

Major Economic News

- Saudi Arabia's merchandise imports rose 18.0% Y/Y to SAR 55.1bn in July 2022, while on M/M basis imports fell by SAR 5.8bn or 9.0%. (Source: Argaam)
- The Ministry of Industry and Mineral Resources issued 115 new industrial licenses in August worth SAR 4.1bn. Newly issued licenses to small enterprises represented 85.2% of the total issued followed by 11.3% issued to medium enterprises (Source: Argaam)

Major Corporate News

- Power and Water Utility Company for Jubail and Yanbu's application for the registration and listing of 73.1mn shares or 29.2% of capital on the Tadawul was approved by CMA. (Source: Argaam)
- Saudi Top for Trading Co. obtained CMA's approval to float 880,000 shares on Nomu. The offer represents 22.0% of company's share capital reaching 4.0mn shares. (Source: Argaam)
- Jeddah Central Development Co.'s CEO mentioned that project cost of Jeddah Development project reached SAR 75.0bn and that there will be no ownership expropriation. (Source: Argaam)
- Abdulmohsen Alhokair Group for Tourism and Development signed two contracts worth SAR 93.9mn with a commercial entertainment firm specialized in establishing and operating entertainment sites run by 'PlayOCity by Hasbro' and 'Cocomelon'. (Source: Argaam)
- Saudi Paper Manufacturing Co.'s shareholders will vote on a capital increase by 75.5% through offering SAR 145.0mn in rights issue during the EGM on October 17, 2022. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 2.3% to 10,909.2. The value traded stood at SAR 6.8bn (up 56.0% over previous day), while the advance-decline ratio stood at 85/120. The parallel market index decreased 0.8% to 19,708.7 points. The value traded stood at SAR 15.4mn (down 21.6% over previous day). Most sectors in the main market ended in the red. Consumer Services and Consumer Durables (up 1.9% and 1.3%, respectively) advanced the most; Banks and Retailing (down 3.3% and 2.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ANAAM HOLDING	20.80	9.9
ALHOKAIR	18.30	7.0
TANMIAH	102.40	6.2
SEERA	18.72	5.8
SHAKER	17.20	4.2

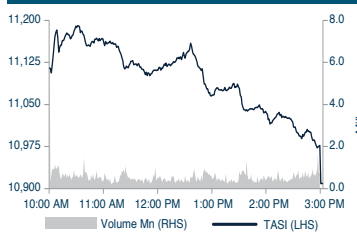
Top Losers

Company	Price	Change%
RIBL	29.75	-6.7
SIPCHEM	40.20	-6.5
ETIHAD ETISALAT	33.50	-5.6
BUPA ARABIA	162.00	-5.4
BSFR	38.85	-5.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,909	11,193	10,909	-2.3	-3.3
NomuC	19,709	20,024	19,603	-0.8	-24.1

TASI movement during session



TASI Ratios

P/E* (x)	17.7
Price-to-Book (x)	2.2
Dividend Yield (%)	2.4
Return on Equity (%)	27.2

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,738	-2.7	4.0	13.3
Materials	6,422	-2.2	-12.6	11.6
Capital Goods	5,982	0.0	-20.7	20.1
Commercial Service	3,504	0.0	-21.1	41.8
Transportation	4,638	0.4	-11.4	High
Consumer Durables	4,340	1.3	-31.7	Neg
Consumer Services	3,905	1.9	-15.8	High
Media	22,541	-2.3	-3.1	25.9
Retailing	7,759	-2.8	-21.2	21.6
Food & Staples	9,503	0.3	4.2	26.7
Food & Beverages	4,647	-0.3	-3.9	43.5
Healthcare	8,576	-1.7	17.2	41.4
Pharma & Bio Tech	3,251	-1.3	-37.4	Neg
Banks	12,118	-3.3	-0.8	17.9
Diversified Financial	7,128	1.0	4.4	8.1
Insurance	5,166	-2.1	-13.8	Neg
Telecom	6,523	-1.2	-10.4	17.4
Utilities	7,145	-0.1	20.4	14.3
REITs	4,172	-0.3	-9.5	23.1
Real Estate	2,910	1.1	-8.2	High
Software & Services	33,435	-2.0	16.7	32

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,296	11,588	11,861	5.26

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.2	300.6	721.1
Previous week	18.8	508	1,320.60

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.05	-2.9
Al Rajhi	78.50	-3.9
SNB	61.10	-1.5
SABIC	86.50	-2.0
STC	38.05	0.4



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 1.8% and 2.2%, respectively. Kuwait increased 0.2%, while Qatar, Bahrain, Egypt declined 1.3%, 0.9%, 0.7%, respectively. Meanwhile, Oman remained flat.
- UK house price inflation accelerated 8.7% Y/Y in September faster than the increase of 8.2% in August. (Source: RTT news)
- The People's Bank of China raised the risk reserve requirement for banks' forward forex sales to 20.0% from 0.0% to protect the Chinese yuan from further depreciation as the US dollar continued to strengthen. (Source: RTT news)
- According to World Bank, China is projected to grow 2.8% Y/Y this year, a significant deceleration from the previous forecast of 5.0% Y/Y. (Source: Reuters)
- Japan's manufacturing PMI expanded albeit at a slower rate to 51.0 in September as compared to 51.5 in August. Services PMI improved to 51.9 in September versus 49.5 in August. (Source: RTT news)
- Oil prices declined 2.4%, pressured by stronger US dollar and as investors awaited details on new sanctions on Russia.
- Gold prices fell 1.3%, as higher US treasury yields, and stronger US dollar coupled with increase in interest rates weighed on the demand gold.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	114.10	0.8	5.0	19.3
Euro	0.96	-0.8	-4.4	-15.5
Japanese Yen	144.75	1.0	4.2	25.8
Sterling Pound	1.07	-1.6	-8.0	-21.0
Chinese Yuan	7.17	0.5	3.9	12.9
Indian Rupee	81.62	0.8	2.7	9.8
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	0.8	2.7
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	19.50	0.1	1.5	24.1

Corporate Calendar

Date	Company	Event
27 th Sep	ALHAMMADI	Cash Dividend Distribution
28 th Sep	Riyadh Cement	Cash Dividend Distribution
29 th Sep	GASCO	Cash Dividend Distribution
29 th Sep	ALANDALUS	Cash Dividend Distribution
29 th Sep	Retal	EGM
2 nd Oct	SABIC	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,349	-1.8	-2.7	4.8	10.3
Abu Dhabi (ADX)	9,801	-2.2	-0.7	15.5	20.3
Kuwait (KSE)	5,409	0.2	-7.8	-8.1	8.6
Qatar (QE)	12,288	-1.3	-8.5	5.7	13.9
Oman (MSM)	4,458	0.0	-2.8	7.9	12.1
Bahrain (BSE)	1,884	-0.9	-1.8	4.8	7.1
Egypt (EGX30)	9,828	-0.7	-1.7	-17.8	5.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,261	-1.1	-7.1	-19.5	16.1
Nasdaq	11,254	-0.5	-8.3	-31.0	23.1
S&P 500	3,655	-1.0	-7.6	-23.3	17.9
FTSE 100	7,021	0.0	-3.6	-4.9	13.6
Germany DAX 30	12,228	-0.5	-4.7	-23.0	11.9
France CAC 40	5,769	-0.2	-5.8	-19.3	12.2
Japan Nikkei 225	27,154	0.0	-3.3	-5.7	26.8
Russia MOEX	1,933	-7.5	-19.4	-49.0	3.2
Hong Kong Hang Seng	17,855	-0.4	-10.5	-23.7	6.5
South Korea KOSPI	2,221	-3.0	-10.2	-25.4	9.3
China Shanghai Composite	3,051	-1.2	-4.7	-16.2	13.4
Australia ASX 200	6,469	-1.6	-7.4	-13.1	13.3
India Sensex	57,145	-1.6	-4.0	-1.9	22.0
MSCI EM	889	-1.9	-10.6	-27.9	10.0
MSCI World	2,408	-1.2	-8.3	-25.5	15.5

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	94.61	-4.1	-10.1	19.5
Brent Crude (\$/bbl)	84.06	-2.4	-12.9	6.0
Texas crude (\$/bbl)	76.71	-2.6	-14.3	-0.4
Natural Gas (\$/mmbtu)	6.90	1.1	-24.4	92.7
Gold (\$/oz)	1,622.36	-1.3	-5.2	-10.6
Silver (\$/oz)	18.35	-2.8	2.0	-20.4
Steel (\$/ton)	799.00	-0.4	2.4	-44.0
Iron Ore (CNY/MT)	752.50	-2.1	-2.0	9.7
Wheat (\$/bu)	858.00	-2.6	3.2	10.1
Corn (\$/bu)	666.25	-1.6	-0.6	22.1
Sugar (\$/lb)	17.62	-0.1	-0.8	-3.5
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)	3.87	-1.8	75.1	296.3
UAE (EIBOR)	3.41	29.6	50.9	304.6
Kuwait (KSE)	2.94	0.0	31.3	143.8
Bahrain (BHIBOR)	5.00	0.0	86.5	348.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 26 2022

Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,909
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data

Exchange Market Cap. (SARbn)	10,308.8
Value (SARmn)	6,849.0
Volume (mn)	172.3
Number of Transactions	412,982
Market Breadth	85 : 120

Key statistics

1D return %	-2.26%
WTD return %	-4.82%
QTD return	-5.33%
YTD return	-3.30%
ADT vol. 3M* (mn)	159.2
ADT val. 3M (SARmn)	6,020.0

ADT stands for Average Daily Traded *

TASI market commentary

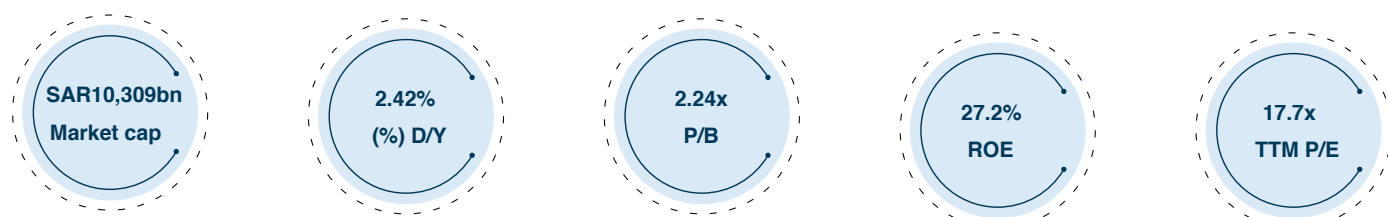
- The TASI fell on Monday weighed down by selling in index heavyweights like Banks (-3.31% D/D) and Energy (-2.71% D/D) stocks. At close, the Saudi market ended the day with a loss of -2.26% at 10,909. In terms of activity, total volumes and value traded were ~172mn and ~SAR 6.8bn respectively. The advance-decline ratio came in at 85/120.

Technical outlook

- The TASI declined for the third consecutive session and fell more than 250 points to close the session near the 10,900 mark, recording its lowest close in nearly 10 months. The index has lost more than 1,350 points since the beginning of the month of September. The index opened gap down and after tagging an intraday high near 11,200, later slid lower on the back of profit-taking. Moreover, the index failed to defend its previous bottom near 11,100 and closed below it, indicating sustained weakness. Furthermore, the RSI line is moving down into the oversold territory. Meanwhile, the index has resistance near 11,100 (previous bottom of 14th July), above which it can attempt a short rebound towards 11,250. On the flip side, the index has its next important support near the 10,760 level, any breach below this level can witness further pressure, and the index may head lower to test the 10,650 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,422	10,653	10,762	11,098	11,253	11,358	11,446



Source: Bloomberg, Argaam

TASI daily chart

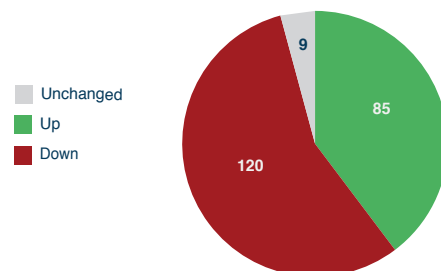


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
6004	Saudi Airlines Catering Co.	71.40	71.10-71.40	72.10	72.80	70.55
1304	Al Yamamah Steel Industries Co.	27.55	27.30-27.55	27.80	28.10	27.20

* As of 26th September 2022

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

CHARTS OF THE WEEK

Technical observations

CATERING developed a Dragonfly Doji near its trendline support yesterday, indicating reversal signs. Moreover, the stock is giving a buying opportunity near its trendline support for a short rebound. We recommend buying the stock in a range of SAR 71.10 – 71.40, for a target of SAR 72.10 followed by SAR 72.80, with a strict stop loss of SAR 70.55 on a closing basis.

Saudi Airlines Catering Co. (CATERING)



Source: Tradingview, AlJazira Capital

Technical observations

ALYAMAMAH STEEL developed a Dragonfly Doji on Sunday and moved higher yesterday, indicating bullish signs. Moreover, the stock has confirmed its upmove following back-to-back reversal candles. We recommend buying the stock in a range of SAR 27.30 – 27.55, for a target of SAR 27.80 followed by SAR 28.10, with a strict stop loss of SAR 27.20 on a closing basis.

Al Yamamah Steel Industries Co. (ALYAMAMAH STEEL)



Source: Tradingview, AlJazira Capital



RESEARCH DIVISION

Head of Sell-Side Research
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

RESEARCH
DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities may, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068