

Major Economic News

- The Saudi Central Bank announced licensing Arab Sea Financial Co. and Fatoorah as payment financial technology firms to provide payment services for e-commerce. Hence, the total number of payment companies licensed by SAMA reached to 21 companies, in addition to five companies that were granted an 'in-principle approval'. (Source: Argaam)
- Saudi health insurer's aggregate gross written premiums (GWP) rose 30.0% Y/Y to SAR 6.7bn in Q2-22 compared to SAR 5.1bn in Q2-21. The Company for Cooperative Insurance and Bupa Arabia for Cooperative Insurance Co. accounted for more than 77.0% of the sector's combined GWPs by the end of Q2-22. (Source: Argaam)

Major Corporate News

- Saudi British Bank completed the sale and purchase of certain lines of business from HSBC Saudi Arabia (as seller) to Alawwal Invest Co. (as buyer). The deal worth SAR 1,203.2mn is subject to post-completion adjustments based on the agreement between the buyer and seller. (Source: Argaam)
- Almarai Co. redeemed its SAR 1.6bn sukuk – series V. The sukuk par value at redemption is SAR 1.0bn with a total issuance value after redemption of SAR 1.6 billion for 1,600 sukuk. (Source: Argaam)
- Saudi Industrial Services Co. and Saudi Arabian Amiantit Co. announced that an association including their affiliate, International Water Distribution Co. signed an agreement worth SAR 400.2mn with National Water Co. to manage, operate and maintain water and environmental treatment services in the northern sector of Saudi Arabia. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.5% to 11,829.5 on Thursday. The value traded stood at SAR 7.0bn (up 29.3% over previous day), while the advance-decline ratio stood at 72/132. The parallel market index increased 0.3% to 20,924.1 points. The value traded stood at SAR 25.5mn (down 15.1% over previous day). Most sectors in the main market ended in the red. Diversified Financials and Food & Staples (up 1.3% and 1.1%, respectively) advanced the most; Pharma & Bio Tech and Software & Services (down 2.6% and 2.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MIS	104.00	8.9
GULF GENERAL	9.01	5.9
ALARABIA	118.00	3.5
NAHDI	206.60	3.3
AWPT	121.60	3.2

Top Losers

Company	Price	Change%
BINDAWOOD	71.20	-6.6
SADR	45.80	-5.3
SAUDI CEMENT	53.00	-5.0
ELM	320.00	-4.4
EXTRA	113.60	-3.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,830	12,016	11,830	-0.5	4.9
NomuC	20,924	21,071	20,780	0.3	-19.4

TASI movement during session



TASI Ratios

P/E* (x)	19.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2.3
Return on Equity (%)	27.2

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,157	-1.3	11.6	14.2
Materials	6,965	-1.4	-5.2	12.5
Capital Goods	6,492	-0.9	-14	21.7
Commercial Service	3,773	0.7	-15.1	45.1
Transportation	4,930	0.0	-5.8	High
Consumer Durables	4,731	-1.1	-25.5	Neg
Consumer Services	4,106	-1.3	-11.5	High
Media	24,337	0.0	4.7	28
Retailing	8,155	-1.6	-17.2	22.7
Food & Staples	10,285	1.1	12.8	29
Food & Beverages	4,919	0.6	1.7	45.5
Healthcare	9,051	0.6	23.7	42.7
Pharma & Bio Tech	3,483	-2.6	-32.9	Neg
Banks	13,377	-0.2	9.5	19.7
Diversified Financial	7,970	1.3	16.7	8.7
Insurance	5,503	-0.4	-8.1	Neg
Telecom	6,920	-0.1	-4.9	18.3
Utilities	7,607	0.2	28.2	15.3
REITs	4,324	0.4	-6.2	23.8
Real Estate	3,034	-0.1	-4.3	High
Software & Services	37,382	-2.5	30.5	36.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,954	11,976	12,213	5.4

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	26.8	654.6	1,434.80

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	36.50	-1.4
Al Rajhi	87.60	-1.0
SNB	65.30	-1.5
SABIC	93.70	-1.9
STC	39.65	-0.4

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.8% and 1.8%, respectively. Qatar and Kuwait increased 1.3% and 0.5%, respectively, while Egypt and Oman declined 1.1% and 0.3%, respectively. Meanwhile, Bahrain remained flat.
- According to Baker Hughes, North America's rig count increased to 974 in the week ended September 16, from 964 in week earlier. The rig count increased to 763 in the US from 759 earlier and increased to 14 in the Gulf of Mexico from 13 earlier. The rig count in Canada increased to 211 from 205 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims declined to 213,000 (consensus: 226,000) in the week ended September 10, representing a decline of 5,000 from the previous week's revised level of 218,000. (Source: Econoday)
- US retail sales increased 0.3% M/M in August (consensus: remain unchanged) versus a revised 0.4% M/M decline in July. (Source: RTT news)
- Oil prices edged up 0.6%, as expected impact of slowing global economy on fuel demand was outweighed by tighter supply.
- Gold prices inched up 0.6%, as US dollar weakened, however, prospects of higher interest rates capped the gains.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	109.76	0.0	1.0	14.7
Euro	1.00	0.1	-0.4	-11.9
Japanese Yen	142.92	-0.4	2.8	24.2
Sterling Pound	1.14	-0.4	-1.7	-15.6
Chinese Yuan	7.00	-0.2	1.3	10.1
Indian Rupee	79.75	0.1	0.4	7.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	-0.1	-0.1	0.1
Kuwaiti Dinar	0.31	0.0	0.3	2.2
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	19.42	0.1	1.1	23.6

Corporate Calendar

Date	Company	Event
18 th Sep	Advanced	Cash Dividend Distribution
18 th Sep	SRE	Cash Dividend Distribution
19 th Sep	OBEIKAN GLASS	Cash Dividend Distribution
19 th Sep	NAHDI	EGM
20 th Sep	ALDAWAA	Cash Dividend Distribution
20 th Sep	Theeb	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,489	0.8	1.3	9.2	10.7
Abu Dhabi (ADX)	10,202	1.8	3.3	20.2	20.4
Kuwait (KSE)	5,783	0.5	-1.5	-1.8	9.1
Qatar (QE)	13,244	1.3	-1.4	13.9	14.6
Oman (MSM)	4,479	-0.3	-2.3	8.5	12.3
Bahrain (BSE)	1,939	0.0	1.1	7.9	7.1
Egypt (EGX30)	10,079	-1.1	0.8	-15.7	5.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,822	-0.5	-2.2	-15.2	17.0
Nasdaq	11,861	-0.6	-3.3	-27.3	24.3
S&P 500	3,873	-0.7	-2.1	-18.7	18.9
FTSE 100	7,237	-0.6	-0.7	-2.0	14.0
Germany DAX 30	12,741	-1.7	-0.7	-19.8	12.3
France CAC 40	6,077	-1.3	-0.8	-15.0	12.7
Japan Nikkei 225	27,568	-1.1	-1.9	-4.3	27.8
Russia MOEX	2,435	-0.5	1.5	-35.7	3.9
Hong Kong Hang Seng	18,762	-0.9	-6.0	-19.8	6.9
South Korea KOSPI	2,383	-0.8	-3.6	-20.0	10.1
China Shanghai Composite	3,126	-2.3	-2.4	-14.1	13.7
Australia ASX 200	6,739	-1.5	-3.5	-9.5	14.1
India Sensex	58,841	-1.8	-1.2	1.0	22.7
MSCI EM	944	-1.5	-5.0	-23.4	10.6
MSCI World	2,569	-0.9	-2.2	-20.5	16.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	100.64	-3.0	-4.3	27.1
Brent Crude (\$/bbl)	91.35	0.6	-5.3	15.2
Texas crude (\$/bbl)	85.11	0.0	-5.0	10.5
Natural Gas (\$/mmbtu)	7.76	-6.7	-14.9	116.7
Gold (\$/oz)	1,675.06	0.6	-2.1	-7.7
Silver (\$/oz)	19.59	2.2	8.9	-15.0
Steel (\$/ton)	789.00	-1.4	1.2	-44.7
Iron Ore (CNY/MT)	784.50	2.1	2.1	14.4
Wheat (\$/bu)	859.75	1.7	3.4	10.4
Corn (\$/bu)	677.25	0.0	1.0	24.1
Sugar (\$/lb)	17.56	-1.8	-1.2	-3.6
SMP* (EUR/MT)	3,780.00	0.0	3.6	12.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.57	3.8	46.6	335.6
Saudi Arabia (SAIBOR)	3.44	3.6	32.7	253.9
UAE (EIBOR)	3.29	14.6	38.7	292.5
Kuwait (KSE)	2.63	0.0	0.0	112.5
Bahrain (BHIBOR)	4.22	2.2	8.5	270.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 16 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,830
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data	
Market Cap. (SARbn)	11,071.9
Value (SARmn)	7,048.2
Volume (mn)	162.5
Number of Transactions	285,733
Market Breadth	72 : 132

Key statistics	
1D return %	-0.54%
WTD return %	-0.04%
QTD return	-9.63%
YTD return	4.86%
ADT vol. 3M* (mn)	164.1
ADT val. 3M (SARmn)	6,192.2

ADT stands for Average Daily Traded *

TASI market commentary

- The TASI fell on Thursday weighed down by selling in index heavyweights like Materials (-1.41% D/D) and Energy (-1.32% D/D) stocks. At close, the Saudi market ended the day with a loss of -0.54% at 11,830. In terms of activity, total volumes and value traded were ~163mn and ~SAR 7.0bn respectively. The advance-decline ratio came in at 72/132.

Technical outlook

- The TASI declined more than 60 points to close the last trading session of the week below the 11,850 mark. The index opened gap up and momentarily moved above its 10-day moving average near 11,980, but failed to make any further headway and surrendered all its gains on the back of profit-booking. Moreover, the index developed an bearish engulfing candle on the daily chart, as after tagging an intraday high near 12,020, sellers pushed the price lower and closed below its day's open price, indicating caution. Meanwhile, the index has immediate strong support near its previous peak at 11,780, below which the index can witness further profit-booking and head lower towards the 11,700 level. On the flip side, the index has resistance near its 10-day moving average of 11,980, any penetration above it can witness a short rebound towards its 50-day moving average near 12,110.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,651	11,708	11,784	11,978	12,109	12,236	12,251



Source: Bloomberg, Argaam

TASI daily chart

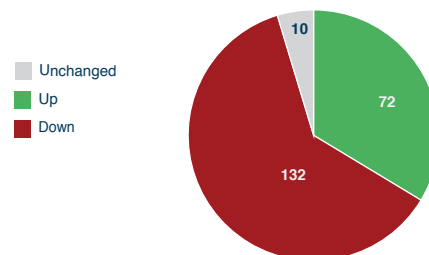


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

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

* As of 18th September 2022



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RESEARCH
DIVISION

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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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