

Major Economic News

- The Red Sea Development Co. officially opened the Shura Bridge which connects the Saudi west coast mainland with the hub island. The 3.3 k.m. bridge is the longest internal bridge in Saudi Arabia which will play a key role in accelerating the construction processes of 11 resorts and residential units in the Red Sea region. (Source: Argaam)

Major Corporate News

- Yamama Cement Co. completed the construction of the new cement plant in the northern Halal area in Al-Kharj governorate, at a total cost SAR 4.7bn. (Source: Argaam)
- Dallah Healthcare Co. signed a non-binding MoU with Dallah Real Estate Co. to invest in land owned by the two parties which is in Riyadh. The MoU intends to boost value of land and achieve higher investment revenue for both parties. (Source: Argaam)
- Etihad Atheeb Telecommunication Co.'s board of directors approved changing their recommendation to increase capital through rights issue of SAR 250.0mn from SAR 350.0mn earlier. Hence, for every one share held 2.78 shares will be issued and number of shares will increase from 90.0mn to 340.0mn. (Source: Argaam)
- Theeb Rent a Car launched a new branch at Al Qayrawan District, North Industrial, Riyadh, on Prince Khalid Ibn Bandar Ibn Abdulaziz Road, as part of strategy to enhance branch chain across Saudi Arabia. (Source: Argaam)
- Hail Cement Co. completed first phase of share buyback of 1.49mn treasury shares at SAR 12.9 per share totalling SAR 19.2mn. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 1.1% to 11,421.8 on Thursday. The value traded stood at SAR 3.9bn (down 19.8% over previous day), while the advance-decline ratio stood at 33/173. The parallel market index increased 0.2% to 19,769.8 points. The value traded stood at SAR 20.9mn (down 5.7% over previous day). Most sectors in the main market ended in the red. Food & Beverages and Insurance (up 1.2% and 0.8%, respectively) were the only two to advance; Media and Diversified Financials (down 3.2% and 2.3%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALASEEL	43.00	4.2
ALOMRAN	82.30	3.1
ALMARAI	54.70	3.0
BUPA ARABIA	179.20	2.6
TCC	17.30	2.6

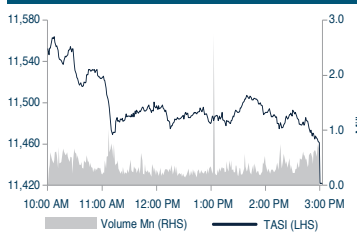
Top Losers

Company	Price	Change%
SALAMA	14.22	-10.0
AMANA INSURANCE	10.16	-5.1
ALDAWAA	81.00	-4.7
SHAKER	20.50	-4.6
HB	63.00	-3.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,422	11,565	11,422	-1.1	1.2
NomuC	19,770	19,803	19,588	0.2	-23.9

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	5,963	-0.8	8.1	13.8
Materials	6,860	-0.8	-6.6	12.5
Capital Goods	6,367	-1.1	-15.6	21.5
Commercial Service	3,575	-1.0	-19.5	42.7
Transportation	4,721	-0.5	-9.8	High
Consumer Durables	4,857	-0.2	-23.5	Neg
Consumer Services	3,990	-0.3	-14.0	High
Media	23,220	-3.2	-0.1	25.5
Retailing	7,925	-2.1	-19.5	22
Food & Staples	9,991	-1.2	9.5	28.2
Food & Beverages	4,829	1.2	-0.1	43.5
Healthcare	9,911	-0.9	35.5	48.4
Pharma & Bio Tech	3,555	-1.1	-31.5	Neg
Banks	12,574	-1.7	2.9	18.5
Diversified Financial	7,335	-2.3	7.4	8.3
Insurance	5,595	0.8	-6.6	Neg
Telecom	6,610	-0.5	-9.2	17.5
Utilities	7,685	-0.8	29.5	15.5
REITs	4,206	-0.1	-8.8	23.3
Real Estate	3,042	-0.9	-4.1	High
Software & Services	36,288	-1.9	26.6	34.9

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,517	11,599	11,473	5.19

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	21.8	636.1	1,444.30

Top Weighted Companies

Company	Price	Change%
Al Rajhi	81.30	-1.2
Saudi Aramco	35.40	-0.8
SNB	61.00	-2.2
SABIC	90.00	-1.3
STC	37.95	0.4



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.8%, each. Egypt increased 0.5%, while Qatar, Kuwait, Bahrain, and Oman declined 1.0%, 0.7%, 0.4%, and 0.1%.
- US consumer prices slowed modestly to 8.2% Y/Y rise in September (consensus: 8.1% Y/Y) from 8.3% Y/Y in August. (Source: Econoday, RTT news).
- According to EIA, oil inventories in the US increased 9.9mn barrels (prior: down 1.4mn) to 439.1mn in the week ended October 7. Gasoline inventories increased 2.0mn barrels (prior: down 4.7mn) to 209.5mn, while distillate inventories decreased 4.9mn barrels (prior: down 3.4mn) to 106.1mn. (Source: EIA, Econoday)
- According to Baker Hughes, North America's rig count increased to 985 in the week ended October 14, from 977 in week earlier. The rig count increased to 769 in the US from 762 earlier and increased to 13 in the Gulf of Mexico from 12 earlier. The rig count in Canada increased to 216 from 215 in the week earlier. (Source: Baker Hughes)
- Oil prices fell 3.1%, as concerns on global recession and weak oil demand, outweighed the support from a large supply cut target from OPEC+ members.
- Gold prices fell 1.3%, due to stronger US dollar and concerns that US Federal Reserve will continue with hawkish stance to curb inflation.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	113.31	0.8	1.1	18.4
Euro	0.97	-0.6	-0.8	-14.5
Japanese Yen	148.67	1.1	2.7	29.2
Sterling Pound	1.12	-1.4	0.0	-17.4
Chinese Yuan	7.22	0.6	1.1	13.6
Indian Rupee	82.36	0.0	1.2	10.8
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	0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.1	0.0
Egyptian Pound	19.66	-0.1	0.6	25.1

Corporate Calendar

Date	Company	Event
18 th Oct	Enaya	EGM
19 th Oct	SINAD HOLDING	EGM
19 th Oct	UCA	EGM
19 th Oct	Najran Cement	Cash Dividend Distribution
19 th Oct	ALARABIA	Cash Dividend Distribution
19 th Oct	MOBI	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,377	0.8	1.8	5.7	10.4
Abu Dhabi (ADX)	9,776	0.8	-0.4	15.2	19.9
Kuwait (KSE)	5,222	-0.7	-2.2	-11.3	8.3
Qatar (QE)	12,718	-1.0	0.2	9.4	14
Oman (MSM)	4,541	-0.1	0.3	10.0	12.3
Bahrain (BSE)	1,868	-0.4	-0.8	3.9	7.1
Egypt (EGX30)	9,854	0.5	0.3	-17.5	5.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	29,635	-1.3	3.2	-18.4	16.3
Nasdaq	10,692	-3.1	-2.5	-34.5	22.0
S&P 500	3,583	-2.4	-0.1	-24.8	17.6
FTSE 100	6,859	0.1	-0.5	-7.1	13.3
Germany DAX 30	12,438	0.7	2.7	-21.7	12.1
France CAC 40	5,932	0.9	2.9	-17.1	12.5
Japan Nikkei 225	27,091	3.3	4.4	-5.9	27.1
Russia MOEX	1,951	-0.2	-0.3	-48.5	3.2
Hong Kong Hang Seng	16,588	1.2	-3.7	-29.1	6.3
South Korea KOSPI	2,213	2.3	2.6	-25.7	9.4
China Shanghai Composite	3,072	1.8	1.6	-15.6	13.4
Australia ASX 200	6,759	1.7	4.4	-9.2	13.9
India Sensex	57,920	1.2	0.9	-0.6	22.6
MSCI EM	863	1.0	-1.4	-29.9	9.6
MSCI World	2,377	-1.5	-0.1	-26.5	15.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	97.39	0.3	-1.0	23.0
Brent Crude (\$/bbl)	91.63	-3.1	4.2	15.5
Texas crude (\$/bbl)	85.61	-3.9	7.7	11.2
Natural Gas (\$/mmbtu)	6.45	-4.3	-4.6	74.8
Gold (\$/oz)	1,644.47	-1.3	-1.0	-9.4
Silver (\$/oz)	18.28	-3.3	-3.9	-20.7
Steel (\$/ton)	751.00	-0.3	-3.2	-47.4
Iron Ore (CNY/MT)	753.50	0.0	-1.1	9.8
Wheat (\$/bu)	859.75	-3.6	-6.7	10.4
Corn (\$/bu)	689.75	-1.1	1.8	26.4
Sugar (\$/lb)	18.84	0.2	6.6	3.2
SMP* (EUR/MT)	3,638.00	0.0	-1.4	8.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
USD LIBOR	4.19	11.5	43.9	398.5
Saudi Arabia (SAIBOR)	4.86	12.5	74.6	395.8
UAE (EIBOR)	3.78	-2.1	21.9	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 14, 2022

Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,422
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

Market data

Exchange Market Cap. (SARbn)	10,758.2
Value (SARmn)	3,938.3
Volume (mn)	112.9
Number of Transactions	281,033
Market Breadth	33 : 173

Key statistics

1D return %	-1.12%
WTD return %	-2.86%
QTD return	0.14%
YTD return	1.24%
ADT vol. 3M* (mn)	158.6
ADT val. 3M (SARmn)	6,022.9

ADT stands for Average Daily Traded *

TASI market commentary

- The TASI fell on Thursday weighed down by selling in index heavyweights like Banks (-1.71% D/D) and Materials (-0.76% D/D) stocks. At close, the Saudi market ended the day with a loss of -1.12% at 11,422. In terms of activity, total volumes and value traded were ~113mn and ~SAR 3.9bn respectively. The advance-decline ratio came in at 33/173.

Technical outlook

- The TASI declined around 130 points to close the last trading session of the week below the 11,450 mark. The index after tagging an intraday high near 11,565, slid lower on the back of profit booking, as bears were under complete control on Thursday. Moreover, the index breached below its 20-day moving average near 11,470, and closed at its lowest point of the day, developing a large bearish candle on the daily chart, indicating weakness. Furthermore, the RSI line is moving down towards the negative territory. Traders are advised to exercise caution, as the index is trading currently below both its 10-day and 20-day moving averages. Meanwhile, the index has its support near 11,400, any dip below it could result in further profit booking, and drag the index further down to test the 11,280 level. On the flip side, the index has immediate resistance near its 20-day moving average of 11,470, followed by the 11,510 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,119	11,282	11,396	11,473	11,511	11,599	11,629



Source: Bloomberg, Argaam

TASI daily chart



Source: Tradingview, Tadawul, AlJazira Capital

SAUDI MARKET - TOP PICKS FOR THE DAY

Ticker	Company	Close*	Buy range	Sell	Stop loss
--------	---------	--------	-----------	------	-----------

No stocks recommendations due to market volatility

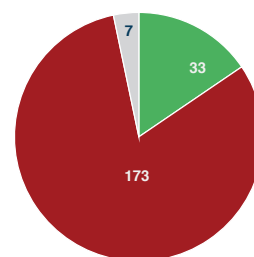
* As of 16th October 2022 * Note – Stop loss is based on an intraday basis

Our view



Market depth

Unchanged
Up
Down





RESEARCH DIVISION

Head of Sell-Side Research
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

RESEARCH
DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068