

Major Economic News

- The Saudi Central Bank raised its reverse repo rate by 50bps to 4.5% from 4.0% and increased its repo rate by 50bps to 5.0% from 4.5% earlier. (Source: Argaam)
- The General Authority of Civil Aviation licensed SAL Saudi Logistics Services Co. to provide ground services, baggage and freight handling, passenger services, and aircraft towing at the Kingdom's airports. (Source: Argaam)
- The point-of-sale transactions reached SAR 11.1bn in the week ended December 10, compared to SAR 13.7mn in previous week. Data showed that a total of 153.1mn transactions were processed. (Source: Argaam)

Major Corporate News

- Red Sea International Co. signed a contract worth SAR 192.0mn with the Royal Commission for AIUla for the construction of an integrated housing complex in AIUla. (Source: Argaam)
- Rabigh Refining and Petrochemical Co. signed three MoUs with investors to establish manufacturing factories in the Rabigh PlusTech Park. (Source: Argaam)
- Saudi Aramco and SABIC Agri-Nutrients Co. announced that Lotte Fine Chemicals (LFC) received the world's first commercial shipment of 25,000 MT of independently certified clean (blue) ammonia. (Source: Argaam)
- Al Moammar Information Systems Co. (MIS) was awarded a project contract for the supply and installation of ICT & ELV systems with BK GCC Co. worth SAR 37.6mn. (Source: Argaam)
- Future Care Trading Co. completed the statutory procedures with the Ministry of Commerce to establish a wholly owned subsidiary, Aounak Medical Services Co. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.3% to 10,248.1. The value traded stood at SAR 5.2bn (down 7.9% over previous day), while the advance-decline ratio stood at 131/70. The parallel market index increased 0.5% to 18,641.2 points. The value traded stood at SAR 54.3mn (down 6.9% over previous day). Most sectors in the main market ended in the green. Healthcare and Diversified Financials (up 4.4% and 3.8%, respectively) advanced the most; Real Estate and Retailing (down 0.9% and 0.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MOUWASAT	193.00	6.9
SAUDI KAYAN	13.00	6.6
SOLUTIONS	247.20	6.3
ARABIAN DRILLING	118.80	6.3
TADAWUL GROUP	169.80	6.1

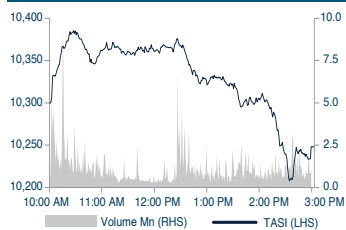
Top Losers

Company	Price	Change%
ALINMA TOKIO M	13.28	-9.9
ALBILAD	44.95	-4.9
TCC	14.62	-3.8
SALAMA	12.62	-3.4
TANMIAH	109.80	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,248	10,386	10,205	0.3	-9.2
NomuC	18,641	18,853	18,416	0.5	-28.2

TASI movement during session



TASI Ratios

P/E* (x)	17
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	5,244	1.1	-4.9	11.2
Materials	5,995	0.1	-18.4	12
Capital Goods	5,301	1.0	-29.7	15.7
Commercial Service	3,336	0.4	-24.9	29
Transportation	4,512	0.6	-13.8	High
Consumer Durables	4,162	0.3	-34.4	Neg
Consumer Services	3,669	0.4	-20.9	High
Media	21,464	0.8	-7.7	22.3
Retailing	7,109	-0.5	-27.8	19.8
Food & Staples	8,549	1.3	-6.3	18.2
Food & Beverages	4,567	1.2	-5.6	38.2
Healthcare	9,175	4.4	25.4	45.3
Pharma & Bio Tech	2,982	0.4	-42.6	Neg
Banks	11,371	-0.4	-7.0	15.8
Diversified Financial	6,098	3.8	-10.7	6.8
Insurance	5,182	1.6	-13.5	High
Telecom	6,278	0.4	-13.7	15.8
Utilities	6,870	-0.2	15.8	15.3
REITs	3,947	0.2	-14.4	21.8
Real Estate	2,559	-0.9	-19.3	46.5
Software & Services	36,143	3.6	26.1	33.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,177	10,348	10,643	4.46

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	19.8	1,608.70	1,569.20
Previous week	19.9	564.2	1,502.40

Top Weighted Companies

Company	Price	Change%
Al Rajhi	74.30	-0.9
Saudi Aramco	30.95	1.0
SNB	49.00	-1.0
SABIC	81.00	0.0
STC	36.75	0.4

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.3% and 0.1%, respectively. Egypt increased 1.5% while Bahrain and Kuwait increased 0.1% each. Meanwhile, Qatar and Oman declined 0.9% and 0.7%, respectively.
- US Federal Reserve raised its overnight interest rate by 50bps and lifted the target interest rates to the 4.25%-4.50% range. (Source: Econoday)
- According to EIA, oil inventories in the US increased 10.2mn barrels (prior: down 5.2mn) to 424.1mn in the week ended December 9. Gasoline inventories increased 4.5mn barrels (prior: up 5.3mn) to 223.6mn, while distillate inventories increased 1.4mn barrels (prior: up 6.2mn) to 120.2mn. (Source: EIA, Econoday)
- UK CPI increased 10.7% Y/Y in November (consensus: 10.9% Y/Y) slightly slower than rise of 11.1% Y/Y in October. (Source: Econoday)
- Oil prices rose 2.5%, after OPEC and the IEA predicted a recovery in demand over the course of the upcoming year.
- Gold prices fell 0.2%, as the US Federal Reserve signalled that interest rates will remain high moving into the new year and stated that it was early to consider rate cuts.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.77	-1.3	-2.1	8.5
Euro	1.07	1.4	2.7	-6.1
Japanese Yen	135.48	-1.6	-1.9	17.7
Sterling Pound	1.24	1.3	3.1	-8.2
Chinese Yuan	6.94	-0.7	-1.5	9.2
Indian Rupee	82.46	-0.1	1.3	10.9
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.1	-0.1	0.0
Kuwaiti Dinar	0.31	-0.1	-0.4	1.3
Omani Rial	0.38	0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.72	0.2	0.7	57.3

Corporate Calendar

Date	Company	Event
15 th Dec	Leen Alkhair Trading	Close of offering
15 th Dec	Salama	EGM
15 th Dec	Sipchem	Cash Dividend Distribution
15 th Dec	Saudi Top for Trading	Surplus refund date
18 th Dec	Luberef	Close of offering
18 th Dec	Nofoth	Start of IPO

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,311	0.3	-0.4	3.6	9.3
Abu Dhabi (ADX)	10,056	0.1	-4.7	18.5	18.1
Kuwait (KSE)	5,665	0.1	-0.3	-3.8	13.1
Qatar (QE)	11,080	-0.9	-7.1	-4.7	12.3
Oman (MSM)	4,866	-0.7	5.5	17.8	12.1
Bahrain (BSE)	1,854	0.1	-0.6	3.1	7.1
Egypt (EGX30)	15,378	1.5	16.0	28.7	7.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,966	-0.1	-1.8	-6.5	19.6
Nasdaq	11,741	0.3	-2.4	-28.1	24.5
S&P 500	3,995	0.1	-2.1	-16.2	19.3
FTSE 100	7,496	0.7	-1.0	1.5	13.8
Germany DAX 30	14,460	1.1	0.4	-9.0	13.5
France CAC 40	6,731	1.2	-0.1	-5.9	13.9
Japan Nikkei 225	28,156	1.1	0.7	-2.2	19.0
Russia MOEX	2,160	-0.6	-0.7	-43.0	3.7
Hong Kong Hang Seng	19,673	1.1	5.8	-15.9	7.0
South Korea KOSPI	2,399	1.1	-3.0	-19.4	11.2
China Shanghai Composite	3,177	-0.1	0.8	-12.7	14.2
Australia ASX 200	7,251	1.0	-0.5	-2.6	14.6
India Sensex	62,678	0.9	-0.7	7.6	23.4
MSCI EM	974	1.1	0.1	-21.0	11.0
MSCI World	2,705	0.8	-0.6	-16.3	17.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.8	6.9	-4.1	3.3
Brent Crude (\$/bbl)	82.7	6.0	-3.2	4.3
Texas crude (\$/bbl)	77.3	5.6	-4.1	0.4
Natural Gas (\$/mmbtu)	6.4	-2.4	-7.2	60.7
Gold (\$/oz)	1,807.3	1.5	2.2	-0.4
Silver (\$/oz)	23.9	2.7	7.9	3.9
Steel (\$/ton)	670.0	0.0	2.3	-53.0
Iron Ore (CNY/MT)	801.0	-0.6	4.4	16.8
Wheat (\$/bu)	749.3	-0.7	-5.8	-4.0
Corn (\$/bu)	650.5	-0.5	-2.5	17.6
Sugar (\$/lb)	20.3	4.7	3.4	11.1
SMP* (EUR/MT)	2,895.0	-0.1	-5.0	-14.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.64	-6.6	25.3	393.4
KSA (SAIBOR 3M)	5.19	-3.3	-25.1	428.7
KSA (SAIBOR 6M)	5.58	-0.5	-15.9	459.8
KSA (SAIBOR 12M)	5.84	-2.5	-21.6	478.0
USD (LIBOR 3M)	4.77	1.6	-1.0	455.5
UAE (EIBOR 3M)	4.54	-0.8	5.9	417.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of December 14, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,248
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SARbn)	9,545.9
Value (SARmn)	5,198.5
Volume (mn)	347.9
Number of Transactions	409,724
Market Breadth	131 : 70

Key statistics	
1D return %	0.26%
WTD return %	-0.01%
QTD return	-10.15%
YTD return	-9.16%
ADT vol. 3M* (mn)	151.8
ADT val. 3M (SARmn)	5,144.4

*ADT stands for Average Daily Traded

TASI market commentary

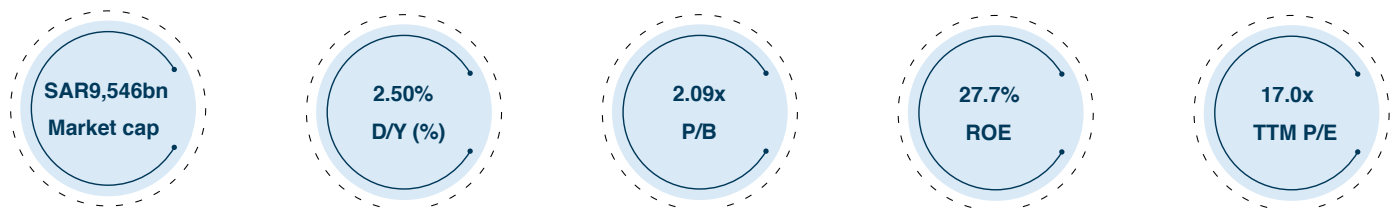
- The TASI gained on Wednesday, primarily due to strength in Index heavyweights Energy (1.05% D/D) and Telecommunication Services (0.35% DD) stocks. At close, the Saudi market ended the day with gains of 0.26% at 10,248. In terms of activity, total volumes and value traded were ~348mn and ~SAR 5.2bn respectively. The advance-decline ratio came in at 131/70.

Technical outlook

- TASI rose around 27 points to close the trading session near the 10,250 mark. The index momentarily moved above its 10-day moving average near 10,350 but failed to make any further headway above it, and later slid lower trimming most of its gains on the back of profit-taking. Moreover, the index developed an inverted hammer candle on the daily chart after hitting its 10-day moving average but needs another immediate bearish candle to confirm the negative reversal. Meanwhile, the stochastic is bouncing back from its oversold zone and is moving up, indicating a potential rally is still intact. Meanwhile, the index has its next resistance near the 10,285 level, any penetration above this level may witness a short reversal, and the index may test its 10-day moving average near the 10,350 level on the daily chart. On the other hand, support is seen near the 10,200 level, below which the index can pull 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
9,678	9,952	10,066	10,203	10,285	10,349	10,478



Source: Bloomberg, Argaam

TASI daily chart

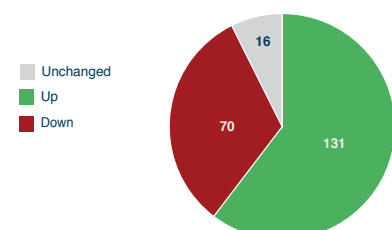


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
4007	Al Hammadi Holding	42.20	41.70-42.20	43.80	44.85	40.90
4163	Aldawaa Medical Services Co.	71.60	71.45-71.60	73.80	75.60	69.85

* As of 14th December 2022 * Note – Stop loss is based on a closing basis and not on an intraday basis

CHARTS OF THE WEEK

Technical observations

ALHAMMADI yesterday penetrated above its descending trendline with a bullish 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 is moving up. We recommend buying the stock in a range of SAR 41.70 – 42.20, for a target of SAR 43.80 followed by SAR 44.85, with a strict stop loss of SAR 40.90 on a closing basis.

Al Hammadi Holding Co. (ALHAMMADI)



Source: Tradingview, AlJazira Capital

Technical observations

ALDAWAA yesterday managed to cross and close above its descending trendline resistance and 20-day moving average, 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 71.45 – 71.60, for a target of SAR 73.80 followed by SAR 75.60, with a strict stop loss of SAR 69.85 on a closing basis.

Aldawaa Medical Services Co. (ALDAWAA)



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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