



Major Economic News

- Residential real estate finance provided for individuals by banks in Saudi Arabia fell by 37% Y/Y to SAR 7.4bn in November. (Source: Argaam)

Major Corporate News

- ROSHN Real Estate Co., the wholly owned subsidiary of the Public Investment Fund, signed three Shariah-compliant credit facility agreements worth SAR 6.0bn, with Saudi British Bank, Bank Albilad, and Al Rajhi Bank to finance its working capital requirements. (Source: Argaam)
- Wafrah for Industry and Development Co. signed a contract worth SAR 11.9mn with Saudi Dairy and Foodstuff Co. (SADAFCO). Wafrah will manufacture frozen French fries as a private label under SADAFCO's trade name and will also source the raw materials and packaging materials required for production. (Source: Argaam)
- Enma Al Rawabi Co. signed a SAR 45.7mn contract with Saudi Mining Services Co. (ESNAD), to lease a commercial building located on Takhassusi Street, Olaya district, Riyadh. The project aims at increasing the company's annual income by SAR 2.1mn for each of the contract first three years, and by SAR 3.2mn for the following two years. (Source: Argaam)
- Saudia Dairy and Foodstuff Co.'s (SADAFCO) board of directors recommended a cash dividend at 30% of capital or SAR 3 per share, for the H1 of the fiscal year ending March 31, 2023. (Source: Argaam)
- Malath Cooperative Insurance Co. announced that it has been awarded a contract to provide health insurance to Al-Othaim Holding Co. and its subsidiaries' employees and family members. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange increased 0.8% to 10,660.9. The value traded stood at SAR 3.9bn (up 5.1% over previous day), while the advance-decline ratio stood at 166/42. The parallel market index increased 0.6% to 19,559.5 points. The value traded stood at SAR 27.0mn (up 26.0% over previous day). Most sectors in the main market ended in the green. Food & Staples and Diversified Financials (up 1.5% and 1.3%, respectively) advanced the most; Food & Beverages and Media (down 0.6% and 0.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
WAFRAH	29.95	7.9
QACCO	69.20	6.1
FIPCO	38.20	5.8
SAIC	29.95	5.1
YCC	39.00	4.6

Top Losers

Company	Price	Change%
ALSAIF GALLERY	96.00	-1.6
SEDCO CAPITAL REIT	10.04	-1.4
BUPA ARABIA	143.20	-1.2
AICC	10.00	-1.2
LUBEREF	94.70	-1.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,661	10,667	10,581	0.8	1.7
NomuC	19,559	19,559	19,385	0.6	0.7

TASI movement during session



TASI Ratios

P/E* (x)	17.7
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	5,451	0.2	0.4	11.7
Materials	6,469	1.2	2.9	13.2
Capital Goods	5,553	0.5	6.2	18.4
Commercial Service	3,500	0.9	1.9	30.3
Transportation	4,629	0.1	1.9	High
Consumer Durables	4,381	0.9	3.7	Neg
Consumer Services	3,769	1.1	2.1	47.6
Media	21,728	-0.2	1.1	22.7
Retailing	7,462	1.2	4.0	23
Food & Staples	8,821	1.5	3.3	18.8
Food & Beverages	4,668	-0.6	0.6	39
Healthcare	9,173	0.8	0.7	44.5
Pharma & Bio Tech	2,971	1.2	3.4	Neg
Banks	11,712	1.1	1.5	16.3
Diversified Financial	6,574	1.3	3.3	7.2
Insurance	5,348	0.0	0.6	High
Telecom	6,551	0.5	2.5	16.4
Utilities	7,399	0.9	3.1	16.1
REITs	3,976	0.3	0.0	21.9
Real Estate	2,570	0.7	2.8	43.6
Software & Services	36,224	-0.1	0.9	33.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for last month (bn)
10,550	10,406	10,307	4.01

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.8	371.30	828.20
Previous week	15.4	519.70	1,319.80

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.20	0.2
Al Rajhi	77.30	1.4
SNB	51.00	1.2
SABIC	90.60	0.7
STC	37.75	0.7



Regional and International Markets

- Among other regional markets, Dubai decreased 0.1%, while Abu Dhabi increased 0.3%. Qatar and Egypt increased 0.7% each, while Oman increased 0.6%. Meanwhile, Kuwait and Bahrain declined 0.4% and 0.1%, respectively.
- US construction spending increased 8.5% Y/Y in November slower than the revised rise of 9.7% Y/Y in October. On M/M basis, spending increased 0.2% in November (consensus: -0.4% M/M) versus a decline of 0.2% M/M in October. (Source: Econoday)
- The US PMI manufacturing index remained constant at 46.2 in December (consensus: 46.2) as compared to 47.7 in November. (Source: Econoday)
- UK PMI manufacturing index declined to 45.3 in December (consensus: 44.7) as compared to 46.5 in November. (Source: Econoday)
- Japan PMI manufacturing index declined to 48.9 in December (consensus: 48.8) as compared to 49.0 in November. (Source: Econoday)
- Oil prices fell 4.4%, due to weak Chinese demand data and a bleak economic outlook.
- Gold prices edged up 0.8%, as benchmark US Treasury yields declined and investors evaluated the likelihood of further Federal Reserve interest rate hikes, which were a major drag on bullion last year.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.52	1.0	1.0	1.0
Euro	1.05	-1.1	-1.5	-1.5
Japanese Yen	131.02	0.2	-0.1	-0.1
Sterling Pound	1.20	-0.6	-1.0	-1.0
Chinese Yuan	6.92	0.0	0.0	0.0
Indian Rupee	82.89	0.2	0.2	0.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.67	0.2	0.0	0.0
Kuwaiti Dinar	0.31	0.1	0.1	0.1
Omani Rial	0.38	0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	24.79	0.2	0.1	0.1

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)	3,329	-0.1	0.0	0.0	9.2
Abu Dhabi (ADX)	10,288	0.3	0.2	0.2	18.6
Kuwait (KSE)	5,545	-0.4	-0.9	-0.9	12.9
Qatar (QE)	10,913	0.7	2.2	2.2	12.1
Oman (MSM)	4,871	0.6	0.3	0.3	11.9
Bahrain (BSE)	1,887	-0.1	-0.4	-0.4	7.1
Egypt (EGX30)	15,068	0.7	3.2	3.2	7.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,136	-0.0	-0.0	-0.0	19.1
Nasdaq	10,863	-0.7	-0.7	-0.7	23.6
S&P 500	3,824	-0.4	-0.4	-0.4	18.5
FTSE 100	7,554	1.4	1.4	1.4	14.2
Germany DAX 30	14,182	0.8	1.9	1.9	13.1
France CAC 40	6,624	0.4	2.3	2.3	13.7
Japan Nikkei 225	26,095	0.0	0.0	0.0	17.4
Russia MOEX	2,173	0.9	0.9	0.9	3.7
Hong Kong Hang Seng	20,145	1.8	1.8	1.8	7.5
South Korea KOSPI	2,219	-0.3	-0.8	-0.8	10.7
China Shanghai Composite	3,117	0.9	0.9	0.9	14.0
Australia ASX 200	6,946	-1.3	-1.3	-1.3	14.3
India Sensex	61,294	0.2	0.7	0.7	23.5
MSCI EM	963	0.7	0.6	0.6	10.8
MSCI World	2,601	-0.2	-0.1	-0.1	16.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.47	1.2	0.3	0.3
Brent Crude (\$/bbl)	82.10	-4.4	-4.4	-4.4
Texas crude (\$/bbl)	76.93	-4.1	-4.1	-4.1
Natural Gas (\$/mmbtu)	3.99	-10.9	-10.9	-10.9
Gold (\$/oz)	1,839.48	0.8	0.8	0.8
Silver (\$/oz)	24.01	0.2	0.2	0.2
Steel (\$/ton)	722.00	-3.0	-3.0	-3.0
Iron Ore (CNY/MT)	849.00	-0.9	-0.9	-0.9
Wheat (\$/bu)	775.50	-2.1	-2.1	-2.1
Corn (\$/bu)	670.50	-1.2	-1.2	-1.2
Sugar (\$/lb)	19.70	-1.7	-1.7	-1.7
SMP* (EUR/MT)	2,769.00	0.1	-0.3	-0.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.79	1.7	6.0	6.0
KSA (SAIBOR 3M)	5.25	-0.9	-8.9	-8.9
KSA (SAIBOR 6M)	5.58	-0.5	-1.5	-1.5
KSA (SAIBOR 12M)	5.83	-1.3	-3.9	-3.9
USD (LIBOR 3M)	4.77	0.0	0.0	0.0
UAE (EIBOR 3M)	4.48	0.4	17.1	17.1

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 3, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,661
Short-term view	Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,955.5
Value (SAR mn)	3,888.1
Volume (mn)	144.9
Number of Transactions	310,279
Market Breadth	166 : 42

Key statistics	
1D return %	0.78%
MTD return %	1.74%
QTD return	1.74%
YTD return	1.74%
ADT vol. 3M* (mn)	146.5
ADT val. 3M (SARmn)	4,639.3

*ADT stands for Average Daily Traded

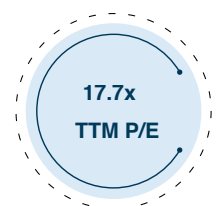
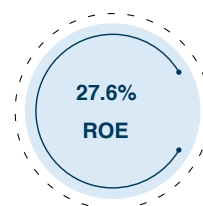
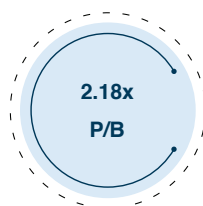
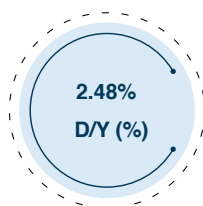
TASI market commentary

- The TASI rose on Tuesday, primarily due to strength in Index heavyweights Materials (1.16% D/D) and Banks (1.05% D/D) stocks. At close, the Saudi market ended the day with a gain of 0.78% at 10,661. In terms of activity, total volumes and value traded were ~145mn and ~SAR 3.9bn respectively. The advance-decline ratio came in at 166/42.

Technical outlook

- TASI gained around 83 points to close the trading session near the 10,661 mark. The index opened with full dominance from bulls who pushed the index toward an intraday high near the 10,667 level. Yesterday, bulls succeeded to resume imposing control and developing a bullish candle with a fairly good volume that absorbed excess supply that was faced near the 10,550 – 10,600 zone. The index cleared the internal trendline and started to expand Bollinger Bands which indicated the start of a new wave of bullish volatility. Moreover, the RSI is penetrating its declining trendline which is added to the bullish evidence. The index has immediate short-term resistance near the 10,750 level, which if breached, the index may continue toward an upside target near the 10,900 level whereby selling pressure is expected to be met there. On the flip side, the index has immediate support near the 10,575 – 10,550 zone, which if breached may pull the index lower near the 10,450 – 10,400 zone then the 10,300 level. Traders are advised to buy and keep track of a protective stop loss below the level of 10,550.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,050	10,100	10,300	10,400	10,550	10,750	10,900



Source: Bloomberg, Argam

TASI daily chart

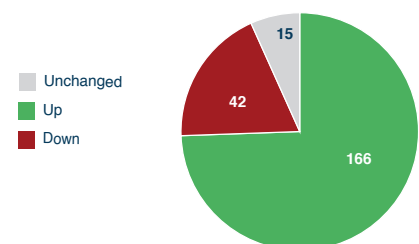


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
4161	BinDawood Holding Co.	51.00	50.50 - 51.00	52.35	55.00	49.00
4051	Baazeem Trading Company	60.80	60.20 - 60.80	62.00	63.40	59.50

* As of 03rd January 2023

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

CHARTS OF THE WEEK

Technical observations

BINDAWOOD 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 to the bullish territory after creating a positive divergence. We recommend buying the stock in a range of SAR 50.50 - 51.00, for a target of SAR 52.35 followed by SAR 55.00, with a stop loss below SAR 49.00 on a closing basis.

BinDawood Holding Co. (BINDAWOOD)



Source: Tradingview, AlJazira Capital

Technical observations

Baazeem finished a bullish reversal ascending triangle price pattern, reflecting the current dominance of bulls. Moreover, the bullish breakout came with a confirming heavy volume. Furthermore, the RSI line shows a confirming bullish structure. Besides, a possible throwback move toward the cleared upper boundary of the price pattern may provide a good buying opportunity with a lower cost. We recommend buying the stock in a range of SAR 60.20 - 60.80, for a target of SAR 62.00 followed by SAR 63.40, with a stop loss below SAR 59.50 on a closing basis.

Baazeem Trading Company (Baazeem)



Source: Tradingview, AlJazira Capital

Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

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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