



## Major Economic News

- International tourist arrivals in Saudi Arabia recorded the highest level in January as per the Saudi Tourism Authority (STA). KSA continues to restructure visa system on all levels to facilitate more arrivals. (Source: Argaam)

## Major Corporate News

- Jarir Marketing Co. opened a new showroom in the University City area, Sharjah, UAE. The new addition brings the total number of Jarir's showrooms inside and outside the Kingdom to 69. (Source: Argaam)
- Saudi Chemical Holding Co. subsidiary Saudi Chemical Co. Ltd. received a gas allocation letter from the Ministry of Energy to set up a facility for the production of nitric acid with annual capacity of 440,000 tons and ammonium nitrate for annual capacity of 300,000 tons in collaboration with a local company. (Source: Argaam)
- Makkah Construction and Development Co. obtained a license from the Ministry of Hajj and Umrah to serve 10,000 foreign pilgrims for a five-year period. (Source: Argaam)
- Perfect Presentation for Commercial Services Co. (2P) was awarded an SMS and digital connectivity with service provider project worth SAR 84.5 mn by the Saudi Authority for Data and Artificial Intelligence. (Source: Argaam)

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

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
SABIC	293.0	4970.0	-94.1%	1835.9	-84.0%
SIPCHEM	478.9	1321.0	-63.7%	774.4	-38.1%
TASNEE	43.1	338.69	-87.3%	17.1	151.5%
SAPTCO	-95.1	-67.6	NM	1.3	NM

## Market Analysis

- The Saudi Stock Exchange decreased 0.6% to 9,994.8. The value traded stood at SAR 4.4bn (up 59.4% over previous day), while the advance-decline ratio stood at 145/67. The parallel market index closed flat at 18,976.7 points. The value traded stood at SAR 10.4mn (down 32.2% over previous day). Most sectors in the main market ended in the green. Consumer Durables and Pharma & Bio Tech (up 1.8% and 1.3%, respectively) advanced the most; Diversified Financials and Utilities (down 3.8% and 1.0%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
TAPRCO	67.70	9.9
SIECO	31.25	5.0
SAUDI GERMAN HEALT	31.30	5.0
SACO	29.00	4.7
ADVANCED	45.95	4.4

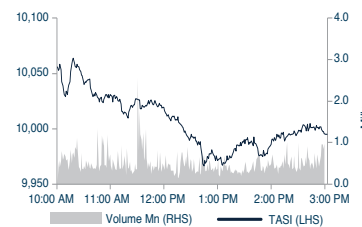
## Top Losers

Company	Price	Change%
TADAWUL GROUP	139.80	-6.9
EPCCO	39.30	-5.3
MOUWASAT	180.00	-5.2
ACWA POWER	131.20	-4.2
MAADEN	62.50	-3.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	9,995	10,066	9,964	-0.6	-4.6
NomuC	18,977	19,048	18,878	0.0	-2.3

## TASI movement during session



## TASI Ratios

P/E* (x)	16.5
Price-to-Book (x)	2
Dividend Yield (%)	3
Return on Equity (%)	27.5

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,252	-1.2	-3.2	11.2
Materials	6,267	0.3	-0.4	12.5
Capital Goods	5,782	0.8	10.6	19.8
Commercial Service	3,618	1.2	5.3	31.4
Transportation	4,939	1.2	8.7	High
Consumer Durables	4,129	1.8	-2.3	Neg
Consumer Services	4,157	-0.5	12.7	High
Media	21,630	-1.2	0.6	22.7
Retailing	7,220	1.1	0.6	22.2
Food & Staples	9,003	1.3	5.4	19.2
Food & Beverages	4,718	-1.6	1.7	39.4
Healthcare	9,235	-1.5	1.4	45.7
Pharma & Bio Tech	2,855	1.3	-0.6	Neg
Banks	10,276	-0.8	-11.0	14.2
Diversified Financial	5,408	-3.8	-15.0	6.3
Insurance	5,871	0.6	10.4	High
Telecom	6,234	-0.4	-2.4	15.3
Utilities	6,472	-1.7	-9.8	13.5
REITs	3,737	0.0	-6.0	21.9
Real Estate	2,665	0.6	6.6	High
Software & Services	38,844	1.0	8.2	33.6

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,168	10,347	10,474	3.72

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7.2	266.90	624.40
Previous week	14	507.00	1,147.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.00	-1.3
Al Rajhi	69.90	-1.5
SNB	47.20	0.1
SABIC	91.90	0.8
STC	34.35	-0.6



## Regional and International Markets

- Among other regional markets, Dubai closed flat, while Abu Dhabi decreased 0.3%. Oman and Bahrain increased 0.1% each, while Egypt declined 0.7%. Qatar closed flat while Kuwait remained closed.
- US durable goods orders fell back -4.5% M/M in January (consensus: -4.0% M/M) versus a rise of 5.1% in December. Excluding transportation durable goods order improved 0.7% M/M (consensus: 0.0% M/M) versus a decline of 0.4% M/M. Core capital goods improved by 0.8% M/M (consensus: -0.1% M/M) versus decline of 0.3% M/M. (Source: Econoday)
- US pending home sales index improved to 82.5 in January as compared to 76.3 in December. (Source: Econoday)
- Eurozone economic sentiment came at 99.7 in February (consensus: 101.0) as compared to 99.8 in January. Industry sentiment declined to 0.5 (consensus: 2.0) as compared to 1.2. Consumer sentiment slightly improved to -19.0 (consensus: -19.0) as compared to -20.7 in January. (Source: Econoday)
- Japan retail sales increased 6.3% Y/Y in January (consensus: rise of 4.1% Y/Y) as compared to decline of 3.8% Y/Y in December. (Source: Econoday)
- Oil prices declined 0.9%, as strong US economic data prepared the markets for more interest rate increases from the US Federal Reserve to combat inflation, which might stifle economic development and oil consumption.
- Gold prices edged up 0.3%, as the dollar fell, but concerns about future interest rate increases from the US Federal Reserve left gold bullion close to a two-month low.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.67	-0.5	2.5	1.1
Euro	1.06	0.6	-2.3	-0.9
Japanese Yen	136.19	-0.2	4.7	3.9
Sterling Pound	1.21	1.0	-2.1	-0.2
Chinese Yuan	6.96	-0.3	3.0	0.6
Indian Rupee	82.85	0.1	1.1	0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.2	0.1	-0.2
Kuwaiti Dinar	0.31	0.1	0.6	0.4
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	A.Othaim Market	Cash Dividend Distribution
2 <sup>nd</sup> Mar	Knowledge Net	End of IPO
2 <sup>nd</sup> Mar	Waja	Surplus refund date
5 <sup>th</sup> Mar	Horizon Food	Start of IPO

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,418	0.0	3.5	2.7	9.2
Abu Dhabi (ADX)	9,833	-0.3	0.2	-4.2	16.5
Kuwait (KSE)	5,532	0.0	-1.6	-1.2	13
Qatar (QE)	10,538	0.0	-3.6	-1.3	11.6
Oman (MSM)	4,665	0.1	-0.8	-4.0	11.1
Bahrain (BSE)	1,939	0.1	0.6	2.3	8.2
Egypt (EGX30)	17,098	-0.7	4.0	17.1	7.6

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,889	0.2	-3.5	-0.8	19.3
Nasdaq	12,058	0.7	-0.4	10.2	26.4
S&P 500	3,982	0.3	-2.3	3.7	19.1
FTSE 100	7,935	0.7	2.1	6.5	11.4
Germany DAX 30	15,381	1.1	1.7	10.5	12.4
France CAC 40	7,296	1.5	3.0	12.7	12.7
Japan Nikkei 225	27,424	-0.1	0.4	5.1	22.5
Russia MOEX	2,241	1.5	0.7	4.0	2.2
Hong Kong Hang Seng	19,944	-0.3	-8.7	0.8	11.8
South Korea KOSPI	2,403	-0.9	-0.9	7.4	11.6
China Shanghai Composite	3,258	-0.3	0.1	5.5	14.2
Australia ASX 200	7,225	-1.1	-3.4	2.6	14.9
India Sensex	59,288	-0.3	-0.4	-2.6	22.4
MSCI EM	967	-0.5	-6.2	1.1	12.1
MSCI World	2,722	0.5	-2.3	4.6	17.0

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.81	0.2	1.1	-0.5
Brent Crude (\$/bbl)	82.45	-0.9	-2.4	-4.0
Texas crude (\$/bbl)	75.68	-0.8	-4.0	-5.7
Natural Gas (\$/mmbtu)	2.73	7.2	1.8	-33.5
Gold (\$/oz)	1,817.14	0.3	-5.8	-0.4
Silver (\$/oz)	20.63	-0.6	-13.1	-13.9
Steel (\$/ton)	1,044.00	2.4	32.5	40.3
Iron Ore (CNY/MT)	922.00	-1.1	2.4	7.6
Wheat (\$/bu)	710.00	-1.6	-6.7	-10.4
Corn (\$/bu)	643.50	-0.9	-5.3	-5.2
Sugar (\$/lb)	20.29	3.2	-0.7	8.4
SMP* (EUR/MT)	2,619.00	0.1	3.9	-5.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.21	0.9	15.0	48.3
KSA (SAIBOR 3M)	5.59	-1.6	10.7	24.6
KSA (SAIBOR 6M)	5.69	-3.2	-3.5	9.6
KSA (SAIBOR 12M)	5.85	-0.1	6.2	-2.2
USD (LIBOR 3M)	4.95	0.0	14.0	18.6
UAE (EIBOR 3M)	4.74	0.0	6.5	43.1

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of February 27, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	9,995
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	13,949 – 9,950

Market data	
Exchange Market Cap. (SAR bn)	9,528.3
Value (SAR mn)	4,410.4
Volume (mn)	161.1
Number of Transactions	364,732
Market Breadth	145 : 67

Key statistics	
1D return %	-0.57%
MTD return %	-7.39%
QTD return	-4.62%
YTD return	-4.62%
ADT vol. 3M* (mn)	158.3
ADT val. 3M (SARmn)	3,887.8

\*ADT stands for Average Daily Traded

## TASI market commentary

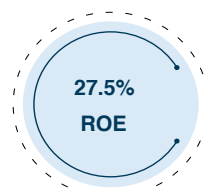
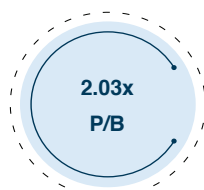
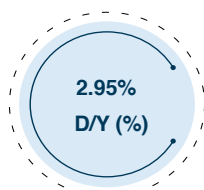
- The TASI declined on Monday, primarily due to weakness in Index heavyweights Energy (-1.19% D/D) and Banks (-0.81% D/D) stocks. At close, the Saudi market ended the day with a change of -0.57% at 9,995. In terms of activity, total volumes and value traded were ~161mn and ~SAR 4.4bn respectively. The advance-decline ratio came in at 145/67.

## Technical outlook

- TASI lost 57 points to close Monday's trading session near the 9,995 mark. In a repeated scenario, the selling pressure dominated the index along the previous session and drove it to close near the low. TASI closed a series of seven consecutive declining sessions to reach the level of the prior medium-term bottom near 9,950 which represent a significant support level where a possible rebound that investors can gauge is expected to begin. The RSI indicator still records lower readings and reached a significant level in its oversold zone where frequent prior reversals started from. The index has immediate support near the level of 9,950 **where traders are advised to cautiously buy near it**, and keep track of a stop loss below it. On the flip side, immediate resistance is seen around the level of 10,050, which if penetrated, the index may continue toward the level of 10,150.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
9,790	9,950	10,050	10,150	10,225	10,365	10,425



Source: Bloomberg, Argam

## TASI daily chart



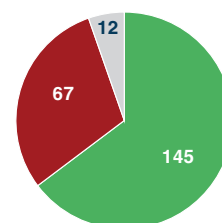
Source: Tradingview, Aljazira Capital

## 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
2020	SABIC Agri-Nutrients Co.	130.60	129.30 – 130.60	135.00	138.00	127.50
1830	Leejam Sports Co.	91.70	90.80 – 91.70	94.00	97.00	89.30

\*As of 27<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

**SABIC AGRI-NUTRIENTS** penetrated a medium-term declining trendline which coincided with the 20-day SMA after bouncing off the support level of the prior long-term bottom. Furthermore, the RSI line cleared its declining trendline which confirms the price action. We recommend buying the stock in a range of SAR129.30 – 130.60, for a target of SAR135.00 followed by SAR138.00, with a stop loss below SAR127.50 on a closing basis.

## SABIC Agri-Nutrients Co. (SABIC AGRI-NUTRIENTS)



Source: Tradingview, AlJazira Capital

## Technical observations

**FITNESS TIME** finished a bullish reversal ascending triangle price pattern. A bullish volume structure confirms the completion of the bullish price pattern. Furthermore, the MACD shows a confirming bullish structure. We recommend buying the stock in a range of SAR90.80 – 91.70, for a target of SAR94.00 followed by SAR97.00, with a stop loss below SAR89.30 on a closing basis.

## Leejam Sports Co. (FITNESS TIME)



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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