



Major Economic News

- The volume of demand for school supplies increased by more than 80.0% compared to last year, with the start of the new academic year. About 6.0mn male and female students are enrolled in public, private, international and foreign public schools. (Source: Argaam)
- King Abdullah Financial District (KAFD) completed the construction of 95 buildings spanning 1.6mn sq. m. Most of these buildings were completed and delivered to tenants. Three under-construction hotels will be opened in KAFD by FY24, while nearly 1,000 luxury residential units will be ready by year end. (Source: Argaam)

Major Corporate News

- Arabian Contracting Services Co. (Al Arabia) obtained a conditional approval from the General Authority for Competition to acquire 100.0% of Faden Media. Earlier the company's board approved an agreement to fully acquire Faden Media for SAR 1.1bn. (Source: Tadawul)
- Tadawul approved Sumou Real Estate Co.'s request to transfer from Nomu-Parallel Market to the main market, with a capital of SAR 375.0mn, divided into 37.5mn shares. (Source: Tadawul)
- Electrical Industries Co. stated that its subsidiary The Saudi Power Transformers Company Ltd. signed a contract with Al Toukhi Company for Industry, Trading & Contracting (a related party) to design, manufacture and supply transformers. The 12-month contract is valued at SAR 20.6mn and expected to have a positive impact on the company's financial results for FY24. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.4% to 11,501.4. The value traded stood at SAR 3.7bn (down 41.6% over previous day), while the advance-decline ratio stood at 105/111. The parallel market index increased 1.8% to 23,613.5 points. The value traded stood at SAR 32.6mn (up 65.9% over previous day). Most sectors in the main market ended in the red. Insurance and Healthcare (up 1.6% each) advanced the most; Transportation and Commercial & Professional Services (down 1.5% and 1.4%, respectively) declined the most.

Top Gainers

Company	Price	Change%
SPM	34.80	7.1
BAHRI	23.08	5.6
TAKWEEN	16.88	5.0
BUPA ARABIA	209.80	4.6
DALLAH HEALTH	151.80	4.4

Top Losers

Company	Price	Change%
DWF	113.00	-10.0
THIMAR	25.00	-6.9
ALMAWARID	126.00	-6.3
ARAB SEA	68.20	-4.6
TANMIAH	105.00	-4.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,501	11,515	11,450	0.4	9.8
NomuC	23,614	23,656	23,265	1.8	21.6

TASI movement during session



TASI Ratios

P/E* (x)	23.64
Price-to-Book (x)	2.28
Dividend Yield (%)	2.65
Return on Equity (%)	22.07

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,551	-0.1	20.7	16.9
Materials	6,444	0.8	2.4	40.8
Capital Goods	7,524	-0.6	44.0	21.1
Commercial Service	4,573	-1.4	33.1	28.2
Transportation	5,639	-1.5	24.2	High
Consumer Durables	5,097	-0.1	20.7	Neg
Consumer Services	5,130	0.5	39.0	40.3
Media	24,046	-1.3	11.9	27.0
Retailing	7,939	-0.3	10.7	23.0
Food & Staples	10,176	-1.1	19.1	20.3
Food & Beverages	6,043	0.3	30.2	32.4
Healthcare	11,050	1.6	21.3	46.9
Pharma & Bio Tech	5,277	0.8	83.7	High
Banks	11,139	0.8	-3.5	13.5
Diversified Financial	6,695	0.5	5.3	33.5
Insurance	8,173	1.6	53.7	25.4
Telecom	7,499	0.1	17.4	16.2
Utilities	8,287	-0.2	15.5	16.4
REITs	3,692	0.2	-7.1	High
Real Estate	3,326	-0.1	33.0	High
Software & Services	62,715	-0.4	74.7	40.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,450	11,402	11,539	5.4

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	3.7	151.14	278.53
Previous week	27.3	1,088.93	1,875.67

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	35.00	-0.1
Al Rajhi	73.10	0.1
SNB	35.90	1.1
SABIC	88.00	1.7
STC	40.75	0.3



International Market News

- Bank credit at commercial banks in the US contracted to USD 17.2tn in the week ended August 09, down from USD 17.3tn a week and a year earlier, its second straight Y/Y drop. (Source: Reuters)
- The Eurozone trade surplus rose to a seasonally adjusted EUR 12.5bn in June from EUR 0.2bn in May. Exports declined 0.5% M/M, while imports decreased 5.6% M/M in May. On a Y/Y basis, exports of goods rose 0.3%, whereas imports plunged 17.7%. (Source: Reuters)
- Eurozone construction output decreased 1.0% M/M in June as against a 0.2% rise in May. The downward trend was led by a 1.2% fall in the output of the building sector. Civil engineering production showed a comparably slower decline of 0.2%. On a Y/Y basis, total construction output fell 0.3% in June compared to a 0.3% increase a month ago. (Source: RTT News)
- The People's Bank of China cut its one-year loan prime rate by 10 bps (consensus: a 15 bps cut) from 3.55% to 3.45%. However, the central bank left its five-year rate (the peg for most mortgages) unchanged at 4.2%. (Source: CNBC).
- Japan's CPI rose 3.3% Y/Y in July (consensus: an increase of 2.5%) unchanged from the June's reading. Core CPI, which excludes the volatile costs of food, was up 3.1% (in line with consensus) vs. 3.3% rise in the previous month. (Source: RTT News)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.38	0.0	1.5	-0.1
Euro	1.09	0.0	-1.1	1.6
Japanese Yen	145.39	0.0	2.2	10.9
Sterling Pound	1.27	0.0	-0.8	5.4
Chinese Yuan	7.31	0.0	2.2	5.6
Indian Rupee	83.11	0.0	1.0	0.4
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	0.3	0.6
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	24.9

Corporate Calendar

Date	Company	Event
21 st Aug	Alamar	Eligibility for Cash Dividend
21 st Aug	MUSHARAKA REIT	Eligibility for Cash Dividend
22 nd Aug	SADAFICO	EGM
22 nd Aug	ALMUNAJEM	Cash Dividend Distribution
22 nd Aug	Ds Rent	Final allocation
23 rd Aug	STC	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	0.0	-0.2	21.7	9.3
Abu Dhabi (ADX)	9,801	0.0	0.1	-4.5	32.4
Kuwait (KSE)	7,809	-0.2	-3.1	-3.8	18.6
Qatar (QE)	10,577	0.0	-3.5	-1.0	13.3
Oman (MSM)	4,773	-0.3	-0.1	-1.7	13.1
Bahrain (BSE)	1,962	0.5	-1.5	3.5	7.4
Egypt (EGX30)	18,033	0.4	2.5	23.5	9.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,501	0.0	-3.0	4.1	20.7
Nasdaq	14,695	0.0	-6.7	34.3	31.0
S&P 500	4,370	0.0	-4.8	13.8	21.4
FTSE 100	7,262	0.0	-5.7	-2.5	10.5
Germany DAX 30	15,574	0.0	-5.3	11.9	12.3
France CAC 40	7,164	0.0	-4.5	10.7	12.3
Japan Nikkei 225	31,451	0.0	-5.2	20.5	25.0
Russia MOEX	3,111	0.0	1.2	44.4	2.4
Hong Kong Hang Seng	17,951	0.0	-10.6	-9.3	9.2
South Korea KOSPI	2,505	0.0	-4.9	12.0	17.8
China Shanghai Composite	3,132	0.0	-4.8	1.4	13.9
Australia ASX 200	7,148	0.0	-3.5	1.6	14.6
India Sensex	64,949	0.0	-2.4	6.8	22.7
MSCI EM	964	0.0	-7.9	0.8	12.7
MSCI World	2,898	0.0	-5.4	11.3	19.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	88.56	0.0	-0.3	5.1
Brent Crude (\$/bbl)	84.80	0.0	-0.9	-1.3
Texas crude (\$/bbl)	81.25	0.0	-0.7	1.2
Natural Gas (\$/mmbtu)	2.55	0.0	-3.2	-37.9
Gold (\$/oz)	1,889.31	0.0	-3.9	3.6
Silver (\$/oz)	22.75	0.0	-8.1	-5.0
Steel (\$/ton)	807.00	0.0	-2.2	8.5
Iron Ore (CNY/MT)	856.00	0.0	-4.6	-0.1
Wheat (\$/bu)	639.00	0.0	-7.6	-22.1
Corn (\$/bu)	493.00	0.0	-3.9	-19.3
Sugar (\$/lb)	23.76	0.0	-1.5	33.3
SMP* (EUR/MT)	2,238.00	0.0	-5.4	-19.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.78	-3.9	6.0	104.6
KSA (SAIBOR 3M)	6.11	-1.4	9.9	76.6
KSA (SAIBOR 6M)	6.07	2.6	5.4	47.5
KSA (SAIBOR 12M)	6.08	0.3	4.0	20.9
USA (SOFR 3M)	5.38	0.0	1.8	79.6
UAE (EIBOR 3M)	5.31	0.0	5.1	100.4

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 20, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,501
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,543.5
Value (SAR mn)	3,703.3
Volume (mn)	151.1
Number of Transactions	278,530
Market Breadth	105 : 111

Key statistics	
1D return %	0.44%
MTD return %	-1.63%
QTD return	0.37%
YTD return	9.76%
ADT vol. 3M* (mn)	246.2
ADT val. 3M (SARmn)	6,201.3

*ADT stands for Average Daily Traded

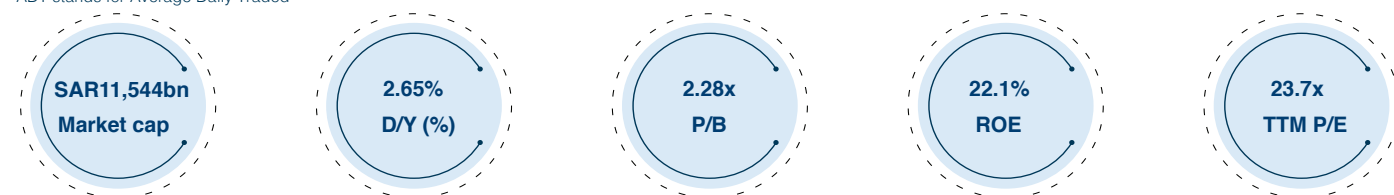
TASI market commentary

- TASI witnessed a rise on Sunday which was led by index heavyweights Materials (0.83% D/D) and Banks (0.81% D/D) sectors. At close, the Saudi market ended the day with a change of 0.44% at 11,501. In terms of activity, total volumes and value traded were ~151mn and ~SAR 3.7bn, respectively. The advance-decline ratio came in at 105/111.

Technical outlook

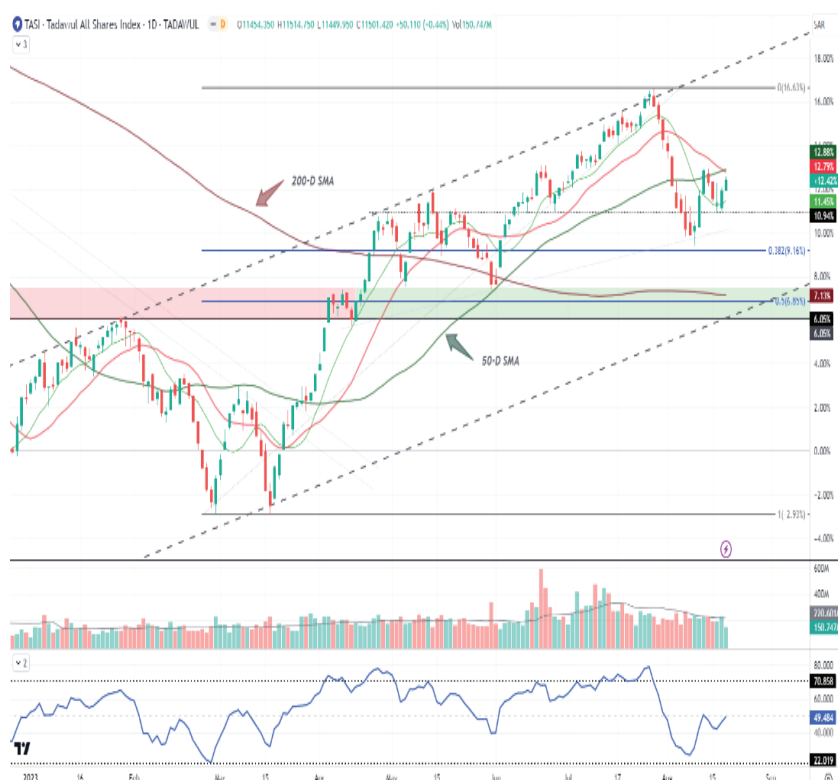
- TASI gained another 50 points and closed near 11,501. The buying power persisted, resulting in another positive green candlestick just after emerging a bullish engulfing candlesticks pattern. TASI bounced off its 10-day SMA and is currently heading to retest the significant resistance zone of 11,550 – 11,650 near the 20 & 50-day SMAs. Nevertheless, it's worth noting that the trading volume in the last session was about 30% lower than the average of the last 20 sessions, indicating the inherent weakness of the recent buying attitude. Moreover, the RSI indicator is still pointing upward and is currently retesting the level of 50. TASI has immediate resistance at around 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 the level of 11,460 followed by 11,350. If breached, the index would be expected to meet the next level of support near 11,170. Traders are advised to closely monitor the significant resistance zone of 11,550 – 11,650 where selling power may reappear and the profit-booking sentiment may continue as long as the index is maintained trading below it.

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



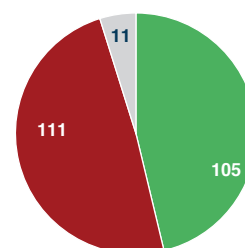
Source: Tradingview, Aljazira Capital

Our view



Market depth

■ Unchanged
 ■ Up
 ■ Down





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
2380	Rabigh Refining and Petrochemical Company	10.64	10.62	10.74	10.52
6002	Herfy Food Services Co.	34.80	34.70	35.15	34.45
1211	Saudi Arabian Mining Company	41.30	41.20	41.70	40.90
2350	Saudi Kayan Petrochemical Company	12.48	12.44	12.60	12.36
4162	Almunajem Foods Co.	74.40	74.20	75.10	73.70
1202	Middle East Paper Co.	33.35	33.25	33.70	33.00

* As of 20th Aug 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

Petro Rabigh penetrated the resistance level of prior peaks after penetrating its 20-day SMA. Moreover, all the technical indicators show bullish structure

Rabigh Refining and Petrochemical Company (Petro Rabigh)



Source: Tradingview, AlJazira Capital

Technical observations

Herfy Foods penetrated a declining trendline as well as its 10-day SMA after bouncing off a significant support level at the prior troughs. Moreover, all the technical indicators show bullish structure.

Herfy Food Services Co. (Herfy Foods)



Source: Tradingview, AlJazira Capital

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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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