

## Major Economic News

- The value of Saudi Arabia's real estate transactions fell by 21.0% Y/Y to SAR 15.4bn in November 2022. The real estate deals decreased by SAR 2.9mn or 16.0% M/M). The number of the real estate transactions reached about 14,800 in November. (Source: Argaam)
- Saudi Arabia's General Organization for Social Insurance said a total of 9.4mn private-sector employees were registered in the social insurance scheme by the end of Q2-22, an increase of 7.0% Q/Q. (Source: Argaam)
- PIF is in talks to buy a stake worth about USD 250.0mn in Saudi Tabreed, the local venture of UAE's National Central Cooling Co., as per Bloomberg report. The transaction would give the PIF a significant equity in the district cooling company ahead of a planned IPO in the next two-to-three years. (Source: Argaam)
- NDMC completed receiving investor orders for its domestic issuance for December. The issuance size was set at SAR 4.7bn. (Source: Argaam)

## Major Corporate News

- Leejam Sports Co. announced the opening of a new Men Xpress Fitness Center in Riyadh. The center will operate with a 24-hour, low-cost operating model but without swimming pools. This is the 25th Xpress Fitness Center to be opened since the launch of Fitness Time Xpress in November 2020. The company noted that the related financial impact will appear as of Q4-22. (Source: Argaam)
- Saudi Aramco Base Oil Co. (Luberef) completed its retail offering and allocated a minimum of 10 shares per retail subscriber. The offering was covered 2.3x. (Source: Argaam)
- Alandalus Property Co.'s board of directors appointed Faisal Al-Nasser as CEO, starting from February 01, 2023. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.9% to 10,280.2. The value traded stood at SAR 4.3bn (up 5.5% over previous day), while the advance-decline ratio stood at 139/69. The parallel market index decreased 0.3% to 18,650.9 points. The value traded stood at SAR 32.8mn (up 229.6% over previous day). Most sectors in the main market ended in the green. Materials and Utilities (up 2.3% and 1.5%, respectively) advanced the most; Healthcare and Pharma & Bio Tech (down 1.1% and 0.8%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
RIYADH CABLES	41.15	8.9
SABIC AGRI-NUTRIENTS	144.40	6.2
BINDAWOOD	47.30	5.2
MIS	95.20	4.6
2P	173.80	4.3

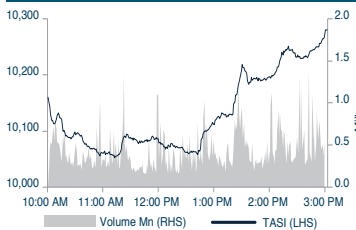
## Top Losers

Company	Price	Change%
TECO	16.08	-10.0
TAPRCO	65.00	-3.7
ANB	31.20	-3.3
BSFR	38.50	-3.1
ACIG	10.80	-3.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,280	10,280	10,051	0.9	-8.9
NomuC	18,651	18,716	18,466	-0.3	-28.2

## 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	5,249	0.2	-4.8	11.2
Materials	6,137	2.3	-16.4	12.3
Capital Goods	5,291	1.1	-29.9	23.3
Commercial Service	3,324	1.0	-25.2	28.8
Transportation	4,562	0.6	-12.8	High
Consumer Durables	4,202	0.1	-33.8	Neg
Consumer Services	3,694	-0.2	-20.4	46.9
Media	21,180	-0.1	-8.9	22.3
Retailing	7,157	0.7	-27.3	20
Food & Staples	8,669	-0.2	-5.0	18.5
Food & Beverages	4,630	0.4	-4.3	38.7
Healthcare	8,836	-1.1	20.8	43.3
Pharma & Bio Tech	2,905	-0.8	-44.0	Neg
Banks	11,319	1.1	-7.4	15.7
Diversified Financial	6,215	-0.6	-9.0	6.9
Insurance	5,228	0.5	-12.7	High
Telecom	6,195	0.2	-14.9	15.5
Utilities	7,162	1.5	20.7	15.7
REITs	3,972	-0.6	-13.9	21.9
Real Estate	2,540	0.9	-19.9	46.5
Software & Services	36,477	-0.7	27.3	33.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,251	10,208	10,479	4.47

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.2	418.10	933.90
Previous week	26.5	1,840.40	1,919.60

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	75.70	3.7
Saudi Aramco	31.00	0.2
SNB	47.85	-0.3
SABIC	86.00	2.9
STC	35.75	0.0

## Regional and International Markets

- Among other regional markets, Dubai increased 0.2%, while Abu Dhabi decreased 0.1%. Oman and Bahrain gained 0.3% and 0.2%, respectively. Egypt declined 1.5%, while Kuwait and Qatar fell 0.2% each.
- US housing starts declined 0.5% M/M to an annual rate of 1.427mn in November (1.415mn) compared to a fall of 2.1% to a revised rate of 1.434mn in October. The decrease in housing starts was led by 4.1% decline in single-family starts, while multi-family starts rose 4.9%. (Source: RTT News)
- Eurozone current account deficit eased to EUR 0.4bn in October versus EUR 8.1bn in September. This was the lowest current account deficit in eight months. (Source: RTT News)
- The Japanese government slashed its view on factory output citing slowing global semiconductor demand, but it kept its evaluation on the overall economy unchanged mentioning that the economy is "improving moderately". (Source: Reuters)
- Oil prices rose 0.2% due to weaker US dollar, partially offset by concerns over winter storm in the US impacting the travel season demand negatively.
- Gold prices gained 1.7%, as US dollar extended losses after the Bank of Japan's surprise policy shift strengthened the yen.

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.21	-0.5	-1.6	8.9
Euro	1.06	0.2	2.1	-6.6
Japanese Yen	131.73	-3.8	-4.6	14.5
Sterling Pound	1.22	0.3	1.0	-10.0
Chinese Yuan	6.96	-0.4	-1.2	9.5
Indian Rupee	82.76	0.1	1.6	11.3
UAE Dirham	3.67	0.0	-0.0	-0.0
Qatari Rial	3.67	-0.3	-0.3	-0.2
Kuwaiti Dinar	0.31	-0.1	-0.5	1.2
Omani Rial	0.38	-0.2	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	-0.0
Egyptian Pound	24.71	0.0	0.6	57.2

## Corporate Calendar

Date	Company	Event
22 <sup>nd</sup> Dec	SIIG	Cash Dividend Distribution
22 <sup>nd</sup> Dec	BUPA ARABIA	EGM
22 <sup>nd</sup> Dec	Luberef	Allocation Date
22 <sup>nd</sup> Dec	Saudi Top for Trading	Listing Date
22 <sup>nd</sup> Dec	Nofoth	Close of offering
26 <sup>th</sup> Dec	HCC	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,348	0.2	0.7	4.8	8.5
Abu Dhabi (ADX)	10,343	-0.1	-2.0	21.8	18.7
Kuwait (KSE)	5,616	-0.2	-1.2	-4.6	13
Qatar (QE)	10,964	-0.2	-8.1	-5.7	12.2
Oman (MSM)	4,818	0.3	4.4	16.7	12
Bahrain (BSE)	1,857	0.2	-0.4	3.3	7.1
Egypt (EGX30)	14,523	-1.5	9.5	21.5	7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,850	0.3	-5.0	-9.6	18.9
Nasdaq	11,072	-0.1	-8.0	-32.2	24.0
S&P 500	3,822	0.1	-6.3	-19.8	18.5
FTSE 100	7,371	0.1	-2.7	-0.2	13.7
Germany DAX 30	13,885	-0.4	-3.6	-12.6	12.8
France CAC 40	6,450	-0.4	-4.3	-9.8	13.3
Japan Nikkei 225	26,568	-2.5	-5.0	-7.7	17.8
Russia MOEX	2,119	-0.5	-2.5	-44.0	3.6
Hong Kong Hang Seng	19,095	-1.3	2.7	-18.4	6.9
South Korea KOSPI	2,333	-0.8	-5.6	-21.6	11.0
China Shanghai Composite	3,074	-1.1	-2.5	-15.6	13.8
Australia ASX 200	7,024	-1.5	-3.6	-5.6	14.4
India Sensex	61,702	-0.2	-2.2	5.9	23.7
MSCI EM	951	-0.7	-2.2	-22.8	10.6
MSCI World	2,593	0.3	-4.7	-19.8	16.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.69	-0.1	-4.2	3.2
Brent Crude (\$/bbl)	79.99	0.2	-6.4	0.8
Texas crude (\$/bbl)	76.09	1.2	-5.5	-1.2
Natural Gas (\$/mmbtu)	5.33	-9.0	-23.1	33.1
Gold (\$/oz)	1,817.94	1.7	2.8	0.2
Silver (\$/oz)	24.16	5.1	8.9	4.9
Steel (\$/ton)	670.00	-0.1	2.3	-53.0
Iron Ore (CNY/MT)	824.50	-0.5	7.4	20.2
Wheat (\$/bu)	750.50	0.3	-5.7	-3.9
Corn (\$/bu)	652.00	0.7	-2.2	17.9
Sugar (\$/lb)	20.58	2.2	4.8	12.7
SMP* (EUR/MT)	2,875.00	-0.9	-5.6	-14.6

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.84	3.8	45.4	413.6
KSA (SAIBOR 3M)	5.24	-1.3	-20.1	433.8
KSA (SAIBOR 6M)	5.64	1.1	-10.3	465.5
KSA (SAIBOR 12M)	5.87	2.0	-18.3	481.4
USD (LIBOR 3M)	4.74	0.0	-4.0	452.4
UAE (EIBOR 3M)	4.52	-15.5	4.4	415.8

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of December 20, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,280
Short-term view	Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR,bn)	9,570.6
Value (SAR,mn)	4,293.9
Volume (mn)	136.8
Number of Transactions	324,400
Market Breadth	139 : 69

Key statistics	
1D return %	0.92%
WTD return %	-0.10%
QTD return	-9.87%
YTD return	-8.88%
ADT vol. 3M* (mn)	153.4
ADT val. 3M (SARmn)	5,076.4

\*ADT stands for Average Daily Traded

### TASI market commentary

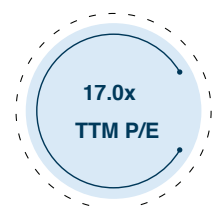
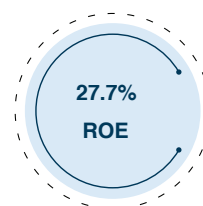
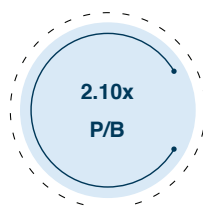
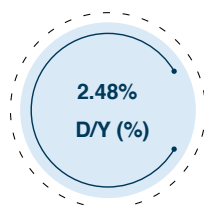
- The TASI rose on Tuesday, primarily due to strength in Index heavyweights Materials (2.29% D/D) and Banks (1.09% DD) stocks. At close, the Saudi market ended the day with gains of 0.92% at 10,280. In terms of activity, total volumes and value traded were ~137mn and ~SAR 4.3bn respectively. The advance-decline ratio came in at 139/69.

### Technical outlook

- TASI gained around 94 points to close the trading session near the 10,300 mark. The index opened gap down and tested an intraday low near 10,050, but later rebounded and recouped all its losses, as buyers stepped in and pushed the price higher. Moreover, the index managed to defend its trendline support which coincided with Fibonacci's 61.8% retracement level of the prior minor upside rebound (from 9,950 - 10,380), for the second consecutive day yesterday, indicating buying strength at a lower level. Furthermore, the index penetrated and closed above its 10-day moving average near the 10,210 level, showing bullish signs. Meanwhile, any penetration above the 10,390 level, may result in further momentum and the index can test the 10,480 – 10,600 level. On the other side, immediate support is seen near the 10,200 level, followed by its Fibonacci 61.8 % level near 10,120. Traders are advised to buying, but also needs to keep a close eye on 9,950 as a strict stop-loss.

### Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,051	10,115	10,162	10,208	10,388	10,479	10,587



Source: Bloomberg, Argaam

### TASI daily chart



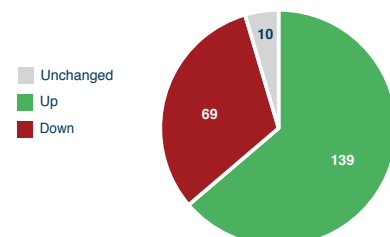
TradingView

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
7203	Elm Co.	338.20	337.40-338.20	351.00	366.00	329.10
2250	Saudi Industrial Investment Group	21.68	21.30-21.68	22.35	23.00	21.10
2060	National Industrialization Co.	12.34	12.20-12.34	12.70	13.10	12.00
1150	Alinma Bank	32.30	31.90-32.30	33.30	34.40	31.40

\* As of 20<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

**ELM** penetrated above its pattern resistance a few days ago, and yesterday retested it giving a buying opportunity. Moreover, the stock is trading above both its 10-day and 20-day moving averages, showing its strength is still intact. Furthermore, the RSI line is above the 50 level. We recommend buying the stock in a range of SAR 337.40 – 338.20, for a target of SAR 351.00 followed by SAR 366.00, with a strict stop loss of SAR 329.10 on a closing basis.

## ELM Co. (ELM)



Source: Tradingview, AlJazira Capital

## Technical observations

**SIIG** yesterday penetrated above its channel trendline resistance, a few days ago. Moreover, yesterday the stock also penetrated its previous high, indicating positive signs. Furthermore, the RSI line is in the buy zone. We recommend buying the stock in a range of SAR 21.30 – 21.68, for a target of SAR 22.35 followed by SAR 23.00, with a strict stop loss of SAR 21.10 on a closing basis.

## Saudi Industrial Investment Group (SIIG)



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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