

Major Economic News

- PIF increased its stake in Japan's video game firm, Nintendo Co. Ltd to 8.3% from 7.1% for the second time in February. (Source: Argaam)
- PIF invested USD 265.0mn in Chinese esports company VSPO, through its subsidiary, Savvy Games Group. (Source: Argaam)
- The Idle Lands Program announced invoices for 116 idle land plots spanning a total area of more than 50.0mn sq.m. were issued in January. (Source: Argaam)
- Crown Prince Mohammad bin Salman, Prime Minister and Chairman of the New Murabba Development Co. (NMDC) announced the establishment of the New Murabba Development Co. with the intention of creating the world's largest modern downtown in Riyadh. (Source: Argaam)

Major Corporate News

- Tanmiah Food Co. announced a SAR 4.5bn investment plan by FY30. The company signed four agreements with the Agricultural Development Fund (ADF), Saudi Investment Recycling Co. (SIRC), and the National Center for Vegetation Development and Combating Desertification, as well as a strategic food development partnership with MHP, the EU's largest poultry producer. (Source: Argaam)
- Almarai announced that one of its subsidiaries, Almarai Investment Holding W.L.L completed the purchase of PepsiCo's 48% ownership in IDJ to increase Almarai's shareholding from 52% to 100%; for a total consideration of SAR 255.0mn. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Sulaiman Al Habib	441.5	383.6	15.1	420.6	5.0

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 10,548.5 on Thursday. The value traded stood at SAR 4.0bn (down 2.7% over previous day), while the advance-decline ratio stood at 90/122. The parallel market index decreased 0.8% to 19,258.5 points. The value traded stood at SAR 27.2mn (up 31.5% over previous day). Most sectors in the main market ended in the red. Insurance and Transportation (up 1.0% and 0.9%, respectively) advanced the most; Software & Services and Consumer services (down 3.1% and 1.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MARAFIQ	53.40	6.6
AMANA INSURANCE	10.34	4.4
MAHARAH	54.60	3.6
ENAYA	10.08	3.4
THEEB	75.10	3.3

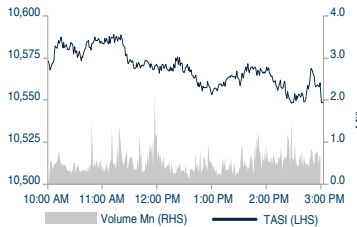
Top Losers

Company	Price	Change%
SOLUTIONS	240.00	-9.1
AMERICANA	3.70	-3.1
TAPRCO	83.60	-2.8
ZOUJAJ	33.80	-2.7
SHARQIYAH DEV	59.30	-2.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,548	10,590	10,547	-0.2	0.7
NomuC	19,259	19,415	19,193	-0.8	-0.8

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	5,595	-0.4	3.1	12
Materials	6,514	0.3	3.6	13.1
Capital Goods	5,738	-0.2	9.8	19.5
Commercial Service	3,568	0.5	3.8	30.9
Transportation	4,979	0.9	9.6	High
Consumer Durables	4,361	-1.0	3.2	Neg
Consumer Services	4,176	-1.5	13.2	High
Media	22,902	0.9	6.5	23.9
Retailing	7,305	-1.3	1.8	22.6
Food & Staples	9,436	0.1	10.5	20.2
Food & Beverages	4,893	-0.4	5.5	40.8
Healthcare	9,532	0.1	4.6	47.4
Pharma & Bio Tech	2,918	-0.7	1.6	Neg
Banks	11,064	-0.2	-4.1	15.3
Diversified Financial	5,993	-1.5	-5.8	6.8
Insurance	5,954	1.0	12.0	High
Telecom	6,351	-0.6	-0.6	15.9
Utilities	7,012	-0.8	-2.3	15.3
REITs	3,842	0.1	-3.4	22.4
Real Estate	2,736	-0.3	9.4	High
Software & Services	39,234	-3.1	9.3	33.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,511	10,506	10,645	3.82

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	19.2	786.50	1,531.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	33.05	-0.5
Al Rajhi	76.20	-0.7
SNB	48.95	0.4
SABIC	95.60	1.1
STC	36.45	-0.4



Regional and International Markets

- Among other regional markets, Dubai decreased 0.3%, while Abu Dhabi increased 0.1%. Qatar, Oman, and Kuwait increased 1.8%, 0.4% and 0.3%, respectively, while Egypt declined 0.2%. Meanwhile, Bahrain remained flat.
- According to Baker Hughes, North America's rig count decreased to 1008 from 1011 earlier in the week ended February 17. The rig count in the US declined to 760 from 761 a week ago and decreased to 17 from 18 in the Gulf of Mexico. The rig count in Canada decreased to 248 from 250 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims decreased to 194,000 (consensus: 200,000) in the week ended February 11, representing a decrease of 1,000 from the previous week's revised level of 195,000. (Source: Econoday)
- US import prices increased 0.8% Y/Y in January as compared to 3.0% Y/Y rise in December. Meanwhile, export prices increased 2.3% Y/Y as compared to the prior revised 4.3% Y/Y rise in December. (Source: Econoday)
- US Philadelphia Fed manufacturing index contracted further to -24.3 in February (consensus: -7.2) as compared to -8.9 in January. (Source: Econoday)
- Oil prices declined 2.5% on Friday as concerns increased about growing indications of abundant crude and fuel supply and impact of future US interest rate increases on demand.
- Gold prices edged up 0.4%, as investors were concerned about further rate increases by the US Federal Reserve following a pool of positive economic data.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.86	0.0	1.7	0.3
Euro	1.07	0.2	-1.5	-0.1
Japanese Yen	134.15	0.2	3.1	2.3
Sterling Pound	1.20	0.4	-2.3	-0.4
Chinese Yuan	6.87	0.1	1.7	-0.7
Indian Rupee	82.83	0.1	1.1	0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.0	-0.1	-0.4
Kuwaiti Dinar	0.31	0.1	0.4	0.2
Omani Rial	0.38	0.1	0.1	-0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	30.55	0.0	1.1	23.4

Corporate Calendar

Date	Company	Event
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
26 th 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)	3,458	-0.3	4.7	3.9	9.3
Abu Dhabi (ADX)	9,977	0.1	1.7	-2.8	16.7
Kuwait (KSE)	5,551	0.3	-1.3	-0.8	13.1
Qatar (QE)	10,641	1.8	-2.7	-0.4	11.8
Oman (MSM)	4,653	0.4	-1.1	-4.2	11.1
Bahrain (BSE)	1,936	0.0	0.4	2.1	7.1
Egypt (EGX30)	17,489	-0.2	6.3	19.8	7.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,827	0.4	-0.8	2.0	20.0
Nasdaq	12,358	-0.7	2.1	13.0	26.9
S&P 500	4,079	-0.3	0.1	6.2	19.5
FTSE 100	8,004	-0.1	3.0	7.4	11.5
Germany DAX 30	15,482	-0.3	2.3	11.2	12.6
France CAC 40	7,348	-0.3	3.7	13.5	12.4
Japan Nikkei 225	27,513	-0.7	0.7	5.4	22.6
Russia MOEX	2,169	0.7	-2.5	0.7	2.2
Hong Kong Hang Seng	20,720	-1.3	-5.1	4.7	12.1
South Korea KOSPI	2,451	-1.0	1.1	9.6	11.7
China Shanghai Composite	3,224	-0.8	-1.0	4.4	14.0
Australia ASX 200	7,347	-0.9	-1.7	4.4	14.9
India Sensex	61,003	-0.5	2.4	0.3	23.0
MSCI EM	999	-1.2	-3.1	4.5	12.6
MSCI World	2,780	-0.4	-0.2	6.8	17.5

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.45	-1.9	0.7	-0.9
Brent Crude (\$/bbl)	83.00	-2.5	-1.8	-3.4
Texas crude (\$/bbl)	76.34	-2.7	-3.2	-4.9
Natural Gas (\$/mmbtu)	2.28	-4.8	-15.2	-44.6
Gold (\$/oz)	1,842.36	0.3	-4.5	1.0
Silver (\$/oz)	21.73	0.7	-8.4	-9.3
Steel (\$/ton)	798.00	-0.7	1.3	7.3
Iron Ore (CNY/MT)	908.00	1.1	0.8	6.0
Wheat (\$/bu)	776.25	0.0	2.0	-2.0
Corn (\$/bu)	677.50	0.4	-0.3	-0.1
Sugar (\$/lb)	19.80	0.2	-3.1	5.8
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)	5.21	-0.4	15.1	48.4
KSA (SAIBOR 3M)	5.50	-1.6	1.9	15.9
KSA (SAIBOR 6M)	5.71	-2.9	-1.8	11.3
KSA (SAIBOR 12M)	5.83	2.9	4.3	-4.1
USD (LIBOR 3M)	4.92	1.4	10.2	14.8
UAE (EIBOR 3M)	4.84	24.6	16.2	52.8

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of February 17, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,548
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	10,118.2
Value (SAR mn)	4,015.0
Volume (mn)	166.0
Number of Transactions	331,377
Market Breadth	90 : 122

Key statistics	
1D return %	-0.23%
MTD return %	-2.26%
QTD return	0.67%
YTD return	0.67%
ADT vol. 3M* (mn)	156.6
ADT val. 3M (SARmn)	3,982.2

*ADT stands for Average Daily Traded

TASI market commentary

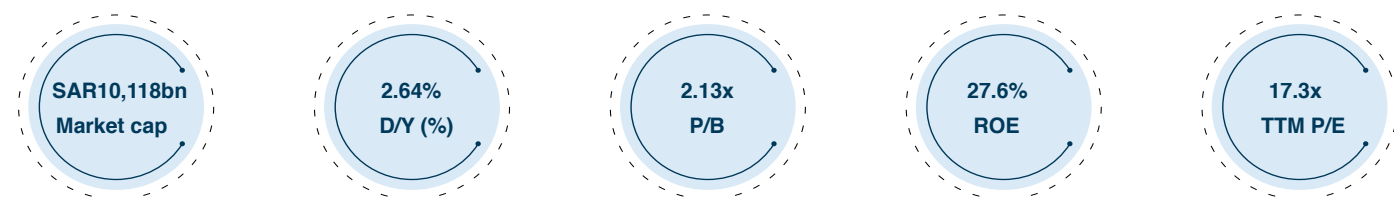
- The TASI declined on Thursday, primarily due to weakness in Index heavyweights Telecommunication Services (-0.63% D/D) and Energy (-0.44% D/D) stocks. At close, the Saudi market ended the day with a change of -0.23% at 10,548. In terms of activity, total volumes and value traded were ~166mn and ~SAR 4.0bn respectively. The advance-decline ratio came in at 90/122.

Technical outlook

- TASI lost 25 points to close Thursday's trading session near the 10,548 mark. The index started with initial purchasing activity which led to record an intraday high near 10,590 before profit-taking behavior drove the index to close near the low of the session. Although TASI developed a small-bodied red candle in the last session, it is still traded above its 10-day SMA after the prior bullish marubozu candle's penetration. As long as, the 10-day SMA stands as support against any correction action, resuming the way toward the strong resistance of the 20-day SMA near 10,650 stays highly expected. Moreover, the MACD histogram shows a bullish sign by recording a higher reading than the previous one. The index has immediate resistance near the level of 10,650, which if breached, the index may continue toward the level of 10,770 which coincides with the 38.20% retracement of the prior medium-term downside leg. On the flip side, immediate support is seen around the level of 10,500 which coincides with the 10-day SMA followed by the level of 10,450, 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
10,300	10,400	10,450	10,500	10,650	10,770	10,850



Source: Bloomberg, Argaam

TASI daily chart



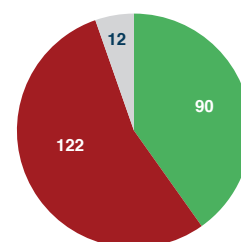
Source: Tradingview, Aljazira Capital

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
2310	Sahara International Petrochemical Co.	36.25	35.90 – 36.25	37.25	38.25	35.40
2350	Saudi Kayan Petrochemical Company	13.10	12.95 – 13.10	13.45	13.80	12.80

* As of 16th February 2023

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

CHARTS OF THE WEEK

Technical observations

Sipchem finished a continuation symmetrical triangle price pattern and cleared its 10-day SMA after bouncing off a significant rising trendline. Furthermore, the RSI shows a bullish confirming structure. We recommend buying the stock in a range of SAR35.90 – 36.25, for a target of SAR37.25 followed by SAR38.25, with a stop loss below SAR35.40 on a closing basis.

Sahara International Petrochemical Co. (Sipchem)



Source: Tradingview, AlJazira Capital

Technical observations

Saudi Kayan cleared the upper boundary of a declining channel and the 20-day SMA after bouncing off the 61.80 / 50% Fibonacci retracement zone. Moreover, the MACD a confirming buying signal. We recommend buying the stock in a range of SAR12.95 – 13.10, for a target of SAR13.45 followed by SAR13.80, with a stop loss below SAR12.80 on a closing basis.

Saudi Kayan Petrochemical Company (Saudi Kayan)



Source: Tradingview, AlJazira Capital

Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.