



Major Economic News

- Credit facilities extended to micro, small and medium enterprises (MSMEs) increased by 11.0% to SAR 221.0bn in Q2-22 from SAR 198.2bn in Q2-21. Credit extended by banks accounted for 93.0% of total financing (SAR 205.6bn), while the remaining 7.0% was extended by financing institutions (SAR 15.4bn). (Source: Argaam)
- The International Monetary Fund (IMF) confirmed its economic growth forecast for Saudi Arabia for FY22 and FY23 at 7.6% and 3.7%, respectively compared to its July forecasts. According to IMF's World Economic Outlook report Saudi Arabia is projected to grow most among developed, emerging, developing countries. (Source: Argaam)
- The point-of-sale transactions amounted to SAR 10.8bn in the week ending October 8, compared to SAR 12.8bn in the previous week. Data showed that a total of 154.4mn transactions were processed last week. (Source: Argaam)

Major Corporate News

- Abdullah Al Othaim Markets Co.'s board of directors approved the sale of the land owned by the company in Riyadh to Abdullah Al Othaim Investment Co. for SAR 186.6mn. The transaction is subject to the shareholders' approval. (Source: Argaam)
- Arabian Contracting Services Co.'s (Al Arabia) board of directors approved a purchase agreement to fully acquire Faden Media for SAR 1.1bn. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q3-22	Q3-21	Y/Y %	Q2-22	Q/Q %
Jarir Marketing	273.7	272.5	0.4%	177.2	54.5%

Market Analysis

- The Saudi Stock Exchange increased 0.3% to 11,551.3. The value traded stood at SAR 4.9bn (up 11.3% over previous day), while the advance-decline ratio stood at 111/89. The parallel market index increased 0.2% to 19,724.3 points. The value traded stood at SAR 22.2mn (down 40.3% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Food & Staples (up 2.3% and 1.5%, respectively) advanced the most; Retailing and Transportation (down 0.7% and 0.6%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
DAR ALARKAN	17.08	6.8
ALDAWAA	85.00	3.8
SAUDI GERMAN HEALT	33.20	3.8
TCC	16.86	3.4
RED SEA	31.55	3.4

Top Losers

Company	Price	Change%
SPM	47.55	-4.9
RAYDAN	25.95	-4.1
CARE	74.90	-4.0
ALHAMMADI	46.60	-2.9
ABO MOATI	30.40	-2.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,551	11,590	11,503	0.3	2.4
NomuC	19,724	19,843	19,639	0.2	-24.1

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	6,014	0.0	9.0	13.9
Materials	6,913	0.5	-5.9	12.6
Capital Goods	6,441	-0.1	-14.6	21.8
Commercial Service	3,613	0.0	-18.7	43.2
Transportation	4,743	-0.6	-9.4	High
Consumer Durables	4,867	0.2	-23.4	Neg
Consumer Services	4,002	0.2	-13.8	High
Media	23,995	-0.5	3.2	26.3
Retailing	8,097	-0.7	-17.8	22.5
Food & Staples	10,116	1.5	10.9	28.4
Food & Beverages	4,773	-0.3	-1.3	43
Healthcare	10,001	1.1	36.7	49
Pharma & Bio Tech	3,595	2.3	-30.7	Neg
Banks	12,793	0.4	4.7	18.9
Diversified Financial	7,506	-0.2	9.9	8.4
Insurance	5,553	0.4	-7.3	Neg
Telecom	6,641	0.2	-8.8	17.5
Utilities	7,744	-0.3	30.5	15.5
REITs	4,208	0.2	-8.7	23.3
Real Estate	3,069	1.3	-3.2	High
Software & Services	36,995	0.5	29.1	35.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,584	11,597	11,497	5.39

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	17.9	523.2	1,163.30
Previous week	30.1	850.9	1,775.90

Top Weighted Companies

Company	Price	Change%
Al Rajhi	82.30	0.5
Saudi Aramco	35.70	0.0
SNB	62.40	1.8
SABIC	91.20	-0.2
STC	37.80	0.0



Regional and International Markets

- Among other regional markets, Dubai increased 0.1%, while Abu Dhabi decreased 0.2%. Qatar and Oman increased 0.8% and 0.5%, respectively, while Egypt and Bahrain decreased 0.7% and 0.2%, respectively. Meanwhile, Kuwait remained flat.
- US producer prices increased 8.5% Y/Y in September (consensus: 8.4% Y/Y) versus a rise of 8.7% Y/Y in August. Producer prices excluding food and energy increased 7.2% Y/Y in September versus rise of 8.1% Y/Y in August. (Source: Econoday)
- UK GDP shrank 0.3% M/M in August (consensus: -0.1% M/M) in contrast to the revised 0.1% M/M growth in July. On a Y/Y basis, GDP expanded at a slower pace of 2.0% (consensus: 2.4% Y/Y) after a revised 3.1% Y/Y growth in July. (Source: Econoday, RTT news)
- Eurozone industrial production increased 2.5% Y/Y in August (consensus: 1.1% Y/Y) versus a revised decline of 2.5% Y/Y in July. (Source: Econoday)
- Oil prices fell by 2.0%, due to the ongoing concerns about demand as both OPEC and the US Energy Department slashed their demand outlook.
- Gold prices edged up 0.4%, helped by a slight pullback in US dollar, as investors await minutes from the US Fed's September policy meeting and US inflation data for clues on its rate hike path.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	113.32	0.1	1.1	18.4
Euro	0.97	-0.1	-1.0	-14.7
Japanese Yen	146.91	0.7	1.5	27.7
Sterling Pound	1.11	1.2	-0.6	-18.0
Chinese Yuan	7.18	0.0	0.5	12.9
Indian Rupee	82.31	0.0	1.2	10.7
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	-0.1	-0.1	0.2
Kuwaiti Dinar	0.31	0.0	0.1	2.6
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.1	0.0
Egyptian Pound	19.67	-0.1	0.7	25.2

Corporate Calendar

Date	Company	Event
13 th Oct	MIS	Cash Dividend Distribution
13 th Oct	ELM	Cash Dividend Distribution
17 th Oct	SPM	EGM
18 th Oct	Enaya	EGM
19 th Oct	SINAD HOLDING	EGM
19 th Oct	UCA	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,325	0.1	0.3	4.0	10.2
Abu Dhabi (ADX)	9,734	-0.2	-0.8	14.7	20.2
Kuwait (KSE)	5,261	0.0	-1.4	-10.6	8.4
Qatar (QE)	12,850	0.8	1.2	10.5	14.1
Oman (MSM)	4,544	0.5	0.3	10.0	12.3
Bahrain (BSE)	1,875	-0.2	-0.4	4.3	7.1
Egypt (EGX30)	9,801	-0.7	-0.3	-18.0	5.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,211	-0.1	1.7	-19.6	16.1
Nasdaq	10,786	-0.1	-1.7	-33.9	22.2
S&P 500	3,577	-0.3	-0.2	-24.9	17.5
FTSE 100	6,826	-0.9	-1.0	-7.6	13.2
Germany DAX 30	12,172	-0.4	0.5	-23.4	11.9
France CAC 40	5,818	-0.3	1.0	-18.7	12.3
Japan Nikkei 225	26,397	-0.0	1.8	-8.3	26.5
Russia MOEX	1,952	0.1	-0.3	-48.5	3.2
Hong Kong Hang Seng	16,701	-0.8	-3.0	-28.6	6.2
South Korea KOSPI	2,202	0.5	2.2	-26.0	9.2
China Shanghai Composite	3,026	1.5	0.0	-16.9	13.3
Australia ASX 200	6,648	0.0	2.7	-10.7	13.7
India Sensex	57,626	0.8	0.3	-1.1	22.2
MSCI EM	865	0.1	-1.2	-29.8	9.7
MSCI World	2,368	-0.4	-0.5	-26.7	15.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	99.37	0.2	1.0	25.5
Brent Crude (\$/bbl)	92.45	-2.0	5.1	16.6
Texas crude (\$/bbl)	87.27	-2.3	9.8	13.4
Natural Gas (\$/mmbtu)	6.44	-2.4	-4.9	74.3
Gold (\$/oz)	1,673.19	0.4	0.8	-7.8
Silver (\$/oz)	19.02	-0.7	-0.0	-17.4
Steel (\$/ton)	751.00	2.0	-3.2	-47.4
Iron Ore (CNY/MT)	753.50	-1.4	-1.1	9.8
Wheat (\$/bu)	882.25	-2.1	-4.3	13.3
Corn (\$/bu)	693.00	0.0	2.3	27.0
Sugar (\$/lb)	18.68	-0.3	5.7	2.3
SMP* (EUR/MT)	3,647.00	-0.4	-1.1	8.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	3.94	2.2	18.6	373.2
Saudi Arabia (SAIBOR)	4.74	16.6	62.1	383.4
UAE (EIBOR)	3.78	7.8	21.8	341.3
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 12, 2022



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,551
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data

Exchange Market Cap. (SARbn)	10,856.7
Value (SARmn)	4,910.7
Volume (mn)	143.7
Number of Transactions	295,607
Market Breadth	111 : 89

Key statistics

1D return %	0.32%
WTD return %	-1.76%
QTD return	1.28%
YTD return	2.39%
ADT vol. 3M* (mn)	159.3
ADT val. 3M (SARmn)	6,055.0

ADT stands for Average Daily Traded *

TASI market commentary

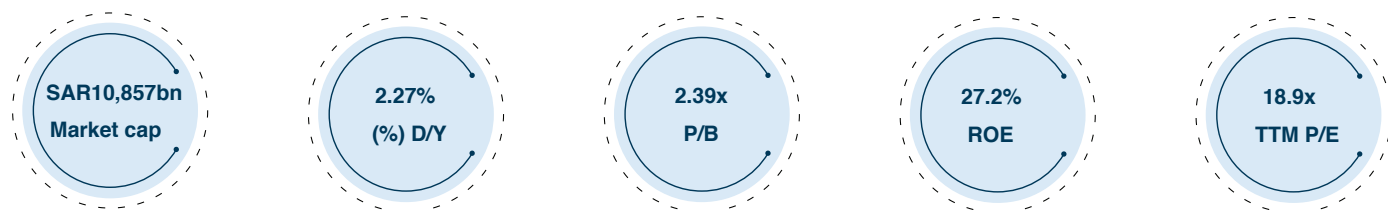
- The TASI rose on Wednesday due to buying in index heavyweights like Materials (0.48% D/D) and Banks (0.44% D/D) stocks. At close, the Saudi market ended the day with gains of 0.32% at 11,551. In terms of activity, total volumes and value traded were ~144mn and ~SAR 4.9bn respectively. The advance-decline ratio came in at 111/89.

Technical outlook

- The TASI ended its five straight days of losses and gained around 37 points to close the trading session above the 11,550 mark. The index opened gap up and tagged an intraday high near 11,590 (10-day moving average), but could not make any further headway above it, and surrendered some of its gains on the back of profit booking. Meanwhile, the index managed to close above its 20-day moving average near 11,500 but is currently below its 10-day moving average near 11,600. However, the index closed with an immediate green candle follow-through yesterday, after developing a hammer candle on the daily chart on Tuesday, which is a slightly positive sign. Meanwhile, the index has its next resistance near its 10-day moving average near 11,600, any penetration above it could test the 11,630 -11,680 level. On the flip side, the index has immediate support near its 20-day moving average of 11,500, followed by the 11,450 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,397	11,452	11,496	11,528	11,598	11,629	11,678



Source: Bloomberg, Argaam

TASI daily chart

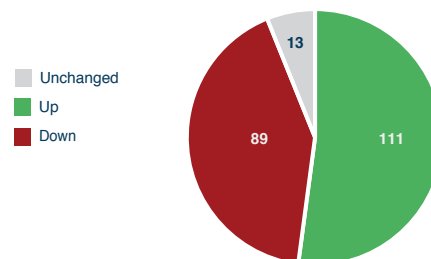


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
4163	Aldawaa Medical Services Co.	85.00	84.80-85.00	85.80	84.20
8210	Bupa Arabia For Cooperative Ins. Co.	174.60	173.80-174.60	176.30	172.80
4002	Mouwasat Medical Services Co.	220.00	218.90-220.00	222.20	217.95
4004	Dallah Healthcare Co.	169.00	168.50-169.00	170.50	167.40
7030	Mobile Telecomm. Co. Saudi Arabia	12.76	12.70-12.76	12.90	12.62
1321	East Pipes Integrated Co. For Industry	71.80	71.60-71.80	72.50	71.10

* As of 12th October 2022

* Note – Stop loss is based on a intraday basis

CHARTS OF THE DAY

Technical observations

ALDAWAA yesterday moved higher after penetrating above its channel trendline resistance, a few days back. Moreover, all technical indicators look bullish.

Aldawaa Medical Services Co. (ALDAWAA)



Source: Tradingview, AlJazira Capital

Technical observations

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

Bupa Arabia For Cooperative Insurance Co. (BUPA ARABIA)



Source: Tradingview, AlJazira Capital



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RESEARCH
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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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