

Major Economic News

- Saudi Arabia's inflation eased to 2.7% in June compared with 2.8% in the previous month. The cost-of-living index for June rose to 109.6 points from 106.7 points in the same month a year earlier. (Source: Argaam)
- Saudi Arabia officially announced hosting the 16th edition of Arab Games 2027. The Saudi teams completed participation in the 15th edition of Arab Games in Algeria. (Source: Argaam)

Major Corporate News

- ACWA Power Co. announced the finalization and signing of the financing agreements with a consortium for Al Shuaibah 1 and Al Shuaibah 2 PV projects at total investment cost of SAR 8.3bn, funded by a combination of long-term debt and equity. (Source: Tadawul)
- Perfect Presentation for Commercial Services Co.'s board of directors approved setting up a sole proprietorship, which will be 100.0% owned. The new entity will be a limited liability Co., capitalized at SAR 100,000 and will operate in the field of short message services (SMS). (Source: Tadawul)
- WAJA Co. signed a contract to undertake improvement works on the main building of National Housing Co. The contract, which has a duration of 100 days, is valued at SAR 9.2mn, including value-added tax. (Source: Tadawul)
- Diriyah Co.'s Samhan Heritage Hotel, which comprises 141 rooms, along with one out of six museums will open next December, as per Jerry Inzerillo, CEO of the Diriyah Gate Development Authority. Many facilities will be inaugurated in the five masterplans of Diriyah, Inzerillo said, pointing to the investment of USD 3.0bn in infrastructure in 2018 and 2019. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.1% to 11,715.5. The value traded stood at SAR 6.8bn (down 12.3% over previous day), while the advance-decline ratio stood at 96/122. The parallel market index increased 0.7% to 23,191.4 points. The value traded stood at SAR 43.4mn (up 31.6% over previous day). Most sectors in the main market ended in the red. Media and Healthcare (up 3.0% and 1.4%, respectively) advanced the most; Pharma & Bio Tech and Food & Beverages (down 1.7% and 1.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
BAWAN	37.50	6.5
EQUIPMENT HOUSE	86.50	6.5
ALMAWARID	138.00	6.2
FIRST MILLS	99.00	4.8
NASEEJ	47.10	4.4

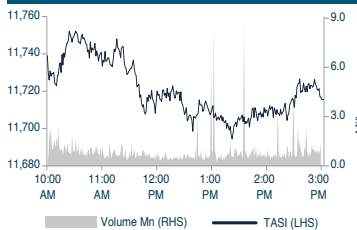
Top Losers

Company	Price	Change%
SALAMA	24.20	-6.4
ALBAHA	0.18	-5.3
THIMAR	32.50	-3.4
SAUDI GERMAN	69.90	-3.3
SGS	35.00	-3.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,716	11,754	11,694	0.1	11.8
NomuC	23,191	23,588	22,997	0.7	19.4

TASI movement during session



TASI Ratios

P/E* (x)	22.1
Price-to-Book (x)	2.4
Dividend Yield (%)	2.6
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,035	0.0	11.2	13.6
Materials	6,672	-0.3	6.1	22
Capital Goods	7,841	0.1	50.0	22.2
Commercial Service	5,125	-0.3	49.1	38.8
Transportation	6,415	-1.0	41.3	High
Consumer Durables	5,715	0.2	35.3	Neg
Consumer Services	5,160	0.2	39.8	48.5
Media	24,058	3.0	11.9	25.6
Retailing	8,392	-1.0	17.0	24.1
Food & Staples	10,979	-0.4	28.5	22.5
Food & Beverages	6,129	-1.5	32.1	34.8
Healthcare	12,400	1.4	36.1	High
Pharma & Bio Tech	5,244	-1.7	82.5	Neg
Banks	11,517	0.1	-0.2	14.5
Diversified Financial	7,264	0.3	14.2	33.3
Insurance	7,893	-0.1	48.4	37.3
Telecom	8,189	0.2	28.2	18.3
Utilities	8,535	1.2	19.0	15.4
REITs	3,815	0.1	-4.0	31.8
Real Estate	3,427	0.8	37.1	High
Software & Services	62,317	-0.9	73.6	45.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,680	11,636	11,550	6.99

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	6.8	275.40	430.70
Previous week	36.2	2,000.70	2,309.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.15	0.0
Al Rajhi	71.20	-0.8
SNB	37.95	0.7
SABIC	88.20	-0.2
STC	44.95	-0.1



International Market News

- US Consumer Sentiment Index jumped to 72.6 in July (consensus: 65.5) from 64.4 in June. Economists had expected the index to tick up to 65.5. The current economic conditions index spiked to 77.5 in July from 69.0 in June, while the index of consumer expectations rose to 69.4 in July from 61.5 in June. (Source: RTT News)
- UK's GDP decreased 0.1% M/M (consensus: a decline of 0.3%) as against 0.2% growth in April. Services output was flat, while industrial production posted a 0.6% decline. (Source: RTT News)
- Industrial production in the Eurozone increased 0.2% M/M in May (consensus: 0.3% rise) compared to an increase of 1.0% in April. Capital goods production was the strongest performing sector in May, rising by 1.0%. On a Y/Y basis, industrial production fell 2.2% in May after a 0.2% gain in the previous month. (Source: RTT News)
- China's GDP expanded 6.3% in Q2-23 (consensus: an increase of 7.3%), faster than the 4.5% growth in Q1-23. On a Q/Q basis, GDP was up 0.8% (consensus: a rise of 0.5%) compared to the 2.2% growth in Q1-23. In June, industrial production posted an increase of 4.4% Y/Y (consensus: 2.7% growth). (Source: CNBC)
- The unemployment in China among young people rose to a record high in June. The unemployment rate among people aged between 16 to 24 reached 21.3% in June. (Source: CNBC)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	99.91	0.0	-2.9	-3.5
Euro	1.12	0.0	2.9	4.9
Japanese Yen	138.80	0.0	-3.8	5.9
Sterling Pound	1.31	0.0	3.1	8.4
Chinese Yuan	7.16	0.0	-1.5	3.4
Indian Rupee	82.17	0.0	0.2	-0.7
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.6
Kuwaiti Dinar	0.31	0.0	-0.5	0.1
Omani Rial	0.38	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
17 th Jul	BUPA ARABIA	Cash Dividend Distribution
18 th Jul	YANSAB	Eligibility for Cash Dividend
19 th Jul	GASCO	Cash Dividend Distribution
19 th Jul	Sipchem	Cash Dividend Distribution
19 th Jul	ProMedEx	Final allocation
19 th Jul	SARCO	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,010	0.0	5.7	20.5	9.7
Abu Dhabi (ADX)	9,672	0.0	1.3	-5.8	32.4
Kuwait (KSE)	8,128	-0.2	4.1	0.2	19.3
Qatar (QE)	10,225	0.1	1.5	-4.3	12.3
Oman (MSM)	4,770	-0.6	0.0	-1.8	12.8
Bahrain (BSE)	1,979	0.2	1.1	4.4	7.0
Egypt (EGX30)	17,343	0.0	-1.8	18.8	9.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,509	0.0	0.3	4.1	20.0
Nasdaq	15,566	0.0	2.5	42.3	34.2
S&P 500	4,505	0.0	1.2	17.3	21.6
FTSE 100	7,435	0.0	-1.3	-0.2	10.3
Germany DAX 30	16,105	0.0	-0.3	15.7	13.2
France CAC 40	7,375	0.0	-0.3	13.9	12.7
Japan Nikkei 225	32,391	0.0	-2.4	24.1	31.5
Russia MOEX	2,903	0.0	3.8	34.8	2.2
Hong Kong Hang Seng	19,414	0.0	2.6	-1.9	9.9
South Korea KOSPI	2,628	0.0	2.5	17.5	15.5
China Shanghai Composite	3,238	0.0	1.1	4.8	14.5
Australia ASX 200	7,303	0.0	1.4	3.8	14.9
India Sensex	66,061	0.0	2.1	8.6	24.6
MSCI EM	1,028	0.0	3.9	7.5	13.4
MSCI World	3,018	0.0	1.7	16.0	19.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.02	0.0	8.5	0.9
Brent Crude (\$/bbl)	79.87	0.0	6.6	-7.0
Texas crude (\$/bbl)	75.42	0.0	6.8	-6.0
Natural Gas (\$/mmbtu)	2.54	0.0	-9.3	-39.0
Gold (\$/oz)	1,955.21	0.0	1.9	7.2
Silver (\$/oz)	24.95	0.0	9.6	4.2
Steel (\$/ton)	897.00	0.0	1.8	20.6
Iron Ore (CNY/MT)	879.00	0.0	-0.7	2.6
Wheat (\$/bu)	661.50	0.0	1.6	-18.3
Corn (\$/bu)	513.75	0.0	3.8	-15.9
Sugar (\$/lb)	24.32	0.0	6.7	36.5
SMP* (EUR/MT)	2,375.00	0.0	-2.7	-14.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.60	1.6	-5.5	87.0
KSA (SAIBOR 3M)	5.95	-0.1	0.0	61.1
KSA (SAIBOR 6M)	5.95	-1.9	0.5	35.2
KSA (SAIBOR 12M)	5.93	-5.2	0.7	5.8
USA (SOFR 3M)	5.31	0.0	4.2	72.2
UAE (EIBOR 3M)	5.23	0.0	6.5	92.2

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 16, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,716
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,980.4
Value (SAR mn)	6,752.88
Volume (mn)	275.4
Number of Transactions	430,684
Market Breadth	96 : 122

Key statistics	
1D return %	0.07%
MTD return %	2.24%
QTD return	2.24%
YTD return	11.81%
ADT vol. 3M* (mn)	234.5
ADT val. 3M (SARmn)	6,130.5

*ADT stands for Average Daily Traded

TASI market commentary

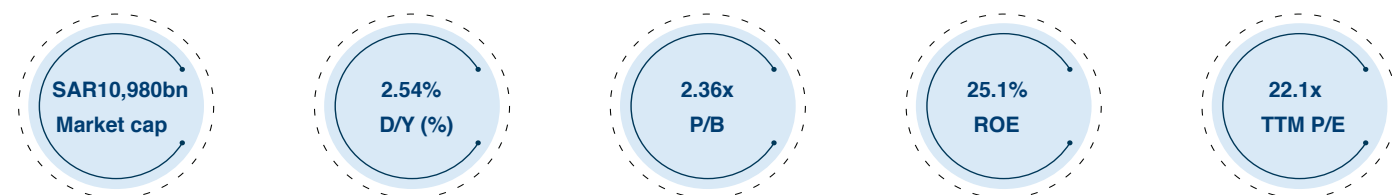
- TASI witnessed a marginal rise on Sunday which was led by index heavyweight Telecommunication services (0.18% D/D) and Banks (0.09% D/D) sectors. At close, the Saudi market ended the day with a change of 0.07% at 11,716. In terms of activity, total volumes and value traded were ~275mn and ~SAR 6.8bn, respectively. The advance-decline ratio came in at 96/122.

Technical outlook

- TASI closed near 11,716 after gaining 8 points. The index is still testing the significant resistance of the 161.8% Fibonacci retracement level near 11,730 which, so far; still prevents the index's advance in the near term. Moreover, TASI formed another small-bodied candlestick in the last session reflecting the balance between buying and selling powers at current levels. A following bearish candlestick is still needed to indicate a possible profit-booking attitude toward the zone between the 10&20-day SMAs. The RSI indicator is still hovering inside the bullish territory above the level of 50. TASI currently has immediate resistance near 11,730 at 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 11,635 near the 10-day SMA followed by the level of 11,550 near the 20-day SMA. If breached, the index would be expected to meet the next support near the level of 11,450. Traders are advised to cautiously buy and closely monitor the significant resistance zone between 11,730 – 11,800 where a profit-booking attitude started to appear.

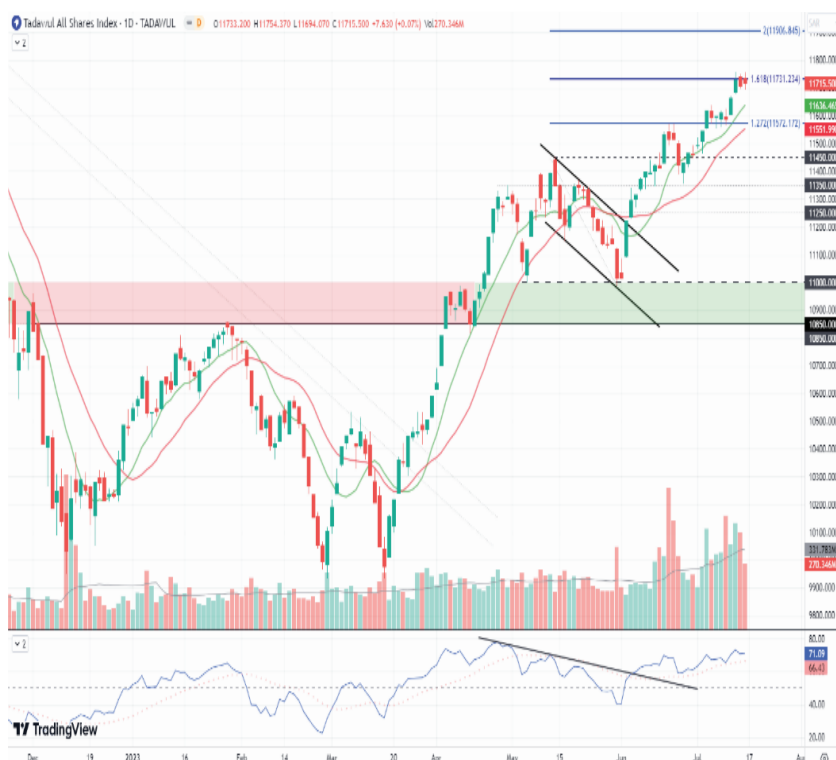
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,450	11,550	11,635	11,730	11,800	11,900	12,030



Source: Bloomberg, Argaam

TASI daily chart



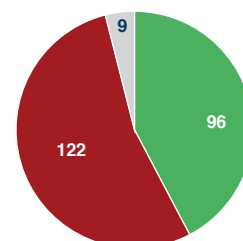
Source: Tradingview, Aljazira Capital

Our view



Market depth

Unchanged
Up
Down





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
1202	Middle East Paper Co.	37.00	36.90	37.35	37.90	2.43%	36.60
4012	Thob Al Aseel Co.	5.86	5.85	5.90	6.05	3.24%	5.80
1810	Seera Group Holding	27.80	27.75	28.05	28.30	1.80%	27.50
1214	Al Hassan Ghazi Ibrahim Shaker Co.	27.90	27.85	28.15	28.45	1.97%	27.60
4164	Nahdi Medical Co.	176.40	176.00	178.00	179.40	1.70%	174.60
2120	Saudi Advanced Industries Co.	32.65	32.55	33.00	33.30	2.00%	32.30

* As of 16th Jul 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

MEPCO started to bounce off the level of prior peak and re-penetrated its 10-day SMA. Moreover, all the technical indicators show bullish structure.

Middle East Paper Co. (MEPCO)



Source: Tradingview, AlJazira Capital

Technical observations

ALASEEL penetrated the level of a prior peak after bouncing off its 10-day SMA. Moreover, all the technical indicators show bullish structure.

Thob Al Aseel Co. (ALASEEL)



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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