

## Major Economic News

- According to Reuters, KSA overtook Iraq as the largest oil exporter to India in July after a gap of over a year, as higher imports of Iranian oil before the US sanctions changed trade routes. KSA and Iraq remained the two largest oil exporters to India in July, despite a decrease in monthly supplies by 12.0% and around 23.0%, respectively. (Source: Argaam)
- According to Adel Al-Issa, the official spokesperson for insurance companies, the opening of Saudi market to foreign insurance firms would improve service quality and introduce new products to the Kingdom. It added the quality of various services would improve due to the good past performance of foreign players. (Source: Argaam)
- According to data issued by the justice ministry, the value of KSA's real estate transactions fell 51.0% YoY to SAR 10.5bn in the month ended August 12. (Source: Argaam)

## Major Corporate News

- Saudi Real Estate Refinance Co. (SRC), held by the Public Investment Fund (PIF), inked a partnership agreement with the Saudi British Bank (SABB) to offer more diversified home financing solutions at better prices. (Source: Argaam)
- Saudi Paper Manufacturing Co.'s shareholders are likely to vote on a 45.56% capital reduction to SAR 245.0mn from SAR 450.0mn on September 10, 2018. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.5% to 11,503.6. The value traded stood at SAR 4.8bn (up 0.6% over previous day), while the advance-decline ratio stood at 110/91. The parallel market index decreased 0.1% to 20,218.6 points. The value traded stood at SAR 14.1mn (down 50.3% over previous day). Most sectors in the main market ended in the green. Insurance and Pharma & Bio Tech (up 3.1% and 2.2%, respectively) advanced the most; Telecom and Media (down 0.8% each) led the laggards.

## Top Gainers

Company	Price	Change%
DALLAH HEALTH	138.00	7.3
BUPA ARABIA	171.20	7.0
NASEEJ	49.05	6.6
CARE	65.30	6.4
ALHAMMADI	46.00	4.3

## Top Losers

Company	Price	Change%
SABB TAKAFUL	12.66	-4.5
SALAMA	17.10	-4.2
TAPRCO	102.20	-3.6
CHUBB	17.26	-3.6
ALHOKAIR	17.88	-3.5

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,504	11,615	11,504	0.5	2.0
NomuC	20,219	20,506	20,219	-0.1	-22.2

## TASI movement during session



## TASI Ratios

P/E* (x)	18.6
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	6,102	0.6	10.6	14.1
Materials	6,725	-0.6	-8.4	12.1
Capital Goods	6,295	0.9	-16.6	21.1
Commercial Service	3,667	0.2	-17.5	43.8
Transportation	4,795	0.4	-8.4	High
Consumer Durables	4,534	1.1	-28.6	Neg
Consumer Services	3,971	0.7	-14.4	High
Media	23,337	-0.8	0.4	26.8
Retailing	8,173	1.1	-17.0	22.7
Food & Staples	9,940	0.9	9.0	28.1
Food & Beverages	4,830	0.9	-0.1	44.8
Healthcare	8,860	1.4	21.1	42.3
Pharma & Bio Tech	3,371	2.2	-35.1	Neg
Banks	12,935	0.8	5.8	19.1
Diversified Financial	7,441	1.4	9.0	8.4
Insurance	5,437	3.1	-9.2	Neg
Telecom	6,731	-0.8	-7.5	17.8
Utilities	7,391	1.0	24.6	14.9
REITs	4,272	0.2	-7.4	23.6
Real Estate	2,961	0.5	-6.6	High
Software & Services	36,001	2.0	25.6	34.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,649	11,799	12,063	5.29

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.6	389.8	1,013.50
Previous week	26.8	654.6	1,434.80

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	36.20	0.6
Al Rajhi	85.00	0.5
SNB	63.50	2.3
SABIC	90.00	-0.3
STC	38.50	-1.4



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.7% and 0.4%, respectively. Egypt, Qatar and Oman increased 1.6%, 0.6% and 0.1%, respectively, while Kuwait declined 0.1%. Meanwhile, Bahrain remained flat.
- According to EIA, oil inventories in the US fell 6.9mn barrels (prior: down 6.7mn) to 445.5mn in the week ended July 02. Gasoline inventories decreased 6.1mn barrels (prior: up 1.5mn) to 235.5mn, while distillate inventories rose 1.6mn barrels (prior: down 0.9mn) to 138.7mn. (Source: Econoday)
- US industrial production increased 0.1% MoM in July (consensus: 0.3%) compared with 1.0% in June, while manufacturing rose 0.3% MoM in July (in line with the consensus) against 0.8% in June. The capacity utilization rate level remained flat at 78.1% in July (consensus: 78.2%). (Source: Econoday)
- Oil prices plunged 2.3% on Wednesday, hitting an eight-week low after data revealed that US oil inventories increased unpredictably last week.
- Gold prices fell 1.6% to one-and-a-half year lows on Wednesday, as the US dollar continued to weigh on demand for the yellow metal.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	110.22	0.4	1.4	15.2
Euro	1.00	-0.5	-0.8	-12.3
Japanese Yen	143.75	0.4	3.4	24.9
Sterling Pound	1.14	-0.4	-2.1	-15.9
Chinese Yuan	7.03	0.4	1.8	10.6
Indian Rupee	79.76	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	0.0	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
21 <sup>st</sup> Sep	SASCO	Cash Dividend Distribution
22 <sup>nd</sup> Sep	CMCER	Cash Dividend Distribution
25 <sup>th</sup> Sep	BINDAWOOD	Cash Dividend Distribution
25 <sup>th</sup> Sep	Nayifat	EGM
26 <sup>th</sup> Sep	SPCC	Cash Dividend Distribution
26 <sup>th</sup> Sep	City Cement	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,498	0.7	1.6	9.4	10.8
Abu Dhabi (ADX)	10,135	0.4	2.6	19.4	21
Kuwait (KSE)	5,703	-0.1	-2.8	-3.1	9
Qatar (QE)	12,937	0.6	-3.6	11.3	14.4
Oman (MSM)	4,476	0.1	-2.4	8.4	12.2
Bahrain (BSE)	1,936	0.0	0.9	7.7	7.1
Egypt (EGX30)	10,011	1.6	0.1	-16.2	5.1

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,706	-1.0	-2.6	-15.5	16.9
Nasdaq	11,852	-0.9	-3.4	-27.4	24.3
S&P 500	3,856	-1.1	-2.5	-19.1	18.9
FTSE 100	7,193	-0.6	-1.3	-2.6	13.9
Germany DAX 30	12,671	-1.0	-1.3	-20.2	12.4
France CAC 40	5,979	-1.4	-2.4	-16.4	12.6
Japan Nikkei 225	27,688	0.4	-1.4	-3.8	27.6
Russia MOEX	2,216	-8.8	-7.7	-41.5	3.6
Hong Kong Hang Seng	18,781	1.2	-5.9	-19.7	6.8
South Korea KOSPI	2,368	0.5	-4.2	-20.5	9.9
China Shanghai Composite	3,122	0.2	-2.5	-14.2	13.6
Australia ASX 200	6,806	1.3	-2.6	-8.6	13.8
India Sensex	59,720	1.0	0.3	2.5	23.0
MSCI EM	946	0.8	-4.8	-23.2	10.6
MSCI World	2,554	-1.0	-2.8	-21.0	16.5

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	101.94	2.4	-3.1	28.8
Brent Crude (\$/bbl)	90.62	-1.5	-6.1	14.2
Texas crude (\$/bbl)	84.45	-1.5	-5.7	9.7
Natural Gas (\$/mmbtu)	7.72	-0.5	-15.4	115.4
Gold (\$/oz)	1,664.89	-0.7	-2.7	-8.3
Silver (\$/oz)	19.27	-1.5	7.1	-16.4
Steel (\$/ton)	798.00	1.4	2.3	-44.1
Iron Ore (CNY/MT)	782.00	-0.8	1.8	14.0
Wheat (\$/bu)	893.75	7.6	7.5	14.7
Corn (\$/bu)	692.00	2.0	3.2	26.8
Sugar (\$/lb)	17.80	2.5	0.2	-2.5
SMP* (EUR/MT)	3,725.00	-1.5	2.1	10.7

\*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)	3.58	4.1	46.2	267.4
UAE (EIBOR)	3.38	5.5	47.4	301.1
Kuwait (KSE)	2.63	-6.3	0.0	112.5
Bahrain (BHIBOR)	4.31	3.0	17.9	279.7

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 20 2022

Index	TASI
Ticker	SASEIDX Index
Last Close	11,504
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market Cap. (SARbn)	10,914.4
Value (SARmn)	4,792.6
Volume (mn)	126.9
Number of Transactions	317,175
Market Breadth	110 : 91

1D return %	0.50%
WTD return %	-2.76%
QTD return	-0.17%
YTD return	1.97%
ADT vol. 3M* (mn)	161.0
ADT val. 3M (SARmn)	6,080.5

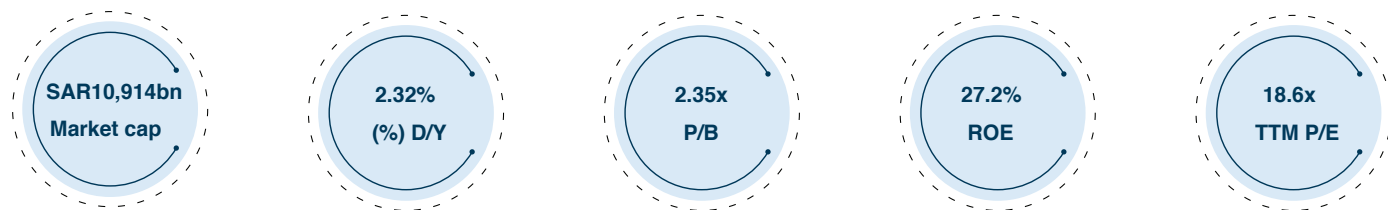
## TASI market commentary

- The TASI gained on Tuesday due to buying in index heavyweights like Banks (0.78% D/D) and Energy (0.56% D/D) stocks. At close, the Saudi market ended the day with gains of 0.50% at 11,504. In terms of activity, total volumes and value traded were ~127mn and ~SAR 4.8bn respectively. The advance-decline ratio came in at 110/91.

## Technical outlook

- The TASI rose more than 55 points to close the trading session above the 11,500 mark. The index opened gap up and tagged an intraday high near 11,615 but failed to hold on to it, and later slid lower surrendering all its gains on the back of profit-booking. Moreover, the index developed a shooting star candle on the daily chart, indicating weakness and that traders need to exercise caution. Meanwhile, the index has support at its Fibonacci 78.6% level near 11,445, followed by the 11,270 level. On the flip side, the index has immediate resistance near the 11,525 level, above which it can attempt to test the 11,620 level.

S3	S2	S1	Pivot	R1	R2	R3
11.208	11.269	11.445	11.524	11.616	11.719	11.799



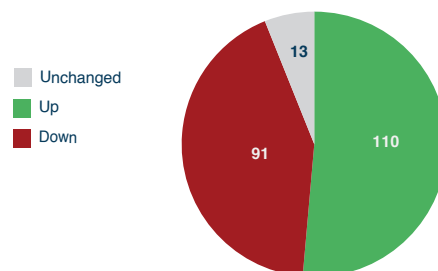
## TASI daily chart



## Our view



## Market depth



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## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
4190	Jarir Marketing Co.	170.40	169.00-170.40	173.80	176.60	167.20

\* As of 21<sup>st</sup> September 2022

\* Note – Stop loss is based on a closing basis and not on an intraday basis

## CHARTS OF THE WEEK

## Technical observations

**JARIR** penetrated above its channel trendline resistance yesterday, indicating a bullish sign. Moreover, the stock just moved above its 10-day moving average and is about to cross its 20-day moving average, showing positive signs. Furthermore, the RSI line is moving up and is above the 50 level. We recommend buying the stock in a range of SAR 169.00 – 170.40, for a target of SAR 173.80 followed by SAR 176.60, with a strict stop loss of SAR 167.20 on a closing basis.

## Jarir Marketing Co. (JARIR)



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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