

Aramco rocket on debut after record IPO

● Aramco shares rose 10 per cent to 35.2 riyals just seconds after trading began

● Saudi bourse now the ninth biggest in the world

● The IPO process had put the energy giant's value at \$1.7 trillion

Riyadh

Taudi Aramco's shares soared on their debut on the domestic stock exchange yesterday, becoming the world's biggest listed company worth \$1.88 trillion after a record-breaking IPO.

Other major Gulf markets also rose.

Shares of Saudi Arabian Oil Co (Aramco) soared to 35.2 riyals (\$9.39), up from the initial public offering (IPO) price of 32 riyals. The increase helped the company close in on the \$2 trillion valuation long sought by Saudi Crown Prince Mohammed bin Salman.

If Aramco shares gain 10pc today as well, it will exceed the \$2 trillion valuation coveted by Prince Mohammed. The company is expected to be included in the MSCI emerging markets index on Dec. 17.

Aramco raised \$25.6 billion on Dec. 5 through the IPO. It plans to exercise the 15pc greenshoe option in whole or part during the first 30 days of its trading period. If the option is exercised in full, the oil giant could raise

الاسم	الأساسية	الفتح	الأساسية						
ملاذ للتأمين	15.00	166	1	15.42	1,286	15.30	15.30	0.00	
ميدغلف للتأمين	8.30	16	4,000	8.74	1,959	8.72	8.72	0.00	
أليانز إس إف	13.36	528	2,919	13.96	1	13.86	13.86	0.00	
سلامة	22.10	5	321	25.15	606	25.05	25.00	0.00	
ولاء	9.51	3,741	136	9.98	467	9.80	9.80	-1.01	
الدرع العربي	13.14	280	1,720	14.70	136	14.62	14.70	0.00	
ساب للتكافل	13.00	1,350	2,882	13.96	1,000	13.90	13.96	0.00	
ساب للتكافل	14.06	205	1,32	14.32	629	14.26	14.32	0.00	
وفا للتأمين						10.10	10.14	0.00	
إتحاد الخليج						0.00	0.00	0.00	
الأهلي للتكافل									

Aramco's launch saw the Saudi oil behemoth's value soar to \$1.88 trillion, far ahead of other firms in the trillion-dollar club

Closing Bell

SAUDI	▲ 0.8pc to 8,134 pts
ABU DHABI	▲ 0.4pc to 5,040 pts
DUBAI	▲ 1pc to 2,714 pts
QATAR	▲ 0.2pc to 10,339 pts
EGYPT	▼ 0.6pc to 13,427 pts
BAHRAIN	▲ 0.4pc to 1,555 pts
OMAN	▼ 0.1pc to 4,014 pts
KUWAIT	■ at 6,750 pts

\$29.4 billion in IPO.

Aramco also dangled sweeten-

ers for local investors, including promises of higher dividends and the possibility of bonus shares if they hold on to the stock.

The Saudi benchmark index added 0.8pc with Riyadh Bank and Al Rajhi Banking & Investment Corp gaining 4.5pc and 0.6pc, respectively.

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Elsewhere, Prince Alwaleed bin Talal's firm Kingdom Holding Coleapt 9.9pc, to become the top gainer on the index.



Today is a day of immense pride for Aramco. Today we make history as Saudi Aramco marks the beginning of an important new chapter in our company's journey of prosperity

AMIN NASSER

ARAMCO CHIEF EXECUTIVE



saying in a Twitter posting by the Dubai Media Office.

The Abu Dhabi index .ADI closed up 0.4pc, driven by a 0.9pc rise in telecoms firm Etisalat ETISALAT.AD and a 1.1pc gain in First Abu Dhabi Bank.

In Dubai, the index .DFM-GI gained 1pc as Emirates NBD Bank climbed 3.3pc and Dubai Islamic Bank DISB.DU increased 0.6pc.

Dubai's economy will grow 3.2pc in 2020, accelerating from expansion of 2.1pc in 2019, the Department of Economic Development (DED) was cited as

dex ended 0.2pc up, with market heavyweight Industries Qatar rising 2.2pc and Commercial Bank was up 1.1pc.

However, Egypt's blue-chip index fell 0.6pc with 23 of its 30 stocks ending in the red, including Sidi Kerir Petrochemical which plunged 9.6pc and Juhayna Food, which lost 5.5pc.

Aramco: from 'Prosperity Well' to energy giant

Dubai

From its beginnings in 1938 when it first struck oil with the aptly named "Prosperity Well", Saudi Arabia's energy giant Aramco has delivered unimaginable riches to the kingdom.

Over the decades, the firm has grown into the world's largest and most profitable energy concern, generating some 10 per cent of global crude supplies and trillions of dollars in income.

Aramco shares hit the domestic bourse yesterday after the world's largest initial public offering in which 1.5pc of its shares were sold to raise \$25.6 billion.

After hitting its upper limit on the stock market debut, the company is now valued at a massive \$1.88 trillion and is expected to rise further to challenge the \$2 trillion mark that Saudi rulers had initially sought.

However, it is not yet clear if the authorities will proceed with the planned second phase of the IPO, and sell more equity on an international stock exchange.

The listing came despite Aramco being hit by a string of attacks on its facilities, the latest and most serious on September 14 when drone and missile strikes halted the flow of 5.7 million barrels of oil per day -- more than half of its output.

The attack had threatened to undermine the IPO plans but the company quickly said it had restored production and output capacity to pre-strike levels.



The founder of Saudi Arabia King Abdul Aziz speaks to the general manager of Aramco N. Devins during the opening ceremony of the Riyadh-Dammam train link in October 1951

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Striking gold

Aramco has its origins in a 1933 concession agreement signed by the Saudi government with the Standard Oil Company of California. Drilling began in 1935 and the first oil began flowing three years later.

It gained its current name from the subsidiary created to manage the agreement that was called the Arabia American Oil

Company in the late 1940s.

In 1949, oil production hit a milestone 500,000 barrels per day and the following year Aramco built the 1,212-kilometre (753-mile) Trans-Arabian Pipeline to export Saudi oil to Europe across the Mediterranean.

Production rose rapidly after the discovery of large offshore and onshore oilfields including Ghawar, the world's largest with some 60 billion barrels of oil, and Safaniya, the biggest offshore field with 35 billion barrels.

In 1973, with prices spiking at the peak of the Arab oil embargo -- imposed against the US over its support for Israel -- the Saudi government acquired 25 percent of Aramco to increase its stake to 60 percent and become a majority stakeholder.

Seven years later, it was nationalised, and in 1988 it became the Saudi Arabian Oil Company,

or Saudi Aramco.

From the 1990s, Aramco invested hundreds of billions of dollars in massive expansion projects, raising its oil output capacity to more than 12 million bpd, alongside making bold international acquisitions and pursuing joint ventures.

In mid-September, Aramco maintained some 260 billion barrels in proven oil reserves, the second largest in the world after Venezuela, in addition to 300 trillion cubic feet of gas.

Based in Dhahran in the country's east, the firm has key oil operations in the United States, China, India, South Korea and several European and Asian nations.

Aramco has also built a network of pipelines and refineries inside and outside the kingdom and expanded its presence in the petrochemicals industry.



Saudi Aramco now boasts ultramodern facilities like this research and development centre in Dhahran