



## Major Economic News

- Residential mortgages provided by banks to individuals fell by 55% Y/Y to SAR 5.97bn in June, according to SAMA. On Q/Q residential mortgages retreated by 12%. (Source: Argaam)
- King Salman issued directives on extending support for the Citizen's Account beneficiaries for an additional two months until September 2023. Registration in the Citizen's Account Program will also remain open. (Source: Argaam)
- The POS transactions reached nearly SAR 11.92bn in the week ended July 29, compared to SAR 10.12bn in the week before, according to SAMA. (Source: Argaam)

## Major Corporate News

- Saudi Advanced Industries Company and its subsidiary announce the completion of a deal to purchase shares numbering (5,990,000) shares, at a value of SAR 47.3mn in Academy of Learning Company. (Source: Tadawul)
- Al-Babtain Food announces the signing of a new non-binding MoU with Integrated Business Company to study the feasibility and determine the percentage of acquisition. (Source: Tadawul)
- Obeikan Glass Company signed a non-binding MOU with Al-Esra Aluminum for a joint venture to own and operate an aluminum casting facility. (Source: Tadawul)

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

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
MESC	12.4	-11.8	NM	12.4	-
ASTRA INDUSTRIAL	114.7	243.1	-52.8	122.9	-6.6
BAWAN	25.0	44.6	-43.8	34.5	-27.5
AMERICANA	324.9	184.8	75.8	218.0	49.0
SSP	87.5	11.7	644.9	6.4	1,272.8

## Market Analysis

- The Saudi Stock Exchange declined 1.4% to 11,478.3. The value traded stood at SAR 5.4bn (down 0.3% over previous day), while the advance-decline ratio stood at 75/138. The parallel market index declined 0.6% to 24,561.7 points. The value traded stood at SAR 50.9mn (down 25.6% over previous day). Most sectors in the main market ended in red. Commercial Service and Food & Beverages (down 5.2% and 3.2%, respectively) declined the most; Consumer durables and Consumer services (down 0.7% and 0.5%, respectively) advanced the most.

## Top Gainers

Company	Price	Change%
MEDGULF	14.00	6.5
ALBAHA	0.18	5.9
NASEEJ	44.40	5.3
2P	25.05	5.1
ALKHALEEJ TRNG	20.96	3.8

## Top Losers

Company	Price	Change%
CATERING	115.80	-8.0
ALMARAI	64.00	-5.3
TAWUNIYA	132.00	-5.3
SADAFCO	328.00	-4.7
SABIC AN	136.20	-4.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,478	11,614	11,473	-1.4	9.5
NomuC	24,562	24,974	24,389	-0.6	26.5

## TASI movement during session



## TASI Ratios

P/E* (x)	21.72
Price-to-Book (x)	2.28
Dividend Yield (%)	2.62
Return on Equity (%)	25

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,048	0.0	11.4	13.7
Materials	6,543	-0.5	4.0	21.5
Capital Goods	7,389	-1.3	41.4	20.8
Commercial Service	5,061	-5.2	47.3	38.5
Transportation	5,981	-0.1	31.7	High
Consumer Durables	5,315	0.7	25.8	Neg
Consumer Services	5,147	0.5	39.5	48.3
Media	24,437	-2.1	13.7	26.3
Retailing	7,985	-1.6	11.3	22.9
Food & Staples	10,620	-2.2	24.3	21.8
Food & Beverages	6,164	-3.2	32.8	34.5
Healthcare	12,001	-1.2	31.7	High
Pharma & Bio Tech	5,224	-0.3	81.8	Neg
Banks	11,286	-2.3	-2.2	14.1
Diversified Financial	7,138	-1.1	12.2	32.8
Insurance	7,286	-2.4	37.0	34.3
Telecom	7,600	-1.1	19.0	16.9
Utilities	8,191	-1.3	14.2	14.9
REITs	3,771	-0.1	-5.2	31.5
Real Estate	3,485	0.4	39.4	High
Software & Services	61,580	-2.5	71.6	44.3

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,689	11,755	11,723	6.6

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	21.6	806.26	1,463.00
Previous week	30.4	1,169.31	1,923.06

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.25	0.0
Al Rajhi	72.00	-2.6
SNB	37.80	-2.6
SABIC	85.40	0.4
STC	41.40	-1.2



## International Market News

- The private sector companies added far more jobs than expected in July, driven by a boom in leisure and hospitality jobs, according to ADP. Job gains for the month came to 324,000, higher than the consensus estimate of 175,000 and lower than the revised projection of 455,000 for June. (Source: CNBC)
- Fitch announced that it had cut the U.S. long-term foreign currency issuer default rating to AA+ from AAA, stating "expected fiscal deterioration over the next three years," and "repeated debt-limit political standoffs" and a generally growing debt burden. (Source: CNBC)
- The UK public's expectations for future inflation fell in July, according to Citibank, offering some relief to the Bank of England which is expected to announce its interest rate increase this week. Public expectations for inflation fell sharply to 4.3% from 5.0% in June. (Source: Investing).
- Oil prices declined as the U.S. government's credit downgrade weighed on sentiment, though concerns around supply tightness provided some support.
- Gold prices slipped as the dollar rose and bond yields strengthened after data showed U.S. private payrolls increased more than expected in July.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.59	0.3	0.7	-0.9
Euro	1.09	-0.4	-0.5	2.2
Japanese Yen	143.32	0.0	0.7	9.3
Sterling Pound	1.27	-0.5	-1.0	5.2
Chinese Yuan	7.20	0.2	0.8	4.0
Indian Rupee	82.59	0.4	0.4	-0.2
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	0.5
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.90	-0.1	-0.1	24.8

## Corporate Calendar

Date	Company	Event
03 <sup>rd</sup> Aug	STC	Eligibility for Cash Dividend
03 <sup>rd</sup> Aug	BSFR	Eligibility for Cash Dividend
03 <sup>rd</sup> Aug	SAIB	Eligibility for Cash Dividend
03 <sup>rd</sup> Aug	ZOUJAJ	Eligibility for Cash Dividend
03 <sup>rd</sup> Aug	SNB	Conference call
03 <sup>rd</sup> Aug	FITNESS TIME	Eligibility for Cash Dividend

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,084	0.2	0.6	22.7	9.4
Abu Dhabi (ADX)	9,826	0.5	0.4	-4.3	32.9
Kuwait (KSE)	7,980	-0.7	-1.0	-1.7	19.0
Qatar (QE)	10,983	-1.1	0.2	2.8	13.2
Oman (MSM)	4,799	0.2	0.5	-1.2	13.1
Bahrain (BSE)	1,988	-0.2	-0.2	4.9	7.1
Egypt (EGX30)	17,456	-0.3	-0.8	19.6	9.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,283	-1.0	-0.8	6.4	20.4
Nasdaq	15,371	-2.2	-2.5	40.5	34.3
S&P 500	4,513	-1.4	-1.6	17.6	21.7
FTSE 100	7,562	-1.4	-1.8	1.5	10.5
Germany DAX 30	16,020	-1.4	-2.6	15.1	13.1
France CAC 40	7,313	-1.3	-2.5	13.0	12.5
Japan Nikkei 225	32,708	-2.3	-1.4	25.3	31.8
Russia MOEX	3,106	0.4	1.1	44.2	2.4
Hong Kong Hang Seng	19,517	-2.5	-2.8	-1.3	10.0
South Korea KOSPI	2,616	-1.9	-0.6	17.0	15.4
China Shanghai Composite	3,262	-0.9	-0.9	5.6	14.5
Australia ASX 200	7,355	-1.3	-0.8	4.5	15.0
India Sensex	65,783	-1.0	-1.1	8.1	23.2
MSCI EM	1,020	-2.2	-2.6	6.7	13.7
MSCI World	3,001	-1.6	-2.1	15.3	19.3

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	89.67	0.6	1.0	6.4
Brent Crude (\$/bbl)	83.20	-2.0	-2.8	-3.2
Texas crude (\$/bbl)	79.49	-2.3	-2.8	-1.0
Natural Gas (\$/mmbtu)	2.48	-3.2	-6.0	-39.7
Gold (\$/oz)	1,934.45	-0.5	-1.6	6.1
Silver (\$/oz)	23.72	-2.4	-4.2	-1.0
Steel (\$/ton)	825.00	0.6	0.0	10.9
Iron Ore (CNY/MT)	915.50	0.1	2.0	6.8
Wheat (\$/bu)	640.00	-1.9	-3.9	-20.9
Corn (\$/bu)	500.50	-1.3	-2.4	-18.1
Sugar (\$/lb)	24.20	-0.8	0.4	35.8
SMP* (EUR/MT)	2,281.00	-3.4	-3.6	-17.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.73	-1.8	1.5	100.0
KSA (SAIBOR 3M)	5.98	-0.3	-2.5	64.3
KSA (SAIBOR 6M)	6.02	-1.7	0.2	42.2
KSA (SAIBOR 12M)	6.04	-0.5	0.4	17.3
USA (SOFR 3M)	5.37	0.3	0.4	78.2
UAE (EIBOR 3M)	5.15	-25.1	-11.3	84.0

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of August 2, 2023

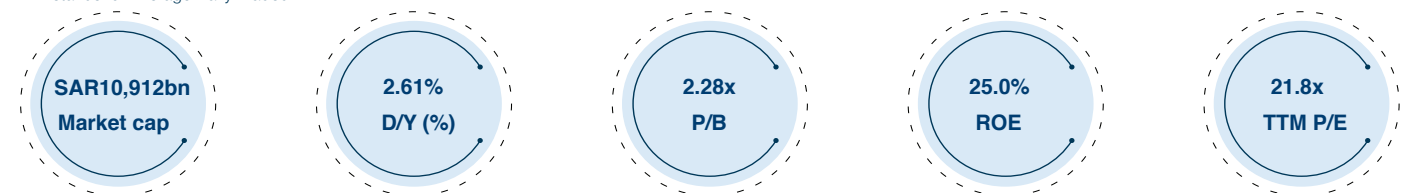


Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,478
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,911.7
Value (SAR mn)	5,398.9
Volume (mn)	204.6
Number of Transactions	373,878
Market Breadth	75 :138

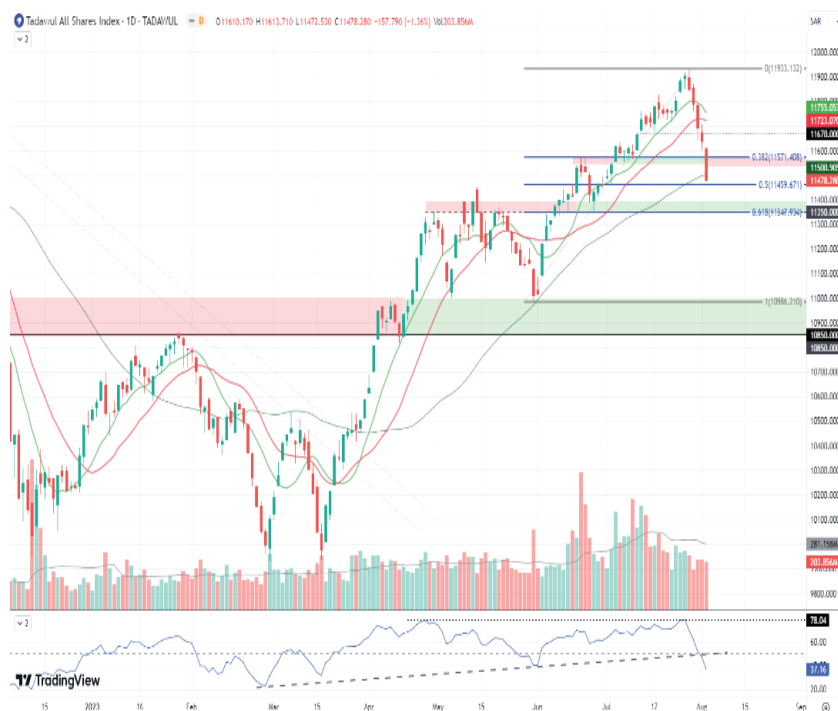
Key statistics	
1D return %	-1.36%
MTD return %	-1.83%
QTD return	0.17%
YTD return	9.54%
ADT vol. 3M* (mn)	243.6
ADT val. 3M (SARmn)	6,254.9

\*ADT stands for Average Daily Traded



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 02<sup>nd</sup> August 2023

© All rights reserved

### TASI market commentary

- TASI witnessed a decline on Wednesday which was led by index heavyweight Banks (-2.34% D/D) and Telecommunication services (-1.08% D/D) sectors. At close, the Saudi market ended the day with a change of -1.36% at 11,478. In terms of activity, total volumes and value traded were ~205mn and ~SAR 5.4bn, respectively. The advance-decline ratio came in at 75/138.

### Technical outlook

- TASI lost 158 points to close near 11,478. The index witnessed heavy selling pressure in the last session developing a bearish Marubozu candlestick; depicting the dominance of the selling power. Moreover, TASI breached the 50-day SMA at 11,500 suggesting a possible further decline towards the 61.8% Fibonacci retracement near 11,350 where a possible upside rebound may occur. Furthermore, the RSI indicator breached a rising trendline as well as the level of 50 reflecting the weakness of the index. TASI has immediate support at around 11,460 followed by the significant support level near 11,350. If breached, the index would be expected to meet the next level of support at 11,190. On the other hand, immediate resistance is seen at around 11,570. If penetrated, the next resistance is expected to lay near 11,670 followed by 11,725 near the 20-day SMA. The profit-booking sentiment is still dominating and it is expected to persist as long as the index remains below its 20-day SMA at 11,725, pushing the index towards the key support level of 11,350 near the 61.8% Fibonacci retracement, where a possible upside rebound may occur.

### Key price levels

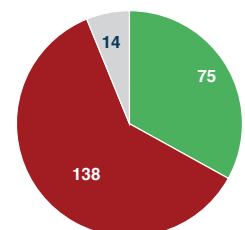
S3	S2	S1	Pivot	R1	R2	R3
11,190	11,350	11,460	11,500	11,570	11,670	11,725

### Our view



### Market depth

Unchanged  
Up  
Down



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.