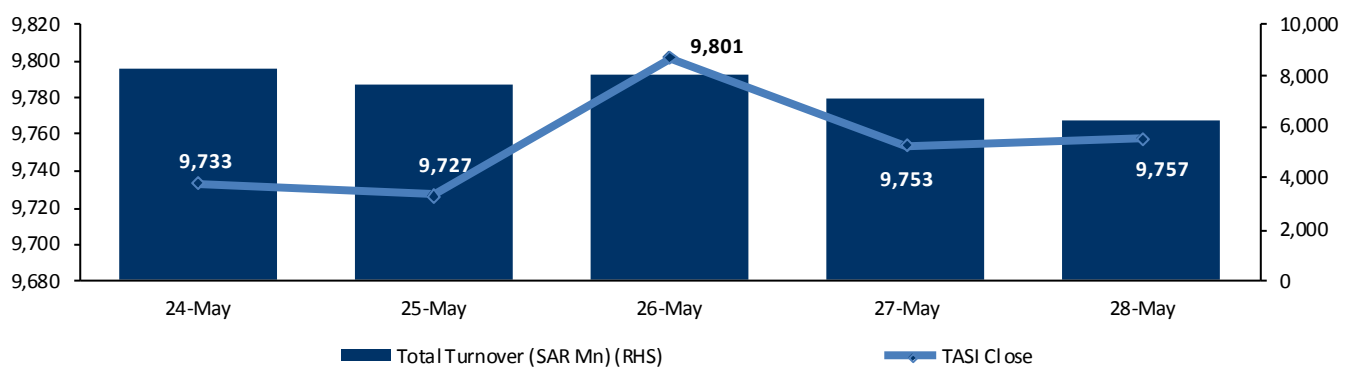
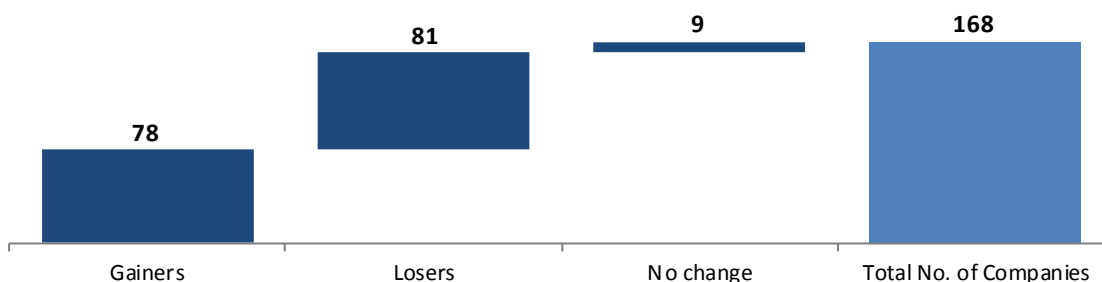
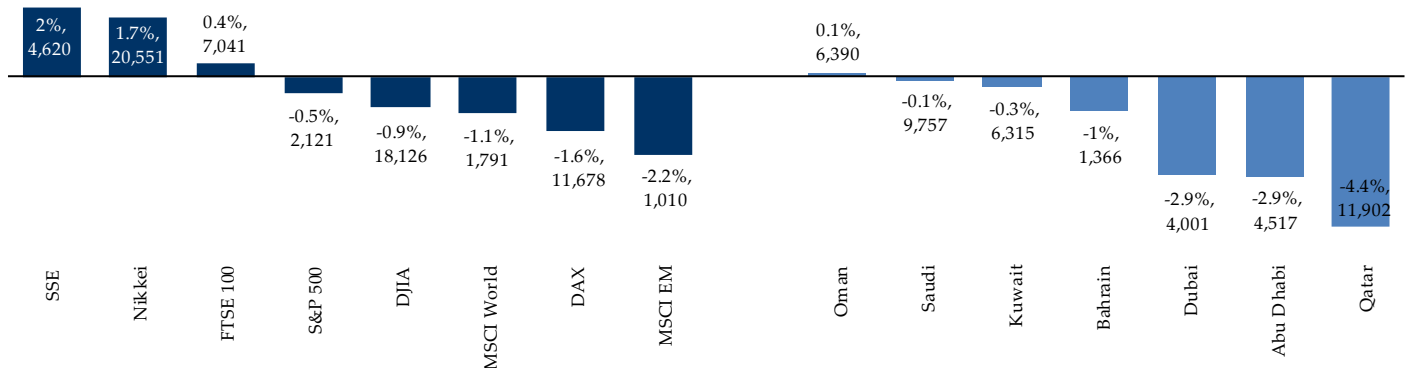


Chart 2: Trading Statistics



Saudi market breadth was negative with 78 gainers as against 81 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 mirrored the TASI direction with 9 out of 15 indices registering negative movement. Industrial Investment (+5.2%) gained the maximum followed by Real Estate (+2.5%) and Insurance (+0.8%). Petrochemicals, the index heavy weight lost 1.7% and was the top losing index followed by Hotels (-1.3%) and Banks (0.8%).

Petrochemicals became the top traded sector during the week by contributing 16.4% to the total value and 15.0% to the total volume. Industrial Investment came second by contributing 15.2% to the total value and 10.2% to the volume.

Index	Open	Close	WTD (%)	YTD (%)	Total Volume (Mn)	Total Turnover (SAR Mn)	No. of Trades
TASI	9,768	9,757	-0.1%	17.1%	1,178	37,337	664,974
Banks & Financial Services	21,914	21,748	-0.8%	18.8%	158	4,749	47,584
Petrochemical Industries	6,830	6,715	-1.7%	14.6%	177	6,140	72,437
Cement	7,071	7,101	0.4%	3.6%	42	1,074	21,088
Retail	17,806	17,893	0.5%	15.3%	58	3,119	79,718
Energy & Utilities	7,270	7,289	0.3%	29.0%	13	283	4,772
Agriculture & Food Industries	12,052	12,049	0.0%	3.3%	50	2,177	42,869
Telecom & IT	1,820	1,814	-0.3%	-6.6%	96	1,394	22,830
Insurance	1,652	1,665	0.8%	30.5%	142	4,309	123,886
Multi-Investment	4,611	4,609	-0.1%	25.3%	50	1,202	25,149
Industrial Investment	8,984	9,448	5.2%	43.3%	120	5,688	92,146
Building & Construction	3,825	3,820	-0.1%	15.7%	95	2,453	56,744
Real Estate Development	8,014	8,210	2.5%	38.8%	125	2,539	40,919
Transport	10,414	10,364	-0.5%	43.1%	42	1,651	22,420
Media and Publishing	2,311	2,303	-0.3%	4.7%	3	96	3,080
Hotel & Tourism	25,108	24,787	-1.3%	25.4%	7	464	9,332

## THIS WEEK'S WINNERS & LOSERS

**Top Gainer**  
**Saudi Arabian Mining Company**  
**(+11.8%)**

Saudi Arabian Mining Company increased 11.8% and became the top gainer. It closed at SAR 47.62 and has gained 55.7% YTD. Saudi Industrial Development Co (+8.9%) and Mouwasat Medical Services Company (+7.3%) stood second and third. On the other side, Knowledge Economic City lost 5.6% and was the top losing stock closely followed by Saudi United Cooperative Insurance Co. (-5.5%) and Saudi Transport and Investment Company (-5.1%).

**Top Loser**  
**Knowledge Economic City**  
**(-5.6%)**

SABIC, the gulf's largest company, decreased 1.98% for the week and clocked a turnover of SAR 3.16bn. SABIC has gained 23.4% YTD to close SAR 103.04.

### Top Gainers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
MAADEN	47.62	11.8%	55.7%	2,507
SIDC	19.99	8.9%	36.0%	703
Mouwasat	149.05	7.3%	20.7%	66
SARCO	67.85	6.9%	37.3%	313
AXA Cooperative	27.6	6.5%	31.9%	236

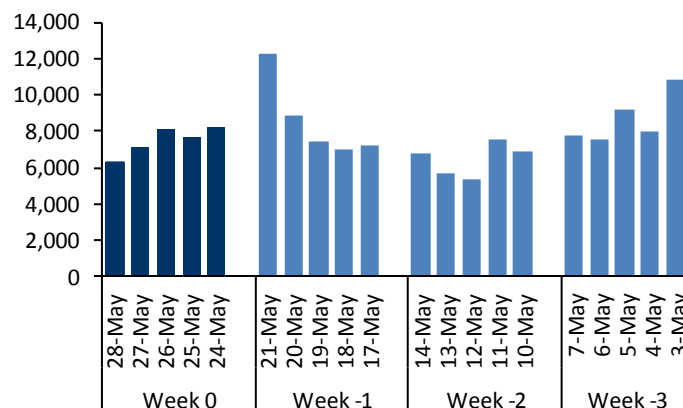
### Top Losers

Company	Close	WTD (%)	YTD (%)	Value Traded (SAR Mn)
KEC	28.68	-5.6%	69.4%	500
Walaa	16.9	-5.5%	-0.8%	87
mubarrad	66.51	-5.1%	97.9%	246
Takween	69.08	-4.6%	44.4%	377
Al-Ahlia	17.4	-4.3%	24.3%	66

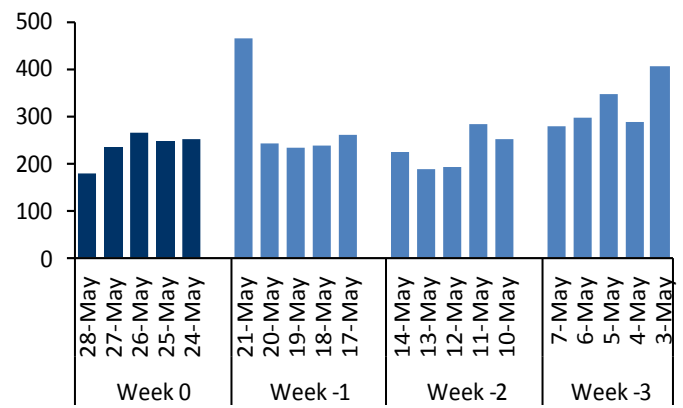
## THE LIQUIDITY PLAY (VOLUME - VALUE TREND)

The market activity declined during the week with the overall market trading 1,178mn shares (1,438mn shares and 1,139mn in the preceding two weeks). The week's turnover was at SAR 37.3bn vis-a-vis SAR 42.8bn and SAR 32.3bn in the preceding two weeks.

### TASI Weekly Turnover Trend (SAR Mn)



### TASI Weekly Volume Trend (Mn)



## SAUDI - CORPORATE & ECONOMIC NEWS

- ▶ Saudi Gulf Airlines, based in Dammam, will start operating from November 2015, General Authority for Civil Aviation said.
- ▶ Almarai has approved the company's strategic five-year plan for 2016-2020, which includes a capital investment of SAR 21bn.
- ▶ Saudi Arabia's total exports in 2014 dropped by 8.9% to SAR 1.28tn, while imports rose by 3.3% to SAR 652bn, according to Saudi Central Department of Statistics and Information.
- ▶ National Water Company plans to create water treatment projects including stations at 62 projects, at an estimated cost of SAR 9bn.
- ▶ Saudi Basic Industries Corp. will sign a memorandum of understanding with Saudi Arabia's health ministry to build a SAR 300mn hospital in Riyadh.
- ▶ Abdullah Al-Khodari Sons Co. has signed a three-year contract worth SAR 28.5mn with the Royal Commission for Jubail and Yanbu.
- ▶ National Shipping Co. of Saudi Arabia signed contracts with Hyundai Samho Heavy Industries to build five very large crude carriers with an option for additional five more vessels.
- ▶ Yanbu National Petrochemicals Co. has resumed operations at most of its plants after completing preventive maintenance. The maintenance work at ethylene glycol plant will continue with the financial impact estimated at around SAR 350mn.
- ▶ National Co. for Glass Industries signed a memorandum of understanding with Saudi Offset Co. and Indo Asian Fuse Gear to purchase the companies' stakes in Saudi National Lamps and Electricals Co.
- ▶ Saudi Emirati for Integrated Transportation, subsidiary of Saudi Public Transport Co. has signed a loan agreement for SAR 220mn with the Saudi British Bank.
- ▶ Jazan Development Co. will liquidate SAR 10mn from its SAR 20mn equity portfolio at Aloula Geojit Capital.
- ▶ Saudi Vitrified Clay Pipes Co. has fully paid off a SAR 37.5mn loan to the Saudi Industrial Development Fund.
- ▶ Al-Rajhi Union has completed the procedures of establishing the Kingdom's largest real estate project and has purchased a land plot in Riyadh at a total value of nearly SAR 600mn.
- ▶ Al-Ahsa Development Co. has paid SAR 20.4 million for its 50% stake in the capital increase of Industrialization and Energy Services Co.
- ▶ Thimar has signed Sharia-compliant credit facilities worth SAR 50mn with Saudi British Bank.
- ▶ Saudi Automotive Services Co. signed credit facilities with the Saudi British Bank worth SAR 150mn to be used before 31 January 2016.

## OTHER GULF NEWS

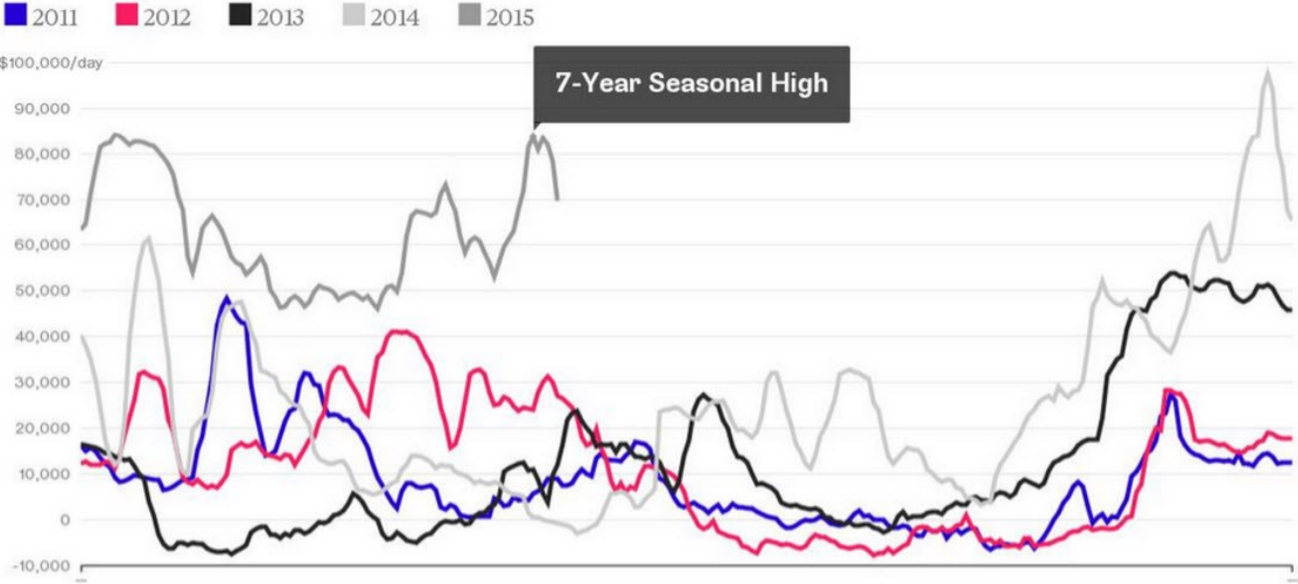
- ▶ Emirates Global Aluminium plans to spend USD 5.2bn to boost capacity at its smelter in Dubai and build an alumina refinery in Abu Dhabi.
- ▶ Dubai's Samena Capital will purchase up to 40% equity stake in Kleinwort Benson's UK-based private bank unit.
- ▶ Masharie, the private equity arm of Dubai Investments – will divest 51% stake in both International Rubber Company and Techno Rubber Company for AED 36.5mn.
- ▶ Dubai Electricity and Water Authority is undertaking the Smart Dubai initiative through the rollout of 100 Electric Vehicle Charging Stations by the end of this year.
- ▶ Steel Company Conares will increase its manufacturing capacity to one million tonnes at its facility in Jebel Ali Free Zone and earmarks AED 200mn for the new facility.
- ▶ A consortium including Qatar Electricity and Water Corp and Mitsubishi will build the biggest integrated power and water plant ever constructed in Qatar at a cost of USD 3.15bn.
- ▶ Qatargas has sold the first cargo of liquefied natural gas to Jordan as part of broad-basing its markets.
- ▶ ING Group NV , Qatar National Bank and the Bahrain-based Arab Banking Corporation are among the potential bidders for HSBC's Turkish business.
- ▶ Oman government revenues fell in the first quarter of 2015 by 23.9% to OMR 2,447mn from OMR 3,214mn for the same period last year.
- ▶ Oman is set to spend around OMR 2.5bn for the expansion and modernization of the sultanate's water infrastructure over the next 25 years.
- ▶ Oman has committed to invest USD 7bn to build oil storage facilities, a petrochemical plant and a refinery in Indonesia.
- ▶ Standard & Poor's said it had raised its outlook on three of the biggest Egyptian banks from Stable to Positive.

## GLOBAL ECONOMIC NEWS

- ▶ US Markit preliminary composite index fell to 56.1 in May from 57 in April. The consumer confidence index stood at 95.4 in May up from a revised 94.3 in April.
- ▶ Central Bank of China has accelerated monetary easing and SHIBOR has slid to 2.9% from 4.9%.
- ▶ Brazil's economy contracted by 0.2% compared with the previous three months in the first quarter of the year as severe droughts held back growth.
- ▶ Singapore's Avago Technologies Ltd., has agreed to buy wireless chipmaker Broadcom Corp. for USD 37bn.
- ▶ Ukraine's creditors owning about USD 8.9bn of Ukraine's debt have put forward a restructuring proposal that includes maturity extensions of up to 10 years and reductions in interest payments of about USD 500mn.

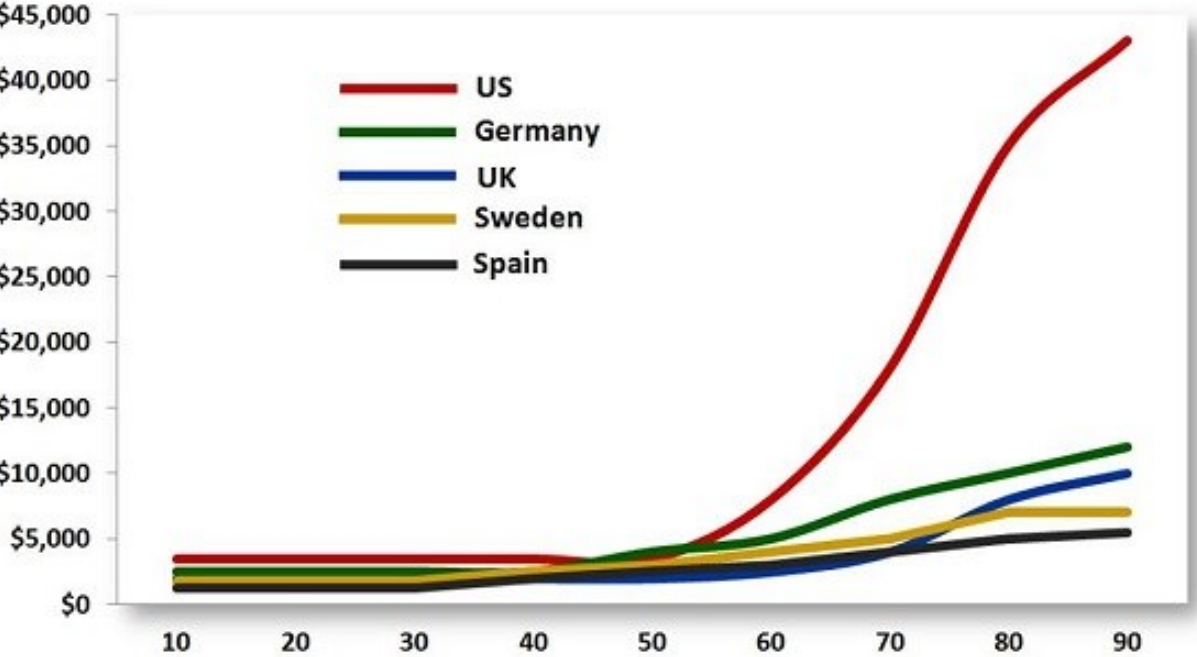
CHARTS OF THE WEEK

Chart 1: Oil Supertanker Charter Rates (USD per day)



Source: Baltic Exchange


Chart 2: Annual Per Capita Healthcare Costs by Age




Source: Zero Hedge


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