



Major Economic News

- The Kingdom of Saudi Arabia signed an MoU with the International Monetary Fund to establish a regional headquarters for the fund in the Kingdom. (Source: Argaam)

Major Corporate News

- Arabian Pipes Co. announced that it won a project to supply pipes to McDermott Arabia Company Limited, at an estimated value of SAR 450.0mn. The contract duration is 12 months, and the financial impact is expected to reflect in Q3-23. (Source: Argaam)
- Basic Chemicals Industries Co. signed SAR 125.0mn credit facility contract with Gulf International Bank. The facility has a tenor of one year (revolving) and is covered by a promissory note. The amount is intended to finance working capital and treasury facilities, divided into SAR 120.0mn as working capital facilities and SAR 5.0mn for treasury facilities. (Source: Argaam)
- Anaam International Holding Group's board of directors recommended to increase capital to SAR 157.5mn through a rights issue. The capital hike is aimed to support working capital, reduce loan rates, and support business growth of the company. (Source: Argaam)
- National Shipping Company of Saudi Arabia signed a non-binding MoU with National Gas and Industrialization Co. to discuss a potential partnership to establish a company that operates in land transportation and logistics services. The renewable MoU is valid for 12 months from the signing date. (Source: Argaam)
- Sumou Real Estate Co. signed an infrastructure development agreement with Adeer Asar Real Estate Co. for an over 3.0mn sq. m. land plot in Riyadh. The agreement is valid for 30 months from the signing date. The company will receive development fees at 8.0% of the project's total cost. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 1.1% to 11,608.0. The value traded stood at SAR 6.5bn (up 33.2% over previous day), while the advance-decline ratio stood at 165/38. The parallel market index increased 0.7% to 20,074.4 points. The value traded stood at SAR 23.4mn (down 12.1% over previous day). All sectors in the main market ended in the green. Capital Goods and Healthcare (up 2.6% and 2.1%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
SIECO	41.90	10.0
ARAB SEA	87.80	8.4
AMIAITIT	37.50	7.5
GULF GENERAL	9.30	6.3
SADR	46.10	5.0

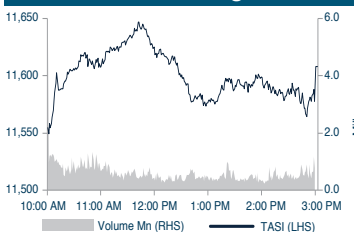
Top Losers

Company	Price	Change%
ALASEEL	39.60	-2.2
TANMIAH	103.00	-1.9
ALETIHAD	14.12	-1.4
UCA	9.70	-1.2
ALRAJHI TAKAFUL	95.00	-1.0

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,608	11,647	11,534	1.1	2.9
NomuC	20,074	20,210	19,953	0.7	-22.7

TASI movement during session



TASI Ratios

P/E* (x)	18.9
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	6,022	0.1	9.2	13.9
Materials	6,868	1.4	-6.5	12.4
Capital Goods	6,450	2.6	-14.5	21.7
Commercial Service	3,624	1.6	-18.4	43.3
Transportation	4,783	1.5	-8.6	High
Consumer Durables	4,876	1.4	-23.2	Neg
Consumer Services	4,098	1.7	-11.7	High
Media	23,356	1.9	0.4	26.9
Retailing	8,289	2.1	-15.8	23
Food & Staples	10,168	1.2	11.5	28.4
Food & Beverages	4,842	1.4	0.1	45.2
Healthcare	9,415	2.1	28.7	45.6
Pharma & Bio Tech	3,542	0.4	-31.8	Neg
Banks	12,931	1.3	5.8	19.1
Diversified Financial	7,484	1.3	9.6	8.3
Insurance	5,524	0.1	-7.8	Neg
Telecom	6,832	0.3	-6.1	18.1
Utilities	7,897	1.1	33.1	15.7
REITs	4,267	0.2	-7.5	23.6
Real Estate	3,076	0.6	-3.0	High
Software & Services	35,637	1.0	24.4	34

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,338	11,317	11,615	5.43

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.4	333.2	693.9
Previous week	30.4	799.9	1,846.30

Top Weighted Companies

Company	Price	Change%
Al Rajhi	83.00	0.6
Saudi Aramco	35.75	0.0
SNB	63.50	1.3
SABIC	90.10	0.4
STC	39.30	-0.3



Regional and International Markets

- Among other regional markets, Dubai decreased 0.6%, while Abu Dhabi increased 0.1%. Kuwait, Qatar, and Oman rose 1.2%, 0.4%, and 0.3%, respectively. Bahrain declined 0.1%. Meanwhile, Egypt remained flat.
- US ISM manufacturing PMI fell to 50.9 in September (consensus: 52.2) from 52.8 in August. This was the lowest level since May 2020. The decline was primarily due to decrease in new orders. (Source: RTT News)
- US consumer sentiment index final reading was revised down to 58.6 for September (consensus: 59.5) from the preliminary value of 59.5. (Source: RTT News)
- UK's manufacturing PMI stood at 48.4 in September, up from 47.3 in August. The reading indicated contraction in the manufacturing, as production reduced owing to falling orders. (Source: RTT News)
- Eurozone manufacturing sector contracted the most since June 2020, with manufacturing PMI falling to 48.4 in September from 49.6 in the previous month. (Source: RTT News)
- Oil prices increased 1.0%, driven by expectations of a substantial output reduction from OPEC+ in their upcoming meeting.
- Gold prices jumped 2.4% due to a decline in US treasury yields and weaker US dollar.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	111.75	-0.3	-0.3	16.8
Euro	0.98	0.2	0.2	-13.6
Japanese Yen	144.55	-0.1	-0.1	25.6
Sterling Pound	1.13	1.4	1.4	-16.3
Chinese Yuan	7.10	-0.5	-0.5	11.8
Indian Rupee	81.88	0.6	0.6	10.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.2
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	19.64	0.5	0.5	25.0

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)	3,320	-0.6	0.1	3.9	10.2
Abu Dhabi (ADX)	9,764	0.1	-0.5	15.0	20.2
Kuwait (KSE)	5,284	1.2	-1.0	-10.2	8.3
Qatar (QE)	12,596	0.4	-0.8	8.3	13.9
Oman (MSM)	4,589	0.3	1.3	11.1	12.5
Bahrain (BSE)	1,880	-0.1	-0.1	4.6	7.1
Egypt (EGX30)	9,686	0.0	-1.4	-18.9	5.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,491	2.7	2.7	-18.8	16.3
Nasdaq	11,230	2.4	2.4	-31.2	23.1
S&P 500	3,678	2.6	2.6	-22.8	18.0
FTSE 100	6,909	0.2	0.2	-6.4	13.3
Germany DAX 30	12,209	0.8	0.8	-23.1	11.9
France CAC 40	5,794	0.6	0.6	-19.0	12.2
Japan Nikkei 225	26,216	1.1	1.1	-8.9	27.2
Russia MOEX	2,042	4.3	4.3	-46.1	3.3
Hong Kong Hang Seng	17,080	-0.8	-0.8	-27.0	6.5
South Korea KOSPI	2,155	0.0	0.0	-27.6	9.4
China Shanghai Composite	3,024	0.0	0.0	-16.9	13.2
Australia ASX 200	6,457	-0.3	-0.3	-13.3	13.8
India Sensex	56,789	-1.1	-1.1	-2.5	22.3
MSCI EM	876	0.0	0.0	-28.9	9.8
MSCI World	2,430	2.2	2.2	-24.8	15.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	93.94	-4.5	-4.5	18.7
Brent Crude (\$/bbl)	88.86	1.0	1.0	12.0
Texas crude (\$/bbl)	83.63	5.2	5.2	8.6
Natural Gas (\$/mmbtu)	6.47	-4.4	-4.4	75.2
Gold (\$/oz)	1,699.89	2.4	2.4	-6.3
Silver (\$/oz)	20.70	8.8	8.8	-10.2
Steel (\$/ton)	770.00	-0.8	-0.8	-46.0
Iron Ore (CNY/MT)	762.00	0.0	0.0	11.1
Wheat (\$/bu)	912.00	-1.0	-1.0	17.1
Corn (\$/bu)	680.75	0.5	0.5	24.7
Sugar (\$/lb)	17.42	-1.5	-1.5	-4.6
SMP* (EUR/MT)	3,725.00	1.0	1.0	10.7

*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)	4.33	2.9	20.9	342.1
UAE (EIBOR)	3.44	-11.6	-11.6	307.9
Kuwait (KSE)	3.13	12.5	18.8	162.5
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 03, 2022

Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,608
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

Market data

Exchange Market Cap. (SARbn)	10,869.1
Value (SARmn)	6,505.0
Volume (mn)	184.5
Number of Transactions	384,060
Market Breadth	165 : 38

Key statistics

1D return %	1.05%
WTD return %	1.78%
QTD return	1.78%
YTD return	2.89%
ADT vol. 3M* (mn)	159.1
ADT val. 3M (SARmn)	6,040.1

ADT stands for Average Daily Traded *

TASI market commentary

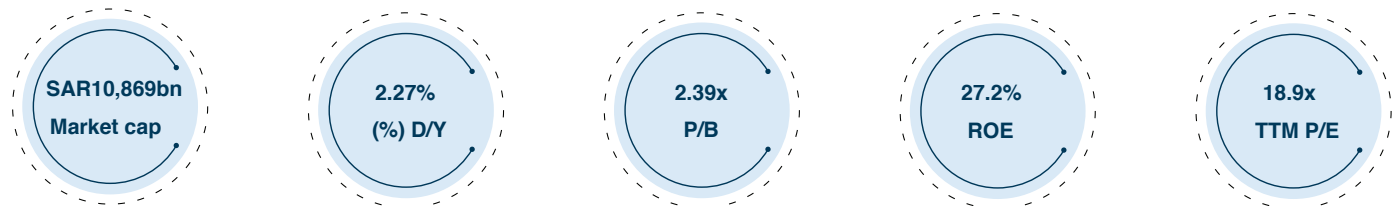
- The TASI rose on Monday on the back of buying in index heavyweights like Materials (1.36% D/D) and Banks (1.27% D/D) stocks. At close, the Saudi market ended the day with gains of 1.05% at 11,608. In terms of activity, total volumes and value traded were ~185mn and ~SAR 6.5bn respectively. The advance-decline ratio came in at 165/38.

Technical outlook

- The TASI gained for the fifth consecutive day and rose more than 120 points to close the session above the 11,600 mark. The index opened gap up and tagged an intraday high near 11,650, however, failed to cling on to it and later slid lower surrendering most of its gains, on the back of profit-booking. Moreover, the index managed to penetrate above the 11,600 level (Fibonacci 38.2%) and closed above it, indicating a positive sign. Furthermore, the RSI line is moving on the upside towards the 50 level. Meanwhile, if the index stabilizes above its 20-day moving average near 11,615, it may continue the rally towards the 11,750 level, followed by its 50% Fibonacci level near 11,810. On the flip side, the index has its strong support near 11,600, followed by 11,550. Traders can cautiously buy at the current level, and also if the index dips near the 11,550 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,449	11,503	11,556	11,599	11,752	11,813	11,956



Source: Bloomberg, Argaam

TASI daily chart

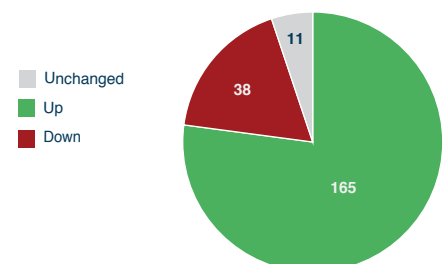


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
1212	Astra Industrial Group	53.80	53.20-53.80	55.10	56.40	52.40
8010	The Company For Cooperative Insurance	84.00	83.30-84.00	86.20	88.30	82.40

* As of 3rd October 2022 * Note – Stop loss is based on a closing basis and not on an intraday basis

CHARTS OF THE WEEK

Technical observations

ASTRA INDUSTRIAL penetrated above its horizontal channel resistance yesterday, indicating positive signs. Moreover, the stock is trading above both its 10-day and 20-day moving averages, showing strength. Furthermore, the RSI is in the buy zone. We recommend buying the stock in a range of SAR 53.10 – 53.80, for a target of SAR 55.10 followed by SAR 56.40, with a strict stop loss of SAR 52.40 on a closing basis.

Astra Industrial Group (ASTRA INDUSTRIAL)



Source: Tradingview, AlJazira Capital

Technical observations

TAWUNIYA yesterday penetrated above its previous peak near SAR 83.30, showing bullish signs. Moreover, the stock is trading above both its 10-day and 20-day moving averages, indicating strength. Furthermore, the RSI is moving on the upside. We recommend buying the stock in a range of SAR 83.30 – 84.00, for a target of SAR 86.20 followed by SAR 88.30, with a strict stop loss of SAR 82.40 on a closing basis.

The Company For Cooperative Insurance (TAWUNIYA)



Source: Tradingview, AlJazira Capital



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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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