



Major Economic News

- The average Tier 1 capital adequacy ratio (CAR) of Saudi-listed banks rose to 18.6% by the end of Q2-23, from 17.7% a year earlier. Meanwhile, the average capital adequacy ratio (Tier 1 + Tier 2) for Saudi banks was up Y/Y to 20.1% from 19.3% a year before. The CAR of local banks, one of the world's highest, exceeds the 8.0% requirement under Basel III and the threshold of SAMA. (Source: Argaam)

Major Corporate News

- Saudi Arabian Mining Co. (Maaden) renewed its agreement with Bangladesh Agricultural Development Corp. to supply 600,000 tons of fertilizers. The company covers about 42.0% of Bangladesh's estimated needs for diphosphate fertilizers. (Source: Argaam)
- Riyadh Cables Group Co. Announced signing of a credit facility agreement of SAR 600 million with Saudi Exim Bank for Export & Pre-export Working Capital financing. (Source: Tadawul)
- CMA rejected Arab Sea Information Systems Co.'s application to increase its capital for purchasing a real estate asset. The company submitted the application to increase capital from SAR 100.0mn to SAR 104.4mn, through the issuance of 437,500 ordinary shares to purchase an asset. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q2-23	Q2-22	Y/Y %	Q1-23	Q/Q %
National Gypsum Co.	1.5	1.7	-9.0	0.5	181.5
Zamil Industrial	-184.1	-29.0	NM	-13.8	NM
Basic Chemical Industries	6.8	21.4	-68.3	5.4	24.9

Market Analysis

- The Saudi Stock Exchange decreased 0.5% to 11,493.8. The value traded stood at SAR 5.9bn (up 28.7% over previous day), while the advance-decline ratio stood at 86/127. The parallel market index decreased 0.5% to 23,488.4 points. The value traded stood at SAR 33.8mn (up 20.2% over previous day). Most sectors in the main market ended in the red. Pharma & Bio Tech and Software & Services (up 4.5% and 1.6%, respectively) advanced the most; Transportation and Healthcare (down 1.2% each) led the laggards.

Top Gainers

Company	Price	Change%
ATHEEB TELECOM	90.50	7.4
CENOMI RETAIL	19.78	5.8
SPIMACO	39.80	4.5
ALBABTAIN	32.15	4.4
EMAAR EC	9.35	4.2

Top Losers

Company	Price	Change%
AYYAN	17.66	-7.1
EQUIPMENT HOUSE	79.20	-5.4
THEEB	71.60	-3.9
BSFR	38.10	-3.5
JABAL OMAR	24.78	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,494	11,550	11,475	(0.5)	9.7
NomuC	23,488	23,846	23,418	(0.5)	21.0

TASI movement during session



TASI Ratios

P/E* (x)	23.6
Price-to-Book (x)	2.3
Dividend Yield (%)	2.6
Return on Equity (%)	22.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,476	0.2	19.3	14.7
Materials	6,459	(0.8)	2.7	21.3
Capital Goods	7,498	0.7	43.5	21.3
Commercial Service	4,714	-	37.2	35.9
Transportation	5,837	(1.2)	28.5	High
Consumer Durables	5,178	(0.8)	22.6	Neg
Consumer Services	5,187	(0.5)	40.6	49.8
Media	24,384	(0.6)	13.4	26.6
Retailing	8,078	(0.3)	12.6	23.3
Food & Staples	10,360	0.5	21.3	21.0
Food & Beverages	5,991	(0.3)	29.1	34.1
Healthcare	11,100	(1.2)	21.8	48.8
Pharma & Bio Tech	5,251	4.5	82.7	Neg
Banks	11,089	(1.1)	(3.9)	13.9
Diversified Financial	6,661	(0.9)	4.7	31.5
Insurance	7,793	1.3	46.6	36.8
Telecom	7,640	0.5	19.6	16.9
Utilities	8,372	0.2	16.7	15.0
REITs	3,733	0.1	(6.1)	33.0
Real Estate	3,417	(0.3)	36.7	High
Software & Services	62,995	1.6	75.5	45.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,399	11,411	11,603	5.55

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	10.5	464.0	730.4
Previous week	28.5	1,129.0	1,953.9

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.60	0.1
Al Rajhi	72.60	-0.1
SNB	35.90	-1.4
SABIC	86.70	-1.5
STC	41.50	-0.1



International Market News

- Japan's economy grew by 6.0% in Q2, against estimates of 0.8%; as brisk auto exports and tourist arrivals helped offset the drag from a slowing post-COVID consumer recovery. (Source: Reuters)
- China's central bank unexpectedly cut key policy rates by 15 basis points on Tuesday, in a fresh sign that the authorities are ramping up monetary easing efforts to boost a sputtering economic recovery. (Source: Reuters)
- The dollar index was up 0.3% at 103.17, hitting its highest level in more than a month; due to concerns about China's economy, and traders braced for possible Japanese government intervention after the yen hit its lowest level since November. (Source: Reuters)
- Oil prices declined 0.69% reaching to \$86.2 a barrel on Monday, on worries about China's faltering economic recovery and a stronger dollar were taking the momentum out of seven weeks of gains on tight supply.
- Spot Gold prices fell 0.3% to \$1907.1 on Monday, the weakest levels in a month, impacted by stronger dollar.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.19	0.3	1.3	-0.3
Euro	1.09	-0.4	-0.8	1.9
Japanese Yen	145.56	0.4	2.3	11.0
Sterling Pound	1.27	-0.1	-1.2	5.0
Chinese Yuan	7.28	0.3	1.9	5.2
Indian Rupee	82.95	0.1	0.8	0.3
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	0.2	0.5
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.90	0.0	0.0	24.8

Corporate Calendar

Date	Company	Event
15 th Aug	SAIB	Cash Dividend Distribution
15 th Aug	ZOUJAJ	Cash Dividend Distribution
15 th Aug	ALANDALUS	Eligibility for Cash Dividend
15 th Aug	RIYADH CABLES	Conference Call
15 th Aug	FITNESS TIME	Cash Dividend Distribution
15 th Aug	BINDAWOOD	Conference

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,059	-0.1	0.0	21.9	9.3
Abu Dhabi (ADX)	9,848	-0.3	0.6	-4.1	32.5
Kuwait (KSE)	7,834	-0.7	-2.8	-3.5	18.2
Qatar (QE)	10,708	-0.6	-2.3	0.3	13.4
Oman (MSM)	4,762	-0.1	-0.3	-2.0	13.1
Bahrain (BSE)	1,964	-0.5	-1.4	3.6	7.4
Egypt (EGX30)	17,898	0.2	1.7	22.6	9.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	35,308	0.1	-0.7	6.5	21.2
Nasdaq	15,206	1.2	-3.5	39.0	31.9
S&P 500	4,490	0.6	-2.2	16.9	21.9
FTSE 100	7,507	-0.2	-2.5	0.7	10.8
Germany DAX 30	15,904	0.5	-3.3	14.2	12.5
France CAC 40	7,349	0.1	-2.0	13.5	12.7
Japan Nikkei 225	32,060	-1.3	-3.4	22.9	25.5
Russia MOEX	3,131	-0.8	1.9	45.3	2.4
Hong Kong Hang Seng	18,774	-1.6	-6.5	-5.1	9.6
South Korea KOSPI	2,571	-0.8	-2.3	15.0	17.5
China Shanghai Composite	3,178	-0.3	-3.4	2.9	14.2
Australia ASX 200	7,277	-0.9	-1.8	3.4	14.9
India Sensex	65,402	0.1	-1.7	7.5	22.8
MSCI EM	986	-1.1	-5.8	3.1	13.1
MSCI World	2,977	0.1	-2.9	14.4	20.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	91.13	0.6	2.6	8.2
Brent Crude (\$/bbl)	86.21	-0.7	0.8	0.3
Texas crude (\$/bbl)	82.51	-0.8	0.9	2.8
Natural Gas (\$/mmbtu)	2.80	0.9	6.1	-32.0
Gold (\$/oz)	1,907.10	-0.3	-3.0	4.6
Silver (\$/oz)	22.60	-0.4	-8.7	-5.7
Steel (\$/ton)	804.00	-0.2	-2.5	8.1
Iron Ore (CNY/MT)	908.00	2.5	1.2	6.0
Wheat (\$/bu)	641.50	-1.9	-3.6	-20.8
Corn (\$/bu)	487.75	0.1	-4.9	-20.1
Sugar (\$/lb)	24.05	-1.2	-0.2	35.0
SMP* (EUR/MT)	2,275.00	-0.2	-3.8	-18.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.77	-0.3	5.6	104.1
KSA (SAIBOR 3M)	6.11	0.7	10.1	76.9
KSA (SAIBOR 6M)	6.07	1.6	5.4	47.5
KSA (SAIBOR 12M)	6.03	0.2	-1.0	16.0
USA (SOFR 3M)	5.37	0.7	0.7	78.4
UAE (EIBOR 3M)	5.34	-4.5	7.5	102.8

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 14, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,494
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,448.5
Value (SAR mn)	5,914.3
Volume (mn)	232.4
Number of Transactions	410,577
Market Breadth	86 : 127

Key statistics	
1D return %	-0.45%
MTD return %	-1.70%
QTD return	0.30%
YTD return	9.69%
ADT vol. 3M* (mn)	247.1
ADT val. 3M (SARmn)	6,267.0

*ADT stands for Average Daily Traded

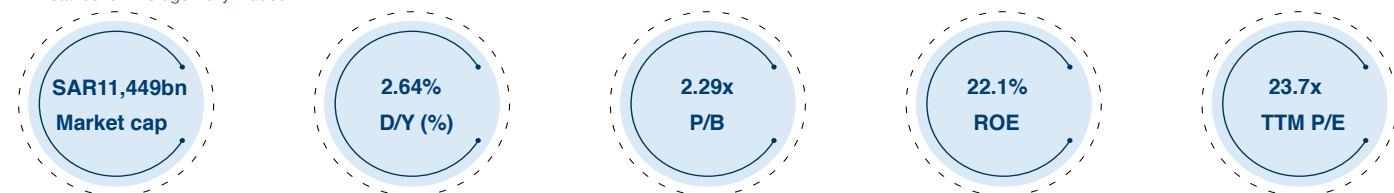
TASI market commentary

- TASI witnessed a decline on Monday which was led by index heavyweight Banks (-1.15% D/D) and Materials (-0.79% D/D) sectors. At close, the Saudi market ended the day with a change of -0.45% at 11,494. In terms of activity, total volumes and value traded were ~232mn and ~SAR 5.9bn, respectively. The advance-decline ratio came in at 86/127.

Technical outlook

- TASI dropped by 52 points to close near 11,494. As expected, selling pressure started to reappear after witnessing two consecutive green sessions which were accompanied by below-average liquidity. TASI developed a Harami candlesticks pattern indicating the shift in balance between buying and selling powers once reached the significant resistance zone between the 50 and 20 SMAs. However, a following bearish candlestick is still needed to indicate a possible further profit booking attitude. Additionally, the RSI indicator started pointing down after reaching the level of 50. TASI has immediate resistance at around the level of 11,550 followed by 11,650. If penetrated, the next resistance is expected to lay near 11,775. On the other hand, immediate support is seen at around 11,460 followed by 11,350. If breached, the index would be expected to meet the next level of support near 11,170. The profit booking sentiment started to reappear near the significant resistance zone of 11,550 - 11,650, and it may continue if confirmed by a following bearish session, especially with the index keeps trading below its 20-day SMA.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,100	11,170	11,350	11,460	11,550	11,650	11,775



Source: Bloomberg, Argam

TASI daily chart



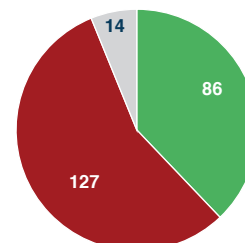
Source: Tradingview, Aljazira Capital

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
No stocks recommendations due to market volatility							

* As of 14th Aug 2023

* Note – Stop loss is based on an intraday basis

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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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