

Major Economic News

- Saudi Arabia's non-oil exports grew 13.0% Y/Y to SAR 78.5bn in Q3-22. Non-oil exports accounted for about 19.6% of the Kingdom's total exports in Q3-22, amounting to SAR 399.7bn. When compared to the previous quarter, Q3-22 non-oil exports decreased by about 10.0% or SAR 8.4bn. (Source: Argaam)

Major Corporate News

- Cenomi Centers completed the sale of a vacant land plot for SAR 644.5mn to Sumou Real Estate Co. within its SAR 2.0bn non-core asset land sale program. The land plots located in Riyadh near the company's new flagship project, Jawharat Al-Riyadh and is sold for SAR 5,600 per sq.m. excluding the real estate transaction tax and the brokerage fees. (Source: Argaam)
- Mouwasat Medical Services Co.'s board of directors recommended a 100% capital increase to SAR 2.0bn through distributing one bonus share for every one share held. In a separate statement, the medical services provider's board also proposed a 30.0% cash dividend or SAR 3 per share for FY22. (Source: Argaam)
- Tabuk Agricultural Development Co. (TADCO) signed a contract with Wafrah for Industry and Development Co. to supply the latter with its processed potato product, at a value of SAR 14.0mn (exclusive of logistics costs and VAT). TADCO will provide Wafrah with quantities of processed potatoes based on the supply schedule agreed upon in the deal, which is deemed a continuation of cooperation between the two sides in various fields. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Yamama Steel*	-96.4	40.1	NM	0.6	NM

*Financial year-ending is September

Market Analysis

- The Saudi Stock Exchange decreased 0.6% to 10,215.8 on Thursday. The value traded stood at SAR 2.7bn (down 24.6% over previous day), while the advance-decline ratio stood at 108/93. The parallel market index decreased 0.4% to 18,680.9 points. The value traded stood at SAR 28.6mn (down 0.1% over previous day). Most sectors in the main market ended in the red. Capital Goods and Transportation (up 1.3% and 0.9%, respectively) advanced the most; Software & Services and Banks (down 1.7% and 1.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAICO	13.00	6.4
AMANA INSURANCE	9.00	5.8
ALINMA TOKIO M	12.74	5.3
DWF	161.80	5.1
SALAMA	13.06	4.7

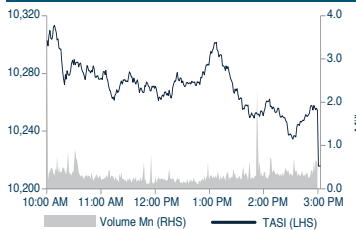
Top Losers

Company	Price	Change%
AICC	10.02	-3.5
SOLUTIONS	242.20	-3.2
RIYADH CABLES	39.05	-3.1
NCLE	66.60	-2.8
SAUDI KAYAN	13.56	-2.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,216	10,315	10,216	-0.6	-9.4
NomuC	18,681	18,740	18,538	-0.4	-28.1

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: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,266	0.3	-4.5	11.3
Materials	6,095	-0.5	-17.0	12.2
Capital Goods	5,352	1.3	-29.1	23.1
Commercial Service	3,376	0.3	-24.0	29.3
Transportation	4,627	0.9	-11.6	High
Consumer Durables	4,246	0.1	-33.1	Neg
Consumer Services	3,708	0.3	-20.1	46.5
Media	21,016	-0.4	-9.6	22.1
Retailing	7,200	0.1	-26.9	20.1
Food & Staples	8,642	-1.0	-5.3	18.5
Food & Beverages	4,586	-0.1	-5.2	38.3
Healthcare	8,791	0.4	20.2	42.7
Pharma & Bio Tech	2,884	-0.6	-44.4	Neg
Banks	11,170	-1.4	-8.6	15.5
Diversified Financial	6,258	-0.5	-8.4	6.9
Insurance	5,274	0.0	-12.0	High
Telecom	6,232	0.2	-14.4	15.5
Utilities	7,071	0.0	19.2	15.5
REITs	3,979	-0.1	-13.7	21.9
Real Estate	2,535	0.0	-20.1	46.4
Software & Services	35,988	-1.7	25.6	33.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,242	10,214	10,409	4.3

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	17.5	656.30	1,475.30

Top Weighted Companies

Company	Price	Change%
Al Rajhi	73.20	-2.0
Saudi Aramco	31.10	0.3
SNB	48.50	-1.0
SABIC	84.80	0.0
STC	35.65	-0.1

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.2% and 0.1%, respectively. Oman rose 0.9%. Meanwhile, Egypt, Bahrain, Kuwait and Qatar declined 0.4%, 0.3%, 0.2% and 0.1%, respectively.
- According to Baker Hughes, North America's rig count decreased to 875 in the week ended December 22 from 975 earlier. The rig count rose to 779 in the US from 776 earlier, while remained unchanged at 15 in the Gulf of Mexico. The rig count in Canada decreased to 96 from 199 earlier. (Source: Baker Hughes)
- US consumer sentiment index for December was upwardly revised to 59.7 (consensus: 59.1) from the preliminary estimate of 59.1 and 56.8 in November. (Source: RTT News)
- US new home sales increased 5.8% to an annual rate of 640,000 in November (consensus: 600,000) compared to 8.2% rise to a revised rate of 605,000 in October. (Source: RTT News)
- US consumer price growth slowed to 5.5% annual rate (consensus: 5.3%) in November from an upwardly revised 6.1% in October. (Source: RTT News)
- Oil prices surged 3.6% on Friday, as Russia said that it may cut the oil output to compensate for price cap enforced by G7 nations on the country's exports.
- Gold prices rose 0.3%, as US data showed that the inflation is easing slightly.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.31	-0.1	-1.5	9.0
Euro	1.06	0.2	2.0	-6.6
Japanese Yen	132.91	0.4	-3.7	15.5
Sterling Pound	1.21	0.1	0.0	-10.9
Chinese Yuan	7.00	-0.1	-0.6	10.2
Indian Rupee	82.87	0.1	1.8	11.5
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.4	-0.3
Kuwaiti Dinar	0.31	0.0	-0.5	1.3
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.75	0.2	0.8	57.5

Corporate Calendar

Date	Company	Event
26 th Dec	HCC	Cash Dividend Distribution
26 th Dec	LAZURDE	EGM
26 th Dec	Edarat	Listing Date
27 th Dec	GASCO	Cash Dividend Distribution
27 th Dec	Dallah Health	EGM
27 th Dec	Nofoth	Allocation Date

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,316	-0.2	-0.2	3.8	8.4
Abu Dhabi (ADX)	10,306	-0.1	-2.3	21.4	18.6
Kuwait (KSE)	5,572	-0.2	-1.9	-5.3	12.9
Qatar (QE)	10,989	-0.1	-7.9	-5.5	12.2
Oman (MSM)	4,838	0.9	4.9	17.2	11.9
Bahrain (BSE)	1,852	-0.3	-0.7	3.0	7.1
Egypt (EGX30)	14,483	-0.4	9.2	21.2	6.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,204	0.5	-4.0	-8.6	19.1
Nasdaq	10,985	0.3	-8.7	-32.7	23.9
S&P 500	3,845	0.6	-5.8	-19.3	18.6
FTSE 100	7,473	0.0	-1.3	1.2	13.9
Germany DAX 30	13,941	0.2	-3.2	-12.2	12.9
France CAC 40	6,505	-0.2	-3.5	-9.1	13.4
Japan Nikkei 225	26,235	-1.0	-6.2	-8.9	17.7
Russia MOEX	2,124	0.1	-2.3	-43.9	3.6
Hong Kong Hang Seng	19,593	-0.4	5.4	-16.3	7.1
South Korea KOSPI	2,314	-1.8	-6.4	-22.3	10.9
China Shanghai Composite	3,046	-0.3	-3.3	-16.3	13.7
Australia ASX 200	7,108	-0.6	-2.4	-4.5	14.6
India Sensex	59,845	-1.6	-5.2	2.7	23.1
MSCI EM	955	-1.0	-1.8	-22.5	10.7
MSCI World	2,605	0.4	-4.3	-19.4	16.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.0	-0.8	-1.5	6.2
Brent Crude (\$/bbl)	83.9	3.6	-1.8	5.8
Texas crude (\$/bbl)	79.6	2.7	-1.2	3.3
Natural Gas (\$/mmbtu)	5.1	1.6	-26.7	26.9
Gold (\$/oz)	1,798.2	0.3	1.7	-0.9
Silver (\$/oz)	23.7	0.7	6.9	3.0
Steel (\$/ton)	661.0	0.3	0.9	-53.7
Iron Ore (CNY/MT)	833.0	-1.2	8.5	21.4
Wheat (\$/bu)	776.0	1.8	-2.5	-0.6
Corn (\$/bu)	666.3	0.9	-0.1	20.5
Sugar (\$/lb)	21.0	0.4	6.9	14.9
SMP* (EUR/MT)	2,798.0	-0.3	-8.2	-16.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.85	4.8	46.1	414.3
KSA (SAIBOR 3M)	5.21	-4.0	-23.8	430.1
KSA (SAIBOR 6M)	5.66	-1.0	-7.8	468.0
KSA (SAIBOR 12M)	5.87	1.2	-18.6	481.1
USD (LIBOR 3M)	4.73	0.3	-5.2	451.2
UAE (EIBOR 3M)	4.77	1.8	28.8	440.2

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of December 23, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,216
Short-term view	Cautions Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,571.8
Value (SAR mn)	2,675.7
Volume (mn)	100.4
Number of Transactions	251,829
Market Breadth	108 : 93

Key statistics	
1D return %	-0.59%
WTD return %	-0.73%
QTD return	-10.43%
YTD return	-9.45%
ADT vol. 3M* (mn)	152.7
ADT val. 3M (SARmn)	5,020.3

*ADT stands for Average Daily Traded

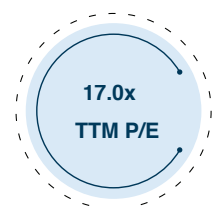
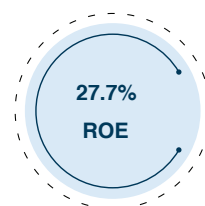
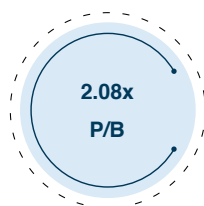
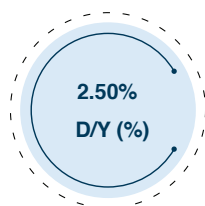
TASI market commentary

- The TASI declined on Thursday, primarily due to weakness in Index heavyweights Banks (-1.43% D/D) and Materials (-0.48% DD) stocks. At close, the Saudi market ended the day with a loss of -0.59% at 10,216. In terms of activity, total volumes and value traded were ~100mn and ~SAR 2.7bn respectively. The advance-decline ratio came in at 108/93.

Technical outlook

- TASI fell around 61 points to close the last trading session of the week near the 10,200 mark. The index opened gap up and tagged an intraday high near 10,315, but could not cling onto it and slid lower, surrendering all its gains on the back of profit booking. However, the index managed to stay above its 10-day moving average near the 10,210 level for the second consecutive session on Thursday, keeping its upmove hopes alive. Meanwhile, the index is hovering around the short downtrend resistance near the 10,270 level (shown in the chart), any penetration above it could push the index higher to test the 10,330 – 10,400 level. On the flip side, the index has support near its 10-day moving average of 10,210, which if breached may drag the index lower to test its Fibonacci 61.8% level of the latest prior minor upside rebound (from 9,950 to 10,380) near the 10,120 level.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,051	10,115	10,213	10,270	10,329	10,409	10,456



Source: Bloomberg, Argaam

TASI daily chart

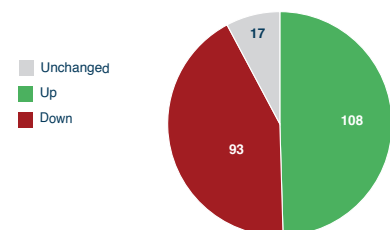


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
1810	Seera Group Holding	17.74	17.55 - 17.70	18.30	18.80	17.28

*As of 22nd December 2022 *Note – Stop loss is based on a closing basis and not on an intraday basis

CHARTS OF THE WEEK

Technical observations

SEERA penetrated above its channel resistance a few days back, and is now moving up, indicating positive signs. Moreover, the stock is trading above both its 10-day and 20-day moving averages, showing its strength. Furthermore, the RSI line is also climbing up. We recommend buying the stock in a range of SAR 17.55 – 17.70, for a target of SAR 18.30 followed by SAR 18.80, with a strict stop loss of SAR 17.28 on a closing basis.

Seera Group Holding (SEERA)



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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