



Major Economic News

- Shariah-compliant finance contracts in Saudi Arabia grew by 13.0% Y/Y to over SAR 2.0tn in Q1-23. These agreements cover Murabaha, Tawarruq (securitization), finance lease, Mudarabah, Musharaka, among others including credit cards. Murabaha and Tawarruq agreements accounted for 89.0% of total Shariah-compliant financing. (Source: Argaam)
- The Saudi Authority for Industrial Cities and Technology Zones (MODON) announced that the total investments attracted from the private sector increased by 23.0% Y/Y to SAR 2.8 in Q2-23. The total number of factories amounted to 6,055 in Q2-23 and the total number of ready-built factories reached 1,263. (Source: Argaam)

Major Corporate News

- Almunajem Foods Co. agreed with Alwashim Poultry Co. to extend the non-binding MoU to acquire 51.0% of the latter under the same terms and conditions until September 30, 2023. The extension will allow the company to complete due diligence procedures and other relevant works. (Source: Tadawul)
- Retal Urban Development Co.'s shareholders approved increasing the capital by 25.0% from SAR 400.0mn to SAR 500.0mn via a 1-for-4 bonus share distribution. (Source: Tadawul)
- Bena Steel Industries Co. signed a Shariah-compliant credit facility agreement worth SAR 75.0mn with Saudi National Bank. The funds will be used to finance the company's working capital. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
Sipchem	312.9	1,263.1	-75.2	470.3	-33.5
Saudi National Bank	5,016.0	4,589.0	9.3	5,022.0	-0.1
Oasis	7.8	4.0	95.6	1.9	307.1
Alinma Bank	1,225.1	925.1	32.43	969.9	26.31

Market Analysis

- The Saudi Stock Exchange increased 0.4% 11,801.8. The value traded stood at SAR 6.3bn (up 47.9% over previous day), while the advance-decline ratio stood at 131/77. The parallel market index increased 3.4% to 24,828.3 points. The value traded stood at SAR 31.9mn (up 8.7% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Diversified Financials (up 5.1% and 1.5%, respectively) advanced the most; Software & Services and Utilities (down 1.7% and 1.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MEDGULF	12.24	8.3
MALATH INSURANCE	24.42	8.1
SPIMACO	41.00	5.1
YANSAB	46.70	4.5
ANAAM HOLDING	1.17	4.5

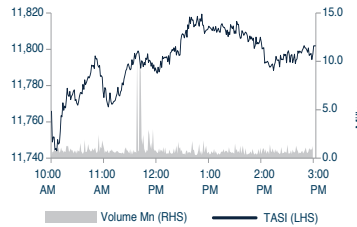
Top Losers

Company	Price	Change%
ELM	694.00	-3.7
NCLE	102.80	-3.4
ALUJAIN	45.10	-2.9
AYYAN	18.42	-2.8
ACWA POWER	184.60	-2.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,802	11,820	11,741	0.4	12.6
NomuC	24,828	24,828	23,958	3.4	27.9

TASI movement during session



TASI Ratios

P/E* (x)	22.14
Price-to-Book (x)	2.36
Dividend Yield (%)	2.54
Return on Equity (%)	25.06

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,047	-0.3	11.4	13.7
Materials	6,526	0.3	3.7	21.4
Capital Goods	7,531	0.5	44.1	21.1
Commercial Service	5,090	0.2	48.1	38.8
Transportation	6,222	1.2	37.0	High
Consumer Durables	5,435	1.3	28.7	Neg
Consumer Services	5,048	-0.4	36.8	47.3
Media	23,293	-1.1	8.4	25.5
Retailing	8,306	0.2	15.8	23.8
Food & Staples	10,803	-0.1	26.5	22.2
Food & Beverages	6,213	-0.2	33.9	35.1
Healthcare	12,528	-0.8	37.5	High
Pharma & Bio Tech	5,409	5.1	88.2	Neg
Banks	11,858	1.4	2.7	14.9
Diversified Financial	7,182	1.5	12.9	33.1
Insurance	7,877	0.0	48.1	37.1
Telecom	8,309	0.3	30.1	18.6
Utilities	8,491	-1.5	18.4	15.4
REITs	3,780	0.0	-4.9	31.5
Real Estate	3,472	-0.4	38.9	High
Software & Services	63,817	-1.7	77.8	46.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,768	11,743	11,642	6.8

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	10.6	440.71	721.40
Previous week	34.4	1,375.24	2,220.77

Top Weighted Companies

Company	Price	Change%
SaudiAramco	32.25	-0.3
Al Rajhi	73.90	3.7
SNB	40.30	-0.7
SABIC	85.20	-0.2
STC	45.80	0.9



International Market News

- UK's manufacturing PMI (flash reading) declined to a 38-month low of 45.0 from 46.5 in June. The manufacturing production was impacted by lower demand and overstocking among clients weighed. Services PMI fell to 51.5 in July from 53.7 in June, a six-month low. (Source: RTT News)
- Eurozone's manufacturing PMI (flash reading) was posted at 42.7 in July compared to 43.4 a month ago. The steep contraction in the manufacturing sector was due to worsening demand conditions across the board. Services PMI fell to 51.1 in July, down from 52.0 in June. (Source: RTT News)
- China's top leaders pledged to "adjust and optimize policies in a timely manner" for the struggling property sector, while raising stable employment to a strategic goal, in addition to boost domestic consumption demand and resolve local debt risks. (Source: Reuters)
- Oil prices jumped 2.1% due to tightening supply and demand hopes owing to China's economic stimulus. Moreover, growing US gasoline demand also supported the prices.
- Gold prices dropped 0.4% in a volatile session ahead of US Federal Reserve's policy meet, as US dollar strengthened.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	101.35	0.3	-1.5	-2.1
Euro	1.11	-0.5	1.4	3.4
Japanese Yen	141.48	-0.2	-2.0	7.9
Sterling Pound	1.28	-0.2	1.0	6.2
Chinese Yuan	7.19	0.0	-1.1	3.8
Indian Rupee	81.83	-0.2	-0.3	-1.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.6
Kuwaiti Dinar	0.31	-0.1	-0.2	0.3
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.91	0.4	0.1	24.8

Corporate Calendar

Date	Company	Event
26 th Jul	TAKWEEN	EGM
27 th Jul	RIBL	Eligibility for Cash Dividend
27 th Jul	MIS	Eligibility for Cash Dividend
27 th Jul	Marble Design	IPO
30 th Jul	EAST PIPES	Cash Dividend Distribution
30 th Jul	MAYAR	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,962	-0.2	3.5	17.9	9.5
Abu Dhabi (ADX)	9,619	0.4	0.7	-6.3	16.1
Kuwait (KSE)	7,993	0.5	2.4	-1.5	11.1
Qatar (QE)	10,273	0.2	2.0	-3.8	11.8
Oman (MSM)	4,786	-0.2	0.4	-1.5	10.1
Bahrain (BSE)	1,961	0.1	0.1	3.4	7.4
Egypt (EGX30)	17,380	-0.5	-1.6	19.1	6.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,411	0.5	2.9	6.8	20.5
Nasdaq	15,448	0.1	1.8	41.2	34.3
S&P 500	4,555	0.4	2.3	18.6	21.9
FTSE 100	7,679	0.2	2.0	3.0	10.7
Germany DAX 30	16,191	0.1	0.3	16.3	13.1
France CAC 40	7,427	-0.1	0.4	14.7	12.7
Japan Nikkei 225	32,701	1.2	-1.5	25.3	31.8
Russia MOEX	2,937	0.5	5.0	36.4	2.3
Hong Kong Hang Seng	18,668	-2.1	-1.3	-5.6	9.6
South Korea KOSPI	2,629	0.7	2.5	17.5	15.5
China Shanghai Composite	3,164	-0.1	-1.2	2.4	14.2
Australia ASX 200	7,306	-0.1	1.4	3.8	14.9
India Sensex	66,385	-0.4	2.6	9.1	24.8
MSCI EM	1,013	-0.1	2.4	6.0	13.3
MSCI World	3,037	0.3	2.4	16.7	19.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.68	1.0	9.3	1.7
Brent Crude (\$/bbl)	82.74	2.1	10.5	-3.7
Texas crude (\$/bbl)	78.74	2.2	11.5	-1.9
Natural Gas (\$/mmbtu)	2.69	-1.0	-4.0	-35.5
Gold (\$/oz)	1,954.73	-0.4	1.8	7.2
Silver (\$/oz)	24.35	-1.1	6.9	1.6
Steel (\$/ton)	858.00	0.0	-2.6	15.3
Iron Ore (CNY/MT)	885.50	-0.3	0.0	3.3
Wheat (\$/bu)	757.50	8.6	16.4	-6.4
Corn (\$/bu)	568.25	6.0	14.9	-7.0
Sugar (\$/lb)	24.92	-0.4	9.3	39.8
SMP* (EUR/MT)	2,358.00	0.3	-3.4	-15.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.59	-0.4	-6.4	86.1
KSA (SAIBOR 3M)	5.97	2.3	2.0	63.1
KSA (SAIBOR 6M)	5.98	2.2	3.1	37.8
KSA (SAIBOR 12M)	5.93	0.6	1.0	6.0
USA (SOFR 3M)	5.35	-0.1	8.2	76.3
UAE (EIBOR 3M)	5.32	-4.2	15.4	101.1

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of July 24, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,802
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,016.0
Value (SAR mn)	6,299.9
Volume (mn)	273.0
Number of Transactions	401,279
Market Breadth	131 : 77

Key statistics

1D return %	0.35%
MTD return %	2.99%
QTD return	2.99%
YTD return	12.63%
ADT vol. 3M* (mn)	242.5
ADT val. 3M (SARmn)	6,264.7

*ADT stands for Average Daily Traded

TASI market commentary

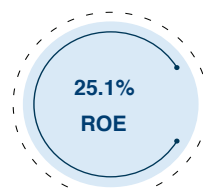
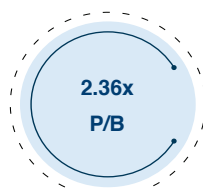
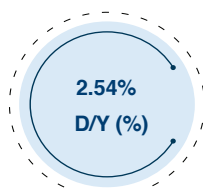
- TASI witnessed a rise on Monday which was led by index heavyweight Banks (1.36% D/D) and Telecommunication services (0.31% D/D) sectors. At close, the Saudi market ended the day with a change of 0.35% at 11,802. In terms of activity, total volumes and value traded were ~273mn and ~SAR 6.3bn, respectively. The advance-decline ratio came in at 131/77.

Technical outlook

- TASI gained additional 42 points to close near 11,802. The index rebounded from its 10-day SMA as well as the previously noted significant support level of the 161.8% Fibonacci retracement at 11,730 points; tipping the odds in favor of resuming the way toward the 200% Fibonacci retracement near 11,900. Moreover, the RSI indicator started to bounce off a rising trendline inside the bullish territory. TASI currently has an immediate resistance near 11,900 at the 200% Fibonacci retracement level which represents a strong resistance. If penetrated, the next resistance is expected to lay near the resistance of 12,030. On the other hand, immediate support is seen at 11,730 at the 161.8% Fibonacci retracement level followed by 11,670 near the prior minor trough. If breached, the index would be expected to meet the next support near the level of 11,570 near the 127.2% Fibonacci retracement. Traders are advised to continue buying cautiously and keep a close eye on the strong resistance of 11,900.

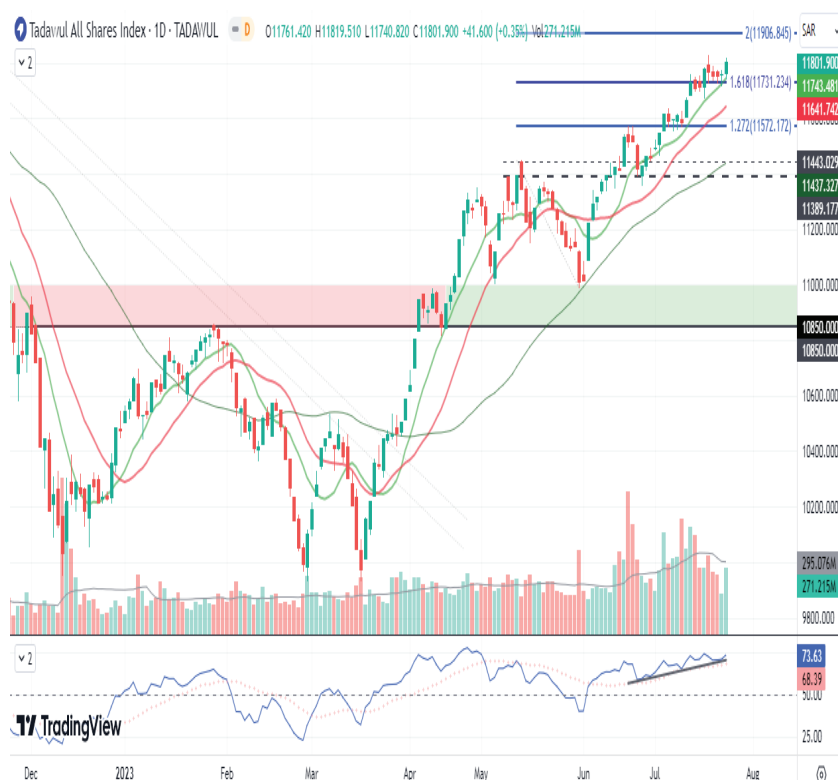
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,570	11,670	11,730	11,825	11,900	12,030	12,100



Source: Bloomberg, Argaam

TASI daily chart



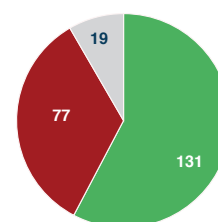
Source: Tradingview, Aljazira Capital

Our view



Market depth

Unchanged
Up
Down



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
3003	City Cement Co.	23.02	23.02 - 22.95	23.25	22.80
8070	Arabian Shield Cooperative Insurance Company	20.26	20.26 - 20.20	20.45	20.05
3020	Yamama Cement Company	36.80	36.80 - 36.70	37.15	36.40
2040	Saudi Ceramic Co.	31.40	31.40 - 31.30	31.70	31.10
1830	Leejam Sports Co.	143.80	143.80 - 143.40	145.20	142.40
6060	Ash-Sharqiyah Development Co.	21.58	21.58 - 21.55	21.80	21.35

* As of 24th Jul 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

City Cement bounced off its 200-day EMA as well as a long-term rising trendline. Moreover, all the technical indicators show bullish structure.

City Cement Co. (City Cement)



Source: Tradingview, AlJazira Capital

Technical observations

Arabian Shield bounced off its 50-day SMA as well as the level of the prior trough. Moreover, all the technical indicators show bullish structure.

Arabian Shield Cooperative Insurance Company (Arabian Shield)



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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