

## Major Economic News

- OPEC retained its forecast for global oil demand growth in FY23 at 2.2mn bpd. (Source: Argaam)
- Saudi Arabia's inflation rose to 3.3% Y/Y in December 2022, Jeddah had the highest inflation at 6.8% Y/Y, followed by Riyadh at 3.8% Y/Y and Al Hofuf at 3.3% Y/Y. As per the Ministry of Finance, inflation is expected to decline to 2.5%-2.6% in FY23E. (Source: Argaam)
- SAMA updated the unified compulsory motor insurance policy. The modifications include the policy definitions and appendices according to the ongoing developments of the insurance industry, as well as updating the exceptions and transferring some of the rights of recovery cases.
- Saudi Crown Prince Mohammed bin Salman launched the Events Investment Fund (EIF), which aims to develop sustainable infrastructure for the culture, tourism, entertainment and sports sectors. (Source: Argaam)
- The Human Resources Development Fund (HadaF) supported the employment of 400,000 Saudis in the private sector in FY22. A total of SAR 6.0bn was spent on training, empowerment and guidance programs and services provided by HadaF wherein more than 1.5mn beneficiaries benefitted. (Source: Argaam)

## Major Corporate News

- Dallah Healthcare Co. (DHC) announced that discussions with the selling shareholders of Dr Mohammad bin Rashed Al Faqih & Partners Co. to purchase all their shares terminated without an agreement. DHC mentioned incompleteness of proposed deal and that there is no financial impact from the termination of negotiations. (Source: Argaam)

## Market Analysis

- The Saudi Stock Exchange decreased 0.4% to 10,682.9. The value traded stood at SAR 4.3bn (up 6.5% over previous day), while the advance-decline ratio stood at 63/142. The parallel market index decreased 0.3% to 19,267.7 points. The value traded stood at SAR 11.3mn (down 31.7% over previous day). Most sectors in the main market ended in the red. Consumer Services and Software & Services (up 0.6% and 0.2%, respectively) advanced the most; Diversified Financials and Capital Goods (down 2.2% and 1.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
TAPRCO	87.00	4.1
WATANIYA	14.80	3.5
ADVANCED	44.50	3.5
AMERICANA	3.57	2.9
BINDAWOOD	57.80	2.9

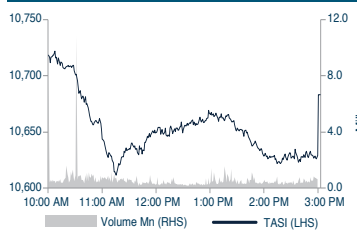
## Top Losers

Company	Price	Change%
ANB	28.60	-4.0
SAIB	17.20	-3.5
KEC	11.00	-3.3
JABAL OMAR	17.60	-2.9
SABB	35.85	-2.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,683	10,722	10,611	-0.4	2.0
NomuC	19,268	19,388	19,268	-0.3	-0.8

## TASI movement during session



## TASI Ratios

P/E* (x)	17.8
Price-to-Book (x)	2.2
Dividend Yield (%)	1.7
Return on Equity (%)	27.7

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,431	0.1	0.1	11.6
Materials	6,667	0.2	6.0	13.4
Capital Goods	5,670	-1.5	8.5	18.8
Commercial Service	3,536	-0.2	2.9	30.7
Transportation	4,611	-0.7	1.5	High
Consumer Durables	4,477	-0.9	6.0	Neg
Consumer Services	4,038	0.6	9.4	High
Media	22,542	-0.5	4.9	23.5
Retailing	7,346	-0.9	2.4	22.7
Food & Staples	8,925	-0.4	4.5	19.2
Food & Beverages	4,794	-0.9	3.3	40
Healthcare	9,157	-0.3	0.5	44.9
Pharma & Bio Tech	3,098	-1.2	7.8	Neg
Banks	11,560	-0.8	0.2	16
Diversified Financial	6,338	-2.2	-0.4	7.0
Insurance	5,383	-0.3	1.2	High
Telecom	6,546	-1.2	2.5	16.3
Utilities	7,489	0.1	4.4	16.2
REITs	3,919	-0.2	-1.4	21.6
Real Estate	2,587	-1.3	3.5	High
Software & Services	36,188	0.2	0.8	31.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,700	10,638	10,522	3.98

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.9	459.30	868.40
Previous week	21.8	790.50	1,619.00

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.10	0.2
Al Rajhi	78.00	0.3
SNB	49.60	-1.6
SABIC	95.30	0.0
STC	37.40	-1.4



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.7% and 0.1%, respectively. Egypt increased 0.9%, while Qatar Oman and Kuwait declined 2.2%, 0.2%, and 0.1%, respectively. Meanwhile, Bahrain closed flat.
- UK ILO unemployment rate remained constant at 3.7% in December (consensus: 3.7% Y/Y). Claimant count increased to 19,700 (consensus: 16,000) as compared to 30,500 in November. Average earnings increased 6.4% Y/Y (consensus: 6.1% Y/Y) as compared to 6.2% Y/Y. (Source: Econoday)
- China fixed asset investment fell 5.1% Y/Y in December (consensus: 5.0% Y/Y) as compared to rise of 5.3% Y/Y in November. (Source: Econoday)
- Japan machinery orders declined 3.7% Y/Y in November (consensus: 1.8% Y/Y) versus a rise of 0.4% Y/Y in October. (Source: Econoday)
- Oil prices increased 1.7%, as China reported weak but above-expectations annual economic growth figures and amid expectations that a recent change in its COVID-19 policy will increase fuel demand.
- Gold prices declined 0.4%, due to a uptick in the US dollar, however, further decline were prevented by expectations for a more gradual increase in interest rates by the US Federal Reserve.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.39	0.2	-1.1	-1.1
Euro	1.08	-0.3	0.8	0.8
Japanese Yen	128.12	-0.4	-2.3	-2.3
Sterling Pound	1.23	0.8	1.7	1.7
Chinese Yuan	6.77	0.4	-2.2	-2.2
Indian Rupee	81.77	0.2	-1.2	-1.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.1	-0.5	-0.5
Kuwaiti Dinar	0.31	0.0	-0.2	-0.2
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	29.63	0.0	19.7	19.7

## Corporate Calendar

Date	Company	Event
18 <sup>th</sup> Jan	NAQI	Cash Dividend Distribution
22 <sup>nd</sup> Jan	AZM	EGM
23 <sup>rd</sup> Jan	SADAFCO	Cash Dividend Distribution
24 <sup>th</sup> Jan	CENOMI CENTERS	EGM
24 <sup>th</sup> Jan	Al-Jouf Health Water Factory	EGM
24 <sup>th</sup> Jan	Al-Jouf Health Water Factory	Ex-bonus Date

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,358	0.7	0.9	0.9	11.3
Abu Dhabi (ADX)	10,273	0.1	0.1	0.1	18.5
Kuwait (KSE)	5,586	-0.1	-0.2	-0.2	13
Qatar (QE)	10,607	-2.2	-0.7	-0.7	12
Oman (MSM)	4,819	-0.2	-0.8	-0.8	11.9
Bahrain (BSE)	1,894	0.0	-0.1	-0.1	7.1
Egypt (EGX30)	15,982	0.9	9.5	9.5	7.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,911	-1.1	2.3	2.3	20.1
Nasdaq	11,557	0.1	5.6	5.6	25.2
S&P 500	3,991	-0.2	3.9	3.9	19.4
FTSE 100	7,851	-0.1	5.4	5.4	14.7
Germany DAX 30	15,187	0.4	9.1	9.1	14.0
France CAC 40	7,077	0.5	9.3	9.3	14.6
Japan Nikkei 225	26,139	1.2	0.2	0.2	18.1
Russia MOEX	2,197	-1.3	2.0	2.0	3.7
Hong Kong Hang Seng	21,578	-0.8	9.1	9.1	7.8
South Korea KOSPI	2,379	-0.9	6.4	6.4	11.2
China Shanghai Composite	3,224	-0.1	4.4	4.4	14.6
Australia ASX 200	7,386	0.0	4.9	4.9	14.9
India Sensex	60,656	0.9	-0.3	-0.3	23.2
MSCI EM	1,027	-0.3	7.4	7.4	11.4
MSCI World	2,736	0.0	5.1	5.1	17.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.60	0.8	1.6	1.6
Brent Crude (\$/bbl)	85.92	1.7	0.0	0.0
Texas crude (\$/bbl)	80.18	0.4	-0.1	-0.1
Natural Gas (\$/mmbtu)	3.59	4.9	-19.9	-19.9
Gold (\$/oz)	1,908.69	-0.4	4.6	4.6
Silver (\$/oz)	23.93	-1.3	-0.1	-0.1
Steel (\$/ton)	730.00	0.7	-1.9	-1.9
Iron Ore (CNY/MT)	858.50	0.7	0.2	0.2
Wheat (\$/bu)	751.75	1.1	-5.1	-5.1
Corn (\$/bu)	685.25	1.5	1.0	1.0
Sugar (\$/lb)	20.14	2.1	0.5	0.5
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)	4.91	4.6	17.9	17.9
KSA (SAIBOR 3M)	5.39	-2.5	4.9	4.9
KSA (SAIBOR 6M)	5.65	1.0	5.7	5.7
KSA (SAIBOR 12M)	5.80	-3.4	-6.7	-6.7
USD (LIBOR 3M)	4.79	0.2	2.7	2.7
UAE (EIBOR 3M)	4.64	7.4	33.5	33.5

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 17, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,683
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,955.9
Value (SAR mn)	4,336.2
Volume (mn)	171.1
Number of Transactions	310,619
Market Breadth	63 : 142

Key statistics	
1D return %	-0.42%
MTD return %	1.95%
QTD return	1.95%
YTD return	1.95%
ADT vol. 3M* (mn)	152.9
ADT val. 3M (SARmn)	4,516.6

\*ADT stands for Average Daily Traded

## TASI market commentary

- The TASI declined on Tuesday, primarily due to weakness of Index heavyweights Telecommunication Services (-1.20% D/D) and Banks (-0.79% D/D) stocks. At close, the Saudi market ended the day with a change of -0.42% at 10,683. In terms of activity, total volumes and value traded were ~171mn and ~SAR 4.3bn respectively. The advance-decline ratio came in at 63/142.

## Technical outlook

- TASI declined 46 points to close Tuesday's trading session near the 10,683 mark. Bears resumed their profit-taking attitude and threw the index down to record an intraday low near 10,611. However, the index is still traded above its 10-day SMA as well as the lower boundary of a short-term rising channel that maintains the short-term trend up and keeps the odds in favor of bulls. Moreover, the stability of the RSI above its declining trendline adds to the bullish evidence. On the other hand, a decisive close below the lower boundary of the rising channel turns the short-term trend sideways and paves the way for a further decline toward the 23.6% Fibonacci retracement level. The index has immediate resistance near the level of 10,700 followed by 10,775 which coincides with the Fibonacci level of 38.2%, which if breached, the index may continue toward the next resistance of the 50% Fibonacci retracement level near the zone of 10,900 / 11,025. On the flip side, immediate support is seen around the 10-day SMA zone of 10,640 / 10,600 which if breached, may continue declining toward the support of 10,450. Traders are advised to cautiously buy and keep track of a stop loss below the level of 10,600.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,325	10,450	10,600	10,700	10,775	10,900	11,025



Source: Bloomberg, Argam

## TASI daily chart



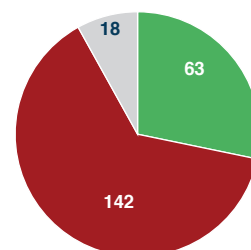
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

Unchanged  
Up  
Down



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
4013	Dr. Sulaiman Al Habib Medical Services Group	224.60	224.00 - 224.60	226.85	222.35
4164	Nahdi Medical Co.	174.40	174.00 - 174.40	176.10	172.60
1150	Alinma Bank	33.35	33.25 - 33.35	33.70	33.00
2300	Saudi Paper Manufacturing Co.	26.25	26.20 - 26.25	26.50	26.00
2080	National Gas and Industrialization Co.	52.40	52.25 - 52.40	52.90	51.90
6060	Ash-Sharqiyah Development Co.	57.60	57.45 - 57.60	58.20	57.00
2282	Naqi Water Company	67.80	67.65 - 67.80	68.50	67.10

\* As of 17<sup>th</sup> January 2023

\* Note – Stop loss is based on an intraday basis

## CHARTS OF THE DAY

## Technical observations

**SULAIMAN ALHABIB** cleared the upper boundary of a declining channel. Moreover, all the technical indicators show bullish structure.

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



Source: Tradingview, AlJazira Capital

## Technical observations

**Nahdi Medical** finished a bullish reversal symmetrical triangle price pattern. Moreover, the RSI shows a bullish structure

## Nahdi Medical Co. (NAHDI)



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.

## Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.