

Major Economic News

- Saudi ports reported a rise of 13% Y/Y in the volume of cargo handled to 237.0mn tons in FY22, compared to 210.0mn tons a year earlier. (Source: Argaam)

Major Corporate News

- Bank Albilad announced its intention to repurchase up to 5.0mn ordinary shares to retain them as treasury shares for the Employee Shares Incentive Program (ESIP). The buyback will be financed through the bank's internal resources. Currently, Bank Albilad's treasury shares of the total target shares stand at 0.36%. (Source: Argaam)
- Abdullah Al Othaim Markets Co.'s board of directors approved the appointment of Muaffaq Mubarah as CEO. (Source: Argaam)
- Perfect Presentation for Commercial Services Co. (2P) was awarded a project worth SAR 43.9mn for maintenance and operation of the information technology system at Makkah-based Al Noor Specialist Hospital. (Source: Argaam)
- Scientific & Medical Equipment House Co. was awarded a contract worth SAR 194.8mn by the Ministry of Health. The company will do the maintenance, cleaning, and non-medical operation of Al-Madinah Hospital in King Salman Medical City in Madinah as per the five-year contract. (Source: Argaam)
- Al-Saif Stores for Development and Investment Co. (Alsaif Gallery) started its expansion in Kuwait, where two branches were rented. The first branch is expected to open in Q1-23 and the second in Q2-23. (Source: Argaam)
- The board of directors of Obeikan Glass Co. recommended a 33.3% capital increase to SAR 320.0mn, through a one-for-three bonus share distribution. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange closed flat at 10,536.9 on Sunday. The value traded stood at SAR 3.0bn (down 18.7% over the previous day), while the advance-decline ratio stood at 134/69. The parallel market index decreased 0.5% to 19,204.4 points. The value traded stood at SAR 14.2mn (down 38.3% over the previous day). Most sectors in the main market ended in the green. Capital goods and Pharma & Bio Tech (up 2.1% and 1.7%, respectively) advanced the most; Media and Banks (down 1.0% and 0.6%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ATHEEB TELECOM	64.20	9.9
RAYDAN	24.16	9.9
ALKATHIRI	41.00	8.3
AMIANIT	37.00	7.9
ALHAMMADI	45.00	7.1

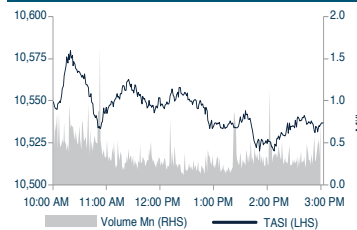
Top Losers

Company	Price	Change%
ALINMA TOKIO M	12.24	-2.1
SABB	38.60	-1.7
SADAFCO	230.00	-1.6
ATAA	54.30	-1.5
MAADANIYAH	18.44	-1.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,537	10,580	10,517	0.0	0.6
NomuC	19,204	19,375	19,106	-0.5	-1.1

TASI movement during session



TASI Ratios

P/E* (x)	17.6
Price-to-Book (x)	2.2
Dividend Yield (%)	1.3
Return on Equity (%)	27.7

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,339	-0.1	-1.6	11.4
Materials	6,487	0.6	3.1	13.3
Capital Goods	5,611	2.1	7.4	18.5
Commercial Service	3,440	0.4	0.1	29.8
Transportation	4,603	0.1	1.4	High
Consumer Durables	4,379	1.2	3.7	Neg
Consumer Services	3,869	0.1	4.8	49.3
Media	21,858	-1.0	1.7	22.8
Retailing	7,305	-0.1	1.8	22.6
Food & Staples	8,744	0.2	2.4	18.7
Food & Beverages	4,626	-0.5	-0.3	38.6
Healthcare	9,201	1.5	1.0	44.6
Pharma & Bio Tech	2,987	1.7	3.9	Neg
Banks	11,443	-0.6	-0.9	15.9
Diversified Financial	6,457	1.1	1.5	7.1
Insurance	5,385	0.2	1.3	High
Telecom	6,562	0.7	2.7	16.4
Utilities	7,399	1.3	3.1	16.1
REITs	3,953	-0.4	-0.6	21.7
Real Estate	2,591	0.9	3.6	43.8
Software & Services	36,058	1.3	0.5	33.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,568	10,494	10,359	3.51

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	3	109.70	251.30
Previous week	18	790.20	1,467.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.50	-0.2
Al Rajhi	75.50	-0.3
SNB	49.20	-1.0
SABIC	90.60	0.4
STC	37.90	0.8

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Qatar increased 1.4% while Oman, Bahrain and Kuwait declined 0.7%, 0.3% and 0.2%, respectively. Meanwhile, Egypt remained closed.
- US non-farm payroll employment jumped by 223,000 jobs in December (consensus: 200,000) after increasing by a revised 256,000 jobs in November. The unemployment rate edged down to 3.5% in December (consensus: 3.7%) from a revised 3.6% in November. (Source: RTT news)
- US initial jobless claims decreased to 204,000 (consensus: 225,000) in the week ended December 31, representing a decrease of 19,000 from the previous week's level of 213,000. (Source: RTT news)
- US trade deficit declined to USD 61.5bn in November (consensus: USD 78.2bn) from a revised USD 77.8bn in October. The narrower than expected trade deficit was a result of decline in imports by 6.4% to USD 313.4bn while the value of exports slumped by 2.0% to USD 251.9bn. (Source: RTT news)
- US factory orders declined 1.8% M/M in November (consensus: fall by 0.9% M/M) after increasing a downwardly revised 0.4% M/M in October. Orders increased 12.2% on annual basis in November (Source: RTT news)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.88	0.0	0.3	0.3
Euro	1.06	0.0	-0.6	-0.6
Japanese Yen	132.08	0.0	0.7	0.7
Sterling Pound	1.21	0.0	0.1	0.1
Chinese Yuan	6.83	0.0	-1.3	-1.3
Indian Rupee	82.73	0.0	0.0	0.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.1	-0.1
Kuwaiti Dinar	0.31	0.0	0.3	0.3
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	27.20	0.0	9.8	9.8

Corporate Calendar

Date	Company	Event
09 th Jan	RAOOM	Cash Dividend Distribution
10 th Jan	Nofoth	Listing date
12 nd Jan	SAUDI CABLE	EGM
12 nd Jan	2P	Cash Dividend Distribution
12 nd Jan	ALSAIF GALLERY	Cash Dividend Distribution
18 th Jan	NAQI	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,326	-0.1	-0.4	4.1	9.332
Abu Dhabi (ADX)	10,529	1.3	8.0	24.0	18.839
Kuwait (KSE)	8,459	4.2	6.4	10.7	22.806
Qatar (QE)	11,897	-6.0	-6.3	2.3	13.271
Oman (MSM)	4,544	2.0	0.3	10.0	12.756
Bahrain (BSE)	1,864	-0.2	-1.0	3.7	5.091
Egypt (EGX30)	12,600	22.6	28.2	5.4	8.087

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,631	0.0	1.5	1.5	19.4
Nasdaq	11,040	0.0	0.9	0.9	24.0
S&P 500	3,895	0.0	1.4	1.4	18.9
FTSE 100	7,699	0.0	3.3	3.3	14.5
Germany DAX 30	14,610	0.0	4.9	4.9	13.5
France CAC 40	6,861	0.0	6.0	6.0	14.2
Japan Nikkei 225	25,974	0.0	-0.5	-0.5	17.6
Russia MOEX	2,156	0.0	0.1	0.1	3.7
Hong Kong Hang Seng	20,992	0.0	6.1	6.1	7.7
South Korea KOSPI	2,290	0.0	2.4	2.4	11.1
China Shanghai Composite	3,158	0.0	2.2	2.2	14.4
Australia ASX 200	7,110	0.0	1.0	1.0	14.5
India Sensex	59,900	0.0	-1.5	-1.5	23.4
MSCI EM	989	0.0	3.4	3.4	11.0
MSCI World	2,650	0.0	1.8	1.8	17.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	77.45	0.0	-8.1	-8.1
Brent Crude (\$/bbl)	78.57	0.0	-8.5	-8.5
Texas crude (\$/bbl)	73.77	0.0	-8.1	-8.1
Natural Gas (\$/mmbtu)	3.71	0.0	-17.1	-17.1
Gold (\$/oz)	1,865.69	0.0	2.3	2.3
Silver (\$/oz)	23.83	0.0	-0.5	-0.5
Steel (\$/ton)	730.00	0.0	-1.9	-1.9
Iron Ore (CNY/MT)	840.50	0.0	-1.9	-1.9
Wheat (\$/bu)	743.50	0.0	-6.1	-6.1
Corn (\$/bu)	654.00	0.0	-3.6	-3.6
Sugar (\$/lb)	18.96	0.0	-5.4	-5.4
SMP* (EUR/MT)	2,770.00	0.0	-0.2	-0.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.92	2.4	19.4	19.4
KSA (SAIBOR 3M)	5.27	0.0	-6.6	-6.6
KSA (SAIBOR 6M)	5.60	2.3	0.4	0.4
KSA (SAIBOR 12M)	5.81	0.0	-6.0	-6.0
USD (LIBOR 3M)	4.81	0.0	4.3	4.3
UAE (EIBOR 3M)	4.51	0.0	20.3	20.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of January 8, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,537
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950
Market data	
Exchange Market Cap. (SAR bn)	9,783.6
Value (SAR mn)	2,999.1
Volume (mn)	109.7
Number of Transactions	251,294
Market Breadth	134 : 69
Key statistics	
1D return %	0.05%
MTD return %	0.56%
QTD return	0.56%
YTD return	0.56%
ADT vol. 3M* (mn)	149.0
ADT val. 3M (SARmn)	4,605.0

*ADT stands for Average Daily Traded

TASI market commentary

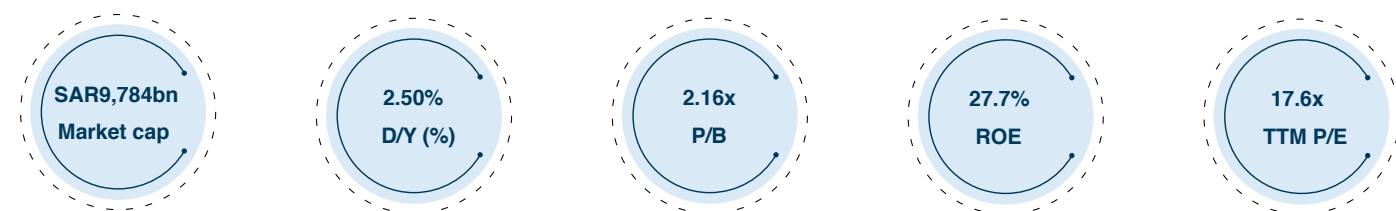
- The TASI rose on Sunday, primarily due to strength in Index heavyweights Telecommunication Services (0.68% D/D) and Materials (0.64% D/D) stocks. At close, the Saudi market ended the day with a change of 0.05% at 10,537. In terms of activity, total volumes and value traded were ~110mn and ~SAR 3.0bn respectively. The advance-decline ratio came in at 134/69.

Technical outlook

- TASI rose marginally to close Sunday's trading session near the 10,537 mark. The index opened with an upside gap and initial dominance from bulls who pushed the index to record an intraday high near 10,580 before giving up and the bears impose their control to record an intraday low near 10,517 before the end of the session. The index formed a candle with a small body accompanied by relatively low volume after bouncing off its 10 days SMA which coincided with the significant Fibonacci retracement level of 23.6 % near the level of 10,450 indicating the balance between buyers and sellers at these levels. Moreover, the short-term trend of the index will remain up as long as it maintains above the rising trendline which coincides with its 20 days SMA near the level of 10,360. The index has immediate resistance near the 10,550 level, which if breached, the index may continue toward the level of 10,675 followed by 10,800. On the flip side, an immediate support is seen around the 10 days SMA zone of 10,500 / 10,450 followed by the support of the 20 days SMA around 10,360 level. Traders are advised to be cautiously buy and keep track of a stop loss below the level of 10,360.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,050	10,360	10,450	10,550	10,675	10,800	10,900



Source: Bloomberg, Argaam

TASI daily chart

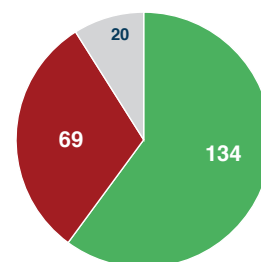


Our view



Market depth

Unchanged
Up
Down



Source: Tradingview, Aljazira Capital

SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
2040	Saudi Ceramic Co.	31.50	31.20 – 31.50	32.60	34.00	30.50

* As of 08th January 2023

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

CHARTS OF THE WEEK

Technical observations

Saudi Ceramics finished a bullish reversal ascending triangle price pattern. Moreover, the volume structure confirms the bullish price action. Furthermore, the RSI line cleared its declining trendline after creating a positive divergence. We recommend buying the stock in a range of SAR31.20 – 31.50, for a target of SAR32.60 followed by SAR34.00, with a stop loss below SAR30.50 on a closing basis.

Saudi Ceramic Co. (Saudi Ceramics)



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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