



## Major Economic News

- The Saudi Ports Authority signed an agreement with Jeddah Chamber to establish an integrated logistics zone in Khumrah region, south of Jeddah, at an investment value of nearly SAR 1.0bn. (Source: Argaam)

## Major Corporate News

- Saudi Aramco Base Oil Co. (Luberef) signed an engineering, procurement and construction award contract with Petrojet Co. for Yanbu Growth II Expansion Project at a total value of SAR 555.0mn. Under the contract, the company will boost the project's production capacity of base oil to nearly 1.3mn metric tons per annum. (Source: Argaam)
- National Building and Marketing Co. announced renewing a Shariah-compliant credit facility agreement worth SAR 120.0mn with Al Rajhi Bank. The financing will be used to bankroll working capital. (Source: Argaam)
- Elm Co. signed an agreement with Saudi Data and Artificial Intelligence Authority, a related party, under which the latter will provide application programming interfaces to Elm, thus allowing the company to provide electronic services and products. The agreement value is set to exceed 1% of total revenue. (Source: Argaam)
- Wasatah Capital, the financial advisor on IPO of Horizon Food Co. on Nomu-Parallel Market, set the offer price at SAR 37 per share. The offering will run from March 5-9. (Source: Argaam)

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

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
SABIC-Agri	2,168.5	2,762.8	-21.5	2,330.7	-7.0

## Market Analysis

- The Saudi Stock Exchange decreased 1.0% to 10,051.8 on Sunday. The value traded stood at SAR 2.8bn (down 31.2% over previous day), while the advance-decline ratio stood at 37/179. The parallel market index decreased 0.8% to 18,977.0 points. The value traded stood at SAR 15.3mn (down 95.5% over previous day). Most sectors in the main market ended in the red. Healthcare and Capital Goods (up 0.6% and 0.2%, respectively) advanced the most; Diversified Financials and Consumer Durables (down 3.5% and 3.2%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
SAUDI GERMAN	29.80	10.0
ASTRA INDUSTRIAL	60.30	7.7
WATANIYA	16.60	7.1
NCLE	89.50	5.1
EIC	29.30	5.0

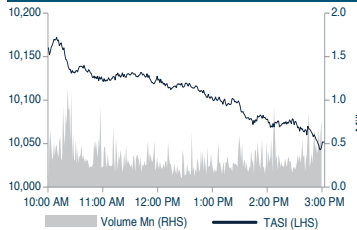
## Top Losers

Company	Price	Change%
TAPRCO	61.60	-6.8
ALASEEL	33.20	-6.0
TADAWUL GROUP	150.20	-4.7
PETRO RABIGH	10.16	-4.5
ACC	33.65	-4.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,052	10,172	10,040	-1.0	-4.1
NomuC	18,977	19,160	18,963	-0.8	-2.3

## TASI movement during session



## TASI Ratios

P/E* (x)	16.5
Price-to-Book (x)	2
Dividend Yield (%)	2.8
Return on Equity (%)	27.5

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,315	-1.3	-2.1	11.4
Materials	6,246	-0.5	-0.7	12.5
Capital Goods	5,735	0.2	9.7	19.7
Commercial Service	3,575	-0.1	4.0	31
Transportation	4,882	-1.5	7.5	High
Consumer Durables	4,057	-3.2	-4.0	Neg
Consumer Services	4,177	-1.1	13.2	High
Media	21,893	-0.6	1.9	22.9
Retailing	7,141	-0.1	-0.5	22
Food & Staples	8,892	-0.6	4.1	19
Food & Beverages	4,793	-0.2	3.3	40.2
Healthcare	9,376	0.6	2.9	46.4
Pharma & Bio Tech	2,818	-0.4	-1.9	Neg
Banks	10,360	-1.6	-10.2	14.3
Diversified Financial	5,623	-3.5	-11.6	6.5
Insurance	5,838	-0.4	9.8	High
Telecom	6,260	0.1	-2.0	15.3
Utilities	6,586	-1.1	-8.2	13.6
REITs	3,737	-0.3	-6.0	21.9
Real Estate	2,649	0.0	5.9	High
Software & Services	38,473	-1.1	7.2	33.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,268	10,390	10,516	3.68

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	2.8	105.80	259.70
Previous week	14	507.00	1,147.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.40	-1.3
Al Rajhi	71.00	-1.8
SNB	47.15	-1.5
SABIC	91.20	0.3
STC	34.55	-0.4



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Egypt, Qatar and Oman rose 1.2%, 0.7% and 0.2%, respectively; while Bahrain declined 0.1%. Meanwhile, Kuwait remained closed.
- US core consumer prices, which exclude food and energy prices, accelerated to 4.7% in January (consensus: an increase of 4.3%) from an upwardly revised 4.6% in December. (Source: RTT News)
- US new home sales spiked 7.2% to an annual rate of 670,000 in January (consensus: 620,000) compared to an increase of 7.2% to a revised rate of 625,000 in December. The new home sales reached their highest annual rate since hitting 707,000 last March. (Source: RTT News)
- US consumer sentiment index for February was upwardly revised to 67.0 (consensus: 66.4) from the preliminary reading of 66.4. (Source: RTT News)
- US personal income rose 0.6% in January (consensus: an increase of 0.9%) after rising by an upwardly revised 0.3% in December. (Source: RTT News)
- Japan's core inflation that excludes volatile fresh food rose to 4.2% in January from 4.0% in the previous month. The headline inflation rose to 4.3% from 4.0% in December. This was the strongest since December 1981. (Source: RTT News)

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.21	0.0	3.1	1.6
Euro	1.05	0.0	-2.9	-1.5
Japanese Yen	136.48	0.0	4.9	4.1
Sterling Pound	1.19	0.0	-3.1	-1.2
Chinese Yuan	6.98	0.0	3.3	0.9
Indian Rupee	82.75	0.0	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	0.0	0.5	0.3
Omani Rial	0.39	0.0	0.1	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.63	0.0	1.4	23.7

## Corporate Calendar

Date	Company	Event
1 <sup>st</sup> Mar	Knowledge Tower	Cash Dividend Distribution
2 <sup>nd</sup> Mar	Bena Steel Industries	End of IPO
2 <sup>nd</sup> Mar	Knowledge Net	End of IPO
5 <sup>th</sup> Mar	Horizon Food	Start of IPO
7 <sup>th</sup> Mar	Bena Steel Industries	Final allocation
8 <sup>th</sup> Mar	Atheeb Telecom	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,419	0.0	3.5	2.7	9.2
Abu Dhabi (ADX)	9,859	0.0	0.5	-4.0	16.5
Kuwait (KSE)	5,532	0.0	-1.6	-1.2	13
Qatar (QE)	10,542	0.7	-3.6	-1.3	11.6
Oman (MSM)	4,659	0.2	-0.9	-4.1	11.1
Bahrain (BSE)	1,937	-0.1	0.5	2.2	8.3
Egypt (EGX30)	17,213	1.2	4.7	17.9	7.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,817	0.0	-3.7	-1.0	19.2
Nasdaq	11,970	0.0	-1.1	9.4	26.3
S&P 500	3,970	0.0	-2.6	3.4	19.0
FTSE 100	7,879	0.0	1.4	5.7	11.3
Germany DAX 30	15,210	0.0	0.5	9.2	12.3
France CAC 40	7,187	0.0	1.5	11.0	12.5
Japan Nikkei 225	27,453	0.0	0.5	5.2	22.5
Russia MOEX	2,208	0.0	-0.8	2.5	2.2
Hong Kong Hang Seng	20,010	0.0	-8.4	1.2	11.8
South Korea KOSPI	2,424	0.0	-0.1	8.4	11.7
China Shanghai Composite	3,267	0.0	0.4	5.8	14.3
Australia ASX 200	7,307	0.0	-2.3	3.8	15.1
India Sensex	59,464	0.0	-0.1	-2.3	22.4
MSCI EM	972	0.0	-5.8	1.6	12.3
MSCI World	2,707	0.0	-2.8	4.0	17.1

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.63	0.0	0.9	-0.7
Brent Crude (\$/bbl)	83.16	0.0	-1.6	-3.2
Texas crude (\$/bbl)	76.32	0.0	-3.2	-4.9
Natural Gas (\$/mmbtu)	2.55	0.0	-5.1	-37.9
Gold (\$/oz)	1,811.04	0.0	-6.1	-0.7
Silver (\$/oz)	20.76	0.0	-12.5	-13.3
Steel (\$/ton)	1,020.00	0.0	29.4	37.1
Iron Ore (CNY/MT)	932.00	0.0	3.5	8.8
Wheat (\$/bu)	721.75	0.0	-5.2	-8.9
Corn (\$/bu)	649.25	0.0	-4.5	-4.3
Sugar (\$/lb)	19.67	0.0	-3.8	5.1
SMP* (EUR/MT)	2,616.00	0.0	3.8	-5.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.20	0.2	14.2	47.5
KSA (SAIBOR 3M)	5.60	2.1	12.2	26.2
KSA (SAIBOR 6M)	5.73	-0.1	-0.3	12.9
KSA (SAIBOR 12M)	5.85	0.9	6.3	-2.1
USD (LIBOR 3M)	4.95	0.0	14.0	18.6
UAE (EIBOR 3M)	4.41	0.0	-26.9	9.7

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 26, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,052
Short-term view	Cautious
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,627.4
Value (SAR mn)	2,767.7
Volume (mn)	105.8
Number of Transactions	259,650
Market Breadth	37 : 179

Key statistics	
1D return %	-1.00%
MTD return %	-6.87%
QTD return	-4.07%
YTD return	-4.07%
ADT vol. 3M* (mn)	157.0
ADT val. 3M (SARmn)	3,862.8

\*ADT stands for Average Daily Traded

## TASI market commentary

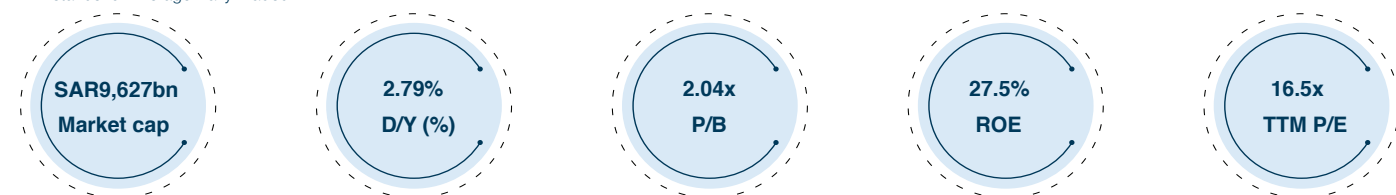
- The TASI declined on Sunday, primarily due to weakness in Index heavyweights Banks (-1.60% D/D) and Energy (-1.29% D/D) stocks. At close, the Saudi market ended the day with a change of -1.00% at 10,052. In terms of activity, total volumes and value traded were ~106mn and ~SAR 2.8bn respectively. The advance-decline ratio came in at 37/179.

## Technical outlook

- TASI lost 102 points to close Sunday's trading session near the 10,052 mark. One session after another, the selling pressure dominated the index along the previous session and drove it to close near the low. TASI developed a fourth consecutive bearish marubozu candle pattern which reflects the continuing weakness of the index. Meanwhile, TASI tested the aforementioned strong support level of 10,050 and ended the session above it, however, a reversal candlestick may confirm a possible rebound which investors can gauge for. The RSI indicator still records lower readings and reached its oversold zone. The index has immediate support near the level of 10,050, which if breached, may continue declining toward the level of the prior medium-term bottom near 9,950. On the flip side, immediate resistance is seen around the level of 10,150, which if penetrated, the index may continue toward the level of 10,225. Traders should monitor the current powerful support at 10,050 points, and await for a reversal candlestick to affirm the possible rebound.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
9,950	10,050	10,150	10,225	10,365	10,425	10,550



Source: Bloomberg, Argaam

## TASI daily chart

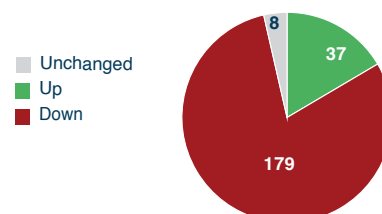


Source: Tradingview, Aljazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

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

\*As of 26<sup>th</sup> 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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