

PETROCHEMICAL TRACKER



STOCKS RISE BUT PRODUCT PRICES DECLINE

Oil and natural gas prices remained weak during the month. Petrochemical prices mirrored the weakness in oil, only exception being Methanol which gained 9%. Benzene was the worst performer with a drop of 13%. All of the Petrochemical stocks ended the month with a gain, except SABIC which remained flat. Petrochem and PetroRabigh were the top performers displaying double digit growth.

This is an extract of our published report, the full version of which can be found on the ncbc.com website

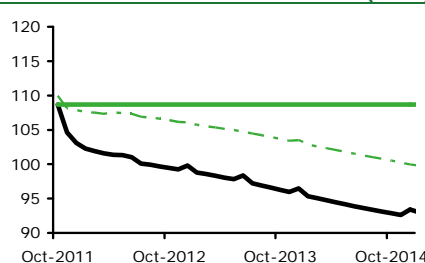
SABIC plans to temporarily shut its MTBE plant in October 2011. **SIIG** aims to undertake maintenance work at 3 of its units (benzene, cyclohexane and motor gasoline) for 30 days starting from October 2011. **Saudi Kayan** stopped operations at its HDPE plant sometime during 18th and 19th of September 2011 due to some technical issues, according to ICIS news. **Petro Rabigh** started operations at its propylene oxide plant (having an annual capacity of 200,000mt) after a four month long maintenance run starting from 21 April 2011. **Petrochem** aims to start operations at its HDPE and PP plants by the end of 2011.

Key benchmark overview

Name	Latest	1M (%)	QTD (%)	YTD (%)
TASI	6,083.4	1.7	(7.5)	(8.1)
TASI Petrochem	6,138.1	3.7	(10.6)	(5.8)
Brent (\$/bbl)	108.7	(6.5)	(3.1)	16.1
Gold (\$/oz)	1,656.8	(9.7)	9.6	17.9
Natural Gas (\$/MMBtu)	3.7	(4.3)	(14.2)	(10.3)
Ethylene	1,050.0	(4.5)	(1.9)	(8.3)

Source: Bloomberg, NCBC Research

Crude oil futures curve* – Brent (\$/bbl)



Source: Bloomberg, NCBC Research, *updated Jul 2011

Saudi equities – performance and valuation

Name	Rating	Price Target (SR)	Price chg (%)		Valuation		Div yld 11(%)
			1M	YTD	P/E-11E	P/BV	
Tasnee	Neutral	42.4	12.2	22.7	13.8	2.2	2.3
Sipchem	Overweight	25	0.8	(28.6)	11.0	1.3	0.0
YANSAB	Neutral	50.4	2.7	(5.0)	11.3	2.8	0.0
Sahara Petrochemical	Neutral	22.7	9.1	(11.2)	12.1	1.7	0.0
Saudi Kayan	Overweight	19.5	3.0	(11.7)	13.7	1.7	0.0
SAFCO	Overweight	207.7	6.2	13.3	12.7	6.0	7.2
Petrochem	Neutral	18.3	16.6	(1.8)	-	2.3	0.0
SABIC	Overweight	124.3	0.0	(12.2)	-	2.1	4.3
SIIG	NR	-	3.2	(11.5)	-	1.5	2.6
Chemanol	NR	-	5.0	(28.5)	-	1.0	0.0
Nama Chemicals	NR	-	2.2	(16.1)	-	0.7	0.0
Alujain	NR	-	13.6	(14.1)	-	2.4	0.0
APPC	NR	-	1.8	4.4	-	2.2	3.5
PetroRabigh	NR	-	14.7	9.6	0.0	2.6	0.0

Source: Bloomberg, NCBC Research

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NEUTRAL:	Target price represents expected returns between -10% and +15% in the next 12 months
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