

Major Economic News

- Saudi Arabia's Ministry of Finance signed SAR 25.0bn financing agreements with several local banks to execute various infrastructure projects scheduled to begin in FY23 and FY24. (Source: Argaam)
- The point-of-sale transactions amounted to SAR 10.6bn in the week ending September 10, compared to SAR 13.5bn in the previous week. Data showed that a total of 147.7mn transactions were processed last week. (Source: Argaam)
- The Saudi Tadawul Group approved listing of the debt instruments issued by Saudi government from a class already listed worth SAR 1.7bn. (Source: Argaam)

Major Corporate News

- Al Ittefaq Steel Products Co. (ISPC) intends to float certain percentage of its shares on Tadawul. ISPC is valued more than SAR 8.0bn of which c.60.0% is held by Hilal Al-Tuwairqi and 40.0% is held by other investors, including Jarir Marketing Co. ISPC currently holds 25.0% of the Saudi market's production capacity amounting to c.7 mtpa of rebar. (Source: Argaam)
- National Water Co. signed two contracts with two private sector consortiums for operation and maintenance of water services and environmental treatment in the western and northern clusters for a cumulative value of over SAR 714.0mn. (Source: Argaam)
- ACWA Power Co. signed a sale and purchase agreement with a subsidiary of the Silk Road Fund of China – CVXF Inc. to sell its 49.0% stake in ACWA Power Uzbekistan Project Holding Co. Limited. The deal value stands at SAR 487.5mn including the investor's portion in an equity bridge loan and a subordinated advance form. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 1.6% to 11,893.3. The value traded stood at SAR 5.5bn (up 1.9% over previous day), while the advance-decline ratio stood at 25/181. The parallel market index decreased 0.7% to 20,851.6 points. The value traded stood at SAR 22.2mn (down 36.9% over previous day). All sectors in the main market ended in the red. Media and Banks (down 2.6% and 2.1%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
NCLE	60.50	4.0
SADAFECO	203.60	3.9
DALLAH HEALTH	130.20	3.7
AYYAN	18.38	2.9
NAMA CHEMICALS	46.70	1.6

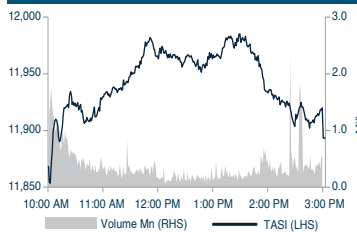
Top Losers

Company	Price	Change%
BSFR	47.00	-4.9
BAWAN	37.60	-4.7
SADR	48.35	-4.3
ALBAHA	15.52	-3.5
CITY CEMENT	23.68	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,893	11,988	11,846	-1.6	5.4
NomuC	20,852	20,998	20,725	-0.7	-19.7

TASI movement during session



TASI Ratios

P/E* (x)	19.3
Price-to-Book (x)	2.4
Dividend Yield (%)	2.2
Return on Equity (%)	27.2

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,240	-0.6	13.1	14.4
Materials	7,065	-2.0	-3.8	12.7
Capital Goods	6,521	-2.0	-13.6	21.8
Commercial Service	3,747	-0.8	-15.7	44.8
Transportation	4,932	-1.3	-5.8	High
Consumer Durables	4,785	-1.8	-24.6	Neg
Consumer Services	4,160	-0.9	-10.4	High
Media	24,346	-2.6	4.7	27.9
Retailing	8,291	-0.8	-15.8	23.1
Food & Staples	10,170	-0.6	11.5	28.7
Food & Beverages	4,887	-1.6	1.1	45.2
Healthcare	9,001	-0.2	23.0	42.4
Pharma & Bio Tech	3,575	-1.6	-31.1	Neg
Banks	13,409	-2.1	9.7	19.7
Diversified Financial	7,869	-2.0	15.2	8.6
Insurance	5,526	-0.3	-7.7	Neg
Telecom	6,928	-1.3	-4.8	18.3
Utilities	7,595	-1.4	28.0	15.2
REITs	4,306	-0.4	-6.6	23.7
Real Estate	3,036	-1.0	-4.3	High
Software & Services	38,324	-0.7	33.7	37.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,955	12,007	12,253	5.24

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	19.7	492.1	1,149.10
Previous week	25.8	621.1	1,615.00

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	37.00	-0.5
Al Rajhi	88.50	-2.2
SNB	66.30	-1.0
SABIC	95.50	-2.1
STC	39.80	-1.0



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.8% and 0.2%, respectively. Egypt, Qatar, Kuwait, Oman declined 2.0%, 1.8%, 0.3%, 0.2%, respectively. Meanwhile, Bahrain closed flat.
- According to EIA, oil inventories in the US increased 2.4mn barrels (prior: up 8.8mn) to 429.6mn in the week ended September 9. Gasoline inventories decreased 1.8mn barrels (prior: up 0.4mn) to 213.0mn, while distillate inventories increased 4.2mn barrels (prior: up 0.1mn) to 116.0mn. (Source: EIA, Econoday)
- US PPI slowed to 8.7 Y/Y in August (consensus: 8.7% Y/Y) versus 9.8% Y/Y in July. Excluding food and energy, producer prices increased 8.1% Y/Y in August (consensus: 7.0% Y/Y) as compared to rise of 7.6% Y/Y in July. (Source: Econoday)
- UK CPI increased 9.9% Y/Y in August (consensus: 10.3% Y/Y) as compared to 10.1% in July. (Source: Econoday)
- Oil prices increased 1.0%, as expectations of increase in switch from gas to oil usage because of high natural gas prices in winter outweighed dismal outlook for demand.
- Gold prices fell 0.3%, as higher than expected US inflation data lifted the US dollar and drove expectations that the US Federal Reserve will continue aggressive policy tightening.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	109.66	-0.1	0.9	14.6
Euro	1.00	0.1	-0.7	-12.2
Japanese Yen	143.08	-1.0	3.0	24.3
Sterling Pound	1.15	0.4	-0.7	-14.7
Chinese Yuan	6.97	-0.1	1.0	9.7
Indian Rupee	79.44	0.4	0.0	6.9
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.2
Kuwaiti Dinar	0.31	0.3	0.2	2.1
Omani Rial	0.39	0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	19.39	0.2	0.9	23.4

Corporate Calendar

Date	Company	Event
15 th Sep	ACC	Cash Dividend Distribution
15 th Sep	A.Othaim Market	Cash Dividend Distribution
15 th Sep	SABB Takaful	EGM
15 th Sep	Walaa	EGM
18 th Sep	Advanced	Cash Dividend Distribution
18 th Sep	SRE	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,431	-0.8	-0.4	7.4	10.6
Abu Dhabi (ADX)	9,969	-0.2	1.0	17.4	20.7
Kuwait (KSE)	5,755	-0.3	-1.9	-2.2	9.2
Qatar (QE)	13,072	-1.8	-2.6	12.4	14.9
Oman (MSM)	4,490	-0.2	-2.1	8.7	12.3
Bahrain (BSE)	1,938	0.0	1.0	7.8	7.1
Egypt (EGX30)	10,194	-2.0	2.0	-14.7	5.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,135	0.1	-1.2	-14.3	17.2
Nasdaq	12,134	0.8	-1.1	-25.6	24.9
S&P 500	3,946	0.3	-0.2	-17.2	19.3
FTSE 100	7,277	-1.5	-0.1	-1.5	14.0
Germany DAX 30	13,028	-1.2	1.5	-18.0	12.5
France CAC 40	6,222	-0.4	1.6	-13.0	13.0
Japan Nikkei 225	27,819	-2.8	-1.0	-3.4	28.1
Russia MOEX	2,436	-0.4	1.5	-35.7	3.9
Hong Kong Hang Seng	18,847	-2.5	-5.5	-19.4	7.0
South Korea KOSPI	2,411	-1.6	-2.5	-19.0	10.2
China Shanghai Composite	3,238	-0.8	1.1	-11.1	14.0
Australia ASX 200	6,829	-2.6	-2.3	-8.3	14.3
India Sensex	60,347	-0.4	1.4	3.6	23.1
MSCI EM	963	-1.8	-3.2	-21.9	10.8
MSCI World	2,618	-0.1	-0.4	-19.0	16.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	103.60	-0.7	-1.5	30.9
Brent Crude (\$/bbl)	94.10	1.0	-2.5	18.6
Texas crude (\$/bbl)	88.48	1.3	-1.2	14.9
Natural Gas (\$/mmbtu)	9.11	10.0	-0.1	154.4
Gold (\$/oz)	1,697.32	-0.3	-0.8	-6.5
Silver (\$/oz)	19.63	1.5	9.1	-14.8
Steel (\$/ton)	793.00	-1.5	1.7	-44.4
Iron Ore (CNY/MT)	803.00	0.0	4.6	17.1
Wheat (\$/bu)	872.25	1.4	4.9	12.0
Corn (\$/bu)	682.25	-1.5	1.8	25.0
Sugar (\$/lb)	17.97	-0.1	1.1	-1.4
SMP* (EUR/MT)	3,737.00	0.1	2.4	11.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.29	2.2	19.3	308.3
Saudi Arabia (SAIBOR)	3.41	5.3	29.1	250.3
UAE (EIBOR)	3.08	4.8	17.5	271.2
Kuwait (KSE)	2.63	0.0	0.0	112.5
Bahrain (BHIBOR)	4.20	4.7	6.3	268.1

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 14 2022



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,893
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

Market data

Market Cap. (SARbn)	11,197.3
Value (SARmn)	5,450.9
Volume (mn)	121.8
Number of Transactions	283,463
Market Breadth	25 : 181

Key statistics

1D return %	-1.58%
WTD return %	0.50%
QTD return	-9.15%
YTD return	5.42%
ADT vol. 3M* (mn)	165.2
ADT val. 3M (SARmn)	6,223.7

ADT stands for Average Daily Traded *

TASI market commentary

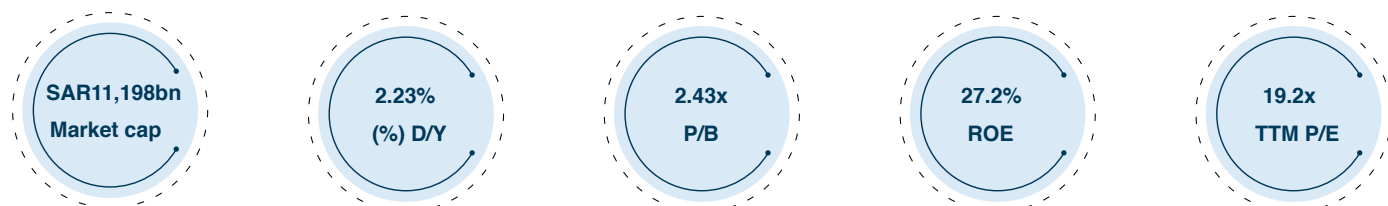
- The TASI declined on Wednesday weighed down by selling in index heavyweights like Banks (-2.07% D/D) and Materials (-2.02% D/D) stocks and also on the back of a fall in global markets. At close, the Saudi market ended the day with a loss of -1.58% at 11,893. In terms of activity, total volumes and value traded were ~122mn and ~SAR 5.5bn respectively. The advance-decline ratio came in at 25/181.

Technical outlook

- The TASI ended its three-day winning streak and fell more than 190 points to close the trading session below the 11,900 mark. The index opened gap down and after tagging an intraday high near 11,990, later slid lower on the back of profit-taking. Moreover, the index developed an inverted hammer candle on the daily chart and also closed below its 10-day moving average near 12,010, as sellers pushed the price lower. An inverted hammer indicates to uncertainty among buyers and sellers, as buyers pushed the price higher but later sellers again pulled it lower and closed near its open price. Any reversal today with a green candle close may confirm the rebound. Meanwhile, the index has immediate strong support near its previous peak at 11,780, below which the index can drag further lower towards the 11,700 level. On the flip side, the index has resistance near its 10-day moving average of 12,010, any penetration above it can witness a short rebound towards its 50-day moving average near 12,100.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,656	11,718	11,784	12,008	12,102	12,248	12,349



Source: Bloomberg, Argaam

TASI daily chart

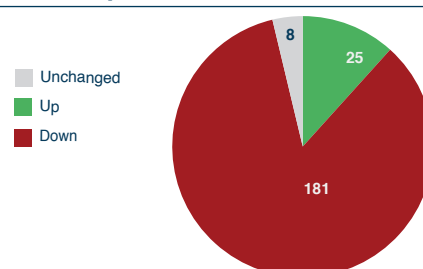


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
4005	National Medical Care Co.	63.00	62.50 - 63.00	64.10	64.90	61.90
6004	Saudi Airlines Catering Co.	75.00	74.40 - 75.00	76.50	77.60	74.00

* As of 14th September 2022 *Note – Stop loss is based on a closing basis and not on an intraday basis

CHARTS OF THE WEEK

Technical observations

CARE penetrated above its channel resistance a few days back and yesterday developed a bullish engulfing candle, indicating bullish signs. Moreover, the RSI line is moving in an upward direction and is above the 50 level. We recommend buying the stock in a range of SAR 62.50 – 63.00, for a target of SAR 64.10 followed by SAR 64.90, with a strict stop loss of SAR 61.90 on a closing basis.

National Medical Care Co. (CARE)



Source: Tradingview, AlJazira Capital

Technical observations

CATERING penetrated above its channel resistance yesterday, indicating bullish signs. Moreover, the stock is trading above both its 10-day moving averages, showing strength. We recommend buying the stock in a range of SAR 74.40 – 75.00, for a target of SAR 76.50 followed by SAR 77.60, with a strict stop loss of SAR 74.00 on a closing basis.

Saudi Airlines Catering Co. (CATERING)



Source: Tradingview, AlJazira Capital



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RATING
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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