

## Major Economic News

- Saudi Arabia's non-oil exports soared 16.6% Y/Y or SAR 3.8bn to SAR 26.8bn in August. On M/M basis, non-oil exports fell by SAR 316.0mn. (Source: Argam)
- The Ministry of Investment of Saudi Arabia (MISA) said the third quarter of 2022 saw 53 investment deals signed by MISA and investors across several sectors: communications, energy, and health industries, according to the Investment Highlights Q3 2022 report. (Source: Argam)

## Major Corporate News

- Arabian Centres Co.'s board of directors approved selling non-core assets worth book value of SAR 1.2bn and estimated market value more than SAR 2.0bn. the company agreed to sell a vacant land plot spanning 17,730 sq.m. in Olaya, Riyadh at SAR 13,000 per sq.m. with total sale value of SAR 230.5mn and profit of SAR 75.5mn. (Source: Argam)
- Arabian Drilling Co. announced its IPO was 816.5% covered and value of applications reached nearly SAR 2.2bn. Every subscriber received a minimum of five shares, while the remainder was allocated on a pro-rata basis with an allocation factor of 0.9534%. (Source: Argam)
- Power and Utility Co. for Jubail and Yanbu, MARAFIQ's final offer price at SAR 46.0 per share, with a coverage ratio of 59.0x. The subscription period for the individual investors' tranche will run between October 26 to October 30. (Source: Argam)
- AlKhaleej Training and Education Co. agreed with the owners of Al Minhaj Private Schools Co. to extend the non-binding MoU signed to acquire a 51.0% stake in the latter for six months. (Source: Argam)

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

Company	Q3-22	Q3-21	Y/Y %	Q2-22	Q/Q %
ALASEEL	3.7	3.6	2.2	25.1	-85.4
Yanbu Cement	69.3	36.4	90.3	48.0	44.2
Alinma	989.0	738.1	34.0	925.1	6.9
SABIC-Agri	2,331	1,206	93.3	3,025	-22.9
Herfy	21.0	60.0	-65.1	20.2	3.7

## Market Analysis

- The Saudi Stock Exchange decreased 0.8% to 11,973.9. The value traded stood at SAR 6.3bn (down 3.9% over the previous day), while the advance-decline ratio stood at 34/170. The parallel market index increased 0.8% to 19,938.7 points. The value traded stood at SAR 18.9mn (down 71.8% over the previous day). Most sectors in the main market ended in the red. Telecom (up 2.2%) was the only gainer; Utilities and Capital Goods (down 2.8% and 2.3%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
RED SEA	31.95	3.1
RETAL	145.80	3.0
SADAFCO	227.00	2.7
STC	40.40	2.5
FITAIHI GROUP	34.60	2.5

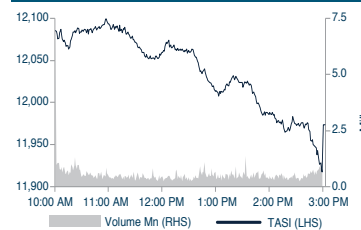
## Top Losers

Company	Price	Change%
ALSAGR INSURANCE	25.20	-9.8
ENAYA	22.96	-5.1
ALASEEL	42.50	-4.4
SHAKER	21.80	-4.4
ZOUJAJ	40.00	-4.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,974	12,100	11,909	-0.8	6.1
NomuC	19,939	20,001	19,757	0.8	-23.2

## TASI movement during session



## TASI Ratios

P/E* (x)	19.6
Price-to-Book (x)	2.5
Dividend Yield (%)	2.2
Return on Equity (%)	27.1

\*Source: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,035	-2.0	9.4	13.9
Materials	7,126	-0.8	-3.0	13.1
Capital Goods	6,480	-2.3	-14.1	22
Commercial Service	3,657	-1.9	-17.7	43.7
Transportation	4,813	-0.6	-8.1	High
Consumer Durables	4,922	-1.9	-22.5	Neg
Consumer Services	4,049	-1.3	-12.8	High
Media	24,244	-0.9	4.3	26.7
Retailing	8,042	-1.0	-18.3	22.3
Food & Staples	10,136	-0.6	11.1	28.6
Food & Beverages	4,955	-1.2	2.5	44.7
Healthcare	9,936	-0.1	35.8	48.5
Pharma & Bio Tech	3,470	-2.0	-33.2	Neg
Banks	13,499	-0.5	10.5	19.9
Diversified Financial	7,907	-1.7	15.8	8.6
Insurance	5,735	-0.5	-4.3	Neg
Telecom	7,044	2.2	-3.2	18.6
Utilities	8,255	-2.8	39.1	16.4
REITs	4,231	-0.1	-8.3	23.3
Real Estate	3,143	-0.8	-0.9	High
Software & Services	37,644	-1.9	31.4	36.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,963	11,757	11,658	5.23

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	18.1	442.7	953.60
Previous week	24.1	629.4	1,392.60

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	88.00	-0.1
Saudi Aramco	35.75	-2.1
SNB	65.50	-0.6
SABIC	93.10	-1.0
STC	40.40	2.5



## Regional and International Markets

- Among other regional markets, Dubai remained flat, while Abu Dhabi decreased 0.1%. Egypt and Oman increased 1.5% and 0.7%, respectively, while Qatar, Kuwait and Bahrain declined 0.7%, 0.5% and 0.1%, respectively.
- U.S. stocks closed sharply higher on Tuesday as soft economic data hinted that the Fed's aggressive policy is taking effect, while falling benchmark Treasury yields boosted the rally's momentum. All three major U.S. stock indexes advanced for the third straight session, with market-leading megacaps providing the most upside muscle. The S&P 500 has reclaimed about 8% from the trough of its Oct. 12 close.
- US Most Asian currencies crept higher on Wednesday as markets bet that economic headwinds will force the Federal Reserve into softening its hawkish stance, while the Chinese yuan rose amid reports of government intervention in currency markets. The yuan rose 0.2% to 7.2892, recovering from a near 15-year low.
- Oil prices edged higher on Tuesday, rebounding from an early fall of more than \$1 a barrel, on a lift from a weaker dollar and supply concerns highlighted by Saudi Arabia's energy minister. Brent crude futures rose 26 cents to settle at \$93.52 per barrel.
- Gold prices hovered near key support levels on Wednesday, while copper prices fell further as concerns over China and weak economic data soured the demand outlook for the industrial metal.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	110.95	-0.9	-1.0	16.0
Euro	1.00	0.9	1.7	-12.3
Japanese Yen	147.93	-0.7	2.2	28.5
Sterling Pound	1.15	1.7	2.7	-15.2
Chinese Yuan	7.31	-0.2	2.4	15.1
Indian Rupee	82.73	0.1	1.7	11.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.1	0.0	0.3
Kuwaiti Dinar	0.31	-0.1	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	0.0	0.7	25.2

## Corporate Calendar

Date	Company	Event
30 <sup>th</sup> Oct	ARDCO	Cash Dividend Distribution
10 <sup>th</sup> Nov	SISCO	EGM
10 <sup>th</sup> Nov	MOBI	EGM
13 <sup>th</sup> Nov	DERAYAH REIT	Cash Dividend Distribution
14 <sup>th</sup> Nov	SULAIMAN ALHABIB	Cash Dividend Distribution
15 <sup>th</sup> Nov	Ladun	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)	10,060	-0.1	2.5	18.5	20.7
Kuwait (KSE)	5,370	-0.5	0.6	-8.8	8.5
Qatar (QE)	12,411	-0.7	-2.2	6.8	13.7
Oman (MSM)	4,404	0.7	-2.8	6.6	12.1
Bahrain (BSE)	1,861	-0.1	-1.1	3.6	7.1
Egypt (EGX30)	10,475	1.5	6.6	-12.3	5.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,837	1.1	10.8	-12.4	18.1
Nasdaq	11,670	2.1	6.4	-28.5	24.0
S&P 500	3,859	1.6	7.6	-19.0	18.9
FTSE 100	7,013	0.0	1.7	-5.0	13.7
Germany DAX 30	13,053	0.9	7.7	-17.8	12.9
France CAC 40	6,251	1.9	8.5	-12.6	13.2
Japan Nikkei 225	27,250	1.0	5.1	-5.4	27.6
Russia MOEX	2,131	3.2	8.9	-43.7	3.5
Hong Kong Hang Seng	15,166	-0.1	-11.9	-35.2	5.9
South Korea KOSPI	2,235	-0.0	3.7	-24.9	9.6
China Shanghai Composite	2,976	-0.0	-1.6	-18.2	13.1
Australia ASX 200	6,799	0.3	5.0	-8.7	13.8
India Sensex	59,544	-0.5	3.7	2.2	21.9
MSCI EM	845	0.2	-3.6	-31.5	9.4
MSCI World	2,538	1.8	6.7	-21.5	16.5

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	94.70	0.5	-3.7	19.6
Brent Crude (\$/bbl)	93.52	0.3	6.3	17.9
Texas crude (\$/bbl)	85.32	0.9	7.3	10.8
Natural Gas (\$/mmbtu)	5.61	8.0	-17.0	52.0
Gold (\$/oz)	1,653.17	0.2	-0.4	-8.9
Silver (\$/oz)	19.35	0.6	1.7	-16.0
Steel (\$/ton)	763.00	0.8	-1.7	-46.5
Iron Ore (CNY/MT)	725.00	-0.2	-4.9	5.7
Wheat (\$/bu)	834.75	-0.5	-9.4	7.2
Corn (\$/bu)	686.25	0.7	1.3	25.7
Sugar (\$/lb)	18.11	-0.1	2.4	-0.8
SMP* (EUR/MT)	3,555.00	0.9	-3.6	5.6

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.69	-6.2	100.1	398.8
KSA (SAIBOR 3M)	5.61	17.6	148.9	470.1
KSA (SAIBOR 6M)	5.60	2.0	103.4	461.8
KSA (SAIBOR 12M)	6.04	2.0	99.8	498.0
USD (LIBOR 3M)	4.33	0.0	57.2	411.8
UAE (EIBOR 3M)	4.12	8.2	56.0	375.4

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of October 25, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,974
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

Market data	
Exchange Market Cap. (SARbn)	10,994.5
Value (SARmn)	6,327.7
Volume (mn)	164.8
Number of Transactions	342,606
Market Breadth	34 : 170

Key statistics	
1D return %	-0.84%
WTD return %	0.09%
QTD return	4.98%
YTD return	6.14%
ADT vol. 3M* (mn)	155.8
ADT val. 3M (SARmn)	5,987.1

ADT stands for Average Daily Traded \*

## TASI market commentary

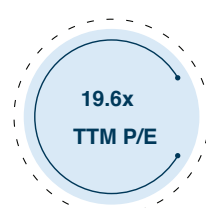
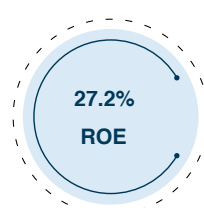
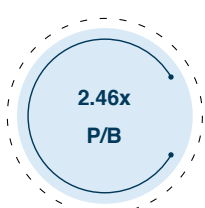
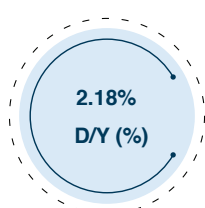
- The TASI fell on Tuesday weighed down by selling in index heavyweights like Energy (-2.04% D/D) and Materials (-0.76% D/D) stocks. At close, the Saudi market ended the day with a loss of 0.84% at 11,974. In terms of activity, total volumes and value traded were ~165mn and ~SAR 6.3bn respectively. The advance-decline ratio came in at 34/170.

## Technical outlook

- The TASI declined more than 100 points to close the trading session below the 12,000 mark. The index after tagging an intraday high near 12,100 (near the previous peak), failed to make any further headway above it, and later slid lower surrendering all its gains on the back of the profit-taking. This is the third consecutive time the index has attempted to move above its previous peak near 12,100 but has failed to close above it. However, the index once again managed to defend and close above both its 50-day moving average near 11,890 and also the 100-day moving average near 11,930, keeping its rebound hopes alive. Meanwhile, the index's stiff resistance remains near its previous peak of the 12,100 level, above which it may change the trajectory on the upside, from the current main downtrend and can test the 12,350 - 12,500. On the flip side, the index has its immediate support near the 11,930 level (100-day moving average), followed by the 11,880 level (50-day moving average).

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,658	11,757	11,881	11,928	12,091	12,350	12,500



Source: Bloomberg, Argaam

## TASI daily chart

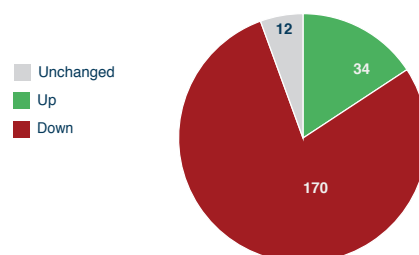


Source: Tradingview, Tadawul, AlJazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
7020	Etihad Etisalat Co.	37.15	37.00-37.15	37.52	36.78
4180	Fitaihi Holding Group	34.60	34.50-34.60	34.90	34.30
4090	Taiba Investments Co.	28.55	28.50-28.55	28.81	28.29
4322	Retal Urban Development Co.	145.80	145.40-145.80	147.20	144.30
8210	Bupa Arabia For Cooperative Insurance	190.80	190.20-190.80	192.70	188.90
4004	Dallah Healthcare Co.	160.00	159.80-160.10	161.60	158.40

\* As of 25<sup>th</sup> October 2022

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

## CHARTS OF THE DAY

## Technical observations

**ETIHAD ETISALAT** yesterday tested its support and rebounded. Moreover, all technical indicators look bullish.

## Etihad Etisalat Co. (ETIHAD ETISALAT)



Source: Tradingview, AlJazira Capital

## Technical observations

**FITAIHI GROUP** yesterday penetrated above its previous swing high. Moreover, all technical indicators support this bullish view.

## Fitaihi Holding Group (FITAIHI GROUP)



Source: Tradingview, AlJazira Capital

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**Candlestick:** A candlestick (candle) is a type of price chart used to display the high, low, opening, and closing prices of a security for the period under consideration.

**Support:** This is the price level at which demand is strong enough to avoid any further price decline.

**Resistance:** This is the price level at which supply is strong enough to stop any further price increase.

**Pattern/formation:** This is a plot of a security's price activity over a certain period that can be used to identify potential trends, reversal of trends, price targets, entry and exit points, etc. There are various formations – such as head & shoulders, triangles, flags, etc.

**Simple moving average:** A simple moving average is formed by computing the average price of a security over a specific number of periods. Moving averages are based on closing prices.

**Relative strength index (RSI):** RSI is a momentum indicator that compares a security's price gains to its losses for a predetermined number of periods (generally, 14 periods are used). The RSI attempts to point out how security, in relative terms, is in the overbought/oversold zone.

**Moving average convergence/divergence (MACD):** MACD is a trading indicator that shows changes in the strength, direction, momentum, and duration of a trend in a stock's price through a collection of three- time series calculated from historical closing prices.

**Fibonacci retracements:** These are horizontal lines that indicate the expected areas of support/resistance for a security based on a predetermined price movement. These are usually indicated by Fibonacci ratios of 23.6%, 38.2%, 50.0%, 61.8%, and 100% from that movement.

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