

Major Economic News

- The Ministry of Finance will hold the FY23 budget forum on December 11 and 12 at the King Abdullah Petroleum Studies and Research Center to announce the state's general budget for fiscal year FY23. According to the Deputy Minister of Communication and Media, approximately 30 speakers, including leaders, government, and private sector officials, will participate to discuss government performance in FY22. (Source: Argaam)
- On the sidelines of the Saudi Chinese Summit, the Ministry of Municipal, Rural Affairs, and Housing signed a MoU with the Metallurgical Corporation of China (MCC), SinoHydro-Sagarmatha Power Company (P) Ltd., China State Construction Engineering Corporation (CSCEC), and Overseas Development Co Ltd. to provide more than 100,000 residential units by creating partnerships with real estate developers and contractors and building factories for modern building technology. The total investments are expected to surpass SAR 10.5bn. (Source: Argaam)

Major Corporate News

- Saudi Aramco and Shandong Energy Group are considering collaborating on integrated refining and petrochemical opportunities in China. Saudi Aramco signed a MoU with Shandong Energy, which includes a potential crude oil supply agreement and a chemical products offtake agreement, bolstering Aramco's role in developing a thriving downstream sector in Shandong Province. (Source: Argaam)
- Saudi Basic Industries Corp. (SABIC) reached an agreement with Röhm GmbH to sell its functional forms business, as part of its move to focus on petrochemicals, agri-nutrients, and specialties. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.6% to 10,246.6 on Thursday. The value traded stood at SAR 4.2bn (up 14.3% over previous day), while the advance-decline ratio stood at 123/80. The parallel market index increased 0.2% to 18,767.0 points. The value traded stood at SAR 9.6mn (down 90.8% over previous day). Most sectors in the main market ended in the green. Materials and Healthcare (up 1.6% and 1.4%, respectively) advanced the most; Diversified Financials and Food & Staples (down 2.8% and 2.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAICO	12.94	9.9
ASTRA INDUSTRIAL	49.40	3.8
SABB	36.85	3.7
MAADEN	68.60	3.5
RETAL	121.00	3.4

Top Losers

Company	Price	Change%
TECO	21.20	-7.4
NAHDI	164.40	-5.5
TADAWUL GROUP	150.20	-4.6
ARABIAN DRILLING	107.40	-3.9
ATHEEB TELECOM	50.20	-3.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,247	10,309	10,089	0.6	-9.2
NomuC	18,767	18,944	18,691	0.2	-27.8

TASI movement during session



TASI Ratios

P/E* (x)	16.9
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	5,301	-1.0	-3.9	11.4
Materials	6,106	1.6	-16.9	12.2
Capital Goods	5,430	1.1	-28.0	16
Commercial Service	3,494	0.5	-21.4	30.3
Transportation	4,609	0.8	-12.0	High
Consumer Durables	4,378	0.8	-31.0	Neg
Consumer Services	3,790	-0.5	-18.3	High
Media	22,226	0.2	-4.4	23.3
Retailing	7,485	0.3	-24.0	20.9
Food & Staples	8,597	-2.4	-5.7	18.2
Food & Beverages	4,584	0.8	-5.2	38.2
Healthcare	8,824	1.4	20.6	43.4
Pharma & Bio Tech	3,074	1.4	-40.8	Neg
Banks	11,231	1.0	-8.1	15.5
Diversified Financial	5,864	-2.8	-14.1	6.6
Insurance	5,082	0.8	-15.2	High
Telecom	6,362	0.8	-12.6	15.9
Utilities	6,589	0.9	11.1	14.8
REITs	3,958	0.1	-14.2	21.9
Real Estate	2,645	0.1	-16.6	45.3
Software & Services	35,315	-1.0	23.2	32.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for December (bn)
10,404	10,603	10,848	4.13

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	19.9	564.2	1,502.40

Top Weighted Companies

Company	Price	Change%
Al Rajhi	75.00	1.4
Saudi Aramco	31.40	-1.1
SNB	46.90	1.3
SABIC	81.50	1.9
STC	36.55	1.5

Regional and International Markets

- Among other regional markets, Dubai increased 0.3% and while Abu Dhabi decreased 0.2%. Oman, Egypt, and Qatar increased 1.3%, 0.3% and 0.2%, respectively. Meanwhile, Kuwait and Bahrain declined 0.4% and 0.1%, respectively.
- According to Baker Hughes, North America's rig count rose to 982 from 979 earlier in the week ended December 9. The rig count declined to 780 in the US from 784 earlier and rose to 18 from 17 in the Gulf of Mexico. The rig count in Canada increased to 202 from 195 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims increased to 230,000 (consensus: 228,000) in the week ended December 3, representing an increase of 4,000 from the previous week's revised level of 226,000. (Source: Econoday)
- US consumer sentiment rose to 59.1 in December as compared to 56.8 in November. (Source: Econoday)
- Oil prices edged lower by 0.1% on Friday, as supply concerns following weak economic data from China, Europe, and the United States were overshadowed by mounting recession fears.
- Gold prices rose 0.5%, despite the uptick in the US dollar and bond yields as some investors still believed that the US Federal Reserve will limit the rate of rate increases staring early next year.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.81	0.0	-1.1	9.6
Euro	1.05	-0.2	1.3	-7.3
Japanese Yen	136.56	-0.1	-1.1	18.7
Sterling Pound	1.23	0.2	1.7	-9.4
Chinese Yuan	6.96	0.0	-1.2	9.6
Indian Rupee	82.28	-0.2	1.0	10.7
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.0	-0.1	0.0
Kuwaiti Dinar	0.31	-0.1	-0.4	1.4
Omani Rial	0.38	0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.60	0.0	0.2	56.5

Corporate Calendar

Date	Company	Event
11 th Dec	SAIC	Ex-bonus Date
11 th Dec	SAIC	EGM
11 th Dec	TECO	Start of IPO
12 th Dec	QACCO	Cash Dividend Distribution
12 th Dec	TECO	End of the subscription period
12 th Dec	AICC	Start of rights issue and subscription to new shares

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,325	0.3	0.0	4.0	9.3
Abu Dhabi (ADX)	10,252	-0.2	-2.9	20.8	18.5
Kuwait (KSE)	5,637	-0.4	-0.8	-4.2	13
Qatar (QE)	11,489	0.2	-3.7	-1.2	12.8
Oman (MSM)	4,784	1.3	3.7	15.9	12
Bahrain (BSE)	1,855	-0.1	-0.5	3.2	7.1
Egypt (EGX30)	14,838	0.3	11.9	24.2	7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,476	-0.9	-3.2	-7.9	19.3
Nasdaq	11,563	-0.6	-3.9	-29.1	24.1
S&P 500	3,934	-0.7	-3.6	-17.5	19.0
FTSE 100	7,477	0.1	-1.3	1.2	13.8
Germany DAX 30	14,371	0.7	-0.2	-9.5	13.1
France CAC 40	6,678	0.5	-0.9	-6.6	13.8
Japan Nikkei 225	27,901	1.2	-0.2	-3.1	18.9
Russia MOEX	2,178	-0.3	0.2	-42.5	3.7
Hong Kong Hang Seng	19,901	2.3	7.0	-14.9	7.2
South Korea KOSPI	2,389	0.8	-3.4	-19.8	11.3
China Shanghai Composite	3,207	0.3	1.8	-11.9	14.4
Australia ASX 200	7,213	0.5	-1.0	-3.1	14.6
India Sensex	62,182	-0.6	-1.5	6.7	23.4
MSCI EM	978	0.9	0.6	-20.6	11.0
MSCI World	2,663	-0.3	-2.1	-17.6	17.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.96	-1.1	-9.8	-2.8
Brent Crude (\$/bbl)	76.10	-0.1	-10.9	-4.1
Texas crude (\$/bbl)	71.02	-0.6	-11.8	-7.8
Natural Gas (\$/mmbtu)	6.25	4.7	-9.9	56.1
Gold (\$/oz)	1,797.32	0.5	1.6	-1.0
Silver (\$/oz)	23.47	1.8	5.8	1.9
Steel (\$/ton)	667.00	0.8	1.8	-53.3
Iron Ore (CNY/MT)	820.00	3.3	6.8	19.5
Wheat (\$/bu)	734.25	-1.6	-7.7	-6.0
Corn (\$/bu)	644.00	0.2	-3.4	16.5
Sugar (\$/lb)	19.60	-0.4	-0.2	7.3
SMP* (EUR/MT)	2,885.00	0.0	-5.3	-14.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.72	1.8	33.3	401.4
KSA (SAIBOR 3M)	5.23	-5.4	-21.7	432.2
KSA (SAIBOR 6M)	5.70	-2.7	-4.2	471.5
KSA (SAIBOR 12M)	5.94	0.6	-11.5	488.1
USD (LIBOR 3M)	4.73	-0.2	-4.5	451.9
UAE (EIBOR 3M)	4.48	-8.0	-0.3	411.1

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of December 9, 2022

Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,247
Short-term view	Cautious
52 weeks high/low	13,949 – 10,089

Market data

Exchange Market Cap. (SARbn)	9,602.0
Value (SARmn)	4,207.2
Volume (mn)	113.4
Number of Transactions	303,882
Market Breadth	123 : 80

Key statistics

1D return %	0.60%
WTD return %	-5.32%
QTD return	-10.16%
YTD return	-9.18%
ADT vol. 3M* (mn)	134.4
ADT val. 3M (SARmn)	5,141.7

*ADT stands for Average Daily Traded

TASI market commentary

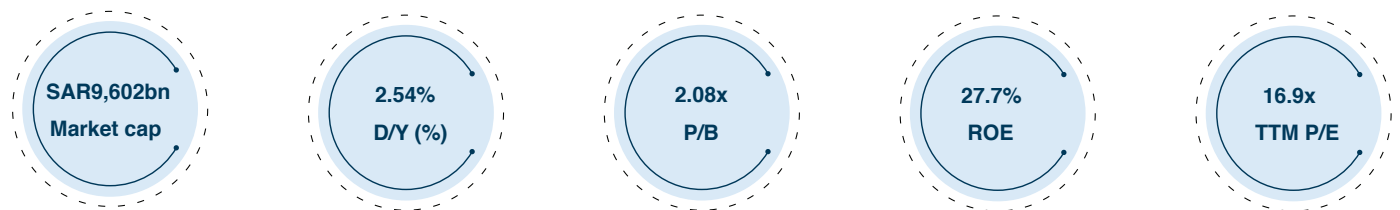
- The TASI rose on Thursday, primarily due to strength in Index heavyweights Materials (1.65% D/D) and Banks (0.96% DD) stocks. At close, the Saudi market ended the day with gains of 0.60% at 10,247. In terms of activity, total volumes and value traded were ~113mn and ~SAR 4.2bn respectively. The advance-decline ratio came in at 123/80.

Technical outlook

- TASI gained around 62 points to close the last trading session of the week near the 10,250 mark. The index after hitting yet another 52-week low near the 10,090 level, later rebounded and recouped all its losses, as buyers stepped in and pushed the price higher. Moreover, the index developed a spinning top candle on the daily chart on Thursday, indicating a possibility of a bullish reversal. However, an immediate green candle follow-through is required for confirmation. Meanwhile, the index has its immediate resistance near the 10,320 level, any penetration above it could result in a short rally and test the 10,400 level. On the flip side, the index has support near the 10,230 level, below which it can drag down further to test the 10,185 level, followed by a retest of its 52-week low near 10,090. Meanwhile, traders are advised to exercise caution, as the index is still trading below its previous support near 10,600, and the next main support in the short-run remains near the 9,950 – 10,000 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
9,952	10,089	10,185	10,231	10,321	10,404	10,467



Source: Bloomberg, Argaam

TASI daily chart



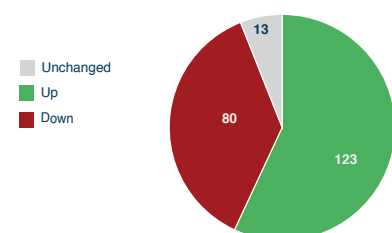
TradingView

Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
2081	Alkhowayef Water and Power Technologies Co.	142.60	142.40 – 142.70	144.00	141.20
8210	Bupa Arabia For Cooperative Ins. Co.	166.00	165.60 – 166.00	167.70	164.40
5110	Saudi Electricity Co.	23.50	23.45 – 23.50	23.70	23.30
1202	Middle East Paper Co.	29.05	28.95 – 29.05	29.35	28.75
8020	Malath Cooperative Insurance Co.	11.10	11.09 – 11.11	11.20	11.00
2281	Tanmiah Food Co.	105.20	105.00 – 105.20	106.20	104.20

*As of 8th December 2022

*Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

AWPT penetrated above its 10-day moving average on Thursday and is now likely to move higher and test its upper trendline resistance. Moreover, all technical indicators support this bullish view.

Alkhowayef Water and Power Technologies Co. (AWPT)



Source: Tradingview, AlJazira Capital

Technical observations

BUPA ARABIA developed a reversal candle right at its support, indicating a possibility of a rebound. Moreover, the RSI line is near its oversold territory.

Bupa Arabia For Cooperative Insurance Co. (BUPA ARABIA)



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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