

Major Economic News

- Saudi Arabia and France signed an MoU to establish a framework for collaboration in the energy sector. The MoU encourages bilateral cooperation in the fields of electricity, renewable energy, energy efficiency, energy storage, smart grids, oil and gas derivatives, refining, petrochemicals, and distribution and marketing. (Source: Argaam)
- Saudi bank loans granted to the public and private sector increased 14% Y/Y by the end of FY22 to SAR 2.4tn, compared to SAR 2.1tn. (Source: Argaam)
- Remittances from Saudi expatriates fell 7% Y/Y or SAR 10.6bn to SAR 143.2bn in FY22 from SAR 153.9bn in FY21. (Source: Argaam)
- The point-of-sale transactions reached SAR 10.1bn in week ended January 28, compared to SAR 9.7bn in previous week. Data showed that a total of 141.1mn transactions were processed. (Source: Argaam)
- Time and savings deposits rose 32.0% Y/Y to SAR 654.8bn in December 2022. The increase came after SAMA hiked interest rates seven times in FY22. (Source: Argaam)

Major Corporate News

- ACWA Power Co. completed the issuance of unlisted SAR-denominated sukuk through a private placement within its local Sukuk program worth SAR 1.8bn. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Albilad	540	428	26.1	541	-0.2
ATHEEB TELECOM*	8.0	-7.4	NM	6.6	20.5

Market Analysis

- The Saudi Stock Exchange decreased 0.8% to 10,701.8 on Thursday. The value traded stood at SAR 4.1bn (up 10.5% over previous day), while the advance-decline ratio stood at 77/130. The parallel market index decreased 0.8% to 18,996.5 points. The value traded stood at SAR 18.5mn (down 10.6% over previous day). Most sectors in the main market ended in the red. Real Estate and Software & services (up 2.1% and 1.0%, respectively) advanced the most; Healthcare and Food & Beverages (down 1.8% and 1.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SALAMA	16.30	5.8
DAR ALARKAN	12.96	4.9
SAICO	13.00	3.7
KEC	12.10	3.4
AMERICANA	3.57	3.2

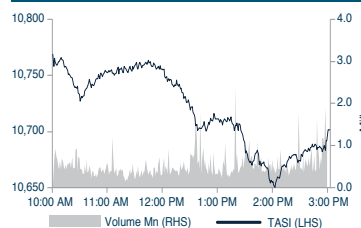
Top Losers

Company	Price	Change%
ALINMA	31.55	-4.3
SULAIMAN AL HABIB	232.00	-3.3
BSFR	39.85	-3.3
SIIG	22.90	-3.2
ETIHAD ETISALAT	34.70	-2.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,702	10,769	10,650	-0.8	2.1
NomuC	18,997	19,226	18,966	-0.8	-2.2

TASI movement during session



TASI Ratios

P/E* (x)	17.6
Price-to-Book (x)	2.2
Dividend Yield (%)	1.8
Return on Equity (%)	27.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,519	-0.9	1.7	11.8
Materials	6,540	-1.1	4.0	13.1
Capital Goods	5,719	-0.9	9.4	18.7
Commercial Service	3,591	0.5	4.5	31.1
Transportation	4,776	0.4	5.2	High
Consumer Durables	4,468	0.5	5.8	Neg
Consumer Services	4,088	0.9	10.8	High
Media	22,416	-0.1	4.3	23.4
Retailing	7,425	-0.5	3.5	23
Food & Staples	9,227	-0.6	8.0	20
Food & Beverages	4,869	-1.5	5.0	40.5
Healthcare	9,384	-1.8	3.0	46.1
Pharma & Bio Tech	3,034	-0.1	5.6	Neg
Banks	11,547	-1.0	0.0	15.9
Diversified Financial	6,049	-0.6	-4.9	6.9
Insurance	6,017	0.5	13.2	High
Telecom	6,475	-0.5	1.4	16.2
Utilities	7,064	-0.3	-1.5	15.5
REITs	3,901	0.0	-1.9	22.7
Real Estate	2,734	2.1	9.3	High
Software & Services	38,046	1.0	6.0	33

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,786	10,785	10,725	3.91

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	20.6	733.70	1,549.60

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.60	-0.9
Al Rajhi	80.50	-0.7
SNB	48.80	1.3
SABIC	91.40	-1.6
STC	37.10	0.3



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.5% and 0.7%, respectively. Oman and Kuwait increased 0.2% and 0.1%, respectively. Qatar and Egypt declined 0.9% each. Meanwhile, Bahrain remained flat.
- According to Baker Hughes, North America's rig count decreased to 1008 from 1018 earlier in the week ended February 3. The rig count in the US declined to 759 from 771 a week ago and decreased to 12 from 13 in the Gulf of Mexico. The rig count in Canada increased to 249 from 247 in the week earlier. (Source: Baker Hughes).
- US initial jobless claims decreased to 183,000 (consensus: 193,000) in the week ended January 28, representing an decrease of 3,000 from the previous week's revised level of 186,000. (Source: Econoday)
- UK's BOE increased interest rates by 50bps to 4.0% (consensus: 4.0%) from 3.5% previously. (Source: Econoday)
- Oil prices fell 2.7% on Friday, as investors sought more information on the impending EU embargo on Russian refined goods after strong US jobs data raised concerns about increased interest rates.
- Gold prices fell 2.5%, as concerns that the Federal Reserve could continue raising interest rates arose in the wake of stronger-than-expected US jobs data.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.92	1.1	0.8	-0.6
Euro	1.08	-1.1	-0.6	0.8
Japanese Yen	131.19	2.0	0.8	0.1
Sterling Pound	1.21	-1.4	-2.1	-0.2
Chinese Yuan	6.81	1.0	0.7	-1.7
Indian Rupee	81.84	-0.4	-0.1	-1.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.1	-0.3	-0.5
Kuwaiti Dinar	0.31	0.0	-0.1	-0.3
Omani Rial	0.38	0.0	0.1	-0.0
Bahraini Dinar	0.38	-0.0	0.0	-0.0
Egyptian Pound	30.29	-0.1	0.2	22.3

Corporate Calendar

Date	Company	Event
6 th Feb	SAUDI CABLE	EGM
8 th Feb	Allianz SF	EGM
9 th Feb	ZOUJAJ	Cash Dividend Distribution
12 th Feb	Waja	Start of IPO
12 th Feb	ACWA Power	EGM
12 th Feb	SAUDI TOP	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,383	0.5	2.4	1.6	10.7
Abu Dhabi (ADX)	9,931	0.7	1.2	-3.3	18
Kuwait (KSE)	5,621	0.1	0.0	0.4	13.1
Qatar (QE)	10,698	-0.9	-2.1	0.2	11.6
Oman (MSM)	4,720	0.2	0.3	-2.8	11.8
Bahrain (BSE)	1,921	0.0	-0.4	1.4	7.1
Egypt (EGX30)	16,256	-0.9	-1.2	11.4	7.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,926	-0.4	-0.5	2.3	20.2
Nasdaq	12,573	-1.8	3.9	14.9	25.4
S&P 500	4,136	-1.0	1.5	7.7	19.6
FTSE 100	7,902	1.0	1.7	6.0	11.3
Germany DAX 30	15,476	-0.2	2.3	11.2	12.6
France CAC 40	7,234	0.9	2.1	11.7	11.8
Japan Nikkei 225	27,509	0.4	0.7	5.4	21.7
Russia MOEX	2,248	0.2	1.0	4.4	2.3
Hong Kong Hang Seng	21,660	-1.4	-0.8	9.5	12.8
South Korea KOSPI	2,480	0.5	2.3	10.9	12.4
China Shanghai Composite	3,263	-0.7	0.2	5.6	14.3
Australia ASX 200	7,558	0.6	1.1	7.4	15.3
India Sensex	60,842	1.5	2.2	0.0	22.9
MSCI EM	1,039	-0.7	0.7	8.6	13.0
MSCI World	2,821	-1.0	1.3	8.4	18.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.87	0.2	-1.2	-2.8
Brent Crude (\$/bbl)	79.94	-2.7	-5.4	-6.9
Texas crude (\$/bbl)	73.39	-3.3	-6.9	-8.6
Natural Gas (\$/mmbtu)	2.41	-1.9	-10.2	-41.3
Gold (\$/oz)	1,864.97	-2.5	-3.3	2.2
Silver (\$/oz)	22.35	-4.7	-5.8	-6.7
Steel (\$/ton)	797.00	0.3	1.1	7.1
Iron Ore (CNY/MT)	887.00	-0.2	-1.5	3.5
Wheat (\$/bu)	756.75	-0.6	-0.6	-4.5
Corn (\$/bu)	677.50	0.3	-0.3	-0.1
Sugar (\$/lb)	21.24	-1.9	-2.4	6.0
SMP* (EUR/MT)	2,483.00	0.2	-1.5	-10.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.14	5.4	7.8	41.1
KSA (SAIBOR 3M)	5.50	1.5	1.8	15.8
KSA (SAIBOR 6M)	5.71	-2.3	-1.9	11.3
KSA (SAIBOR 12M)	5.82	3.5	3.7	-4.7
USD (LIBOR 3M)	4.83	2.8	2.1	6.7
UAE (EIBOR 3M)	4.74	0.2	6.8	43.4

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 03, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,702
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	10,055.1
Value (SAR mn)	4,057.4
Volume (mn)	172.4
Number of Transactions	317,304
Market Breadth	77 : 130

Key statistics	
1D return %	-0.76%
MTD return %	-0.84%
QTD return	2.91%
YTD return	2.91%
ADT vol. 3M* (mn)	149.1
ADT val. 3M (SARmn)	4,157.4

*ADT stands for Average Daily Traded

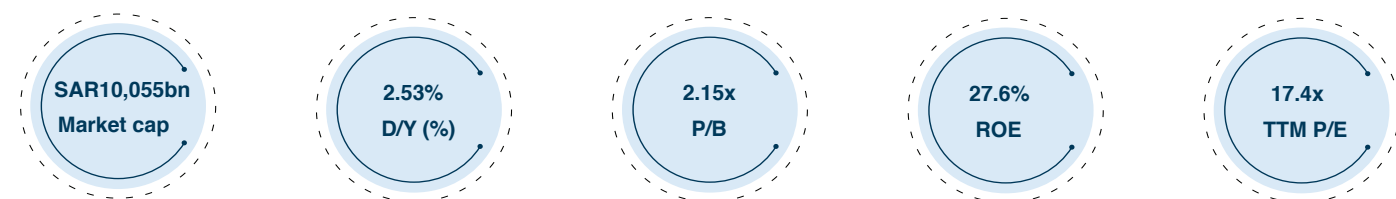
TASI market commentary

- The TASI declined on Thursday, primarily due to weakness of Index heavyweights Materials (-1.06% D/D) and Banks (-1.03% D/D) stocks. At close, the Saudi market ended the day with a change of -0.76% at 10,702. In terms of activity, total volumes and value traded were ~172mn and ~SAR 4.1bn respectively. The advance-decline ratio came in at 77/130.

Technical outlook

- TASI lost 82 points to close Thursday's trading session near the 10,702 mark. After more than a month of trading above its 20-day SMA, TASI closed the first week of February below its 20-day SMA and the lower boundary of a short-term rising channel indicating a trend change. After approaching the level of 10,900 which represents a strong short-term resistance, bears started to gradually impose control with a series of bearish closes and Bollinger bands started to show contraction indicating the gradual lowering of the prior bullish volatility. Moreover, a bearish crossover in the MACD confirmed the bearish breakout in TASI which suggests the beginning of short-term downside correction. The index has immediate support near the level of 10,625 followed by 10,550 which if breached, may continue declining toward the support of 10,450. On the flip side, immediate resistance is seen around the level of the 20-day SMA near 10,725 followed by 10,800, which if breached, the index may continue toward the level of 10,900. Traders are advised to be take profits and keep track of a re-entry level near 10,550.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,450	10,550	10,625	10,725	10,800	10,900	10,960



Source: Bloomberg, Argam

TASI daily chart



Source: Tradingview, Aljazira Capital

SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
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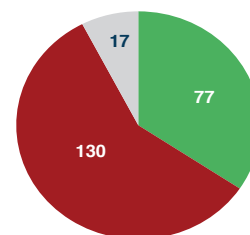
No stocks recommendations due to market volatility

Our view



Market depth

Unchanged
Up
Down



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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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