



## Major Economic News

- The International Monetary Fund (IMF) slashed its FY23 growth forecasts for Saudi Arabia's economy by 1.2% to 1.9% from 3.1%. The IMF cut expectations for GDP growth by 0.3% to 2.8% for FY24, from April's forecasts of 3.1%. The cut was triggered by the oil output cuts announced by the Kingdom in April and June in line with the OPEC+ agreement. (Source: Argaam)
- SAMA gave the green light for Tabby to provide buy now pay later (BNPL) solutions. With Tabby, there are now five authorized companies offering BNPL solutions in KSA. (Source: Argaam)
- The National Debt Management Center completed receiving investor orders for its July domestic issuance, under the Saudi Arabian Government SAR-denominated Sukuk Program. The issuance size was set at SAR 2.6bn. The total amount of bids stood at SAR 2.63bn. (Source: Argaam)

## Major Corporate News

- Al Moammar Information Systems Co. signed a renewal and amendment agreement for a Shariah-compliant credit facility worth SAR 1.5bn with Banque Saudi Fransi. The financing was extended until July 31, 2024. (Source: Tadawul)
- Tanmiah Food Co. will continue to implement its strategic growth plans, which started in early FY20, by expanding its operations and investing in modern equipment and technologies in cooperation with Dutch companies. The estimated SAR 200.0mn investment will bolster Tanmiah's growth plans. (Source: Tadawul)

## Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
BSFR	1,073.0	837.0	28.2	1,076.0	-0.3
SADAFICO*	107.6	56.3	91.3	89.7	20.0

\*Q1-23 results, as financial year ends in March

## Market Analysis

- The Saudi Stock Exchange increased 0.7% 11,882.7. The value traded stood at SAR 6.7bn (up 7.1% over previous day), while the advance-decline ratio stood at 104/108. The parallel market index increased 1.1% to 25,113.2 points. The value traded stood at SAR 37.6mn (up 17.8% over previous day). Most sectors in the main market ended in the green. Media & Entertainment and Diversified Financials (up 3.3% and 1.7%, respectively) advanced the most; Consumer Durables and Pharma (down 1.6% and 1.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
MEDGULF	13.46	10.0
ALINMA	39.75	8.5
SRMG	179.40	5.0
SEERA	29.05	4.9
NADEC	48.55	4.3

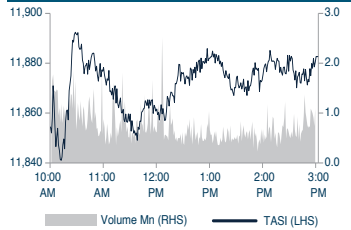
## Top Losers

Company	Price	Change%
ALKHALEEJ TRNG	20.00	-3.4
ALASEEL	5.28	-3.3
SADR	3.68	-3.2
SAIC	30.90	-3.1
ALHOKAIR GROUP	2.19	-3.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,883	11,897	11,835	0.7	13.4
NomuC	25,113	25,864	24,700	1.1	29.3

## TASI movement during session



## TASI Ratios

P/E* (x)	22.29
Price-to-Book (x)	2.37
Dividend Yield (%)	2.52
Return on Equity (%)	25.07

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,065	0.3	11.8	13.7
Materials	6,545	0.3	4.1	21.5
Capital Goods	7,572	0.5	44.9	21.2
Commercial Service	5,085	-0.1	48.0	38.8
Transportation	6,194	-0.4	36.4	High
Consumer Durables	5,350	-1.6	26.6	Neg
Consumer Services	5,119	1.4	38.7	47.8
Media	24,055	3.3	11.9	26.1
Retailing	8,311	0.1	15.8	23.8
Food & Staples	10,818	0.1	26.7	22.2
Food & Beverages	6,316	1.7	36.1	35.7
Healthcare	12,655	1.0	38.9	High
Pharma & Bio Tech	5,330	-1.5	85.5	Neg
Banks	11,999	1.2	4.0	15.1
Diversified Financial	7,306	1.7	14.9	33.6
Insurance	7,813	-0.8	46.9	36.8
Telecom	8,257	-0.6	29.2	18.5
Utilities	8,589	1.2	19.7	15.5
REITs	3,795	0.4	-4.5	31.7
Real Estate	3,470	-0.1	38.8	High
Software & Services	64,538	1.1	79.8	47.0

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,791	11,765	11,664	6.8

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	17.3	683.93	1,125.51
Previous week	34.4	1,375.24	2,220.77

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.35	0.3
Al Rajhi	75.00	1.5
SNB	40.00	-0.7
SABIC	86.00	0.9
STC	45.65	-0.3



## International Market News

- IMF raised its FY23 global growth forecast by 0.2% to 3.0%, up from 2.8% at its April assessment. The IMF kept its FY24 growth forecast unchanged at 3.0%. IMF highlighted concerns with tighter credit conditions, depleted household savings in the US and a shallower-than-expected economic recovery in China from strict Covid-19 lockdowns. (Source: CNBC)
- The US consumer confidence index jumped to 117.0 in July (consensus: 111.8) from an upwardly revised 110.1 in June. With the much bigger than expected surge, the consumer confidence index reached its highest level since July 2021. (Source: RTT News)
- UK manufacturers' confidence improved for the first time in two years in the three months ended July and domestic selling price pressures softened notably. (Source: RTT News)
- Japan's producer prices increased 1.2% Y/Y in June (consensus: an increase of 1.4%), down from the upwardly revised 1.7% rise in May. On M/M basis, producer prices fell 0.2% following a flat reading in the previous month. (Source: RTT News)
- Oil prices gained 1.1%, as market tightening expectations continued to support the prices.
- Gold prices rose 0.5%, as US dollar remained steady on expectations that the US Federal Reserve will indicate ending of monetary tightening this week.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	101.35	0.0	-1.5	-2.1
Euro	1.11	-0.1	1.3	3.3
Japanese Yen	140.90	-0.4	-2.4	7.5
Sterling Pound	1.29	0.6	1.6	6.8
Chinese Yuan	7.14	-0.7	-1.8	3.1
Indian Rupee	81.87	0.1	-0.2	-1.0
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	-0.2	0.3
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.94	0.1	0.1	25.0

## Corporate Calendar

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

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,015	0.5	-0.2	20.6	9.7
Abu Dhabi (ADX)	9,727	-0.1	0.3	-5.3	32.6
Kuwait (KSE)	8,104	0.4	-0.7	-0.1	19.3
Qatar (QE)	10,536	0.4	2.2	-1.4	12.7
Oman (MSM)	4,783	-0.3	-0.6	-1.5	12.9
Bahrain (BSE)	1,988	0.1	0.1	4.9	7.1
Egypt (EGX30)	17,480	-0.4	-0.7	19.7	9.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,438	0.1	3.0	6.9	20.5
Nasdaq	15,561	0.7	2.5	42.2	34.6
S&P 500	4,567	0.3	2.6	19.0	21.9
FTSE 100	7,692	0.2	2.1	3.2	10.7
Germany DAX 30	16,212	0.1	0.4	16.4	13.1
France CAC 40	7,415	-0.2	0.2	14.5	12.6
Japan Nikkei 225	32,683	-0.1	-1.5	25.2	31.8
Russia MOEX	2,975	1.3	6.4	38.1	2.3
Hong Kong Hang Seng	19,434	4.1	2.7	-1.8	10.0
South Korea KOSPI	2,636	0.3	2.8	17.9	15.5
China Shanghai Composite	3,232	2.1	0.9	4.6	14.5
Australia ASX 200	7,340	0.5	1.9	4.3	15.0
India Sensex	66,356	0.0	2.5	9.1	24.8
MSCI EM	1,032	1.9	4.3	7.9	13.3
MSCI World	3,045	0.3	2.7	17.0	19.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.95	1.5	10.9	3.2
Brent Crude (\$/bbl)	83.64	1.1	11.7	-2.6
Texas crude (\$/bbl)	79.63	1.1	12.7	-0.8
Natural Gas (\$/mmbtu)	2.73	1.7	-2.4	-34.4
Gold (\$/oz)	1,964.96	0.5	2.4	7.7
Silver (\$/oz)	24.69	1.4	8.4	3.1
Steel (\$/ton)	858.00	0.0	-2.6	15.3
Iron Ore (CNY/MT)	888.00	0.3	0.3	3.6
Wheat (\$/bu)	760.25	0.4	16.8	-6.1
Corn (\$/bu)	565.25	-0.5	14.2	-7.4
Sugar (\$/lb)	24.69	-0.9	8.3	38.6
SMP* (EUR/MT)	2,358.00	0.0	-3.4	-15.1

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.60	0.8	-5.7	86.8
KSA (SAIBOR 3M)	5.98	0.8	2.8	63.9
KSA (SAIBOR 6M)	5.97	-0.3	2.8	37.5
KSA (SAIBOR 12M)	5.98	4.7	5.7	10.7
USA (SOFR 3M)	5.36	0.7	8.9	77.0
UAE (EIBOR 3M)	5.44	11.8	27.1	112.9

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of July 25, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,883
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,060.6
Value (SAR mn)	6,747.8
Volume (mn)	243.2
Number of Transactions	404,113
Market Breadth	104 : 108

Key statistics	
1D return %	0.68%
MTD return %	3.70%
QTD return	3.70%
YTD return	13.40%
ADT vol. 3M* (mn)	243.0
ADT val. 3M (SARmn)	6,272.3

\*ADT stands for Average Daily Traded

## TASI market commentary

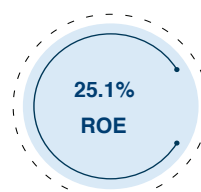
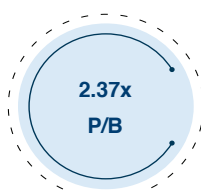
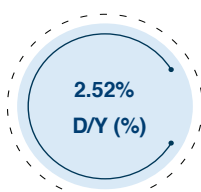
- TASI witnessed a rise on Tuesday which was led by index heavyweight Banks (1.19% D/D) and Materials (0.30% D/D) sectors. At close, the Saudi market ended the day with a change of 0.68% at 11,883. In terms of activity, total volumes and value traded were ~243mn and ~SAR 6.8bn, respectively. The advance-decline ratio came in at 104/108.

## Technical outlook

- TASI gained 81 points to close near 11,883. The index surged upward and penetrated the level of the prior minor peak near 11,825 after bouncing off its 10-day SMA as well as the significant support level of the 161.8% Fibonacci retracement at 11,730. TASI is currently heading to test the strong resistance level of the 200% Fibonacci retracement near 11,900 where a possible profit-booking attitude may appear. Moreover, the RSI indicator bounced off a rising trendline and currently is hovering around the level of the prior peak. TASI currently has an immediate resistance near 11,900 at the 200% Fibonacci retracement level. If penetrated, the next resistance is expected to lay near the level of 12,030 then 12,100. On the other hand, immediate support is seen at 11,825 near the level of the prior minor peak followed by 11,730 at the 161.8% Fibonacci retracement level. If breached, the index would be expected to meet the next support at 11,670 near the level of prior minor trough as well as the 20-day SMA. Traders are advised to cautiously buy and closely monitor the strong resistance of 11,900.

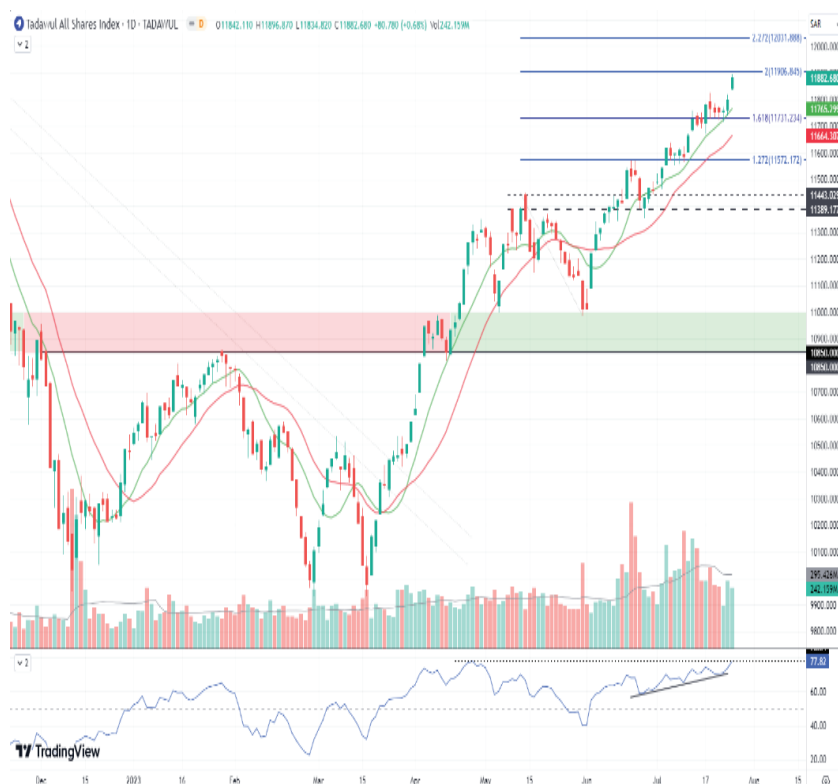
## Key price levels

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



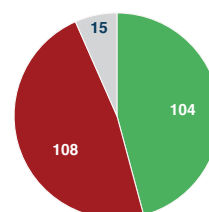
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

Unchanged  
Up  
Down



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
2050	Savola Group	41.50	41.50 - 41.40	41.90	41.10
1111	Saudi Tadawul Group Holding Co.	204.00	204.00 - 203.40	206.00	202.00
2270	Saudia Dairy and Foodstuff Co.	347.40	347.40 - 346.40	350.80	344.00
8280	Al Alamiya for Cooperative Insurance Co.	17.74	17.74 - 17.70	17.90	17.55
8311	Saudi Enaya Cooperative insurance Company	12.44	12.44 - 12.40	12.55	12.30
4300	Dar Alarkan Real Estate Development Co.	16.48	16.48 - 16.45	16.65	16.30

\* As of 25<sup>th</sup> Jul 2023

\* Note – Stop loss is based on an intraday basis

## CHARTS OF THE DAY

## Technical observations

**Savola Group** penetrated the prior peak as well as 20-day SMA. Moreover, all the technical indicators show bullish structure

## Savola Group (Savola Group)



Source: Tradingview, AlJazira Capital

## Technical observations

**TADAWUL GROUP** penetrated a declining trendline as well as the 10&20-day SMAs. Moreover, all the technical indicators show bullish structure.

## Saudi Tadawul Group Holding Co. (TADAWUL GROUP)



Source: Tradingview, AlJazira Capital

Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

**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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