

Major Economic News

- Saudi Arabia's minister of finance gave his approval to the yearly borrowing plan for FY23, which put the country's funding requirements at roughly SAR 45.0bn. Through pre-funding initiatives, the Kingdom has already secured almost SAR 48.0bn of the overall financial requirements for FY23. (Source: Argaam)
- The point-of-sale transactions reached nearly SAR 9.7bn in the week ended January 21, compared to SAR 10.7bn in the week before. Data showed that about 144.7mn transactions were processed during the week. (Source: Argaam)
- Saudi Arabia's international reserve assets retreated by SAR 45.6bn or 3% M/M to SAR 1.7tn in December 2022. (Source: Argaam)
- Saudi Arabia's non-oil exports retreated by 20%, or SAR 5.6bn Y/Y to around SAR 22.8bn in November 2022. Non-oil exports recorded their lowest value since July 2021 when they amounted to SAR 21.1bn. (Source: Argaam)

Major Corporate News

- Arabian Centres Co. (Cenomi Centers) shareholders agreed to launch a Shariah-compliant sukuk programme with a cap of SAR 4.5bn for a two-year term following the program's launch. (Source: Argaam)
- Al-Jouf Mineral Water Bottling Co.'s shareholders approved increasing capital by 50% through a one-for-two bonus share distribution. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Aslak	12.04	7.9	52.42%	3.05	295.0%

Market Analysis

- The Saudi Stock Exchange increased 0.1% to 10,809.2. The value traded stood at SAR 4.1bn (up 15.0% over previous day), while the advance-decline ratio stood at 117/83. The parallel market index increased 0.5% to 19,268.8 points. The value traded stood at SAR 15.4mn (down 34.4% over previous day). Most sectors in the main market ended in the green. Healthcare and Insurance (up 1.8% and 1.4%, respectively) advanced the most; Pharma & Bio Tech and Commercial Service (down 1.3% and 0.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALHOKAIR GROUP	21.74	9.9
ALINMA TOKIO M	13.86	9.0
ALALAMIYA	12.70	5.8
DALLAH HEALTH	134.80	5.3
SAUDI RE	14.66	5.0

Top Losers

Company	Price	Change%
ARABIAN DRILLING	134.00	-2.2
ALJOUF	47.50	-2.0
OASIS	34.20	-1.6
CATERING	76.20	-1.4
TECO	16.76	-1.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,809	10,823	10,736	0.1	3.2
NomuC	19,269	19,306	19,165	0.5	-0.8

TASI movement during session



TASI Ratios

P/E* (x)	17.9
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	5,595	-0.3	3.1	12
Materials	6,785	0.5	7.9	13.6
Capital Goods	5,761	0.1	10.2	19
Commercial Service	3,542	-0.5	3.1	30.7
Transportation	4,737	0.4	4.3	High
Consumer Durables	4,529	0.2	7.2	Neg
Consumer Services	4,044	0.1	9.6	High
Media	22,922	0.1	6.6	23.9
Retailing	7,448	0.7	3.8	23
Food & Staples	9,197	0.4	7.7	19.9
Food & Beverages	4,878	-0.1	5.1	40.6
Healthcare	9,360	1.8	2.7	46.3
Pharma & Bio Tech	3,063	-1.3	6.6	Neg
Banks	11,618	0.0	0.7	16
Diversified Financial	6,277	0.0	-1.3	7.1
Insurance	5,548	1.4	4.4	High
Telecom	6,578	-0.1	3.0	16.4
Utilities	7,312	0.0	1.9	15.9
REITs	3,909	0.2	-1.7	21.5
Real Estate	2,625	0.4	5.0	High
Software & Services	36,511	-0.2	1.7	31.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,755	10,732	10,654	3.86

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.2	485.90	1,036.60
Previous week	19.3	688.20	1,438.60

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	33.10	-0.3
Al Rajhi	79.80	0.4
SNB	48.20	-0.4
SABIC	97.40	1.7
STC	37.45	-0.1

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.2% and 0.4%, respectively. Egypt and Qatar increased 2.1% and 0.5%, respectively. Meanwhile, Oman, Kuwait and Bahrain declined 0.8%, 0.5% and 0.1%, respectively.
- The Dow cut losses to close flat Wednesday, inspired by Microsoft's rebound from intraday lows and gains in the financials as investors continued to digest a slew of quarterly results ahead of a key inflation report due Thursday. The Dow Jones Industrial Average was flat, the S&P 500 fell 0.02%, and the Nasdaq Composite was down 0.2%. (Source: Econoday)
- The front-month March **natural gas** contract on NYMEX's Henry Hub settled down 4%, at \$2.915 per mmBtu. It continued to plunge after the close, hitting a bottom of \$2.876. its lowest since April 2021 after hitting 20-month lows. (Source: Econoday)
- Oil prices** settled largely unchanged on Wednesday after government data showed a smaller-than-anticipated build in U.S. crude inventories, countering weak economic data from Tuesday. Brent crude futures settled at \$86.12 a barrel, down a cent.
- Gold** reversed course to edge up on Wednesday as the dollar weakened and investors kept a close eye on a slew of upcoming U.S. economic data that could influence the Federal

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	101.64	-0.3	-1.8	-1.8
Euro	1.09	0.3	2.0	2.0
Japanese Yen	129.59	-0.4	-1.2	-1.2
Sterling Pound	1.24	0.6	2.6	2.6
Chinese Yuan	6.77	-0.2	-2.2	-2.2
Indian Rupee	81.59	-0.2	-1.4	-1.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	-0.5	-0.5
Kuwaiti Dinar	0.31	0.0	-0.2	-0.2
Omani Rial	0.38	-0.2	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	29.89	0.0	20.7	20.7

Corporate Calendar

Date	Company	Event
26 th Jan	CHEMICAL	Cash Dividend Distribution
29 th Jan	SPM	EGM
29 th Jan	ATAA	Cash Dividend Distribution
31 st Jan	SAUDI TOP	EGM
1 st Feb	SAUDI TOP	Cash Dividend Distribution
6 th Feb	SAUDI CABLE	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,357	-0.2	0.8	0.8	11.3
Abu Dhabi (ADX)	10,177	-0.4	-0.9	-0.9	18.3
Kuwait (KSE)	5,675	-0.5	1.4	1.4	13.3
Qatar (QE)	11,162	0.5	4.5	4.5	12.3
Oman (MSM)	4,747	-0.8	-2.3	-2.3	11.9
Bahrain (BSE)	1,927	-0.1	1.7	1.7	7.1
Egypt (EGX30)	16,791	2.1	15.0	15.0	7.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,744	0.0	1.8	1.8	19.7
Nasdaq	11,815	-0.3	8.0	8.0	25.7
S&P 500	4,016	-0.0	4.6	4.6	19.8
FTSE 100	7,745	-0.2	3.9	3.9	14.5
Germany DAX 30	15,082	-0.1	8.3	8.3	13.9
France CAC 40	7,044	-0.1	8.8	8.8	14.6
Japan Nikkei 225	27,395	0.4	5.0	5.0	18.5
Russia MOEX	2,170	-0.1	0.7	0.7	3.7
Hong Kong Hang Seng	22,045	0.0	11.4	11.4	8.1
South Korea KOSPI	2,429	1.4	8.6	8.6	11.6
China Shanghai Composite	3,265	0.0	5.7	5.7	14.8
Australia ASX 200	7,468	-0.3	6.1	6.1	15.2
India Sensex	60,205	-1.3	-1.0	-1.0	22.5
MSCI EM	1,041	0.2	8.9	8.9	11.6
MSCI World	2,757	0.0	5.9	5.9	17.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.87	-1.5	3.1	3.1
Brent Crude (\$/bbl)	86.12	0.0	0.2	0.2
Texas crude (\$/bbl)	80.15	0.0	-0.1	-0.1
Natural Gas (\$/mmbtu)	3.07	-5.9	-31.5	-31.5
Gold (\$/oz)	1,946.11	0.5	6.7	6.7
Silver (\$/oz)	23.91	1.0	-0.2	-0.2
Steel (\$/ton)	780.00	10.6	4.8	4.8
Iron Ore (CNY/MT)	871.00	0.0	1.6	1.6
Wheat (\$/bu)	741.25	0.9	-6.4	-6.4
Corn (\$/bu)	674.75	-0.3	-0.6	-0.6
Sugar (\$/lb)	20.11	1.2	0.3	0.3
SMP* (EUR/MT)	2,755.00	0.0	-0.8	-0.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	4.97	7.1	24.3	24.3
KSA (SAIBOR 3M)	5.50	2.5	16.1	16.1
KSA (SAIBOR 6M)	5.72	2.6	11.7	11.7
KSA (SAIBOR 12M)	5.78	-4.4	-8.5	-8.5
USD (LIBOR 3M)	4.82	0.0	5.5	5.5
UAE (EIBOR 3M)	4.77	10.3	45.9	45.9

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of January 25, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,809
Short-term view	Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	10,197.0
Value (SAR mn)	4,109.3
Volume (mn)	144.2
Number of Transactions	266,860
Market Breadth	117 : 83

Key statistics	
1D return %	0.13%
MTD return %	3.16%
QTD return	3.16%
YTD return	3.16%
ADT vol. 3M* (mn)	149.1
ADT val. 3M (SARmn)	4,304.7

*ADT stands for Average Daily Traded

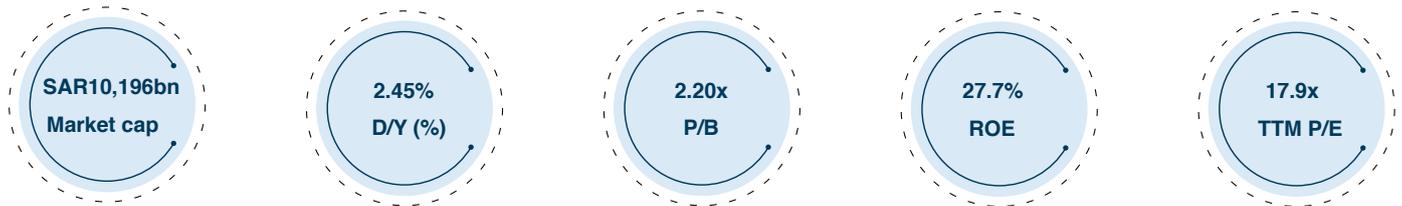
TASI market commentary

- The TASI rose on Wednesday, primarily due to strength in Index heavyweights Materials (0.51% D/D) and Banks (0.00% D/D) stocks. At close, the Saudi market ended the day with a change of 0.13% at 10,809. In terms of activity, total volumes and value traded were ~144mn and ~SAR 4.1bn respectively. The advance-decline ratio came in at 117/83.

Technical outlook

- TASI gained 14 points to close Wednesday's trading session near the 10,809 mark. After initial dominance from bears and recording an intraday low near 10,736, bulls stepped in and recouped all of the index's losses. However, TASI developed a hanging man candle pattern, it bounced off the 10-day SMA indicating weakness of the bearish pattern. Furthermore, the index is still heading to test the level of 10,900 which represents a strong short-term resistance besides it coincides with the upper boundary of a short-term rising channel and the level of the prior medium-term trough. Moreover, the RSI is still heading to test the upper boundary of its rising channel. The index has immediate resistance near the level of 10,810 which coincides with the Fibonacci level of 38.2% and the prior minor peak, which if breached, the index may continue toward the level of 10,900. On the flip side, immediate support is seen around its 10-day SMA near the level of 10,730 which if breached, may continue declining toward the support of the 10,650 level that coincides with the 20-day SMA. Traders are advised to buy and keep track of a stop loss below the level of 10,600.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,450	10,525	10,650	10,730	10,810	10,900	11,025



Source: Bloomberg, Argaam

TASI daily chart

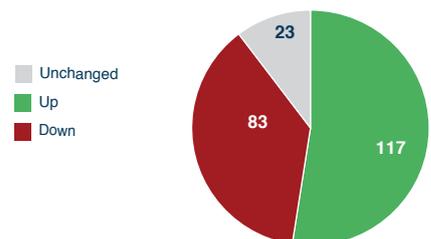


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
2090	National Gypsum Company	24.56	24.30 – 24.56	25.30	25.80	24.00

* As of 25th January 2023

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

CHARTS OF THE WEEK

Technical observations

NGC finished a bullish wedge price pattern then finished a double bottom (Adam & Eve) reversal price pattern as well as a bullish structure of 10 & 20-day SMAs. Furthermore, the RSI line cleared its declining trendline and the level of the prior peak. We recommend buying the stock in a range of SAR24.30 – 24.56, for a target of SAR25.30 followed by SAR25.80, with a stop loss below SAR24.00 on a closing basis.

National Gypsum Company (NGC)



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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