



## Major Economic News

- The World Bank upheld its expectations for Saudi Arabia's real GDP growth at 3.7% Y/Y for FY23 while the World Bank expected the Saudi economy to grow by 2.3% Y/Y in FY24.. (Source: Argaam)
- The National Debt Management Center (NDMC) completed the first international offering in FY23 under the Kingdom's Global Medium-Term Note Issuance (GMTN) Program worth USD 10.0bn. NDMC said the total order book reached USD 38.0bn. (Source: Argaam)
- The point-of-sale transactions reached SAR 11.2bn in week ended January 7, compared to SAR 13.5mn in previous week. Data showed that a total of 157.2mn transactions were processed. (Source: Argaam)

## Major Corporate News

- Saudi Arabian Mining Co. (Maaden) signed a Joint Venture Agreement with the PIF to establish a new company to invest in mining assets internationally to secure strategic minerals. Maaden will hold 51% of the new company and the PIF will hold the remaining 49% stake. The new company's initial paid-up capital will stand at SAR 187.5mn. (Source: Argaam)
- Saudi Arabian Mining Co. (Maaden) signed a contract with WorleyParsons Arabia Ltd. and JESA S.A, for SAR 1.04bn, wherein WorleyParsons and JESA will provide engineering, procurement, and construction management services for the construction of phase 1 of the phosphate 3. (Source: Argaam)
- Stc signed a sale and purchase agreement with Arabian Internet and Communications Services Co. (solutions) to sell stc's entire 49% stake in Contact Center Co. for cash consideration. The transaction will be based on 100% enterprise value worth SAR 450.0mn. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 10,617.5. The value traded stood at SAR 4.9bn (up 7.0% over previous day), while the advance-decline ratio stood at 114/88. The parallel market index decreased 0.6% to 19,095.8 points. The value traded stood at SAR 14.2mn (down 39.6% over previous day). Most sectors in the main market ended in the green. Consumer Services and Pharma & Bio Tech (up 2.2% and 2.0%, respectively) advanced the most; Telecom and Insurance (down 1.2% each) led the laggards.

## Top Gainers

Company	Price	Change%
TECO	16.92	6.8
FITAIHI GROUP	32.00	6.5
SIPCHEM	36.25	5.1
NASEEJ	46.25	4.2
AMERICANA	3.42	4.0

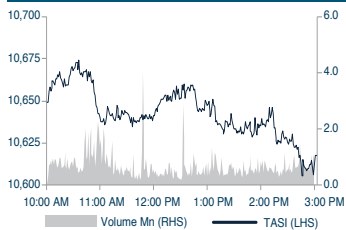
## Top Losers

Company	Price	Change%
TAWUNIYA	77.10	-3.3
ETIHAD ETISALAT	35.15	-2.9
GULF UNION ALAHLIA	9.07	-2.9
AMIANIT	39.90	-2.6
BSFR	38.80	-2.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,617	10,677	10,602	-0.2	1.3
NomuC	19,096	19,267	19,061	-0.6	-1.7

## TASI movement during session



## TASI Ratios

P/E* (x)	17.7
Price-to-Book (x)	2.2
Dividend Yield (%)	1.3
Return on Equity (%)	27.7

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,400	0.0	-0.5	11.5
Materials	6,687	0.9	6.3	13.4
Capital Goods	5,643	-0.2	8.0	18.6
Commercial Service	3,502	-0.3	1.9	30.3
Transportation	4,652	0.1	2.4	High
Consumer Durables	4,461	1.9	5.6	Neg
Consumer Services	4,009	2.2	8.6	High
Media	22,313	1.9	3.8	23.2
Retailing	7,496	1.2	4.5	23.2
Food & Staples	8,985	1.3	5.2	19.3
Food & Beverages	4,760	-0.4	2.6	39.8
Healthcare	9,264	-0.4	1.7	44.7
Pharma & Bio Tech	3,069	2.0	6.8	Neg
Banks	11,345	-0.8	-1.7	15.7
Diversified Financial	6,540	-0.5	2.8	7.2
Insurance	5,317	-1.2	0.0	High
Telecom	6,563	-1.2	2.7	16.4
Utilities	7,506	0.0	4.6	16.3
REITs	3,972	0.4	-0.1	21.8
Real Estate	2,638	-0.5	5.5	High
Software & Services	36,435	0.8	1.5	33.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,593	10,576	10,429	3.85

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	16.6	604.10	1,279.30
Previous week	18	790.20	1,467.30

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.85	0.0
Al Rajhi	75.70	-0.3
SNB	48.50	-1.2
SABIC	93.50	0.0
STC	37.65	-0.7

## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.5% and 0.7%, respectively. Kuwait, Egypt, Oman and Bahrain increased 1.1%, 0.4%, 0.2% and 0.1%, respectively. Meanwhile, Qatar declined 1.3%.
- According to EIA, oil inventories in the US increased 19mn barrels (prior: up 1.7mn) to 439.6mn in the week ended January 6. Gasoline inventories increased 4.1mn barrels (prior: down 0.3mn) to 226.8mn, while distillate inventories decreased 1.1mn barrels (prior: down 1.4mn) to 117.7mn. (Source: EIA, Econoday).
- China's CPI increased 1.8% Y/Y in December (consensus: 1.9% Y/Y) as compared to increase of 1.6% Y/Y in November. (Source: Econoday)
- China's producer prices declined 0.7% Y/Y in December (consensus: 0.1% Y/Y) as compared to the decline of 1.3% Y/Y in November. (Source: Econoday)
- Oil price rose 3.2% as optimism about the state of the world economy and concerns about the impact of sanctions on Russian crude production overshadowed a huge, unexpected increase in US crude stocks.
- Gold prices edged lower 0.1% as traders awaited key US inflation data due this week to gauge the US Federal Reserve's rate hike stance.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.19	0.0	-0.3	-0.3
Euro	1.08	0.2	0.5	0.5
Japanese Yen	132.45	0.1	1.0	1.0
Sterling Pound	1.21	-0.1	0.5	0.5
Chinese Yuan	6.77	-0.2	-2.2	-2.2
Indian Rupee	81.58	-0.3	-1.4	-1.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.2	-0.2
Kuwaiti Dinar	0.31	0.0	-0.1	-0.1
Omani Rial	0.38	0.0	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	29.78	7.6	20.3	20.3

## Corporate Calendar

Date	Company	Event
12 <sup>th</sup> Jan	SAUDI CABLE	EGM
12 <sup>th</sup> Jan	2P	Cash Dividend Distribution
12 <sup>th</sup> Jan	ALSAIF GALLERY	Cash Dividend Distribution
18 <sup>th</sup> Jan	NAQI	Cash Dividend Distribution
22 <sup>nd</sup> Jan	AZM	EGM
23 <sup>rd</sup> 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)	3,298	-0.5	-0.9	-0.9	11.1
Abu Dhabi (ADX)	10,141	-0.7	-1.2	-1.2	18.4
Kuwait (KSE)	5,612	1.1	0.3	0.3	12.9
Qatar (QE)	11,275	-1.3	5.6	5.6	12.7
Oman (MSM)	4,879	0.2	0.5	0.5	12
Bahrain (BSE)	1,890	0.1	-0.3	-0.3	7.1
Egypt (EGX30)	15,528	0.4	6.4	6.4	7.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,973	0.8	2.5	2.5	19.6
Nasdaq	11,403	1.8	4.2	4.2	24.8
S&P 500	3,970	1.3	3.4	3.4	19.2
FTSE 100	7,725	0.4	3.7	3.7	14.5
Germany DAX 30	14,948	1.2	7.4	7.4	13.8
France CAC 40	6,924	0.8	7.0	7.0	14.3
Japan Nikkei 225	26,446	1.0	1.3	1.3	17.9
Russia MOEX	2,187	1.3	1.5	1.5	3.7
Hong Kong Hang Seng	21,436	0.5	8.4	8.4	7.7
South Korea KOSPI	2,360	0.3	5.5	5.5	11.2
China Shanghai Composite	3,162	-0.2	2.3	2.3	14.3
Australia ASX 200	7,195	0.9	2.2	2.2	14.7
India Sensex	60,106	0.0	-1.2	-1.2	23.0
MSCI EM	1,017	0.3	6.3	6.3	11.4
MSCI World	2,701	1.1	3.8	3.8	17.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.09	1.2	-4.9	-4.9
Brent Crude (\$/bbl)	82.67	3.2	-3.8	-3.8
Texas crude (\$/bbl)	77.41	3.0	-3.6	-3.6
Natural Gas (\$/mmbtu)	3.67	0.9	-18.0	-18.0
Gold (\$/oz)	1,875.69	-0.1	2.8	2.8
Silver (\$/oz)	23.42	-0.8	-2.2	-2.2
Steel (\$/ton)	729.00	-0.1	-2.0	-2.0
Iron Ore (CNY/MT)	848.00	0.4	-1.1	-1.1
Wheat (\$/bu)	740.00	1.2	-6.6	-6.6
Corn (\$/bu)	656.00	0.2	-3.3	-3.3
Sugar (\$/lb)	19.65	0.1	-1.9	-1.9
SMP* (EUR/MT)	2,763.00	0.0	-0.5	-0.5

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.93	-4.0	19.8	19.8
KSA (SAIBOR 3M)	5.36	-0.9	2.2	2.2
KSA (SAIBOR 6M)	5.62	0.1	1.9	1.9
KSA (SAIBOR 12M)	5.81	-2.3	-5.5	-5.5
USD (LIBOR 3M)	4.81	2.3	3.9	3.9
UAE (EIBOR 3M)	4.57	-0.8	25.6	25.6

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of January 11, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,617
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,890.1
Value (SAR mn)	4,852.6
Volume (mn)	213.7
Number of Transactions	350,991
Market Breadth	114 : 88

Key statistics	
1D return %	-0.16%
MTD return %	1.33%
QTD return	1.33%
YTD return	1.33%
ADT vol. 3M* (mn)	151.3
ADT val. 3M (SARmn)	4,607.6

\*ADT stands for Average Daily Traded

## TASI market commentary

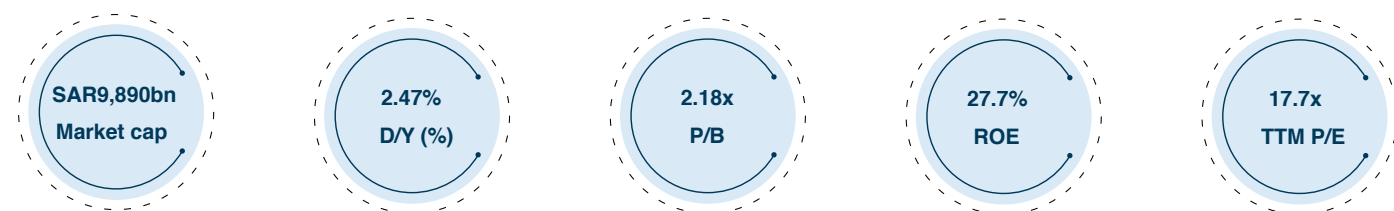
- The TASI declined on Wednesday, primarily due to weakness of Index heavyweights Telecommunication Services (-1.24% D/D) and Banks (-0.76% D/D) stocks. At close, the Saudi market ended the day with a change of -0.16% at 10,617. In terms of activity, total volumes and value traded were ~214mn and ~SAR 4.9bn respectively. The advance-decline ratio came in at 114/88.

## Technical outlook

- TASI declined 17 points to close Wednesday's trading session near the 10,617 mark. The index began with initial dominance from bulls who pushed the index up to record an intraday high near 10,677 followed by profit-booking action till the end of the session. The index failed for two consecutive sessions to overcome its prior minor peak near 10,700 besides the heavy profit-booking activity in the last session, however, maintaining above its 10-day SMA keeps the short-term trend up. On the other hand, clearing the 10-day SMA will change the short-term trend into a sideways one and further decline toward the significant Fibonacci retracement level of 23.6% near the level of 10,450 will be expected. The index has immediate support around the 10-day SMA level of 10,575 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. On the flip side, immediate resistance is seen near the zone of 10,675/10,700, which if breached, the index may continue toward the level of 10,800 near the next significant Fibonacci level of 38.2%. Traders are advised to cautiously 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	10,575	10,675	10,800	10,900



Source: Bloomberg, Argam

## TASI daily chart



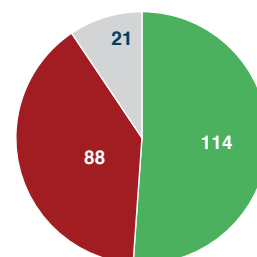
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

Unchanged  
Up  
Down



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
2290	Yanbu National Petrochemical Co.	42.40	42.00 – 42.40	43.35	44.50	41.60

\* As of 11<sup>th</sup> January 2023

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

## CHARTS OF THE WEEK

## Technical observations

**YANSAB** cleared a long-term declining trendline which coincided with the neckline of a bullish reversal H&S price pattern. A bullish volume structure confirms the bullish price breakout. Furthermore, the RSI line cleared its declining trendline after creating a positive divergence. We recommend buying the stock in a range of SAR42.00 – 42.40, for a target of SAR43.35 followed by SAR44.50, with a stop loss below SAR41.60 on a closing basis.

## Yanbu National Petrochemical Co. (YANSAB)



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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