



Major Economic News

- Saudi Arabia's oil exports increased by 3.0% M/M to 7.4 mbpd in July 2022. On annual basis, oil exports increased 17.0% from 6.3 mbpd. Saudi Arabia's crude output rose by 2.0% M/M to 10.8 mbpd in July – the highest level since July 2020 (12.1 million bpd). (Source: Argaam)
- Saudi Arabia's international reserve assets declined by SAR 25.0mn M/M to SAR 1.7tn in August. On an annual basis, the Kingdom's reserve assets expanded 1.0% or by SAR 10.0bn. (Source: Argaam)

Major Corporate News

- Arabian Drilling Co. issued the prospectus to list 26.7mn shares or 30.0% of capital on Tadawul. The offering includes selling 17.7mn outstanding shares and issuing 9.0mn new shares. The company's capital will increase from SAR 800.0mn to SAR 890.0mn. (Source: Argaam)
- Dallah Healthcare Co.'s board of directors started negotiations to buy 68.8% stake or 34.4mn shares in associate firm, Dr Mohammad bin Rashed Al Faqih & Partners Co. (Source: Argaam)
- Abdulmohsen Alhokair Group for Tourism and Development's received CMA's approval to reduce its capital by 51.5% from SAR 650.0mn to SAR 315.0mn to offset 98.9% of accumulated losses. (Source: Argaam)
- Tihama Advertising and Public Relations Co. filed for the approval of CMA for a capital increase via rights issue of SAR 350.0mn to finance expansions, future investments, boost the working capital and settle financial obligations. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 1.1% to 11,446.3. The value traded stood at SAR 4.8bn (down 5.1% over previous day), while the advance-decline ratio stood at 51/157. The parallel market index decreased 1.7% to 20,230.3 points. The value traded stood at SAR 28.3mn (up 8.3% over previous day). Most sectors in the main market ended in the red. Utilities and Media (up 2.0% and 1.8%, respectively) were the only gainers; Pharma & Bio Tech and Diversified Financials (down 4.0% and 2.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAUDI RE	14.50	8.2
ADVANCED	46.45	3.2
ACWA POWER	152.00	3.1
QACCO	76.80	3.1
MAADEN	64.60	3.0

Top Losers

Company	Price	Change%
TAPRCO	106.00	-6.2
BUPA ARABIA	160.00	-5.9
BSFR	43.00	-5.7
SAUDI GERMAN HEALT	28.65	-5.6
CITY CEMENT	22.78	-5.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,446	11,602	11,404	-1.1	1.5
NomuC	20,230	20,586	20,223	-1.7	-22.1

TASI movement during session



TASI Ratios

P/E* (x)	18.5
Price-to-Book (x)	2.3
Dividend Yield (%)	2.3
Return on Equity (%)	27.2

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,067	-0.7	10.0	14
Materials	6,764	-0.1	-7.9	12.1
Capital Goods	6,236	-0.6	-17.4	20.9
Commercial Service	3,660	-0.2	-17.6	43.7
Transportation	4,775	-1.7	-8.8	High
Consumer Durables	4,484	-1.1	-29.4	Neg
Consumer Services	3,944	-1.0	-15.0	High
Media	23,528	1.8	1.2	26.9
Retailing	8,082	-1.1	-17.9	22.5
Food & Staples	9,848	-1.7	8.0	27.8
Food & Beverages	4,786	-1.0	-1.0	44.3
Healthcare	8,742	-0.8	19.5	41.6
Pharma & Bio Tech	3,298	-4.0	-36.5	Neg
Banks	12,835	-1.9	5.0	18.9
Diversified Financial	7,338	-2.5	7.5	8.3
Insurance	5,272	-1.7	-12.0	Neg
Telecom	6,788	-1.0	-6.7	18
Utilities	7,320	2.0	23.4	14.8
REITs	4,262	-0.3	-7.6	23.5
Real Estate	2,947	-1.7	-7.1	High
Software & Services	35,296	-1.2	23.2	34

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,765	11,848	12,108	5.33

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.8	262.9	696.3
Previous week	26.8	654.6	1,434.80

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	36.00	-0.7
Al Rajhi	84.60	-1.3
SNB	62.10	-2.5
SABIC	90.30	-1.4
STC	39.05	-0.6

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.4% and 1.0%, respectively. Egypt and Oman increased 0.9% and 0.1%, respectively, while Qatar, Kuwait and Bahrain declined 1.7%, 1.1% and 0.1%, respectively.
- US consumer sentiment index edged up to 59.5 in September (consensus: 60.0) from 58.2 in August. Consumer expectations index rose to 59.9 in September from 58.0 in August, while the current economic conditions index increased slightly to 58.9 in September from 58.6 in August. (Source: RTT news)
- The People's Bank of China infused CNY 10.0bn via 14-day reverse repo at an interest rate of 2.15% compared to the prior 2.25%. The bank kept its 1-year and 5-year loan prime rate unchanged at 3.65% and 4.30%, respectively. (Source: Econoday, RTT news)
- Japan CPI increased 3.0% Y/Y in August (consensus: 2.9% Y/Y) versus a rise of 2.6% Y/Y in July. (Source: Econoday)
- Oil prices rose 0.7%, as prices were supported by tight supply concerns for oil, while easing Covid lockdown restrictions in China also boosted eventual recovery in demand.
- Gold prices remained flat, as investors remained cautious on potential aggressive rate hike by the US Federal Reserve Bank to curb inflation.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	109.74	0.0	1.0	14.7
Euro	1.00	0.1	-0.3	-11.8
Japanese Yen	143.21	0.2	3.1	24.4
Sterling Pound	1.14	0.1	-1.6	-15.5
Chinese Yuan	7.00	0.1	1.4	10.2
Indian Rupee	79.77	0.0	0.4	7.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	-0.1	0.2
Kuwaiti Dinar	0.31	-0.1	0.2	2.1
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	19.42	0.0	1.1	23.6

Corporate Calendar

Date	Company	Event
20 th Sep	ALDAWAA	Cash Dividend Distribution
20 th Sep	Theeb	Cash Dividend Distribution
20 th Sep	Alamar	Cash Dividend Distribution
21 st Sep	SASCO	Cash Dividend Distribution
22 nd Sep	CMCER	Cash Dividend Distribution
25 th Sep	BINDAWOOD	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,474	-0.4	0.9	8.7	10.7
Abu Dhabi (ADX)	10,096	-1.0	2.2	18.9	20.7
Kuwait (KSE)	5,709	-1.1	-2.7	-3.0	9.2
Qatar (QE)	12,861	-1.7	-4.2	10.6	14.6
Oman (MSM)	4,470	0.1	-2.5	8.2	12.2
Bahrain (BSE)	1,936	-0.1	1.0	7.7	7.1
Egypt (EGX30)	9,854	0.9	-1.4	-17.5	5.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,020	0.6	-1.6	-14.6	17.1
Nasdaq	11,953	0.8	-2.6	-26.8	24.6
S&P 500	3,900	0.7	-1.4	-18.2	19.1
FTSE 100	7,237	0.0	-0.7	-2.0	14.0
Germany DAX 30	12,803	0.5	-0.2	-19.4	12.4
France CAC 40	6,062	-0.3	-1.0	-15.3	12.8
Japan Nikkei 225	27,568	0.0	-1.9	-4.3	27.9
Russia MOEX	2,431	-0.2	1.3	-35.8	3.9
Hong Kong Hang Seng	18,566	-1.0	-7.0	-20.7	7.0
South Korea KOSPI	2,356	-1.1	-4.7	-20.9	10.0
China Shanghai Composite	3,116	-0.3	-2.7	-14.4	13.7
Australia ASX 200	6,720	-0.3	-3.8	-9.7	14.0
India Sensex	59,141	0.5	-0.7	1.5	23.1
MSCI EM	939	-0.6	-5.6	-23.8	10.3
MSCI World	2,581	0.4	-1.8	-20.1	16.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	99.55	-1.1	-5.4	25.7
Brent Crude (\$/bbl)	92.00	0.7	-4.7	16.0
Texas crude (\$/bbl)	85.73	0.7	-4.3	11.4
Natural Gas (\$/mmbtu)	7.75	-0.2	-15.1	116.4
Gold (\$/oz)	1,675.84	0.0	-2.1	-7.7
Silver (\$/oz)	19.56	-0.1	8.7	-15.1
Steel (\$/ton)	787.00	-0.3	0.9	-44.8
Iron Ore (CNY/MT)	788.00	0.4	2.6	14.9
Wheat (\$/bu)	830.50	-3.4	-0.1	6.6
Corn (\$/bu)	678.25	0.1	1.2	24.3
Sugar (\$/lb)	17.37	-1.1	-2.3	-4.9
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	0.0	46.6	335.6
Saudi Arabia (SAIBOR)	3.54	6.6	42.0	263.3
UAE (EIBOR)	3.32	3.1	41.9	295.6
Kuwait (KSE)	2.69	6.3	6.3	118.8
Bahrain (BHIBOR)	4.28	3.1	14.9	276.7

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 19, 2022



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,446
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data

Market Cap. (SARbn)	10,858.0
Value (SARmn)	4,763.8
Volume (mn)	125.0
Number of Transactions	344,657
Market Breadth	51 : 157

Key statistics

1D return %	-1.09%
WTD return %	-3.24%
QTD return	-12.56%
YTD return	1.46%
ADT vol. 3M* (mn)	161.8
ADT val. 3M (SARmn)	6,104.2

ADT stands for Average Daily Traded *

TASI market commentary

- The TASI fell on Monday weighed down by selling in index heavyweights like Banks (-1.90% D/D) and Telecommunication Services (-1.00% D/D) stocks. At close, the Saudi market ended the day with a loss of -1.09% at 11,446. In terms of activity, total volumes and value traded were ~125mn and ~SAR 4.8bn respectively. The advance-decline ratio came in at 51/157.

Technical outlook

- The TASI declined for the fourth consecutive day and fell more than 125 points to close the trading session below the 11,450 mark. The index opened gap down but after testing an intraday high near 11,600, later slid lower surrendering all its gains on the back of profit-booking. Moreover, the index closed below its previous session low, showing signs of weakness. However, the index managed to close just above its Fibonacci 78.6% level near 11,445, keeping the possibility of a short rebound intact. Meanwhile, the index has resistance near 11,540, any penetration above it can result in a short rebound towards the 11,700 – 11,780 level. On the flip side, the index has immediate support near the 11,445 level, followed by the 11,400 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,277	11,402	11,445	11,542	12,704	11,784	11,848



Source: Bloomberg, Argaam

TASI daily chart

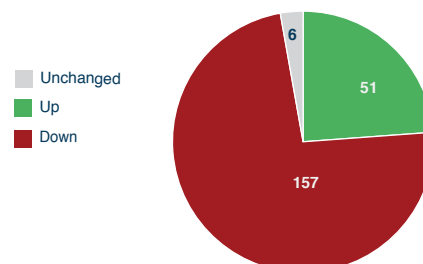


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
1211	Saudi Arabian Mining Co.	64.60	64.50-64.60	65.25	64.00
2150	The National Co. For Glass Industries	39.00	38.85-39.00	39.40	38.65
2082	Acwa Power Co.	152.00	151.00-152.00	153.50	150.55
1213	Naseej International Trading Co.	46.00	45.90-46.05	46.45	45.60
7203	Elm Co.	306.80	305.50-306.80	309.90	303.50
4164	Nahdi Medical Co.	196.20	195.80-196.20	198.00	194.50

* As of 19th September 2022

*Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

MAADEN reversed forming a hammer candle on Sunday followed by a bullish candle yesterday. Moreover, the RSI line has also shown a rebound.

Saudi Arabian Mining Co. (MAADEN)



Source: Tradingview, AlJazira Capital

Technical observations

ZOUJAJ developed a hammer candle near its base support, indicating a likely rebound. Moreover, the RSI line is near the 50 level.

The National Co. for Glass Industries (ZOUJAJ)



Source: Tradingview, AlJazira Capital



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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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