



Major Economic News

- The Ministry of Commerce announced imposing fines on 13 UK, US, Italian, Chinese, and Korean car dealerships for violating the law. (Source: Argaam)
- The seasonally adjusted Riyadh Bank Saudi Arabia PMI, formerly the S&P Global Saudi Arabia PMI, dropped to 57.7 points in July 2023, the lowest level since December 2022. (Source: Argaam)
- Saudi Arabia's Ministry of Energy launched "Taqat Waeda" Program, aimed at providing young national capabilities with the necessary skills to enhance their scientific knowledge and build their practical experience. (Source: Argaam)

Major Corporate News

- MSEC announces the decrease of its accumulated losses to SAR 78.2mn which represents 19.55% of its share capital as at June 2023. (Source: Tadawul)
- Rawasi Albina Investment Company has signed a contract with the Saudi Electricity Company to implement a project for Addition New Feeder Panels amounting SAR 2.8mn inclusive of VAT. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
SAUDI GERMAN HEALTH	40.3	10.4	285.9	50.1	-19.7
ZAIN KSA	124.0	134.0	-7.5	563.0	-78.0
SULAIMAN ALHABIB	487.0	398.1	22.3	489.3	-0.5
HERFY FOOD SERVICES	4.5	21.3	-78.7	-12.8	NM
CHEMICAL	26.6	13.8	92.4	32.3	-17.7
2P	30.8	30.7	0.1	26.2	17.4
AMAK	10.6	40.4	-73.8	32.9	-67.7

Market Analysis

- The Saudi Stock Exchange declined 0.9% to 11,375.8. The value traded stood at SAR 5.7bn (up 6.4% over previous day), while the advance-decline ratio stood at 81/129. The parallel market index increased 0.3% to 24,634.9 points. The value traded stood at SAR 34.0mn (down 33.3% over previous day). Most sectors in the main market ended in red. Utilities and Banks (down 2.5% and 1.7%, respectively) declined the most; Consumer services and Insurance (up 2.1% and 0.8%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
SSP	28.35	9.9
AMERICANA	4.23	7.4
ARABIAN DRILLING	185.60	3.9
MESC	16.44	3.9
GIG	33.30	3.7

Top Losers

Company	Price	Change%
ALBAHA	0.17	-5.6
NAHDI	161.60	-5.3
BSFR	38.70	-4.8
NASEEJ	42.50	-4.3
ALBILAD	41.80	-4.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,376	11,496	11,376	-0.9	8.6
NomuC	24,635	24,636	24,378	0.3	26.9

TASI movement during session



TASI Ratios

P/E* (x)	22.59
Price-to-Book (x)	2.28
Dividend Yield (%)	2.64
Return on Equity (%)	24.84

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,050	0.0	11.5	13.7
Materials	6,501	-0.6	3.4	21.4
Capital Goods	7,385	-0.1	41.3	20.9
Commercial Service	4,980	-1.6	44.9	37.9
Transportation	5,932	-0.8	30.6	High
Consumer Durables	5,324	0.2	26.0	Neg
Consumer Services	5,256	2.1	42.4	50
Media	24,232	-0.8	12.7	26.2
Retailing	8,015	0.4	11.7	23
Food & Staples	10,487	-1.3	22.8	21.4
Food & Beverages	6,105	-1.0	31.6	34.4
Healthcare	11,967	-0.3	31.4	High
Pharma & Bio Tech	5,191	-0.6	80.7	Neg
Banks	11,089	-1.7	-3.9	13.9
Diversified Financial	7,037	-1.4	10.6	32.6
Insurance	7,348	0.8	38.2	34.6
Telecom	7,574	-0.3	18.5	16.9
Utilities	7,987	-2.5	11.3	14.5
REITs	3,779	0.2	-4.9	31.5
Real Estate	3,481	-0.1	39.2	High
Software & Services	60,656	-1.5	69.0	43.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,594	11,717	11,712	5.5

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	0	1,064.20	1,833.99
Previous week	30.4	1,169.31	1,923.06

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.25	0.0
Al Rajhi	71.40	-0.8
SNB	37.25	-1.5
SABIC	85.00	-0.5
STC	41.50	0.2



International Market News

- In its August meeting, an OPEC+ made no changes to the group's current oil output policy after a Saudi decision to extend its voluntary production cut into September helped oil prices rally further. However, the committee is expected to continue to closely assess market conditions. (Source: Reuters)
- The U.S. economy added fewer jobs (187,000) than expected (consensus estimate of 200,000) in July, but solid wage gains and a decline in the unemployment rate back to 3.5% indicated continued tightness in labor market conditions. (Source: Investing)
- The US Federal governor Michelle Bowman indicated the likely need to raise interest rates further to bring down inflation. The Fed's 0.25% rate hike in July was supported by her given the still high inflation. (Source: Investing).
- UK car registrations continued to increase in July despite the challenging economic conditions as supply chain challenges eased. Car sales advanced 28.3% in July. (Source: RTT News)
- Oil prices increased 1.3% following the move by Saudi Arabia and Russia to extend supply cuts through September, adding to undersupply concerns.
- Gold prices increased 0.5% after a slightly weaker-than-expected U.S. jobs report pushed the dollar and Treasury yields lower, offering some respite to the bullion.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.02	-0.5	0.2	-1.5
Euro	1.10	0.5	0.1	2.8
Japanese Yen	141.76	-0.6	-0.4	8.1
Sterling Pound	1.27	0.3	-0.7	5.5
Chinese Yuan	7.19	0.1	0.6	3.8
Indian Rupee	82.84	0.1	0.7	0.1
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	0.1	0.5
Omani Rial	0.38	-0.0	-0.1	-0.0
Bahraini Dinar	0.38	0.0	0.0	-0.0
Egyptian Pound	30.94	0.1	0.1	24.9

Corporate Calendar

Date	Company	Event
06 th Aug	YANSAB	Cash Dividend Distribution
06 th Aug	ALMUNAJEM	Eligibility for Cash Dividend
07 th Aug	RIBL	Cash Dividend Distribution
07 th Aug	JARIR	Eligibility for Cash Dividend
07 th Aug	MOUWASAT	Ex-bonus date
07 th Aug	SAUDI ARAMCO	Financial Results

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,083	0.8	0.6	22.7	9.3
Abu Dhabi (ADX)	9,786	0.0	-0.0	-4.7	32.5
Kuwait (KSE)	7,933	-0.6	-1.6	-2.2	18.9
Qatar (QE)	10,799	-1.7	-1.5	1.1	13.0
Oman (MSM)	4,783	-0.3	0.2	-1.5	13.1
Bahrain (BSE)	1,982	-0.3	-0.5	4.6	7.0
Egypt (EGX30)	17,451	-0.0	-0.8	19.5	9.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,066	-0.4	-1.4	5.8	20.9
Nasdaq	15,275	-0.5	-3.1	39.6	34.1
S&P 500	4,478	-0.5	-2.4	16.6	21.9
FTSE 100	7,564	0.5	-1.8	1.5	10.5
Germany DAX 30	15,952	0.4	-3.0	14.6	13.0
France CAC 40	7,315	0.8	-2.4	13.0	12.6
Japan Nikkei 225	32,193	0.1	-3.0	23.4	31.3
Russia MOEX	3,092	-1.8	0.6	43.6	2.4
Hong Kong Hang Seng	19,539	0.6	-2.7	-1.2	10.0
South Korea KOSPI	2,603	-0.1	-1.1	16.4	15.3
China Shanghai Composite	3,288	0.2	-0.1	6.4	14.6
Australia ASX 200	7,325	0.2	-1.1	4.1	15.0
India Sensex	65,721	0.7	-1.2	8.0	22.9
MSCI EM	1,018	0.2	-2.8	6.4	13.4
MSCI World	2,987	-0.1	-2.5	14.7	19.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	90.20	3.5	1.6	7.1
Brent Crude (\$/bbl)	86.24	1.3	0.8	0.4
Texas crude (\$/bbl)	82.82	1.6	1.2	3.2
Natural Gas (\$/mmbtu)	2.58	0.5	-2.2	-37.3
Gold (\$/oz)	1,942.91	0.5	-1.1	6.5
Silver (\$/oz)	23.63	0.3	-4.5	-1.3
Steel (\$/ton)	803.00	-1.5	-2.7	7.9
Iron Ore (CNY/MT)	913.00	0.1	1.7	6.5
Wheat (\$/bu)	633.00	1.0	-4.9	-21.8
Corn (\$/bu)	497.25	0.8	-3.1	-18.6
Sugar (\$/lb)	23.69	-1.4	-1.7	32.9
SMP* (EUR/MT)	2,242.00	-0.8	-5.2	-19.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.75	1.7	3.2	101.7
KSA (SAIBOR 3M)	5.99	1.1	-1.4	65.4
KSA (SAIBOR 6M)	6.01	-0.6	-0.5	41.6
KSA (SAIBOR 12M)	6.05	0.5	0.9	17.8
USA (SOFR 3M)	5.37	0.1	0.5	78.3
UAE (EIBOR 3M)	5.46	1.0	19.3	114.6

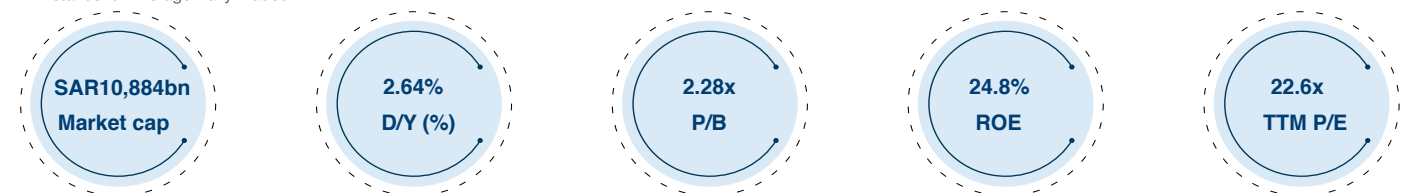
Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 3, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,376
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,884.7
Value (SAR mn)	5,744.5
Volume (mn)	257.9
Number of Transactions	370,994
Market Breadth	81 :129

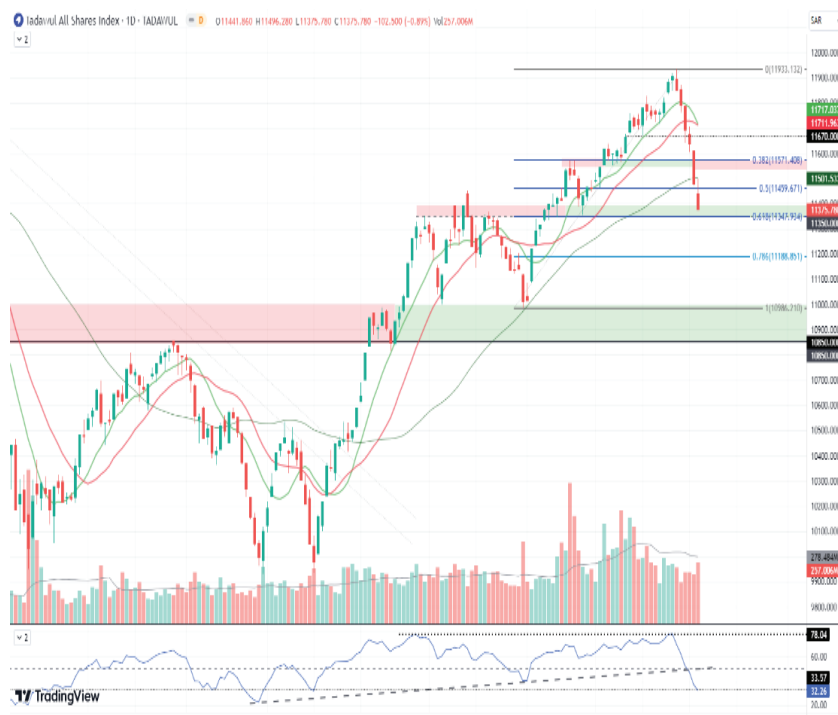
Key statistics	
1D return %	-0.89%
MTD return %	-2.71%
QTD return	-0.73%
YTD return	8.56%
ADT vol. 3M* (mn)	245.0
ADT val. 3M (SARmn)	6,272.8

*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 03rd August 2023

© All rights reserved

TASI market commentary

- TASI witnessed a decline on Thursday which was led by index heavyweight Banks (-1.74% D/D) and Materials (-0.65% D/D) sectors. At close, the Saudi market ended the day with a change of -0.89% at 11,376. In terms of activity, total volumes and value traded were ~258mn and ~SAR 5.7bn, respectively. The advance-decline ratio came in at 81/129.

Technical outlook

- TASI lost 103 points to close near 11,376. The sell-off continued in the last session to complete six consecutive sessions of decline. TASI developed a bearish Marubozu close candlestick unfolding the dominance of the selling power. The RSI indicator is still moving down so far below the level of 50, nevertheless, it is approaching a level near prior troughs near the level of 30 suggesting a possible impending upside rebound. TASI has immediate support at around the significant level of 11,350. If breached, the index would be expected to meet the next level of support at 11,190 followed by 11,100. On the other hand, immediate resistance is seen at around 11,460 followed by 11,570. If penetrated, the next resistance is expected to lay near 11,670. Although the profit-booking sentiment is still dominating, the index is approaching the key support level of 11,350 near the 61.8% Fibonacci retracement, where a possible minor upside rebound may start.

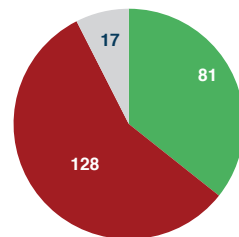
Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,100	11,190	11,350	11,460	11,570	11,670	11,710

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.