

Major Economic News

- The point-of-sale transactions reached nearly SAR 12.0bn in the week ended February 04, compared to SAR 10.1bn in the week before. Data showed that about 167.9mn transactions were processed during the week. (Source: Argaam)
- Saudi Arabia's Minister of Transport and Logistic Services Saleh Al Jasser stated that the completion rate on the Riyadh Metro project reached an advanced stage. He stressed that the public bus transport project will be launched next month, with the first metro line starting a few months later. (Source: Argaam)

Major Corporate News

- CMA approved an application from Saudi National Bank (SNB) to top-up its capital from SAR 44.8bn to SAR 60.0bn. This will be through the issuance of one bonus share for every three shares held by shareholders. The capital hike will be financed by transferring SAR 15.2bn from SNB's retained earnings. Accordingly, the total number of shares will increase from 4.5bn to 6.0bn. (Source: Argaam)
- CMA gave green light to the application received from Etihad Atheeb Telecommunication Co. (GO) to increase its capital through a SAR 250.0mn rights offering. (Source: Argaam)
- Horizon Food Co., a subsidiary of Tabuk Agricultural Development Co., issued the prospectus to list 1.6mn shares on Tadawul's Nomu-Parallel Market. The offered shares represent 20.0% of the company's total SAR 80.0mn capital. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Abo Moati*	8.0	7.2	11.4	12.8	-37.4

* Financial year ends in March

Market Analysis

- The Saudi Stock Exchange increased 0.4% to 10,507.7. The value traded stood at SAR 3.4bn (down 9.3% over previous day), while the advance-decline ratio stood at 109/70. The parallel market index increased 1.2% to 19,212.1 points. The value traded stood at SAR 47.8mn (up 242.4% over previous day). Most sectors in the main market ended in the green. Food & Beverages and Real Estate (up 1.9% and 1.7%, respectively) advanced the most; Pharma & Bio Tech and Diversified Financials (down 1.4% and 0.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
BUPA ARABIA	157.80	4.0
2P	172.40	3.2
A.OTHAIM MARKET	103.20	2.6
MCDC	67.30	2.3
JAZADCO	13.68	2.3

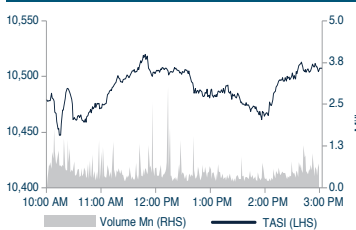
Top Losers

Company	Price	Change%
SABB	32.45	-3.1
ANB	26.50	-2.4
BSFR	37.90	-2.2
QACCO	66.70	-2.1
EIC	25.40	-1.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,508	10,520	10,443	0.4	0.3
NomuC	19,212	19,212	18,853	1.2	-1.1

TASI movement during session



TASI Ratios

P/E* (x)	17.2
Price-to-Book (x)	2.1
Dividend Yield (%)	1.8
Return on Equity (%)	27.7

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,502	1.2	1.4	11.8
Materials	6,514	0.8	3.6	13
Capital Goods	5,591	0.4	7.0	18.6
Commercial Service	3,553	-0.1	3.4	30.8
Transportation	4,837	1.4	6.5	High
Consumer Durables	4,314	0.6	2.1	Neg
Consumer Services	4,179	-0.2	13.2	High
Media	21,718	0.6	1.0	22.7
Retailing	7,295	0.9	1.7	22.6
Food & Staples	9,079	0.3	6.3	19.7
Food & Beverages	4,802	1.9	3.5	39.9
Healthcare	9,294	-0.3	2.0	45.7
Pharma & Bio Tech	2,992	-1.4	4.1	Neg
Banks	11,095	-0.3	-3.9	15.3
Diversified Financial	5,981	-0.5	-6.0	6.8
Insurance	5,912	0.8	11.2	High
Telecom	6,346	0.0	-0.7	15.8
Utilities	7,063	0.4	-1.5	15.5
REITs	3,866	-0.2	-2.7	22.6
Real Estate	2,758	1.7	10.3	High
Software & Services	38,832	0.2	8.2	33.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,559	10,684	10,708	3.86

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	15.4	710.80	1,240.30
Previous week	20.6	733.70	1,549.60

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.50	1.2
Al Rajhi	78.70	0.6
SNB	48.75	0.6
SABIC	92.80	1.9
STC	36.10	-0.3

Regional and International Markets

- Among other regional markets, Dubai rose 0.4%, while Abu Dhabi remained closed. Egypt and Oman increased 0.3% and 0.2%, respectively, while Bahrain remained closed. Qatar and Kuwait declined 0.7% and 0.3%, respectively.
- According to EIA, oil inventories in the US increased 2.4mn barrels (prior: up 4.1mn) to 455.1mn in the week ended February 3. Gasoline inventories increased 5.0mn barrels (prior: up 2.6mn) to 239.6mn, while distillate inventories increased 2.9mn barrels (prior: up 2.3mn) to 120.5mn. (Source: EIA, Econoday).
- US wholesale inventories increased 0.1% M/M in December (consensus: 0.1% M/M) as compared to the prior revised 0.9% increase in November. Sales of durable goods jumped by 1.0% M/M during the month while sales of non-durable goods declined by 0.9% M/M. (Source: Econoday)
- Fitch has raised its forecast for China's economic growth in 2023 to 5.0% from 4.1% previously, citing faster-than-expected recovery in consumption and broader activity following the end of the "zero-COVID" regime. Fitch forecasts budget deficit of 7% of GDP in FY23 and does not expect aggressive macro-policy easing. (Source: Reuters)
- Oil prices increased 1.7% as investors felt more relieved with risk a day after the Federal Reserve chair's remarks eased concerns about future interest rate hikes.
- Gold prices edged up 0.1%, as investors awaited additional economic data to gauge the US Federal Reserve's rate-hike plan.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.41	0.0	1.3	-0.1
Euro	1.07	-0.1	-1.4	0.1
Japanese Yen	131.40	0.3	1.0	0.2
Sterling Pound	1.21	0.2	-2.0	-0.1
Chinese Yuan	6.80	0.2	0.6	-1.8
Indian Rupee	82.50	-0.2	0.7	-0.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.1	-0.3	-0.6
Kuwaiti Dinar	0.31	-0.1	0.0	-0.2
Omani Rial	0.38	-0.1	0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.37	0.3	0.5	22.7

Corporate Calendar

Date	Company	Event
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
12 th Feb	CENOMI CENTERS	Cash Dividend Distribution
13 th Feb	Wafrah	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,417	0.4	3.4	2.7	10.7
Abu Dhabi (ADX)	10,008	0.0	2.0	-2.5	18.1
Kuwait (KSE)	5,655	-0.3	0.6	1.0	13.3
Qatar (QE)	10,502	-0.7	-3.9	-1.7	11.5
Oman (MSM)	4,766	0.2	1.3	-1.9	11.9
Bahrain (BSE)	1,936	0.0	0.4	2.1	7.1
Egypt (EGX30)	16,948	0.3	3.1	16.1	7.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,949	-0.6	-0.4	2.4	20.3
Nasdaq	12,495	-1.8	3.3	14.2	25.2
S&P 500	4,118	-1.1	1.0	7.2	19.5
FTSE 100	7,885	0.3	1.5	5.8	11.3
Germany DAX 30	15,412	0.6	1.9	10.7	12.6
France CAC 40	7,120	-0.2	0.5	10.0	11.6
Japan Nikkei 225	27,606	-0.3	1.0	5.8	21.8
Russia MOEX	2,252	-0.7	1.2	4.5	2.3
Hong Kong Hang Seng	21,284	-0.1	-2.6	7.6	12.6
South Korea KOSPI	2,484	1.3	2.4	11.1	12.4
China Shanghai Composite	3,232	-0.5	-0.7	4.6	14.1
Australia ASX 200	7,530	0.3	0.7	7.0	15.2
India Sensex	60,664	0.6	1.9	-0.3	22.8
MSCI EM	1,021	0.5	-1.1	6.7	12.6
MSCI World	2,802	-0.7	0.6	7.7	18.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.01	2.7	1.4	-0.3
Brent Crude (\$/bbl)	85.09	1.7	0.7	-1.0
Texas crude (\$/bbl)	78.47	1.7	-0.5	-2.2
Natural Gas (\$/mmbtu)	2.40	-7.3	-10.7	-41.6
Gold (\$/oz)	1,875.49	0.1	-2.7	2.8
Silver (\$/oz)	22.32	0.7	-5.9	-6.8
Steel (\$/ton)	800.00	-0.2	1.5	7.5
Iron Ore (CNY/MT)	885.00	0.0	-1.7	3.3
Wheat (\$/bu)	764.75	2.0	0.5	-3.4
Corn (\$/bu)	678.50	0.7	-0.2	0.0
Sugar (\$/lb)	19.87	1.0	-2.8	6.1
SMP* (EUR/MT)	2,490.00	-2.4	-1.2	-10.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.19	-1.6	12.5	45.8
KSA (SAIBOR 3M)	5.50	0.2	1.6	15.6
KSA (SAIBOR 6M)	5.75	0.5	1.9	15.0
KSA (SAIBOR 12M)	5.81	-0.5	2.4	-6.0
USD (LIBOR 3M)	4.85	0.2	3.1	7.8
UAE (EIBOR 3M)	4.82	0.9	14.2	50.8

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of February 8, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,508
Short-term view	Cautious
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,983.8
Value (SAR mn)	3,411.1
Volume (mn)	157.4
Number of Transactions	271,852
Market Breadth	99 : 100

Key statistics	
1D return %	0.37%
MTD return %	-2.64%
QTD return	0.28%
YTD return	0.28%
ADT vol. 3M* (mn)	152.4
ADT val. 3M (SARmn)	4,046.2

*ADT stands for Average Daily Traded

TASI market commentary

- The TASI rose on Wednesday, primarily due to strength of Index heavyweights Energy (1.21% D/D) and Materials (0.77% D/D) stocks. At close, the Saudi market ended the day with a change of 0.37% at 10,508. In terms of activity, total volumes and value traded were ~165mn and ~SAR 3.8bn respectively. The advance-decline ratio came in at 99/100.

Technical outlook

- TASI gained 38 points to close Wednesday's trading session near the 10,508 mark. The index started with an initial dominance from bears who threw the index down in the first hour of the session and recorded an intraday low near 10,443 before bulls stepped in and recouped all the losses. Although TASI rebounded once testing the low of the developed hammer candle in Monday's session, the 10&20-day SMAs signaled a death cross indicating the weakness of bulls. Furthermore, the MACD histogram is still recording lower readings. The index has immediate resistance near the level of 10,580 followed by 10,625, which if breached, the index may continue toward the level of the 20-day SMA near 10,700 which represent a strong resistance level. On the flip side, immediate support is seen around the 50% retracement level of the last short-term upside leg near the level of 10,400 which if breached, may continue declining toward the support of 10,300 which coincides with the 61.8% retracement level. Traders are advised to be cautiously trade as the index is still moving in a short-term downtrend and any upside rebound is expected to be a correction action before resuming the way down.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,300	10,400	10,580	10,625	10,700	10,800	10,900



Source: Bloomberg, Argaam

TASI daily chart



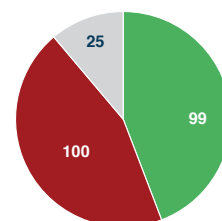
Source: Tradingview, Aljazira Capital

Our view



Market depth

Unchanged
Up
Down



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
1301	United Wire Factories Company	25.55	25.50 – 25.55	25.80	25.30
8300	Wataniya Insurance Company	15.90	15.85 – 15.90	16.05	15.75
3002	Najran Cement Company	12.90	12.85 – 12.90	13.05	12.75
4009	Middle East Healthcare Co.	27.25	27.20 – 27.25	27.50	27.00
4250	Jabal Omar Development Co.	18.90	18.85 – 18.90	19.10	18.70
2300	Saudi Paper Manufacturing Co.	26.00	25.95 – 26.00	26.25	25.75

* As of 08th February 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SPM started to bounce off the lower boundary of a short-term rising channel. Moreover, all the technical indicators show bullish structure.

Saudi Paper Manufacturing Co. (SPM)



Source: Tradingview, AlJazira Capital

Technical observations

Najran Cement started to bounce off the cleared short-term declining trendline and the support level of prior bottoms. Moreover, all the technical indicators show bullish structure.

Najran Cement Company (Najran Cement)



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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