

## Major Economic News

- Saudi Minister of Tourism, Ahmed Al-Khateeb, said that the ministry allocated SAR 400.0mn to train and qualify 100,000 citizens to work in the local tourism sector. (Source: Argaam)

## Major Corporate News

- Saudi Aramco and TotalEnergies have taken the final investment decision for the construction of a petrochemical complex in Saudi Arabia. The complex will be integrated with SATORP refining facility in Jubail. The project involves an investment of around USD 11.0bn, of which USD 4.0bn will be funded through equity by Saudi Aramco (62.5%) and TotalEnergies (37.5%). Its construction is scheduled to begin during Q1-23 with commercial operation targeted to start in FY27. (Source: Argaam)
- The IPO of Alsaif Gallery successfully completed the retail offering. The company added that the offering was 2.69x oversubscribed. A minimum of 10 shares were allocated per individual subscriber. The remaining shares will be allocated pro-rata, with an allocation factor of 9.9%. (Source: Argaam)
- Nama Chemicals Co.'s subsidiary, Jubail Chemicals Co., signed contracts with a consortium, comprising Green Dimension Co. and Confident Engineering International Co., at a total value of SAR 56.5mn. Nama Chemicals said the deals, which will run for 18 months, will help cut operational expenditure and improve production efficiency. (Source: Argaam)
- Nofoth Food Products Co. set the price range for its IPO on Nomu-Parallel Market between SAR 135.0 and SAR 150.0 per share. The final offer price will be set after the completion of the book-building process, which will run from December 18-22. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.4% to 10,290.4 on Thursday. The value traded stood at SAR 6.7bn (up 28.9% over previous day), while the advance-decline ratio stood at 152/53. The parallel market index decreased 0.6% to 18,526.2 points. The value traded stood at SAR 10.7mn (down 80.2% over previous day). Most sectors in the main market ended in the green. Software & Services and Utilities (up 5.0% and 3.7%, respectively) advanced the most; Telecom and Media (down 0.9% and 0.7%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
NAMA CHEMICALS	36.90	8.7
ATHEEB TELECOM	48.25	7.5
ELM	352.60	5.9
TANMIAH	116.00	5.7
RETAL	125.80	5.5

## Top Losers

Company	Price	Change%
ALHAMMADI	40.15	-4.9
ALBILAD	42.80	-4.8
ALINMA TOKIO M	12.80	-3.6
MAADEN	65.10	-2.4
GULF UNION ALAHLIA	8.30	-2.4

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,290	10,295	10,182	0.4	-8.8
NomuC	18,526	18,700	18,434	-0.6	-28.7

## 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	5,259	0.3	-4.7	11.2
Materials	6,037	0.7	-17.8	12
Capital Goods	5,390	1.7	-28.6	16
Commercial Service	3,369	1.0	-24.2	29.3
Transportation	4,544	0.7	-13.2	High
Consumer Durables	4,180	0.4	-34.2	Neg
Consumer Services	3,699	0.8	-20.3	High
Media	21,313	-0.7	-8.3	22.3
Retailing	7,168	0.8	-27.2	20
Food & Staples	8,761	2.5	-4.0	18.5
Food & Beverages	4,616	1.1	-4.5	38.6
Healthcare	9,199	0.3	25.8	45.2
Pharma & Bio Tech	2,968	-0.4	-42.8	Neg
Banks	11,346	-0.2	-7.2	15.8
Diversified Financial	6,247	2.4	-8.5	6.9
Insurance	5,328	2.8	-11.1	High
Telecom	6,220	-0.9	-14.5	15.7
Utilities	7,126	3.7	20.1	15.8
REITs	3,961	0.3	-14.1	21.8
Real Estate	2,572	0.5	-18.9	47
Software & Services	37,967	5.0	32.5	35.1

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,186	10,295	10,600	4.67

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	26.5	1,840.40	1,919.60

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.40	-1.2
Saudi Aramco	31.05	0.3
SNB	49.45	0.9
SABIC	81.50	0.6
STC	36.30	-1.2

## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.4% and 1.6%, respectively. Egypt and Qatar declined 1.5% and 0.9%, respectively; while Kuwait and Oman fell 0.2% each. Meanwhile, Bahrain remained flat.
- According to Baker Hughes, North America's rig count decreased to 975 in the week ended December 16 from 982 earlier. The rig count fell to 776 in the US from 780 earlier, while declined to 15 in the Gulf of Mexico from 18 earlier. The rig count in Canada decreased to 199 from 202 earlier. (Source: Baker Hughes)
- US initial jobless claims fell to 211,000 (consensus: 230,000) in the week ended December 10, representing a decline of 20,000 from the previous week's revised level of 231,000. (Source: Econoday)
- The Bank of England raised its benchmark rate by 50 bps to 3.50%. The central bank signaled that more rate hikes might be needed to curb the inflation. The European Central Bank also raised the rates by 50 bps. (Source: RTT News)
- Oil prices plunged 2.7% on Friday due to recession concerns after major central banks indicated to continue to follow tight monetary policy.
- Gold prices rose 0.9%, as the softer US dollar supported recovery in demand for the yellow metal.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.70	0.1	-1.2	9.4
Euro	1.06	-0.4	1.7	-6.9
Japanese Yen	136.60	-0.9	-1.1	18.7
Sterling Pound	1.21	-0.2	0.7	-10.2
Chinese Yuan	6.98	-0.2	-1.0	9.8
Indian Rupee	82.87	0.1	1.8	11.5
UAE Dirham	3.67	0.0	-0.0	-0.0
Qatari Rial	3.67	-0.0	-0.3	-0.2
Kuwaiti Dinar	0.31	0.0	-0.3	1.4
Omani Rial	0.38	-0.0	-0.0	-0.0
Bahraini Dinar	0.38	0.0	0.0	-0.0
Egyptian Pound	24.68	0.0	0.5	57.1

## Corporate Calendar

Date	Company	Event
18 <sup>th</sup> Dec	Advanced	Cash Dividend Distribution
18 <sup>th</sup> Dec	Luberef	Close of offering
18 <sup>th</sup> Dec	Nofoth	Start of IPO
19 <sup>th</sup> Dec	ALHAMMADI	Cash Dividend Distribution
19 <sup>th</sup> Dec	RCGC	Listing date
19 <sup>th</sup> Dec	SRE	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,329	0.4	0.2	4.2	9.2
Abu Dhabi (ADX)	10,328	1.6	-2.1	21.7	18.3
Kuwait (KSE)	5,654	-0.2	-0.5	-4.0	13.1
Qatar (QE)	10,977	-0.9	-8.0	-5.6	12.3
Oman (MSM)	4,856	-0.2	5.3	17.6	12.1
Bahrain (BSE)	1,854	0.0	-0.6	3.2	7.1
Egypt (EGX30)	15,142	-1.5	14.2	26.7	7.2

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,920	-0.8	-4.8	-9.4	18.9
Nasdaq	11,244	-0.9	-6.5	-31.1	23.5
S&P 500	3,852	-1.1	-5.6	-19.2	18.6
FTSE 100	7,332	-1.3	-3.2	-0.7	13.5
Germany DAX 30	13,893	-0.7	-3.5	-12.5	13.0
France CAC 40	6,453	-1.1	-4.2	-9.8	13.3
Japan Nikkei 225	27,527	-1.9	-1.6	-4.4	18.6
Russia MOEX	2,133	0.3	-1.9	-43.7	3.6
Hong Kong Hang Seng	19,451	0.4	4.6	-16.9	7.0
South Korea KOSPI	2,360	-0.0	-4.6	-20.7	11.2
China Shanghai Composite	3,168	-0.0	0.5	-13.0	14.2
Australia ASX 200	7,149	-0.8	-1.9	-4.0	14.5
India Sensex	61,338	-0.7	-2.8	5.3	23.1
MSCI EM	957	-0.3	-1.5	-22.3	10.7
MSCI World	2,606	-1.2	-4.2	-19.4	16.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.53	-2.3	-4.4	3.0
Brent Crude (\$/bbl)	79.04	-2.7	-7.5	-0.4
Texas crude (\$/bbl)	74.29	-2.4	-7.8	-3.5
Natural Gas (\$/mmbtu)	6.60	-5.3	-4.8	65.0
Gold (\$/oz)	1,793.08	0.9	1.4	-1.2
Silver (\$/oz)	23.22	0.6	4.6	0.8
Steel (\$/ton)	675.00	-0.3	3.1	-52.7
Iron Ore (CNY/MT)	847.00	0.7	10.4	23.5
Wheat (\$/bu)	753.50	-0.5	-5.3	-3.5
Corn (\$/bu)	653.00	-0.1	-2.1	18.1
Sugar (\$/lb)	20.09	0.6	2.3	10.0
SMP* (EUR/MT)	2,918.00	1.1	-4.2	-13.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.89	25.1	50.3	418.5
KSA (SAIBOR 3M)	5.32	12.6	-12.6	441.3
KSA (SAIBOR 6M)	5.63	4.7	-11.3	464.5
KSA (SAIBOR 12M)	5.87	2.7	-18.9	480.7
USD (LIBOR 3M)	4.75	0.8	-3.3	453.1
UAE (EIBOR 3M)	4.59	11.6	11.1	422.5

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of December 16, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,290
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SARbn)	9,582.0
Value (SARmn)	6,702.1
Volume (mn)	231.7
Number of Transactions	350,473
Market Breadth	152 : 53

Key statistics	
1D return %	0.41%
WTD return %	0.43%
QTD return	-9.78%
YTD return	-8.79%
ADT vol. 3M* (mn)	153.5
ADT val. 3M (SARmn)	5,163.9

\*ADT stands for Average Daily Traded

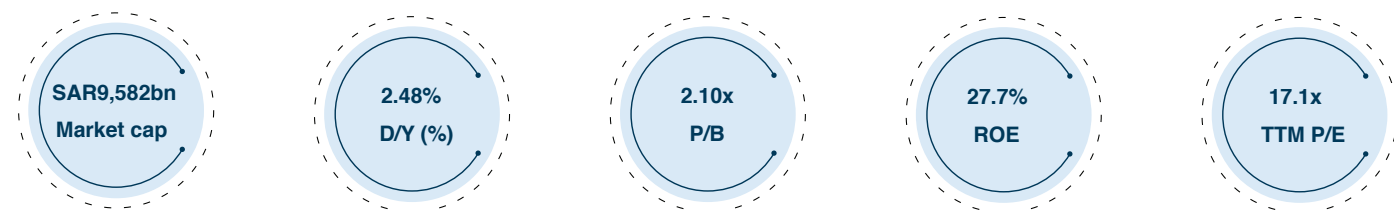
### TASI market commentary

- The TASI rose on Thursday, primarily due to strength in Index heavyweights Materials (0.70% D/D) and Energy (0.29% DD) stocks. At close, the Saudi market ended the day with gains of 0.41% at 10,290. In terms of activity, total volumes and value traded were ~232mn and ~SAR 6.7bn respectively. The advance-decline ratio came in at 152/53.

### Technical outlook

- TASI gained around 42 points to close the last trading session of the week near the 10,300 mark. The index opened gap down but immediately reversed and tagged an intraday high near 11,295. However, it witnessed profit booking and hit an intraday low near 10,180, before again rebounding to close at its day's high, as buyers stepped and pushed the price higher. Meanwhile, the index developed an inverted hammer candle on the daily chart on Wednesday, and developed a bullish candle on Thursday, negating any negative reversal signs. Moreover, the stochastic is moving up from its oversold zone, indicating the short reversal to be intact. Meanwhile, any penetration above its 10-day moving average near the 10,300 level, may result in a short rally and the index can test the 10,390 level. On the flip side, support is seen near the 10,240 level, below which the index can drag down further to test the 10,180 level. Traders are advised to exercise cautious buying and ride the current positive momentum, but also need to keep a close eye on 9,950 as a strict stop-loss level.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
9,952	10,088	10,181	10,239	10,296	10,388	10,452



Source: Bloomberg, Argaam

### TASI daily chart



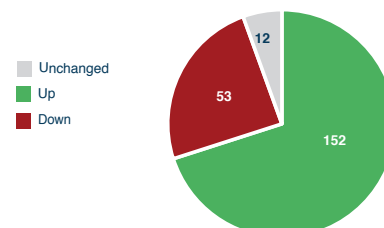
TradingView

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
1212	Astra Industrial Group	51.10	50.70-51.10	52.80	54.30	49.60

\* As of 15<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

**ASTRA INDUSTRIAL** penetrated above its channel trendline resistance on Thursday, indicating a positive sign. Moreover, the stock is trading above both its 10-day and 20-day moving averages, showing strength. Furthermore, the RSI line is moving up and is in the buy zone. We recommend buying the stock in a range of SAR 50.70 – 51.10, for a target of SAR 52.80 followed by SAR 54.30, with a strict stop loss of SAR 49.60 on a closing basis.

## Astra Industrial Group (ASTRA INDUSTRIAL)



Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

**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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