



Major Economic News

- King Salman bin Abdulaziz Al Saud announced extending support for the Citizen's Account beneficiaries for additional three months until March 2023 to provide additional support for the program beneficiaries. The move aligns with the royal order issued in July 2022 on allocating SAR 20.0bn to help mitigate the effects of increasing global prices. (Source: Argaam)
- Saudi Ports Authority (MAWANI) announced the groundbreaking of the development and operation projects of two container terminals at King Abdulaziz Port in Dammam. The investment value of the projects, awarded to Saudi Global Ports Co. (SGP) exceeded SAR 7.0bn, under the build-operate-transfer (BOT) model. (Source: Argaam)
- Saudi Arabia began issuing USD-denominated bonds over three tranches, with maturity terms ranging from 5 to 30 years. The initial indicative price of the bonds is about 140 bps higher than the US Treasury bonds for the five-year Sukuk, 170 bps above the yield on the 10.5-year US Treasury bonds, and about 210 bps more than the 30-year US Treasury bonds. (Source: Argaam)

Major Corporate News

- Gas Arabian Services Co. signed a contract with JGC Arabia Limited for developing of Saudi Aramco's Zuluf onshore oilfield project at a total value of SAR 139.5mn for steel structure pre-assembly and erection, equipment installation, piping, painting and support services. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
NCLE	25.9	18.1	42.9	16.2	59.9

Market Analysis

- The Saudi Stock Exchange decreased 0.1% to 10,634.1. The value traded stood at SAR 4.5bn (up 7.6% over previous day), while the advance-decline ratio stood at 103/101. The parallel market index decreased 0.5% to 19,207.5 points. The value traded stood at SAR 23.6mn (up 57.6% over previous day). Most sectors in the main market ended in the green. Diversified Financials and Food & Beverages (up 1.5% and 1.0%, respectively) advanced the most; Banks and Insurance (down 0.9% and 0.7%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
HB	53.40	9.9
NCLE	78.90	6.2
EXTRA	74.10	6.0
JOUF CEMENT	12.76	5.3
AMIAITIT	40.95	5.0

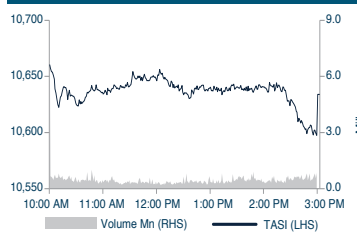
Top Losers

Company	Price	Change%
RED SEA	24.30	-3.2
TAPRCO	74.00	-2.6
SABB	37.50	-2.6
SFICO	29.00	-2.5
ALJAZIRA REIT	17.50	-2.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,634	10,660	10,596	-0.1	1.5
NomuC	19,208	19,340	19,168	-0.5	-1.1

TASI movement during session



TASI Ratios

P/E* (x)	17.8
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	5,398	0.5	-0.5	11.5
Materials	6,626	0.3	5.4	13.3
Capital Goods	5,656	-0.5	8.2	18.7
Commercial Service	3,514	0.5	2.3	30.5
Transportation	4,646	0.3	2.3	High
Consumer Durables	4,378	-0.4	3.6	Neg
Consumer Services	3,923	0.7	6.3	50
Media	21,907	0.5	1.9	22.9
Retailing	7,408	0.5	3.3	22.9
Food & Staples	8,871	0.6	3.9	19
Food & Beverages	4,781	1.0	3.0	39.9
Healthcare	9,302	0.3	2.1	45
Pharma & Bio Tech	3,008	0.4	4.7	Neg
Banks	11,432	-0.9	-1.0	15.8
Diversified Financial	6,572	1.5	3.3	7.2
Insurance	5,381	-0.7	1.2	High
Telecom	6,646	0.0	4.0	16.5
Utilities	7,505	0.6	4.6	16.3
REITs	3,957	0.2	-0.5	21.8
Real Estate	2,651	0.9	6.0	High
Software & Services	36,136	0.0	0.7	33.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,576	10,563	10,410	3.72

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.7	390.40	928.30
Previous week	18	790.20	1,467.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.85	0.5
Al Rajhi	75.90	-0.8
SNB	49.10	-1.2
SABIC	93.50	0.5
STC	37.90	-0.3



Regional and International Markets

- Among other regional markets, Dubai decreased 0.3%, while Abu Dhabi increased 0.4%. Oman and Kuwait increased 0.5% and 0.2%, respectively, while Egypt and Qatar declined 3.9% and 0.4%, respectively. Meanwhile, Bahrain remained closed.
- The World Bank expects global GDP growth of 1.7% in FY23 versus its previous forecast of 3.0% global growth estimated as per its June 2022 report. Global growth is forecasted to pick up to 2.7% in FY24 below the 2.9% estimate for FY22. (Source: World Bank)
- UK retail like for like sales grew 6.9% Y/Y in December faster than the 4.5% Y/Y increase in November. (Source: RTT news)
- UK permanent job placements declined further in December as increasing economic uncertainty and pressures on budgets weighed on permanent staff appointments. (Source: RTT news)
- China banks extended CNY 1.4tn in new loans in December (consensus: CNY 1.1tn) compared to CNY 1.2tn in November. (Source: RTT news)
- Oil Prices edged up slightly by 0.6%, as traders awaited US oil inventory data and government report on inflation scheduled later in the week.
- Gold prices edged up 0.3%, as a weaker US dollar and hopes of slower US rate hikes after lack of clarity on US Fed's potential course on rate hike path.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.24	0.2	-0.3	-0.3
Euro	1.07	0.0	0.3	0.3
Japanese Yen	132.26	0.3	0.9	0.9
Sterling Pound	1.22	-0.2	0.6	0.6
Chinese Yuan	6.78	0.0	-2.0	-2.0
Indian Rupee	81.79	-0.7	-1.1	-1.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.2	-0.2
Kuwaiti Dinar	0.31	-0.1	-0.1	-0.1
Omani Rial	0.38	0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	27.67	0.2	11.7	11.7

Corporate Calendar

Date	Company	Event
12 th Jan	SAUDI CABLE	EGM
12 th Jan	2P	Cash Dividend Distribution
12 th Jan	ALSAIF GALLERY	Cash Dividend Distribution
18 th Jan	NAQI	Cash Dividend Distribution
22 nd Jan	AZM	EGM
23 rd Jan	SADAFSCO	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,314	-0.3	-0.5	-0.5	11.1
Abu Dhabi (ADX)	10,210	0.4	-0.6	-0.6	18.3
Kuwait (KSE)	5,553	0.2	-0.8	-0.8	12.9
Qatar (QE)	11,425	-0.4	7.0	7.0	12.8
Oman (MSM)	4,872	0.5	0.3	0.3	11.9
Bahrain (BSE)	1,889	0.0	-0.3	-0.3	7.1
Egypt (EGX30)	15,463	-3.9	5.9	5.9	7.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,704	0.6	1.7	1.7	19.4
Nasdaq	11,206	0.9	2.4	2.4	24.4
S&P 500	3,919	0.7	2.1	2.1	19.0
FTSE 100	7,694	-0.4	3.3	3.3	14.5
Germany DAX 30	14,775	-0.1	6.1	6.1	13.7
France CAC 40	6,869	-0.6	6.1	6.1	14.2
Japan Nikkei 225	26,176	0.8	0.3	0.3	17.9
Russia MOEX	2,160	-0.2	0.3	0.3	3.7
Hong Kong Hang Seng	21,331	-0.3	7.8	7.8	7.8
South Korea KOSPI	2,351	0.0	5.1	5.1	11.2
China Shanghai Composite	3,170	-0.2	2.6	2.6	14.4
Australia ASX 200	7,131	-0.3	1.3	1.3	14.5
India Sensex	60,115	-1.0	-1.2	-1.2	23.2
MSCI EM	1,014	0.1	6.0	6.0	11.4
MSCI World	2,671	0.3	2.6	2.6	17.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	79.12	-1.0	-6.1	-6.1
Brent Crude (\$/bbl)	80.10	0.6	-6.8	-6.8
Texas crude (\$/bbl)	75.12	0.7	-6.4	-6.4
Natural Gas (\$/mmbtu)	3.64	-6.9	-18.7	-18.7
Gold (\$/oz)	1,877.03	0.3	2.9	2.9
Silver (\$/oz)	23.60	-0.2	-1.5	-1.5
Steel (\$/ton)	730.00	0.0	-1.9	-1.9
Iron Ore (CNY/MT)	845.00	0.3	-1.4	-1.4
Wheat (\$/bu)	731.00	-1.4	-7.7	-7.7
Corn (\$/bu)	655.00	0.3	-3.5	-3.5
Sugar (\$/lb)	19.64	2.5	-2.0	-2.0
SMP* (EUR/MT)	2,763.00	-0.2	-0.5	-0.5

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.97	6.4	23.8	23.8
KSA (SAIBOR 3M)	5.37	1.2	3.1	3.1
KSA (SAIBOR 6M)	5.62	0.2	1.7	1.7
KSA (SAIBOR 12M)	5.84	-1.8	-3.3	-3.3
USD (LIBOR 3M)	4.78	-2.7	1.5	1.5
UAE (EIBOR 3M)	4.57	2.3	26.4	26.4

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 10, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,634
Short-term view	Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,891.3
Value (SAR mn)	4,534.6
Volume (mn)	144.0
Number of Transactions	338,804
Market Breadth	103 : 101

Key statistics	
1D return %	-0.12%
MTD return %	1.48%
QTD return	1.48%
YTD return	1.48%
ADT vol. 3M* (mn)	150.2
ADT val. 3M (SARmn)	4,624.6

*ADT stands for Average Daily Traded

TASI market commentary

- The TASI declined on Tuesday, primarily due to contrast between Index heavyweights Banks (-0.95% D/D) and Telecommunication Services (0.02% D/D) stocks. At close, the Saudi market ended the day with a change of -0.12% at 10,634. In terms of activity, total volumes and value traded were ~144mn and ~SAR 4.5bn respectively. The advance-decline ratio came in at 103/101.

Technical outlook

- TASI declined 13 points to close Tuesday's trading session near the 10,634 mark. The index opened with an upside opening gap and recorded an intraday high near 10,660 followed by profit-taking action managed by bears who dominated most of the session's activity. The index is still traded above its 10-day SMA which keeps the short-term trend up after bouncing off the significant Fibonacci retracement level of 23.6 % near the level of 10,450 toward the next significant Fibonacci level of 38.2% near the zone of 10,750 / 10,800. Moreover, the RSI still shows a positive structure as it maintains above its rising support line as well as staying above the level of 50. The index has immediate resistance near the level of 10,675, which if breached, the index may continue toward the level of 10,800 followed by 10,900. On the flip side, immediate support is seen around the 10 day SMA zone of 10,560 / 10,550 followed by the support of the Fibonacci retracement level of 23.6 % near the level of 10,450 which if breached will signal a short-term trend reversal. Traders are advised to buy and keep track of a stop loss below the level of 10,450.

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

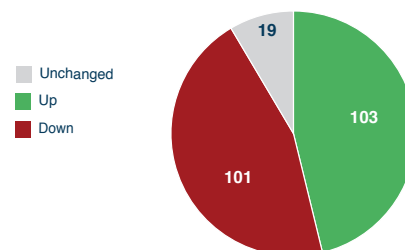


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
2310	Sahara International Petrochemical Co.	34.50	34.15 – 34.50	35.25	36.35	33.60
4013	Dr. Sulaiman Al Habib Medical Services Group	223.80	221.50 – 223.80	230.00	235.00	220.00

*As of 10th January 2023

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

CHARTS OF THE WEEK

Technical observations

Sipchem cleared the upper band of a medium/long-term declining channel after a golden cross of 10 & 20 days SMAs. A heavy volume accompanied with the upside breakout 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 SAR34.15 – 34.50, for a target of SAR35.25 followed by SAR36.35, with a stop loss below SAR33.60 on a closing basis.

Sahara International Petrochemical Co. (Sipchem)



Source: Tradingview, AlJazira Capital

Technical observations

SULAIMAN cleared the upper band of a declining channel after bouncing off the lower band of a larger rising one heading toward its upper band. Moreover, the RSI line cleared its declining trendline. We recommend buying the stock in a range of SAR221.50 – 223.80, for a target of SAR230.00 followed by SAR235.00, with a stop loss below SAR220.00 on a closing basis.

Dr. Sulaiman Al Habib Medical Services Group (SULAIMAN ALHABIB)



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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