



Major Economic News

- Saudi banks' investments in treasury bonds increased by SAR 2.4bn M/M to SAR 530.7bn in June. Investments rose by SAR 20.4bn in H1-23. (Source: Argaam)

Major Corporate News

- Leejam Sports Co. acquires the lion's share of the Kingdom's sports centers sector, as per CEO Adnan Alkhalaf. He added that the company aims to run 250 centers under the Fitness Time brand by FY25. Further, Leejam was able to obtain 50 sites for future expansions, most of which will be in Riyadh. (Source: Argaam)
- National Company for Learning & Education said the total number of students enrolled in the company's schools increased by 37.0% Y/Y to 23,400 by the end of Q3-23. The occupancy rate in NCLE's schools reached 71.0% by the end of Q3-23. (Source: Argaam)
- CMA approved Scientific and Medical Equipment House Co.'s request to increase its capital from SAR 200.0mn to SAR 300.0mn, through a one-for-two bonus share issue to shareholders, financed by transferring SAR 100.0mn from retained earnings to capital. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
Nahdi Medical Co.	265.0	268.5	-1.3	244.3	8.5
Arabian Drilling Co.	140.0	114.0	22.8	141.0	-0.7
Catering	63.7	43.5	46.4	57.1	11.6
Alujain Corp.	16.8	63.0	-73.3	-7.2	NM
Yanbu cement co.	35.3	48.0	-26.6	51.0	-30.9
Aldawaa	89.3	80.7	10.7	76.3	17.2
SRMG	181.6	168.7	7.7	121.0	50.1
Amlak	6.3	28.6	-77.9	11.0	-42.8
SIIG	120.0	284.0	-57.8	-242.0	NM
Naseej	0.6	5.5	-89.4	4.1	-85.7

Market Analysis

- The Saudi Stock Exchange declined 0.5% to 11,636.1. The value traded stood at SAR 5.4bn (down 8.4% over previous day), while the advance-decline ratio stood at 89/121. The parallel market index increased 0.9% to 24,715.2 points. The value traded stood at SAR 68.5mn (up 101.9% over previous day). Most sectors in the main market ended in the red. Commercial Service and Media (up 1.2% and 0.7%, respectively) advanced the most; Telecom and Food & Beverages (down 1.3% and 1.1%, respectively) declined the most.

Top Gainers

Company	Price	Change%
2P	23.84	6.2
SGS	32.85	3.8
ARABIAN DRILLING	182.40	3.4
ALMUNAJEM	72.00	2.7
ALUJAIN	47.30	2.3

Top Losers

Company	Price	Change%
EAST PIPES	61.40	-3.5
ALSAGR INSTRANCE	16.28	-3.4
MALATH INSURANCE	23.24	-3.3
SADAFCO	344.00	-3.1
CARE	132.20	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,636	11,707	11,602	-0.5	11.0
NomuC	24,715	24,762	24,457	0.9	27.3

TASI movement during session



TASI Ratios

P/E* (x)	22.05
Price-to-Book (x)	2.32
Dividend Yield (%)	2.58
Return on Equity (%)	25

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,050	-0.5	11.5	13.7
Materials	6,573	-0.7	4.5	21.6
Capital Goods	7,487	-0.3	43.3	21.2
Commercial Service	5,336	1.2	55.3	40.5
Transportation	5,985	0.1	31.8	High
Consumer Durables	5,279	-0.8	25.0	Neg
Consumer Services	5,120	0.6	38.7	47.9
Media	24,960	0.7	16.1	26.8
Retailing	8,116	0.4	13.1	23.3
Food & Staples	10,855	0.5	27.1	22.3
Food & Beverages	6,370	-1.1	37.3	35.8
Healthcare	12,148	-0.8	33.3	High
Pharma & Bio Tech	5,237	0.1	82.3	Neg
Banks	11,556	-0.4	0.1	14.5
Diversified Financial	7,216	-0.1	13.4	33.1
Insurance	7,465	-0.5	40.4	35.2
Telecom	7,683	-1.3	20.3	17.1
Utilities	8,300	-0.9	15.7	15.0
REITs	3,774	0.3	-5.1	31.5
Real Estate	3,473	0.2	38.9	High
Software & Services	63,182	0.2	76.1	45.8

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,774	11,782	11,729	6.6

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	16.2	601.71	1,089.12
Previous week	30.4	1,169.31	1,923.06

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.25	-0.5
Al Rajhi	73.90	-0.9
SNB	38.80	0.7
SABIC	85.10	-0.7
STC	41.90	-1.2



International Market News

- US ISM manufacturing PMI inched up to 46.4 in July (consensus: 46.8) compared to 46.0 in June. The increase in the headline index was due to a rise in the new orders index and production index. However, this was the ninth consecutive month of contraction in manufacturing activity. (Source: RTT News)
- US construction spending rose 0.5% to an annual rate of USD 1.94tn in June (consensus: 0.6% increase) following 1.1% growth to a revised rate of USD 1.93tn in May. (Source: RTT News)
- UK's manufacturing PMI dropped to a seven-month low of 45.3 in July (consensus: 45.0) from 46.5 in May. Both output and new orders declined further in July. (Source: Econoday, RTT News)
- The Eurozone's manufacturing PMI fell to 42.7 in July (in line with consensus) compared to 43.4 in June, indicating further worsening of manufacturing slowdown. Manufacturing output decreased significantly amid weak demand conditions. (Source: Econoday, RTT News)
- Crude oil prices declined 0.8% due to rising demand concerns after weaker manufacturing data from major economies. Moreover, stronger US dollar also weighed on the prices.
- Gold prices dropped 1.1% impacted by an increase in US treasury yields and stronger US dollar.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.30	0.4	0.4	-1.2
Euro	1.10	-0.1	-0.1	2.6
Japanese Yen	143.34	0.7	0.7	9.3
Sterling Pound	1.28	-0.5	-0.5	5.7
Chinese Yuan	7.19	0.6	0.6	3.8
Indian Rupee	82.26	0.0	0.0	-0.6
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	0.1	0.5
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.93	0.0	0.0	24.9

Corporate Calendar

Date	Company	Event
02 nd Aug	AMERICANA	Board meeting
03 rd Aug	STC	Eligibility for Cash Dividend
03 rd Aug	BSFR	Eligibility for Cash Dividend
03 rd Aug	SAIB	Eligibility for Cash Dividend
03 rd Aug	ZOUJAJ	Eligibility for Cash Dividend
03 rd Aug	SNB	Conference call

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,077	0.4	0.4	22.5	9.3
Abu Dhabi (ADX)	9,779	-0.1	-0.1	-4.8	32.8
Kuwait (KSE)	8,035	-0.3	-0.3	-1.0	19.1
Qatar (QE)	11,108	1.3	1.3	4.0	13.4
Oman (MSM)	4,790	0.3	0.3	-1.4	13.1
Bahrain (BSE)	1,992	0.0	0.0	5.1	7.1
Egypt (EGX30)	17,514	-0.5	-0.5	20.0	9.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,631	0.2	0.2	7.5	20.6
Nasdaq	15,718	-0.2	-0.2	43.7	35.1
S&P 500	4,577	-0.3	-0.3	19.2	22.0
FTSE 100	7,666	-0.4	-0.4	2.9	10.7
Germany DAX 30	16,240	-1.3	-1.3	16.6	13.1
France CAC 40	7,406	-1.2	-1.2	14.4	12.7
Japan Nikkei 225	33,477	0.9	0.9	28.3	32.6
Russia MOEX	3,094	0.7	0.7	43.6	2.4
Hong Kong Hang Seng	20,011	-0.3	-0.3	1.2	10.2
South Korea KOSPI	2,667	1.3	1.3	19.3	15.7
China Shanghai Composite	3,291	0.0	0.0	6.5	14.7
Australia ASX 200	7,451	0.5	0.5	5.9	15.2
India Sensex	66,459	-0.1	-0.1	9.2	23.5
MSCI EM	1,043	-0.4	-0.4	9.1	13.8
MSCI World	3,049	-0.5	-0.5	17.1	19.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	89.11	0.3	0.3	5.8
Brent Crude (\$/bbl)	84.91	-0.8	-0.8	-1.2
Texas crude (\$/bbl)	81.37	-0.5	-0.5	1.4
Natural Gas (\$/mmbtu)	2.56	-2.8	-2.8	-37.7
Gold (\$/oz)	1,944.29	-1.1	-1.1	6.6
Silver (\$/oz)	24.31	-1.8	-1.8	1.5
Steel (\$/ton)	820.00	-0.6	-0.6	10.2
Iron Ore (CNY/MT)	914.50	1.9	1.9	6.7
Wheat (\$/bu)	652.25	-2.0	-2.0	-19.4
Corn (\$/bu)	507.25	-1.1	-1.1	-16.9
Sugar (\$/lb)	24.39	1.2	1.2	36.9
SMP* (EUR/MT)	2,361.00	-0.2	-0.2	-14.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.75	3.3	3.3	101.8
KSA (SAIBOR 3M)	5.99	-2.2	-2.2	64.6
KSA (SAIBOR 6M)	6.04	1.8	1.8	43.9
KSA (SAIBOR 12M)	6.05	0.9	0.9	17.9
USA (SOFR 3M)	5.37	0.1	0.1	77.9
UAE (EIBOR 3M)	5.40	13.8	13.8	109.1

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 1, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,636
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data

Exchange Market Cap. (SAR bn)	10,958.4
Value (SAR mn)	5,417.2
Volume (mn)	212.8
Number of Transactions	363,638
Market Breadth	89 :121

Key statistics

1D return %	-0.48%
MTD return %	-0.48%
QTD return	1.55%
YTD return	11.05%
ADT vol. 3M* (mn)	244.0
ADT val. 3M (SARmn)	6,264.5

*ADT stands for Average Daily Traded

TASI market commentary

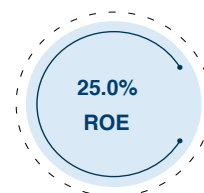
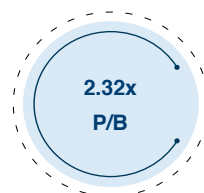
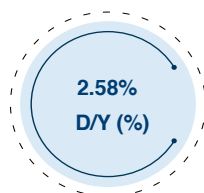
- TASI witnessed a decline on Tuesday which was led by index heavyweight Telecommunication services (-1.31% D/D) and Materials (-0.66% D/D) sectors. At close, the Saudi market ended the day with a change of -0.48% at 11,636. In terms of activity, total volumes and value traded were ~213mn and ~SAR 5.4bn, respectively. The advance-decline ratio came in at 89/121.

Technical outlook

- TASI lost another 56 points to close near 11,636. The profit-booking attitude continued for the fourth session which came after developing a Three Black Crows candlesticks pattern and breaching the 20-day SMA. Currently, the index is approaching the significant support level of 11,570 near the 38.2% Fibonacci retracement level where a possible minor upside rebound may occur. Moreover, the RSI indicator is currently testing a rising trendline near the level of 50 suggesting a possible upside rebound near the aforementioned support level. TASI has immediate support at around 11,570 near the 38.2% Fibonacci retracement level. If breached, the index would be expected to meet the next level of support at 11,500 near the 50-day SMA followed by 11,460 near the 50% Fibonacci retracement level. On the other hand, immediate resistance is seen at around 11,730 near the 20-day SMA followed by 11,780 near the 10-day SMA. If penetrated, the next resistance is expected to lay near 11,935 near the level of the prior peak. The profit-booking sentiment is expected to persist as long as the index remains below its 10-day SMA at 11,780.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,460	11,500	11,570	11,670	11,730	11,780	11,935



Source: Bloomberg, Argaam

TASI daily chart



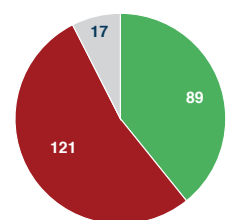
Source: Tradingview, Aljazira Capital

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
1111	Saudi Tadawul Group Holding Co.	201.80	199.80 – 201.80	205.40	209.40	3.77%	198.20

* As of 01st August 2023

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

CHARTS OF THE WEEK

Technical observations

TADAWUL GROUP started to bounce off its 20-day SMA after finishing a bullish continuation wedge price pattern and penetrating a major declining trendline. Moreover, the volume and the RSI indicator are showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR201.80 – 199.80, for a target of SAR205.40 followed by SAR209.40, with a stop loss below SAR198.20 on a closing basis.

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.