



## Major Economic News

- PIF announced the establishment of Saudi Tourism Investment Company (Asfar) to support the tourism sector in KSA. (Source: Argaam)
- Saudi Air Navigation Services Co. (SANS) mentioned that the Kingdom's air traffic witnessed exceptional growth in H1-23, especially in June compared to last year. The total number of flights increased by 26% Y/Y to 403,220 in H1-23, and the number of domestic and international flights reached 305,160. (Source: Argaam)

## Major Corporate News

- Arabian Internet and Communications Services Company (SOLUTIONS) announces providing a financing of SAR 233mn to Giza Arabia of Saudi Arabia for a period of 3 years with no guarantees provided for the financing. (Source: Tadawul)
- Asharqiyah Development Company announces the recommendation of the Board of Directors to split the nominal value of the share from ten riyals (10) per share to ten halalas (0.1) per share while keeping the company's capital unchanged. (Source: Tadawul)

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

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
Budget Saudi	70.3	62.5	12.5	69.3	1.4
Saudi Awwal Bank	1,550.0	1,082.0	43.3	1,765.0	-12.2
SOLUTIONS	340	273	24.5	304	11.8
BAHRI	495.4	128.0	287.0	492.5	0.6
MOBILY	497.0	360.0	38.1	465.0	6.9

## Market Analysis

- The Saudi Stock Exchange declined 0.5% to 11,847.7. The value traded stood at SAR 6.5bn (down 1.6% over previous day), while the advance-decline ratio stood at 88/123. The parallel market index declined 0.3% to 24,519.5 points. The value traded stood at SAR 56.2mn (up 24.0% over previous day). Most sectors in the main market ended in the red. Software & Services and Healthcare (down 2.5% and 1.7%, respectively) declined the most; Food & Beverages and Commercial & Professional Services (up 1.2% and 1.0%, respectively) advanced the most.

## Top Gainers

Company	Price	Change%
ALBABTAIN	31.60	5.0
MEDGULF	13.76	4.7
WALAA	18.30	3.3
ALMARAI	70.30	3.1
WATANIYA	19.58	2.4

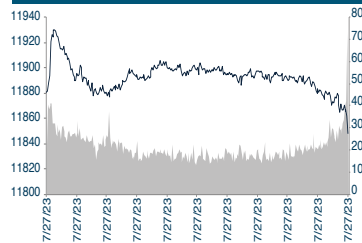
## Top Losers

Company	Price	Change%
SASCO	59.00	-7.1
ALHOKAIR GROUP	2.28	-5.0
FIRST MILLS	94.20	-3.2
MIS	170.00	-3.2
MOUWASAT	262.40	-3.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,848	11,934	11,848	-0.5	13.1
NomuC	24,520	25,190	24,436	-0.3	26.3

## 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	6,057	-0.3	11.6	13.7
Materials	6,649	0.3	5.7	21.9
Capital Goods	7,557	0.1	44.6	21.3
Commercial Service	5,161	1.0	50.2	39.2
Transportation	6,094	-1.3	34.2	High
Consumer Durables	5,346	0.0	26.5	Neg
Consumer Services	5,087	-0.2	37.8	47.5
Media	24,681	-0.1	14.8	26.6
Retailing	8,269	-1.6	15.3	23.7
Food & Staples	10,968	-0.6	28.4	22.5
Food & Beverages	6,434	1.2	38.7	36.4
Healthcare	12,493	-1.7	37.1	High
Pharma & Bio Tech	5,264	-0.6	83.2	Neg
Banks	11,906	-0.7	3.1	15
Diversified Financial	7,198	-1.0	13.2	33.1
Insurance	7,729	0.3	45.4	36.3
Telecom	8,102	-0.9	26.8	18.1
Utilities	8,484	-1.7	18.3	15.4
REITs	3,788	0.2	-4.7	31.6
Real Estate	3,427	-0.3	37.1	High
Software & Services	63,387	-2.5	76.6	46.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,840	11,797	11,706	6.8

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	0	1,169.31	1,923.06
Previous week	34.4	1,375.24	2,220.77

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.30	-0.3
Al Rajhi	75.40	-0.9
SNB	39.90	0.0
SABIC	86.50	0.6
STC	44.85	-0.4



## International Market News

- The key Fed Inflation rate showed further signs of cooling in June and rose 4.1% Y/Y (the lowest annual increase since September 2021). The core PCE increased 0.2% M/M. Consumers continued to spend, with expenditures up 0.5% M/M, while income increased a bit slower than expected. (Source: CNBC)
- The US GDP rose at 2.4% per annum in Q2-23, topping the 2.0% estimate. The strong quarter was driven by consumer spending, and was aided by increases in nonresidential fixed investment, government spending and inventory growth (Source: CNBC)
- The U.S. labor costs increased less than expected in the Q2-23 as wage growth eased slightly, offering a boost to the Federal Reserve in the fight against inflation. The Employment Cost Index, rose 1.0% in Q2-23 after advancing 1.2% in Q1-23. (Source: Investing)
- ECB announced a new rate increase by 0.25% and brought its main rate to 3.75%. However, the bank did not share any forward guidance but raised the possibility of a potential rate hike in September. (Source: CNBC)
- Oil prices rose around 0.7% as investors were optimistic that healthy demand and supply cuts will keep prices buoyant.
- Gold jumped 0.7% amid a slight retreat in the dollar as signs of cooling U.S. inflation raised bets that the Federal Reserve will likely end its monetary tightening cycle.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	101.62	-0.1	-1.3	-1.8
Euro	1.10	0.3	1.0	2.9
Japanese Yen	141.16	1.2	-2.2	7.7
Sterling Pound	1.29	0.4	1.2	6.4
Chinese Yuan	7.15	-0.2	-1.6	3.3
Indian Rupee	82.26	0.4	0.3	-0.6
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	30.90	-0.0	0.0	24.8

## Corporate Calendar

Date	Company	Event
31 <sup>st</sup> Jul	ALRAJHI	Eligibility for Cash Dividend
01 <sup>st</sup> Aug	SNB	Eligibility for Cash Dividend
01 <sup>st</sup> Aug	AMAK	Ex-bonus date
01 <sup>st</sup> Aug	Marble Design	Allocation date
02 <sup>nd</sup> Aug	Arabian Drilling	Financial results date
02 <sup>nd</sup> Aug	ALWAHA REIT	Cash dividend distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,037	0.2	0.4	21.3	9.3
Abu Dhabi (ADX)	9,761	0.0	0.7	-4.9	32.7
Kuwait (KSE)	8,087	-0.2	-0.9	-0.4	19.3
Qatar (QE)	10,895	1.2	5.7	2.0	13.1
Oman (MSM)	4,780	0.3	-0.6	-1.6	13.1
Bahrain (BSE)	1,992	0.4	0.3	5.1	7.1
Egypt (EGX30)	17,339	-0.3	-1.5	18.8	9.2

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,459	0.5	3.1	7.0	20.5
Nasdaq	15,751	1.8	3.8	44.0	35.2
S&P 500	4,582	1.0	3.0	19.3	22.0
FTSE 100	7,694	0.0	2.2	3.3	10.7
Germany DAX 30	16,470	0.4	2.0	18.3	13.3
France CAC 40	7,476	0.2	1.0	15.5	12.9
Japan Nikkei 225	32,759	-0.4	-1.3	25.5	31.9
Russia MOEX	3,009	0.7	7.6	39.7	2.3
Hong Kong Hang Seng	19,917	1.4	5.3	0.7	10.2
South Korea KOSPI	2,608	0.2	1.7	16.6	15.4
China Shanghai Composite	3,276	1.8	2.3	6.0	14.6
Australia ASX 200	7,404	-0.7	2.8	5.2	15.1
India Sensex	66,160	-0.2	2.2	8.7	24.7
MSCI EM	1,043	0.8	5.4	9.1	13.5
MSCI World	3,058	0.8	3.1	17.5	19.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	88.00	0.8	12.3	4.5
Brent Crude (\$/bbl)	84.99	0.9	13.5	-1.1
Texas crude (\$/bbl)	80.58	0.6	14.1	0.4
Natural Gas (\$/mmbtu)	2.64	1.7	-5.7	-36.6
Gold (\$/oz)	1,959.49	0.7	2.1	7.4
Silver (\$/oz)	24.34	0.9	6.9	1.6
Steel (\$/ton)	824.00	-0.2	-6.5	10.8
Iron Ore (CNY/MT)	895.50	-0.7	1.1	4.5
Wheat (\$/bu)	704.25	-1.2	8.2	-13.0
Corn (\$/bu)	530.25	-2.2	7.2	-13.2
Sugar (\$/lb)	23.92	-2.1	5.0	34.2
SMP* (EUR/MT)	2,363.00	0.0	-3.2	-14.9

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.80	21.2	14.9	107.4
KSA (SAIBOR 3M)	5.99	-0.1	3.6	64.6
KSA (SAIBOR 6M)	6.02	3.3	7.3	42.0
KSA (SAIBOR 12M)	6.03	4.1	10.6	15.6
USA (SOFR 3M)	5.37	0.3	10.4	78.4
UAE (EIBOR 3M)	5.19	13.6	2.4	88.2

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of July 27, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,848
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,039.6
Value (SAR mn)	6,479.2
Volume (mn)	234.1
Number of Transactions	395,910
Market Breadth	88 : 123

Key statistics	
1D return %	-0.49%
MTD return %	3.39%
QTD return	3.39%
YTD return	13.07%
ADT vol. 3M* (mn)	243.5
ADT val. 3M (SARmn)	6,270.1

\*ADT stands for Average Daily Traded

## TASI market commentary

- TASI witnessed a decline on Thursday which was led by index heavyweight Telecommunication services (-0.86% D/D) and Banks (-0.73% D/D) sectors. At close, the Saudi market ended the day with a change of -0.49% at 11,848. In terms of activity, total volumes and value traded were ~234mn and ~SAR 6.5bn, respectively. The advance-decline ratio came in at 88/123.

## Technical outlook

- TASI lost 58 points to close near 11,848. The index developed a bearish red candlestick to complete an evening star candlestick pattern suggesting witnessing a probable further profit-taking attitude. Meanwhile, the RSI indicator breached a rising trendline after reaching the level of the prior peak. TASI has immediate support at around 11,800 near the 10-day SMA as well as the zone 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 11,670 near the prior minor trough. On the other hand, immediate resistance is seen at around 11,900 near the 200% Fibonacci retracement level. If penetrated, the next resistance is expected to lay near 12,030 at the 227.2% Fibonacci retracement level followed by the level of 12,100. Profit-taking sentiment emerged in the previous session after testing the important resistance level of 11,900, and it will continue as long as the index stays below this level.

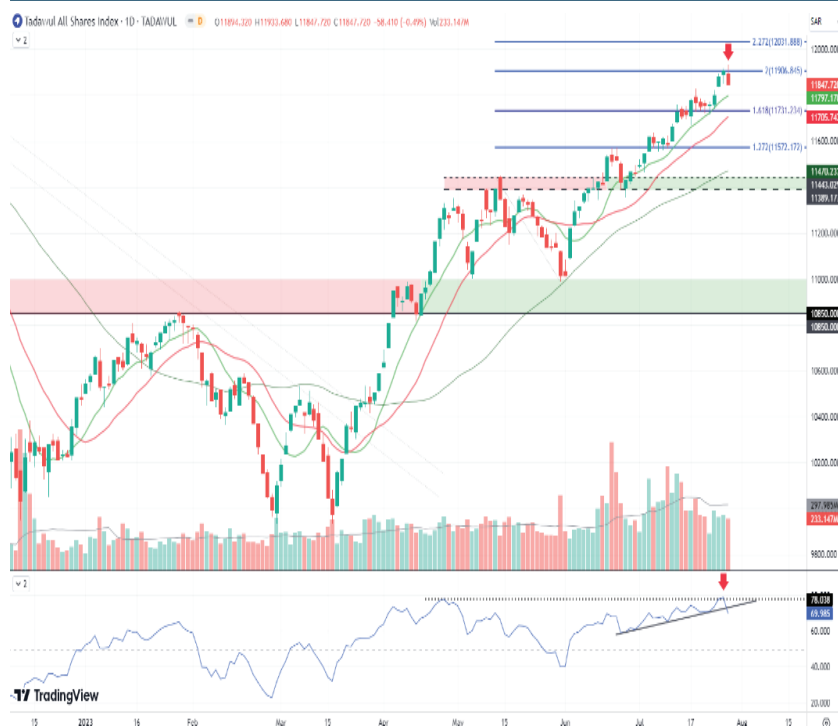
## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,670	11,730	11,800	11,900	12,030	12,100	12,190



Source: Bloomberg, Argaam

## TASI daily chart



Source: Tradingview, Aljazira Capital

## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	% Reward	Stop loss
No stocks recommendations due to market volatility							

\* As of 27<sup>th</sup> Jul 2023

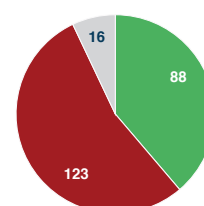
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## Our view



## Market depth

Unchanged  
Up  
Down



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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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