

Major Economic News

- Saudi Arabia's merchandise imports rose by 25% Y/Y in Q3-22 to SAR 181.1bn. On a Q/Q basis, imports increased SAR 8.3bn or 5.0% in Q3-22. The increase in the Kingdom's Q3-22 imports was driven by a 106% Y/Y increase in metal products worth SAR 9.1bn. China topped the Kingdom's list of exporting countries, accounting for SAR 37.4bn or 21% of total imports in Q3-22. (Source: Argaam)

Major Corporate News

- Dallah Healthcare Co. signed a contract worth SAR 159.0mn with Youssef Marroun Contracting Co. for the mechanical, electrical, and finishing works of Dallah Namar Hospital's second phase. Youssef Marroun will complete and equip the clinics building for the hospital's phase II under the 13-month contract, bringing the facility to its maximum capacity after completion. (Source: Argaam)
- Saudi Company for Hardware announced the closure of its showroom in Riyadh's Atyaf Mall. SACO indicated that the financial impact of this closure is not material and will appear in the FY22 financials. (Source: Argaam)
- The Capital Market Authority approved the application submitted by Morabaha Marina Financing Co. (MMFC) to register and offer 21.4mn shares or 30% of its capital. MMFC is a Shariah-compliant financing platform offering range of services to individuals as well as SMEs. (Source: Argaam)
- The Capital Market Authority accepted the request received from Mawarid Manpower Co. for the registration and the offering of 4.5mn shares or 30% of its share capital. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 10,228.6. The value traded stood at SAR 1.9bn (down 2.5% over previous day), while the advance-decline ratio stood at 52/152. The parallel market index increased 0.4% to 18,887.8 points. The value traded stood at SAR 45.6mn (up 60.7% over previous day). Most sectors in the main market ended in the red. Media and Utilities (up 0.7% and 0.6%, respectively) advanced the most; Capital Goods and Consumer Durables (down 1.6% and 1.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
2P	180.60	6.2
TANMIAH	121.00	5.8
GACO	18.98	5.4
ALSAGR INSURANCE	14.00	2.6
BINDAWOOD	50.10	2.5

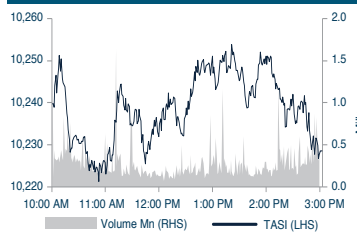
Top Losers

Company	Price	Change%
TECO	14.02	-5.7
ALABDULLATIF	15.22	-4.6
MEDGULF	8.45	-4.6
DAR ALARKAN	11.20	-4.6
AMANA INSURANCE	9.26	-4.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,229	10,254	10,220	-0.1	-9.3
NomuC	18,888	18,969	18,752	0.4	-27.3

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	5,312	0.0	-3.7	11.4
Materials	6,049	-0.1	-17.6	12.1
Capital Goods	5,206	-1.6	-31.0	22.6
Commercial Service	3,309	-1.1	-25.5	28.7
Transportation	4,541	-0.9	-13.2	High
Consumer Durables	4,166	-1.5	-34.4	Neg
Consumer Services	3,665	-0.6	-21.0	45.6
Media	21,552	0.7	-7.3	22.6
Retailing	7,131	-0.1	-27.6	19.9
Food & Staples	8,547	-0.9	-6.3	18.2
Food & Beverages	4,592	0.3	-5.0	38.4
Healthcare	8,778	-0.5	20.0	42.5
Pharma & Bio Tech	2,834	-0.6	-45.4	Neg
Banks	11,236	0.1	-8.1	15.6
Diversified Financial	6,264	-0.2	-8.3	7.0
Insurance	5,277	-1.0	-11.9	High
Telecom	6,237	0.1	-14.3	15.5
Utilities	7,119	0.6	20.0	15.6
REITs	3,951	-0.1	-14.3	21.8
Real Estate	2,471	-1.5	-22.1	45.4
Software & Services	35,713	0.6	24.6	33.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,247	10,243	10,355	4.04

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	3.9	165.30	418.80
Previous week	17.5	656.30	1,475.30

Top Weighted Companies

Company	Price	Change%
Al Rajhi	74.00	0.1
Saudi Aramco	31.40	0.0
SNB	48.70	0.0
SABIC	85.60	0.8
STC	35.65	0.0

Regional and International Markets

- Among other regional markets, Dubai increased 0.3%, while Abu Dhabi decreased 0.5%. Egypt and Kuwait increased 1.2% and 0.8%, respectively, while Qatar and Bahrain declined 1.2% and 0.1%, respectively. Meanwhile, Oman remained flat.
- Due to COVID 19-related regulations that interrupted plant activity and supply chains, China's industrial firms witnessed further decline in their profits between January and November by 3.6% and compares with a 3.0% drop in January to October. Industrial profits fell from a year earlier to USD 1.11tn. (Source: Reuters)
- Japan's CPI increased 3.8% Y/Y in November (consensus: 3.8% Y/Y) as compared to 3.7% Y/Y in October. On an M/M basis, inflation rose 0.2% M/M slowing from 0.6% M/M in October. Core CPI increased 3.7% Y/Y (consensus: 3.7% Y/Y) up from 3.6% Y/Y rise in October. (Source: Econoday)
- Japan's retail sales slowed 2.6% Y/Y in November (consensus: 3.7% Y/Y) as compared to rise of 4.4% Y/Y in October. On a monthly basis, retail sales declined 1.1% in November (consensus: rise of 0.7% M/M) versus rise of 0.3% M/M in October. (Source: Econoday)
- Japan's unemployment rate came at 2.5% in November (consensus: 2.5%) down from 2.6% in October. (Source: Econoday)

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.3	0.0	-1.5	9.0
Euro	1.1	0.2	2.2	-6.4
Japanese Yen	132.9	0.0	-3.8	15.5
Sterling Pound	1.2	0.1	0.0	-10.9
Chinese Yuan	7.0	-0.4	-1.0	9.7
Indian Rupee	82.7	-0.3	1.5	11.2
UAE Dirham	3.7	0.0	-0.0	0.0
Qatari Rial	3.7	0.3	-0.1	0.0
Kuwaiti Dinar	0.3	0.0	-0.5	1.3
Omani Rial	0.4	0.0	0.0	0.0
Bahraini Dinar	0.4	0.0	0.0	0.0
Egyptian Pound	24.7	-0.1	0.7	57.3

Corporate Calendar

Date	Company	Event
27 th Dec	GASCO	Cash Dividend Distribution
27 th Dec	Dallah Health	EGM
27 th Dec	Alsaif Gallery	Listing date
27 th Dec	Nofoth	Allocation date
28 th Dec	CENOMI RETAIL	EGM
28 th Dec	Luberef	Listing date

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,327	0.3	0.1	4.1	9.4
Abu Dhabi (ADX)	10,253	-0.5	-2.8	20.8	18.6
Kuwait (KSE)	5,592	0.8	-1.6	-5.0	12.9
Qatar (QE)	10,785	-1.2	-9.6	-7.2	12.2
Oman (MSM)	4,831	0.0	4.7	17.0	11.9
Bahrain (BSE)	1,858	-0.1	-0.4	3.4	7.1
Egypt (EGX30)	14,560	1.2	9.8	21.9	6.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,204	0.0	-4.0	-8.6	18.8
Nasdaq	10,985	0.0	-8.7	-32.7	23.9
S&P 500	3,845	0.0	-5.8	-19.3	18.6
FTSE 100	7,473	0.0	-1.3	1.2	13.9
Germany DAX 30	13,941	0.0	-3.2	-12.2	12.9
France CAC 40	6,505	0.0	-3.5	-9.1	13.4
Japan Nikkei 225	26,406	0.7	-5.6	-8.3	17.9
Russia MOEX	2,139	0.7	-1.6	-43.5	3.6
Hong Kong Hang Seng	19,593	0.0	5.4	-16.3	7.1
South Korea KOSPI	2,317	0.1	-6.3	-22.2	11.0
China Shanghai Composite	3,066	0.6	-2.7	-15.8	13.9
Australia ASX 200	7,108	0.0	-2.4	-4.5	14.6
India Sensex	60,566	1.2	-4.0	4.0	23.4
MSCI EM	956	0.2	-1.6	-22.4	10.7
MSCI World	2,605	0.0	-4.2	-19.4	16.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.1	1.2	-0.3	7.4
Brent Crude (\$/bbl)	83.9	0.0	-1.8	5.8
Texas crude (\$/bbl)	79.6	0.0	-1.2	3.3
Natural Gas (\$/mmbtu)	5.1	0.0	-26.7	26.9
Gold (\$/oz)	1,798.2	0.0	1.7	-0.9
Silver (\$/oz)	23.7	0.0	6.9	3.0
Steel (\$/ton)	661.0	0.0	0.9	-53.7
Iron Ore (CNY/MT)	834.5	0.2	8.7	21.6
Wheat (\$/bu)	776.0	0.0	-2.5	-0.6
Corn (\$/bu)	666.3	0.0	-0.1	20.5
Sugar (\$/lb)	21.0	0.0	6.9	14.9
SMP* (EUR/MT)	2,798.0	0.0	-8.2	-16.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.82	-0.7	43.5	411.7
KSA (SAIBOR 3M)	5.24	-0.9	-20.2	433.7
KSA (SAIBOR 6M)	5.63	-2.6	-10.6	465.1
KSA (SAIBOR 12M)	5.88	0.5	-17.8	481.8
USD (LIBOR 3M)	4.73	0.0	-5.2	451.2
UAE (EIBOR 3M)	4.60	0.0	12.0	423.4

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of December 26, 2022



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,229
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data

Exchange Market Cap. (SAR bn)	9,635.2
Value (SAR mn)	1,921.7
Volume (mn)	85.6
Number of Transactions	212,246
Market Breadth	52 : 152

Key statistics

1D return %	-0.06%
WTD return %	0.13%
QTD return	-10.32%
YTD return	-9.33%
ADT vol. 3M* (mn)	151.5
ADT val. 3M (SARmn)	4,947.7

*ADT stands for Average Daily Traded

TASI market commentary

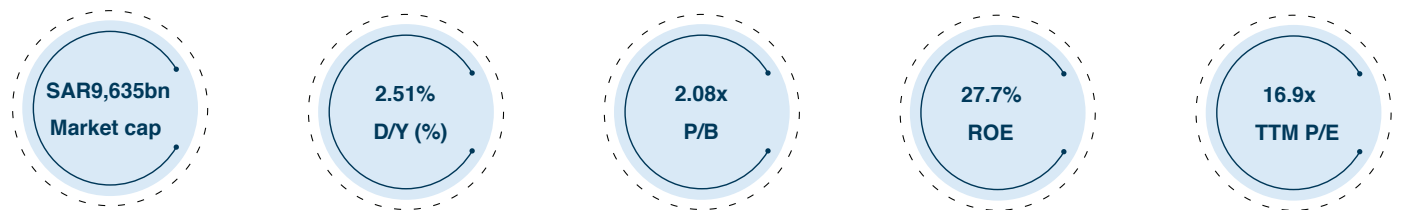
- The TASI declined on Monday, primarily due to weakness in most sectors. At close, the Saudi market ended the day with a marginal loss of -0.06% at 10,229. In terms of activity, total volumes and value traded were ~86mn and ~SAR 1.9bn respectively. The advance-decline ratio came in at 52/152.

Technical outlook

- TASI fell marginally around 6 points to close the trading session near the 10,230 mark. The index witnessed a second consecutive tight session with a liquidity rate below its prior three years, reflecting a low volatility status among market participants and the index. In addition, the index developed a Doji candle on the daily chart on Sunday and followed up with a decline yesterday, showing signs of further weakness. Moreover, the index closed below its 10-day moving average near the 10,250 level which it had defended for the latest three days, indicating selling pressure. However, the MACD line and histogram show positive signs, keeping its positive momentum in the midterm. Meanwhile, the index has immediate support near the 10,200 level, 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. On the flip side, any penetration above its 10-day moving average near the 10,250 level can test the 10,300 level, followed by the 10,400 level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,051	10,115	10,208	10,244	10,292	10,396	10,516



Source: Bloomberg, Argaam

TASI daily chart



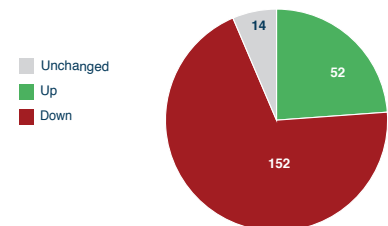
TradingView

Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Ticker	Company	Close*	Buy range	Sell	Stop loss
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No stocks recommendations due to market volatility

*As of 27th December 2022

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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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