

## Major Economic News

- Saudi Arabia's oil exports rose 2% M/M to 7.4mn bpd in December 2022. Oil exports grew by 7% Y/Y from 6.9mn bpd in December 2021. Total crude output fell 0.3% M/M to 10.4mn bpd in December 2022. Local crude consumption fell 6% M/M to 3.0mn bpd, down from 3.19 million bpd the previous month. (Source: Argam)
- National Housing Co. (NHC) signed 30 agreements, MoUs and consultancy contracts at a total investment exceeding SAR 24bn with a number of real estate developers and companies on the sidelines of the launch ceremony of Al-Fursan district. (Source: Argam)
- In FY22, the Saudi Industrial Development Fund approved loans worth SAR 14.2bn, with an increase of 28% Y/Y. (Source: Argam)

## Major Corporate News

- Etihad Atheeb Telecommunication Co. fulfilled its commitments regarding the 3.5 GHz band frequency license by deploying network for the second phase covering 30% of the cities. (Source: Argam)
- Tihama Advertising and Public Relations Co. announced that its subsidiary, Tihama Education Co., signed a non-binding MoU with Cluster 2 Airports Co. to confirm the contract to launch 14 retail branches in airports. (Source: Argam)
- The board of directors of National Building and Marketing Co. (NBM) approved the issuance of Murabaha SAR-denominated sukuk. The issuance value has been set at SAR 100mn and will be offered in several tranches based on market conditions. (Source: Argam)

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

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
SAIB	350.3	286.1	22.4	550.0	-36.3
Advanced	-5.9	161.6	NM	26.9	NM

## Market Analysis

- The Saudi Stock Exchange decreased 1.2% to 10,371.0. The value traded stood at SAR 3.5bn (up 8.9% over previous day), while the advance-decline ratio stood at 35/180. The parallel market index decreased 0.4% to 19,286.9 points. The value traded stood at SAR 15.1mn (down 45.0% over previous day). Most sectors in the main market ended in the red. Software & Services (up 0.4%) was the only gainer; Pharma & Bio Tech and Insurance (down 3.6% and 2.0%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ETIHAD ETISALAT	37.00	5.7
SOLUTIONS	246.20	3.3
SSP	20.68	3.0
ALJOUF	53.80	2.3
A.OTHAIM MARKET	111.00	2.2

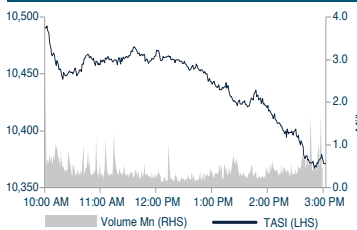
## Top Losers

Company	Price	Change%
GACO	23.40	-5.7
TAPRCO	77.60	-5.4
GIG	27.00	-4.9
WATANIYA	15.00	-4.7
SALAMA	14.22	-4.3

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,371	10,493	10,367	-1.2	-1.0
NomuC	19,287	19,433	19,213	-0.4	-0.7

## TASI movement during session



## TASI Ratios

P/E* (x)	16.8
Price-to-Book (x)	2.1
Dividend Yield (%)	2.4
Return on Equity (%)	27.6

\*Source: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,500	-0.9	1.3	11.8
Materials	6,391	-1.4	1.6	12.8
Capital Goods	5,725	-1.2	9.5	19.6
Commercial Service	3,551	-0.8	3.3	30.8
Transportation	4,976	-0.2	9.6	High
Consumer Durables	4,266	-1.6	1.0	Neg
Consumer Services	4,184	-0.6	13.4	High
Media	22,493	-1.6	4.6	23.5
Retailing	7,207	-1.4	0.5	22.3
Food & Staples	9,160	-0.5	7.2	19.6
Food & Beverages	4,865	-0.3	4.9	40.6
Healthcare	9,450	-0.5	3.7	46.9
Pharma & Bio Tech	2,826	-3.6	-1.7	Neg
Banks	10,843	-1.4	-6.1	15
Diversified Financial	5,823	-1.9	-8.5	6.7
Insurance	5,808	-2.0	9.2	High
Telecom	6,364	-0.2	-0.4	15.6
Utilities	6,816	-1.6	-5.0	15
REITs	3,771	-1.1	-5.1	22.1
Real Estate	2,717	-1.2	8.7	High
Software & Services	38,677	0.4	7.8	33.3

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,496	10,481	10,614	3.75

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	6.6	252.30	553.20
Previous week	19.2	786.50	1,531.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.50	-0.9
Al Rajhi	74.50	-1.3
SNB	48.00	-1.4
SABIC	94.20	-0.9
STC	35.35	-2.5

## Regional and International Markets

- Among other regional markets, Dubai increased 0.1%, while Abu Dhabi remained flat. Oman increased 0.2% while Qatar and Bahrain remained closed. Egypt and Kuwait declined 3.0% and 0.1%, respectively.
- UK retail sales declined 5.1% Y/Y in January (consensus: -5.5% Y/Y) as compared to prior revised decline of 6.1% Y/Y in December. On M/M basis, retail sales edged up 0.5% in January (consensus: -0.3% M/M) versus the previous decline of 1.2% M/M. (Source: Econoday)
- Japan machinery orders declined 6.6% Y/Y in December (consensus: 5.9% Y/Y) as compared to decline of 3.7% Y/Y. On M/M basis, machinery orders inched up 1.6% (consensus: 2.8% M/M) versus decline of 8.3% M/M. (Source: Econoday)
- Japan merchandise trade increased to JPY 3,496.6bn in January (consensus: JPY 3,869.9bn) as compared to JPY 1,451bn in December. Imports surged by 17.8% Y/Y (consensus: 19.9% Y/Y) as compared to 20.7% Y/Y. Exports increased 3.5% Y/Y (consensus: -0.1% Y/Y) as compared to rise of 11.5% Y/Y in December. (Source: Econoday)
- Oil prices rose 1.3% driven by expectations of increase in demand from China, further supported by ongoing production cuts by major producers.
- Gold prices fell 0.1%, as prospects of more rate hikes by the US Federal Reserve weighed on the prices of the yellow metal.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.86	0.0	1.7	0.3
Euro	1.07	-0.1	-1.6	-0.2
Japanese Yen	134.25	0.1	3.2	2.4
Sterling Pound	1.20	0.0	-2.3	-0.3
Chinese Yuan	6.86	-0.2	1.5	-0.9
Indian Rupee	82.74	-0.1	1.0	0.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.1	-0.4
Kuwaiti Dinar	0.31	-0.1	0.3	0.1
Omani Rial	0.38	0.0	0.1	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.59	0.1	1.2	23.5

## Corporate Calendar

Date	Company	Event
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
1 <sup>st</sup> Mar	Knowledge Tower	Cash Dividend Distribution
1 <sup>st</sup> Mar	Bena Steel Industries	End of IPO

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,462	0.1	4.8	4.0	9.3
Abu Dhabi (ADX)	9,976	0.0	1.7	-2.8	16.7
Kuwait (KSE)	5,547	-0.1	-1.4	-0.9	13.1
Qatar (QE)	10,717	0.0	-2.0	0.3	11.9
Oman (MSM)	4,664	0.2	-0.8	-4.0	11.1
Bahrain (BSE)	1,938	0.0	0.5	2.3	8.2
Egypt (EGX30)	16,814	-3.0	2.2	15.2	7.7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,827	0.0	-0.8	2.0	20.0
Nasdaq	12,358	0.0	2.1	13.0	26.8
S&P 500	4,079	0.0	0.1	6.2	19.5
FTSE 100	8,014	0.1	3.1	7.5	11.5
Germany DAX 30	15,478	0.0	2.3	11.2	12.6
France CAC 40	7,336	-0.2	3.6	13.3	12.4
Japan Nikkei 225	27,532	0.1	0.7	5.5	22.6
Russia MOEX	2,184	0.7	-1.9	1.4	2.2
Hong Kong Hang Seng	20,887	0.8	-4.4	5.6	12.2
South Korea KOSPI	2,455	0.2	1.2	9.8	11.7
China Shanghai Composite	3,290	2.1	1.1	6.5	14.3
Australia ASX 200	7,352	0.1	-1.7	4.4	15.1
India Sensex	60,692	-0.5	1.9	-0.2	22.9
MSCI EM	1,005	0.6	-2.5	5.1	12.4
MSCI World	2,783	0.1	-0.1	6.9	17.4

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.95	0.6	1.3	-0.3
Brent Crude (\$/bbl)	84.07	1.3	-0.5	-2.1
Texas crude (\$/bbl)	76.34	0.0	-3.2	-4.9
Natural Gas (\$/mmbtu)	2.28	0.0	-15.2	-44.6
Gold (\$/oz)	1,841.38	-0.1	-4.5	1.0
Silver (\$/oz)	21.82	0.4	-8.1	-8.9
Steel (\$/ton)	798.00	0.0	1.3	7.3
Iron Ore (CNY/MT)	916.50	0.9	1.8	6.9
Wheat (\$/bu)	776.25	0.0	2.0	-2.0
Corn (\$/bu)	677.50	0.0	-0.3	-0.1
Sugar (\$/lb)	19.80	0.0	-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)	5.26	4.3	19.7	53.0
KSA (SAIBOR 3M)	5.55	1.0	7.1	21.1
KSA (SAIBOR 6M)	5.70	0.1	-2.8	10.3
KSA (SAIBOR 12M)	5.84	1.2	5.2	-3.2
USD (LIBOR 3M)	4.92	0.0	10.2	14.8
UAE (EIBOR 3M)	4.76	-7.8	8.4	45.0

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of February 20, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,371
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,947.7
Value (SAR mn)	3,460.4
Volume (mn)	127.4
Number of Transactions	291,673
Market Breadth	35 : 180

Key statistics	
1D return %	-1.16%
MTD return %	-3.91%
QTD return	-1.03%
YTD return	-1.03%
ADT vol. 3M* (mn)	157.7
ADT val. 3M (SARmn)	3,976.3

\*ADT stands for Average Daily Traded

### TASI market commentary

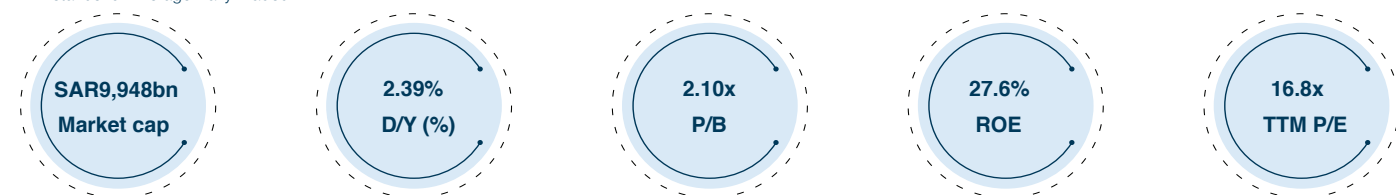
- The TASI declined on Monday, primarily due to weakness in Index heavyweights Materials (-1.43% D/D) and Banks (-1.36% D/D) stocks. At close, the Saudi market ended the day with a change of -1.16% at 10,371. In terms of activity, total volumes and value traded were ~127mn and ~SAR 3.5bn respectively. The advance-decline ratio came in at 35/180.

### Technical outlook

- TASI lost 122 points to close Monday's trading session near the 10,371 mark. The index was fully dominated by selling pressure which drove the index to close near the session's low. TASI closed for the second session in a row below its 10-day SMA with a bearish marubozu candle pattern, suggesting a further decline toward the support level of the 61.8% retracement level of the last short-term upside swing near 10,300. Moreover, the MACD indicator shows a bearish structure which adds to the weight of bearish evidence. The index has immediate support near the level of 10,365, which if breached, may continue declining toward the support of 10,300 followed by the 78.6% retracement level near 10,150. On the flip side, immediate resistance is seen around the level of 10,450, which if breached, the index may continue toward the level of 10,480 which coincides with the 10-day SMA. Traders should be mindful to monitor the strong support zone of 10,300 – 10,150 which provides an opportunity for a potential rebound.

### Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,150	10,300	10,365	10,450	10,480	10,600	10,770



Source: Bloomberg, Argaam

### TASI daily chart



Source: Tradingview, Aljazira Capital

### SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Stop loss
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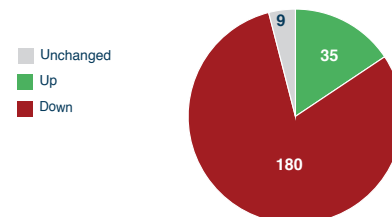
No stocks recommendations due to market volatility

\*As of 20<sup>th</sup> February 2023

### Our view



### Market depth



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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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