



Major Economic News

- Remittances from expatriates in Saudi Arabia fell 19% Y/Y to SAR 10.5bn in November. While on an M/M basis, remittances fell 6.0% M/M, or SAR 717.0mn. (Source: Argaam)
- Saudi banks' treasury bond investments increased by SAR 7.3bn M/M to SAR 507.6bn in November. (Source: Argaam)
- Aggregate operating revenues of SMEs increased by 25.0% Y/Y to SAR 1.3tn in FY21. Operating expenses increased by 33.0% to SAR 659.5bn during the same year. In the meantime, workers' compensation increased by 19% to SAR 155.8bn. Medium enterprises came first in terms of operating revenues, with SAR 562.6bn in FY21, followed by microenterprises, with SAR 365.4bn. (Source: Argaam)
- The Royal Commission for Makkah City and Holy Sites announced that 25.6mn passengers used buses in Makkah during FY22. (Source: Argaam)

Major Corporate News

- Fawaz Abdulaziz Alhokair Co. (Cenomi Retail) shareholders approve amending Article No. 43 of the Articles of Association related to the company's fiscal year which implies that the company's fiscal year will start on the first day of January and end on the last day of December of each year. (Source: Argaam)
- Dar Al Arkan Real Estate Development Co. announced its intention to pursue a separate direct listing of its Dubai-based international unit, Dar Al Arkan Real Estate Development, on the standard listing segment of the UK Financial Conduct Authority's (FCA) Official List and to the London Stock Exchange's (LSE) main market after rebranding as Dar Global Group. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 10,478.5 on Thursday. The value traded stood at SAR 3.6bn (down 18.9% over previous day), while the advance-decline ratio stood at 108/95. The parallel market index increased 1.1% to 19,417.3 points. The value traded stood at SAR 51.8mn (up 99.4% over previous day). Most sectors in the main market ended in the green. Real Estate and REITs (up 1.3% and 0.9%, respectively) advanced the most; Software and Services and Insurance (down 1.3% and 1.0%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
TANMIAH	131.20	5.1
ALSAGR INSURANCE	14.04	4.8
MESC	9.90	4.4
JADWA REIT SAUDI	12.90	4.0
ALMUNAJEM	61.40	3.7

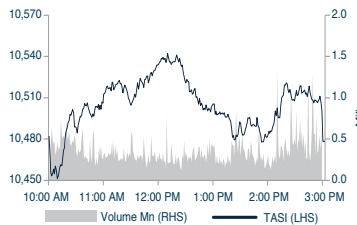
Top Losers

Company	Price	Change%
ANB	32.05	-3.6
RIBL	31.80	-3.1
BUPA ARABIA	143.80	-2.7
SGS	21.84	-2.3
ALRAJHI TAKAFUL	89.50	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,478	10,543	10,448	-0.1	-7.1
NomuC	19,417	19,420	19,117	1.1	-25.2

TASI movement during session



TASI Ratios

P/E* (x)	17.4
Price-to-Book (x)	2.1
Dividend Yield (%)	1.3
Return on Equity (%)	27.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,427	-0.3	-1.6	11.6
Materials	6,290	0.7	-14.4	12.9
Capital Goods	5,226	0.0	-30.7	17.2
Commercial Service	3,436	0.2	-22.7	29.8
Transportation	4,541	0.0	-13.2	High
Consumer Durables	4,225	0.7	-33.5	Neg
Consumer Services	3,690	0.4	-20.5	46.9
Media	21,496	-0.9	-7.6	22.5
Retailing	7,174	0.5	-27.1	22.1
Food & Staples	8,541	0.0	-6.4	18.2
Food & Beverages	4,640	0.1	-4.1	38.8
Healthcare	9,110	0.6	24.6	44.2
Pharma & Bio Tech	2,873	-0.4	-44.7	Neg
Banks	11,542	-0.5	-5.6	16
Diversified Financial	6,361	-0.7	-6.9	7.1
Insurance	5,317	-1.0	-11.2	High
Telecom	6,389	0.3	-12.2	15.9
Utilities	7,174	0.3	20.9	15.7
REITs	3,975	0.9	-13.8	21.8
Real Estate	2,500	1.3	-21.2	45.8
Software & Services	35,888	-1.3	25.2	33.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,357	10,300	10,297	4.01

Market Statistics

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

Top Weighted Companies

Company	Price	Change%
Al Rajhi	75.20	-1.1
Saudi Aramco	32.10	-0.3
SNB	50.50	1.2
SABIC	89.40	-0.1
STC	36.60	0.3



Regional and International Markets

- Among other regional markets, Dubai increased 0.2%, while Abu Dhabi decreased 0.5%. Bahrain and Egypt increased 0.8% and 0.1%, respectively, while Qatar and Oman declined 1.1% and 0.3%, respectively. Meanwhile, Kuwait remained flat.
- According to EIA, oil inventories in the US rose 0.7mn barrels (prior: down 5.9mn) to 419.0mn in the week ended December 23. Gasoline inventories decreased 3.1mn barrels (prior: up 2.5mn) to 223.0mn, while distillate inventories increased 0.3mn barrels (prior: down 0.2mn) to 120.2mn. (Source: EIA, Econoday)
- According to Baker Hughes, North America's rig count decreased to 863 from 875 earlier in the week ended December 30. The rig count remained unchanged at 779 in the US and at 15 in the Gulf of Mexico. The rig count in Canada decreased to 84 from 96 in the week earlier. (Source: Baker Hughes).
- Oil prices rose 4.4%, despite an unexpected rise in US crude supplies, recession fears, and concerns about demand due to a recurrence of Covid-19 infections in China.
- Gold prices rose 0.5%, after being beaten down from record highs earlier this year and was on track to close its best quarter since June 2020 on expectations of slower interest rate hikes by the US Federal Reserve.

Forex / Currency

Currency	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.52	-0.3	-2.3	8.2
Euro	1.07	0.4	2.9	-5.8
Japanese Yen	131.12	-1.4	-5.0	13.9
Sterling Pound	1.21	0.2	0.2	-10.7
Chinese Yuan	6.92	-0.7	-1.8	8.9
Indian Rupee	82.74	-0.1	1.6	11.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.2	-0.2	-0.1
Kuwaiti Dinar	0.31	-0.1	-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	0.1	0.8	57.5

Corporate Calendar

Date	Company	Event
05 th Jan	SASCO	Cash Dividend Distribution
05 th Jan	Future Care	EGM
08 th Jan	NCLE	Cash Dividend Distribution
09 th Jan	RAOOM	Cash Dividend Distribution
12 th Jan	SAUDI CABLE	EGM
12 th 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	0.2	0.4	4.4	9.4
Abu Dhabi (ADX)	10,211	-0.5	-3.2	20.3	18.5
Kuwait (KSE)	5,597	0.0	-1.5	-4.9	13
Qatar (QE)	10,681	-1.1	-10.4	-8.1	12
Oman (MSM)	4,857	-0.3	5.3	17.6	12
Bahrain (BSE)	1,895	0.8	1.6	5.5	7.1
Egypt (EGX30)	14,599	0.1	10.1	22.2	7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,147	-0.2	-4.2	-8.8	18.7
Nasdaq	10,940	-0.1	-9.1	-33.0	23.8
S&P 500	3,840	-0.3	-5.9	-19.4	18.5
FTSE 100	7,452	-0.8	-1.6	0.9	13.8
Germany DAX 30	13,924	-1.1	-3.3	-12.3	12.9
France CAC 40	6,474	-1.5	-3.9	-9.5	13.4
Japan Nikkei 225	26,095	0.0	-6.7	-9.4	17.7
Russia MOEX	2,154	0.3	-0.9	-43.1	3.7
Hong Kong Hang Seng	19,781	0.2	6.4	-15.5	7.2
South Korea KOSPI	2,236	0.0	-9.6	-24.9	10.6
China Shanghai Composite	3,089	0.5	-2.0	-15.1	13.9
Australia ASX 200	7,039	0.3	-3.4	-5.5	14.2
India Sensex	60,841	-0.5	-3.6	4.4	23.4
MSCI EM	956	-0.1	-1.6	-22.4	10.7
MSCI World	2,603	-0.4	-4.3	-19.5	16.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.24	0.9	-1.2	6.4
Brent Crude (\$/bbl)	85.91	4.4	0.6	8.3
Texas crude (\$/bbl)	80.26	2.4	-0.4	4.2
Natural Gas (\$/mmbtu)	4.48	-1.8	-35.4	11.8
Gold (\$/oz)	1,824.02	0.5	3.1	0.5
Silver (\$/oz)	23.95	0.2	7.9	4.0
Steel (\$/ton)	744.00	0.3	13.6	-47.9
Iron Ore (CNY/MT)	857.00	2.0	11.7	24.9
Wheat (\$/bu)	792.00	2.3	-0.4	1.4
Corn (\$/bu)	678.50	-0.1	1.7	22.7
Sugar (\$/lb)	20.04	-1.2	2.1	9.7
SMP* (EUR/MT)	2,776.00	-1.1	-8.9	-17.5

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.73	-6.6	34.4	402.6
KSA (SAIBOR 3M)	5.34	18.5	-10.4	443.5
KSA (SAIBOR 6M)	5.60	0.1	-14.3	461.5
KSA (SAIBOR 12M)	5.87	1.1	-18.7	481.0
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 December 30, 2022

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,478
Short-term view	Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,878.1
Value (SAR mn)	3,620.9
Volume (mn)	115.0
Number of Transactions	285,015
Market Breadth	108 : 95

Key statistics	
1D return %	-0.07%
MTD return %	-3.84%
QTD return	-8.13%
YTD return	-7.12%
ADT vol. 3M* (mn)	146.9
ADT val. 3M (SARmn)	4,699.7

*ADT stands for Average Daily Traded

TASI market commentary

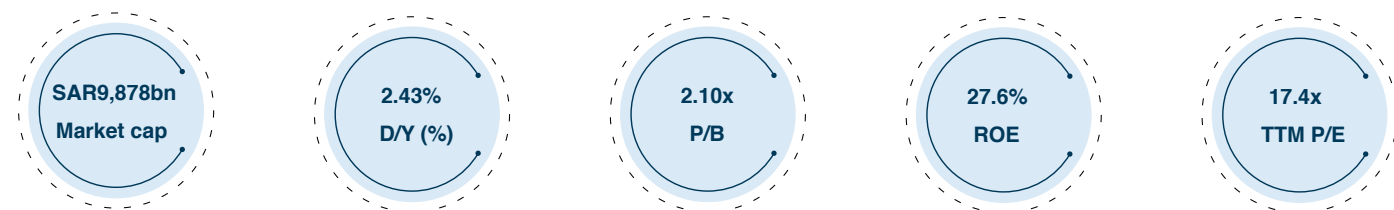
- The TASI fell on Thursday, primarily due to weakness in Index heavyweights Banks (-0.49% D/D) and Energy (-0.30% D/D) stocks. At close, the Saudi market ended the day with a marginal loss of -0.07% at 10,478. In terms of activity, total volumes and value traded were ~115mn and ~SAR 3.6bn respectively. The advance-decline ratio came in at 108/95.

Technical outlook

- TASI marginally declined around 7 points to close the last trading session of the year near the 10,480 mark. The index after testing an intraday high near the 10,545 level, failed to cling onto it and surrendered all its gains on the back of profit-booking. It developed a Doji candle on the daily chart reflecting indecision, however, an immediate bearish candle is required to reverse the near term positive momentum. The index after a strong rally over the past two sessions took a break on Thursday, however, the bullish momentum is likely to continue and the upside short-term target remains near the 10,550 – 10,750 levels, as the bulls still looks under control. 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.

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

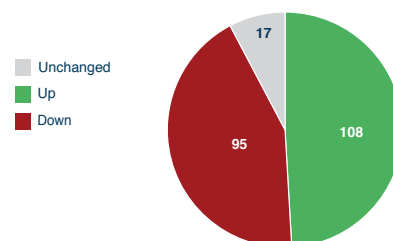


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
2330	Advanced Petrochemical Co.	42.50	42.15-42.50	43.50	45.00	41.30

*As of 29th December 2022

*Note – Stop loss is based on a closing basis and not on an intraday basis

CHARTS OF THE WEEK

Technical observations

ADVANCED finished a bullish reversal head and shoulders price pattern, showing the shift in power towards the bulls. Moreover, the volume structure confirms the bullish price action. Furthermore, the RSI line traveled toward the bullish territory after creating a positive divergence. We recommend buying the stock in a range of SAR 42.15 – 42.50, for a target of SAR 43.50 followed by SAR 45.00, with a stop loss below SAR 41.30 on a closing basis.

Advanced Petrochemical Co. (ADVANCED)



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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