



## Major Economic News

- Saudi bank loans granted to the non-financial public enterprises and private sector rose 14% Y/Y by the end of November to SAR 2.4tn, compared to SAR 2.1tn a year earlier. (Source: Argaam)

## Major Corporate News

- Almarai Co. raised the prices of some dairy products as of January 1, due to higher production costs. During the previous period, the costs of production inputs, feedstock, and shipping costs rose which necessitated adjusting the prices of a few dairy products to cover a portion of the increased costs. (Source: Argaam)
- Etihaad Atheeb Telecommunication Co. (GO) signed two contracts with the emirates of Tabuk and Najran for a total value of SAR 105.2mn. The contract signed with the Tabuk emirate is for providing consulting services supported by digital infrastructure, as well as creating a digital transformation platform to complement the digital transformation standards. (Source: Argaam)
- Taiba Investments Co. completed the purchase of Savola Group's direct and indirect ownership in Knowledge Economic City Co. (KEC) and Knowledge Economic City Developers Co. Ltd. Savola received the full value of the transaction; thus, Taiba will increase its ownership in KEC from 3.2% to 9.6%, and boost equity in Knowledge Economic City Developers Co. from 14.4% to 35.1%. (Source: Argaam)
- Saudi Pharmaceutical Industries & Medical Appliances Corp. (SPIMACO) has signed a Shariah-compliant credit facility agreement with Saudi British Bank worth SAR 650.0mn while signed a SAR 250.0mn agreement with Al Rajhi Bank. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange increased 0.7% to 10,546.7 on Sunday. The value traded stood at SAR 2.3bn (down 37.8% over previous day), while the advance-decline ratio stood at 178/31. The parallel market index decreased 1.2% to 19,189.0 points. The value traded stood at SAR 45.1mn (down 12.9% over the previous day). Most sectors in the main market ended in the green. Capital Goods and Consumer Durables (up 2.4% and 2.0%, respectively) advanced the most; Commercial services and Consumer services and (down 0.3% and 0.1%, respectively) were the only laggards.

## Top Gainers

Company	Price	Change%
MESC	10.88	9.9
SARCO	79.40	9.7
SIDC	11.08	7.2
SAIC	28.50	6.3
AIBAHA	12.14	5.6

## Top Losers

Company	Price	Change%
AMERICANA	3.00	1.6
CATERING	74.00	1.3
TAWUNIYA	79.50	1.2
JADWA REIT	12.74	1.2
NCLE	67.50	1.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,547	10,566	10,500	0.7	0.7
NomuC	19,189	19,541	19,141	-1.2	-1.2

## TASI movement during session



## TASI Ratios

P/E* (x)	17.5
Price-to-Book (x)	2.2
Dividend Yield (%)	1.3
Return on Equity (%)	27.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,477	0.9	0.9	11.7
Materials	6,352	1.0	1.0	13
Capital Goods	5,352	2.4	2.4	17.6
Commercial Service	3,427	-0.3	-0.3	29.7
Transportation	4,595	1.2	1.2	High
Consumer Durables	4,309	2.0	2.0	Neg
Consumer Services	3,688	-0.1	-0.1	46.7
Media	21,634	0.6	0.6	22.7
Retailing	7,228	0.8	0.8	22.3
Food & Staples	8,687	1.7	1.7	18.6
Food & Beverages	4,680	0.9	0.9	39.1
Healthcare	9,164	0.6	0.6	44.5
Pharma & Bio Tech	2,889	0.6	0.6	0.0
Banks	11,569	0.2	0.2	16.1
Diversified Financial	6,471	1.7	1.7	7.1
Insurance	5,333	0.3	0.3	High
Telecom	6,468	1.2	1.2	16.2
Utilities	7,274	1.4	1.4	15.9
REITs	3,977	0.0	0.0	21.9
Real Estate	2,506	0.2	0.2	42.5
Software & Services	36,054	0.5	0.5	33.3

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,420	10,329	10,288	4.01

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	2.3	77.10	218.10
Previous week	15.4	519.70	1,319.80

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	75.50	0.4
Saudi Aramco	32.40	0.9
SNB	50.70	0.4
SABIC	90.00	0.7
STC	37.20	1.6



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Oman increased 0.3% while Kuwait, Qatar, Bahrain, and Egypt remained closed.
- US initial jobless claims increased to 225,000 (consensus: 222,000) in the week ended December 24, representing a rise of 9,000 from the previous week's revised level of 216,000. (Source: RTT News).
- UK house price inflation dropped to 2.8% (consensus: 2.3%) in December compared to 4.4% in November, as surging interest rates and high inflation affected the affordability of home buyers. On M/M basis, house prices fell 0.1% vis-à-vis a decline of 1.4% M/M in November. (Source: RTT News)
- Eurozone's M3 money supply eased to 4.8% in November from 5.1% in October. The region's credit to the private sector increased 5.0% Y/Y, slower than 5.2% rise in October. (Source: RTT News).
- China's manufacturing PMI fell to 47.0 in December (consensus: 48.0) from 48.0 in November, as per the National Bureau of Statistics. This was the biggest decline in manufacturing activity since February 2020. (Source: Reuters).

## Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.52	0.0	-2.3	8.2
Euro	1.07	0.0	2.9	-5.8
Japanese Yen	131.12	0.0	-5.0	13.9
Sterling Pound	1.21	0.0	0.2	-10.7
Chinese Yuan	6.92	0.0	-1.8	8.9
Indian Rupee	82.74	0.0	1.6	11.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.0	-0.2	-0.1
Kuwaiti Dinar	0.31	0.0	-0.6	1.2
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.76	0.0	0.8	57.5

## Corporate Calendar

Date	Company	Event
05 <sup>th</sup> Jan	SASCO	Cash Dividend Distribution
05 <sup>th</sup> Jan	Future Care	EGM
08 <sup>th</sup> Jan	NCLE	Cash Dividend Distribution
09 <sup>th</sup> Jan	RAOOM	Cash Dividend Distribution
12 <sup>th</sup> Jan	SAUDI CABLE	EGM
12 <sup>th</sup> Jan	2P	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,336	0.0	0.0	0.0	9.4
Abu Dhabi (ADX)	10,211	0.0	0.0	0.0	18.4
Kuwait (KSE)	5,597	0.0	0.0	0.0	13
Qatar (QE)	10,681	0.0	0.0	0.0	11.9
Oman (MSM)	4,873	0.3	0.3	0.3	12
Bahrain (BSE)	1,895	0.0	0.0	0.0	7.1
Egypt (EGX30)	14,599	0.0	0.0	0.0	7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,147	0.0	-4.2	-8.8	18.7
Nasdaq	10,940	0.0	-9.1	-33.0	23.8
S&P 500	3,840	0.0	-5.9	-19.4	18.5
FTSE 100	7,452	0.0	-1.6	0.9	13.8
Germany DAX 30	13,924	0.0	-3.3	-12.3	12.9
France CAC 40	6,474	0.0	-3.9	-9.5	13.4
Japan Nikkei 225	26,095	0.0	-6.7	-9.4	17.7
Russia MOEX	2,154	0.0	-0.9	-43.1	3.7
Hong Kong Hang Seng	19,781	0.0	6.4	-15.5	7.2
South Korea KOSPI	2,236	0.0	-9.6	-24.9	10.5
China Shanghai Composite	3,089	0.0	-2.0	-15.1	13.9
Australia ASX 200	7,039	0.0	-3.4	-5.5	14.2
India Sensex	60,841	0.0	-3.6	4.4	23.5
MSCI EM	956	0.0	-1.6	-22.4	10.7
MSCI World	2,603	0.0	-4.3	-19.5	16.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.24	0.0	-1.2	6.4
Brent Crude (\$/bbl)	85.91	0.0	0.6	8.3
Texas crude (\$/bbl)	80.26	0.0	-0.4	4.2
Natural Gas (\$/mmbtu)	4.48	0.0	-35.4	11.8
Gold (\$/oz)	1,824.02	0.0	3.1	0.5
Silver (\$/oz)	23.95	0.0	7.9	4.0
Steel (\$/ton)	744.00	0.0	13.6	-47.9
Iron Ore (CNY/MT)	857.00	0.0	11.7	24.9
Wheat (\$/bu)	792.00	0.0	-0.4	1.4
Corn (\$/bu)	678.50	0.0	1.7	22.7
Sugar (\$/lb)	20.04	0.0	2.1	9.7
SMP* (EUR/MT)	2,776.00	0.0	-8.9	-17.5

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.80	7.0	41.4	409.6
KSA (SAIBOR 3M)	5.21	-12.9	-23.3	430.6
KSA (SAIBOR 6M)	5.60	0.1	-14.1	461.6
KSA (SAIBOR 12M)	5.88	0.8	-17.9	481.7
USD (LIBOR 3M)	4.77	1.3	-1.1	455.3
UAE (EIBOR 3M)	4.31	-0.3	-16.9	394.5

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 1, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,547
Short-term view	Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,947.8
Value (SAR mn)	2,253.3
Volume (mn)	77.1
Number of Transactions	218,132
Market Breadth	178 : 31

Key statistics	
1D return %	0.65%
MTD return %	0.65%
QTD return	0.65%
YTD return	0.65%
ADT vol. 3M* (mn)	145.9
ADT val. 3M (SARmn)	4,655.3

\*ADT stands for Average Daily Traded

## TASI market commentary

- The TASI rose on Sunday, primarily due to strength in Index heavyweights Materials (0.99% D/D) and Energy (0.93% D/D) stocks. At close, the Saudi market ended the day with a gain of 0.65% at 10,547. In terms of activity, total volumes and value traded were ~77mn and ~SAR 2.3bn respectively. The advance-decline ratio came in at 178/31.

## Technical outlook

- TASI gained around 68 points to close the first trading session of the new year near the 10,547 mark. The index opened with an upside gap and continued to record an intraday high near the 10,565 level. In the second half of the session it surrendered a part of its gains on the back of profit-booking. Bulls resumed their dominance and recorded a higher close on the daily chart maintaining the bullish momentum in the short term. However, the index is testing the upper band of Bollinger Bands where an immediate short term resistance is laying near 10,550 level, which if breached, the index may continue toward upside targets near 10,750 – 10,950 levels. On the flip side, the index has immediate support near the 10,400 level, which if breached may pull the index lower to test its 20-day moving average near the 10,300 level. Traders are advised to buy and keep track of a stop loss below the level of 10,300.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,050	10,100	10,300	10,400	10,550	10,750	10,950



Source: Bloomberg, Argam

## TASI daily chart

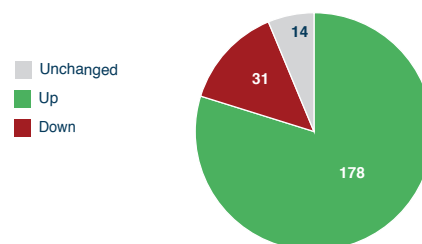


Source: Tradingview, Aljazira Capital

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
7201	Arab Sea Information Systems Co.	66.20	66.05– 66.20	66.85	65.55
4163	Aldawaa Medical Services Co.	74.10	73.90-74.10	74.85	73.35
4014	Scientific and Medical Equipment House Co.	63.00	62.85-63.00	63.65	62.35
2120	Saudi Advanced Industries Co.	28.50	28.45-28.50	28.80	28.20
1830	Leejam Sports Co.	86.10	85.90-86.10	86.95	85.25
4061	Anaam International Holding Group	21.20	21.15-21.20	21.40	21.00
4180	Fitaihi Holding Group	31.10	31.00-31.10	31.40	30.80

\* As of 01<sup>ST</sup> January 2023

\* Note – Stop loss is based on an intraday basis

## CHARTS OF THE DAY

## Technical observations

**Arab Sea** penetrated above both its 5-day and 10-day moving averages. Moreover, all the technical indicators show bullish structure.

## Arab Sea Information Systems Co. (Arab Sea)



Source: Tradingview, AlJazira Capital

## Technical observations

**ALDAWAA** bounced off the middle line of BBs (with heavy volume) heading toward its upper band. Moreover, the RSI shows a bullish structure.

## 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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