

## Major Economic News

- Mortgage loans provided to retail and corporate customers by Saudi Arabian commercial banks rose 27.0% Y/Y to SAR 638.3bn in Q2-22 from SAR 502.7bn in Q2-21. Loans to retail customers which represented 77.0% of the total mortgage loans rose 31.0% Y/Y to SAR 503.3bn in Q2-22, while corporate loans increased 14.0% Y/Y. (Source: Argaam)
- The average Tier 1 capital adequacy ratio of Saudi listed banks declined to 17.7% in Q2-22 versus 17.9% in Q2-21. The average capital adequacy ratio of Saudi banks edged lower to 19.4% in Q2-22 from 19.7% in Q2-21. (Source: Argaam)
- Royal Commission of Ras- Al-Khair Industrial City's CEO signed an agreement worth SAR 1.2bn to apportion industrial land for Gulf Copper Industrial Co. The agreement includes establishment of a copper smelting and casting plant over an area of 250,000 sq.m. in Ras Al-Khair Industrial City. (Source: Argaam)
- According to the competitive assessment of the General Authority for Competition, the economic concentration in health insurance market remains high, as market share of top three players reached 83.0% in FY20. (Source: Argaam)

## Major Corporate News

- Etihad Atheeb Telecom Co. received Communications and Information Technology Commission's approval to implement the network as per the CITC license for the 3.5GHz spectrum band. (Source: Argaam)
- National Company for Learning & Education signed a land lease contract in Qurtubah district, Riyadh, with Abdullahif Al-Shaikh and Fahad Al Mushrif, worth SAR 49.1mn to construct and operate Al Tarbiyah Al Namouthajiyah Schools complex. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.9% to 11,994.7. The value traded stood at SAR 5.3bn (up 7.2% over previous day), while the advance-decline ratio stood at 47/163. The parallel market index decreased 2.0% to 20,851.4 points. The value traded stood at SAR 20.1mn (down 1.2% over previous day). Most sectors in the main market ended in the red. Media and REITs (up 1.9% and 0.4%, respectively) advanced the most; Healthcare and Utilities (down 2.3% and 1.8%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
GASCO	60.70	3.9
SEERA	18.00	3.7
ZOUJAJ	41.10	3.0
SEDCO CAPITAL REIT	10.50	2.3
SRMG	216.00	2.3

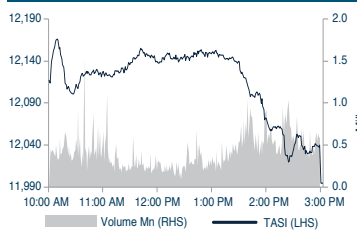
## Top Losers

Company	Price	Change%
AMANA INSURANCE	11.82	-6.5
SALAMA	21.66	-5.6
ENAYA	18.72	-5.5
ACIG	14.80	-5.0
AICC	13.62	-4.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,995	12,169	11,995	-0.9	6.3
NomuC	20,851	21,311	20,757	-2.0	-19.7

## TASI movement during session



## TASI Ratios

P/E* (x)	19.5
Price-to-Book (x)	2.5
Dividend Yield (%)	2.2
Return on Equity (%)	27.2

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,263	-1.0	13.5	14.5
Materials	7,339	-1.4	-0.1	13.3
Capital Goods	6,599	-1.4	-12.5	21.9
Commercial Service	3,746	-0.8	-15.7	44.7
Transportation	4,940	-0.5	-5.6	High
Consumer Durables	4,794	-0.7	-24.5	Neg
Consumer Services	3,992	0.3	-14.0	High
Media	25,349	1.9	9.0	28.8
Retailing	8,445	-0.1	-14.2	23.5
Food & Staples	10,086	-1.1	10.6	28.6
Food & Beverages	4,917	-0.1	1.7	45.4
Healthcare	8,958	-2.3	22.5	42.1
Pharma & Bio Tech	3,628	-1.6	-30.1	Neg
Banks	13,428	-0.6	9.9	19.8
Diversified Financial	8,196	-1.5	20.0	8.9
Insurance	5,545	-0.6	-7.4	Neg
Telecom	6,981	-1.2	-4.1	18.4
Utilities	7,502	-1.8	26.4	15
REITs	4,305	0.4	-6.7	23.7
Real Estate	3,066	-0.9	-3.3	0
Software & Services	38,332	-1.3	33.8	37.1

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,143	12,326	12,432	5.43

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.8	362.9	901.4
Previous week	34.9	799.6	1,881.80

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	37.15	-0.9
Al Rajhi	86.40	-1.6
SNB	67.60	0.6
SABIC	99.90	-0.1
STC	40.05	-1.0

## Regional and International Markets

- Among other regional markets, Dubai increased 1.2%, while Abu Dhabi decreased 0.2%. Egypt, Kuwait, and Qatar rose 1.5%, 0.2% and 0.1%, respectively, while Oman declined 1.6%. Meanwhile, Bahrain remained flat.
- US services index edged up to 56.9 in August (consensus: 55.4) from 56.7 in July. The modest rise was due to rise in the business activity index to 60.9 in August from 59.9 in July, while the new orders index climbed to 50.2 in August from 49.1 in July (Source: Econoday, RTT news)
- China's merchandise trade balance fell to USD 79.4bn in August versus USD 101.3bn in July. Imports increased 0.3% Y/Y in August versus a rise of 2.3% Y/Y in July, while Exports rose 7.1% Y/Y in August as compared to an increase of 18.0% Y/Y in July. (Source: Econoday)
- Japan's household spending increased 3.4% Y/Y July (consensus: rise by 4.3% Y/Y) as compared to an increase of 3.5% Y/Y in June. (Source: Econoday)
- Oil prices declined 3.0%, as prospect of China's COVID-19 lockdowns weakening fuel demand added to concerns of higher inflation and interest rate hikes.
- Gold prices fell 0.5%, as US dollar and Treasury yields rose amid expectations of aggressive interest rate hikes by major central banks.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	110.21	0.6	1.4	15.2
Euro	0.99	-0.3	-1.5	-12.9
Japanese Yen	142.80	1.6	2.8	24.1
Sterling Pound	1.15	0.0	-0.9	-14.9
Chinese Yuan	6.97	0.4	0.9	9.6
Indian Rupee	79.84	0.0	0.5	7.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.3
Kuwaiti Dinar	0.31	0.1	0.2	2.0
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	19.24	0.1	0.1	22.4

## Corporate Calendar

Date	Company	Event
07 <sup>th</sup> Sep	Bawan	Cash Dividend Distribution
08 <sup>th</sup> Sep	Saudi Aramco	Cash Dividend Distribution
08 <sup>th</sup> Sep	ALOMRAN	EGM
12 <sup>th</sup> Sep	Saudi Re	EGM
14 <sup>th</sup> Sep	HCC	Cash Dividend Distribution
14 <sup>th</sup> Sep	Maharah	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,396	1.2	-1.4	6.3	10.4
Abu Dhabi (ADX)	9,663	-0.2	-2.1	13.8	20.1
Kuwait (KSE)	5,799	0.2	-1.2	-1.5	9.2
Qatar (QE)	13,055	0.1	-2.8	12.3	14.6
Oman (MSM)	4,545	-1.6	-0.9	10.0	12.5
Bahrain (BSE)	1,921	0.0	0.2	6.9	7.1
Egypt (EGX30)	10,330	1.5	3.3	-13.6	5.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,145	-0.6	-1.2	-14.3	17.2
Nasdaq	12,011	-0.7	-2.1	-26.4	24.6
S&P 500	3,908	-0.4	-1.2	-18.0	19.1
FTSE 100	7,300	0.2	0.2	-1.1	14.1
Germany DAX 30	12,871	0.9	0.3	-19.0	12.4
France CAC 40	6,105	0.2	-0.3	-14.7	12.8
Japan Nikkei 225	27,627	0.0	-1.7	-4.0	27.6
Russia MOEX	2,425	-2.5	1.1	-36.0	3.9
Hong Kong Hang Seng	19,203	-0.1	-3.8	-17.9	7.0
South Korea KOSPI	2,410	0.3	-2.5	-19.1	10.0
China Shanghai Composite	3,243	1.4	1.3	-10.9	14.2
Australia ASX 200	6,827	-0.4	-2.3	-8.3	14.1
India Sensex	59,197	-0.1	-0.6	1.6	22.7
MSCI EM	965	-0.3	-2.9	-21.7	10.8
MSCI World	2,585	-0.5	-1.6	-20.0	16.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	103.47	-1.7	-1.6	30.7
Brent Crude (\$/bbl)	92.83	-3.0	-3.8	17.0
Texas crude (\$/bbl)	86.88	0.0	-3.0	12.8
Natural Gas (\$/mmbtu)	8.15	-7.3	-10.8	127.3
Gold (\$/oz)	1,702.14	-0.5	-0.5	-6.2
Silver (\$/oz)	18.02	-0.8	0.1	-21.8
Steel (\$/ton)	775.00	-0.6	-0.6	-45.7
Iron Ore (CNY/MT)	775.00	2.9	0.9	13.0
Wheat (\$/bu)	817.00	0.7	-1.7	4.9
Corn (\$/bu)	676.00	1.5	0.8	23.9
Sugar (\$/lb)	17.98	-0.9	0.5	-1.3
SMP* (EUR/MT)	3,645.00	-0.8	-0.1	8.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.14	0.0	0.0	2.9
Saudi Arabia (SAIBOR)	3.21	0.0	0.1	2.3
UAE (EIBOR)	2.98	0.0	0.1	2.6
Kuwait (KSE)	2.63	0.0	0.3	1.1
Bahrain (BHIBOR)	4.15	0.0	0.1	2.6

Data Sources: Tadawul, Bloomberg, Reuters

\*Three-month Interbank rate \*\*NA: Not Available

Closes as of September 6 2022



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,995
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

## Market data

Market Cap. (SARbn)	11,272.1
Value (SARmn)	5,326.1
Volume (mn)	135.1
Number of Transactions	321,525
Market Breadth	47 : 163

## Key statistics

1D return %	-0.87%
WTD return %	-1.22%
QTD return	-8.37%
YTD return	6.32%
ADT vol. 3M* (mn)	169.2
ADT val. 3M (SARmn)	6,376.8

ADT stands for Average Daily Traded \*

## TASI market commentary

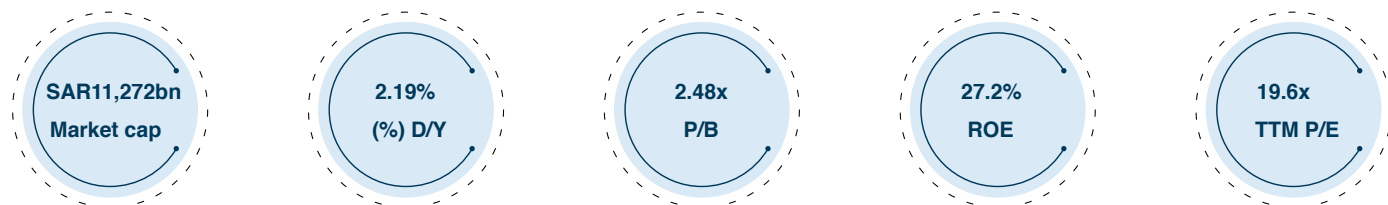
- The TASI declined on Tuesday weighed down by selling in index heavyweights like Materials (-1.37% D/D) and Banks (-0.58% D/D) stocks. At close, the Saudi market ended the day with a loss of -0.87% at 11,995. In terms of activity, total volumes and value traded were ~135mn and ~SAR 5.3bn respectively. The advance-decline ratio came in at 47/163.

## Technical outlook

- The TASI fell more than 100 points and closed the trading session below the 12,000 mark. The index opened gap up and after hitting an intraday high near 12,170, later slid lower on the back of profit-booking. Moreover, the index breached below its important supports of the Fibonacci level of 38.2% near 12,100 and its 50-day moving average near 12,050 closing at its day's low, indicating weakness. Furthermore, the RSI line is moving down with no immediate trend reversal signs. Meanwhile, the index has immediate strong support at its Fibonacci 50% level near 11,900 where it could attract some buying interest. However, any sustained decline below 11,900 can drag the index further lower to test its Fibonacci 61.8% level near 11,715. On the flip side, the index has a resistance of its 50-day moving average near 12,050, followed by its Fibonacci level of 38.2% near the 12,100 level.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,651	11,714	11,906	12,052	12,098	12,132	12,234



Source: Bloomberg, Argaam

## TASI daily chart

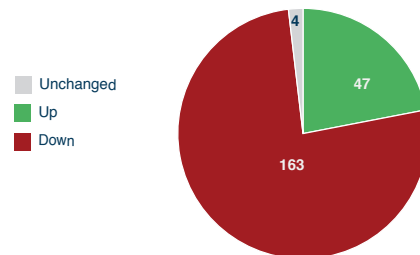


Source: Tradingview, Tadawul, AlJazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Ticker	Company	Close*	Buy range	Sell	Stop loss
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No stocks recommendations due to market volatility

\* As of 7<sup>th</sup> September 2022



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RESEARCH  
DIVISION

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TERMINOLOGY

1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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