



## Major Economic News

- SAMA raised its reverse repo rate by 75 bps to 400 bps from 325 bps. It also hiked its repo rate by 75 bps to 450 bps from 375 bps. The US Federal Reserve lifted interest rates by 75 bps to control inflation to a range of 3.75%-4.0%. (Source: Argaam)

## Major Corporate News

- Americana Restaurants International announced issuing the prospectus for its concurrent dual IPO in Saudi Arabia and the UAE. The company plans to offer 2.5bn shares, of which 252.7mn were allocated to Saudi retail investors. Retail investors' subscription period will begin in Saudi Arabia and the UAE, simultaneously, from November 14-21. Book-building process, which will also begin on November 14, will end on November 22. (Source: Argaam)
- Saudi Enaya Cooperative Insurance Co. issued its prospectus for a capital increase through a SAR 130.0mn rights issue. The insurer plans to increase its capital by 130.0% to SAR 230.0mn. It aims to use proceeds of the rights issue to support its future plans and enhance the solvency margin. (Source: Argaam)

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

Company	Q3-22	Q3-21	Y/Y %	Q2-22	Q/Q %
SISCO	14.4	3.9	269.2	3.1	364.5
ACWA POWER	341.7	-26.9	NM	389.9	-12.4
Wafrah	3.0	-1.8	NM	5.0	-40.0
SIIG	55.0	204.0	-73.0	284.0	-80.6
Alujain Corp.	18.7	56.7	-67.0	63.0	-70.3
Bupa Arabia	375.3	228.3	64.4	291.0	29.0
Chemanol	27.6	74.1	-62.8	92.2	-70.1
Al-EtiHAD	29.0	9.7	197.9	1.5	NM
Aslak	3.0	8.1	-63.0	16.2	81.5
Al Hammadi	57.11	3.58	NM	65.1	-12.3
Dur Hospitality Co.	-6.0	-6.3	NM	-4.6	NM

## Market Analysis

- The Saudi Stock Exchange closed flat to 11,530.3. The value traded stood at SAR 7.0bn (up 19.4% over the previous day), while the advance-decline ratio stood at 63/137. The parallel market index decreased 1.2% to 19,366.1 points. The value traded stood at SAR 11.2mn (down 41.6% over the previous day). Most sectors in the main market ended in the red. Consumer Services and Utilities (up 1.2% and 1.0%, respectively) advanced the most; Diversified Financials and Retailing (down 2.1% and 1.6%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
DAR ALARKAN	13.28	5.4
SEERA	19.60	5.2
ATHEEB TELECOM	52.20	5.0
THEEB	72.70	3.9
EAST PIPES	46.50	3.3

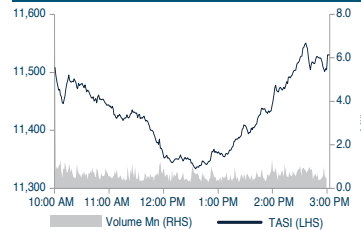
## Top Losers

Company	Price	Change%
TADCO	18.84	-6.6
GULF GENERAL	7.62	-5.7
RAYDAN	25.00	-5.5
ZAIN KSA	12.18	-5.0
ALSAGR INSURANCE	16.24	-4.4

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,530	11,554	11,333	0.0	2.2
NomuC	19,366	19,598	19,355	-1.2	-25.4

## TASI movement during session



## TASI Ratios

P/E* (x)	19.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2.3
Return on Equity (%)	27.8

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,804	-1.2	5.2	13.4
Materials	6,640	-0.8	-9.6	12.1
Capital Goods	6,170	-1.5	-18.2	20.8
Commercial Service	3,706	-0.7	-16.6	44.4
Transportation	4,788	0.5	-8.5	High
Consumer Durables	4,961	0.8	-21.9	Neg
Consumer Services	4,041	1.2	-12.9	High
Media	23,542	-1.2	1.2	25.8
Retailing	7,802	-1.6	-20.8	21.7
Food & Staples	9,675	-0.8	6.1	27.4
Food & Beverages	4,943	0.2	2.2	44.6
Healthcare	9,618	-0.2	31.5	46.9
Pharma & Bio Tech	3,397	-0.2	-34.6	Neg
Banks	13,065	0.9	6.9	19.2
Diversified Financial	7,566	-2.1	10.8	8.3
Insurance	5,678	-0.8	-5.2	Neg
Telecom	6,955	-1.3	-4.4	18.4
Utilities	8,223	1.0	38.6	16.3
REITs	4,148	-0.2	-10.0	22.9
Real Estate	2,849	0.9	-10.2	High
Software & Services	37,205	-1.0	29.8	35.5

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the October (bn)
11,614	11,789	11,690	5.29

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	21.8	630.5	1,279.30
Previous week	31.3	790.4	1,622.40

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	85.70	0.8
Saudi Aramco	34.40	-1.3
SNB	57.50	1.1
SABIC	86.40	-0.7
STC	39.85	-0.9

## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.7% and 0.2%, respectively. Kuwait and Qatar increased 0.3% each, while Egypt, Oman and Bahrain declined 1.7%, 0.4%, and 0.1%, respectively.
- The US Federal Reserve increased interest rates by another 75 bps with the federal funds rate now ranging between 3.75% to 4.0%, the highest since FY08. (Source: CNBC)
- According to EIA, oil inventories in the US fell 3.1mn barrels (prior: up 2.6mn) to 436.8mn in the week ended October 28. Gasoline inventories decreased 1.3mn barrels (prior: down 1.5mn) to 206.6mn, while distillate inventories rose 0.4mn barrels (prior: up 0.2mn) to 106.8mn. (Source: EIA, Econoday)
- Eurozone manufacturing PMI declined to 46.4 in October from 48.4 in the previous month, indicating continued contraction in the manufacturing activity. Output and new orders decreased during the month, while export demand declined sharply due to geopolitical uncertainty, high inflation and weaker economic conditions. (Source: RTT News)
- Oil prices gained 1.6% driven by a decline in US oil inventories and increased activity at US refineries ahead of the winter heating season.
- Gold prices fell 0.8% due to stronger US dollar and increase in treasury yields.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	111.35	-0.1	-0.2	16.4
Euro	0.98	-0.6	-0.6	-13.6
Japanese Yen	147.90	-0.2	-0.5	28.5
Sterling Pound	1.14	-0.8	-0.7	-15.8
Chinese Yuan	7.34	0.5	0.1	15.5
Indian Rupee	82.79	0.1	0.0	11.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.69	0.0	0.0	0.3
Kuwaiti Dinar	0.31	0.0	0.0	2.4
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.09	-0.5	-0.3	53.3

## Corporate Calendar

Date	Company	Event
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
20 <sup>th</sup> Nov	TECO	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,349	0.7	0.5	4.8	9.7
Abu Dhabi (ADX)	10,433	0.2	0.2	22.9	19.7
Kuwait (KSE)	5,540	0.3	0.9	-5.9	8.7
Qatar (QE)	12,427	0.3	0.1	6.9	13.8
Oman (MSM)	4,374	-0.4	0.2	5.9	12.1
Bahrain (BSE)	1,862	-0.1	-0.1	3.6	7.1
Egypt (EGX30)	11,242	-1.7	-1.1	-5.9	5.9

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,148	-1.5	-1.8	-11.5	18.4
Nasdaq	10,906	-3.4	-4.4	-33.2	22.5
S&P 500	3,760	-2.5	-2.9	-21.1	18.2
FTSE 100	7,144	-0.6	0.7	-3.3	12.4
Germany DAX 30	13,257	-0.6	0.0	-16.5	12.8
France CAC 40	6,277	-0.8	0.2	-12.2	12.9
Japan Nikkei 225	27,663	-0.1	0.3	-3.9	27.1
Russia MOEX	2,174	-0.0	0.3	-42.6	3.7
Hong Kong Hang Seng	15,827	2.4	7.8	-32.4	5.9
South Korea KOSPI	2,337	0.1	1.9	-21.5	10.4
China Shanghai Composite	3,003	1.2	3.8	-17.5	13.4
Australia ASX 200	6,987	0.1	1.8	-6.2	14.0
India Sensex	60,906	-0.4	0.3	4.6	22.2
MSCI EM	873	0.6	2.9	-29.1	9.8
MSCI World	2,500	-1.8	-1.9	-22.6	16.0

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	97.12	0.1	1.5	22.7
Brent Crude (\$/bbl)	96.16	1.6	1.4	21.2
Texas crude (\$/bbl)	90.00	1.8	4.0	16.9
Natural Gas (\$/mmbtu)	6.27	9.7	-1.4	69.8
Gold (\$/oz)	1,635.24	-0.8	0.1	-9.9
Silver (\$/oz)	19.23	-2.0	0.3	-16.6
Steel (\$/ton)	676.00	-4.7	-5.2	-52.6
Iron Ore (CNY/MT)	649.00	1.2	-2.3	-5.4
Wheat (\$/bu)	846.00	-6.3	-4.1	8.6
Corn (\$/bu)	687.50	-1.5	-0.6	26.0
Sugar (\$/lb)	18.47	0.2	2.8	1.2
SMP* (EUR/MT)	3,240.00	-0.7	0.5	-3.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.85	2.7	9.4	415.0
KSA (SAIBOR 3M)	5.65	2.4	5.1	474.4
KSA (SAIBOR 6M)	5.92	7.1	8.1	493.4
KSA (SAIBOR 12M)	6.33	2.5	6.5	526.7
USD (LIBOR 3M)	4.46	0.0	-0.1	424.5
UAE (EIBOR 3M)	4.26	31.5	3.3	390.0

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of November 02, 2022



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,530
Short-term view	Cautious
52 weeks high/low	13,949 – 10,600

## Market data

Exchange Market Cap. (SARbn)	10,570.2
Value (SARmn)	6,994.0
Volume (mn)	198.7
Number of Transactions	385,364
Market Breadth	63 : 137

## Key statistics

1D return %	0.00%
WTD return %	-1.53%
QTD return	1.10%
YTD return	2.20%
ADT vol. 3M* (mn)	152.9
ADT val. 3M (SARmn)	5,893.4

ADT stands for Average Daily Traded \*

## TASI market commentary

- The TASI ended yesterday's session on a flat note, while the index was supported by the top heavyweights such as Banks ( up 0.94% D/D) and Utilities (up 0.98% D/D) stocks, it was offset by the decline of almost all other sectors. At close, the Saudi market ended the day at 11,530. In terms of activity, total volumes and value traded were ~199mn and ~SAR 7.0bn respectively. The advance-decline ratio came in at 63/137.

## Technical outlook

- The TASI closed the trading session on a flat note. The index opened gap down and slid lower until the middle session testing an intraday low of around 11,330. However, the index managed to rebound and recoup almost all its losses in the last trading session after reaching its previous bottom near 11,330 in October, as buyers stepped in and pushed the price higher. Moreover, the index developed a hammer candle on the daily charts, showing signs of a possible short reversal. However, the index still looks weak as its trading below the support of its ascending trendline and also below both the 10-day and 20-day moving averages, but a short relief rally cannot be denied. Meanwhile, the index has immediate resistance near the 11,560 level, any penetration above it could result in a short rally, and the index may move higher to test the 11,690 level. On the flip side, the index has support near 11,470, below which the index can dip lower to re-test the 11,330 level.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,268	11,330	11,469	11,539	11,628	11,690	11,732



Source: Bloomberg, Argaam

## TASI daily chart

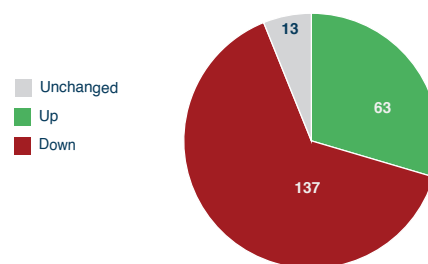


Source: Tradingview, Tadawul, AlJazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
1150	Alinma Bank	38.00	37.65-38.00	38.75	39.70	37.20

\* As of 2<sup>nd</sup> November 2022

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

## CHARTS OF THE WEEK

## Technical observations

**ALINMA** penetrated above its triangle resistance yesterday, indicating bullish signs. Moreover, the stock is gradually moving higher over the past few days showing strength. Furthermore, the RSI line is also moving up. We recommend buying the stock in a range of SAR 37.65 – 38.00, for a target of SAR 38.75 followed by SAR 39.70, with a strict stop loss of SAR 37.20 on a closing basis.

## Alinma Bank (ALINMA)



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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