

Major Economic News

- As per OECD, Saudi Arabia's economy is expected to grow by 9.9% in FY22, highest growth rate among G20 nations. (Source: Argaam)
- Saudi Arabia's oil exports increased by 3.0% M/M to 7.6mn bpd in August 2022. On annual basis, oil exports rose 18.0% from 6.5mn bpd from August 2021. The crude output rose by 2.0% M/M to 11.1mn bpd in August while local crude consumption rose 1.0% M/M to 3.5mn bpd in August from 3.4mn bpd in July. (Source: Argaam)

Major Corporate News

- Saudi Basic Industries Corp. started commercial operations at United Ethylene Glycol Plant 3. The annual production capacity is 700,000 metric tons of monoethylene glycol. The financial impact of the project is expected to show in Q4-22. (Source: Argaam)
- Saudi Arabian Oil Co. collaborated with National Petroleum Construction Company and McDermott International to establish two offshore fabrication yards in Saudi Arabia with an aim to localize the domestic maritime industry. (Source: Argaam)
- Riyadh Cables Group received approval of the CMA to register and float 33.0mn shares or 22.0% of its capital reaching 150.0mn shares in an initial public offering. (Source: Argaam)
- Raoom Trading Co.'s board of directors approved the purchase and supply of a new production line for laminated glass from Germany's BENTELER Maschinenbau GmbH worth EUR 2.0mn. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q3-22	Q3-21	Y/Y %	Q2-22	Q/Q %
Yamama Cement	101.3	40.0	153.5	90.7	11.7
SIPCHEM	774.4	1,029.5	-24.8	1263.1	-38.7

Market Analysis

- The Saudi Stock Exchange increased 1.4% to 11,566.4. The value traded stood at SAR 4.4bn (up 37.1% over previous day), while the advance-decline ratio stood at 148/61. The parallel market index increased 0.3% to 19,794.1 points. The value traded stood at SAR 17.5mn (up 27.2% over previous day). All sectors in the main market ended in the green. Utilities and Media (up 3.9% and 3.4%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
ACWA POWER	166.00	5.6
ALOMRAN	86.00	5.4
SARCO	96.40	4.8
SABB	41.95	4.4
ALAMAR	147.40	4.2

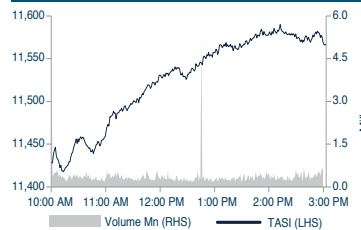
Top Losers

Company	Price	Change%
ENAYA	16.30	-3.1
DERAYAH REIT	10.52	-2.6
HB	61.20	-2.2
BURUJ	16.52	-2.1
CARE	74.00	-2.0

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,566	11,592	11,416	1.4	2.5
NomuC	19,794	19,810	19,672	0.3	-23.8

TASI movement during session



TASI Ratios

P/E* (x)	19.1
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	5,933	0.6	7.6	13.7
Materials	6,947	1.4	-5.4	12.6
Capital Goods	6,347	1.0	-15.9	21.5
Commercial Service	3,604	0.9	-18.9	43
Transportation	4,745	0.3	-9.3	High
Consumer Durables	4,941	1.5	-22.2	Neg
Consumer Services	4,012	0.8	-13.6	High
Media	23,629	3.4	1.6	25.9
Retailing	7,891	0.3	-19.9	21.9
Food & Staples	10,132	0.4	11.1	28.6
Food & Beverages	4,934	1.1	2.0	44.4
Healthcare	9,945	0.5	36.0	48.6
Pharma & Bio Tech	3,562	0.4	-31.4	Neg
Banks	12,824	1.8	4.9	18.9
Diversified Financial	7,438	1.6	8.9	8.4
Insurance	5,602	0.9	-6.5	Neg
Telecom	6,713	1.0	-7.8	17.8
Utilities	7,857	3.9	32.4	15.7
REITs	4,207	0.2	-8.8	23.2
Real Estate	3,071	0.5	-3.1	High
Software & Services	36,941	0.8	28.9	35.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,492	11,586	11,452	4.96

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7.6	210.3	502.60
Previous week	21.8	636.1	1,444.30

Top Weighted Companies

Company	Price	Change%
Al Rajhi	83.40	2.1
Saudi Aramco	35.20	0.6
SNB	61.40	0.7
SABIC	90.60	1.0
STC	38.65	1.8

Regional and International Markets

- Among other regional markets, Dubai closed flat, while Abu Dhabi declined 0.3%. Egypt and Kuwait rose 1.0% and 0.2%, respectively, while Oman declined 0.4%. Meanwhile, Bahrain and Qatar remained flat.
- US business inventories rose 0.8% M/M in August (consensus: rise by 0.9% M/M) after rising 0.5% M/M in July. Both retail and wholesale inventories rose by 1.3% M/M. (Source: RTT news)
- UK's finance minister Jeremy Hunt reversed the tax measures announced by his predecessor Kwasi Kwarteng. The plan to cut basic rate of income tax to 19.0% from April 2023 was scrapped and therefore will remain at 20.0% indefinitely and which is worth around GBP 6.0bn per year. (Source: RTT news)
- Eurozone trade deficit rose to EUR 47.3bn in August from EUR 40.5bn in July. Imports surged 53.6% Y/Y while exports rose 24.0% Y/Y. During January to August, trade deficit was reported at EUR 228.8bn (Source: Econoday, RTT news).
- Oil prices remained flat, as concerns that high inflation and energy cost will drag the global economy into recession was offset by China's loose monetary policy signals.
- Gold prices edged higher by 0.3%, as softer US dollar offset risks from impending aggressive interest rate hike by US Federal Reserve.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	112.04	-1.1	-0.1	17.1
Euro	0.98	1.2	0.4	-13.4
Japanese Yen	149.04	0.2	3.0	29.5
Sterling Pound	1.14	1.7	1.7	-16.1
Chinese Yuan	7.21	-0.2	0.9	13.4
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	0.0	0.3
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	19.68	0.1	0.7	25.2

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	0.0	1.8	5.7	10.4
Abu Dhabi (ADX)	9,742	-0.3	-0.8	14.8	20.2
Kuwait (KSE)	5,238	0.2	-1.9	-11.0	8.3
Qatar (QE)	12,640	0.0	-0.4	8.7	13.9
Oman (MSM)	4,510	-0.4	-0.4	9.2	12.3
Bahrain (BSE)	1,867	0.0	-0.8	3.9	7.1
Egypt (EGX30)	10,148	1.0	3.3	-15.1	5.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	30,186	1.9	5.1	-16.9	16.3
Nasdaq	11,063	3.5	0.8	-32.2	22.0
S&P 500	3,678	2.6	2.6	-22.8	17.6
FTSE 100	6,920	0.9	0.4	-6.3	13.3
Germany DAX 30	12,649	1.7	4.4	-20.4	12.1
France CAC 40	6,041	1.8	4.8	-15.6	12.5
Japan Nikkei 225	26,776	-1.2	3.2	-7.0	26.7
Russia MOEX	2,013	3.2	2.8	-46.9	3.2
Hong Kong Hang Seng	16,613	0.2	-3.5	-29.0	6.2
South Korea KOSPI	2,220	0.3	3.0	-25.5	9.4
China Shanghai Composite	3,085	0.4	2.0	-15.2	13.4
Australia ASX 200	6,664	-1.4	2.9	-10.5	13.7
India Sensex	58,411	0.8	1.7	0.3	22.2
MSCI EM	866	0.3	-1.1	-29.7	9.6
MSCI World	2,432	2.3	2.2	-24.8	15.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	96.31	-1.1	-2.1	21.6
Brent Crude (\$/bbl)	91.62	-0.0	4.2	15.5
Texas crude (\$/bbl)	85.46	-0.2	7.5	11.0
Natural Gas (\$/mmbtu)	6.00	-7.0	-11.3	62.5
Gold (\$/oz)	1,650.09	0.3	-0.6	-9.1
Silver (\$/oz)	18.65	2.1	-2.0	-19.0
Steel (\$/ton)	755.00	0.5	-2.7	-47.1
Iron Ore (CNY/MT)	753.50	0.0	-1.1	9.8
Wheat (\$/bu)	861.00	0.1	-6.6	10.5
Corn (\$/bu)	683.50	-0.9	0.9	25.2
Sugar (\$/lb)	18.77	-0.4	6.2	2.8
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	0.0	43.9	398.5
Saudi Arabia (SAIBOR)	4.98	8.3	86.6	407.8
UAE (EIBOR)	3.85	7.6	29.4	348.9
Kuwait (KSE)	3.19	0.0	25.0	168.8
Bahrain (BHIBOR)	5.03	0.0	2.5	350.8

Data Sources: Tadawul, Bloomberg, Reuters

* Three-month Interbank rate **NA: Not Available

Closes as of October 17, 2022



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,566
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

Market data

Exchange Market Cap. (SARbn)	10,758.3
Value (SARmn)	4,378.2
Volume (mn)	111.6
Number of Transactions	271,566
Market Breadth	148 : 61

Key statistics

1D return %	1.41%
WTD return %	1.27%
QTD return	1.41%
YTD return	2.52%
ADT vol. 3M* (mn)	157.9
ADT val. 3M (SARmn)	5,996.8

ADT stands for Average Daily Traded *

TASI market commentary

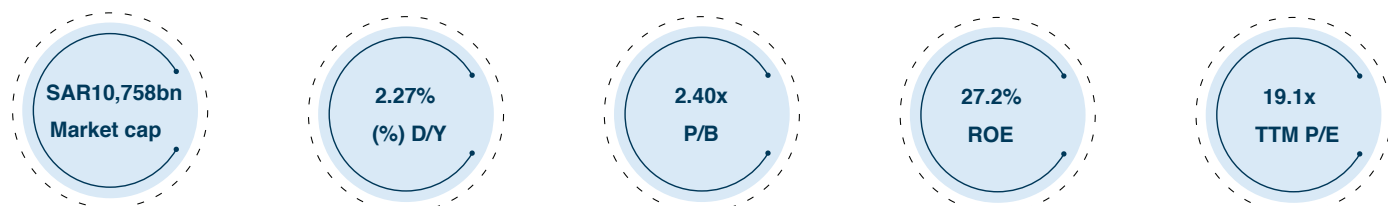
- The TASI rose on Monday on the back of buying in index heavyweights like Banks (1.76% D/D) and Materials (1.38% D/D) stocks. At close, the Saudi market ended the day with gains of 1.41% at 11,566. In terms of activity, total volumes and value traded were ~112mn and ~SAR 4.4bn respectively. The advance-decline ratio came in at 148/61.

Technical outlook

- The TASI gained around 160 points to close the trading session above the 11,550 mark. The index opened gap up and moved higher throughout the day as bulls were under complete control. Moreover, the index managed to penetrate above its 20-day moving average near 11,450, after developing a hammer candle on the daily charts on Sunday, indicating a positive sign. Furthermore, the RSI line has rebounded and is now moving up towards the 50 level. Meanwhile, the index has its immediate resistance near its 10-day moving average of 11,590, any penetration above it could result in a short rally towards 11,670, followed by the 11,770 level. On the flip side, the index has support near 11,540, below which the index can drag lower to test its 20-day moving average near the 11,450 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,277	11,332	11,452	11,541	11,587	11,673	11,766



Source: Bloomberg, Argam

TASI daily chart

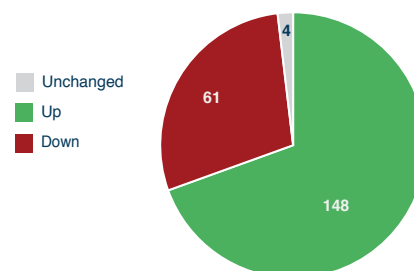


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
4141	Al – Omran Industrial Trading Co.	86.00	85.70-86.00	86.80	85.20
3060	Yanbu Cement Co.	40.15	40.00-40.20	40.50	39.78
1140	Bank Albilad	51.50	51.40-51.55	52.00	51.00
1211	Saudi Arabian Mining Co.	74.50	74.35-74.50	75.25	73.75
2050	Savola Group	29.85	29.75-29.90	30.15	29.55
2020	Sabir Agri Nutrients Co.	171.80	171.00-171.80	173.40	170.30

* As of 17th October 2022

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

ALOMRAN yesterday penetrated above its previous top. Moreover, all technical indicators look bullish.

Al – Omran Industrial Trading Co. (ALOMRAN)



Source: Tradingview, AlJazira Capital

Technical observations

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

Yanbu Cement Co. (YCC)



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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