



## Major Economic News

- Saudi Arabia accounted for 51% of the gross revenue from the GCC's information and communications technology sector as Tadawul listed telecom firms reported SAR 107.4bn in revenue for FY22. Saudi Arabia also dominated 35% of the industry assets, at SAR 224.4bn by FY22 an increase of 4% Y/Y. (Source: Argaam)
- According to Communications, Space and Technology Commission's report, internet penetration in KSA reached 98.6% by end of FY22. (Source: Argaam)
- NEOM has signed an agreement with Marriott International to open three properties on its luxury island destination Sindalah, located in the Red Sea off the northwest coast of Saudi Arabia. (Source: Argaam)
- The POS transactions reached nearly SAR 14.6bn in the week ended March 4, compared to SAR 10.4bn in the week before. Data showed that about 182.04 million transactions were processed during the week. (Source: Argaam)

## Major Corporate News

- Theeb Rent a Car Co. opened a new branch in Tuwaiq district, Riyadh as the company continues to strengthen its network of branches. (Source: Argaam)
- Raoom Trading Co. signed a non-binding MoU to fully acquire Qassim Corrugated Box Factory Co., which specializes in producing many types of corrugated carton for some sectors, including the food and beverage, industrial, services and logistics. (Source: Argaam)

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

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
BURUJ	7.0	17.3	-59.6	5.9	18.8
TAWUNIYA	90.2	13.5	568.7	138.0	-34.7

## Market Analysis

- The Saudi Stock Exchange decreased 0.6% to 10,410.2. The value traded stood at SAR 4.1bn (down 10.4% over previous day), while the advance-decline ratio stood at 60/152. The parallel market index increased 0.5% to 18,965.9 points. The value traded stood at SAR 25.0mn (down 75.2% over previous day). Most sectors in the main market ended in the red. Software & Services and Food & Beverages (up 0.8% and 0.6%, respectively) advanced the most; Consumer Services and Real estate (down 1.3% and 1.0%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
THIMAR	27.65	9.9
MIS	104.20	5.2
SASCO	36.60	4.6
BINDAWOOD	58.60	4.5
SAUDI GERMAN HEALT	34.80	4.0

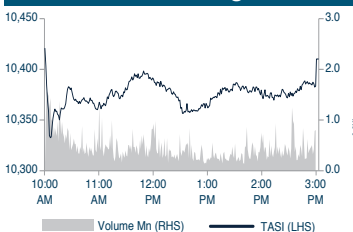
## Top Losers

Company	Price	Change%
AMIAITIT	38.45	-4.4
YANSAB	42.00	-4.2
AMERICANA	3.83	-3.3
SALAMA	14.16	-2.8
DAR ALARKAN	14.38	-2.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,410	10,421	10,328	-0.6	-0.7
NomuC	18,966	18,966	18,809	0.5	-2.3

## TASI movement during session



## TASI Ratios

P/E* (x)	17.6
Price-to-Book (x)	2.1
Dividend Yield (%)	2.8
Return on Equity (%)	27.3

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,481	0.1	1.0	11.7
Materials	6,362	-0.8	1.2	12.6
Capital Goods	5,785	-0.1	10.7	19.7
Commercial Service	3,629	-0.6	9.9	32.7
Transportation	5,178	0.4	14.0	High
Consumer Durables	4,283	-0.4	1.4	Neg
Consumer Services	4,424	-1.3	19.9	High
Media	22,953	-0.8	6.8	24.1
Retailing	7,280	-0.6	1.5	22.4
Food & Staples	9,320	0.5	9.1	19.9
Food & Beverages	4,836	0.6	4.2	40.4
Healthcare	9,689	0.1	6.4	48.3
Pharma & Bio Tech	2,910	0.3	1.3	Neg
Banks	10,813	-1.2	-6.3	14.9
Diversified Financial	5,498	-0.2	-13.6	6.6
Insurance	5,895	-0.2	10.9	High
Telecom	6,835	0.1	7.0	16.8
Utilities	6,755	-0.1	-5.8	14
REITs	3,777	-0.2	-5.0	22.1
Real Estate	2,748	-1.0	9.9	High
Software & Services	38,949	0.8	8.5	33.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,404	10,252	10,356	4.25

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	16.3	606.30	1,214.40
Previous week	23.2	844.00	1,661.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.40	0.2
Al Rajhi	74.10	-1.1
SNB	46.30	-1.9
SABIC	90.80	-1.2
STC	37.90	0.8



## Regional and International Markets

- Among other regional markets, Dubai decreased 0.1%, while Abu Dhabi remained flat. Qatar and Oman increased 0.3% and 0.2%, respectively, while Bahrain remained flat. Meanwhile, Egypt and Kuwait declined 0.7% and 0.2%, respectively.
- According to EIA, oil inventories in the US decreased 1.7mn barrels (prior: up 1.2mn) to 478.5mn in the week ended March 3. Gasoline inventories decreased 1.1mn barrels (prior: down 0.9mn) to 238.1mn, while distillate inventories increased 0.1mn barrels (prior: up 0.2mn) to 122.3. (Source: EIA, Econoday)
- US trade deficit increased to USD 68.3bn in January (consensus: deficit of USD 68.8bn) as compared to the prior revised deficit of USD 67.2bn. (Source: Econoday)
- Eurozone GDP increased 1.8% Y/Y in Q4-22 (consensus: 1.9% Y/Y) as compared to the prior revised 2.4% Y/Y. (Source: Econoday)
- China CPI increased 1.0% Y/Y in February (consensus: 2.0% Y/Y) as compared to rise of 2.1% Y/Y in January. (Source: Econoday)
- Oil prices declined 0.8%, as concerns over the impact of more aggressive interest rate increases on the US economy and oil demand offset a larger-than-expected drop in US crude stock.
- Gold prices were flat as demand for non-yielding asset was diminished by Federal Reserve's signals for further rate hikes.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.66	0.0	0.8	2.1
Euro	1.05	0.0	-0.3	-1.5
Japanese Yen	137.36	0.1	0.9	4.8
Sterling Pound	1.18	0.1	-1.5	-2.0
Chinese Yuan	6.97	-0.4	0.2	0.7
Indian Rupee	82.06	0.2	-0.7	-0.8
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.66	0.0	-0.2	-0.4
Kuwaiti Dinar	0.31	0.2	0.1	0.5
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.88	0.4	0.9	24.7

## Corporate Calendar

Date	Company	Event
9 <sup>th</sup> Mar	Horizon Food	Close of offering
9 <sup>th</sup> Mar	Bena Steel Industries	Surplus refund date
9 <sup>th</sup> Mar	Knowledge Net	Surplus refund date
12 <sup>th</sup> Mar	ALHAMMADI	Eligibility of Cash Dividend
12 <sup>th</sup> Mar	DERAYAH REIT	Cash Dividend Distribution
12 <sup>th</sup> Mar	MIS	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,427	-0.1	-0.3	3.0	9.2
Abu Dhabi (ADX)	9,944	0.0	1.0	-3.1	16.7
Kuwait (KSE)	5,515	-0.2	-0.6	-1.5	12.5
Qatar (QE)	10,752	0.3	1.7	0.7	11.9
Oman (MSM)	4,855	0.2	2.1	-0.1	11.6
Bahrain (BSE)	1,911	0.0	-1.1	0.8	8.1
Egypt (EGX30)	16,316	-0.7	-4.0	11.8	6.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,798	-0.2	0.4	-1.1	19.5
Nasdaq	12,215	0.5	1.4	11.7	27.1
S&P 500	3,992	0.1	0.6	4.0	19.1
FTSE 100	7,930	0.1	0.7	6.4	10.7
Germany DAX 30	15,632	0.5	1.7	12.3	11.9
France CAC 40	7,325	-0.2	0.8	13.1	12.7
Japan Nikkei 225	28,444	0.5	3.6	9.0	23.3
Russia MOEX	2,296	0.0	1.9	6.6	2.3
Hong Kong Hang Seng	20,051	-2.4	1.3	1.4	11.9
South Korea KOSPI	2,432	-1.3	0.8	8.7	11.8
China Shanghai Composite	3,283	-0.1	0.1	6.3	14.3
Australia ASX 200	7,308	-0.8	0.7	3.8	12.1
India Sensex	60,348	0.2	2.4	-0.8	22.8
MSCI EM	978	-1.0	1.5	2.3	12.2
MSCI World	2,725	0.0	0.4	4.7	17.2

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.37	-3.2	-0.1	-1.0
Brent Crude (\$/bbl)	82.66	-0.8	-1.5	-3.8
Texas crude (\$/bbl)	76.66	-1.2	-0.5	-4.5
Natural Gas (\$/mmbtu)	2.55	-5.1	-7.1	-34.9
Gold (\$/oz)	1,813.80	0.0	-0.7	-0.6
Silver (\$/oz)	20.03	-0.3	-4.2	-16.4
Steel (\$/ton)	1,065.00	1.4	1.0	43.1
Iron Ore (CNY/MT)	942.00	0.0	2.7	9.9
Wheat (\$/bu)	687.50	-1.5	-2.6	-13.9
Corn (\$/bu)	625.50	-1.4	-0.8	-7.7
Sugar (\$/lb)	20.88	-0.7	4.0	11.5
SMP* (EUR/MT)	2,600.00	-0.8	0.2	-6.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.30	3.4	4.8	56.7
KSA (SAIBOR 3M)	5.53	1.0	-4.9	19.2
KSA (SAIBOR 6M)	5.76	4.0	-0.5	16.2
KSA (SAIBOR 12M)	5.81	1.5	-2.7	-6.2
USD (LIBOR 3M)	5.03	1.8	6.3	25.8
UAE (EIBOR 3M)	4.93	12.4	3.7	62.5

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of March 8, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,410
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	9,936.3
Value (SAR mn)	4,104.9
Volume (mn)	148.3
Number of Transactions	308,454
Market Breadth	60 : 152

Key statistics	
1D return %	-0.60%
MTD return %	3.04%
QTD return	-0.65%
YTD return	-0.65%
ADT vol. 3M* (mn)	149.0
ADT val. 3M (SARmn)	3,980.5

\*ADT stands for Average Daily Traded

## TASI market commentary

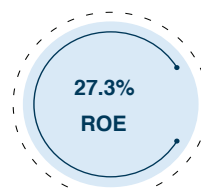
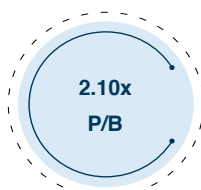
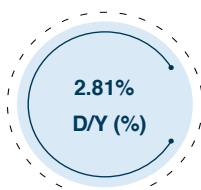
- The TASI declined on Wednesday, primarily due to weakness in Index heavyweights Banks (-1.20% D/D) and Materials (-0.82% D/D) stocks. At close, the Saudi market ended the day with a change of -0.60% at 10,410. In terms of activity, total volumes and value traded were ~148mn and ~SAR 4.1bn respectively. The advance-decline ratio came in at 60/152.

## Technical outlook

- TASI lost 63 points to close Wednesday's trading session near the 10,410 mark. The index started the last session with a downside opening gap followed by heavy profit-booking action which retracted the index further to record an intraday low near 10,328 before buying power appeared and recouped most of the session's losses. After the profit booking action that the index faced, it started to bounce off the significant support level of 10,365 near the penetrated short-term declining trendline and the 20-day SMA developing a hammer candle. A following bullish candle is still needed to confirm finishing the profit booking action. The RSI indicator is still in a bullish status above its 20-day SMA reflecting that the medium-term trend will remain up as long as the index keeps trading above the level of 10,350 where the 20-day SMA is laying. The index has immediate support near the level of 10,350; if breached, the index may continue toward the level of the 10-day SMA near 10,250. On the flip side, immediate resistance is seen around the level of 10,510 followed by the prior peak near 10590. Traders are advised to cautiously buy and keep track of a protective stop loss below 10,350.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,100	10,250	10,350	10,450	10,510	10,590	10,670



Source: Bloomberg, Argam

## TASI daily chart



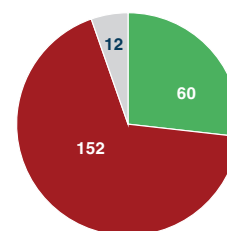
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

Unchanged  
Up  
Down





## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
2100	Wafrah for Industry & Development Co.	31.95	31.60 – 31.95	33.00	34.00	6.42%	31.10
4161	BinDawood Holding Co.	58.60	58.00 – 58.60	60.75	62.75	7.08%	56.75

\* As of 8<sup>th</sup> March 2023

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

## CHARTS OF THE WEEK

## Technical observations

**Wafrah** penetrated the upper boundary of a short-term declining channel along with a golden cross between its 10&20-day SMAs after clearing a medium-term declining trendline. Moreover, the RSI indicator shows a bullish signal which confirms the price action. We recommend buying the stock in a range of SAR31.60 – 31.95, for a target of SAR33.00 followed by SAR34.00, with a stop loss below SAR31.10 on a closing basis.

## Wafrah for Industry &amp; Development Co. (Wafrah)



Source: Tradingview, AlJazira Capital

## Technical observations

**BINDAWOOD** finished a bullish continuation broadening wedge price pattern with a confirming heavy volume. Moreover, the RSI line shows a bullish signal which confirms the price action. We recommend buying the stock in a range of SAR58.00 – 58.60, for a target of SAR60.75 followed by SAR62.75, with a stop loss below SAR56.75 on a closing basis.

## BinDawood Holding Co. (BINDAWOOD)



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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