

Major Economic News

- Saudi Arabia's GDP per capita reached its highest level in years at SAR 29,820 in Q2-22, compared to SAR 20,620 a year earlier. Saudi GDP at current prices increased by 43.0% Y/Y to SAR 1.048tn in the Q2-22. (Source: Argaam)
- Saudi Power Procurement Co. announced offering five new renewable energy projects to produce electricity under the fourth phase of the National Renewable Energy Program, overseen by the Ministry of Energy. The projects have a combined capacity of 3,300 MW of electricity, including three wind and two solar energy projects. (Source: Argaam)

Major Corporate News

- Qassim Cement Co. signed a non-binding MoU with Hail Cement Co. to start discussions on a share-swap deal in which Qassim Cement will fully acquire Hail Cement. Both parties will proceed with discussions on a non-binding swap ratio, where Hail Cement's shareholders will receive 0.1933 newly issued share in Qassim Cement for every share they own in Hail Cement. (Source: Argaam)
- The Royal Commission for AlUla signed an agreement with National Grid Co. to develop and upgrade AlUla's power grid with 1,000 megavolt amperes worth SAR 3.5bn. (Source: Argaam)
- National Agricultural Development Co. signed a non-binding MoU with Leha Agricultural Co. to produce potato seeds (Mini tuber seeds) in Saudi Arabia. The MoU will come into effect from October 1 and end on April 30, 2023. (Source: Argaam)
- Sure Global Technology Co. announced the registration document for direct listing on Nomu-Parallel Market. The company set the price guidance for trading its shares on Nomu at SAR 70.0 each. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 2.6% to 11,161.4 on Sunday. The value traded stood at SAR 4.4bn (up 4.0% over previous day), while the advance-decline ratio stood at 10/203. The parallel market index decreased 1.9% to 19,875.9 points. The value traded stood at SAR 19.6mn (down 0.7% over previous day). All sectors in the main market ended in the red. Consumer Durables and Insurance (down 4.3% and 3.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
HCC	13.20	8.0
DALLAH HEALTH	139.40	3.3
CARE	70.00	2.6
SSP	21.00	2.4
GASCO	51.20	2.2

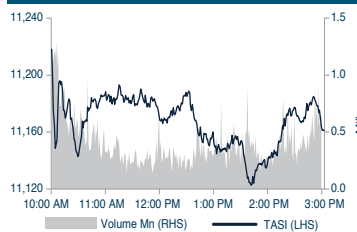
Top Losers

Company	Price	Change%
ALINMA TOKIO M	18.18	-8.9
SPPC	16.00	-8.5
UCA	8.68	-7.7
JAZADCO	13.12	-7.2
AICC	12.42	-7.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,161	11,218	11,122	-2.6	-1.1
NomuC	19,876	20,091	19,708	-1.9	-23.5

TASI movement during session



TASI Ratios

P/E* (x)	18.1
Price-to-Book (x)	2.3
Dividend Yield (%)	2.4
Return on Equity (%)	27.2

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,898	-2.7	6.9	13.6
Materials	6,567	-2.6	-10.6	11.8
Capital Goods	5,983	-3.4	-20.7	20
Commercial Service	3,504	-3.3	-21.2	41.8
Transportation	4,621	-2.9	-11.7	High
Consumer Durables	4,283	-4.3	-32.5	Neg
Consumer Services	3,834	-3.0	-17.4	High
Media	23,083	-3.0	-0.7	26.4
Retailing	7,980	-2.3	-19.0	22.1
Food & Staples	9,477	-2.1	3.9	26.6
Food & Beverages	4,660	-3.8	-3.6	43.5
Healthcare	8,726	-1.5	19.3	42.2
Pharma & Bio Tech	3,293	-1.9	-36.6	Neg
Banks	12,532	-2.8	2.5	18.5
Diversified Financial	7,058	-3.5	3.4	7.9
Insurance	5,275	-3.9	-11.9	Neg
Telecom	6,602	-1.3	-9.3	17.4
Utilities	7,148	-1.6	20.5	14.4
REITs	4,183	-1.9	-9.3	23.1
Real Estate	2,877	-1.8	-9.3	High
Software & Services	34,108	-2.6	19.0	32.8

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,429	11,691	11,942	5.16

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.4	128.3	308.1
Previous week	18.8	508	1,320.60

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	35.05	-2.6
Al Rajhi	81.70	-3.3
SNB	62.00	-1.7
SABIC	88.30	-2.1
STC	37.90	-0.4

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Kuwait, Qatar, Bahrain, Egypt, and Oman declined 3.5%, 1.5%, 1.4%, 0.4% and 0.3%, respectively.
- US initial jobless claims inched up to 213,000 (consensus: 218,000) in the week ended September 22, representing an increase of 5,000 from the previous week's revised level of 208,000. (Source: RTT news)
- US existing home sales declined modestly 0.4% M/M (consensus: decline by 2.3% M/M) to an annual rate of 4.8mn in August after declining by 5.7% M/M to a revised rate of 4.82mn in July. (Source: RTT news)
- UK retail sales fell by 20.0% M/M in September (consensus: rise of 10.0% M/M) versus a rebound of 37.0% M/M in August. (Source: RTT news)
- UK manufacturing PMI rose to 48.5 in September (consensus: 47.5) from 47.3 in August. The services PMI slipped to 49.2 in September (consensus: 50.0) versus 50.9 in August. (Source: RTT news).
- Eurozone manufacturing PMI fell to 48.5 in September (consensus: 48.7) versus 49.6 in August, while the services PMI contracted to 48.9 in September (consensus: 49.0) versus 49.8 in August. (Source: RTT news).

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	113.19	0.0	4.1	18.3
Euro	0.97	0.0	-3.7	-14.8
Japanese Yen	143.31	0.0	3.1	24.5
Sterling Pound	1.09	0.0	-6.6	-19.8
Chinese Yuan	7.14	0.0	3.3	12.3
Indian Rupee	80.99	0.0	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	0.0	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
26 th Sep	SPCC	Cash Dividend Distribution
26 th Sep	City Cement	Cash Dividend Distribution
26 th Sep	FADECO	Cash Dividend Distribution
27 th Sep	ALHAMMADI	Cash Dividend Distribution
28 th Sep	Riyadh Cement	Cash Dividend Distribution
29 th Sep	GASCO	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	0.0	-1.0	6.7	10.5
Abu Dhabi (ADX)	10,026	0.0	1.5	18.1	20.1
Kuwait (KSE)	5,401	-3.5	-8.0	-8.3	9
Qatar (QE)	12,452	-1.5	-7.3	7.1	14.5
Oman (MSM)	4,458	-0.3	-2.8	8.0	12.2
Bahrain (BSE)	1,901	-1.4	-0.9	5.8	7.1
Egypt (EGX30)	9,895	-0.4	-1.0	-17.2	5.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,590	0.0	-6.1	-18.6	16.3
Nasdaq	11,311	0.0	-7.8	-30.7	23.2
S&P 500	3,693	0.0	-6.6	-22.5	18.1
FTSE 100	7,019	0.0	-3.6	-5.0	13.6
Germany DAX 30	12,284	0.0	-4.3	-22.7	12.0
France CAC 40	5,783	0.0	-5.6	-19.1	12.2
Japan Nikkei 225	27,154	0.0	-3.3	-5.7	26.7
Russia MOEX	2,090	0.0	-12.9	-44.8	3.4
Hong Kong Hang Seng	17,933	0.0	-10.1	-23.4	6.6
South Korea KOSPI	2,290	0.0	-7.4	-23.1	9.4
China Shanghai Composite	3,088	0.0	-3.6	-15.1	13.5
Australia ASX 200	6,575	0.0	-5.9	-11.7	13.3
India Sensex	58,099	0.0	-2.4	-0.3	22.1
MSCI EM	906	0.0	-8.9	-26.5	10.1
MSCI World	2,439	0.0	-7.2	-24.5	15.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	98.68	0.0	-6.2	24.6
Brent Crude (\$/bbl)	86.15	0.0	-10.7	8.6
Texas crude (\$/bbl)	78.74	0.0	-12.1	2.3
Natural Gas (\$/mmbtu)	6.83	0.0	-25.2	90.6
Gold (\$/oz)	1,643.94	0.0	-3.9	-9.4
Silver (\$/oz)	18.87	0.0	4.9	-18.1
Steel (\$/ton)	802.00	0.0	2.8	-43.8
Iron Ore (CNY/MT)	769.00	0.0	0.1	12.1
Wheat (\$/bu)	880.50	0.0	5.9	13.0
Corn (\$/bu)	676.75	0.0	0.9	24.0
Sugar (\$/lb)	17.64	0.0	-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)	3.89	28.6	76.9	298.1
UAE (EIBOR)	3.11	-20.7	21.3	275.0
Kuwait (KSE)	2.94	6.3	31.3	143.8
Bahrain (BHIBOR)	5.00	17.5	86.5	348.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 25 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,161
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data	
Market Cap. (SARbn)	10,582.8
Value (SARmn)	4,390.1
Volume (mn)	128.3
Number of Transactions	308,082
Market Breadth	10 : 203

Key statistics	
1D return %	-2.62%
WTD return %	-2.62%
QTD return	-3.14%
YTD return	-1.07%
ADT vol. 3M* (mn)	158.7
ADT val. 3M (SARmn)	5,994.9

ADT stands for Average Daily Traded *

TASI market commentary

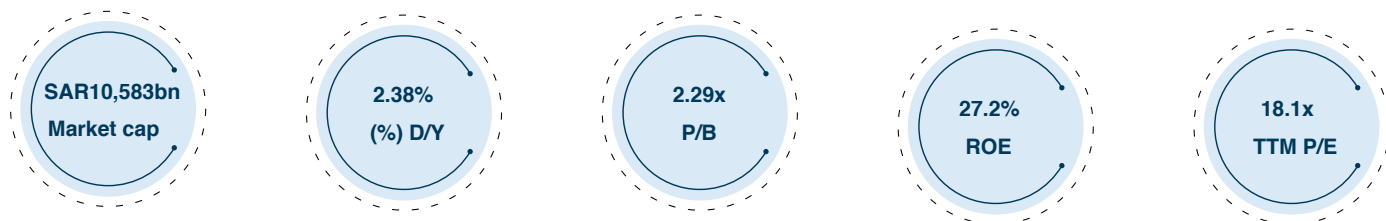
- The TASI declined on Sunday weighed down by selling in index heavyweights like Banks (-2.82% D/D) and Materials (-2.63% D/D) stocks, and also due to weakness in global markets and a dip in oil prices over the weekend. At close, the Saudi market ended the day with a loss of -2.61% at 11,161. In terms of activity, total volumes and value traded were ~128mn and ~SAR 4.4bn respectively. The advance-decline ratio came in at 10/203.

Technical outlook

- The TASI fell around 300 points to close the session below the 11,200 mark. The index has lost around 1,100 points since the beginning of the month of September. The index opened gap down and moved lower throughout the day on the back of profit-booking. Moreover, the index breached below its important support of Fibonacci 78.6% level near 11,445, and trendline support near the 11,250 level closing below it, showing signs of weakness and also breaking its mid-term uptrend hopes. Furthermore, the RSI line is moving lower into the negative territory. Meanwhile, the index has its next support near 11,100 (the previous bottom of 14th July 2022), where it may witness a speculative short rebound. However, any breach below 11,100 could witness further pressure which could drag the index further lower to test the 10,880 level. On the flip side, the index has resistance near 11,280, above which it can test the 11,360 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,796	10,881	11,097	11,278	11,358	11,446	11,544



Source: Bloomberg, Argaam

TASI daily chart

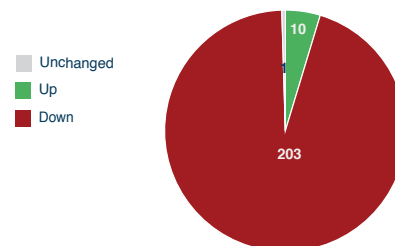


Source: Tradingview, Tadawul, AlJazira Capital

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 26th 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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