



Major Economic News

- Saudi oil exports decreased by 5.0% M/M to 6.9mn bpd in May 2023. Compared to May 2022, oil exports edged down 2.0% from 7.1mn bpd. The Kingdom's crude output dipped by 5.0% M/M to 10.0mn bpd in May. Local crude consumption fell by 4.0% to nearly 3.0mn bpd in the same month. (Source: Argaam)
- The value of Saudi Arabia's real estate transactions declined 19.0% Y/Y to nearly SAR 19.2bn in Dhul Qa'dah (May/June), as per Ministry of Justice. Meanwhile, the real estate deals rose 121.0% M/M or SAR 10.7bn. (Source: Argaam)

Major Corporate News

- Saudi Arabian Mining Co. (Maaden) announced it made the largest debt repayment in its history, at a value of SAR 3.0bn, which was carried out by its subsidiary, Maaden Wa'ad Al-Shamal Phosphate Co., ahead of schedule. This comes as a strategic step aimed at reducing financing costs and this debt represents 7.0% of the company's overall debts. (Source: Tadawul)
- Perfect Presentation for Commercial Services Co. signed a contract for the operation and maintenance of communications networks at the Royal Commission for Jubail and Yanbu, amounting to SAR 59.7mn (VAT inclusive). The 60-month project aims to provide operation and maintenance services for different devices and systems. (Source: Tadawul)
- WAJA Co. signed a contract with AWPT for the rehabilitation and furnishing of the latter's headquarters at a total value of SAR 21.3mn. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
Saudi Ceramic Co.	33.3	38.0	-12.3	14.7	126.4

Market Analysis

- The Saudi Stock Exchange increased 0.6% to 11,780.3. The value traded stood at SAR 8.1bn (up 20.1% over previous day), while the advance-decline ratio stood at 122/96. The parallel market index decreased 0.3% to 23,111.8 points. The value traded stood at SAR 32.9mn (down 24.1% over previous day). Most sectors in the main market ended in the green. Utilities and Real Estate (up 2.0% and 1.5%, respectively) advanced the most; Software & Services and Capital Goods (down 1.2% and 0.7%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MALATH INSURANCE	23.10	6.9
SAB	41.85	5.3
EXTRA	83.60	4.6
SAVOLA GROUP	40.55	4.4
ALKHALEEJ TRNG	22.60	4.3

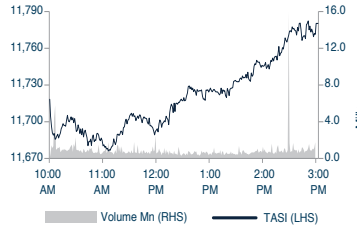
Top Losers

Company	Price	Change%
ALBAHA	0.17	-5.6
ELM	627.20	-3.1
SAUDI CERAMICS	32.45	-2.6
BAWAN	36.60	-2.4
BUDGET SAUDI	75.60	-2.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,780	11,785	11,671	0.6	12.4
NomuC	23,112	23,297	23,007	-0.3	19.0

TASI movement during session



TASI Ratios

P/E* (x)	22.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2.5
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,063	0.5	11.7	13.7
Materials	6,640	-0.5	5.6	21.8
Capital Goods	7,785	-0.7	49.0	22.0
Commercial Service	5,124	0.0	49.1	38.7
Transportation	6,396	-0.3	40.8	High
Consumer Durables	5,682	-0.6	34.5	Neg
Consumer Services	5,197	0.7	40.8	48.8
Media	24,024	-0.1	11.8	25.6
Retailing	8,460	0.8	17.9	24.2
Food & Staples	10,984	0.0	28.6	22.7
Food & Beverages	6,216	1.4	34.0	35.2
Healthcare	12,498	0.8	37.2	High
Pharma & Bio Tech	5,277	0.6	83.7	Neg
Banks	11,619	0.9	0.7	14.6
Diversified Financial	7,231	-0.4	13.7	33.1
Insurance	7,933	0.5	49.2	37.5
Telecom	8,192	0.0	28.2	18.3
Utilities	8,702	2.0	21.3	15.6
REITs	3,815	0.0	-4.0	31.8
Real Estate	3,478	1.5	39.1	High
Software & Services	61,562	-1.2	71.5	45.0

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,719	11,660	11,568	7.09

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.9	549.40	934.10
Previous week	36.2	2,000.70	2,309.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.30	0.5
Al Rajhi	71.20	0.0
SNB	39.00	2.8
SABIC	87.00	-1.4
STC	45.35	0.9



International Market News

- The world economy is in a difficult place, but it is not destined to stay there, as per World Bank President Ajay Banga. He announced new plans to expand the bank's balance sheet and help countries tackle climate change and other challenges but said a capital increase would still eventually be needed. (Source: Reuters)
- The US Empire State manufacturing index fell to 1.1 in July (consensus: 0.0) after surging to 6.6 in June. The decline was partly due to a notable slowdown in the pace of shipment growth in New York. (Source: RTT News)
- China's property investment declined 7.9% in H1-23, reflecting the pressure faced by the cash-strapped developers. Property demand continued to remain subdued as homebuyers preferred to keep surplus cash instead of making investment. (Source: RTT News)
- China's top economic planner pledged that it would roll out policies to "restore and expand" consumption without delay as consumers' purchasing power remained weak, suggesting an urgency to revive domestic demand. (Source: Reuters)
- Crude oil prices dropped 1.7% amid growing demand concerns after China posted weaker-than-expected GDP growth.
- Gold prices remained flat amid uncertainty over whether the US Federal Reserve will end its monetary tightening soon or continue the hawkish stance.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	99.84	-0.1	-3.0	-3.6
Euro	1.12	0.1	3.0	5.0
Japanese Yen	138.71	-0.1	-3.9	5.8
Sterling Pound	1.31	-0.2	2.9	8.2
Chinese Yuan	7.18	0.3	-1.2	3.7
Indian Rupee	82.05	-0.1	0.0	-0.8
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.7
Kuwaiti Dinar	0.31	0.1	-0.4	0.1
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
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
20 th Jul	Dallah Health	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,019	0.2	6.0	20.7	9.7
Abu Dhabi (ADX)	9,681	0.1	1.4	-5.7	32.5
Kuwait (KSE)	8,119	-0.1	4.0	0.0	19.3
Qatar (QE)	10,280	0.5	2.0	-3.8	12.4
Oman (MSM)	4,758	-0.2	-0.2	-2.1	12.8
Bahrain (BSE)	1,980	0.0	1.1	4.5	7.0
Egypt (EGX30)	17,512	1.0	-0.9	20.0	9.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,585	0.2	0.5	4.3	20.0
Nasdaq	15,713	0.9	3.5	43.6	34.6
S&P 500	4,523	0.4	1.6	17.8	21.6
FTSE 100	7,406	-0.4	-1.7	-0.6	10.3
Germany DAX 30	16,069	-0.2	-0.5	15.4	13.1
France CAC 40	7,292	-1.1	-1.5	12.6	12.5
Japan Nikkei 225	32,391	0.0	-2.4	24.1	31.5
Russia MOEX	2,918	0.5	4.3	35.4	2.2
Hong Kong Hang Seng	19,414	0.0	2.6	-1.9	9.9
South Korea KOSPI	2,619	-0.4	2.1	17.1	15.4
China Shanghai Composite	3,210	-0.9	0.2	3.9	14.4
Australia ASX 200	7,299	-0.1	1.3	3.7	14.9
India Sensex	66,590	0.8	2.9	9.4	24.8
MSCI EM	1,028	-0.1	3.9	7.5	13.4
MSCI World	3,022	0.1	1.9	16.1	19.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.76	-1.5	6.9	-0.6
Brent Crude (\$/bbl)	78.50	-1.7	4.8	-8.6
Texas crude (\$/bbl)	74.15	-1.7	5.0	-7.6
Natural Gas (\$/mmbtu)	2.51	-1.1	-10.2	-39.7
Gold (\$/oz)	1,955.04	0.0	1.9	7.2
Silver (\$/oz)	24.84	-0.4	9.1	3.7
Steel (\$/ton)	892.00	-0.6	1.2	19.9
Iron Ore (CNY/MT)	881.00	0.2	-0.5	2.8
Wheat (\$/bu)	653.75	-1.2	0.4	-19.2
Corn (\$/bu)	506.00	-1.5	2.3	-17.2
Sugar (\$/lb)	23.80	-2.1	4.4	33.6
SMP* (EUR/MT)	2,379.00	0.2	-2.6	-14.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.59	-1.2	-6.7	85.8
KSA (SAIBOR 3M)	5.94	-1.2	-1.2	59.9
KSA (SAIBOR 6M)	5.99	4.1	4.6	39.3
KSA (SAIBOR 12M)	5.94	0.9	1.6	6.7
USA (SOFR 3M)	5.32	1.0	5.2	73.3
UAE (EIBOR 3M)	5.33	9.5	16.0	101.7

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 17, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,780
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,031.5
Value (SAR mn)	8,110.8
Volume (mn)	274.0
Number of Transactions	503,442
Market Breadth	122 : 96

Key statistics

1D return %	0.55%
MTD return %	2.80%
QTD return	2.80%
YTD return	12.42%
ADT vol. 3M* (mn)	235.6
ADT val. 3M (SARmn)	6,180.5

*ADT stands for Average Daily Traded

TASI market commentary

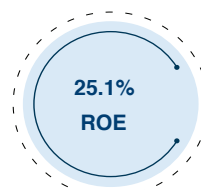
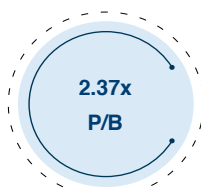
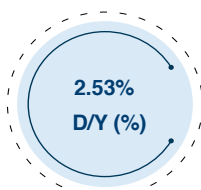
- TASI witnessed a rise on Monday which was led by index heavyweight Banks (0.89% D/D) and Energy (0.46% D/D) sectors. At close, the Saudi market ended the day with a change of 0.55% at 11,780. In terms of activity, total volumes and value traded were ~274mn and ~SAR 8.1bn, respectively. The advance-decline ratio came in at 122/96.

Technical outlook

- TASI closed near 11,780 after gaining 65 points. Although the index witnessed a profit-booking attitude which pulled it down near its 10-day SMA in the first half of the last session, a powerful buying power dominated the second half of the session. TASI formed a bullish Marubozu close candlestick which penetrated the significant resistance of the 161.8% Fibonacci retracement level near 11,730 paving the way for a further rise toward the 200% Fibonacci retracement level near 11,900. Moreover, The RSI indicator bounced off the level of its prior peaks and started to move upward inside the bullish territory above the level of 50. TASI currently has immediate resistance near 11,800, followed by 11,900 near the 200% Fibonacci retracement level. If penetrated, the next resistance is expected to lay near 12,030. On the other hand, immediate support is seen at around 11,730 at the 161.8% Fibonacci retracement level followed by 11,660 near the 10-day SMA. If breached, the index would be expected to meet the next support near the level of 11,570 near the 20-day SMA and the 127.2% Fibonacci retracement level. Traders are advised to buy as long as the index is maintained above the significant support level of 11,570.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,570	11,660	11,730	11,800	11,900	12,030	12,100



Source: Bloomberg, Argaam

TASI daily chart



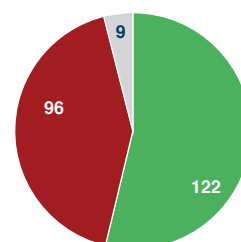
Source: Tradingview, Aljazira Capital

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
4300	Dar Alarkan Real Estate Development Co.	16.22	16.22 – 16.06	16.64	17.54	8.14%	15.64

* As of 17th July 2023

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

CHARTS OF THE WEEK

Technical observations

DAR ALARKAN has just finished a bullish continuation Head and Shoulders price pattern. Moreover, the volume and the RSI indicator show a bullish structure confirming the price action. We recommend buying the stock in a range of SAR16.22 – 16.06, for a target of SAR16.64 followed by SAR17.54, with a stop loss below SAR15.64 on a closing basis.

Dar Alarkan Real Estate Development Co. (DAR ALARKAN)



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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