

Major Economic News

- Foreign direct investment inflows to Saudi Arabia grew by 11% Y/Y to SAR 7.2bn (USD 1.9bn) in Q3-22. (Source: Argaam)
- Saudi Arabia posted revenue of SAR 1.26tn and expenditure of SAR 1.16tn in FY22, with a surplus of SAR 103.9bn. (Source: Argaam)
- The Small and Medium Enterprises General Authority (Monsha'at) signed more than 25 agreements and MoUs worth over SAR 11.0bn (USD 2.9bn). (Source: Argaam)

Major Corporate News

- National Industrialization Co.'s (Tasnee) subsidiary, Advanced Metal Industries Cluster Co. Ltd. (AMIC), signed on March 8 a settlement and collaborative refurbishment and optimization works agreements with Metso Outotec for the Ilmenite Smelter Project in Jazan City for Primary and Downstream Industries. (Source: Argaam)
- Ethiad Atheeb Telecommunication Co. (GO) shareholders disapproved of increasing capital through a SAR 250.0mn rights offering. (Source: Argaam)
- Foods Gate Co. (FG) set the price range for its IPO on Nomu-Parallel Market between SAR 50 and SAR 56 per share. (Source: Argaam)
- Al Moammar Information Systems Co. (MIS) inked a contract to operate and manage electronic and computer services for the Board of Grievances, at a total value of SAR 49.6mn. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-22	Q4-21	Y/Y %	Q3-22	Q/Q %
ALANDALUS	13.5	10.4	29.2	18.0	-25.3
HALWANI BROS.	8.0	18.6	-56.8	-23.0	NM
RIYADH CABLES	105.9	85.1	24.5	92.7	14.14

Market Analysis

- The Saudi Stock Exchange increased 0.5% to 10,463.2 on Thursday. The value traded stood at SAR 3.9bn (down 3.8% over previous day), while the advance-decline ratio stood at 140/63. The parallel market index increased 0.2% to 19,004.7 points. The value traded stood at SAR 30.6mn (up 22.1% over previous day). Most sectors in the main market ended in the green. Software & Services and Real Estate (up 1.6% and 1.2%, respectively) advanced the most; Media and Transportation (down 1.6% and 0.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
THIMAR	30.40	10.0
ATHEEB TELECOM	61.20	5.5
ALHOKAIR GROUP	25.00	4.4
ALDREES	88.70	4.4
ALETIHAD	16.94	3.2

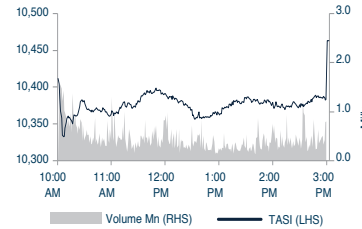
Top Losers

Company	Price	Change%
NCLE	103.00	-3.9
ALKATHIRI	49.95	-3.4
THEEB	76.90	-2.7
SAIB	15.70	-2.4
CARE	78.90	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,463	10,513	10,401	0.5	-0.1
NomuC	19,005	19,088	18,912	0.2	-2.1

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	5,549	1.2	2.2	11.9
Materials	6,341	-0.3	0.8	12.6
Capital Goods	5,832	0.8	11.6	19.9
Commercial Service	3,629	-0.1	9.8	32.7
Transportation	5,158	-0.4	13.6	High
Consumer Durables	4,295	0.3	1.7	Neg
Consumer Services	4,417	-0.2	19.7	High
Media	22,581	-1.6	5.1	23.8
Retailing	7,279	0.0	1.5	22.4
Food & Staples	9,354	0.4	9.5	20
Food & Beverages	4,852	0.3	4.6	40.5
Healthcare	9,712	0.2	6.6	48.5
Pharma & Bio Tech	2,913	0.1	1.4	Neg
Banks	10,879	0.6	-5.7	15
Diversified Financial	5,530	0.6	-13.1	6.6
Insurance	5,959	1.1	12.1	High
Telecom	6,876	0.6	7.6	16.9
Utilities	6,783	0.4	-5.4	14.1
REITs	3,781	0.1	-4.9	22.1
Real Estate	2,781	1.2	11.2	High
Software & Services	39,586	1.6	10.3	33.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,441	10,283	10,354	4.21

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	20.2	749.20	1,523.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.80	1.2
Al Rajhi	75.00	1.2
SNB	46.45	0.3
SABIC	90.40	-0.4
STC	38.20	0.8

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.7% and 0.3%, respectively. Egypt increased 0.9% while Kuwait declined 0.3%. Qatar and Oman declined 0.1% each, while Bahrain remained flat.
- According to Baker Hughes, North America's rig count decreased to 969 from 995 earlier in the week ended March 10. The rig count in the US declined to 746 from 749 a week ago and declined to 14 from 16 in the Gulf of Mexico. The rig count in Canada decreased to 223 from 246 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims increased to 211,000 (consensus: 195,000) in the week ended March 4, representing an increase of 21,000 from the previous week's revised level of 190,000. (Source: Econoday)
- US ADP employment report showed private payrolls increased to 242,000 in February (consensus: 200,000) as compared to 106,000 in January. (Source: Econoday)
- China PPI declined 1.4% Y/Y in February (consensus: -1.4% Y/Y) as compared to decline of 0.8% in January. (Source: Econoday)
- Oil rose 1.5% on Friday, after better-than-expected US job data, however, the market is still concerned that steep US interest rate will curb demand in largest crude oil consumer.
- Gold increased 2.0%, as US treasury yields declined as worries over a fallout in the banking sector eclipsed a strong US jobs report and drove safe haven flows into bullion.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.6	-0.7	-0.3	1.0
Euro	1.1	0.6	0.6	-0.6
Japanese Yen	135.0	-0.8	-0.8	3.0
Sterling Pound	1.2	0.9	0.1	-0.4
Chinese Yuan	6.9	-0.5	-0.2	0.3
Indian Rupee	82.0	0.1	-0.8	-0.8
UAE Dirham	3.7	-0.0	-0.0	0.0
Qatari Rial	3.7	-0.0	-0.2	-0.3
Kuwaiti Dinar	0.3	-0.0	0.1	0.4
Omani Rial	0.4	0.1	0.0	0.0
Bahraini Dinar	0.4	0.0	-0.0	-0.0
Egyptian Pound	30.9	0.0	0.9	24.8

Corporate Calendar

Date	Company	Event
12 th Mar	ALHAMMADI	Eligibility of Cash Dividend
12 th Mar	DERAYAH REIT	Cash Dividend Distribution
12 th Mar	MIS	Cash Dividend Distribution
12 th Mar	Foods Gate	Start of IPO
12 th Mar	GS	Start of IPO
13 th Mar	SABIC	Eligibility for Cash Dividend

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,386	-0.7	-1.5	1.7	9.1
Abu Dhabi (ADX)	9,828	-0.3	-0.2	-4.3	16.7
Kuwait (KSE)	5,501	-0.3	-0.9	-1.7	12.5
Qatar (QE)	10,737	-0.1	1.6	0.5	11.9
Oman (MSM)	4,850	-0.1	2.0	-0.2	11.6
Bahrain (BSE)	1,912	0.0	-1.0	0.9	8.1
Egypt (EGX30)	16,454	0.9	-3.2	12.7	6.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	31,910	-1.1	-2.3	-3.7	19.0
Nasdaq	11,830	-1.4	-1.8	8.1	26.2
S&P 500	3,862	-1.4	-2.7	0.6	18.5
FTSE 100	7,748	-1.7	-1.6	4.0	10.8
Germany DAX 30	15,428	-1.3	0.4	10.8	12.2
France CAC 40	7,221	-1.3	-0.7	11.5	12.6
Japan Nikkei 225	28,144	-1.7	2.5	7.9	23.1
Russia MOEX	2,276	-0.6	1.0	5.7	2.7
Hong Kong Hang Seng	19,320	-3.0	-2.4	-2.3	11.4
South Korea KOSPI	2,395	-1.0	-0.8	7.1	11.7
China Shanghai Composite	3,230	-1.4	-1.5	4.6	14.1
Australia ASX 200	7,145	-2.3	-1.6	1.5	11.8
India Sensex	59,135	-1.1	0.3	-2.8	22.3
MSCI EM	955	-1.4	-0.9	-0.1	12.0
MSCI World	2,657	-1.3	-2.1	2.1	17.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.09	-1.1	-1.6	-2.6
Brent Crude (\$/bbl)	82.78	1.5	-1.3	-3.6
Texas crude (\$/bbl)	76.68	1.3	-0.5	-4.5
Natural Gas (\$/mmbtu)	2.43	-4.4	-11.5	-38.0
Gold (\$/oz)	1,868.26	2.0	2.3	2.4
Silver (\$/oz)	20.54	2.3	-1.8	-14.3
Steel (\$/ton)	1,056.00	-0.4	0.2	41.9
Iron Ore (CNY/MT)	958.00	-0.2	4.5	11.8
Wheat (\$/bu)	679.25	2.0	-3.7	-15.0
Corn (\$/bu)	617.25	0.9	-2.1	-9.0
Sugar (\$/lb)	21.16	0.0	5.4	13.0
SMP* (EUR/MT)	2,580.00	0.0	-0.6	-7.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.29	-0.6	4.2	56.1
KSA (SAIBOR 3M)	5.62	9.0	4.1	28.2
KSA (SAIBOR 6M)	5.76	0.0	-0.5	16.2
KSA (SAIBOR 12M)	5.83	2.6	-0.1	-3.5
USD (LIBOR 3M)	5.14	-1.6	17.6	37.1
UAE (EIBOR 3M)	5.00	0.8	9.8	68.6

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

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	10,463
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)	3,948.1
Volume (mn)	142.9
Number of Transactions	308,939
Market Breadth	140 : 63

Key statistics	
1D return %	0.51%
MTD return %	3.57%
QTD return	-0.15%
YTD return	-0.15%
ADT vol. 3M* (mn)	145.6
ADT val. 3M (SARmn)	3,878.0

*ADT stands for Average Daily Traded

TASI market commentary

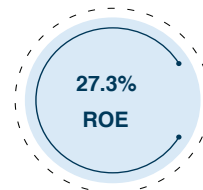
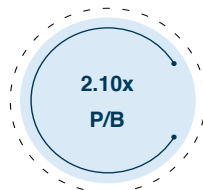
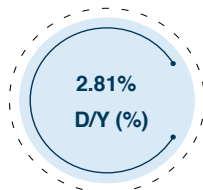
- The TASI rose on Thursday, primarily due to strength in Index heavyweights Energy (1.23% D/D) and Banks (0.61% D/D) stocks. At close, the Saudi market ended the day with a change of 0.51% at 10,463. In terms of activity, total volumes and value traded were ~143mn and ~SAR 4.0bn respectively. The advance-decline ratio came in at 140/63.

Technical outlook

- TASI gained 53 points to close Thursday's trading session near the 10,463 mark. The index started the last session with a dominating buying power which pushed the index to record an intraday high near 10,513 followed by some profit-booking that resulted in surrendering part of the index's gains. TASI bounced off the significant support level of 10,365 near the penetrated short-term declining trendline and the 20-day SMA by a hammer candle followed by another bullish candle which suggests finishing the profit-booking action. The RSI indicator is still in a bullish status above its 20-day SMA as well as its mid-range level. The index has immediate resistance near the level of 10,535 followed by the level of the prior peak near 10590. On the flip side, immediate support is seen around the level of 10,450; if breached, the index may continue toward the level of the 20-day SMA near 10,350. 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	10,535	10,590	10,670



Source: Bloomberg, Argaam

TASI daily chart

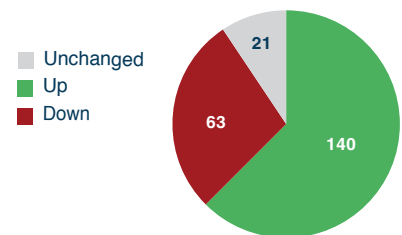


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
2200	Arabian Pipes Company	42.20	41.80 – 42.20	43.50	45.50	7.82%	40.75

* As of 9th March 2023

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

CHARTS OF THE WEEK

Technical observations

APC bounced off the lower boundary of a medium-term rising channel and cleared a declining trend line with a confirming heavy volume. Further, a golden cross between the 10&20 SMAs adds to the bullish evidence. Moreover, the RSI line shows a bullish signal which confirms the price action. We recommend buying the stock in a range of SAR41.80 – 42.20, for a target of SAR43.50 followed by SAR45.50, with a stop loss below SAR40.75 on a closing basis.

Arabian Pipes Company (APC)



Source: Tradingview, AlJazira Capital

Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.