

Major Economic News

- Saudi Arabia's non-oil exports fell by 24% Y/Y or SAR 7.4bn to around SAR 22.7bn in December 2022. Non-oil exports recorded their lowest value in almost a year and a half (since July 2021), when they amounted to SAR 21.1bn. (Source: Argaam)
- Saudi Arabia's international reserve assets retreated by SAR 8.2bn or 0.5% M/M to SAR 1.7tn in January 2023. On a yearly basis, the Kingdom's reserve assets grew 2.4% or SAR 40.7bn. Foreign currency reserves, representing 94% of total assets, grew by nearly 3% Y/Y in January to SAR 1.6tn. (Source: Argaam)
- The point-of-sale transactions reached SAR 10.3bn in the week ended February 18, versus SAR 10.9bn in the week before. Data showed that about 152.2mn transactions were processed during the week. (Source: Argaam)

Major Corporate News

- Mobile Telecommunication Co. Saudi Arabia (Zain KSA) signed an agreement with the Ministry of Finance to convert an existing commercial loan to a Shariah-compliant Murabaha facility. (Source: Argaam)
- Saudi Arabian Amiantit Co. announced that its accumulated losses declined to 34.91% on December 31, 2022, from 42.12% on September 30, 2022. (Source: Argaam)
- Al Moammar Information Systems (MIS) was awarded a contract worth SAR 64.7mn by General Organization for Social Insurance (GOSI). (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
Bupa Arabia	222.6	-6.6	NM	375.3	-40.7
Saudi Kayan	-791.1	449.3	NM	-812.3	NM

Market Analysis

- The Saudi Stock Exchange decreased 1.0% to 10,269.7. The value traded stood at SAR 3.4bn (down 2.8% over previous day), while the advance-decline ratio stood at 52/152. The parallel market index decreased 1.4% to 19,017.4 points. The value traded stood at SAR 18.6mn (up 23.1% over previous day). Most sectors in the main market ended in the red. Insurance and Pharma & Bio Tech (up 0.7% each) advanced the most; Real Estate and Utilities (down 2.2% and 1.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
WATANIYA	15.80	5.3
TANMIAH	122.00	5.2
GIG	27.90	3.3
DWF	162.20	3.1
SAPTCO	18.02	3.0

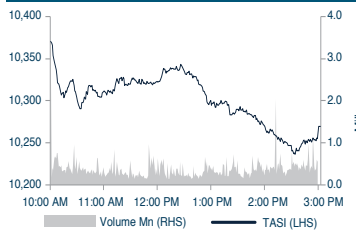
Top Losers

Company	Price	Change%
TAPRCO	70.30	-9.4
DAR ALARKAN	13.00	-6.9
ANB	24.66	-4.6
CENOMI RETAIL	15.00	-3.7
SAIB	16.46	-3.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,270	10,371	10,235	-1.0	-2.0
NomuC	19,017	19,256	18,959	-1.4	-2.1

TASI movement during session



TASI Ratios

P/E* (x)	16.6
Price-to-Book (x)	2.1
Dividend Yield (%)	2.7
Return on Equity (%)	27.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,483	-0.3	1.0	11.7
Materials	6,334	-0.9	0.7	12.7
Capital Goods	5,692	-0.6	8.9	19.4
Commercial Service	3,560	0.3	3.6	30.9
Transportation	4,998	0.4	10.1	High
Consumer Durables	4,234	-0.7	0.2	Neg
Consumer Services	4,194	0.2	13.6	High
Media	22,333	-0.7	3.9	23.4
Retailing	7,235	0.4	0.9	22.3
Food & Staples	9,010	-1.6	5.5	19.3
Food & Beverages	4,813	-1.1	3.7	40.2
Healthcare	9,313	-1.5	2.2	46
Pharma & Bio Tech	2,844	0.7	-1.0	Neg
Banks	10,697	-1.3	-7.3	14.8
Diversified Financial	5,727	-1.6	-10.0	6.6
Insurance	5,846	0.7	10.0	High
Telecom	6,320	-0.7	-1.1	15.5
Utilities	6,689	-1.9	-6.8	14.7
REITs	3,751	-0.5	-5.6	22
Real Estate	2,658	-2.2	6.3	High
Software & Services	38,696	0.0	7.8	33.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,451	10,461	10,588	3.72

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	10	370.10	846.30
Previous week	19.2	786.50	1,531.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.40	-0.3
Al Rajhi	74.20	-0.4
SNB	47.60	-0.8
SABIC	92.70	-1.6
STC	35.00	-1.0



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.9% and 0.6%, respectively. Egypt, Qatar and Kuwait decreased 1.5%, 0.3% and 0.2%, respectively. Meanwhile, Oman and Bahrain closed flat.
- US existing home sales fell slightly by 0.7% M/M at an annual rate of 4.0mn in January (consensus: 4.1mn) as compared to decline of 2.2% to 4.03mn in December. The unexpected decrease reflected weakness in the Northeast and Midwest, where existing home sales plunged by 3.8% and 5.0%, respectively. (Source: Econoday)
- US PMI manufacturing index edged up to 47.8 in February (consensus: 47.3), meanwhile services index rose to 50.5 in February (consensus: 47.2). (Source: Econoday)
- The Eurozone PMI manufacturing index fell to 48.5 in February (consensus: 49.3) versus 48.8 in January. The services index improved to 53.0 in February (consensus: 51.0) as compared to 50.8 in January. (Source: Econoday)
- UK PMI manufacturing index rose to 49.2 in February (consensus: 47.5) as compared to 47.3 in January. Services index increased to 53.3 in February (consensus: 49.3) versus 48.7 in January. (Source: Econoday)
- Oil prices declined 3.0%, as investors have grown more apprehensive that recent data may lead central banks to raise interest rates more aggressively, putting pressure on economic growth and fuel demand.
- Gold prices fell 0.5%, after the US dollar as US Federal Reserve officials backed interest rate hikes to tame inflation.

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 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
1 st Mar	Knowledge Tower	Cash Dividend Distribution
1 st 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)	3,427	-0.9	3.7	2.9	9.2
Abu Dhabi (ADX)	9,888	-0.6	0.8	-3.7	16.6
Kuwait (KSE)	5,509	-0.2	-2.0	-1.6	13
Qatar (QE)	10,665	-0.3	-2.4	-0.2	11.6
Oman (MSM)	4,634	0.0	-1.5	-4.6	11.1
Bahrain (BSE)	1,936	0.0	0.4	2.2	8.2
Egypt (EGX30)	16,777	-1.5	2.0	14.9	7.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,045	-0.3	-3.1	-0.3	19.5
Nasdaq	12,066	0.0	-0.3	10.3	26.2
S&P 500	3,991	-0.2	-2.1	3.9	19.0
FTSE 100	7,931	-0.6	2.0	6.4	11.4
Germany DAX 30	15,400	0.0	1.8	10.6	12.5
France CAC 40	7,299	-0.1	3.1	12.8	12.3
Japan Nikkei 225	27,104	-1.3	-0.8	3.9	22.2
Russia MOEX	2,212	-0.0	-0.6	2.7	2.2
Hong Kong Hang Seng	20,424	-0.5	-6.5	3.2	11.9
South Korea KOSPI	2,418	-1.7	-0.3	8.1	11.6
China Shanghai Composite	3,291	-0.5	1.1	6.5	14.3
Australia ASX 200	7,315	-0.3	-2.2	3.9	15.2
India Sensex	59,745	-1.5	0.3	-1.8	22.5
MSCI EM	982	-1.3	-4.8	2.7	12.4
MSCI World	2,731	-0.3	-1.9	4.9	17.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.40	-0.4	-0.6	-2.2
Brent Crude (\$/bbl)	80.60	-3.0	-4.6	-6.2
Texas crude (\$/bbl)	73.95	-2.9	-6.2	-7.9
Natural Gas (\$/mmbtu)	2.17	4.9	-19.0	-47.0
Gold (\$/oz)	1,825.39	-0.5	-5.3	0.1
Silver (\$/oz)	21.51	-1.5	-9.4	-10.2
Steel (\$/ton)	962.00	22.2	22.1	29.3
Iron Ore (CNY/MT)	935.50	-0.2	3.9	9.2
Wheat (\$/bu)	750.00	-1.7	-1.5	-5.3
Corn (\$/bu)	674.25	-0.9	-0.8	-0.6
Sugar (\$/lb)	19.90	-0.2	-2.6	6.3
SMP* (EUR/MT)	2,493.00	0.1	-1.1	-10.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.19	-7.5	12.3	45.6
KSA (SAIBOR 3M)	5.61	5.9	12.9	26.9
KSA (SAIBOR 6M)	5.71	1.0	-1.9	11.3
KSA (SAIBOR 12M)	5.86	2.1	7.3	-1.2
USD (LIBOR 3M)	4.92	1.3	10.9	15.5
UAE (EIBOR 3M)	4.64	3.8	-4.0	32.6

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of February 22, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,270
Short-term view	Cautious
52 weeks high/low	13,949 – 9,950

Market data

Exchange Market Cap. (SAR bn)	9,894.5
Value (SAR mn)	3,363.6
Volume (mn)	117.8
Number of Transactions	293,051
Market Breadth	52 : 152

Key statistics

1D return %	-0.98%
MTD return %	-4.85%
QTD return	-1.99%
YTD return	-1.99%
ADT vol. 3M* (mn)	157.9
ADT val. 3M (SARmn)	3,964.1

*ADT stands for Average Daily Traded

TASI market commentary

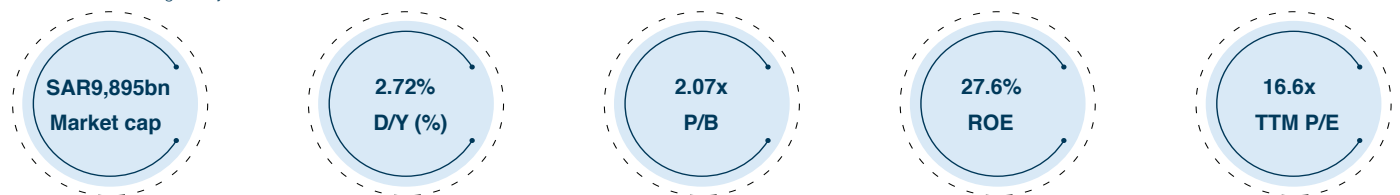
- The TASI declined on Tuesday, primarily due to weakness in Index heavyweights Banks (-1.35% D/D) and Materials (-0.89% D/D) stocks. At close, the Saudi market ended the day with a change of -0.98% at 10,270. In terms of activity, total volumes and value traded were ~118mn and ~SAR 3.4bn respectively. The advance-decline ratio came in at 52/152.

Technical outlook

- TASI lost 101 points to close Tuesday's trading session near the 10,270 mark. The index was fully dominated by selling pressure which drove the index to close near the low for the second session in a row. Although TASI developed a bearish opening marubozu candle pattern, it is actually approaching the significant support zone of the 161.8% external retracement level of the prior minor upside move and the 78.6% retracement level of the last short-term upside swing. Moreover, the time analysis unfolded that the index follows a time cycle with a bottom every 51 sessions on average which suggest witnessing an impending bottom. Furthermore, the RSI indicator is approaching its oversold zone. The index has immediate support near the level of 10,225, which if breached, may continue declining toward the support of the 78.6% retracement level near 10,150. On the flip side, immediate resistance is seen around the level of 10,300 followed by 10,365, which if breached, the index may continue toward the level of 10,460 which coincides with the 10-day SMA. Traders should be mindful to monitor the strong support zone of 10,225 – 10,150 which provides an opportunity for a potential rebound.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,150	10,225	10,300	10,365	10,460	10,500	10,600



Source: Bloomberg, Argaam

TASI daily chart



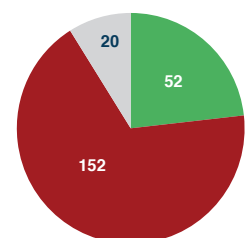
Source: Tradingview, Aljazeera Capital

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
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No stocks recommendations due to market volatility

* As of 21st February 2023

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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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