

## Major Economic News

- The Public Investment Fund deems to set up five regional firms in Jordan, Bahrain, Sudan, Iraq and Oman and targets investments up to SAR 90.0bn in multiple sectors. (Source: Argaam)
- The point-of-sale transactions amounted to SAR 9.5bn in the week ending October 22, compared to SAR 10.3bn in the previous week. Data showed that a total of 138.9mn transactions were processed last week. (Source: Argaam)

## Major Corporate News

- Eastern Province Cement Co. announced that its branch PRAINSA Saudi for Precast Concrete signed a contract with Nesma & Partners Contracting Co. Ltd. to implement Phase 1 of the Riyadh Avenues Mall Project at a total value close to SAR 370.0mn. (Source: Argaam)
- Perfect Presentation for Commercial Services Co.'s final offer price was set at SAR 185 per share with coverage ratio at 61.4x. (Source: Argaam)
- Saudi National Bank will participate in the capital raise announced by Credit Suisse Group AG as the former will invest up to SAR 5.7bn in the latter to hold a stake of up to 9.9% through a private placement of non-pre-emptive shares by Credit Suisse. (Source: Argaam)

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

Company	Q3-22	Q3-21	Y/Y %	Q2-22	Q/Q %
AMLAH	25.1	29.5	-15.1	28.6	-12.3
SOLUTIONS	300.0	257.0	16.7	273.0	9.9
SAIB	550.0	274.3	100.5	320.7	71.5
SVCP	-1.0	-1.8	NM	-10.5	NM
SASCO	23.5	11.4	106.4	29.7	-20.7

## Market Analysis

- The Saudi Stock Exchange decreased 1.5% to 11,798.8. The value traded stood at SAR 6.2bn (down 1.3% over the previous day), while the advance-decline ratio stood at 55/147. The parallel market index decreased 1.1% to 19,714.8 points. The value traded stood at SAR 14.0mn (down 25.8% over the previous day). Most sectors in the main market ended in the red. Utilities and Consumer Durables (up 1.9% and 0.6%, respectively) advanced the most; Pharma & Bio Tech and Software & Services (down 2.7% and 2.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
FITAIHI GROUP	36.20	4.6
JOUF CEMENT	12.00	4.4
SALAMA	14.56	4.2
SHAKER	22.34	2.5
SAUDI ELECTRICITY	26.95	2.3

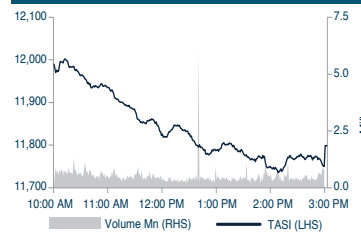
## Top Losers

Company	Price	Change%
ALSAGR INSURANCE	22.68	-10.0
BINDAWOOD	62.90	-5.4
SOLUTIONS	251.80	-5.0
EQUIPMENT HOUSE	67.20	-5.0
YANSAB	44.55	-4.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,799	12,005	11,732	-1.5	4.6
NomuC	19,715	19,980	19,640	-1.1	-24.1

## TASI movement during session



## TASI Ratios

P/E* (x)	19.3
Price-to-Book (x)	2.4
Dividend Yield (%)	2.2
Return on Equity (%)	27.1

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,924	-1.8	7.4	13.7
Materials	7,005	-1.7	-4.6	12.9
Capital Goods	6,441	-0.6	-14.6	21.8
Commercial Service	3,644	-0.4	-18.0	43.6
Transportation	4,794	-0.4	-8.4	High
Consumer Durables	4,953	0.6	-22.0	Neg
Consumer Services	4,029	-0.5	-13.2	High
Media	24,298	0.2	4.5	26.6
Retailing	7,882	-2.0	-20.0	21.9
Food & Staples	9,925	-2.1	8.8	28
Food & Beverages	4,940	-0.3	2.2	44.6
Healthcare	9,811	-1.3	34.1	48
Pharma & Bio Tech	3,377	-2.7	-34.9	Neg
Banks	13,218	-2.1	8.2	19.5
Diversified Financial	7,809	-1.2	14.4	8.5
Insurance	5,680	-1.0	-5.2	Neg
Telecom	7,068	0.3	-2.9	18.7
Utilities	8,415	1.9	41.8	16.7
REITs	4,227	-0.1	-8.3	23.3
Real Estate	3,124	-0.6	-1.5	High
Software & Services	36,716	-2.5	28.1	35.1

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for September (bn)
11,964	11,782	11,689	5.29

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	24.4	603.1	1,304.30
Previous week	24.1	629.4	1,392.60

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	86.50	-1.7
Saudi Aramco	35.10	-1.8
SNB	63.80	-2.6
SABIC	90.60	-2.7
STC	40.60	0.5



## Regional and International Markets

- Among other regional markets, Dubai decreased 0.9%, while Abu Dhabi increased 0.3%. Kuwait and Egypt rose 1.2% and 0.7%, respectively, while Qatar and Bahrain declined 1.6% and 0.1%, respectively. Meanwhile, Oman remained flat.
- According to EIA, oil inventories in the US increased 2.6mn barrels (prior: down 1.7mn) to 439.9mn in the week ended October 21. Gasoline inventories declined 1.5mn barrels (prior: down 0.1mn) to 207.9mn, while distillate inventories rose 0.2mn barrels (prior: up 0.1mn) to 106.4mn. (Source: EIA, Econoday)
- US consumer confidence index slumped to 102.5 in October (consensus: 106.0) from a revised 107.8 in September. (Source: Econoday)
- US new home sales fell by 10.9% to an annual rate of 603,000 in September (consensus: fall by 14.6% to annual rate of 585,000) after rising 24.7% to a revised rate of 677,000 in August. (Source: RTT, Econoday)
- Eurozone private sector lending increased 6.6% Y/Y in September (consensus: 6.4% Y/Y) as compared to 6.3% Y/Y in August. (Source: Econoday)
- Oil prices increased 2.3%, supported by weaker US dollar despite increase in US crude oil inventories.
- Gold prices increased 0.7%, on basis of expectations that US Federal Reserve could slow its rapid pace of interest rate hikes.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	109.70	-1.1	-2.2	14.7
Euro	1.01	1.2	2.8	-11.3
Japanese Yen	146.37	-1.1	1.1	27.2
Sterling Pound	1.16	1.3	4.1	-14.1
Chinese Yuan	7.19	-1.7	0.6	13.1
Indian Rupee	82.73	0.0	1.7	11.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.3
Kuwaiti Dinar	0.31	-0.2	-0.1	2.3
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.1	0.0
Egyptian Pound	19.72	0.2	0.9	25.5

## 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)	3,346	-0.9	0.9	4.7	10
Abu Dhabi (ADX)	10,088	0.3	2.8	18.8	20.9
Kuwait (KSE)	5,436	1.2	1.8	-7.6	8.4
Qatar (QE)	12,208	-1.6	-3.8	5.0	13.6
Oman (MSM)	4,403	0.0	-2.8	6.6	12
Bahrain (BSE)	1,860	-0.1	-1.2	3.5	7.1
Egypt (EGX30)	10,553	0.7	7.4	-11.7	5.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,839	0.0	10.8	-12.4	18.4
Nasdaq	11,406	-2.3	4.0	-30.1	23.6
S&P 500	3,831	-0.7	6.8	-19.6	0.0
FTSE 100	7,056	0.6	2.4	-4.4	13.7
Germany DAX 30	13,196	1.1	8.9	-16.9	12.7
France CAC 40	6,276	0.4	8.9	-12.3	13.2
Japan Nikkei 225	27,432	0.7	5.8	-4.7	27.5
Russia MOEX	2,121	-0.5	8.3	-44.0	3.5
Hong Kong Hang Seng	15,318	1.0	-11.1	-34.5	5.9
South Korea KOSPI	2,250	0.6	4.4	-24.5	9.9
China Shanghai Composite	3,000	0.8	-0.8	-17.6	13.0
Australia ASX 200	6,811	0.2	5.2	-8.5	13.9
India Sensex	59,544	0.0	3.7	2.2	22.0
MSCI EM	852	0.9	-2.7	-30.9	9.5
MSCI World	2,536	-0.1	6.6	-21.5	16.5

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	95.24	0.6	-3.2	20.3
Brent Crude (\$/bbl)	95.69	2.3	8.8	20.6
Texas crude (\$/bbl)	87.91	3.0	10.6	14.2
Natural Gas (\$/mmbtu)	5.61	-0.1	-17.1	51.8
Gold (\$/oz)	1,664.57	0.7	0.2	-8.3
Silver (\$/oz)	19.58	1.2	2.9	-15.0
Steel (\$/ton)	700.00	-8.3	-9.8	-50.9
Iron Ore (CNY/MT)	720.00	-0.7	-5.5	5.0
Wheat (\$/bu)	840.50	0.7	-8.8	7.9
Corn (\$/bu)	685.00	-0.2	1.1	25.5
Sugar (\$/lb)	17.86	-1.4	1.0	-2.2
SMP* (EUR/MT)	3,576.00	0.6	-3.1	6.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.83	13.2	113.3	412.1
KSA (SAIBOR 3M)	5.69	8.4	157.3	478.5
KSA (SAIBOR 6M)	5.68	8.4	111.7	470.2
KSA (SAIBOR 12M)	6.16	12.4	112.2	510.3
USD (LIBOR 3M)	4.36	0.0	60.3	414.9
UAE (EIBOR 3M)	4.15	2.8	58.7	378.2

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of October 26, 2022



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,799
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 10,600

## Market data

Exchange Market Cap. (SARbn)	10,811.1
Value (SARmn)	6,246.6
Volume (mn)	160.4
Number of Transactions	350,739
Market Breadth	55 : 147

## Key statistics

1D return %	-1.46%
WTD return %	-1.38%
QTD return	3.45%
YTD return	4.58%
ADT vol. 3M* (mn)	155.8
ADT val. 3M (SARmn)	6,003.7

ADT stands for Average Daily Traded \*

## TASI market commentary

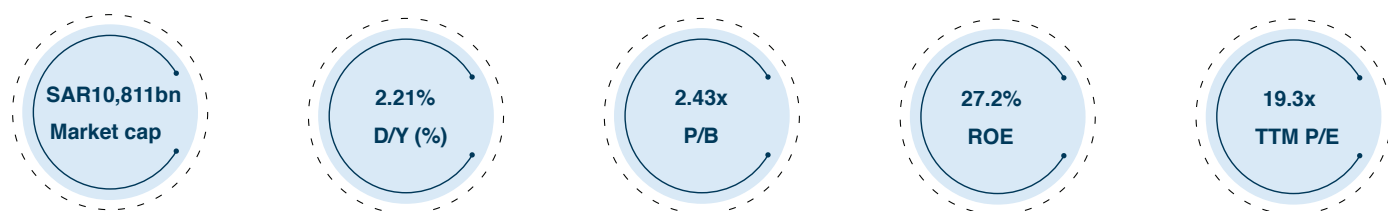
- The TASI declined on Wednesday weighed down by selling in index heavyweights like Banks (-2.08% D/D) and Materials (-1.71% D/D) stocks. At close, the Saudi market ended the day with a loss of -1.46% at 11,799. In terms of activity, total volumes and value traded were ~160mn and ~SAR 6.2bn respectively. The advance-decline ratio came in at 55/147.

## Technical outlook

- The TASI fell around 175 points to close the trading session below the 11,800 mark. The index after tagging an intraday high near 12,005 immediately slid lower throughout the day on the back of the profit booking, and also moved lower below its important support of the completed bullish wedge, as bears were under complete control. Moreover, the index failed to defend and breached yesterday below both its important supports of its 50-day moving average near 11,880 and also the 100-day moving average near 11,920, showing signs of further profit booking. Meanwhile, the index short uptrend may remain intact and possibility of a rebound is possible if the index immediate support near the 20-day moving average of **11,700** level remains intact. However, any dip below it could drag the index further lower to test 11,650 followed by the 11,510 level. On the flip side, the index resistance is seen near its 50-day moving average of 11,880, followed by its 100-day moving average near the 11,920 level.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,498	11,622	11,689	11,781	11,881	11,919	11,955



Source: Bloomberg, Argaam

## TASI daily chart

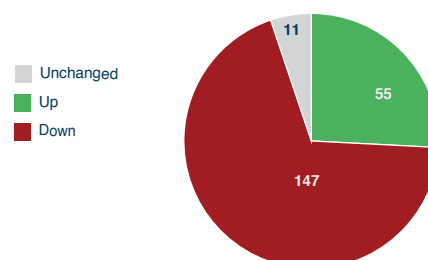


Source: Tradingview, Tadawul, AlJazira Capital

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
7010	Saudi Telecom Co.	40.60	40.00 - 40.50	41.40	42.70	39.50

\*As of 26<sup>th</sup> October 2022

\*Note – Stop loss is based on a closing basis and not on intraday basis

## CHARTS OF THE WEEK

## Technical observations

**STC** after forming a base near its trendline support on the weekly chart rebounded, and penetrated above its channel trendline resistance, developing a bullish candle. Moreover, the stock penetrated above both its 10-day and 20-day moving averages, showing strength. Furthermore, the RSI line is also moving up. We recommend buying the stock in a range of SAR 40.00 – 40.50, for a target of SAR 41.40 followed by SAR 42.70, with a strict stop loss of SAR 39.50 on a closing basis.

## Saudi Telecom Co. (STC)



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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