

## Major Economic News

- SAMA raised interest its reverse repo rate by 75 bps to 325 bps from 250 bps. It also lifted its repo rate to 375 bps (3.75%) from 300 bps. The US Federal Reserve raised target interest rate to a range of 3.0%-3.25%, from 2.25% and 2.50% previously. (Source: Argaam)
- Saudi Arabia posted a trade surplus of SAR 85.7bn in July. The Kingdom's total exports jumped 59.0% Y/Y to SAR 140.8bn in July. Similarly, imports climbed 18.0% Y/Y to SAR 55.1bn during the same period. (Source: Argaam)
- Saudi Arabia's non-oil exports rose 26.0% or SAR 5.6bn Y/Y to around SAR 26.7bn in July. When compared to June, non-oil exports fell by SAR 4.0bn. Non-oil exports accounted for 18.9% of the Kingdom's total exports in July, amounting to SAR 140.8bn. (Source: Argaam)
- The Ministry of Municipal, Rural Affairs and Housing signed an agreement worth SAR 40.0bn with National Housing Co. to finance and develop projects and infrastructure works in 11 cities across the Kingdom. (Source: Argaam)

## Major Corporate News

- Arabian Pipes Co. signed a contract valued at SAR 155.0mn with Saudi Aramco to supply steel pipes over 15 months. The relevant financial impact will appear in Q2-23 and Q3-23. (Source: Argaam)
- AlBabtain Food announced the price range for its IPO between SAR 68 and SAR 77 per share. The book-building period for participating parties will run through September 25-28. (Source: Argaam)
- Al Sagr Cooperative Insurance Co. submitted the application file to reduce the company's capital from SAR 400.0mn to SAR 140.0mn to CMA for approval. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.4% to 11,461.1 on Wednesday. The value traded stood at SAR 4.2bn (down 11.9% over previous day), while the advance-decline ratio stood at 55/145. The parallel market index increased 0.2% to 20,265.1 points. The value traded stood at SAR 19.7mn (up 40.4% over previous day). Most sectors in the main market ended in the red. Media and Insurance (up 2.0% and 1.0%, respectively) advanced the most; Software & Services and Food & Staples (down 2.8% and 2.6%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ENAYA	19.08	6.6
CARE	68.20	4.4
TAWUNIYA	80.00	4.4
RETAL	141.40	4.3
SIIG	23.30	3.8

## Top Losers

Company	Price	Change%
NAHDI	192.00	-5.0
TAIBA	26.45	-4.9
CITY CEMENT	22.00	-4.6
ASTRA INDUSTRIAL	48.95	-4.0
BAHRI	27.65	-4.0

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,461	11,543	11,403	-0.4	1.6
NomuC	20,265	20,506	20,165	0.2	-22

## 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	6,060	-0.7	9.9	14
Materials	6,744	0.3	-8.2	12.1
Capital Goods	6,195	-1.6	-17.9	20.7
Commercial Service	3,624	-1.2	-18.5	43.3
Transportation	4,757	-0.8	-9.1	High
Consumer Durables	4,474	-1.3	-29.5	Neg
Consumer Services	3,954	-0.4	-14.8	High
Media	23,793	2.0	2.3	27.2
Retailing	8,172	0.0	-17.0	22.7
Food & Staples	9,684	-2.6	6.2	27.3
Food & Beverages	4,843	0.3	0.2	45.1
Healthcare	8,862	0.0	21.2	42.7
Pharma & Bio Tech	3,358	-0.4	-35.3	Neg
Banks	12,897	-0.3	5.5	19
Diversified Financial	7,313	-1.7	7.1	8.3
Insurance	5,491	1.0	-8.3	Neg
Telecom	6,687	-0.7	-8.1	17.6
Utilities	7,263	-1.7	22.4	14.7
REITs	4,263	-0.2	-7.6	23.5
Real Estate	2,931	-1.0	-7.6	High
Software & Services	35,009	-2.8	22.2	33.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,563	11,759	12,014	5.22

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	18.8	508	1,320.60

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	36.00	-0.6
Al Rajhi	84.50	-0.6
SNB	63.10	-0.6
SABIC	90.20	0.2
STC	38.05	-1.2



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.7% each. Qatar declined 0.9%, while Kuwait and Oman fell 0.8% each. Meanwhile, both Bahrain and Egypt were down 0.2%.
- The US Federal Reserve increased the federal funds rate by 75 bps to the range 3.0% to 3.25%, the third consecutive rate hike of 75 bps by the central bank to tame the inflation. It lowered GDP growth forecast for FY22 to 0.2% compared to the 1.7% increase forecast in June. The median forecast for GDP growth in FY23 was also reduced to 1.2% from 1.7% in June. (Source: CNBC, RTT News)
- According to Baker Hughes, North America's rig count increased to 979 in the week ended September 23 from 974 earlier. The rig count rose to 764 in the US from 763 earlier and to 15 in the Gulf of Mexico from 14. The rig count in Canada increased to 215 from 211 earlier. (Source: Baker Hughes)
- The Bank of England raised the bank rate by 50 bps to 2.25% from 1.75%. The UK economy is forecast to shrink 0.1% in Q3-22, which would be a second consecutive contraction. (Source: RTT News)
- Oil prices plunged 4.8% on Friday, impacted by rising fears of global recession and the stronger US dollar.
- Gold prices fell 1.6% due to a rally in US dollar and rise in treasury yields after the rate hike by the Fed.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	113.19	1.7	4.1	18.3
Euro	0.97	-1.5	-3.7	-14.8
Japanese Yen	143.31	0.6	3.1	24.5
Sterling Pound	1.09	-3.6	-6.6	-19.8
Chinese Yuan	7.14	0.8	3.3	12.3
Indian Rupee	80.99	0.1	1.9	8.9
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	-0.1	0.1
Kuwaiti Dinar	0.31	0.2	0.6	2.5
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	19.49	0.0	1.4	24.0

## Corporate Calendar

Date	Company	Event
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
26 <sup>th</sup> Sep	FADECO	Cash Dividend Distribution
27 <sup>th</sup> Sep	ALHAMMADI	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,409	-0.7	-1.0	6.7	10.8
Abu Dhabi (ADX)	10,026	-0.7	1.5	18.1	21
Kuwait (KSE)	5,595	-0.8	-4.7	-4.9	9
Qatar (QE)	12,644	-0.9	-5.8	8.8	14.5
Oman (MSM)	4,473	-0.8	-2.5	8.3	12.2
Bahrain (BSE)	1,928	-0.2	0.5	7.3	7.1
Egypt (EGX30)	9,933	-0.2	-0.7	-16.9	5.2

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,590	-1.6	-6.1	-18.6	16.3
Nasdaq	11,311	-1.7	-7.8	-30.7	23.2
S&P 500	3,693	-1.7	-6.6	-22.5	18.1
FTSE 100	7,019	-2.0	-3.6	-5.0	13.6
Germany DAX 30	12,284	-2.0	-4.3	-22.7	12.0
France CAC 40	5,783	-2.3	-5.6	-19.1	12.2
Japan Nikkei 225	27,154	0.0	-3.3	-5.7	27.4
Russia MOEX	2,090	-4.6	-12.9	-44.8	3.4
Hong Kong Hang Seng	17,933	-1.2	-10.1	-23.4	6.6
South Korea KOSPI	2,290	-1.8	-7.4	-23.1	9.7
China Shanghai Composite	3,088	-0.7	-3.6	-15.1	13.5
Australia ASX 200	6,575	-1.9	-5.9	-11.7	13.5
India Sensex	58,099	-1.7	-2.4	-0.3	22.4
MSCI EM	906	-1.8	-8.9	-26.5	10.1
MSCI World	2,439	-2.0	-7.2	-24.5	15.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	98.68	-1.8	-6.2	24.6
Brent Crude (\$/bbl)	86.15	-4.8	-10.7	8.6
Texas crude (\$/bbl)	78.74	-5.7	-12.1	2.3
Natural Gas (\$/mmbtu)	6.83	-3.7	-25.2	90.6
Gold (\$/oz)	1,643.94	-1.6	-3.9	-9.4
Silver (\$/oz)	18.87	-3.9	4.9	-18.1
Steel (\$/ton)	802.00	0.5	2.8	-43.8
Iron Ore (CNY/MT)	769.00	0.3	0.1	12.1
Wheat (\$/bu)	880.50	-3.3	5.9	13.0
Corn (\$/bu)	676.75	-1.7	0.9	24.0
Sugar (\$/lb)	17.64	-2.0	-0.7	-3.4
SMP* (EUR/MT)	3,750.00	0.0	2.8	11.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.63	0.0	52.9	341.9
Saudi Arabia (SAIBOR)	3.60	2.1	48.3	269.5
UAE (EIBOR)	3.11	-20.7	21.3	275.0
Kuwait (KSE)	2.88	25.0	25.0	137.5
Bahrain (BHIBOR)	4.82	50.8	69.0	330.8

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 23 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,461
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data	
Market Cap. (SARbn)	10,861.6
Value (SARmn)	4,222.1
Volume (mn)	118.1
Number of Transactions	307,148
Market Breadth	55 : 145

Key statistics	
1D return %	-0.37%
WTD return %	-3.11%
QTD return	-0.54%
YTD return	1.59%
ADT vol. 3M* (mn)	160.4
ADT val. 3M (SARmn)	6,064.8

ADT stands for Average Daily Traded \*

## TASI market commentary

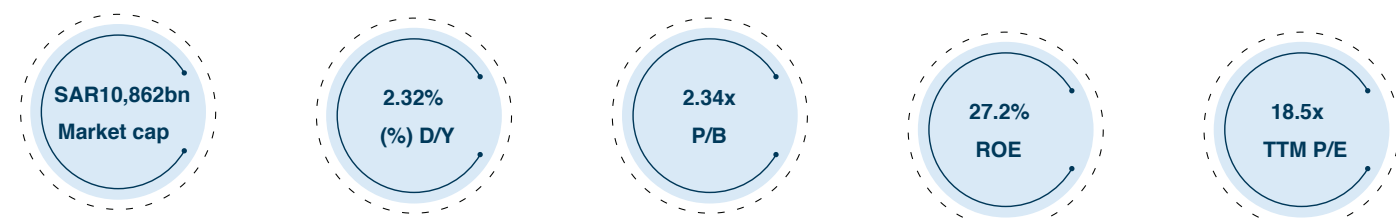
- The TASI fell on Wednesday weighed down by selling in index heavyweights like Energy (-0.68% D/D) and Telecommunication Services (-0.65% D/D) stocks. At close, the Saudi market ended the day with a loss of -0.37% at 11,461. In terms of activity, total volumes and value traded were ~118mn and ~SAR 4.2bn respectively. The advance-decline ratio came in at 55/145.

## Technical outlook

- The TASI declined more than 40 points to close the truncated week near the 11,450 mark. The index after tagging an intraday high near 11,540, failed to cling on to it and later slid lower on the back of profit-booking. Meanwhile, the index has immediate support at its Fibonacci 78.6% level near 11,445, below which the index may dip down further to test near the 11,250 level. The index has strong support near 11,250 in the mid-term for its uptrend to remain intact. However, any breach below this may witness further profit-booking which could drag the index further lower. On the flip side, the index has resistance near 11,520, any penetration above it can witness a short rebound towards 11,620.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,207	11,268	11,445	11,517	11,617	11,718	11,759



Source: Bloomberg, Argaam

## TASI daily chart

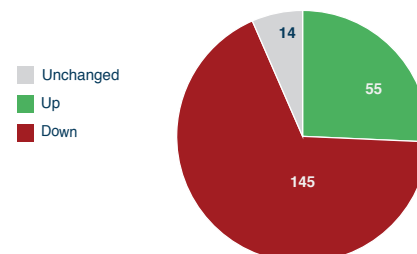


Source: Tradingview, Tadawul, AlJazira Capital

## 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 global market volatility

\* As of 25<sup>th</sup> 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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