



## Major Economic News

- SAMA lifted its reverse repo rate by 25 bps from 525 bps to 550 bps (5.5%). It also raised its repo rate by 25 bps to 600 bps from 575 bps (6.0%). The move aligns with SAMA's goals to maintain monetary stability and support financial stability. The Federal Reserve hiked its key interest rate to the range of 5.25% and 5.50%, from the previous range of 5.0% and 5.25%. (Source: Argaam)
- The point-of-sale (POS) transactions reached nearly SAR 10.1bn in the week ended July 22, compared to SAR 10.9bn in the week before. Data showed that about 159.6mn transactions were processed during the week. All sectors witnessed a decline in POS transactions during the week, except for the hotels sector that rose 9.0%. (Source: Argaam)
- NEOM's OXAGON project is expected to invite wide-ranging bids soon, as per Vishal Wanchoo, CEO of OXAGON. The project aims to build a new port to provide The Line with basic commodities by FY55. (Source: Argaam)

## Major Corporate News

- National Company for Learning and Education plans to open two new complexes in September in Riyadh, in addition to three new educational complexes next year, as per CEO Mohammed Alkhudair. (Source: Argaam)
- Abdullah Saad Mohammed Abo Moati for Bookstores Co.'s board of directors recommended reducing the stock's par value from SAR 10.0 to SAR 1.0, while the company's capital will remain unchanged. (Source: Tadawul)

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

| Company | Q2-23 | Q2-22 | Y/Y % | Q1-23 | Q/Q % |
|---------|-------|-------|-------|-------|-------|
| SASCO   | 13.0  | 29.7  | -56.3 | 14.1  | -7.8  |
| SAIB    | 443.8 | 320.7 | 38.4  | 408.9 | 8.5   |

## Market Analysis

- The Saudi Stock Exchange increased 0.2% 11,906.1. The value traded stood at SAR 6.6bn (down 2.4% over previous day), while the advance-decline ratio stood at 99/109. The parallel market index declined 2.1% to 24,589.6 points. The value traded stood at SAR 45.3mn (up 20.5% over previous day). Most sectors in the main market ended in the green. Media and Food & Staples (up 2.7% and 2.0%, respectively) advanced the most; Insurance and Telecom (down 1.4% and 1.0%, respectively) led the laggards.

## Top Gainers

| Company        | Price  | Change% |
|----------------|--------|---------|
| ALHOKAIR GROUP | 2.40   | 9.6     |
| TANMIAH        | 120.20 | 5.1     |
| SABIC AN       | 140.00 | 4.5     |
| TAKWEEN        | 8.98   | 4.1     |
| SRMG           | 186.00 | 4.0     |

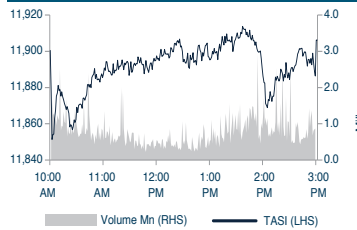
## Top Losers

| Company          | Price | Change% |
|------------------|-------|---------|
| ENAYA            | 11.96 | -3.9    |
| ALINMA           | 38.35 | -3.5    |
| KEC              | 15.00 | -3.5    |
| MALATH INSURANCE | 23.46 | -3.3    |
| THEEB            | 82.90 | -3.0    |

## Saudi Stock Exchange

| Index | Closing | High   | Low    | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI  | 11,906  | 11,917 | 11,849 | 0.2           | 13.6  |
| NomuC | 24,590  | 25,586 | 24,493 | -2.1          | 26.6  |

## TASI movement during session



## TASI Ratios

|                      |       |
|----------------------|-------|
| P/E* (x)             | 22.33 |
| Price-to-Book (x)    | 2.38  |
| Dividend Yield (%)   | 2.52  |
| Return on Equity (%) | 25.07 |

\*Source: Argaam (Excluding Aramco)

| Index                 | Close  | Daily Change% | YTD % | PE (TTM) |
|-----------------------|--------|---------------|-------|----------|
| Energy                | 6,075  | 0.2           | 11.9  | 13.7     |
| Materials             | 6,628  | 1.3           | 5.4   | 21.5     |
| Capital Goods         | 7,550  | -0.3          | 44.5  | 21.2     |
| Commercial Service    | 5,109  | 0.5           | 48.7  | 38.8     |
| Transportation        | 6,175  | -0.3          | 36.0  | High     |
| Consumer Durables     | 5,348  | 0.0           | 26.6  | Neg      |
| Consumer Services     | 5,099  | -0.4          | 38.2  | 47.8     |
| Media                 | 24,694 | 2.7           | 14.9  | 26.1     |
| Retailing             | 8,401  | 1.1           | 17.1  | 23.8     |
| Food & Staples        | 11,039 | 2.0           | 29.2  | 22.2     |
| Food & Beverages      | 6,358  | 0.7           | 37.0  | 35.7     |
| Healthcare            | 12,714 | 0.5           | 39.6  | High     |
| Pharma & Bio Tech     | 5,297  | -0.6          | 84.3  | Neg      |
| Banks                 | 11,993 | 0.0           | 3.9   | 15.1     |
| Diversified Financial | 7,270  | -0.5          | 14.3  | 33.6     |
| Insurance             | 7,703  | -1.4          | 44.9  | 36.8     |
| Telecom               | 8,172  | -1.0          | 27.9  | 18.5     |
| Utilities             | 8,630  | 0.5           | 20.3  | 15.5     |
| REITs                 | 3,781  | -0.4          | -4.9  | 31.7     |
| Real Estate           | 3,438  | -0.9          | 37.5  | High     |
| Software & Services   | 64,985 | 0.7           | 81.1  | 47.0     |

## Average Index Value

| Average days 5 | Average days 10 | Average days 20 | Average value traded for the month (bn) |
|----------------|-----------------|-----------------|---|
| 11,821         | 11,783          | 11,686          | 6.8                                     |

## Market Statistics

|               | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week  | 23.9                  | 935.25              | 1,527.15             |
| Previous week | 34.4                  | 1,375.24            | 2,220.77             |

## Top Weighted Companies

| Company      | Price | Change% |
|--------------|-------|---------|
| Saudi Aramco | 32.40 | 0.2     |
| Al Rajhi     | 76.10 | 1.5     |
| SNB          | 39.90 | -0.3    |
| SABIC        | 86.00 | 0.0     |
| STC          | 45.05 | -1.3    |

## International Market News

- The US Federal Reserve raised its funds rate by 0.25% to a target range of 5.25%-5.50%. The midpoint of that target range would be the highest level for the benchmark rate since early 2001. The central bank's chairman Jerome Powell said the economy still required to slow and the labor market to weaken for inflation to "credibly" return to the 2.0% target. (Source: Reuters)
- According to EIA, oil inventories in the US fell 0.6mn barrels (prior: down 0.7mn) to 456.8mn in the week ended July 21. Gasoline inventories decreased 0.8mn barrels (prior: down 1.1mn) to 217.6mn, while distillate inventories fell 0.2mn barrels (prior: unchanged) to 117.9mn. (Source: EIA, Econoday)
- US new home sales declined 2.5% to an annual rate of 697,000 in June (725,000) compared to a 6.6% gain to a downwardly revised rate of 715,000 in May. (Source: RTT News)
- China's industrial earnings declined 8.3% Y/Y compared to a drop of 12.6% in May. In H1-23, industrial profits fell 18.8% Y/Y. (Source: RTT News)
- Oil prices declined 0.9%, as crude oil inventories in the US fell by less than expected.
- Gold prices rose 0.4% due to decrease in US treasury yields and softening of US dollar, as the Federal Reserve's rate hike was in line with expectations.

## Forex / Currency

| Currency / USD | Close  | Daily Change% | MTD % | YTD % |
|----------------|--------|---------------|-------|-------|
| Dollar Index   | 100.89 | -0.5          | -2.0  | -2.5  |
| Euro           | 1.11   | 0.3           | 1.6   | 3.6   |
| Japanese Yen   | 140.24 | -0.5          | -2.8  | 7.0   |
| Sterling Pound | 1.29   | 0.3           | 1.9   | 7.1   |
| Chinese Yuan   | 7.15   | 0.2           | -1.6  | 3.3   |
| Indian Rupee   | 81.99  | 0.1           | -0.1  | -0.9  |
| 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          | -0.3  | 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  | -0.1          | 0.0   | 24.8  |

## Corporate Calendar

| Date                 | Company              | Event                         |
|----------------------|----------------------|-------------------------------|
| 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        | Close of IPO                  |
| 30 <sup>th</sup> Jul | EAST PIPES           | Cash Dividend Distribution    |
| 30 <sup>th</sup> Jul | MAYAR                | EGM                           |
| 31 <sup>st</sup> Jul | SABIC AGRI-NUTRIENTS | Cash Dividend Distribution    |

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

| Market          | Close  | Daily Change% | MTD % | YTD % | P/E    |
|-----------------|--------|---------------|-------|-------|--------|
| Dubai (DFM)     | 4,039  | 0.6           | 0.4   | 21.3  | 9.521  |
| Abu Dhabi (ADX) | 9,766  | 0.4           | 0.7   | -4.9  | 32.748 |
| Kuwait (KSE)    | 8,105  | 0.0           | -0.7  | -0.1  | 19.314 |
| Qatar (QE)      | 10,765 | 2.2           | 4.5   | 0.8   | 12.963 |
| Oman (MSM)      | 4,767  | -0.3          | -0.9  | -1.9  | 12.897 |
| Bahrain (BSE)   | 1,985  | -0.2          | -0.1  | 4.7   | 7.043  |
| Egypt (EGX30)   | 17,396 | -0.5          | -1.2  | 19.2  | 9.259  |

## International Markets

| Index                    | Close  | Daily Change% | MTD % | YTD % | P/E  |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones                | 35,520 | 0.2           | 3.2   | 7.2   | 20.6 |
| Nasdaq                   | 15,499 | -0.4          | 2.1   | 41.7  | 34.5 |
| S&P 500                  | 4,567  | 0.0           | 2.6   | 18.9  | 21.9 |
| FTSE 100                 | 7,677  | -0.2          | 1.9   | 3.0   | 10.7 |
| Germany DAX 30           | 16,131 | -0.5          | -0.1  | 15.9  | 13.0 |
| France CAC 40            | 7,315  | -1.4          | -1.1  | 13.0  | 12.5 |
| Japan Nikkei 225         | 32,668 | 0.0           | -1.6  | 25.2  | 31.8 |
| Russia MOEX              | 2,970  | -0.2          | 6.2   | 37.9  | 2.3  |
| Hong Kong Hang Seng      | 19,365 | -0.4          | 2.4   | -2.1  | 9.9  |
| South Korea KOSPI        | 2,592  | -1.7          | 1.1   | 15.9  | 15.3 |
| China Shanghai Composite | 3,223  | -0.3          | 0.7   | 4.3   | 14.4 |
| Australia ASX 200        | 7,402  | 0.8           | 2.8   | 5.2   | 15.1 |
| India Sensex             | 66,707 | 0.5           | 3.1   | 9.6   | 24.9 |
| MSCI EM                  | 1,032  | 0.0           | 4.3   | 7.9   | 13.5 |
| MSCI World               | 3,045  | 0.0           | 2.6   | 17.0  | 19.3 |

## Commodity Markets

| Commodity                 | Price    | Daily Change% | MTD % | YTD % |
|---------------------------|----------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 87.13    | 0.2           | 11.2  | 3.4   |
| Brent Crude (\$/bbl)      | 82.92    | -0.9          | 10.7  | -3.5  |
| Texas crude (\$/bbl)      | 78.78    | -1.1          | 11.5  | -1.8  |
| Natural Gas (\$/mmbtu)    | 2.67     | -2.4          | -4.8  | -36.0 |
| Gold (\$/oz)              | 1,972.07 | 0.4           | 2.7   | 8.1   |
| Silver (\$/oz)            | 24.93    | 1.0           | 9.5   | 4.1   |
| Steel (\$/ton)            | 835.00   | -2.7          | -5.2  | 12.2  |
| Iron Ore (CNY/MT)         | 905.00   | 1.9           | 2.2   | 5.6   |
| Wheat (\$/bu)             | 720.00   | -5.3          | 10.6  | -11.1 |
| Corn (\$/bu)              | 548.25   | -3.0          | 10.8  | -10.2 |
| Sugar (\$/lb)             | 24.39    | -1.2          | 7.0   | 36.9  |
| SMP* (EUR/MT)             | 2,354.00 | -0.2          | -3.6  | -15.2 |

\*SMP: Skimmed Milk Powder

## Interbank Rates

| Region           | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|------------------|-------|-------------------|-----------|-----------|
| KSA (SAIBOR 1M)  | 5.59  | -0.6              | -6.3      | 86.2      |
| KSA (SAIBOR 3M)  | 5.99  | 0.8               | 3.6       | 64.7      |
| KSA (SAIBOR 6M)  | 5.98  | 1.2               | 4.0       | 38.7      |
| KSA (SAIBOR 12M) | 5.98  | 0.7               | 6.4       | 11.4      |
| USA (SOFR 3M)    | 5.37  | 0.8               | 9.7       | 77.8      |
| UAE (EIBOR 3M)   | 5.37  | -6.5              | 20.6      | 106.3     |

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of July 26, 2023



| Technical observations |                |
|------------------------|----------------|
| Index                  | TASI           |
| Ticker                 | SASEIDX Index  |
| Last Close             | 11,906         |
| Short-term view        | Cautious Buy   |
| 52 weeks high/low      | 13,949 – 9,931 |

| Market data                   |          |
|-------------------------------|----------|
| Exchange Market Cap. (SAR bn) | 11,080.7 |
| Value (SAR mn)                | 6,587.4  |
| Volume (mn)                   | 251.3    |
| Number of Transactions        | 401,644  |
| Market Breadth                | 99 :109  |

| Key statistics      |         |
|---------------------|---------|
| 1D return %         | 0.20%   |
| MTD return %        | 3.90%   |
| QTD return          | 3.90%   |
| YTD return          | 13.62%  |
| ADT vol. 3M* (mn)   | 243.0   |
| ADT val. 3M (SARmn) | 6,267.4 |

\*ADT stands for Average Daily Traded

### TASI market commentary

- TASI witnessed a rise on Wednesday which was led by index heavyweight Materials (1.27% D/D) and Energy (0.20% D/D) sectors. At close, the Saudi market ended the day with a change of 0.20% at 11,906. In terms of activity, total volumes and value traded were ~251mn and ~SAR 6.6bn, respectively. The advance-decline ratio came in at 99/109.

### Technical outlook

- TASI gained 23 points to close near 11,906. Once it reached the significant resistance level of the 200% Fibonacci retracement near 11,900, the index witnessed an intraday profit-taking attitude. However, TASI recouped all session losses and closed near the high. The index developed a hanging man candlestick, which must be verified by a subsequent bearish candlestick in order to suggest a probable further profit-taking attitude. A following close over 11,900, on the other hand, reinforces expectations towards a further rise toward the 227.2% Fibonacci retracement around 12,030. Meanwhile, the RSI indicator is still hovering around the level of the prior peak. TASI has the upcoming resistance near 12,030 at the 227.2% Fibonacci retracement level. If penetrated, the next resistance is expected to lay near the level of 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 level of support at 11,685 near the 20-day SMA. Traders are advised to cautiously buy and closely monitor the resistance level of 11,900.

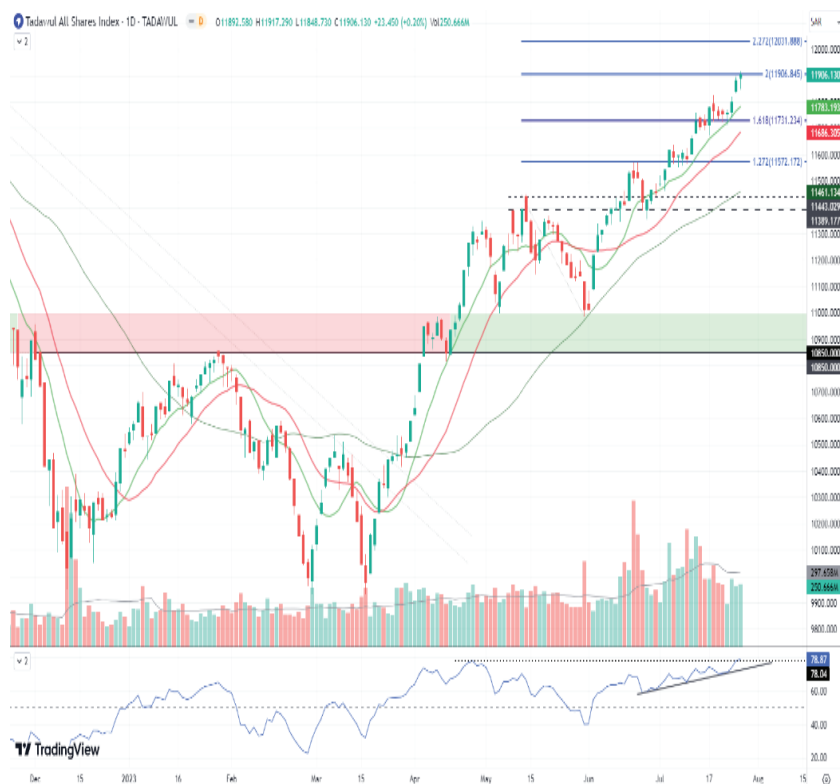
### Key price levels

| S3     | S2     | S1     | Pivot  | R1     | R2     | R3     |
|--------|--------|--------|--------|--------|--------|--------|
| 11,685 | 11,730 | 11,825 | 11,900 | 12,030 | 12,100 | 12,190 |



Source: Bloomberg, Argaam

### TASI daily chart



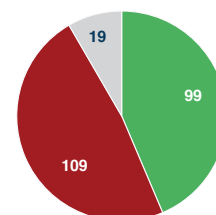
Source: Tradingview, Aljazira Capital

### Our view



### Market depth

Unchanged  
Up  
Down



## SAUDI MARKET - TOP PICKS FOR THE DAY

| Code | Company  | Close* | Buy range       | Target | Stop loss |
|------|--|--------|-----------------|--------|-----------|
| 4005 | National Medical Care Co.                        | 138.20 | 138.20 - 137.80 | 139.60 | 136.80    |
| 7200 | Al Moammar Information Systems Company           | 175.60 | 175.60 - 175.20 | 177.40 | 173.80    |
| 7202 | Arabian Internet and Communications Services Co. | 374.00 | 374.00 - 373.00 | 377.80 | 370.20    |
| 1211 | Saudi Arabian Mining Company                     | 44.40  | 44.40 - 44.30   | 44.85  | 43.95     |
| 6004 | Saudi Airlines Catering Company                  | 117.80 | 117.80 - 117.60 | 119.00 | 116.60    |
| 2330 | Advanced Petrochemical Co.                       | 46.90  | 46.90 - 46.80   | 47.35  | 46.40     |

\* As of 26<sup>th</sup> Jul 2023

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

## CHARTS OF THE DAY

## Technical observations

**Care** penetrated the level of the prior peak after bouncing off its 10&20-day SMAs. Moreover, all the technical indicators show bullish structure.

## National Medical Care Co. (Care)



Source: Tradingview, AlJazira Capital

## Technical observations

**MIS** is penetrating a declining trendline after bouncing off its 10-day SMA. Moreover, all the technical indicators show bullish structure.

## Al Moammar Information Systems Company (MIS)



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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