

## Major Economic News

- Saudi Arabia's imports from GCC countries rose 5.0% Y/Y to SAR 5.4bn in November 2022. UAE accounted for 61.0% or SAR 3.3bn, of total Saudi imports, rising 7.0% Y/Y. Compared with October 2022, the Kingdom's imports from GCC dropped by 23.0% or SAR 1.6bn. (Source: Argaam)
- Residential real estate finance provided for individuals by banks in Saudi Arabia fell by 21.0% Y/Y to SAR 120.3bn in FY22. This is the first annual decline on the record. (Source: Argaam)
- PIF completed its acquisition of a 30.0% stake in the Saudi Tabreed District Cooling Co. The district cooling firm currently manages 779,000 tonnes of refrigeration via contracts with major companies in Saudi Arabia. (Source: Argaam)

## Major Corporate News

- Ash-Sharqiyah Development Co. announced the prospectus for its capital increase through offering rights issue shares worth SAR 225.0mn. The company will offer 22.5mn shares at a price of SAR 10 per share, to increase the capital by 300%, to SAR 300mn. (Source: Argaam)
- TAWAL, 100% owned by STC, commenced operations in the Pakistani market as part of its plans to deploy telecommunications towers in cooperation with other operators, as per CEO Mohammed Alhakbani. (Source: Argaam)
- Al Hammadi Holding Co. completed the full payment of the land plot purchased in Narjes, north of King Salman Road in Riyadh. The company had signed a contract to purchase a 19,202 sq.m land plot for SAR 115.6mn, in March 2022. (Source: Argaam)

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

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Riyad Bank	2,028.3	1,617.4	25.4	1,828.0	11.0

## Market Analysis

- The Saudi Stock Exchange increased 0.1% to 10,419.4 on Sunday. The value traded stood at SAR 2.7bn (down 23.4% over previous day), while the advance-decline ratio stood at 95/105. The parallel market index increased 0.9% to 19,536.8 points. The value traded stood at SAR 21.5mn (down 44.8% over previous day). Most sectors in the main market ended in the green. Consumer services and Food & Staples (up 2.6% and 1.7%, respectively) advanced the most; Software & Services and Telecom (down 1.4% and 0.8%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ALJOUF	49.20	8.9
AMERICANA	4.08	6.8
GACO	26.95	6.5
A.OTHAIM MARKET	107.40	6.3
TADCO	18.00	4.4

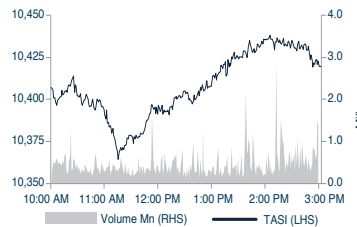
## Top Losers

Company	Price	Change%
CENOMI RETAIL	16.98	-5.7
ATHEEB TELECOM	66.40	-3.8
ALAMAR	149.80	-2.7
ALHOKAIR GROUP	23.26	-2.3
GULF GENERAL	8.40	-2.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,419	10,438	10,364	0.1	-0.6
NomuC	19,537	19,537	19,321	0.9	0.6

## TASI movement during session



## TASI Ratios

P/E* (x)	16.9
Price-to-Book (x)	2.1
Dividend Yield (%)	1.9
Return on Equity (%)	27.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,497	0.2	1.3	11.7
Materials	6,432	0.0	2.3	12.9
Capital Goods	5,571	0.2	6.6	18.7
Commercial Service	3,534	-0.2	2.8	30.7
Transportation	4,816	-0.2	6.0	High
Consumer Durables	4,362	1.2	3.3	Neg
Consumer Services	4,292	2.6	16.3	High
Media	21,906	-0.1	1.9	22.9
Retailing	7,294	0.2	1.7	22.6
Food & Staples	9,204	1.7	7.8	19.8
Food & Beverages	4,781	1.6	3.0	39.8
Healthcare	9,145	0.4	0.4	44.9
Pharma & Bio Tech	2,945	-0.2	2.5	Neg
Banks	10,955	-0.2	-5.1	15.1
Diversified Financial	5,998	0.3	-5.7	6.9
Insurance	5,867	0.1	10.4	High
Telecom	6,297	-0.8	-1.4	15.7
Utilities	6,947	0.4	-3.2	15.3
REITs	3,847	-0.4	-3.2	22.4
Real Estate	2,760	0.3	10.4	High
Software & Services	37,974	-1.4	5.8	32.8

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,473	10,601	10,676	3.67

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	2.7	143.60	236.80
Previous week	18.9	828.20	1,510.80

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.45	0.2
Al Rajhi	76.50	-1.0
SNB	48.30	-0.2
SABIC	92.50	0.2
STC	36.05	-0.7

## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Kuwait increased 0.2%, while Qatar and Bahrain increased 0.1% each. Meanwhile, Egypt and Oman declined 1.9% and 0.2%, respectively.
- Bank of England Governor Andrew Bailey stated that he remains worried about the continued stubborn inflation but expects the rate to ease sharply in FY23. In the monetary policy report, the bank said inflation is seen falling to around 4.0% towards the end FY23 and to hit the 2.0% target sustainably in the medium term. (Source: RTT News)
- China's CPI rose 2.1% Y/Y in January (consensus: an increase of 2.2%) compared to 1.8% in December. The increase in inflation was driven by higher demand during the Lunar New Year holiday and the easing of Covid restrictions. Core inflation, excluding volatile food and energy prices, rose to 1.0% from 0.7% in the previous month. On M/M basis, CPI gained 0.8% in January versus a growth of 0.7% in December. (Source: RTT News)
- The lending by the Chinese banks hit a record high level of CNY 4.9tn (consensus: CNY 4.0tn) in January compared to CNY 1.4tn in December, as the credit demand from the corporates was supported by easing of pandemic related restrictions. (Source: RTT News)
- China's M2 broad money supply rose 12.6% Y/Y in January (consensus: an increase of 11.6%) vis-à-vis a growth of 11.8% Y/Y in December. (Source: RTT News)

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.63	0.0	1.5	0.1
Euro	1.07	0.0	-1.7	-0.3
Japanese Yen	131.36	0.0	1.0	0.2
Sterling Pound	1.21	0.0	-2.1	-0.2
Chinese Yuan	6.82	0.0	1.0	-1.4
Indian Rupee	82.51	0.0	0.7	-0.3
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	-0.1
Omani Rial	0.38	0.0	0.1	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.50	0.0	1.0	23.2

## Corporate Calendar

Date	Company	Event
13 <sup>th</sup> Feb	Wafrah	EGM
13 <sup>th</sup> Feb	MULKIA REIT	Cash Dividend Distribution
14 <sup>th</sup> Feb	SHL	EGM
19 <sup>th</sup> Feb	Saudi Re	EGM
19 <sup>th</sup> Feb	Waja	End of IPO
26 <sup>th</sup> Feb	Bena Steel Industries	Start of IPO

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,454	0.0	4.6	3.8	10.7
Abu Dhabi (ADX)	10,023	0.0	2.2	-2.4	16.7
Kuwait (KSE)	5,553	0.2	-1.3	-0.8	13.1
Qatar (QE)	10,439	0.1	-4.5	-2.3	11.5
Oman (MSM)	4,757	-0.2	1.1	-2.1	11.5
Bahrain (BSE)	1,940	0.1	0.6	2.3	7.1
Egypt (EGX30)	17,287	-1.9	5.1	18.4	8.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,869	0.0	-0.6	2.2	20.0
Nasdaq	12,305	0.0	1.7	12.5	24.8
S&P 500	4,090	0.0	0.3	6.5	19.4
FTSE 100	7,882	0.0	1.4	5.8	11.3
Germany DAX 30	15,308	0.0	1.2	9.9	12.5
France CAC 40	7,130	0.0	0.7	10.1	11.6
Japan Nikkei 225	27,671	0.0	1.3	6.0	22.7
Russia MOEX	2,262	0.0	1.6	5.0	2.3
Hong Kong Hang Seng	21,190	0.0	-3.0	7.1	12.5
South Korea KOSPI	2,470	0.0	1.8	10.4	11.6
China Shanghai Composite	3,261	0.0	0.2	5.5	14.2
Australia ASX 200	7,434	0.0	-0.6	5.6	15.0
India Sensex	60,683	0.0	1.9	-0.3	22.9
MSCI EM	1,014	0.0	-1.7	6.0	12.6
MSCI World	2,784	0.0	0.0	7.0	17.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.36	0.0	4.2	2.5
Brent Crude (\$/bbl)	86.39	0.0	2.2	0.6
Texas crude (\$/bbl)	79.72	0.0	1.1	-0.7
Natural Gas (\$/mmbtu)	2.51	0.0	-6.3	-38.7
Gold (\$/oz)	1,865.57	0.0	-3.3	2.3
Silver (\$/oz)	22.00	0.0	-7.3	-8.1
Steel (\$/ton)	798.00	0.0	1.3	7.3
Iron Ore (CNY/MT)	895.00	0.0	-0.6	4.4
Wheat (\$/bu)	795.75	0.0	4.5	0.5
Corn (\$/bu)	680.50	0.0	0.1	0.3
Sugar (\$/lb)	20.04	0.0	-2.0	7.1
SMP* (EUR/MT)	2,490.00	0.0	-1.2	-10.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.18	0.0	11.4	44.7
KSA (SAIBOR 3M)	5.51	0.9	2.9	16.8
KSA (SAIBOR 6M)	5.68	-2.9	-4.4	8.7
KSA (SAIBOR 12M)	5.78	-0.7	-0.2	-8.6
USD (LIBOR 3M)	4.87	0.0	5.6	10.2
UAE (EIBOR 3M)	4.88	0.0	20.4	57.0

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of February 12, 2023



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,419
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	13,949 – 9,950

## Market data

Exchange Market Cap. (SAR bn)	9,950.8
Value (SAR mn)	2,687.3
Volume (mn)	143.6
Number of Transactions	236,827
Market Breadth	95 : 105

## Key statistics

1D return %	0.07%
MTD return %	-3.46%
QTD return	-0.56%
YTD return	-0.56%
ADT vol. 3M* (mn)	152.8
ADT val. 3M (SARmn)	3,983.3

\*ADT stands for Average Daily Traded

## TASI market commentary

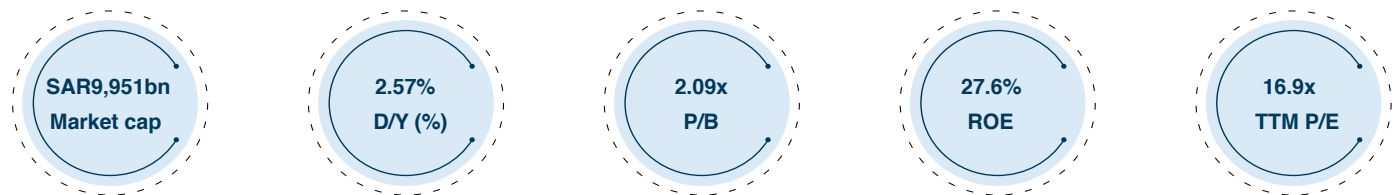
- The TASI marginally rose on Sunday, primarily due to contrast between Index heavyweights Energy (0.19% D/D) and Telecommunication Services (-0.85% D/D) stocks. At close, the Saudi market ended the day with a change of 0.07% at 10,419. In terms of activity, total volumes and value traded were ~144mn and ~SAR 2.7bn respectively. The advance-decline ratio came in at 95/105.

## Technical outlook

- TASI gained 7 points to close Sunday's trading session near the 10,419 mark. The index started with initial dominance from bears who drove the index down to record an intraday low near 10,364 before bulls stepped in and recouped all index's losses. Once reached the 50% retracement level of the last short-term upside leg, lurking bulls developed a small-bodied candle in a try to balance the power of strong bears. Meanwhile, the 10&20-day SMAs made a death cross, the index developed a bearish opening marubozu candle pattern in the prior session, and the MACD histogram recorded a lower reading. The index has immediate resistance near the level of 10,510 followed by the level of the 10-day SMA near 10,600, which if breached, the index may continue toward the level of 10,640. 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 cautiously buy and keep track of 10,300 as a stop loss level.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,150	10,300	10,400	10,510	10,600	10,640	10,675



Source: Bloomberg, Argaam

## TASI daily chart



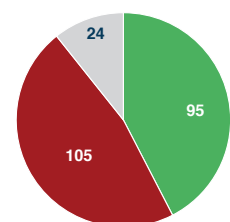
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

Unchanged  
Up  
Down





## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
1830	Leejam Sports Co.	87.60	86.70 – 87.60	90.00	91.50	86.00
7200	Al Moammar Information Systems Company	98.00	97.00 – 98.00	101.00	103.70	95.70

\*As of 12<sup>th</sup> February 2023

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

## CHARTS OF THE WEEK

## Technical observations

**FITNESS TIME** finished a continuation symmetrical triangle pattern after clearing the upper boundary of a declining channel. Furthermore, the MACD shows a bullish crossover above its zero level. We recommend buying the stock in a range of SAR86.70 – 87.60, for a target of SAR90.00 followed by SAR91.50, with a stop loss below SAR86.00 on a closing basis.

## Leejam Sports Co. (FITNESS TIME)



Source: Tradingview, AlJazira Capital

## Technical observations

**MIS** finished a bullish reversal symmetrical triangle price pattern at the lower boundary of a possible continuation rectangle price pattern. A bullish volume structure confirms the completion of the bullish price pattern. Furthermore, the MACD shows a bullish crossover above its zero level. We recommend buying the stock in a range of SAR97.00 – 98.00, for a target of SAR101.00 followed by SAR103.70, with a stop loss below SAR95.70 on a closing basis.

## Al Moammar Information Systems Company (MIS)



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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