



Major Economic News

- Foreign Investments in Saudi Arabia dropped 1.0% Y/Y to SAR 2.4tn in Q1-23. Accordingly, Q1-23 foreign investments recorded the first quarterly decline in several years. Foreign direct investments represent 43.0% or SAR 1.0tn of total investments. Portfolio investments, which include equity, investment funds and debt bonds, reached SAR 869.2bn in addition to other investments at SAR 508.1bn. (Source: Argaam)
- The Ministry of Industry and Mineral Resources launched the service of subsidizing petrochemical feedstock orders on Senaei platform. The new service aims to boost the current production capacity of manufacturing plants and increase investment in the sector. (Source: Argaam)

Major Corporate News

- STC, Mobile Telecommunication Company Saudi Arabia and Etihad Etisalat Co. formed an alliance to offer innovative services and products to support decision making in government entities. (Source: Tadawul)
- Anaam International Holding Group shareholders approved reducing the stock's par value from SAR 10.0 to SAR 0.5. (Source: Tadawul)
- SAMA licensed the Saudi Mortgage Guarantee Services Company (Dhamanat), a company owned by the Real Estate Development Fund, to provide general insurance and protection and savings insurance services. (Source: Tadawul)
- Canadian Medical Center Co.'s board of directors approved the transition from the Nomu-Parallel Market to Tadawul. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
United Electronics Co.	61.6	127.1	-51.5	84.4	-27.1

Market Analysis

- The Saudi Stock Exchange increased 0.1% to 11,609.4. The value traded stood at SAR 6.0bn (down 8.2% over previous day), while the advance-decline ratio stood at 127/86. The parallel market index decreased 2.2% to 23,629.8 points. The value traded stood at SAR 50.7mn (up 15.4% over previous day). Most sectors in the main market ended in the red. Commercial Service and Capital Goods (up 1.2% and 0.9%, respectively) advanced the most; Pharma & Bio Tech and Media (down 3.2% and 1.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
HB	71.10	9.9
ANAAM HOLDING	1.41	9.3
UCA	10.90	8.1
ALJAZIRA REIT	21.84	5.9
ZAMIL INDUST	24.26	4.8

Top Losers

Company	Price	Change%
ALBAHA	0.20	-9.1
FITAIHI GROUP	41.45	-7.7
SASCO	61.70	-5.1
ALARABIA	165.40	-4.9
TAWUNIYA	148.80	-3.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,609	11,618	11,558	0.1	10.8
NomuC	23,630	24,338	23,630	-2.2	21.7

TASI movement during session



TASI Ratios

P/E* (x)	21.8
Price-to-Book (x)	2.3
Dividend Yield (%)	2.6
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,065	0.0	11.8	13.7
Materials	6,731	0.4	7.0	22.1
Capital Goods	8,123	0.9	55.4	23.1
Commercial Service	4,920	1.2	43.2	36.7
Transportation	6,501	-0.3	43.2	High
Consumer Durables	5,682	-0.9	34.5	Neg
Consumer Services	5,194	0.0	40.8	48.9
Media	23,252	-1.2	8.2	24.5
Retailing	8,357	-0.4	16.5	24.0
Food & Staples	10,819	0.2	26.7	22.2
Food & Beverages	6,168	-0.3	32.9	34.7
Healthcare	11,969	0.2	31.4	High
Pharma & Bio Tech	5,270	-3.2	83.4	Neg
Banks	11,324	0.2	-1.9	14.2
Diversified Financial	7,295	-1.0	14.7	33.4
Insurance	7,908	-0.5	48.7	37.3
Telecom	8,085	0.5	26.6	18.1
Utilities	8,320	-0.6	16.0	15.1
REITs	3,860	-0.3	-2.9	32.1
Real Estate	3,333	0.0	33.3	High
Software & Services	56,065	0.0	56.2	40.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,593	11,520	11,469	6.67

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	6	317.90	407.20
Previous week	34	1,269.00	2,282.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.30	0.0
Al Rajhi	72.50	0.0
SNB	36.75	-0.3
SABIC	89.30	0.8
STC	44.60	0.7



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Kuwait and Qatar rose 0.4% and 0.2%, respectively; while Egypt and Bahrain declined 3.2% and 0.2%, respectively. Meanwhile, Oman remained flat.
- US nonfarm payroll increased 209,000 M/M in June (consensus: a rise of 213,000) compared with 306,000 in May. The unemployment rate decreased to 3.6% in June (in line with consensus) from 3.7% in May. The private payroll increased 149,000 in June (consensus: 199,000) compared with 259,000 in May. (Source: Econoday)
- US ISM services PMI rose to 53.9 in June (consensus: 51.0) vs. 50.3 in May. The bigger than expected rebound was driven by growth in business activity. (Source: RTT News)
- Eurozone retail sales remained unchanged M/M in May (consensus: an increase of 0.2%). The retail sales were steady in April also. Food, drink, and tobacco sales declined 0.5%, while non-food product turnover increased 0.1%. Sales of automotive fuel in specialized stores fell 0.3%. (Source: RTT News)
- UK's house prices fell 2.6% Y/Y in June compared to a 1.1% decline in May. This was the biggest fall since June 2011. On an M/M basis, house prices slid 0.1% in June compared to a 0.2% decrease in May. The housing prices were impacted by lower demand due to rising interest rates. (Source: RTT News)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.27	0.0	-0.6	-1.2
Euro	1.10	0.0	0.5	2.4
Japanese Yen	142.21	0.0	-1.5	8.5
Sterling Pound	1.28	0.0	1.1	6.3
Chinese Yuan	7.23	0.0	-0.5	4.5
Indian Rupee	82.74	0.0	0.9	0.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	0.0	-0.7
Kuwaiti Dinar	0.31	0.0	-0.1	0.4
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.89	0.0	0.0	24.8

Corporate Calendar

Date	Company	Event
10 th Jul	Care	Cash Dividend Distribution
11 th Jul	ALINMA RETAIL REIT	Eligibility for Cash Dividend
12 th Jul	ZAIN KSA	Cash Dividend Distribution
12 th Jul	ALHAMMADI	Cash Dividend Distribution
12 th Jul	ACWA Power	Cash Dividend Distribution
13 th Jul	SHL	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,962	0.0	4.5	19.0	9.6
Abu Dhabi (ADX)	9,604	0.0	0.6	-6.5	16
Kuwait (KSE)	8,020	0.4	2.7	-1.2	11.1
Qatar (QE)	10,271	0.2	1.9	-3.8	11.8
Oman (MSM)	4,789	0.0	0.4	-1.4	10.1
Bahrain (BSE)	1,954	-0.2	-0.2	3.1	7.4
Egypt (EGX30)	16,555	-3.2	-6.3	13.4	6.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,735	0.0	-2.0	1.8	19.5
Nasdaq	15,037	0.0	-0.9	37.5	33.1
S&P 500	4,399	0.0	-1.2	14.6	21.1
FTSE 100	7,257	0.0	-3.6	-2.6	10.1
Germany DAX 30	15,603	0.0	-3.4	12.1	12.7
France CAC 40	7,112	0.0	-3.9	9.9	12.2
Japan Nikkei 225	32,388	0.0	-2.4	24.1	31.5
Russia MOEX	2,833	0.0	1.3	31.5	2.2
Hong Kong Hang Seng	18,366	0.0	-2.9	-7.2	9.4
South Korea KOSPI	2,527	0.0	-1.5	13.0	14.9
China Shanghai Composite	3,197	0.0	-0.2	3.5	14.3
Australia ASX 200	7,042	0.0	-2.2	0.1	14.4
India Sensex	65,280	0.0	0.9	7.3	24.3
MSCI EM	981	0.0	-0.9	2.5	12.8
MSCI World	2,924	0.0	-1.4	12.4	18.5

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.57	0.0	2.8	-4.4
Brent Crude (\$/bbl)	78.47	0.0	4.8	-8.7
Texas crude (\$/bbl)	73.86	0.0	4.6	-8.0
Natural Gas (\$/mmbtu)	2.58	0.0	-7.7	-38.0
Gold (\$/oz)	1,925.05	0.0	0.3	5.5
Silver (\$/oz)	23.09	0.0	1.4	-3.6
Steel (\$/ton)	905.00	0.0	2.7	21.6
Iron Ore (CNY/MT)	873.50	0.0	-1.4	1.9
Wheat (\$/bu)	649.50	0.0	-0.2	-19.8
Corn (\$/bu)	494.50	0.0	-0.1	-19.0
Sugar (\$/lb)	23.53	0.0	3.2	32.0
SMP* (EUR/MT)	2,383.00	0.0	-2.4	-14.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.59	-2.7	-6.6	85.9
KSA (SAIBOR 3M)	5.97	3.2	2.1	63.2
KSA (SAIBOR 6M)	5.90	2.3	-4.7	30.0
KSA (SAIBOR 12M)	5.95	0.0	3.4	8.4
USA (SOFR 3M)	5.30	0.0	3.0	71.1
UAE (EIBOR 3M)	5.13	0.0	-3.6	82.2

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of July 9, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,609
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,973.3
Value (SAR mn)	6,035.9
Volume (mn)	317.9
Number of Transactions	407,213
Market Breadth	127 : 86

Key statistics	
1D return %	0.10%
MTD return %	1.31%
QTD return	1.31%
YTD return	10.79%
ADT vol. 3M* (mn)	218.8
ADT val. 3M (SARmn)	6,000.0

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a rise on Sunday which was led by index heavyweight Telecommunication services (0.48% D/D) and Materials (0.40% D/D) sectors. At close, the Saudi market ended the day with a change of 0.10% at 11,609. In terms of activity, total volumes and value traded were ~318mn and ~SAR 6.0bn, respectively. The advance-decline ratio came in at 127/86.

Technical outlook

- TASI closed near 11,609 after gaining 11 points. The index showed stability above the level of the prior minor peak as well as the 127.2% Fibonacci retracement level near 11,570 for the third session in a row reflecting the dominating buying attitude. Moreover, the 10, 20 and 50 SMAs are showing a positive structure which suggests a possible resumption toward the 161.8% Fibonacci retracement level near 11,730. Furthermore, the RSI indicator is still hovering inside the bullish territory above its 50 level which adds to the positive evidence. TASI currently has immediate resistance near 11,730, near the 161.8% Fibonacci retracement level, followed by 11,800. If penetrated, the next is expected to lay near 11,900. On the other hand, immediate support is seen at around 11,570 near the level of 127.2% Fibonacci retracement and the prior minor peak, followed by the level of 11,450. If breached, the index would be expected to meet the next support near the prior trough at 11,350. Traders are advised to buy as long as the index respects the significant support level of 11,350.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,250	11,350	11,450	11,570	11,730	11,800	11,900



Source: Bloomberg, Argaam

TASI daily chart



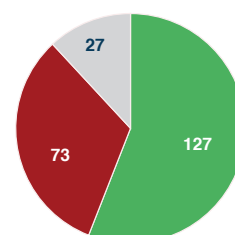
Source: Tradingview, Aljazira Capital

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
4051	Baazeem Trading Company	73.30	73.30 – 72.55	74.90	77.60	5.87%	71.30
6040	Tabuk Agricultural Development Co.	19.90	19.90 – 19.70	20.40	21.20	6.53%	19.30

* As of 09th July 2023

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

CHARTS OF THE WEEK

Technical observations

Baazeem has just penetrated the upper boundary of a bullish continuation symmetrical triangle price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of SAR73.30 – 72.55, for a target of SAR74.90 followed by SAR77.60, with a stop loss below SAR71.30 on a closing basis.

Baazeem Trading Company (Baazeem)



Source: Tradingview, AlJazira Capital

Technical observations

TADCO finished a bullish continuation wedge price pattern and penetrated the level of the prior minor peaks. Moreover, the volume and the RSI indicator are showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR19.90 – 19.70, for a target of SAR20.40 followed by SAR21.20, with a stop loss below SAR19.30 on a closing basis.

Tabuk Agricultural Development Co. (TADCO)



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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