

## Major Economic News

- The Ministry of Finance, in its pre-budget statement for FY23 estimated public revenue in FY23 budget at SAR 1.123tn and expenditure at SAR 1.114tn with an expected surplus of SAR 9.0bn. It also expected to generate revenue of SAR 1.222tn in FY22 and record expenditure of SAR 1.132tn with a surplus of SAR 90.0bn. (Source: Argaam)
- Consumer spending in Saudi Arabia increased 13.0% Y/Y to SAR 107.1bn in August 2022 from SAR 94.7bn during the same month last year. The point-of-sale transactions rose 21.0% Y/Y to SAR 49.7bn in August. Data showed that a total of 644.9mn transactions were processed through 1.3mn POS devices in August. (Source: Argaam)
- The unemployment rate among Saudis fell to 9.7% in Q2-22 compared to the previous quarter. Meanwhile, the overall unemployment rate in Saudi Arabia recorded 5.8% in Q2-22 down from 6.0% in Q1-22. Saudi female participation rate rose to 35.6% compared to 33.6% in the Q1-22. (Source: Argaam)
- The National Housing Co. signed nine agreements worth SAR 2.0bn with several national strategic partners which aim to provide project management services, engineering supervision, design work implementation, housing unit construction, and evaluation services. (Source: Argaam)

## Major Corporate News

- Retal Urban Development Co. sold its 50.0% stake in a land plot in Aziziya district, Al Khobar, for SAR 112.5mn. The book value of land plot is SAR 80.63mn with total area of 250,000 sq. m. The deal is expected to earn profits of SAR 31.9mn and the proceeds will be used to finance expansion activities. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 2.1% to 11,405.3 on Thursday. The value traded stood at SAR 6.4bn (down 4.5% over previous day), while the advance-decline ratio stood at 150/57. The parallel market index decreased 0.2% to 19,870.8 points. The value traded stood at SAR 27.2mn (up 22.2% over previous day). Most sectors in the main market ended in the green. Banks and Energy (up 2.7% and 2.6%, respectively) advanced the most; Diversified Financials and Capital Goods (down 0.2% and 0.1%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
YCC	37.40	10.0
ALASEEL	36.95	10.0
SAUDI RE	16.16	9.9
WALAA	14.84	6.9
SPM	52.80	6.6

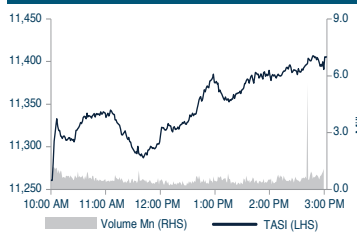
## Top Losers

Company	Price	Change%
ARDCO	20.50	-1.9
ANAAM HOLDING	23.50	-1.7
SAUDI CERAMICS	39.15	-1.5
EQUIPMENT HOUSE	65.40	-1.5
TECO	190.00	-1.5

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,405	11,411	11,253	2.1	1.1
NomuC	19,871	20,099	19,871	-0.2	-23.5

## TASI movement during session



## TASI Ratios

P/E* (x)	18.5
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	6,032	2.6	9.4	13.9
Materials	6,751	1.7	-8.1	12.2
Capital Goods	6,147	-0.1	-18.5	20.8
Commercial Service	3,550	1.3	-20.1	42.4
Transportation	4,691	0.2	-10.4	High
Consumer Durables	4,626	2.6	-27.1	Neg
Consumer Services	4,000	0.0	-13.8	High
Media	22,668	1.0	-2.5	26.2
Retailing	8,069	2.6	-18.1	22.4
Food & Staples	9,942	1.3	9.0	27.8
Food & Beverages	4,729	1.1	-2.2	44.2
Healthcare	9,050	1.2	23.7	43.8
Pharma & Bio Tech	3,450	0.6	-33.5	Neg
Banks	12,636	2.7	3.4	18.7
Diversified Financial	7,342	-0.2	7.5	8.2
Insurance	5,475	2.2	-8.6	Neg
Telecom	6,801	1.2	-6.6	18
Utilities	7,814	2.1	31.7	15.5
REITs	4,240	0.5	-8.1	23.4
Real Estate	2,964	0.6	-6.5	High
Software & Services	35,101	1.2	22.5	33.5

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,133	11,348	11,677	5.43

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	30.4	799.9	1,846.30

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	35.85	2.7
Al Rajhi	81.30	1.8
SNB	63.10	2.3
SABIC	88.80	1.4
STC	39.35	1.4

## Regional and International Markets

- Among other regional markets, Dubai rose 0.7%, while Abu Dhabi declined 0.7%. Egypt, Qatar, and Oman rose 1.3%, 1.2% and 0.9%, respectively, while Bahrain remained flat. Meanwhile, Kuwait remained closed.
- According to Baker Hughes, North America's rig count decreased to 978 in the week ended September 30, from 979 in week earlier. The rig count increased to 765 in the US from 764 earlier and remained unchanged at 15 in the Gulf of Mexico. The rig count in Canada decreased to 213 from 215 in the week earlier. (Source: Baker Hughes)
- US GDP fell at an annualized rate of 0.6% in Q2-22 (consensus: decline of 0.6%) following an annualized decline of 1.6% in Q1-22 signaling the US economy is in a technical recession. (Source: Econoday)
- US initial jobless claims declined to 193,000 (consensus: 218,000) in the week ended September 24, representing a fall of 16,000 from the previous week's revised level of 209,000. (Source: Econoday)
- Oil prices fell 0.6%, as higher than expected personal consumption expenditure in the US for August indicated inflation level continues to remain high.
- Gold prices remained flat, as even though a pullback in the US dollar supported the yellow metal's appeal, US Federal Reserve's commitment to remain aggressive on rate hike path limited the upside.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	112.12	-0.1	0.0	17.2
Euro	0.98	-0.1	0.0	-13.8
Japanese Yen	144.74	0.2	0.0	25.8
Sterling Pound	1.12	0.5	0.0	-17.5
Chinese Yuan	7.14	0.6	0.0	12.3
Indian Rupee	81.35	-0.6	0.0	9.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.3
Kuwaiti Dinar	0.31	-0.1	0.0	2.5
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.1
Egyptian Pound	19.54	0.0	0.0	24.4

## Corporate Calendar

Date	Company	Event
2 <sup>nd</sup> Oct	SABIC	Cash Dividend Distribution
5 <sup>th</sup> Oct	Extra	EGM
5 <sup>th</sup> Oct	RAYDAN	EGM
6 <sup>th</sup> Oct	ALHOKAIR GROUP	EGM
9 <sup>th</sup> Oct	Dallah Health	Cash Dividend Distribution
12 <sup>th</sup> Oct	QACCO	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,339	0.7	-3.0	4.5	10.2
Abu Dhabi (ADX)	9,751	-0.7	-1.3	14.9	19.5
Kuwait (KSE)	5,338	0.0	-9.0	-9.3	8.5
Qatar (QE)	12,695	1.2	-5.4	9.2	14
Oman (MSM)	4,528	0.9	-1.2	9.7	12.2
Bahrain (BSE)	1,882	0.0	-1.9	4.7	7.1
Egypt (EGX30)	9,827	1.3	-1.7	-17.8	5.1

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,726	-1.7	0.0	-20.9	15.8
Nasdaq	10,971	-1.7	0.0	-32.8	22.6
S&P 500	3,586	-1.5	0.0	-24.8	17.6
FTSE 100	6,894	0.2	0.0	-6.6	13.3
Germany DAX 30	12,114	1.2	0.0	-23.7	11.8
France CAC 40	5,762	1.5	0.0	-19.4	12.1
Japan Nikkei 225	25,937	-1.8	0.0	-9.9	26.3
Russia MOEX	1,957	0.2	0.0	-48.3	3.2
Hong Kong Hang Seng	17,223	0.3	0.0	-26.4	6.5
South Korea KOSPI	2,155	-0.7	0.0	-27.6	9.1
China Shanghai Composite	3,024	-0.6	0.0	-16.9	13.2
Australia ASX 200	6,474	-1.2	0.0	-13.0	13.3
India Sensex	57,427	1.8	0.0	-1.4	22.1
MSCI EM	876	0.3	0.0	-28.9	9.8
MSCI World	2,379	-0.9	0.0	-26.4	15.4

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	98.38	2.3	0.0	24.3
Brent Crude (\$/bbl)	87.96	-0.6	0.0	10.9
Texas crude (\$/bbl)	79.49	-2.1	0.0	3.2
Natural Gas (\$/mmbtu)	6.77	-1.6	0.0	88.8
Gold (\$/oz)	1,660.61	0.0	0.0	-8.5
Silver (\$/oz)	19.03	1.1	0.0	-17.4
Steel (\$/ton)	776.00	-0.9	0.0	-45.6
Iron Ore (CNY/MT)	762.00	-1.2	0.0	11.1
Wheat (\$/bu)	921.50	2.8	0.0	18.3
Corn (\$/bu)	677.50	1.2	0.0	24.1
Sugar (\$/lb)	17.68	-0.5	0.0	-3.2
SMP* (EUR/MT)	3,689.00	-1.3	0.0	9.6

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.75	0.0	0.0	354.6
Saudi Arabia (SAIBOR)	4.12	0.1	0.0	321.2
UAE (EIBOR)	3.56	16.9	0.0	319.4
Kuwait (KSE)	2.94	0.0	0.0	143.8
Bahrain (BHIBOR)	5.00	0.0	0.0	348.3

Data Sources: Tadawul, Bloomberg, Reuters

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

Closes as of September 30 2022



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,405
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

## Market data

Exchange Market Cap. (SARbn)	10,832.9
Value (SARmn)	6,377.3
Volume (mn)	172.2
Number of Transactions	361,519
Market Breadth	150 : 57

## Key statistics

1D return %	2.11%
WTD return %	-0.49%
QTD return	-1.02%
YTD return	1.10%
ADT vol. 3M* (mn)	159.3
ADT val. 3M (SARmn)	6,057.1

ADT stands for Average Daily Traded \*

## TASI market commentary

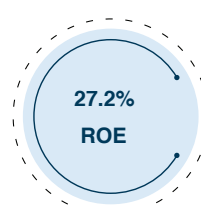
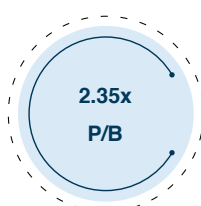
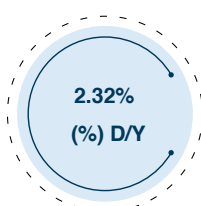
- The TASI rose on Thursday on the back of buying in index heavyweights like Banks (2.72% D/D) and Materials (1.65% D/D) stocks. At close, the Saudi market ended the day with gains of 2.11% at 11,405. In terms of activity, total volumes and value traded were ~172mn and ~SAR 6.4bn respectively. The advance-decline ratio came in at 150/57.

## Technical outlook

- The TASI gained for the third consecutive day and rose more than 230 points to close the last session of the week above the 11,400 mark. The index opened gap up and gained momentum throughout the day, as bulls were under complete control. Moreover, the index penetrated above its trendline resistance near 11,250, and managed to fill the gap near 11,400 (also above the 10-day moving average), indicating positive signs. Furthermore, the RSI line is moving on the upside, showing signs of a shift in momentum. Meanwhile, the index has its next resistance near the Fibonacci 50% level of 11,500, any penetration above it could spark further buying interest, and the index can test the Fibonacci 61.8% level near 11,640. On the flip side, the index has its strong support near 11,350 (10-day moving average), below which the index can drag lower to test its trendline support near the 11,250 level.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,096	11,190	11,254	11,348	11,502	11,641	11,678



Source: Bloomberg, Argaam

## TASI daily chart

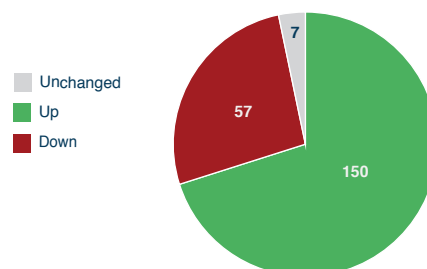


Source: Tradingview, Tadawul, Aljazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
2081	Alkhorayef Water and Power Technologies Co.	129.00	128.50-129.00	130.30	127.80
4006	Saudi Marketing Co.	23.30	23.20-23.30	23.55	23.07
4071	Arabian Contracting Services Co.	112.20	111.80-112.20	113.30	111.15
2150	The National Co. for Glass Industries	38.50	38.35-38.50	38.90	38.15
1304	Al Yamamah Steel Industries Co.	28.90	28.80-28.95	29.20	28.65
2082	Acwa Power Co.	168.00	167.60-168.10	169.90	166.40

\*As of 29<sup>th</sup> September 2022

\*Note – Stop loss is based on a intraday basis

## CHARTS OF THE DAY

## Technical observations

**AWPT** penetrated above its consolidation zone on Thursday. Moreover, all technical indicators look bullish.

## Alkhorayef Water and Power Technologies Co. (AWPT)



Source: Tradingview, AlJazira Capital

## Technical observations

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

## Saudi Marketing Co. (FARM SUPERSTORES)



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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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