

## Major Economic News

- OPEC maintained its global oil demand forecasts for FY22 and FY23, citing optimism about China's lifting of lockdown restrictions. The group of oil producers said in its monthly report that it still expects global oil demand to rise by about 2.5mn bpd this year, and that it expects demand to rise by 2.2mn bpd in FY23. (Source: Argam)
- Saudi ports reported a 8.0% Y/Y increase in containers handled to 631,200 twenty-foot equivalent units (TEUs) in November 2022, compared to 582,800 TEUs in November 2021. (Source: Argam)
- Saudi Arabia's international reserve assets rose by SAR 29.5bn or 2% M/M to SAR 1.77tn in November. On Y/Y basis, the reserve assets grew 2.0% or SAR 28.5bn. (Source: Argam)

## Major Corporate News

- Raom Trading Co. signed a Shariah-compliant credit facility agreement worth SAR 30.0mn with Bank AlJazira. The financing is aimed at expanding the company's investments and will mature on December 7, 2023. (Source: Argam)
- Alinma Tokio Marine Co. and Arabian Shield Cooperative Insurance Co. signed a non-binding MoU on a potential merger. Both companies will conduct operational, technical, financial, legal, and actuarial due diligence and enter into non-binding talks on the terms and conditions of the potential merger. (Source: Argam)
- Saudi Electricity Co. (SEC) signed two contracts worth SAR 2.7bn to supply and install 60,000 smart equipment in the Kingdom's electricity distribution network. (Source: Argam)
- Al Moammar Information Systems Co. (MIS) signed a contract for the supply and installation of server infrastructure with Saudi Electricity Co., worth SAR 40.0mn. (Source: Argam)

## Market Analysis

- The Saudi Stock Exchange increased 1.9% to 10,221.1. The value traded stood at SAR 5.6bn (down 5.1% over previous day), while the advance-decline ratio stood at 178/34. The parallel market index decreased 0.2% to 18,541.8 points. The value traded stood at SAR 58.3mn (up 34.5% over previous day). Most sectors in the main market ended in the green. Banks and Diversified Financials (up 3.4% and 3.1%, respectively) advanced the most; Media and Retailing (down 0.7% and 0.6%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
AMERICANA	3.08	12.4
TANMIAH	113.60	9.9
ARABIAN DRILLING	111.80	9.6
NAMA CHEMICALS	33.85	8.3
TCC	15.20	8.1

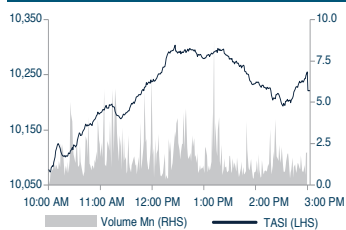
## Top Losers

Company	Price	Change%
TAPRCO	76.80	-10.0
A.OTHAIM MARKET	103.00	-3.9
GULF UNION ALAHLIA	8.43	-3.1
MAADEN	67.00	-2.8
BONYAN REIT	9.58	-2.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,221	10,304	10,067	1.9	-9.4
NomuC	18,542	18,685	18,497	-0.2	-28.6

## 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: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,189	1.4	-5.9	11.1
Materials	5,988	0.9	-18.5	12
Capital Goods	5,247	1.4	-30.5	15.5
Commercial Service	3,322	1.2	-25.2	28.9
Transportation	4,485	1.5	-14.3	High
Consumer Durables	4,152	1.4	-34.6	Neg
Consumer Services	3,655	1.7	-21.2	High
Media	21,301	-0.7	-8.4	22.2
Retailing	7,144	-0.6	-27.4	19.9
Food & Staples	8,441	1.4	-7.5	18
Food & Beverages	4,513	0.2	-6.7	37.8
Healthcare	8,786	-0.1	20.1	43.4
Pharma & Bio Tech	2,971	1.2	-42.8	Neg
Banks	11,416	3.4	-6.6	15.8
Diversified Financial	5,875	3.1	-14.0	6.6
Insurance	5,099	1.7	-14.9	High
Telecom	6,256	0.2	-14.0	15.8
Utilities	6,880	-0.1	16.0	15.3
REITs	3,938	0.8	-14.6	21.7
Real Estate	2,582	0.9	-18.6	47
Software & Services	34,891	2.4	21.8	32

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,165	10,413	10,685	4.38

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.6	1,260.80	1,159.40
Previous week	19.9	564.2	1,502.40

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	75.00	4.0
Saudi Aramco	30.65	1.3
SNB	49.50	2.7
SABIC	81.00	1.4
STC	36.60	1.0

## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.5% and 1.0%, respectively. Egypt and Oman increased 2.9% and 0.4%, respectively. Qatar, Kuwait and Bahrain declined 1.6%, 0.3% and 0.1%, respectively.
- US consumer prices increased 7.1% Y/Y in November (consensus: rise by 7.3% Y/Y) versus rise of 7.7% Y/Y in October. Excluding food and energy prices increased 6.0% Y/Y in November (consensus: rise by 6.0% Y/Y) as compared to rise of 6.3% Y/Y. (Source: Econoday)
- UK ILO unemployment rate increase to 3.7% in November (consensus: 3.6%) as compared to 3.6% in October. Jobless claims increased by 30,500 on the month in November (consensus: 4,000) versus decline of 6,400 in October. (Source: Econoday)
- Japan machinery orders increased 0.4% Y/Y in October (consensus: 2.3% Y/Y) versus increase of 2.9% Y/Y in September. (Source: Econoday)
- Oil prices rose 3.4%, as investors piled into risky assets in response to US data that indicated slowing inflation.
- Gold prices rose 1.6%, as predictions for a halt in US Federal Reserve rate hikes were reinforced by data indicating a smaller-than-expected increase in US consumer prices.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.98	-1.1	-1.9	8.7
Euro	1.06	0.9	2.2	-6.5
Japanese Yen	135.59	-1.5	-1.8	17.8
Sterling Pound	1.24	0.8	2.6	-8.6
Chinese Yuan	6.96	-0.4	-1.2	9.5
Indian Rupee	82.81	0.3	1.7	11.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.0	-0.1	0.0
Kuwaiti Dinar	0.31	0.0	-0.3	1.5
Omani Rial	0.39	0.2	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.63	-0.1	0.3	56.7

## Corporate Calendar

Date	Company	Event
14 <sup>th</sup> Dec	Amlak	EGM
14 <sup>th</sup> Dec	Luberef	Start of offering
14 <sup>th</sup> Dec	ALDAWLIAH	Cash Dividend Distribution
14 <sup>th</sup> Dec	Alsaif Gallery	Final allocation date
14 <sup>th</sup> Dec	Alsaif Gallery	Surplus refund date
15 <sup>th</sup> Dec	Sipchem	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,300	-0.5	-0.7	3.3	9.2
Abu Dhabi (ADX)	10,050	-1.0	-4.8	18.4	18.1
Kuwait (KSE)	5,661	-0.3	-0.4	-3.8	13.1
Qatar (QE)	11,184	-1.6	-6.2	-3.8	12.5
Oman (MSM)	4,899	0.4	6.2	18.6	12.2
Bahrain (BSE)	1,852	-0.1	-0.7	3.1	7.1
Egypt (EGX30)	15,150	2.9	14.3	26.8	6.9

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,109	0.3	-1.4	-6.1	19.6
Nasdaq	11,834	1.1	-1.6	-27.5	24.7
S&P 500	4,020	0.7	-1.5	-15.7	19.4
FTSE 100	7,503	0.8	-0.9	1.6	13.9
Germany DAX 30	14,498	1.3	0.7	-8.7	13.5
France CAC 40	6,745	1.4	0.1	-5.7	13.9
Japan Nikkei 225	27,955	0.4	-0.1	-2.9	19.1
Russia MOEX	2,174	0.1	0.0	-42.6	3.7
Hong Kong Hang Seng	19,596	0.7	5.4	-16.2	7.2
South Korea KOSPI	2,372	-0.0	-4.0	-20.3	11.3
China Shanghai Composite	3,176	-0.1	0.8	-12.7	14.3
Australia ASX 200	7,203	0.3	-1.1	-3.2	14.7
India Sensex	62,533	0.6	-0.9	7.3	23.6
MSCI EM	965	0.2	-0.7	-21.7	10.9
MSCI World	2,715	1.2	-0.2	-16.0	17.4

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.52	5.2	-5.6	1.7
Brent Crude (\$/bbl)	80.68	3.4	-5.6	1.7
Texas crude (\$/bbl)	75.39	3.0	-6.4	-2.1
Natural Gas (\$/mmbtu)	6.94	5.3	0.1	73.3
Gold (\$/oz)	1,810.80	1.6	2.4	-0.2
Silver (\$/oz)	23.74	1.8	6.9	3.0
Steel (\$/ton)	665.00	-0.7	1.5	-53.4
Iron Ore (CNY/MT)	806.00	0.0	5.0	17.5
Wheat (\$/bu)	750.75	-0.5	-5.6	-3.8
Corn (\$/bu)	653.50	-0.1	-2.0	18.2
Sugar (\$/lb)	19.76	2.0	0.7	8.2
SMP* (EUR/MT)	2,892.00	-0.2	-5.1	-14.1

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.70	9.0	31.9	400.1
KSA (SAIBOR 3M)	5.23	-3.0	-21.9	432.0
KSA (SAIBOR 6M)	5.59	-5.4	-15.4	460.3
KSA (SAIBOR 12M)	5.87	-1.4	-19.1	480.5
USD (LIBOR 3M)	4.75	2.0	-2.6	453.8
UAE (EIBOR 3M)	4.55	3.4	6.7	418.1

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of December 13, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,221
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SARbn)	9,467.5
Value (SARmn)	5,641.5
Volume (mn)	534.4
Number of Transactions	423,683
Market Breadth	178 : 34

Key statistics	
1D return %	1.87%
WTD return %	-0.25%
QTD return	-10.38%
YTD return	-9.40%
ADT vol. 3M* (mn)	148.5
ADT val. 3M (SARmn)	5,146.7

\*ADT stands for Average Daily Traded

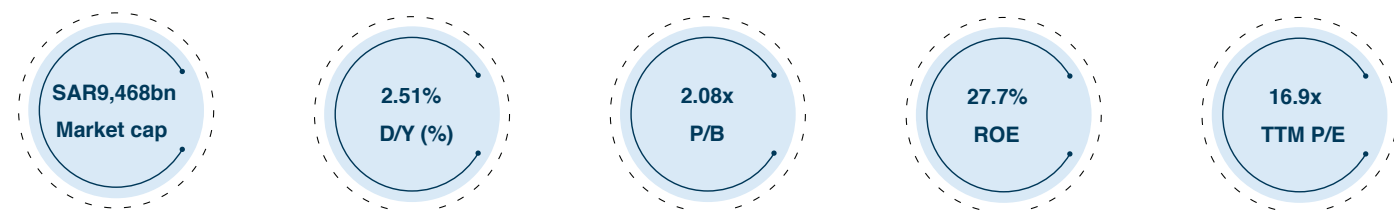
### TASI market commentary

- The TASI rose on Tuesday, primarily due to strength in Index heavyweights Banks (3.42% D/D) and Energy (1.44% DD) stocks. At close, the Saudi market ended the day with gains of 1.87% at 10,221. In terms of activity, total volumes and value traded were ~534mn and ~SAR 5.6bn respectively. The advance-decline ratio came in at 178/34.

### Technical outlook

- TASI gained around 188 points to close the trading session above the 10,200 mark. The index opened gap up and tagged an intraday high near the 10,300 level, but later slid lower trimming most of its gains on the back of profit-booking. Meanwhile, the index managed to rebound from its 50% retracement level of the prior major uptrend around the 9,950 level, showing bullish signs. Moreover, stochastic is showing a positive crossover from its oversold zone, indicating a possibility of a potential rally. Meanwhile, the index has its next resistance near the 10,310 level, any penetration above this level may result in a short rally, and the index can test its 10-day moving average near the 10,410 level on the daily chart. On the other hand, support is seen near the 10,140 level, below which the index can drag down further to test the 10,070 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
9,679	9,951	10,066	10,144	10,308	10,413	10,685



Source: Bloomberg, Argaam

### TASI daily chart



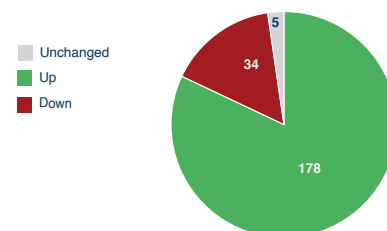
TradingView

Source: Tradingview, Aljazira Capital

### Our view



### Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
4220	Emaar The Economic City Co.	8.63	8.50 - 8.64	8.95	9.20	8.35
2350	Saudi Kayan Petrochemicals Co.	12.20	12.00 - 12.20	12.80	13.20	11.80
7030	Mobile Telecomm. Co. Saudi Arabia	10.28	10.18 - 10.28	10.60	10.80	10.05
2010	Saudi Basic Industries Corp.	81.00	80.50 - 81.00	84.25	86.10	79.00
2310	Sahara International Petrochemical Co.	33.20	32.60 - 33.20	34.20	36.10	31.90

\* As of 13<sup>th</sup> December 2022 \* Note – Stop loss is based on a closing basis and not on an intraday basis

## CHARTS OF THE WEEK

## Technical observations

**Emaar EC** yesterday penetrated above its descending trendline with a bullish marubazu candle, indicating positive signs. Moreover, the stock is trading above both its 10-day and 20-day moving averages, showing strength. Furthermore, the RSI line has shown a positive divergence. We recommend buying the stock in a range of SAR 8.50 – 8.64, for a target of SAR 8.95 followed by SAR 9.20, with a strict stop loss of SAR 8.35 on a closing basis.

## Emaar The Economic City Co. (EMAAR EC)



Source: Tradingview, AlJazira Capital

## Technical observations

**SAUDI KAYAN** yesterday managed to cross and close above its descending trendline resistance after a long consolidation, showing bullish signs. Moreover, the stock is trading above both its 10-day and 20-day moving averages, showing strength. Furthermore, the RSI is moving on the upside. We recommend buying the stock in a range of SAR 12.00 – 12.20, for a target of SAR 12.80 followed by SAR 13.20, with a strict stop loss of SAR 11.80 on a closing basis.

## Saudi Kayan Petrochemicals Co. (SAUDI KAYAN)



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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