

## Major Economic News

- The Public Investment Fund announced an investment SAR 5.0bn by way of subscribing to new shares as part of the capital increases representing significant minority stakes, in four leading local construction companies: Nesma & Partners Contracting Co., ElSeif Engineering Contracting Co., AlBawani Holding Co., and AlMabani General Contractors Co. (Source: Argaam)
- The number of foreign investor accounts at the Securities Depository Center Co. (Edaa) reached 3,200 by the end of January 2023 rising 23.0% Y/Y compared to 2,600 a year earlier. (Source: Argaam)

## Major Corporate News

- The Capital Market Authority approved Mouwasat Medical Services Co.'s application to increase its capital by 100% from SAR 1.0bn to SAR 2.0bn. The capital will be raised through the issuance of one bonus share for every one share held by shareholders. (Source: Argaam)
- The board of directors of Saudi Company for Hardware (SACO) recommended repurchasing up to 350,000 shares, or 0.97% of the company's share capital, as treasury shares. (Source: Argaam)
- Saudi Electricity Co. signed a local syndicated facility agreement valued at SAR 10.bn. The seven-year facility is provided by Al Rajhi Bank, Banque Saudi Fransi, Saudi British Bank, Saudi National Bank, Riyad Bank, Bank Albilad, Bank AlJazira, QNB Group Qatar National Bank KSA and Saudi Investment Bank. (Source: Argaam)

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

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
YSCC	134	-19	NM	101	32.4%

## Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 10,496.6. The value traded stood at SAR 3.8bn (down 15.8% over previous day), while the advance-decline ratio stood at 80/125. The parallel market index decreased 0.2% to 19,298.8 points. The value traded stood at SAR 17.5mn (down 29.3% over previous day). Most sectors in the main market ended in the green. Food & Beverages and Software & Services (up 3.4% and 2.8%, respectively) advanced the most; Banks and Consumer Services (down 1.1% and 0.8%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ALMARAI	56.00	5.9
ATHEEB TELECOM	68.20	4.4
ALAMAR	158.60	4.3
2P	177.20	4.2
EIC	27.50	3.6

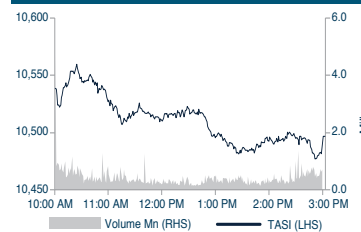
## Top Losers

Company	Price	Change%
CENOMI RETAIL	16.26	-4.0
SIIG	23.10	-3.3
ANB	26.10	-3.2
RIYADH CABLES	47.00	-3.0
JAZADCO	13.72	-2.8

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,497	10,560	10,476	-0.2	0.2
NomuC	19,399	19,616	19,399	-0.2	-0.1

## TASI movement during session



## TASI Ratios

P/E* (x)	17.3
Price-to-Book (x)	2.1
Dividend Yield (%)	2
Return on Equity (%)	27.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,579	-0.1	2.8	11.9
Materials	6,479	0.3	3.0	13
Capital Goods	5,700	-0.5	9.1	19.3
Commercial Service	3,557	0.0	3.5	30.9
Transportation	4,883	1.0	7.5	High
Consumer Durables	4,435	0.8	5.0	Neg
Consumer Services	4,249	-0.8	15.1	High
Media	22,122	0.5	2.9	23.2
Retailing	7,359	0.0	2.6	22.8
Food & Staples	9,390	0.9	9.9	20.2
Food & Beverages	4,937	3.4	6.4	41.2
Healthcare	9,332	-0.5	2.4	46
Pharma & Bio Tech	2,939	-0.4	2.3	Neg
Banks	10,962	-1.1	-5.0	15.1
Diversified Financial	6,068	0.9	-4.6	6.9
Insurance	5,874	0.6	10.5	High
Telecom	6,331	0.4	-0.9	15.8
Utilities	7,021	0.6	-2.1	15.4
REITs	3,845	-0.1	-3.3	22.4
Real Estate	2,755	-0.8	10.2	High
Software & Services	40,218	2.8	12.1	34.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,471	10,542	10,657	3.77

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11	462.60	876.40
Previous week	18.9	828.20	1,510.80

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.95	-0.2
Al Rajhi	76.30	-0.5
SNB	48.20	-1.6
SABIC	94.50	1.5
STC	36.40	0.0

## Regional and International Markets

- Among other regional markets, Dubai declined 0.3%, while Abu Dhabi rose 0.1%. Egypt rose 1.3% while Bahrain and Kuwait increased 0.1% each. Qatar remained closed, meanwhile Oman declined 2.6%.
- US CPI increased 6.4% Y/Y in January (consensus: 6.2% Y/Y) as compared to rise of 6.5% in December. On M/M basis, CPI increased 0.5% in January (consensus: 0.4% M/M) as compared to the revised rise of 0.1% M/M in December. Excluding Food and Energy, CPI increased 5.6% Y/Y in January (consensus: 5.5% Y/Y) as compared to rise of 5.7% Y/Y in December. (Source: Econoday)
- UK claimant count declined 12,900 M/M in January (consensus: 18,000) as compared to prior revised decline of 3,200 in December. Average earnings increased 5.9% in January (consensus: 6.2%) as compared to the prior revised 6.5%. (Source: Econoday)
- Eurozone GDP rose 1.9% Y/Y in Q4-22 (consensus: 1.9% Y/Y) like increase of 1.9% Y/Y in prior period. On Q/Q basis, GDP edged up by 0.1% in Q4-22 (consensus: 0.1% Q/Q) similar to 0.1% rise in prior period. (Source: Econoday)
- Oil prices declined 1.2%, aided by higher-than-anticipated US inflation and the announcement that the US President Biden's administration intends to sell an additional 26mn barrels from a portion of the nation's emergency oil reserve.
- Gold prices remained flat, weaker US dollar was outweighed by hawkish stance of US Federal Reserve officials.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.23	-0.1	1.1	-0.3
Euro	1.07	0.1	-1.2	0.3
Japanese Yen	133.16	0.6	2.4	1.6
Sterling Pound	1.22	0.3	-1.2	0.7
Chinese Yuan	6.84	0.2	1.2	-1.2
Indian Rupee	82.77	0.0	1.0	0.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.1	-0.1	-0.4
Kuwaiti Dinar	0.31	-0.1	0.1	-0.1
Omani Rial	0.39	0.0	0.2	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.57	0.1	1.2	23.5

## Corporate Calendar

Date	Company	Event
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
26 <sup>th</sup> Feb	TAPRCO	EGM
26 <sup>th</sup> Feb	Knowledge Net	Start of IPO
26 <sup>th</sup> Feb	Waja	Final allocation date

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,459	-0.3	4.7	3.9	10.2
Abu Dhabi (ADX)	10,020	0.1	2.1	-2.4	16.6
Kuwait (KSE)	5,539	0.1	-1.5	-1.0	13.1
Qatar (QE)	10,391	0.0	-4.9	-2.7	11.6
Oman (MSM)	4,619	-2.6	-1.8	-4.9	11
Bahrain (BSE)	1,938	0.1	0.5	2.2	7.1
Egypt (EGX30)	17,431	1.3	6.0	19.4	7.9

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,089	-0.5	0.0	2.8	20.1
Nasdaq	12,591	0.7	4.0	15.1	25.4
S&P 500	4,136	0.0	1.5	7.7	19.7
FTSE 100	7,954	0.1	2.3	6.7	11.4
Germany DAX 30	15,381	-0.1	1.7	10.5	12.6
France CAC 40	7,214	0.1	1.9	11.4	11.7
Japan Nikkei 225	27,603	0.6	1.0	5.8	22.8
Russia MOEX	2,232	-1.4	0.3	3.6	2.2
Hong Kong Hang Seng	21,114	-0.2	-3.3	6.7	12.4
South Korea KOSPI	2,466	0.5	1.7	10.3	11.7
China Shanghai Composite	3,293	0.3	1.2	6.6	14.3
Australia ASX 200	7,431	0.2	-0.6	5.6	15.0
India Sensex	61,032	1.0	2.5	0.3	23.0
MSCI EM	1,014	0.1	-1.6	6.1	12.5
MSCI World	2,813	0.1	1.0	8.1	18.0

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.27	1.0	4.1	2.4
Brent Crude (\$/bbl)	85.58	-1.2	1.3	-0.4
Texas crude (\$/bbl)	79.06	-1.3	0.2	-1.5
Natural Gas (\$/mmbtu)	2.57	6.7	-4.4	-37.5
Gold (\$/oz)	1,854.31	0.0	-3.8	1.7
Silver (\$/oz)	21.85	-0.6	-7.9	-8.8
Steel (\$/ton)	804.00	-0.1	2.0	8.1
Iron Ore (CNY/MT)	902.50	3.8	0.2	5.3
Wheat (\$/bu)	796.75	-0.5	4.7	0.6
Corn (\$/bu)	679.75	-0.4	0.0	0.2
Sugar (\$/lb)	20.00	1.6	-2.2	6.8
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	0.4	11.4	44.7
KSA (SAIBOR 3M)	5.47	-5.0	-0.8	13.1
KSA (SAIBOR 6M)	5.73	1.2	0.5	13.6
KSA (SAIBOR 12M)	5.77	0.2	-1.3	-9.7
USD (LIBOR 3M)	4.86	-0.6	5.0	9.6
UAE (EIBOR 3M)	4.80	-5.3	12.2	48.8

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of February 14, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,497
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	10,083.9
Value (SAR mn)	3,814.9
Volume (mn)	128.4
Number of Transactions	306,955
Market Breadth	80 : 125

Key statistics	
1D return %	-0.22%
MTD return %	-2.74%
QTD return	0.17%
YTD return	0.17%
ADT vol. 3M* (mn)	155.0
ADT val. 3M (SARmn)	4,004.5

\*ADT stands for Average Daily Traded

### TASI market commentary

- The TASI declined on Tuesday, primarily due to weakness in Index heavyweights Banks (-1.10% D/D) and Energy (-0.13% D/D) stocks. At close, the Saudi market ended the day with a change of -0.22% at 10,497. In terms of activity, total volumes and value traded were ~128mn and ~SAR 3.8bn respectively. The advance-decline ratio came in at 80/125.

### Technical outlook

- TASI lost 23 points to close Tuesday's trading session near the 10,497 mark. The index started with initial dominance from bulls who pushed the index to record an intraday high near 10,560 before bears stepped in and drove the index lower on the back of profit-taking. Although the profit-taking behaviour started once the index faced the 10-day SMA, the short-term buyers still have the upper hand after creating a bullish morning-star candle pattern accompanied by above-average volume in the prior sessions. Moreover, the MACD histogram still supports the buyers by recording a higher reading than the previous one suggesting a bullish rebound toward the 20-day SMA. The index has immediate support near the level of 10,450, which if breached, may continue declining toward the support of the 50% retracement level near 10,400. On the flip side, immediate resistance is seen around the level of 10,510 followed by the level of the 10-day SMA near 10,550, which if breached, the index may continue toward the level of the 20-day SMA near 10,650 which represent a strong resistance. 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
10,300	10,400	10,450	10,510	10,550	10,650	10,800



Source: Bloomberg, Argaam

### TASI daily chart



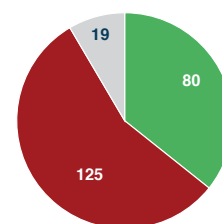
Source: Tradingview, Aljazira Capital

### 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
1111	Saudi Tadawul Group Holding Co.	164.00	162.40 – 164.00	167.50	172.00	160.50
7204	Perfect Presentation for Commercial Services Co.	177.20	175.40 – 177.20	186.00	195.00	170.00

\*As of 14<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

**TADAWUL GROUP** cleared the upper boundary of a declining channel as well as its 10-day SMA. Furthermore, the RSI cleared its declining trendline and shows a positive divergence. We recommend buying the stock in a range of SAR162.40 – 164.00, for a target of SAR167.50 followed by SAR172.00, with a stop loss below SAR160.50 on a closing basis.

## Saudi Tadawul Group Holding Co. (TADAWUL GROUP)



Source: Tradingview, AlJazira Capital

## Technical observations

**2P** cleared the upper boundary of a declining channel and the 20-day SMA with above-average volume that confirmed the bullish breakout. Furthermore, the RSI cleared a declining trendline as well as its mid-range level. We recommend buying the stock in a range of SAR175.40 – 177.20, for a target of SAR186.00 followed by SAR195.00, with a stop loss below SAR170.00 on a closing basis.

## Perfect Presentation for Commercial Services Co. (2P)



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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