

Major Economic News

- Assets held by SAMA shrank by SAR 6.6bn M/M to SAR 1,999.0bn in August. Accordingly, SAMA's assets fell from the SAR 2.0tn mark recorded in July for the first time since FY17. (Source: Argaam)
- Saudi Ports Authority signed seven contracts and MoUs with partners from the public and private sectors with a total value exceeding SAR 900.0mn. The agreements include establishing a new integrated logistics park at Jeddah Islamic Port, developing the infrastructure according to the latest global standards, as well as developing the new ports' management system. (Source: Argaam)

Major Corporate News

- Al Saif Gallery obtained CMA's approval to float 10.5mn shares on the Saudi Exchange. The planned-to-be-offered stake represents 30.0% of the company's share capital reaching 35.0mn shares. (Source: Argaam)
- Arabian Drilling Co. set the IPO price range at SAR 90-100 per share. The book building process for institutional investors started from September 28 and will run until October 05. (Source: Argaam)
- Alkhorayef Water and Power Technologies Co. increased its facilities with Saudi British Bank by SAR 359.0mn, from SAR 150.0mn to SAR 509.0mn. The loan is guaranteed by a promissory note were increased, while all other conditions remain unchanged. (Source: Argaam)
- Saudi Basic Industries Corp.'s board of directors approved the resignation of Vice Chairman and CEO Yousef Al-Benyan after his appointment as Minister of Education. Separately, Abdulrahman Al-Fageeh was appointed as acting CEO for six months. Al-Benyan also resigned as Chairman of SABIC Agri-Nutrients Co. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 1.4% to 11,170.1. The value traded stood at SAR 6.7bn (up 10.0% over previous day), while the advance-decline ratio stood at 178/25. The parallel market index increased 1.0% to 19,916.6 points. The value traded stood at SAR 22.3mn (up 37.6% over previous day). Most sectors in the main market ended in the green. Utilities and Healthcare (up 4.6% and 2.6%, respectively) advanced the most; Commercial services was the only laggard closing marginally lower.

Top Gainers

Company	Price	Change%
GASCO	55.30	9.9
SHAKER	19.16	9.2
RED SEA	31.55	8.4
ALDAWAA	80.00	7.5
DALLAH HEALTH	152.80	6.1

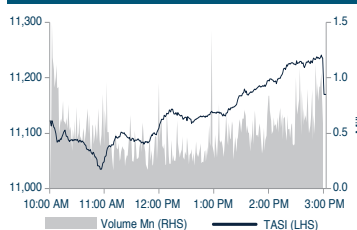
Top Losers

Company	Price	Change%
ALBAHA	14.58	-3.1
NAQI	73.70	-2.6
TANMIAH	104.60	-1.5
SIECO	38.00	-1.3
ATAA	56.40	-1.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,170	11,241	11,033	1.4	-1.0
NomuC	19,917	19,940	19,694	1.0	-23.3

TASI movement during session



TASI Ratios

P/E* (x)	18.2
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	5,879	1.3	6.6	13.6
Materials	6,641	2.0	-9.6	12
Capital Goods	6,152	1.0	-18.5	20.7
Commercial Service	3,506	0.0	-21.1	41.8
Transportation	4,683	1.1	-10.5	High
Consumer Durables	4,510	1.6	-29.0	Neg
Consumer Services	4,001	0.1	-13.8	High
Media	22,439	0.4	-3.5	25.9
Retailing	7,867	1.1	-20.1	21.9
Food & Staples	9,810	1.4	7.5	27.5
Food & Beverages	4,677	0.8	-3.3	43.7
Healthcare	8,945	2.6	22.3	43
Pharma & Bio Tech	3,430	2.2	-33.9	Neg
Banks	12,301	0.9	0.7	18.2
Diversified Financial	7,360	0.2	7.8	8.2
Insurance	5,358	2.6	-10.5	Neg
Telecom	6,722	1.5	-7.6	17.8
Utilities	7,657	4.6	29.1	15.2
REITs	4,218	0.5	-8.5	23.3
Real Estate	2,946	1.0	-7.1	High
Software & Services	34,678	1.1	21.0	33

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,144	11,396	11,721	5.38

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	24	627.6	1,484.80
Previous week	18.8	508	1,320.60

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.90	1.3
Al Rajhi	79.90	0.3
SNB	61.70	0.7
SABIC	87.60	0.7
STC	38.80	0.3

Regional and International Markets

- Among other regional markets, Dubai decreased 0.9%, while Abu Dhabi increased 0.4%. Qatar rose 1.6%, while Egypt, Kuwait, Oman, and Bahrain declined 1.2%, 0.8%, 0.2% and 0.1%, respectively.
- According to EIA, oil inventories in the US decreased 0.2mn barrels (prior: up 1.1mn) to 430.6mn in the week ended September 23. Gasoline inventories decreased 2.4mn barrels (prior: up 1.6mn) to 212.2mn, while distillate inventories decreased 2.9mn barrels (prior: up 1.2mn) to 114.4mn. (Source: EIA, Econoday)
- US goods deficit narrowed to USD 87.3bn in August (consensus: deficit of 88.7bn) as compared to deficit of USD 90.2bn. US imports declined 1.7% M/M in August lower than decline of 2.9% M/M in July. Exports too declined 0.9% M/M in August versus a revised increase of 0.3% M/M in July. (Source: Econoday)
- US retail inventories advanced 1.4% M/M in August as compared to a rise of 1.1% M/M in July, while the wholesale inventories advanced 1.3% M/M versus edging up by 0.6% M/M in July. (Source: Econoday)
- Oil prices jumped 3.5%, driven by expected tight supply due to hurricane in the US, decline in the US gasoline inventories and weaker dollar.
- Gold prices increased 1.9%, as US dollar and treasury yields continued the downtrend boosting the yellow metal's demand.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	112.60	-1.3	3.6	17.7
Euro	0.97	1.5	-3.2	-14.4
Japanese Yen	144.16	-0.4	3.7	25.3
Sterling Pound	1.09	1.5	-6.3	-19.5
Chinese Yuan	7.16	-0.2	3.7	12.7
Indian Rupee	81.94	0.4	3.1	10.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.1	0.0	0.2
Kuwaiti Dinar	0.31	0.1	0.9	2.8
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.1	0.1	0.1
Egyptian Pound	19.53	0.1	1.6	24.3

Corporate Calendar

Date	Company	Event
29 th Sep	GASCO	Cash Dividend Distribution
29 th Sep	ALANDALUS	Cash Dividend Distribution
29 th Sep	Retal	EGM
29 th Sep	FESH FASH	EGM
2 nd Oct	SABIC	Cash Dividend Distribution
5 th Oct	Extra	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,343	-0.9	-2.9	4.6	10.3
Abu Dhabi (ADX)	9,776	0.4	-1.0	15.2	20.1
Kuwait (KSE)	5,338	-0.8	-9.0	-9.3	8.6
Qatar (QE)	12,550	1.6	-6.5	8.0	13.7
Oman (MSM)	4,486	-0.2	-2.2	8.6	12.1
Bahrain (BSE)	1,882	-0.1	-1.9	4.7	7.1
Egypt (EGX30)	9,702	-1.2	-3.0	-18.8	5.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,684	1.9	-5.8	-18.3	16.4
Nasdaq	11,494	2.0	-6.3	-29.6	23.6
S&P 500	3,719	2.0	-6.0	-22.0	18.2
FTSE 100	7,005	0.3	-3.8	-5.1	13.5
Germany DAX 30	12,183	0.4	-5.1	-23.3	11.9
France CAC 40	5,765	0.2	-5.9	-19.4	12.2
Japan Nikkei 225	26,174	-1.5	-6.8	-9.1	26.7
Russia MOEX	1,964	0.5	-18.2	-48.1	3.2
Hong Kong Hang Seng	17,251	-3.4	-13.5	-26.3	6.6
South Korea KOSPI	2,169	-2.5	-12.2	-27.1	9.3
China Shanghai Composite	3,045	-1.6	-4.9	-16.3	13.4
Australia ASX 200	6,462	-0.5	-7.5	-13.2	13.5
India Sensex	56,598	-0.9	-4.9	-2.8	22.0
MSCI EM	876	-1.8	-11.9	-28.9	9.8
MSCI World	2,439	1.5	-7.2	-24.5	15.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	94.07	0.0	-10.6	18.8
Brent Crude (\$/bbl)	89.32	3.5	-7.4	12.6
Texas crude (\$/bbl)	82.15	4.6	-8.3	6.7
Natural Gas (\$/mmbtu)	6.96	2.9	-23.8	94.1
Gold (\$/oz)	1,659.97	1.9	-3.0	-8.5
Silver (\$/oz)	18.90	2.8	5.0	-18.0
Steel (\$/ton)	786.00	-2.0	0.8	-44.9
Iron Ore (CNY/MT)	770.50	2.0	0.3	12.3
Wheat (\$/bu)	903.25	3.6	8.6	15.9
Corn (\$/bu)	670.50	0.4	0.0	22.9
Sugar (\$/lb)	17.71	0.7	-0.3	-3.0
SMP* (EUR/MT)	3,726.00	-0.6	2.1	10.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.64	0.0	54.2	343.3
Saudi Arabia (SAIBOR)	4.12	13.6	99.9	321.2
UAE (EIBOR)	3.45	-6.0	54.8	308.5
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 28, 2022

Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,170
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data

Exchange Market Cap. (SARbn)	10,568.0
Value (SARmn)	6,679.4
Volume (mn)	165.8
Number of Transactions	373,997
Market Breadth	178 : 25

Key statistics

1D return %	1.39%
WTD return %	-2.54%
QTD return	-3.06%
YTD return	-0.99%
ADT vol. 3M* (mn)	158.9
ADT val. 3M (SARmn)	6,037.7

ADT stands for Average Daily Traded *

TASI market commentary

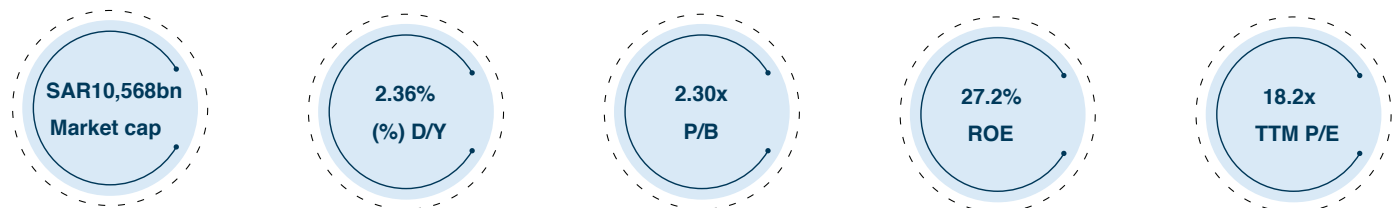
- The TASI gained on Wednesday on the back of buying in index heavyweights like Utilities (4.64% D/D) and Materials (1.99% D/D) stocks. At close, the Saudi market ended the day with gains of 1.39% at 11,170. In terms of activity, total volumes and value traded were ~166mn and ~SAR 6.7bn respectively. The advance-decline ratio came in at 178/25.

Technical outlook

- The TASI rose more than 150 points to close the session above the 11,150 mark. The index opened gap up and after testing its day's low near 11,030, rebounded and gained momentum thereafter as buyers stepped in and pushed the price higher. Moreover, the index penetrated above its resistance near 11,100 (previous bottom of 14th July) and managed to close above it, indicating positive signs. Meanwhile, the index has immediate resistance near its trendline of 11,255, any penetration above it could witness a further short-rally and may fill the gap near 11,400 (also a 10-day moving average), and will also keep the reversal hopes intact. On the flip side, the index has its support near 11,100 (previous bottom of 14th July), followed by the 11,030 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,789	10,932	11,031	11,098	11,254	11,396	11,446



Source: Bloomberg, Argaam

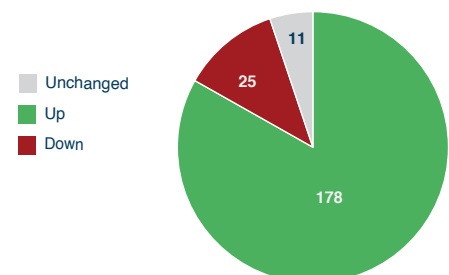
TASI daily chart



Our view



Market depth



Source: Tradingview, Tadawul, AlJazira Capital

SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
4014	Scientific and Medical Equipment House Co.	66.40	66.25-66.45	67.00	65.90
4162	Almunajem Foods Co.	67.10	66.90-67.15	67.80	66.45
4006	Saudi Marketing Co.	22.42	22.35-22.45	22.65	22.22
2130	Saudi Industrial Development Co.	14.12	14.08-14.12	14.25	14.00
6070	Al Jouf Agricultural Development Co.	43.60	43.40-43.65	44.10	43.15
4071	Arabian Contracting Services Co.	110.20	109.80-110.20	111.10	109.25

*As of 28th September 2022

*Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

EQUIPMENT HOUSE yesterday penetrated above its channel trendline resistance. Moreover, all technical indicators look bullish.

Scientific And Medical Equipment House Co. (EQUIPMENT HOUSE)



Source: Tradingview, AlJazira Capital

Technical observations

ALMUNAJEM has been tagging higher high over the past few days. Moreover, all technical indicators support this bullish view.

Almunajem Foods Co. (ALMUNAJEM)



Source: Tradingview, AlJazira Capital



RESEARCH DIVISION

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

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