

Major Economic News

- The Ministry of Industry and Mineral Resources started assessing the second phase of the Future Factories Program, which targets 260 factories as per the Smart Industry Readiness Index (SIRI). (Source: Argaam)

Major Corporate News

- STC completed the sale of the land plot it owns in Al-Khobar, receiving the sale value of SAR 1.4bn in full. The relevant financial impact will appear on its consolidated financial statements in Q3-23. In May, the company received SAR 367.7mn from the land buyer under a certified check, which represented part of the land value. (Source: Tadawul)
- Alujain Corp. announced amending the credit facilities agreement signed with Alinma Bank on August 16, 2021, to obtain SAR 1.3bn Sharia-compliant refinancing facilities at competitive rates to finance the company's investments. (Source: Tadawul)
- Alujain Corp. signed an agreement to sell its entire 98.8% stake in its subsidiary Zain Industries Co. to Falaj Holding Co., for SAR 15.2mn. The company said that the subsidiary's book value as of March 31, 2023, is SAR 19.2mn. (Source: Tadawul)
- East Pipes Integrated Company for Industry signed a Shariah-compliant credit facility agreement worth SAR 1.1bn with Banque Saudi Fransi. The funds will be used to finance working capital for some of the company's projects. (Source: Tadawul)
- Al Moammar Information Systems Co.'s board of directors approved establishing a 100%-owned subsidiary in Riyadh. The subsidiary will specialize in managing, operating, and marketing data centers. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,586.9. The value traded stood at SAR 6.9bn (up 14.0% over previous day), while the advance-decline ratio stood at 101/114. The parallel market index increased 0.3% to 23,692.4 points. The value traded stood at SAR 51.4mn (up 1.5% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Software & Services (up 2.5% and 1.6%, respectively) advanced the most; Media and Retailing (down 1.1% and 0.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ATHEEB TELECOM	84.00	6.1
SAUDI GERMAN	72.80	4.9
SVCP	52.20	4.2
MARAFIQ	87.40	4.2
NADEC	43.80	4.0

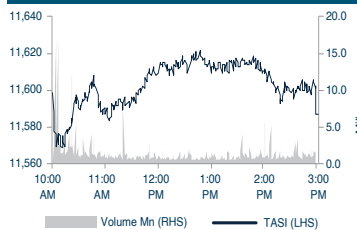
Top Losers

Company	Price	Change%
ALBAHA	0.18	-10.0
ANAAM HOLDING	1.27	-9.9
UCA	10.46	-4.0
FIRST MILLS	85.40	-3.0
HB	69.10	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,587	11,624	11,566	-0.2	10.6
NomuC	23,692	24,101	23,414	0.3	22.0

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	6,038	-0.4	11.3	13.6
Materials	6,696	-0.5	6.5	22
Capital Goods	8,161	0.5	56.1	23.2
Commercial Service	4,992	1.5	45.3	37.2
Transportation	6,511	0.2	43.4	High
Consumer Durables	5,655	-0.5	33.9	Neg
Consumer Services	5,192	0.0	40.7	49.1
Media	23,007	-1.1	7.0	24.4
Retailing	8,281	-0.9	15.4	23.8
Food & Staples	10,947	1.2	28.2	22.4
Food & Beverages	6,139	-0.5	32.3	34.5
Healthcare	11,984	0.1	31.5	High
Pharma & Bio Tech	5,402	2.5	88.0	Neg
Banks	11,283	-0.4	-2.2	14.2
Diversified Financial	7,297	0.0	14.7	33.4
Insurance	7,936	0.4	49.3	37.4
Telecom	8,071	-0.2	26.3	18.1
Utilities	8,373	0.6	16.7	15.1
REITs	3,864	0.1	-2.8	32.2
Real Estate	3,360	0.8	34.4	High
Software & Services	56,983	1.6	58.8	41.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,601	11,540	11,484	6.7

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	12.9	792.10	886.20
Previous week	34	1,269.00	2,282.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.15	-0.5
Al Rajhi	72.10	-0.6
SNB	36.70	-0.1
SABIC	88.80	-0.6
STC	44.75	0.3



International Market News

- The US Federal Reserve will likely need to raise interest rates further to bring down inflation that is still too high, but the end to its current monetary policy tightening cycle is getting close, according to officials of the central bank. (Source: Reuters)
- The top regulatory official of the US Federal Reserve laid out an extensive plan to increase capital requirements for the nation's largest banks in the wake of recent bank failures. (Source: Reuters)
- US wholesale inventories were unchanged in May (consensus: a decline of 0.1%) after falling by a revised 0.3% in April. A 0.6% increase in inventories of durable goods offset a 1.0% slump in inventories of non-durable goods. (Source: RTT News)
- The Eurozone Sentix economic index stood at -22.5 in July (consensus: -17.9), the lowest since November 2022, compared to -17.0 in June. (Source: RTT News)
- China's consumer prices remained unchanged Y/Y in June (consensus: an increase of 0.2%) as against a 0.2% rise in May. This was the lowest rate since February 2021. On an M/M basis, consumer prices dropped 0.2%. (Source: RTT News)
- Oil prices fell 1.0% impacted by expectations of more rate hikes this year after comments from US Fed officials.
- Gold prices remained flat, as investors were cautious ahead of US inflation data.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	101.97	-0.3	-0.9	-1.5
Euro	1.10	0.3	0.8	2.8
Japanese Yen	141.31	-0.6	-2.1	7.8
Sterling Pound	1.29	0.2	1.2	6.4
Chinese Yuan	7.23	0.0	-0.5	4.4
Indian Rupee	82.58	-0.2	0.7	-0.2
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.7
Kuwaiti Dinar	0.31	0.0	-0.1	0.4
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.90	0.0	0.0	24.8

Corporate Calendar

Date	Company	Event
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
13 th Jul	ALARABIA	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,977	0.4	4.9	19.5	9.7
Abu Dhabi (ADX)	9,585	-0.2	0.4	-6.6	32.1
Kuwait (KSE)	8,033	0.2	2.9	-1.0	19.1
Qatar (QE)	10,104	-1.6	0.3	-5.4	12.2
Oman (MSM)	4,776	-0.3	0.2	-1.7	16.2
Bahrain (BSE)	1,958	0.2	0.0	3.3	6.9
Egypt (EGX30)	16,963	2.5	-4.0	16.2	8.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,944	0.6	-1.3	2.4	19.6
Nasdaq	15,046	0.1	-0.9	37.5	33.1
S&P 500	4,410	0.2	-0.9	14.8	21.1
FTSE 100	7,274	0.2	-3.4	-2.4	10.1
Germany DAX 30	15,673	0.4	-2.9	12.6	12.8
France CAC 40	7,144	0.4	-3.5	10.3	12.3
Japan Nikkei 225	32,190	-0.6	-3.0	23.4	31.3
Russia MOEX	2,857	0.9	2.1	32.6	2.2
Hong Kong Hang Seng	18,480	0.6	-2.3	-6.6	9.5
South Korea KOSPI	2,521	-0.2	-1.7	12.7	14.8
China Shanghai Composite	3,204	0.2	0.1	3.7	14.4
Australia ASX 200	7,004	-0.5	-2.8	-0.5	14.3
India Sensex	65,344	0.1	1.0	7.4	24.4
MSCI EM	982	0.1	-0.8	2.7	12.8
MSCI World	2,931	0.2	-1.2	12.6	18.5

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.46	1.1	3.9	-3.3
Brent Crude (\$/bbl)	77.69	-1.0	3.7	-9.6
Texas crude (\$/bbl)	72.99	-1.2	3.3	-9.1
Natural Gas (\$/mmbtu)	2.67	3.4	-4.6	-35.9
Gold (\$/oz)	1,925.35	0.0	0.3	5.6
Silver (\$/oz)	23.13	0.2	1.6	-3.4
Steel (\$/ton)	901.00	-0.4	2.3	21.1
Iron Ore (CNY/MT)	873.50	0.0	-1.4	1.9
Wheat (\$/bu)	646.25	-0.5	-0.7	-20.2
Corn (\$/bu)	499.50	1.0	1.0	-18.2
Sugar (\$/lb)	23.44	-0.4	2.9	31.5
SMP* (EUR/MT)	2,375.00	-0.3	-2.7	-14.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.61	1.9	-4.7	87.8
KSA (SAIBOR 3M)	5.92	-5.6	-3.5	57.6
KSA (SAIBOR 6M)	5.91	0.8	-3.9	30.8
KSA (SAIBOR 12M)	5.95	-0.3	3.0	8.1
USA (SOFR 3M)	5.30	0.0	3.1	71.2
UAE (EIBOR 3M)	5.40	0.0	22.9	108.6

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 10, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,587
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,934.9
Value (SAR mn)	6,881.5
Volume (mn)	474.2
Number of Transactions	478,975
Market Breadth	101 : 114

Key statistics	
1D return %	-0.19%
MTD return %	1.12%
QTD return	1.12%
YTD return	10.58%
ADT vol. 3M* (mn)	223.7
ADT val. 3M (SARmn)	6,029.8

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a decline on Monday which was led by index heavyweight Materials (-0.52% D/D) and Energy (-0.44% D/D) sectors. At close, the Saudi market ended the day with a change of -0.19% at 11,587. In terms of activity, total volumes and value traded were ~474mn and ~SAR 6.9bn, respectively. The advance-decline ratio came in at 101/114.

Technical outlook

- TASI closed near 11,587 after losing 22 points. The index is still hovering laterally above the level of the prior minor peak as well as the 127.2% Fibonacci retracement level near 11,570, besides, it developed a small-bodied candlestick in the last session. Moreover, TASI is still traded above its 10-day SMA which started to positively diverge from the 20-day SMA; tipping the odds in favor of 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 resistance 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



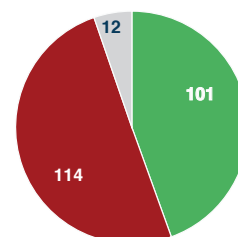
Source: Tradingview, Aljazeera Capital

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
2190	Saudi Industrial Services Co.	30.00	30.00 - 29.70	30.65	31.90	6.33%	29.15

* As of 10th July 2023

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

CHARTS OF THE WEEK

Technical observations

SISCO finished a bullish continuation wedge price pattern and started to bounce off its 10&20-day SMAs. Moreover, the volume and the RSI indicator show a bullish structure confirming the price action. We recommend buying the stock in a range of SAR30.00 - 29.70, for a target of SAR30.65 followed by SAR31.90, with a stop loss below SAR29.15 on a closing basis.

Saudi Industrial Services Co. (SISCO)



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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