

International Economic Highlights.

China's economy remains "generally stable" but it is facing complexities that "cannot be underestimated", the country's central bank said in a statement on Saturday following a quarterly meeting of its monetary policy committee.

The week ahead

Days	Country	Event	Survey	Prior
Sun	AUD	Retail Sales m/m	0.3%	0.4%
Mon	GBP	Manufacturing PMI	55.1	54.6
	USD	ISM Manufacturing PMI	57.2	57.2
	AUD	Trade Balance	1.75B	1.30B
Tue	AUD	Cash Rate	1.5%	1.5%
	GBP	Construction PMI	52.5	52.5
	CAD	Trade Balance	0.7B	0.8B
Wed	GBP	Service PMI	53.3	53.3
	USD	ADP NON- Farm Employment change	191k	298k
Thu	USD	Unemployment claims	251k	258k
Fri	GBP	Manufacturing Production m/m	0.3%	-0.9%
	CAD	Employment change	5.7%	15.3%
	CAD	Unemployment Rate	6.7%	6.6%
	USD	Average Hourly Earning m/m	0.2%	0.2%
	USD	Non Farm Employment change	176k	235k
	USD	Unemployment rate		

International Equities	Weekly	YTD	1 Year	PE	Dividend Yield
MSCI World	0.4%	5.9%	13.0%	21.99	2.39%
S&P500	0.8%	5.5%	14.0%	21.77	1.97%
Canada	0.7%	1.7%	15.7%	22.35	2.73%
Australia	1.9%	3.5%	17.3%	20.17	4.10%
Japan	-1.8%	-1.1%	17.0%	22.09	1.70%
MSCI Europe	1.2%	5.3%	15.0%	26.05	3.32%
FTSE 100	-0.2%	2.5%	19.1%	38.36	3.85%
DAX	2.1%	7.2%	25.7%	20.16	2.52%
CAC 40	2.0%	5.4%	18.5%	19.79	3.13%
IBEX	1.5%	11.9%	21.6%	19.55	3.59%
FTSE MIB	1.5%	6.5%	15.3%	#N/A	N/A
MSCI Emerging Market	-1.1%	11.1%	16.0%	15.57	2.43%
SHSZ300	-1.0%	4.4%	7.3%	15.89	1.98%
SENSEX	0.7%	11.2%	17.2%	21.98	1.27%
KSE100	-1.7%	0.7%	44.0%	11.08	4.47%
MSCI Brazil	-0.2%	9.7%	38.8%	20.59	2.82%
MSCI Russia	-1.0%	-4.6%	25.6%	8.43	4.34%
MSCI South Africa	-1.5%	1.5%	-2.5%	18.40	2.94%
MSCI All World	0.3%	6.4%	13.3%	21.04	2.39%

Currency	Level	WTD	YTD
Euro	1.065	-1.35%	1.28%
Pound	1.255	0.62%	1.70%
Yen	111.390	-0.04%	5.00%
Renminbi	6.887	-0.05%	0.84%
Swiss Franc	1.003	-1.12%	1.64%
SAR/GBP	4.713	-0.61%	-1.79%
SAR/EUR	3.997	1.28%	-1.24%
SAR/CNY	0.545	-0.11%	-1.00%

Macro	Annual		Last
	GDP	Inflation	Rates
USA	1.60%	1.27%	1.00%
UK	1.80%	0.68%	0.25%
Eurozone	1.70%	0.24%	0.00%
Japan	1.00%	-0.13%	-0.10%
China	6.70%	2.01%	4.35%
Saudi Arabia	3.49%	4.02%	2.00%
Bahrain	2.10%	3.65%	3.00%
Kuwait	1.85%	3.40%	1.00%
Qatar	2.63%	3.01%	5.00%
Oman	1.79%	1.12%	1.48%
UAE	2.26%	3.55%	1.25%

Commodities	Level	WTD	YTD	1 Year
WIT Oil (Nymex)	50.60	5.48%	-9.72%	14.12%
ICE Brent Oil	53.53	5.13%	-8.40%	17.86%
Gold (spot)	1249.20	0.45%	8.86%	1.33%
Natural Gas	3.19	1.17%	-9.96%	20.74%

Govt. Bond yields (10 yr)	Yield to maturity	1 Year	
		Basis point	%
USA	2.39%	61.87	34.98%
UK	1.14%	-27.60	-19.51%
Germany	0.33%	17.50	116.53%
Japan	0.07%	9.90	-341.38%
China	3.29%	40.30	13.94%

International Economic Highlights

The People's Bank of China said in a statement posted on its website (www.pbc.gov.cn) that the world economy was still in a period of readjustment following the global financial crisis, and there were still many risks in global markets. It said it would continue to implement a sound and neutral monetary policy, and rely on a range of monetary policy tools to keep liquidity at a stable level. It added that it would continue to keep the yuan exchange rate at a reasonable and stable level.

The new head of Japan's Sumitomo Mitsui Banking Corp (SMBC) said it is "actively studying" an acquisition of a U.S. bank, as part of efforts to seek a reliable dollar funding source for future growth. Securing cheap, stable dollar funding has been a major challenge for Japanese banks, which have been aggressively expanding overseas as they have been hit by ultra-low interest rates and weak loan demand at home for years.

"As we expand globally, a diversified and stable source of the world's largest hard currency is extremely important," Makoto Takashima, who was promoted from senior managing director to president on Saturday, told Reuters in an interview.

"Even for our Asia operations, the capability to secure dollar funding is crucial," he said.

He said his bank has been shifting to more stable dollar sources such as deposits by corporate clients from short-term market funding like commercial papers.

As a result, the bank's dollar funding is enough to cover loan demands. "But the core funding source is retail deposits. And to be honest, we want that source when we think about our future growth," he said.

SMBC is a core banking unit of Sumitomo Mitsui Financial Group (SMFG) (8316.T, which posted a 22 percent drop in net profit in the quarter ending in December due to the low interest rate environment.

Japanese banks are among the most aggressive buyers of overseas assets in recent years. SMFG spent a total of \$1.5 billion in 2013 and 2014 to buy 40 percent of PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) of Indonesia.

Unlike cross-town rival Mitsubishi UFJ Financial Group (8306.T, which owns California-based Union Bank, SMFG does not have a retail footprint in the United States.



China Central Bank



Head of Sumitomo

Middle East Economic Highlights.

Abu Dhabi state-owned fund Mubadala Investment Company is lining up new overseas investments in 2017 and may also sell or reduce some of its existing stakes in companies, its chief executive said on Thursday.

Mubadala, which is merging with Abu Dhabi-owned International Petroleum Investment Company (IPIC), will not see any change in its strategy after the merger, which will be completed in May, Khaldoon al-Mubarak told Reuters in an interview.

The company said in January the merged entity would have assets of about \$125 billion.

"For 2017, we have lined up several very interesting and important investments," al Mubarak said, adding the fund would continue to invest in traditional sectors as well as new sectors such as energy and technology.

"We are not shifting focus, investment is a more broader, more descriptive word."

Al Mubarak hinted that Mubadala, which recently cut its stake in Advance Micro Devices, may pare down its stakes in other companies this year.

"For 2017, if we find the right opportunity to divest at the right time, we will do so. But that doesn't change our growth trajectory and strategy," he said.

Mubadala partly owns Emirates Global Aluminium (EGA), one of the world's top five producers, which recently invited banks to pitch for a role in its planned initial public offering, Reuters reported this month.

Egyptian real estate developer Misr Italia Group is seeking to raise about 1.5 billion Egyptian pounds (\$82.5 million) from a share sale on the country's stock exchange that is expected to take place by May.

The Cairo-based company plans to sell 20 percent to 25 percent of its shares, according to co-Chief Executive Officer Mohamed El Assal, and has hired Beltone Financial as the initial public offering manager. The roadshow for the sale is planned to take place in April in Persian Gulf countries.

"We will use the proceeds to complete some ongoing projects as well as new ones," El Assal said in an interview in Cairo. "We see a lot of opportunities for co-development projects with the government in the future."

Egypt's bourse expects the biggest number of IPOs this year since 1998 with a value that will be the highest in the country's history after last year's currency float. The government expects to raise about 6 billion pounds from IPOs of state-run entities in the coming fiscal year that starts in July. It has listed Banque Du Caire SAE to kick off its share sale program.

ME Equities	Weekly	YTD	1 Year	PE	Dividend Yield
MSCI GCC	0.3%	-1.0%	11.2%	14.17	3.79%
Saudi Arabia	1.8%	-2.9%	12.5%	17.41	3.41%
Dubai	0.5%	-1.4%	3.7%	14.77	3.92%
Abu Dhabi	-1.2%	-2.3%	1.2%	16.74	5.44%
Bahrain	-1.4%	11.1%	19.9%	8.88	5.79%
Qatar	-0.5%	-0.4%	0.1%	15.36	3.74%
Kuwait	-0.2%	22.3%	34.4%	21.75	3.39%
Muscat (30)	-1.5%	-4.0%	1.5%	11.03	5.26%
Egypt (30)	-0.3%	5.3%	72.7%	-	1.56%

Saudi Arabia Economic Highlights.

The three-month Saudi Arabian Interbank Offered Rate (SAIBOR) shed 65 basis points (bps) to a 12-month low of 1.73 percent at the end of March, compared to its peak at 2.39 percent in October 2016, data compiled by Argaam showed.

SAIBOR rose continuously from 0.77 in August 2015 to 2.39 in October. Since then it has retreated, despite an increase in the reverse repo rate by the kingdom's central bank last month which hit overnight operations, the data added.

The decline in SAIBOR was driven by the rise in net liquid assets at Saudi banks amid a slowdown in lending and the central bank's decision to inject cash into banks.

The rise in SAIBOR during 2016 led to a rise in financing charges among companies with high leverage. These companies are expected to partially benefit if this decline in continues.

Historically, the three-month SAIBOR is usually 50-70 bps above the reverse repo, amid eased liquidity conditions.

The Saudi Stock Exchange (Tadawul) will impose new fees on listed companies as of April 1, on a proportional basis for the remaining nine months of 2017, unnamed sources close to the matter told Argaam.

The new listing fees are estimated at 0.0001 percent, or one basis point (bps), of a company's paid-in capital plus 0.00005 percent (0.5 bps) of the company's market value. The new charges will not exceed SAR 1 million annually for every listed company.

As of 2018, the new fees will be estimated biannually in advance, sources said.

Last July, the Capital Market Authority (CMA), Saudi Arabia's market regulator, approved raising commission on trades of Tadwul-listed firms.

Interbank Offer Rates	SAIBOR	WTD	YTD	USD LIBOR	WTD	YTD
1 month	1.31%	0.00%	-27.12%	0.98%	0.00%	27.36%
3 month	1.74%	0.00%	-14.74%	1.15%	-0.15%	15.20%
6 month	2.01%	-0.06%	-9.34%	1.42%	-0.27%	8.01%
12 month	2.21%	0.00%	-8.89%	1.80%	-0.06%	6.89%



Tadawul	Weekly	YTD	1 Year	PE Ratio	Dividend Yield
TASI	1.8%	-2.9%	12.5%	17.41	3.41%
Banks	2.0%	-4.3%	8.2%	10.19	3.67%
Materials	1.9%	-2.4%	18.0%	19.11	4.64%
Real Estate Management & Development	1.3%	-3.5%	20.6%	49.48	1.02%
Telecom	0.9%	-6.0%	-5.5%	54.49	3.76%
Insurance	-1.3%	2.9%	21.8%	23.92	1.66%
Capital goods	4.3%	-1.2%	31.9%	82.66	1.49%
Retailing	4.4%	7.6%	4.8%	17.85	3.99%
Utilities	0.8%	2.8%	45.4%	39.18	3.11%
Energy	1.2%	-12.7%	-8.1%	11.45	7.51%
Healthcare	2.5%	-2.6%	21.7%	28.89	1.72%
Consumer services	2.1%	-11.6%	-11.9%	10.36	1.91%
Transportation	1.3%	-15.3%	18.5%	14.64	3.87%
Food & Beverage	1.7%	2.7%	14.7%	6.18	18.33%
Food & Staple	4.6%	7.7%	14.7%	23.27	1.29%
Diversified Financials	1.2%	-5.5%	-9.1%	#N/A N/A	4.08%
Consumer & Professional services	0.2%	-12.9%	-14.4%	17.22	6.24%
Pharmaceutical	2.0%	-11.3%	12.4%	11.55	2.76%
Consumer Durables	1.3%	4.3%	-4.7%	#N/A N/A	0.47%
Media	0.7%	-16.2%	-21.2%	#N/A N/A	0.00%
REITs	-1.9%	16.7%	#VALUE!	#N/A N/A	0.00%



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