



Major Economic News

- Saudi Arabia's merchandise imports surged by 26.0%Y/Y in November 2022 to SAR 62.7bn. Imports fell by SAR 1.2bn or 2.0% M/M. The Y/Y increase in the Kingdom's imports in November 2022 was driven by a SAR 5.3bn or 72.0% rise in its vehicles, aircraft, vessels and associated transport equipment. (Source: Argaam)
- Majed Al Hogail, Minister of Municipal and Rural Affairs and Housing, said that Crown Prince Mohammed bin Salman ordered granting the residential sector 100mn sq.m. of land in Riyadh and other cities, where land and real estate prices are rising. (Source: Argaam)
- Options trading will start in the Saudi market as of Q2-23, as per Mohammed Al-Rumaih, CEO of the Saudi Exchange. He added that options trading will be available for all investors under different requirements. (Source: Argaam)

Major Corporate News

- Saudi Real Estate Co.'s (Al Akaria) subsidiary, Saudi Real Estate Infrastructure Co., was awarded a contract by Diriyah Gate Company Ltd for designing, construction, testing and commissioning of the Northern Cultural District P3 car park project, at a total value of SAR 544.1mn. The impact of the contract will be reflected on Q1-23 through Q2-24 financials. (Source: Argaam)
- Leejam Sports Co. opened a new low-cost Xpress fitness center for men in Al Khobar. The 1,422 sq.m. center will operate 24 hours with a low-cost operating model and related impact will reflect on Q1-23 financials. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Arab National Bank	790.0	457.0	72.9	921.0	-14.2

Market Analysis

- The Saudi Stock Exchange increased 1.0% to 10,519.7. The value traded stood at SAR 4.5bn (up 68.7% over previous day), while the advance-decline ratio stood at 147/61. The parallel market index decreased 0.5% to 19,441. points. The value traded stood at SAR 24.7mn (up 14.9% over previous day). Most sectors in the main market ended in the green. Software & services and Capital goods (up 3.0% and 2.8%, respectively) advanced the most; Insurance and Consumer services (down 0.4% and 0.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
RIYADH CABLES	48.45	10.0
RIBL	28.55	6.1
ELM	382.60	4.3
SHARQIYAH DEV	61.60	4.1
GACO	28.00	3.9

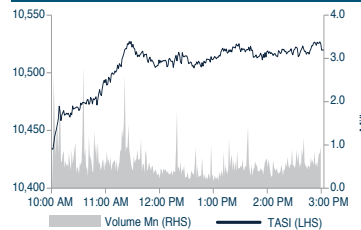
Top Losers

Company	Price	Change%
SALAMA	8.75	-4.7
BURUJ	15.04	-4.6
ALSAGR INSURANCE	18.22	-3.2
TAPRCO	16.20	-3.2
ENAYA	86.00	-2.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,520	10,531	10,427	1.0	0.4
NomuC	19,441	19,609	19,424	-0.5	0.1

TASI movement during session



TASI Ratios

P/E* (x)	17.1
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	5,586	1.6	2.9	11.9
Materials	6,459	0.4	2.7	12.9
Capital Goods	5,728	2.8	9.6	19.5
Commercial Service	3,556	0.6	3.5	30.8
Transportation	4,835	0.4	6.5	High
Consumer Durables	4,399	0.9	4.1	Neg
Consumer Services	4,283	-0.2	16.1	High
Media	22,022	0.5	2.4	23
Retailing	7,362	0.9	2.6	22.8
Food & Staples	9,304	1.1	8.9	20
Food & Beverages	4,775	-0.1	2.9	39.7
Healthcare	9,376	2.5	2.9	46.2
Pharma & Bio Tech	2,950	0.2	2.7	Neg
Banks	11,084	1.2	-4.0	15.3
Diversified Financial	6,015	0.3	-5.4	6.9
Insurance	5,842	-0.4	9.9	High
Telecom	6,308	0.2	-1.3	15.8
Utilities	6,982	0.5	-2.7	15.3
REITs	3,849	0.1	-3.2	22.5
Real Estate	2,776	0.6	11.0	High
Software & Services	39,128	3.0	9.0	33.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,466	10,572	10,666	3.76

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7.2	334.20	569.40
Previous week	18.9	828.20	1,510.80

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	33.00	1.7
Al Rajhi	76.70	0.3
SNB	49.00	1.4
SABIC	93.10	0.6
STC	36.40	1.0

Regional and International Markets

- Among other regional markets, Dubai increased 0.5%, while Abu Dhabi decreased 0.1%. Qatar declined 0.5%, while Kuwait, Oman and Egypt declined 0.4% each. Meanwhile, Bahrain declined 0.2%.
- European Commission raised its FY23 economic growth outlook for the Eurozone to 0.9% as against 0.3% earlier. The economy is expected to grow 1.5% in FY24, unchanged from the previous forecast. The commission lowered its inflation outlook for FY23 to 5.6% from 6.1%, while inflation is likely to ease to 2.5% in FY24, slightly above the target. (Source: RTT News)
- Japan's GDP grew a seasonally adjusted 0.2% Q/Q in Q4-22 (consensus: an increase of 0.6%) versus downwardly revised 0.3% contraction in Q3-22. On Y/Y basis, GDP expanded 0.6% (consensus: an increase of 2.0%) following the downwardly revised 1.0% decline in the previous quarter. The country's capital expenditure was down 0.5% Q/Q. (Source: Econoday, RTT News)
- Japan's government nominated academic and former Bank of Japan board member Kazuo Ueda to become the next central bank governor. (Source: Reuters)
- Oil prices rose 0.3%, supported by Russia's output cut but partially offset by concerns over upcoming US inflation report and demand worries.
- Gold prices fell 0.6%, impacted by the firmer US dollar ahead of US inflation data.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.35	-0.3	1.2	-0.2
Euro	1.07	0.4	-1.3	0.2
Japanese Yen	132.42	0.8	1.8	1.0
Sterling Pound	1.21	0.6	-1.5	0.5
Chinese Yuan	6.82	0.0	1.0	-1.4
Indian Rupee	82.73	0.3	1.0	0.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.3	0.0	-0.3
Kuwaiti Dinar	0.31	0.1	0.2	0.0
Omani Rial	0.38	0.0	0.1	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.53	0.1	1.0	23.3

Corporate Calendar

Date	Company	Event
14 th Feb	SHL	EGM
19 th Feb	Saudi Re	EGM
19 th Feb	Waja	End of IPO
26 th Feb	Bena Steel Industries	Start of IPO
26 th Feb	TAPRCO	EGM
26 th Feb	Knowledge Net	Start of IPO

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,470	0.5	5.0	4.2	10.7
Abu Dhabi (ADX)	10,010	-0.1	2.0	-2.5	16.7
Kuwait (KSE)	5,533	-0.4	-1.6	-1.1	13.2
Qatar (QE)	10,391	-0.5	-4.9	-2.7	11.5
Oman (MSM)	4,740	-0.4	0.8	-2.4	11.5
Bahrain (BSE)	1,935	-0.2	0.4	2.1	7.1
Egypt (EGX30)	17,215	-0.4	4.7	17.9	8.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,246	1.1	0.5	3.3	20.2
Nasdaq	12,502	1.6	3.3	14.3	25.2
S&P 500	4,137	1.1	1.5	7.8	19.7
FTSE 100	7,948	0.8	2.3	6.7	11.4
Germany DAX 30	15,397	0.6	1.8	10.6	12.6
France CAC 40	7,209	1.1	1.8	11.4	11.7
Japan Nikkei 225	27,427	-0.9	0.4	5.1	22.6
Russia MOEX	2,264	0.1	1.7	5.1	2.3
Hong Kong Hang Seng	21,164	-0.1	-3.1	7.0	12.5
South Korea KOSPI	2,453	-0.7	1.1	9.7	11.6
China Shanghai Composite	3,284	0.7	0.9	6.3	14.3
Australia ASX 200	7,418	-0.2	-0.8	5.4	15.0
India Sensex	60,432	-0.4	1.5	-0.7	22.8
MSCI EM	1,014	0.0	-1.7	6.0	12.5
MSCI World	2,810	0.9	0.9	8.0	17.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.43	-1.1	3.1	1.4
Brent Crude (\$/bbl)	86.61	0.3	2.5	0.8
Texas crude (\$/bbl)	80.14	0.5	1.6	-0.1
Natural Gas (\$/mmbtu)	2.41	-4.3	-10.4	-41.4
Gold (\$/oz)	1,853.49	-0.6	-3.9	1.6
Silver (\$/oz)	21.99	-0.1	-7.3	-8.2
Steel (\$/ton)	805.00	0.9	2.2	8.2
Iron Ore (CNY/MT)	869.50	-2.8	-3.4	1.5
Wheat (\$/bu)	800.75	0.6	5.2	1.1
Corn (\$/bu)	682.25	0.3	0.4	0.6
Sugar (\$/lb)	19.68	-1.8	-3.7	5.1
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)	5.17	-0.4	11.0	44.3
KSA (SAIBOR 3M)	5.52	1.3	4.1	18.1
KSA (SAIBOR 6M)	5.72	3.7	-0.8	12.4
KSA (SAIBOR 12M)	5.77	-1.3	-1.5	-9.9
USD (LIBOR 3M)	4.87	0.0	5.6	10.2
UAE (EIBOR 3M)	4.85	-2.9	17.5	54.1

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of February 13, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,520
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	10,096.3
Value (SAR mn)	4,532.8
Volume (mn)	190.5
Number of Transactions	332,581
Market Breadth	147 : 61

Key statistics	
1D return %	0.96%
MTD return %	-2.53%
QTD return	0.39%
YTD return	0.39%
ADT vol. 3M* (mn)	154.5
ADT val. 3M (SARmn)	4,007.1

*ADT stands for Average Daily Traded

TASI market commentary

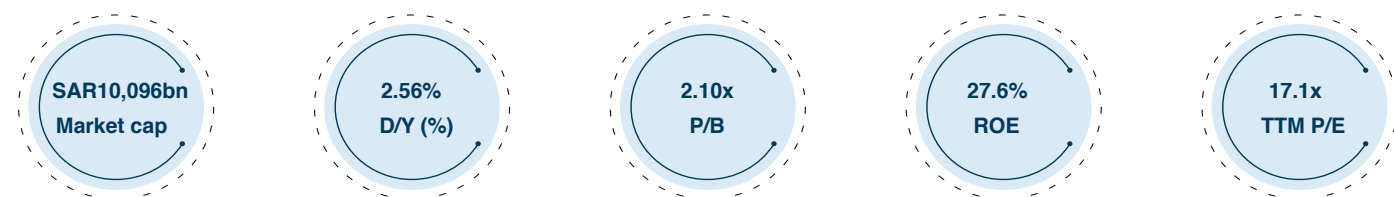
- The TASI rose on Monday, primarily due to strength in Index heavyweights Energy (1.62% D/D) and Banks (1.18% D/D) stocks. At close, the Saudi market ended the day with a change of 0.96% at 10,520. In terms of activity, total volumes and value traded were ~191mn and ~SAR 4.5bn respectively. The advance-decline ratio came in at 147/61.

Technical outlook

- TASI gained 100 points to close Monday's trading session near the 10,520 mark. The index was fully dominated by bulls who drove the index to close near the session's high. After reaching the 50% retracement level of the last short-term upside leg, TASI developed a bullish morning-star candle pattern accompanied by above-average volume reflecting that bulls started to impose their control in the short-term and suggesting a bullish rebound toward the 20-day SMA. Moreover, the MACD histogram has just recorded a higher reading after consecutive 13 sessions of declining records. The index has immediate resistance near the level of the 10-day SMA near 10,575, which if breached, the index may continue toward the level of the 20-day SMA near 10,665 which represent a strong resistance. On the flip side, immediate support is seen around the level of 10,510, which if breached, may continue declining toward the support of the 50% retracement level near 10,400. Traders are advised to cautiously buy and keep track of 10,360 as a stop loss level.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,150	10,300	10,400	10,510	10,575	10,665	10,800



Source: Bloomberg, Argaam

TASI daily chart

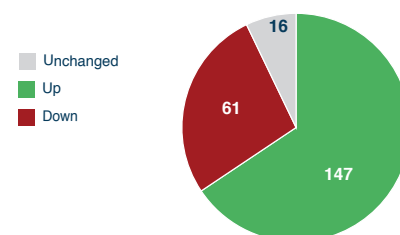


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
4192	AlSaif Stores for Development and Investment Co.	96.40	95.40 – 96.40	99.25	101.50	94.75
4003	United Electronics Co.	79.30	78.50 – 79.30	80.70	83.00	77.70

* As of 13th February 2023

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

CHARTS OF THE WEEK

Technical observations

ALSAIF GALLERY cleared the upper boundary of a declining channel with above-average volume that confirmed the bullish breakout. Furthermore, the RSI cleared its declining trendline. We recommend buying the stock in a range of SAR95.40 – 96.40, for a target of SAR99.25 followed by SAR101.50, with a stop loss below SAR94.75 on a closing basis.

AlSaif Stores for Development and Investment Co. (ALSAIF GALLERY)



Source: Tradingview, AlJazira Capital

Technical observations

Extra finished a bullish continuation rectangle price pattern after finishing a bullish Bump and Run price pattern. Moreover, the 10&20-day SMAs are show a bullish structure. Furthermore, the RSI cleared a declining trendline after bouncing off its mid-range level. We recommend buying the stock in a range of SAR78.50 – 79.30, for a target of SAR80.70 followed by SAR83.00, with a stop loss below SAR77.70 on a closing basis.

United Electronics Co. (Extra)



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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