



Major Economic News

- Saudi Arabia's inflation declined to 2.3% in July compared with 2.7% in the previous month, hitting the lowest level in more than a year. The housing, water, electricity, gas, and other fuels section was the major contributor to the headline inflation with an increase of 8.6%. (Source: Argaam)
- As many as 52,970 Saudi families benefited from the housing options and financing solutions provided by the Sakani Program since the start of FY23 till the end of July. More than 57,000 families received homes through the program YTD. (Source: Argaam)
- Saudi Arabia's General Organization for Social Insurance said a total of 10.5mn public and private sector employees were registered in the social insurance scheme by the end of Q2-23, an increase of almost 1.0% from 10.4mn in Q1-23. (Source: Argaam)

Major Corporate News

- Riyadh Cables Group Co. signed a Shariah-compliant credit facility agreement worth SAR 600.0mn with Saudi Export-Import Bank, to finance the company's working capital needs of export and pre-export activities. (Source: Tadawul)
- CMA announced the granting of financial technology (fintech) permit to Afaq Capital Co. for testing offering and investment in debt instruments. (Source: Argaam)
- Al-Jouf Mineral Water Bottling Co. announced the start of the trial production phase at its new plant in Riyadh Second Industrial City, with a production capacity of 18,000 water bottle cartons per day. The move aims to reduce the cost of transportation between the company's branches across the Kingdom. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange decreased 0.7% to 11,412.9. The value traded stood at SAR 5.1bn (down 13.5% over previous day), while the advance-decline ratio stood at 49/168. The parallel market index decreased 0.4% to 23,394.8 points. The value traded stood at SAR 34.8mn (up 3.1% over previous day). Most sectors in the main market ended in the red. Insurance and Diversified Financials (up 2.7% and 1.0%, respectively) advanced the most; Real Estate and Telecom (down 1.9% and 1.7%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
BUPA ARABIA	199.40	6.1
RIYADH CABLES	66.90	5.0
NAHDI	157.00	3.7
APC	72.20	3.1
TAWUNIYA	146.00	3.0

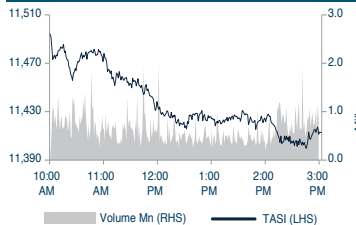
Top Losers

Company	Price	Change%
MUSHARAKA REIT	6.89	-7.8
ALBAHA	0.15	-6.3
MAADANIYAH	19.00	-3.7
A.OTHAIM MARKET	14.40	-3.5
EMAAR EC	9.03	-3.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,413	11,495	11,399	(0.7)	8.9
NomuC	23,395	23,647	23,395	(0.4)	20.5

TASI movement during session



TASI Ratios

P/E* (x)	23.5
Price-to-Book (x)	2.3
Dividend Yield (%)	2.7
Return on Equity (%)	22.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,437	(0.6)	18.6	14.6
Materials	6,409	(0.8)	1.9	21.2
Capital Goods	7,518	0.3	43.8	21.5
Commercial Service	4,696	(0.4)	36.7	35.8
Transportation	5,834	-	28.5	High
Consumer Durables	5,128	(1.0)	21.4	Neg
Consumer Services	5,216	0.6	41.3	High
Media	24,114	(1.1)	12.2	26.4
Retailing	8,014	(0.8)	11.7	23.1
Food & Staples	10,261	(1.0)	20.1	20.9
Food & Beverages	5,989	-	29.1	34.1
Healthcare	11,020	(0.7)	21.0	48.6
Pharma & Bio Tech	5,185	(1.3)	80.4	Neg
Banks	10,993	(0.9)	(4.8)	13.7
Diversified Financial	6,724	1.0	5.7	31.7
Insurance	8,000	2.7	50.5	38.0
Telecom	7,507	(1.7)	17.5	16.7
Utilities	8,299	(0.9)	15.7	14.9
REITs	3,700	(0.9)	(6.9)	32.7
Real Estate	3,354	(1.9)	34.1	High
Software & Services	63,543	0.9	77.1	45.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,433	11,388	11,585	5.51

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	15.6	662.1	1,118.3
Previous week	28.5	1,129.0	1,953.9

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.40	-0.6
Al Rajhi	72.60	0.0
SNB	35.45	-1.3
SABIC	86.10	-0.7
STC	40.80	-1.7



International Market News

- US retail sales rose 0.7% M/M in July (consensus: an increase of 0.4%) compared to a growth of 0.3% in June. Excluding vehicle sales, retail sales were up 1.0% M/M in July (consensus: an increase of 0.4%) vs. a rise of 0.2% in June. (Source: Econoday)
- The jobless rate in the UK rose to 4.2% in the three months to June (consensus: 4.0%). Payrolled employees increased 97,000 M/M in June. In the three months to July, the number of vacancies fell 66,000 sequentially to 1.0mn. (Source: RTT News)
- The Chinese central bank slashed the one-year medium-term lending facility or MLF to 2.50% from 2.65%. The bank had lowered the MLF by 10 bps in June. (Source: RTT News)
- China's industrial production posted a growth of 3.7% Y/Y in July (consensus: an increase of 4.4%). Likewise, growth in retail sales decelerated to 2.5% in July (consensus: an increase of 4.5%) from 3.1% in June. (Source: RTT News)
- Oil prices declined 1.5%, impacted by weaker economic data in China and worries that stimulus measures by Chinese government not enough to revive the economy.
- Gold prices fell 0.3%, as US treasury yields gained on expectations that interest rates might remain high for a longer period.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.21	0.0	1.3	-0.3
Euro	1.09	0.0	-0.8	1.9
Japanese Yen	145.57	0.0	2.3	11.0
Sterling Pound	1.27	0.2	-1.0	5.1
Chinese Yuan	7.32	0.6	2.5	5.8
Indian Rupee	82.95	0.0	0.8	0.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.6
Kuwaiti Dinar	0.31	0.0	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	30.91	0.0	0.0	24.8

Corporate Calendar

Date	Company	Event
16 th Aug	JARIR	Cash Dividend Distribution
16 th Aug	Care	Conference Call
17 th Aug	ALBABTAIN	EGM
17 th Aug	SAUDI GERMAN	EGM
17 th Aug	Ds Rent	End of IPO
17 th Aug	MULKIA REIT	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,051	-0.2	-0.2	21.7	9.3
Abu Dhabi (ADX)	9,807	-0.4	0.2	-4.5	32.4
Kuwait (KSE)	7,827	-0.1	-2.9	-3.6	18.6
Qatar (QE)	10,674	-0.3	-2.6	-0.1	13.4
Oman (MSM)	4,763	0.0	-0.3	-1.9	13.1
Bahrain (BSE)	1,959	-0.2	-1.7	3.4	7.4
Egypt (EGX30)	17,965	0.4	2.1	23.1	9.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,946	-1.0	-1.7	5.4	20.9
Nasdaq	15,038	-1.1	-4.6	37.5	31.5
S&P 500	4,438	-1.2	-3.3	15.6	21.7
FTSE 100	7,390	-1.6	-4.0	-0.8	10.7
Germany DAX 30	15,767	-0.9	-4.1	13.2	12.4
France CAC 40	7,268	-1.1	-3.1	12.3	12.5
Japan Nikkei 225	32,239	0.6	-2.8	23.5	25.7
Russia MOEX	3,115	-0.5	1.4	44.6	2.4
Hong Kong Hang Seng	18,581	-1.0	-7.5	-6.1	9.5
South Korea KOSPI	2,571	0.0	-2.3	15.0	18.2
China Shanghai Composite	3,176	-0.1	-3.5	2.8	14.1
Australia ASX 200	7,305	0.4	-1.4	3.8	14.9
India Sensex	65,402	0.0	-1.7	7.5	22.9
MSCI EM	982	-0.5	-6.2	2.7	13.0
MSCI World	2,948	-1.0	-3.8	13.3	20.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	90.60	-0.6	2.0	7.5
Brent Crude (\$/bbl)	84.89	-1.5	-0.8	-1.2
Texas crude (\$/bbl)	80.99	-1.8	-1.0	0.9
Natural Gas (\$/mmbtu)	2.66	-4.9	0.9	-35.3
Gold (\$/oz)	1,902.00	-0.3	-3.2	4.3
Silver (\$/oz)	22.53	-0.3	-9.0	-6.0
Steel (\$/ton)	804.00	0.0	-2.5	8.1
Iron Ore (CNY/MT)	821.00	-9.6	-8.5	-4.2
Wheat (\$/bu)	623.75	-2.8	-6.3	-22.9
Corn (\$/bu)	475.50	-2.5	-7.3	-22.1
Sugar (\$/lb)	23.77	-1.2	-1.4	33.4
SMP* (EUR/MT)	2,256.00	-0.8	-4.6	-18.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.80	3.3	8.9	107.4
KSA (SAIBOR 3M)	6.11	0.2	10.3	77.1
KSA (SAIBOR 6M)	6.07	-0.7	4.7	46.8
KSA (SAIBOR 12M)	6.06	3.2	2.2	19.2
USA (SOFR 3M)	5.38	0.5	1.1	78.9
UAE (EIBOR 3M)	5.34	0.4	8.0	103.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 15, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,413
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,382.7
Value (SAR mn)	5,118.0
Volume (mn)	198.1
Number of Transactions	387,876
Market Breadth	49 : 168

Key statistics	
1D return %	-0.70%
MTD return %	-2.39%
QTD return	-0.40%
YTD return	8.92%
ADT vol. 3M* (mn)	246.3
ADT val. 3M (SARmn)	6,237.3

*ADT stands for Average Daily Traded

TASI market commentary

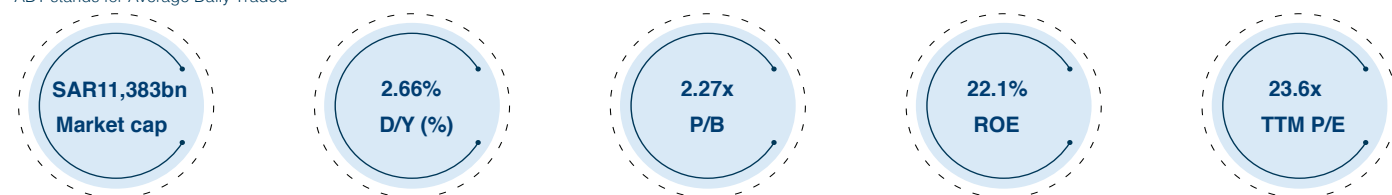
- TASI witnessed a decline on Tuesday which was led by index heavyweight Telecommunication services (-1.74% D/D) and Banks (-0.87% D/D) sectors. At close, the Saudi market ended the day with a change of -0.70% at 11,413. In terms of activity, total volumes and value traded were ~198mn and ~SAR 5.1bn, respectively. The advance-decline ratio came in at 49/168.

Technical outlook

- TASI dropped by another 81 points to close near 11,413. As expected, selling power was reactivated shortly after testing the significant resistance zone between the 50 and 20 SMAs and developing a Harami candlesticks pattern which depicted the shift in power from buying to selling. TASI formed a marubozu bearish candlestick which suggests witnessing a possible further profit booking attitude. Additionally, the RSI indicator started to move down after reaching the level of 50. TASI has immediate support at around the level of 11,350. If breached, the index would be expected to meet the next level of support near 11,170 followed by 11,100. On the other hand, immediate resistance is seen at around 11,460 followed by 11,550. If penetrated, the next resistance is expected to lay near 11,650. It is currently apparent that the profit booking sentiment re-dominated the scene; after testing the significant resistance zone of 11,550 - 11,650, and it may continue as long as the index is maintained trading below its 50 & 20-day SMAs.

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, Argaam

TASI daily chart

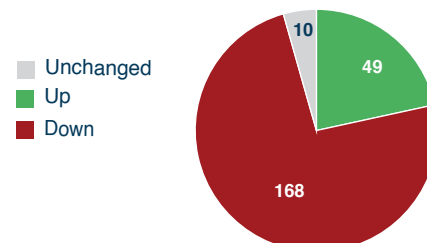


Source: Tradingview, Aljazira Capital

Our view



Market depth



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 15th 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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