

## Major Economic News

- Foreign investments in Saudi Arabia grew by 2% Y/Y to SAR 2.4n in Q3-22. When compared to Q2-22, foreign investments rose 2% or SAR 36.2bn in Q3-22. (Source: Argaam)

## Major Corporate News

- Leejam Sports Co. (Fitness Time) signed a MoU with Burjeel Holding Co., a UAE-based healthcare provider, to begin a partnership in the field of physiotherapy and sports healthcare services in Saudi Arabia. To that end, Leejam and Burjeel intend to form a new company with 50-50 partnership under Saudi Arabian law. The memorandum became effective on the date of signing and will remain in effect until the new company is incorporated. In a separate announcement, Leejam also signed an MoU with the Ministry of Investment to boost and expand sports investment. (Source: Argaam)
- Saudi Industrial Investment Group (SIIG) announced that the unplanned maintenance works in its subsidiary, Saudi Polymers Co., is still ongoing due to the nature of the mechanical repairs, which require additional downtime to guarantee safe and reliable operations. (Source: Argaam)
- Methanol Chemicals Co. (Chemanol) signed a JV agreement with Global Company for Downstream Industries (GDI) to establish a national firm to produce specialty chemicals. This includes the production of Methyl Diethanolamine, Choline Chloride Dimethyl Disulfide, Dimethyl Sulfate, Chlorine Derivatives, Poly Alpha Olefins and Aromatic Solvents. (Source: Argaam)

## Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Yansab	-96	335	NM	-61	NM

## Market Analysis

- The Saudi Stock Exchange decreased 1.3% to 10,558.6 on Sunday. The value traded stood at SAR 3.8bn (down 7.0% over previous day), while the advance-decline ratio stood at 46/172. The parallel market index decreased 0.5% to 18,905.2 points. The value traded stood at SAR 10.7mn (down 42.4% over previous day). Most sectors in the main market ended in the red. Consumer Services and Real estate (up 1.2% and 1.0%, respectively) advanced the most; Software and services and Capital Goods (down 2.9% and 2.6%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
AMERICANA	3.74	4.8
MCDC	66.50	3.9
BURUJ	18.70	3.5
AMANA INSURANCE	10.88	3.2
SALAMA	16.80	3.1

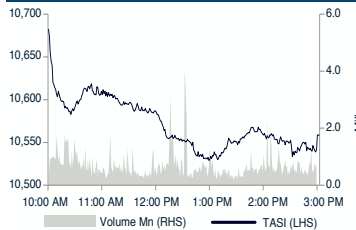
## Top Losers

Company	Price	Change%
ALYAMAMAH STEEL	22.90	-5.1
SPPC	17.90	-4.8
AMIAANTIT	40.80	-4.7
HB	53.50	-4.6
APC	39.80	-4.3

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,559	10,682	10,527	-1.3	0.8
NomuC	18,905	19,057	18,871	-0.5	-2.6

## TASI movement during session



## TASI Ratios

P/E* (x)	17.3
Price-to-Book (x)	2.1
Dividend Yield (%)	1.8
Return on Equity (%)	27.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,435	-1.5	0.1	11.6
Materials	6,432	-1.6	2.3	12.9
Capital Goods	5,571	-2.6	6.6	18.3
Commercial Service	3,551	-1.1	3.4	30.8
Transportation	4,768	-0.2	5.0	High
Consumer Durables	4,369	-2.2	3.4	Neg
Consumer Services	4,137	1.2	12.1	High
Media	22,088	-1.5	2.8	23.1
Retailing	7,338	-1.2	2.3	22.7
Food & Staples	9,074	-1.7	6.2	19.7
Food & Beverages	4,832	-0.8	4.1	40.2
Healthcare	9,220	-1.8	1.2	45.3
Pharma & Bio Tech	3,034	0.0	5.6	Neg
Banks	11,368	-1.5	-1.5	15.7
Diversified Financial	6,006	-0.7	-5.6	6.8
Insurance	6,003	-0.2	12.9	High
Telecom	6,382	-1.4	-0.1	15.9
Utilities	7,019	-0.6	-2.2	15.4
REITs	3,870	-0.8	-2.7	22.5
Real Estate	2,760	1.0	10.4	High
Software & Services	36,941	-2.9	2.9	31.9

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,730	10,768	10,727	3.91

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	3.8	213.30	305.00
Previous week	20.6	733.70	1,549.60

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.10	-1.5
Al Rajhi	79.00	-1.9
SNB	49.35	1.1
SABIC	90.30	-1.2
STC	36.35	-2.0

## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Bahrain, Oman, Kuwait and Egypt increased 0.8%, 0.5%, 0.4% and 0.1%, respectively. Meanwhile, Qatar declined 0.4%.
- US non-farm payrolls rose by 517,000 in January (consensus: 185,000) as compared to increase of prior revised 260,000 in December. Unemployment rate reduced to 3.4% (consensus: 3.6%) from 3.5% in December. Private payrolls increased by 443,000 in January (consensus: 170,000) as compared to rise of 259,000 in December. (Source: Econoday)
- US non-farm productivity increased at an annual rate of 3.0% in Q4-22 (consensus: 2.4%) as compared to 1.4% in prior period. Unit labor costs increased at an annual rate of 1.1% (consensus: 1.5%) as compared to 2.0% in prior period. (Source: Econoday)
- US factory orders increased 1.8% M/M in December (consensus: 2.2% M/M) versus decline of 1.9% M/M in November. (Source: Econoday)
- US non-farm productivity increased at an annual rate of 3.0% in Q4-22 (consensus: 2.4%) as compared to 1.4% in prior period. (Source: Econoday)
- China services PMI came in at 52.9 in January (consensus: 51.6) as compared to 48.0 in December. Manufacturing PMI improved to 51.1 in January as compared to 48.3 in December. (Source: Econoday)

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.92	0.0	0.8	-0.6
Euro	1.08	0.0	-0.6	0.8
Japanese Yen	131.19	0.0	0.8	0.1
Sterling Pound	1.21	0.0	-2.1	-0.2
Chinese Yuan	6.81	0.0	0.7	-1.7
Indian Rupee	81.84	0.0	-0.1	-1.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	-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	0.0	0.2	22.3

## Corporate Calendar

Date	Company	Event
6 <sup>th</sup> Feb	SAUDI CABLE	EGM
8 <sup>th</sup> Feb	Allianz SF	EGM
9 <sup>th</sup> Feb	ZOUJAJ	Cash Dividend Distribution
12 <sup>th</sup> Feb	Waja	Start of IPO
12 <sup>th</sup> Feb	ACWA Power	EGM
12 <sup>th</sup> 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	0.0	2.4	1.6	10.7
Abu Dhabi (ADX)	9,931	0.0	1.2	-3.3	18
Kuwait (KSE)	5,645	0.4	0.4	0.9	13.1
Qatar (QE)	10,655	-0.4	-2.5	-0.2	11.5
Oman (MSM)	4,741	0.5	0.8	-2.4	11.8
Bahrain (BSE)	1,936	0.8	0.4	2.1	7.1
Egypt (EGX30)	16,266	0.1	-1.1	11.4	7.7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,926	0.0	-0.5	2.3	20.2
Nasdaq	12,573	0.0	3.9	14.9	25.4
S&P 500	4,136	0.0	1.5	7.7	19.6
FTSE 100	7,902	0.0	1.7	6.0	11.3
Germany DAX 30	15,476	0.0	2.3	11.2	12.6
France CAC 40	7,234	0.0	2.1	11.7	11.8
Japan Nikkei 225	27,509	0.0	0.7	5.4	21.9
Russia MOEX	2,248	0.0	1.0	4.4	2.3
Hong Kong Hang Seng	21,660	0.0	-0.8	9.5	12.8
South Korea KOSPI	2,480	0.0	2.3	10.9	12.3
China Shanghai Composite	3,263	0.0	0.2	5.6	14.3
Australia ASX 200	7,558	0.0	1.1	7.4	15.2
India Sensex	60,842	0.0	2.2	0.0	22.9
MSCI EM	1,039	0.0	0.7	8.6	12.9
MSCI World	2,821	0.0	1.3	8.4	18.0

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.87	0.0	-1.2	-2.8
Brent Crude (\$/bbl)	79.94	0.0	-5.4	-6.9
Texas crude (\$/bbl)	73.39	0.0	-6.9	-8.6
Natural Gas (\$/mmbtu)	2.41	0.0	-10.2	-41.3
Gold (\$/oz)	1,864.97	0.0	-3.3	2.2
Silver (\$/oz)	22.35	0.0	-5.8	-6.7
Steel (\$/ton)	797.00	0.0	1.1	7.1
Iron Ore (CNY/MT)	887.00	0.0	-1.5	3.5
Wheat (\$/bu)	756.75	0.0	-0.6	-4.5
Corn (\$/bu)	677.50	0.0	-0.3	-0.1
Sugar (\$/lb)	21.24	0.0	-2.4	6.0
SMP* (EUR/MT)	2,483.00	0.0	-1.5	-10.6

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.13	-1.2	6.7	40.0
KSA (SAIBOR 3M)	5.47	-2.8	-1.0	13.0
KSA (SAIBOR 6M)	5.71	0.4	-1.5	11.7
KSA (SAIBOR 12M)	5.81	-0.8	2.9	-5.5
USD (LIBOR 3M)	4.83	0.0	2.1	6.7
UAE (EIBOR 3M)	4.74	0.0	6.8	43.4

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of February 5, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,559
Short-term view	Cautious
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,908.1
Value (SAR mn)	3,772.4
Volume (mn)	213.3
Number of Transactions	305,012
Market Breadth	46 : 172

Key statistics	
1D return %	-1.34%
MTD return %	-2.17%
QTD return	2.91%
YTD return	2.91%
ADT vol. 3M* (mn)	150.5
ADT val. 3M (SARmn)	4,140.5

\*ADT stands for Average Daily Traded

## TASI market commentary

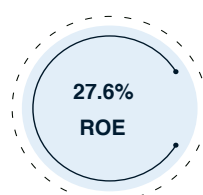
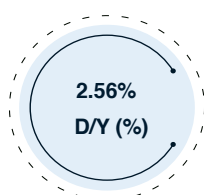
- The TASI declined on Sunday, primarily due to weakness of Index heavyweights Materials (-1.65% D/D) and Banks (-1.55% D/D) stocks. At close, the Saudi market ended the day with a change of -1.34% at 10,559. In terms of activity, total volumes and value traded were ~213mn and ~SAR 3.8bn respectively. The advance-decline ratio came in at 46/172.

## Technical outlook

- TASI lost 143 points to close Sunday's trading session near the 10,559 mark. The index started the session with a downside opening gap and full dominance from bears who threw the index to record an intraday low near 10,527 points and close the session near the low. After breaching its 20-day SMA, TASI cleared the level of the prior minor trough at 10,580 confirming the change in the short-term trend that began in the last week. Currently, TASI started to push down the lower band of Bollinger bands in a try to increase the bearish volatility. Moreover, a bearish crossover in the MACD confirms the short-term downside correction. The index has immediate support near the level of 10,550 which if breached, may continue declining toward the significant support of the 50% retracement level of the last short-term upside leg and the 23.2% retracement level of the last medium-term downside leg near the zone of 10,450/10,400. On the flip side, immediate resistance is seen around the level of 10,650 followed by the level of the 20-day SMA near 10,725, which if breached, the index may continue toward the level of 10,800. Traders are advised to be cautious and keep track of 10,450/10,400 zone where a bullish rebound is expected to start..

## 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, Argaam

## TASI daily chart



Source: Tradingview, Aljazira Capital

## SAUDI MARKET - TOP PICKS FOR THE WEEK

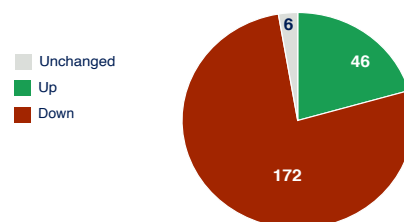
Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
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No stocks recommendations due to market volatility

## Our view



## Market depth



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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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