

Major Economic News

- Saudi Arabia's imports from GCC countries rose 46.0% Y/Y to SAR 7.0bn in July. UAE accounted for 55.0% or SAR 3.8bn, of total Saudi imports, rising 21.0% Y/Y. The Kingdom's imports from GCC grew 4.0% M/M. (Source: Argaam)
- Saudi bank loans granted to public and private sectors grew 15.0% by the end of August to SAR 2.4tn compared to SAR 2.0tn a year earlier. Private-sector lending also increased by 15.0% Y/Y to SAR 2.2tn for the same month. Meanwhile, loans granted to public non-financial institutions rose 26.0% Y/Y. (Source: Argaam)

Major Corporate News

- Mouwasat Medical Services Co. announced completing the regulatory procedures related to raising Jeddah Doctors Co.'s capital and acquiring 51.0% of the latter for SAR 102.0mn. The deal includes the management and operation of Jeddah Doctors, which owns an under-construction hospital. The relevant financial impact will be reflected in Mouwasat's Q3-22 financials. (Source: Argaam)
- Leejam Sports Co. opened a new Ladies Xpress Fitness Center in Riyadh, spanning 700.0 sq. m. The center will operate with a low-cost operating model and without swimming pools. The relevant financial impact will appear in Q4-22. The total number of Fitness Time centers operating inside and outside the Kingdom now reached 154. (Source: Argaam)
- Saudi Paper Manufacturing Co. signed an agreement with Italy's Toscotec for the manufacturing and supply of a tissue paper rolls production line, at a total cost of SAR 166.0mn. The deal is part of investments in the fifth production line with an approximate value of SAR 300.0mn. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.7% to 11,487.1 on Sunday. The value traded stood at SAR 4.9bn (down 23.4% over previous day), while the advance-decline ratio stood at 167/39. The parallel market index increased 0.3% to 19,939.1 points. The value traded stood at SAR 26.6mn (down 2.3% over previous day). Most sectors in the main market ended in the green. Consumer Durables and Real Estate (up 4.0% and 3.1%, respectively) advanced the most; Energy and Utilities (down 0.3% and 0.1%, respectively) declined the most.

Top Gainers

Company	Price	Change%
SAUDI GERMAN HEALT	29.90	9.9
ALASEEL	40.50	9.6
BAWAN	37.60	6.7
DAR ALARKAN	16.88	6.2
ALHAMMADI	47.55	6.0

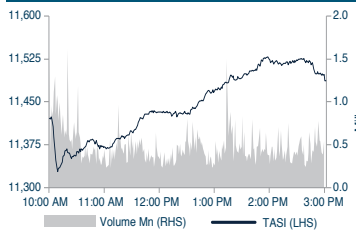
Top Losers

Company	Price	Change%
TAPRCO	97.60	-1.6
JADWA REIT SAUDI	13.06	-1.5
THEEB	71.50	-1.4
MAHARAH	60.90	-1.3
SALAMA	17.34	-1.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,487	11,530	11,326	0.7	1.8
NomuC	19,939	20,147	19,855	0.3	-23.2

TASI movement during session



TASI Ratios

P/E* (x)	18.7
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	6,017	-0.3	9.1	13.9
Materials	6,776	0.4	-7.7	12.3
Capital Goods	6,289	2.3	-16.7	21.2
Commercial Service	3,567	0.5	-19.7	42.6
Transportation	4,711	0.4	-10.0	High
Consumer Durables	4,809	4.0	-24.3	Neg
Consumer Services	4,029	0.7	-13.2	High
Media	22,915	1.1	-1.5	26.4
Retailing	8,121	0.6	-17.5	22.6
Food & Staples	10,049	1.1	10.2	28.1
Food & Beverages	4,772	0.9	-1.3	44.6
Healthcare	9,222	1.9	26.1	44.4
Pharma & Bio Tech	3,529	2.3	-32.0	Neg
Banks	12,769	1.1	4.5	18.8
Diversified Financial	7,387	0.6	8.2	8.2
Insurance	5,520	0.8	-7.9	Neg
Telecom	6,813	0.2	-6.4	18.1
Utilities	7,808	-0.1	31.6	15.5
REITs	4,260	0.5	-7.6	23.5
Real Estate	3,057	3.1	-3.6	High
Software & Services	35,272	0.5	23.1	33.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,198	11,313	11,645	5.43

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.9	148.7	309.8
Previous week	30.4	799.9	1,846.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	35.75	-0.3
Al Rajhi	82.50	1.5
SNB	62.70	-0.6
SABIC	89.70	1.0
STC	39.40	0.1

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Oman increased 1.0%, while Kuwait, Egypt, and Qatar declined 2.1%, 1.4%, and 1.2%, respectively. Meanwhile, Bahrain remained flat.
- US personal income grew 0.3% in August (in line with consensus), matching the upwardly revised increase in July. The growth was primarily driven by rise in compensation, proprietors' income, and government social benefits, partially counterbalanced by a decrease in personal interest income. (Source: RTT News)
- UK's GDP grew 0.2% Q/Q in Q2-22, revised up from the earlier estimate of contraction of 0.1%. On a Y/Y basis, GDP growth was revised to 4.4% in Q2-22 from the initial estimate of 2.9%. (Source: RTT News)
- Eurozone CPI rose 10.0% Y/Y in September (consensus: a growth of 9.7%) compared to 9.1% increase in August. Core inflation excluding energy, food, alcohol and tobacco edged up to 4.8% in September (consensus: 4.7%) vs. 4.3% in the previous month. (Source: RTT News)
- China's Caixin manufacturing PMI fell to 48.1 in September from 49.5 in August, indicating continued contraction in the sector. The new orders fell at a quicker rate, while new business dropped for the second consecutive month. (Source: RTT News)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	112.12	0.0	0.0	17.2
Euro	0.98	0.0	0.0	-13.8
Japanese Yen	144.74	0.0	0.0	25.8
Sterling Pound	1.12	0.0	0.0	-17.5
Chinese Yuan	7.14	0.0	0.0	12.3
Indian Rupee	81.35	0.0	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	0.0	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
5 th Oct	Extra	EGM
5 th Oct	RAYDAN	EGM
6 th Oct	ALHOKAIR GROUP	EGM
9 th Oct	Dallah Health	Cash Dividend Distribution
12 th Oct	QACCO	Cash Dividend Distribution
12 th Oct	Retal	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	0.0	0.7	4.5	10.3
Abu Dhabi (ADX)	9,751	0.0	-0.7	14.9	20.2
Kuwait (KSE)	5,224	-2.1	-2.1	-11.3	8.5
Qatar (QE)	12,548	-1.2	-1.2	7.9	14.1
Oman (MSM)	4,573	1.0	1.0	10.7	12.3
Bahrain (BSE)	1,881	0.0	0.0	4.7	7.1
Egypt (EGX30)	9,687	-1.4	-1.4	-18.9	5.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	28,726	0.0	0.0	-20.9	15.8
Nasdaq	10,971	0.0	0.0	-32.8	22.6
S&P 500	3,586	0.0	0.0	-24.8	17.6
FTSE 100	6,894	0.0	0.0	-6.6	13.3
Germany DAX 30	12,114	0.0	0.0	-23.7	11.8
France CAC 40	5,762	0.0	0.0	-19.4	12.1
Japan Nikkei 225	25,937	0.0	0.0	-9.9	26.4
Russia MOEX	1,957	0.0	0.0	-48.3	3.2
Hong Kong Hang Seng	17,223	0.0	0.0	-26.4	6.4
South Korea KOSPI	2,155	0.0	0.0	-27.6	9.1
China Shanghai Composite	3,024	0.0	0.0	-16.9	13.2
Australia ASX 200	6,474	0.0	0.0	-13.0	13.3
India Sensex	57,427	0.0	0.0	-1.4	22.0
MSCI EM	876	0.0	0.0	-28.9	9.8
MSCI World	2,379	0.0	0.0	-26.4	15.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	98.38	0.0	0.0	24.3
Brent Crude (\$/bbl)	87.96	0.0	0.0	10.9
Texas crude (\$/bbl)	79.49	0.0	0.0	3.2
Natural Gas (\$/mmbtu)	6.77	0.0	0.0	83.3
Gold (\$/oz)	1,660.61	0.0	0.0	-8.5
Silver (\$/oz)	19.03	0.0	0.0	-17.4
Steel (\$/ton)	776.00	0.0	0.0	-45.6
Iron Ore (CNY/MT)	762.00	0.0	0.0	11.1
Wheat (\$/bu)	921.50	0.0	0.0	18.3
Corn (\$/bu)	677.50	0.0	0.0	24.1
Sugar (\$/lb)	17.68	0.0	0.0	-3.2
SMP* (EUR/MT)	3,689.00	0.0	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)	4.30	18.0	18.0	339.2
UAE (EIBOR)	3.56	16.9	0.0	319.4
Kuwait (KSE)	3.00	0.0	6.3	150.0
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 October 02, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,487
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

Market data	
Exchange Market Cap. (SARbn)	10,832.7
Value (SARmn)	4,882.1
Volume (mn)	148.7
Number of Transactions	309,798
Market Breadth	167 : 39

Key statistics	
1D return %	0.72%
WTD return %	0.72%
QTD return	0.72%
YTD return	1.82%
ADT vol. 3M* (mn)	159.0
ADT val. 3M (SARmn)	6,040.6

ADT stands for Average Daily Traded *

TASI market commentary

- The TASI gained on Sunday on the back of buying in index heavyweights like Banks (1.06% D/D) and Materials (0.38% D/D) stocks. At close, the Saudi market ended the day with gains of 0.72% at 11,487. In terms of activity, total volumes and value traded were ~149mn and ~SAR 4.9bn respectively. The advance-decline ratio came in at 167/39.

Technical outlook

- The TASI rose for the fourth consecutive day and gained more than 80 points to close the session near the 11,490 mark. The index opened gap up but after testing an intraday low near 11,325 (near 10-day moving average), later gained momentum, as buyers stepped in and pushed the price higher. However, it surrendered some of its gains after tagging a day's high near 11,530, on the back of some profit-booking. Meanwhile, the index has been tagging higher highs over the past few days, showing strength. Furthermore, the RSI line is moving on the upside, and in the positive zone. Any penetration above its next hurdle near its Fibonacci 50% level of 11,500, may result in further advance and the index can test the Fibonacci 61.8% level near 11,640 (also near the 20-day moving average). On the flip side, the index has its strong support near 11,430, below which it can move lower towards the 11,360 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,190	11,313	11,363	11,433	11,503	11,644	11,708



Source: Bloomberg, Argaam

TASI daily chart

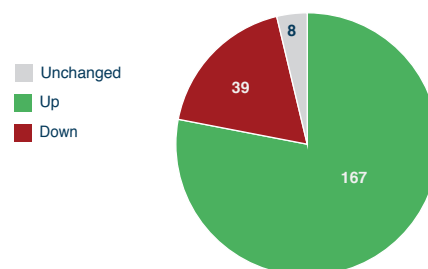


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
6050	Saudi Fisheries Co.	34.25	34.20-34.30	34.60	33.90
7030	Mobile Telecomm. Co. Saudi Arabia	11.78	11.74-11.78	11.90	11.66
4220	Emaar the Economic City	10.28	10.24-10.28	10.38	10.18
4180	Fitaihi Holding Group	32.10	31.95-32.10	32.42	31.78
1140	Bank Albilad	48.90	48.70-48.90	49.40	48.40
6010	National Agricultural Development Co.	26.45	26.35-26.45	26.70	26.22
2350	Saudi Kayan Petrochemical Co.	13.88	13.82-13.88	14.00	13.75

*As of 2nd October 2022

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SFICO yesterday penetrated above its channel resistance. Moreover, all technical indicators look bullish.

Saudi Fisheries Co. (SFICO)



Source: Tradingview, AlJazira Capital

Technical observations

ZAIN KSA yesterday penetrated above its channel trendline resistance. Moreover, all technical indicators support this bullish view.

Mobile Telecommunication Co. Saudi Arabia (ZAIN KSA)



Source: Tradingview, AlJazira Capital



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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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