Daily Report

Major Economic News

- Saudi oil exports decreased by about 2.0% M/M to 6.8mn barrels per day (bpd) in June. Compared to June 2022, oil exports dropped 5.0% from 7.2mn bpd. The Kingdom's crude output was unchanged M/M at 10.0mn bpd in June. Local crude consumption grew 4.0% to 3.2mn bpd in the same month. (Source: Argaam)
- Saudi Arabia and China signed 12 cooperation agreements. Some agreements were signed for the development of infrastructure and financing, including five for housing at a total value of more than SAR 5.0bn. (Source: Argaam)
- Point-of-sale transactions reached nearly SAR 12.0bn in the week ended August 12, compared to SAR 12.7bn in the week before. Data showed that about 179.0mn transactions were processed during the week. (Source: Argaam)
- Housing rental deals in Saudi Arabia rose 15.0% M/M in July, while commercial rentals saw an increase of 11.0%. Ejar Index recorded more than 275,000 rental deals in July. (Source: Argaam)

Major Corporate News

- ACWA Power said it was selected as the "Preferred Bidder" to develop, finance, build, own, operate and maintain Hassyan Sea Water Reverse Osmosis (SWRO) Independent Water Producer (IWP) project. The company will develop the 180.0mn imperial gallon per day capacity plant. (Source: Tadawul)
- Umm Al-Qura Cement Co. announced rescheduling an outstanding loan from the Saudi Industrial Development Fund, which came to support the company's financial position in line with its cash flows. The loan value is SAR 656.9mn, with the rescheduled part amounting to SAR 323.0mn. (Source: Tadawul)

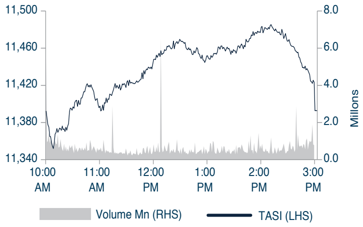
Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,392.8. The value traded stood at SAR 5.3bn (up 3.3% over previous day), while the advance-decline ratio stood at 83/127. The parallel market index decreased 0.4% to 23,312.5 points. The value traded stood at SAR 22.0mn (down 36.9% over previous day). Most sectors in the main market ended in the red. Media and Pharma & Bio Tech (up 3.7% and 2.3%, respectively) advanced the most; Commercial Service and Healthcare (down 1.6% and 1.3%, respectively) led the laggards.

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,393	11,488	11,349	(0.2)	8.7
NomuC	23,313	23,495	23,197	(0.4)	20.1

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	6,447	0.1	18.8	14.6
Materials	6,396	(0.2)	1.7	21.1
Capital Goods	7,519	-	43.9	21.6
Commercial Service	4,623	(1.6)	34.5	35.2
Transportation	5,762	(1.2)	26.9	High
Consumer Durables	5,112	(0.3)	21.0	Neg
Consumer Services	5,194	(0.4)	40.7	High
Media	25,013	3.7	16.4	27.5
Retailing	7,947	(0.8)	10.8	23.0
Food & Staples	10,226	(0.3)	19.7	20.8
Food & Beverages	6,026	0.6	29.9	34.3
Healthcare	10,880	(1.3)	19.4	48.0
Pharma & Bio Tech	5,303	2.3	84.6	Neg
Banks	10,927	(0.6)	(5.3)	13.6
Diversified Financial	6,699	(0.4)	5.3	31.7
Insurance	8,176	2.2	53.8	38.9
Telecom	7,499	(0.1)	17.4	16.6
Utilities	8,318	0.2	15.9	15.0
REITs	3,706	0.2	(6.8)	32.7
Real Estate	3,352	-	34.1	High
Software & Services	63,033	(0.8)	75.6	45.2

Top Gainers

Company	Price	Change%
ATHEEB TELECOM	96.00	8.1
ALBAHA	0.16	6.7
ALARABIA	220.00	4.9
MESC	17.62	4.3
ALMUNAJEM	72.60	3.9

Top Losers

Company	Price	Change%
TADCO	16.38	-3.9
ALBABTAIN	30.95	-3.7
SFICO	27.70	-3.5
SADR	3.35	-3.2
MARAFIQ	74.20	-3.0

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,454	11,380	11,567	5.49

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	20.9	856.5	1,499.8
Previous week	28.5	1,129.0	1,953.9

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.45	0.1
Al Rajhi	72.30	-0.4
SNB	35.10	-1.0
SABIC	86.40	0.3
STC	40.55	-0.6

© All rights reserved

International Market News

- According to EIA, oil inventories in the US fell 6.0mn barrels (prior: up 5.9mn) to 439.7mn in the week ended August 11. Gasoline inventories decreased 0.3mn barrels (prior: down 2.7mn) to 216.2mn, while distillate inventories rose 0.3mn barrels (prior: down 1.7mn) to 115.7mn. (Source: EIA, Econoday)
- The minutes of the US Federal Reserve's latest meeting showed the officials expressed concern about the pace of inflation and indicated more rate hikes could be necessary in the future unless conditions change. (Source: Baker Hughes)
- US industrial production increased 1.0% M/M in July (consensus: 0.3% rise) from a prior revised decline of 0.8% in June. Manufacturing rose 0.5% M/M in July (consensus: unchanged M/M) as against a 0.5% decrease in June. The capacity utilization rate stood at 79.3% in July. (Source: Econoday)
- US housing starts grew 3.9% to an annual rate of 1.452mn in July (consensus: 1.455mn), after plunging 11.7% to the revised rate of 1.398mn in June. (Source: Econoday, RTT News)
- Oil prices declined 1.7%, as worries over Chinese economy outweighed a large drawdown in US oil inventories.
- Gold prices fell 0.5%, as the US dollar rebounded impacting demand for the yellow metal.

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,046	-0.1	-0.3	21.5	9.3
Abu Dhabi (ADX)	9,781	-0.3	-0.1	-4.7	32.3
Kuwait (KSE)	7,823	-0.1	-3.0	-3.6	18.6
Qatar (QE)	10,664	-0.1	-2.7	-0.2	13.4
Oman (MSM)	4,766	0.1	-0.2	-1.9	13.1
Bahrain (BSE)	1,960	0.0	-1.6	3.4	7.4
Egypt (EGX30)	18,063	0.5	2.7	23.7	9.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,766	-0.5	-2.2	4.9	20.8
Nasdaq	14,876	-1.1	-5.6	36.0	31.2
S&P 500	4,404	-0.8	-4.0	14.7	21.5
FTSE 100	7,357	-0.4	-4.4	-1.3	10.6
Germany DAX 30	15,789	0.1	-4.0	13.4	12.5
France CAC 40	7,260	-0.1	-3.2	12.1	12.5
Japan Nikkei 225	31,767	-1.5	-4.2	21.7	25.3
Russia MOEX	3,049	-2.1	-0.8	41.6	2.3
Hong Kong Hang Seng	18,329	-1.4	-8.7	-7.3	9.4
South Korea KOSPI	2,526	-1.8	-4.1	12.9	17.8
China Shanghai Composite	3,150	-0.8	-4.3	2.0	14.0
Australia ASX 200	7,195	-1.5	-2.9	2.2	14.7
India Sensex	65,539	0.2	-1.5	7.7	22.9
MSCI EM	976	-0.6	-6.8	2.0	12.9
MSCI World	2,926	-0.8	-4.5	12.4	20.1

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.43	0.2	1.5	-0.1
Euro	1.09	-0.2	-1.1	1.6
Japanese Yen	146.35	0.5	2.9	11.6
Sterling Pound	1.27	0.2	-0.8	5.4
Chinese Yuan	7.34	0.2	2.7	6.0
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	30.89	-0.1	-0.1	24.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude ($/bbl)	89.42	-1.3	0.7	6.1
Brent Crude ($/bbl)	83.45	-1.7	-2.5	-2.9
Texas crude ($/bbl)	79.38	-2.0	-3.0	-1.1
Natural Gas ($/mmbtu)	2.59	-2.5	-1.6	-36.9
Gold ($/oz)	1,891.81	-0.5	-3.7	3.7
Silver ($/oz)	22.42	-0.5	-9.4	-6.4
Steel ($/ton)	811.00	0.9	-1.7	9.0
Iron Ore (CNY/MT)	825.00	0.5	-8.1	-3.7
Wheat ($/bu)	623.00	-0.1	-9.9	-24.0
Corn ($/bu)	481.50	1.3	-6.1	-21.2
Sugar ($/lb)	24.19	1.8	0.3	35.7
SMP* (EUR/MT)	2,260.00	0.2	-4.4	-18.6

*SMP: Skimmed Milk Powder

Corporate Calendar

Date	Company	Event
17th Aug	ALBABTAIN	EGM
17th Aug	SAUDI GERMAN	EGM
17th Aug	Ds Rent	End of IPO
17th Aug	MULKIA REIT	Cash Dividend Distribution
17th Aug	City Cement	Eligibility for Cash Dividend
17th Aug	ADITF	Eligibility for Cash Dividend

*EGM: Extra Ordinary Meeting
*OGM: Ordinary General Meeting

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.79	-1.0	7.9	106.4
KSA (SAIBOR 3M)	6.10	-0.8	9.5	76.3
KSA (SAIBOR 6M)	6.07	0.1	4.8	46.9
KSA (SAIBOR 12M)	6.07	0.7	2.9	19.8
USA (SOFR 3M)	5.38	0.3	1.4	79.2
UAE (EIBOR 3M)	5.35	1.0	9.0	104.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 17, 2023

© All rights reserved

17 August 2023

Daily Technical Outlook

Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,393
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,387.1
Value (SAR mn)	5,284.3
Volume (mn)	194.4
Number of Transactions	381,469
Market Breadth	83 : 127

Key statistics

1D return %	-0.18%
MTD return %	-2.56%
QTD return	-0.58%
YTD return	8.73%
ADT vol. 3M* (mn)	246.2
ADT val. 3M (SARmn)	6,225.1

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a decline on Wednesday which was led by index heavyweight Banks (-0.60% D/D) and Materials (-0.21% D/D) sectors. At close, the Saudi market ended the day with a change of -0.18% at 11,393. In terms of activity, total volumes and value traded were ~194mn and ~SAR 5.3bn, respectively. The advance-decline ratio came in at 83/127.

Technical outlook

- TASI lost another 20 points to close near 11,393. The index witnessed a powerful buying attitude in the first half of the session, however, the dominant selling power forced the index to surrender all session's gains and close near the open. TASI recorded another session with below-average liquidity indicating the lack of buying power. This continued the downtrend in average liquidity that began in mid-July. Moreover, the convergence of the 20 and 50 SMAs suggests a possible dead cross. If occurred; would confirm the index's weakness and indicate a possible, further decline toward the 200-day SMA. Additionally, the RSI indicator is still moving down after hitting 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. The profit booking sentiment is still dominating the scene, and it may continue as long as the index is maintained trading below its 50 & 20-day SMAs which lie near the significant resistance zone of 11,550 – 11,650.

Key price levels

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

SAR11,387bn Market cap

2.67% D/Y (%)

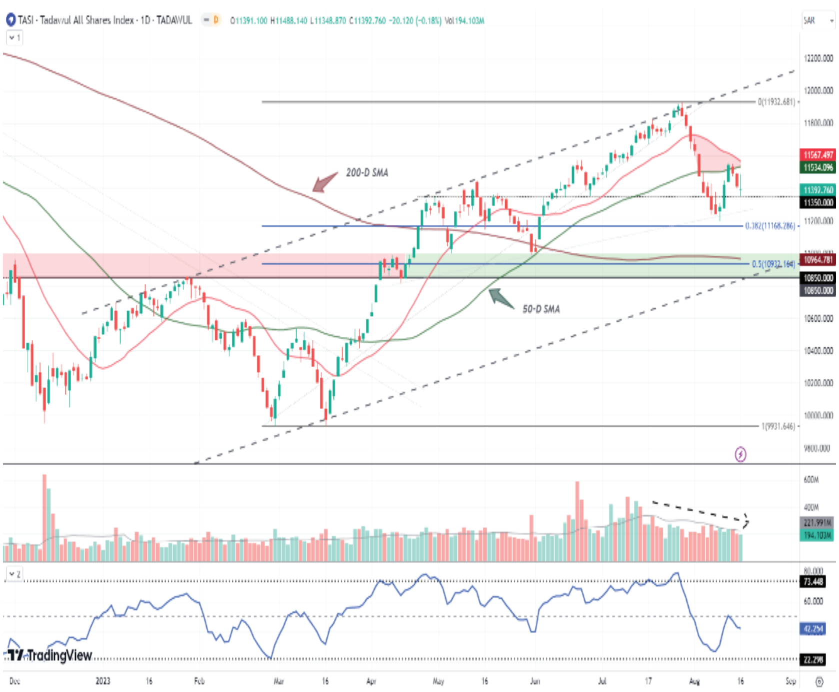
2.27x P/B

22.1% ROE

23.5x TTM P/E

Source: Bloomberg, Argaam

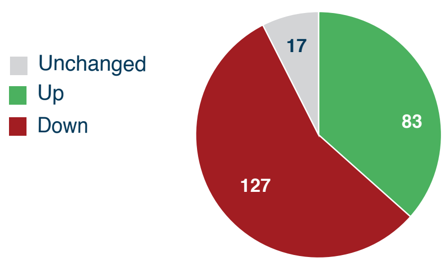
TASI daily chart



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 16th Aug 2023   * Note – Stop loss is based on an intraday basis

© All rights reserved

RESEARCH DIVISION

Head of Sell-Side Research

Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

Definitions

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/overs old 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.