

Major Economic News

- The Saudi Cabinet will meet on December 7, to review and approve the state budget for the new fiscal year FY23. The Ministry of Finance had previously released the pre-budget statement for fiscal year FY23. It forecasted SAR 1.12tn in public revenue in FY23, SAR 1.114tn in expenditures, and a surplus of SAR 9.0bn. (Source: Argaam)
- Crown Prince Mohammed bin Salman bin Abdulaziz, Prime Minister and Chairman of the NEOM Company, Mohammed bin Salman, announced the development of Sindalah, NEOM's first luxury island destination which will support Saudi Arabia's national tourism strategy. (Source: Argaam)
- The seasonally adjusted Riyadh Bank Saudi Arabia Purchasing Managers' Index (PMI), formerly the S&P Global Saudi Arabia PMI, accelerated to 58.5 points in November 2022 for the second straight month. (Source: Argaam)

Major Corporate News

- During the signing ceremony between Almarai and the Ministry of Environment, Water and Agriculture, Almarai announced to invest SAR 1.2bn to develop poultry hatchery production facilities in Sakaka, Al Jouf region. (Source: Argaam)
- Jarir Marketing Co. opened a new showroom on Sultana Road in Madinah to replace its previous showroom on Abu Bakr As Siddiq Street, near Al Qiblatain Mosque. The showroom is 4,540 sq. m. Saudis make up 51% of the total workforce in the new showroom and the total investment cost was SAR 28.0mn. (Source: Argaam)
- Middle East Paper Co. declared that it restored production capacity and operations at its Jeddah plant in Al Khumrah on December 1, a day ahead of the expected date of completion. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 2.8% to 10,419.2. The value traded stood at SAR 4.1bn (up 42.5% over previous day), while the advance-decline ratio stood at 21/190. The parallel market index decreased 0.1% to 18,797.0 points. The value traded stood at SAR 16.1mn (up 43.7% over previous day). All sectors in the main market ended in the red. Banks and Utilities (down 3.8% each) led the laggards.

Top Gainers

Company	Price	Change%
ATHEEB TELECOM	53.60	2.9
SIIG	20.50	2.1
THEEB	63.50	1.6
NCLE	65.70	1.6
AICC	10.86	1.5

Top Losers

Company	Price	Change%
ENAYA	10.34	-9.9
SARCO	78.30	-6.6
ALRAJHI TAKAFUL	81.10	-6.0
RIBL	32.10	-5.6
SULAIMAN ALHABIB	218.60	-5.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,419	10,738	10,419	-2.8	-7.6
NomuC	18,797	18,896	18,678	-0.1	-27.6

TASI movement during session



TASI Ratios

P/E* (x)	17.1
Price-to-Book (x)	2.1
Dividend Yield (%)	2.5
Return on Equity (%)	27.7

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,447	-2.2	-1.2	11.7
Materials	6,090	-1.6	-17.1	12.1
Capital Goods	5,435	-2.3	-28.0	16.0
Commercial Service	3,454	-2.5	-22.3	30.0
Transportation	4,538	-0.7	-13.3	High
Consumer Durables	4,418	-1.8	-30.4	Neg
Consumer Services	3,843	-1.5	-17.2	High
Media	21,989	-3.5	-5.4	23
Retailing	7,544	-1.2	-23.4	21.1
Food & Staples	8,943	-1.5	-2.0	19.1
Food & Beverages	4,617	-1.9	-4.5	38.4
Healthcare	8,929	-3.6	22.1	43.8
Pharma & Bio Tech	3,026	-3.2	-41.7	Neg
Banks	11,572	-3.8	-5.3	16.0
Diversified Financial	6,181	-2.1	-9.5	7.0
Insurance	5,088	-3.4	-15.1	High
Telecom	6,392	-2.5	-12.2	15.9
Utilities	6,516	-3.8	9.8	14.7
REITs	3,992	-0.5	-13.4	22.0
Real Estate	2,647	-2.4	-16.5	45.3
Software & Services	34,970	-1.6	22.0	32.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,723	10,799	11,029	5.08

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7.1	202.3	597.50
Previous week	24	588.5	1,520.10

Top Weighted Companies

Company	Price	Change%
Al Rajhi	77.00	-3.8
Saudi Aramco	32.30	-2.1
SNB	48.70	-3.0
SABIC	81.60	-2.6
STC	36.55	-1.9

Regional and International Markets

- Among other regional markets, Dubai increased 0.8%, while Abu Dhabi decreased 0.8%. Egypt and Oman increased 1.8% and 0.9%, respectively. Qatar declined 0.8% while Bahrain and Kuwait declined 0.1% each.
- US factory orders increased 1.0% M/M in October (consensus: 0.7% M/M) as compared to 0.3% M/M in September. (Source: Econoday)
- Eurozone retail sales declined 2.7% Y/Y in October (consensus: -2.8% Y/Y) as compared to remaining unchanged in September. On M/M basis, retail sales declined 1.8% in October (consensus: -1.7% M/M) versus 0.8% M/M in September. (Source: Econoday)
- Japan's household spending slowed to 1.2% Y/Y in October (consensus: 2.0% Y/Y) as compared to 2.3% Y/Y rise in September. On M/M basis, household spending increased by 1.1% in October (consensus: 1.0% M/M) versus rise of 1.8% M/M in September. (Source: Econoday)
- Oil prices declined by 3.4%, after US service sector data sparked concerns that the US Federal Reserve could continue its aggressive policy tightening course.
- Gold prices declined by 1.6%, as the US dollar rose on expectations that the Federal Reserve could accelerate rates hikes as a result of positive US economic data.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.39	-0.1	-1.5	9.1
Euro	1.05	-0.4	0.8	-7.7
Japanese Yen	136.75	1.8	-1.0	18.8
Sterling Pound	1.22	-0.7	1.1	-9.9
Chinese Yuan	6.98	-0.7	-1.0	9.7
Indian Rupee	81.80	0.6	0.5	10.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.68	0.0	0.0	0.1
Kuwaiti Dinar	0.31	0.1	-0.3	1.4
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.60	0.1	0.2	56.5

Corporate Calendar

Date	Company	Event
8 th Dec	Saudi Top for Trading	Close of offering
8 th Dec	Leen Alkhair Trading	Close of offering
11 th Dec	SAIC	EGM
12 th Dec	QACCO	Cash Dividend Distribution
12 th Dec	Alamar	Cash Dividend Distribution
13 th Dec	Petro Rabigh	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,352	0.8	0.8	4.9	9.4
Abu Dhabi (ADX)	10,465	-0.8	-0.8	23.3	18.9
Kuwait (KSE)	5,706	-0.1	0.4	-3.1	13.1
Qatar (QE)	11,924	-0.8	0.0	2.6	13.3
Oman (MSM)	4,663	0.9	1.1	12.9	11.8
Bahrain (BSE)	1,861	-0.1	-0.2	3.6	7.1
Egypt (EGX30)	14,328	1.8	8.1	19.9	6.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,947	-1.4	-1.9	-6.6	19.5
Nasdaq	11,787	-1.7	-2.0	-27.8	24.7
S&P 500	3,999	-1.8	-2.0	-16.1	19.3
FTSE 100	7,568	0.1	-0.1	2.5	14.0
Germany DAX 30	14,448	-0.6	0.4	-9.0	13.2
France CAC 40	6,697	-0.7	-0.6	-6.4	13.9
Japan Nikkei 225	27,820	0.2	-0.5	-3.4	18.9
Russia MOEX	2,208	1.3	1.6	-41.7	3.8
Hong Kong Hang Seng	19,518	4.5	5.0	-16.6	7.0
South Korea KOSPI	2,419	-0.6	-2.2	-18.8	11.3
China Shanghai Composite	3,212	1.8	1.9	-11.8	14.4
Australia ASX 200	7,326	0.3	0.6	-1.6	14.7
India Sensex	62,835	-0.1	-0.4	7.9	23.5
MSCI EM	984	1.1	1.2	-20.1	11.1
MSCI World	2,696	-1.3	-0.9	-16.6	17.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.01	0.1	0.8	8.6
Brent Crude (\$/bbl)	82.68	-3.4	-3.2	4.2
Texas crude (\$/bbl)	76.93	-3.8	-4.5	-0.1
Natural Gas (\$/mmbtu)	5.58	-11.2	-19.5	39.4
Gold (\$/oz)	1,768.68	-1.6	0.0	-2.5
Silver (\$/oz)	22.25	-3.8	0.3	-3.4
Steel (\$/ton)	666.00	-0.9	1.7	-53.3
Iron Ore (CNY/MT)	793.00	3.2	3.3	15.6
Wheat (\$/bu)	739.00	-2.9	-7.1	-5.3
Corn (\$/bu)	640.50	-0.9	-4.0	15.8
Sugar (\$/lb)	19.55	0.4	-0.4	7.1
SMP* (EUR/MT)	2,918.00	-0.3	-4.2	-13.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.58	9.0	19.6	387.8
KSA (SAIBOR 3M)	5.40	-4.9	-4.6	449.2
KSA (SAIBOR 6M)	5.72	1.4	-2.3	473.5
KSA (SAIBOR 12M)	6.02	-3.1	-3.4	496.3
USD (LIBOR 3M)	4.73	-3.2	-4.6	451.8
UAE (EIBOR 3M)	4.34	-13.9	-13.9	397.5

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of December 5, 2022



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,419
Short-term view	Cautious
52 weeks high/low	13,949 – 10,419

Market data

Exchange Market Cap. (SARbn)	9,830.8
Value (SARmn)	4,147.0
Volume (mn)	116.6
Number of Transactions	345,772
Market Breadth	21 : 190

Key statistics

1D return %	-2.84%
WTD return %	-3.73%
QTD return	-8.65%
YTD return	-7.65%
ADT vol. 3M* (mn)	134.7
ADT val. 3M (SARmn)	5,188.6

ADT stands for Average Daily Traded *

TASI market commentary

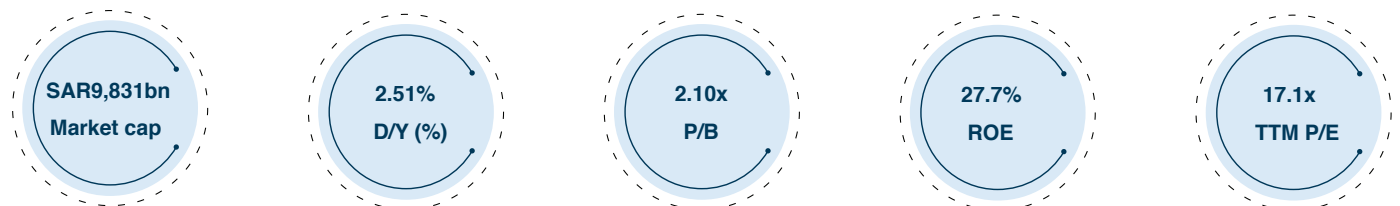
- The TASI fell on Monday, primarily due to weakness in Index heavyweights Banks (-3.78% D/D) and Telecommunication Services (-2.52% DD) stocks. At close, the Saudi market ended the day with a loss of -2.84% at 10,419. In terms of activity, total volumes and value traded were ~117mn and ~SAR 4.2bn respectively. The advance-decline ratio came in at 21/190.

Technical outlook

- TASI declined for the third consecutive session and fell around 305 points to close the trading session near the 10,400 mark. The index opened gap up but after testing an intraday high near the 10,740 level, slid lower on the back of heavy profit booking. Moreover, the index breached below its important support near the 10,600 level (November 21 low), and closed below it with a bearish marubozu candle, showing signs of weakness. Furthermore, the RSI line is moving down into negative territory, indicating caution. Meanwhile, the index has immediate support near the 10,330 level, below which the index can further pull down to test the 10,170 level. On the flip side, the index has resistance near the 10,600 level (November 21 low), any penetration above it could result in testing the 10,740 level. Meanwhile, traders are advised to exercise caution, as the index breached below its important support near 10,600. The expected target after breaking below the 10,600 level is between the 9,950 – 10,000 levels.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,028	10,167	10,330	10,599	10,736	10,799	10,957



Source: Bloomberg, Argaam

TASI daily chart

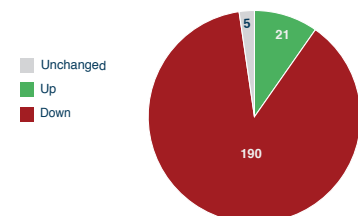


Source: Tradingview, Tadawul, AlJazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Ticker	Company	Close*	Buy range	Sell	Stop loss
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No stocks recommendations due to market volatility

* As of 6th December 2022

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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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