



## Major Economic News

- The Public Investment Fund completed its first green bond issuance by raising USD 3.0bn (SAR 11.3bn) to finance or refinance the sovereign fund's green investments. The issuance was oversubscribed more than eight times with orders exceeding USD 24.0bn (SAR 90.0bn). (Source: Argaam)

## Major Corporate News

- Leejam Sports Company opened a new Men's fitness center in Riyadh under the brand name Fitness Time with the total area of 2,100 sq.m. (Source: Argaam)
- Danube opened its first hypermarket branch in Bahrain spanning 5,000 sq.m., its first venture outside Saudi Arabia bringing the total number of Danube stores to 55 and Bindawood Holdin Co.'s total number of branches to 82. (Source: Argaam)
- Power and Water Utility Company for Jubail and Yanbu (Marafiq) set the initial public offering price range at SAR 41.0 – 46.0 per share for offering 73.1mn shares or 29.24% of capital. The book building process for institutional investors will run from October 9 to October 14. (Source: Argaam)
- Saudi Tadawul Group Holding Co. awarded a SAR 138.0mn contract to Construction & Planning Co. for the fit-out works in the group's new headquarters in King Abdullah Financial District. (Source: Argaam)
- Raydan Food Co.'s shareholders approved decreasing capital by 53.2% from SAR 337.5mn to SAR 158.1mn to offset accumulated losses. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 11,757.8 on Thursday. The value traded stood at SAR 4.9bn (down 27.8% over previous day), while the advance-decline ratio stood at 88/114. The parallel market index increased 0.1% to 20,223.8 points. The value traded stood at SAR 31.9mn (down 24.0% over previous day). Most sectors in the main market ended in the red. Retailing and Consumer Durables (up 3.8% and 1.6%, respectively) advanced the most; Real Estate and REITs (down 1.4% and 0.8%, respectively) led the laggards.

## Earnings update (Net Profit) (SAR mn)

Company	Q3-22	Q3-21	Y/Y %	Q2-22	Q/Q %
Almarai	463.2	409.1	13.2%	520.4	-11.0%

## Top Gainers

Company	Price	Change%
TAPRCO	105.20	9.8
TANMIAH	109.00	7.3
EXTRA	89.40	5.7
JARIR	178.00	4.5
AYYAN	18.02	4.4

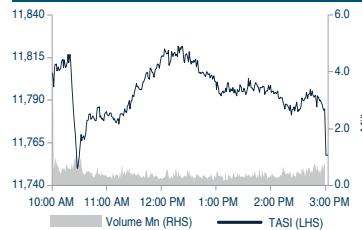
## Top Losers

Company	Price	Change%
DAR ALARKAN	16.90	-2.9
RIYAD REIT	11.28	-2.8
SABB	40.10	-2.3
ALALAMIYA	16.14	-2.2
YCC	37.90	-2.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,758	11,824	11,747	-0.1	4.2
NomuC	20,224	20,268	20,017	0.1	-22.1

## TASI movement during session



## TASI Ratios

P/E* (x)	19.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2.2
Return on Equity (%)	27.2

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,070	0.2	10.0	14
Materials	7,038	0.9	-4.2	12.8
Capital Goods	6,543	0.4	-13.3	22.2
Commercial Service	3,659	-0.7	-17.7	43.7
Transportation	4,864	0.3	-7.1	High
Consumer Durables	5,008	1.6	-21.1	neg
Consumer Services	4,103	0.3	-11.6	High
Media	24,179	-0.7	4.0	27.6
Retailing	8,608	3.8	-12.6	23.9
Food & Staples	10,249	0.6	12.4	28.8
Food & Beverages	4,916	-0.2	1.7	45.9
Healthcare	9,729	-0.1	33.0	47.5
Pharma & Bio Tech	3,536	0.2	-31.9	Neg
Banks	13,082	-0.6	7.0	19.3
Diversified Financial	7,662	0.1	12.2	8.5
Insurance	5,609	-0.7	-6.4	Neg
Telecom	6,791	-0.4	-6.7	18
Utilities	7,870	-0.2	32.6	15.7
REITs	4,259	-0.8	-7.6	23.6
Real Estate	3,101	-1.4	-2.2	High
Software & Services	36,900	-0.1	28.8	35.3

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,681	11,407	11,583	6.02

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	30.1	850.9	1,775.90

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	84.20	-0.7
Saudi Aramco	36.00	0.1
SNB	64.80	-0.8
SABIC	94.70	2.5
STC	39.30	-0.1



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.7% and 0.1%, respectively. Qatar increased 0.2% while Oman and Kuwait declined 0.4%, each. Bahrain declined 0.1% while Egypt remained closed.
- According to Baker Hughes, North America's rig count decreased to 977 in the week ended October 7, from 978 in week earlier. The rig count decreased to 762 in the US from 765 earlier and decreased to 12 in the Gulf of Mexico from 15 earlier. The rig count in Canada increased to 215 from 213 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims increased to 219,000 (consensus: 200,000) in the week ended October 1, representing an increase of 29,000 from the previous week's revised level of 190,000. (Source: RTT news)
- US unemployment rate dipped to 3.5% in September (consensus: 3.7%) versus 3.7% in August. The non-farm payroll employment increased by 263,000 jobs in September (consensus: 250,000 jobs) after jumping by 315,000 jobs in August. (Source: RTT news).
- Oil prices rose 3.7% on Friday, as production cut of 2mn bpd by OPEC+ nations led oil prices to rally.
- Gold prices dipped 1.0% on Friday, as better than expected US jobs data reinforced expectations that the US Fed would continue to implement steep rate hike.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	112.80	0.5	0.6	17.9
Euro	0.97	-0.5	-0.6	-14.3
Japanese Yen	145.25	0.1	0.4	26.2
Sterling Pound	1.11	-0.7	-0.8	-18.1
Chinese Yuan	7.13	0.7	-0.1	12.2
Indian Rupee	82.33	0.5	1.2	10.8
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.2
Kuwaiti Dinar	0.31	0.1	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	19.64	-0.1	0.5	25.0

## Corporate Calendar

Date	Company	Event
9 <sup>th</sup> Oct	Dallah Health	Cash Dividend Distribution
10 <sup>th</sup> Oct	ABO MOATI	Cash Dividend Distribution
12 <sup>th</sup> Oct	QACCO	Cash Dividend Distribution
12 <sup>th</sup> Oct	Retal	Cash Dividend Distribution
13 <sup>th</sup> Oct	MIS	Cash Dividend Distribution
13 <sup>th</sup> Oct	ELM	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,373	0.7	1.7	5.5	10.4
Abu Dhabi (ADX)	9,905	0.1	0.9	16.7	20.2
Kuwait (KSE)	5,375	-0.4	0.7	-8.7	8.6
Qatar (QE)	13,029	0.2	2.6	12.1	14.4
Oman (MSM)	4,557	-0.4	0.6	10.4	12.5
Bahrain (BSE)	1,883	-0.1	0.1	4.8	7.1
Egypt (EGX30)	10,011	0.0	1.9	-16.2	5.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,297	-2.1	2.0	-19.4	16.2
Nasdaq	11,039	-3.9	0.6	-32.4	22.7
S&P 500	3,640	-2.8	1.5	-23.6	17.8
FTSE 100	6,991	-0.1	1.4	-5.3	13.6
Germany DAX 30	12,273	-1.6	1.3	-22.7	12.0
France CAC 40	5,867	-1.2	1.8	-18.0	12.4
Japan Nikkei 225	27,116	-0.7	4.5	-5.8	27.3
Russia MOEX	1,945	-3.8	-0.6	-48.7	3.2
Hong Kong Hang Seng	17,740	-1.5	3.0	-24.2	6.7
South Korea KOSPI	2,233	-0.2	3.6	-25.0	9.5
China Shanghai Composite	3,024	0.0	0.0	-16.9	13.2
Australia ASX 200	6,763	-0.8	4.5	-9.2	13.9
India Sensex	58,191	-0.1	1.3	-0.1	22.4
MSCI EM	898	-1.4	2.5	-27.1	10.1
MSCI World	2,418	-2.4	1.6	-25.2	15.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	100.72	2.3	2.4	27.2
Brent Crude (\$/bbl)	97.92	3.7	11.3	23.4
Texas crude (\$/bbl)	92.64	4.7	16.5	20.3
Natural Gas (\$/mmbtu)	6.75	-3.2	-0.3	82.8
Gold (\$/oz)	1,694.82	-1.0	2.1	-6.6
Silver (\$/oz)	20.13	-2.5	5.8	-12.6
Steel (\$/ton)	748.00	-0.3	-3.6	-47.6
Iron Ore (CNY/MT)	762.00	0.0	0.0	11.1
Wheat (\$/bu)	880.25	0.1	-4.5	13.0
Corn (\$/bu)	683.25	1.1	0.8	25.2
Sugar (\$/lb)	18.68	1.2	5.7	2.3
SMP* (EUR/MT)	3,723.00	-0.1	0.9	10.6

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.91	8.3	15.4	370.0
Saudi Arabia (SAIBOR)	4.33	2.2	21.2	342.4
UAE (EIBOR)	3.49	-9.9	-6.5	312.9
Kuwait (KSE)	3.19	0.0	25.0	168.8
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 October 07, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,758
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

Market data	
Exchange Market Cap. (SARbn)	10,976.7
Value (SARmn)	4,921.6
Volume (mn)	135.2
Number of Transactions	305,947
Market Breadth	88 : 114

Key statistics	
1D return %	-0.11%
WTD return %	3.09%
QTD return	3.09%
YTD return	4.22%
ADT vol. 3M* (mn)	160.9
ADT val. 3M (SARmn)	6,139.3

ADT stands for Average Daily Traded \*

## TASI market commentary

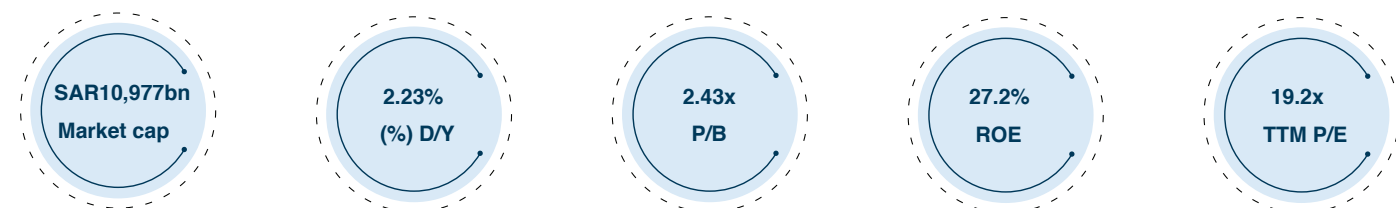
- The TASI declined on Thursday on the back of selling in index heavyweights like Banks (-0.58% D/D) and Telecommunication Services (-0.42% D/D) stocks. At close, the Saudi market ended the day with a marginal loss of -0.11% at 11,758. In terms of activity, total volumes and value traded were ~135mn and ~SAR 4.9bn respectively. The advance-decline ratio came in at 88/114.

## Technical outlook

- The TASI fell marginally around 13 points to close the last trading session of the week near the 11,750 mark. The index opened gap up and momentarily move above its stiff resistance near its 50% Fibonacci level of 11,810 for the second consecutive day, but could not sustain above it, and slid lower on the back of profit-booking. Meanwhile, the index developed a small red inside day candle on the daily chart, showing signs of profit-booking, however, there are no yet reversal signs. Meanwhile, the RSI line is flat above the 50 level. Any sustained move above its stiff resistance of the 50% Fibonacci level near 11,810, may result in a rally and test its 61.8% Fibonacci level near 12,030. On the flip side, the index has its support near 11,700, below which the index can test the 11,600 level (Fibonacci 38.2%).

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,412	11,509	11,599	11,710	11,812	12,027	12,052



Source: Bloomberg, Argaam

## TASI daily chart

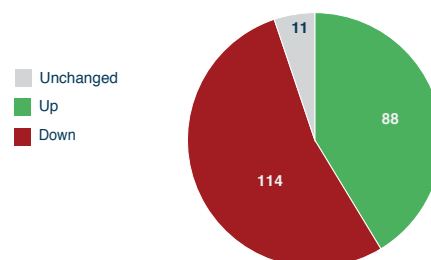


Source: Tradingview, Tadawul, AlJazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
1304	Al Yamamah Steel Industries Co.	30.65	30.45-30.65	30.95	30.35
2010	Saudi Basic Industries Corp.	94.70	94.50-94.70	95.60	93.80
2310	Sahara International Petrochemical Co.	44.00	43.80-44.00	44.45	43.60
2350	Saudi Kayan Petrochemicals Co.	14.20	14.17-14.20	14.33	14.07
4190	Jarir Marketing Co.	178.00	177.60-178.00	179.70	176.20
1214	Al Hassan Ghazi Ibrahim Shaker Co.	21.40	21.35-21.40	21.60	21.20
4261	Theeb Rent A Car Co.	74.00	73.85-74.00	74.75	73.25

\*As of 6<sup>th</sup> October 2022

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

## CHARTS OF THE DAY

## Technical observations

**ALYAMAMAH STEEL** penetrated above its channel trendline a few days back, and continued to move higher on Thursday. Moreover, all technical indicators look bullish.

## Al Yamamah Steel Industries Co. (ALYAMAMAH STEEL)



Source: Tradingview, AlJazira Capital

## Technical observations

**SABIC** penetrated above its channel trendline resistance on Thursday with large volumes. Moreover, all technical indicators support this bullish view.

## Saudi Basic Industries Corp. (SABIC)



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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