

Major Economic News

- The PIF announced acquisition of up to 9.5% of Skyborn Renewables (Skyborn), a leading offshore wind developer and operator, alongside Global Infrastructure Partners (GIP), the global, independent infrastructure investment fund. (Source: Argaam)
- Mortgage loans provided to retail and corporate clients by commercial banks in Saudi Arabia increased 24.0% Y/Y to nearly SAR 662.7bn in Q3-22 from SAR 533.4bn. Loans to retail clients, accounting for 80.0% of total mortgage loans, increased 28% Y/Y to c.SAR 529.6bn in Q3-22. (Source: Argaam)
- Saudi Industrial Development Fund (SIDF) assessed the financial impact of the funds injected by the fund in the Saudi economy since inception and mentioned that every SAR 1.0bn spent by the fund boosted GDP by SAR 2.2bn and led to SAR 1.3bn exports. (Source: Argaam)

Major Corporate News

- Saudi Aramco has begun talks with potential backers for its USD 110.0bn Jafurah gas development. As part of the plans, Aramco approached private equity firms and other large funds that invest in infrastructure, which could offer stakes in assets such as carbon capture and storage projects, pipelines, and hydrogen plants. (Source: Argaam)
- Saudi Home Loans received SAMA's non-objection to amend the company's license to include small and medium-sized enterprises and personal financing activities, in addition to the existing real estate financing. (Source: Argaam)
- The board of directors of Saudi British Bank approved the repurchase of up to 1.0mn ordinary shares to be allocated for the long-term employee stock incentive plan. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 1.0% to 10,033.2. The value traded stood at SAR 5.9bn (up 94.6% over previous day), while the advance-decline ratio stood at 55/159. The parallel market index increased 0.3% to 18,587.8 points. The value traded stood at SAR 43.3mn (up 261.6% over previous day). Most sectors in the main market ended in the red. Utilities and Healthcare (up 2.6% and 0.9%, respectively) were the only two gainers; Commercial Services and Consumer Durables (down 3.9% and 3.1%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
TANMIAH	103.40	5.9
BAHRI	27.75	3.5
EMAAR EC	8.35	3.3
ACWA POWER	142.00	2.9
DALLAH HEALTH	159.00	2.9

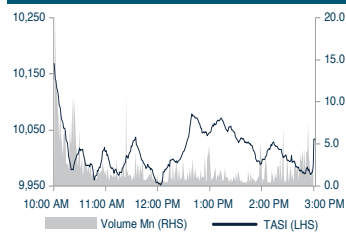
Top Losers

Company	Price	Change%
TECO	20.28	-10.0
TAPRCO	85.30	-9.9
GACO	15.52	-9.1
2P	138.80	-8.7
SAIC	26.00	-8.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,033	10,168	9,950	-1.0	-11.1
NomuC	18,588	18,588	18,391	0.3	-28.4

TASI movement during session



TASI Ratios

P/E* (x)	16.7
Price-to-Book (x)	2.1
Dividend Yield (%)	2.6
Return on Equity (%)	27.7

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,115	-1.8	-7.3	10.9
Materials	5,935	-0.8	-19.2	11.9
Capital Goods	5,175	-0.7	-31.4	15.4
Commercial Service	3,284	-3.9	-26.1	28.5
Transportation	4,420	-2.3	-15.6	High
Consumer Durables	4,092	-3.1	-35.5	Neg
Consumer Services	3,594	-3.0	-22.5	High
Media	21,445	-2.9	-7.8	22.3
Retailing	7,186	-2.8	-27.0	20
Food & Staples	8,327	-1.7	-8.7	17.6
Food & Beverages	4,505	-0.7	-6.8	37.7
Healthcare	8,797	0.9	20.3	43.4
Pharma & Bio Tech	2,937	-3.0	-43.4	Neg
Banks	11,039	-1.2	-9.7	15.3
Diversified Financial	5,700	-1.3	-16.5	6.5
Insurance	5,014	-0.9	-16.3	High
Telecom	6,243	-1.6	-14.2	15.7
Utilities	6,888	2.6	16.1	15.3
REITs	3,906	-1.9	-15.3	21.6
Real Estate	2,560	-0.3	-19.3	44
Software & Services	34,077	-1.4	18.9	31.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,210	10,466	10,734	4.22

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9	726.4	735.80
Previous week	19.9	564.2	1,502.40

Top Weighted Companies

Company	Price	Change%
Al Rajhi	72.10	-3.0
Saudi Aramco	30.25	-1.9
SNB	48.20	0.7
SABIC	79.90	-1.7
STC	36.25	-1.2

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi declined 0.2% and 0.9%, respectively. Oman and Egypt increased 1.4% and 0.9%, respectively. Meanwhile, Qatar, Kuwait and Bahrain declined 0.7%, 0.2% and 0.1%, respectively.
- UK's industrial production declined 2.4% Y/Y in October (consensus: fall of 2.7% Y/Y) as compared to 3.1% Y/Y in September. Manufacturing output declined 4.6% Y/Y in October (consensus: decline of 5.3% Y/Y) as compared to fall of 5.8% Y/Y in September. (Source: Econoday)
- UK's monthly GDP improved 0.5% M/M for October (consensus: 0.4% Y/Y) versus a contraction of 0.6% M/M in September. (Source: Econoday)
- China banks extended CNY 1.2tn in new yuan loans in November (consensus: CNY 1.4tn) however, improved from CNY 615.2bn in October. (Source: Econoday)
- Oil prices rose 2.5%, due to supply concerns as a major pipeline that supplied the US was shut down and Russia threatened to reduce production, even if China's easing COVID-19 restrictions improved the outlook for fuel demand.
- Gold prices edged lower 0.9%, as investors waited for US inflation statistics and the Federal Reserve's decision on a rate hike later this week.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.13	0.3	-0.8	9.9
Euro	1.05	0.0	1.3	-7.3
Japanese Yen	137.67	0.8	-0.3	19.6
Sterling Pound	1.23	0.1	1.7	-9.3
Chinese Yuan	6.99	0.4	-0.8	10.0
Indian Rupee	82.54	0.3	1.4	11.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.0	-0.2	-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	24.65	0.2	0.4	56.9

Corporate Calendar

Date	Company	Event
13 th Dec	Petro Rabigh	EGM
13 th Dec	AICC	End of subscription to new shares
13 th Dec	Saudi Top for Trading	Final allocation date
14 th Dec	Amlak	EGM
14 th Dec	Luberef	Start of offering
14 th Dec	ALDAWLIAH	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,317	-0.2	-0.2	3.8	9.3
Abu Dhabi (ADX)	10,155	-0.9	-3.8	19.6	18.3
Kuwait (KSE)	5,677	-0.2	-0.1	-3.6	13.1
Qatar (QE)	11,368	-0.7	-4.7	-2.2	12.7
Oman (MSM)	4,877	1.4	5.7	18.1	12.2
Bahrain (BSE)	1,853	-0.1	-0.6	3.1	7.1
Egypt (EGX30)	14,724	0.9	11.0	23.2	6.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,005	1.6	-1.7	-6.4	19.6
Nasdaq	11,706	1.2	-2.7	-28.3	24.4
S&P 500	3,991	1.4	-2.2	-16.3	19.3
FTSE 100	7,446	-0.4	-1.7	0.8	13.8
Germany DAX 30	14,307	-0.4	-0.6	-9.9	13.4
France CAC 40	6,651	-0.4	-1.3	-7.0	13.7
Japan Nikkei 225	27,842	-0.2	-0.5	-3.3	18.9
Russia MOEX	2,173	-0.2	-0.1	-42.6	3.7
Hong Kong Hang Seng	19,464	-2.2	4.7	-16.8	7.1
South Korea KOSPI	2,373	-0.7	-4.0	-20.3	11.2
China Shanghai Composite	3,179	-0.9	0.9	-12.7	14.2
Australia ASX 200	7,181	-0.4	-1.4	-3.5	14.6
India Sensex	62,131	-0.1	-1.5	6.7	23.4
MSCI EM	964	-1.5	-0.9	-21.8	10.9
MSCI World	2,684	0.8	-1.4	-17.0	17.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.53	-0.6	-10.3	-3.3
Brent Crude (\$/bbl)	77.99	2.5	-8.7	-1.7
Texas crude (\$/bbl)	73.17	3.0	-9.2	-5.0
Natural Gas (\$/mmbtu)	6.59	5.5	-4.9	64.6
Gold (\$/oz)	1,781.44	-0.9	0.7	-1.8
Silver (\$/oz)	23.31	-0.7	5.0	1.2
Steel (\$/ton)	670.00	0.4	2.3	-53.0
Iron Ore (CNY/MT)	806.00	-1.7	5.0	17.5
Wheat (\$/bu)	754.75	2.8	-5.1	-3.3
Corn (\$/bu)	654.00	1.6	-1.9	18.3
Sugar (\$/lb)	19.38	-1.1	-1.3	6.1
SMP* (EUR/MT)	2,898.00	0.5	-4.9	-13.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.61	-8.0	22.9	391.0
KSA (SAIBOR 3M)	5.26	-3.5	-18.9	435.0
KSA (SAIBOR 6M)	5.64	-2.8	-10.0	465.8
KSA (SAIBOR 12M)	5.88	-3.7	-17.7	481.9
USD (LIBOR 3M)	4.73	-0.2	-4.5	451.9
UAE (EIBOR 3M)	4.51	3.6	3.3	414.7

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of December 12, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,033
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SARbn)	9,334.9
Value (SARmn)	5,944.2
Volume (mn)	642.2
Number of Transactions	479,764
Market Breadth	55 : 159

Key statistics	
1D return %	-1.04%
WTD return %	-2.08%
QTD return	-12.03%
YTD return	-11.07%
ADT vol. 3M* (mn)	141.9
ADT val. 3M (SARmn)	5,127.5

*ADT stands for Average Daily Traded

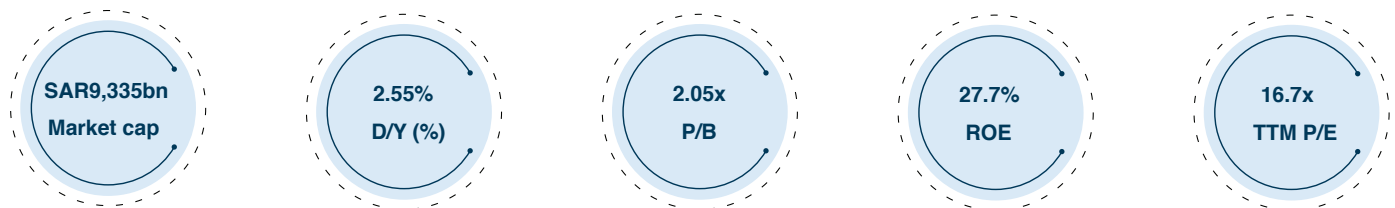
TASI market commentary

- The TASI declined on Monday, primarily due to weakness in Index heavyweights Energy (-1.82% D/D) and Telecommunication Services (-1.62% DD) stocks. At close, the Saudi market ended the day with a loss of -1.04% at 10,033. In terms of activity, total volumes and value traded were ~642mn and ~SAR 6.0bn respectively. The advance-decline ratio came in at 55/159.

Technical outlook

- TASI fell around 105 points to close the trading session below the 10,050 mark, recording its lowest close since April 2021. The index opened gap up near the 10,170 level but immediately slid lower on the back of selling pressure. However, the index has just reached the 50% retracement level of the prior major uptrend, along with the cluster of high probable Fibonacci levels for a medium/long-term turning point. Moreover, stochastic is trading near its laying inside its oversold zone which is a frequent pattern that coincided with most of the prior index's bottom. Meanwhile, the index has its next strong support near its 52-week low near the 9,950 level, where potential buying support is expected to appear. Besides, the value traded for the session approached SAR 6bn for the session, with an almost 95% increase in D/D basis that reflects the surplus of the demand near the 9,950 level. On the other hand, any sustained dip below the 9,950 level may witness heavy selling pressure, and the index may be driven down further to test the 9,680 level. Meanwhile, the immediate resistance is laying near the 10,080 level, above which the index can test the 10,240 level. Traders are advised to exercise cautious buying and keep a close eye on 9,950 as a stop loss level once a weekly close materialized below it.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
9,403	9,678	9,950	10,076	10,152	10,241	10,329



Source: Bloomberg, Argaam

TASI daily chart

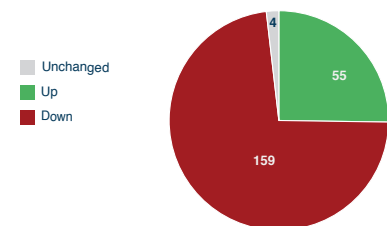


Source: TradingView, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

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

* As of 13th 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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