



Major Economic News

- KSA reported a trade surplus of SAR 37.32bn in June. Total exports fell 40% Y/Y to around SAR 88.75bn while the imports retreated by 17% Y/Y to SAR 51.44bn by month-end. (Source: Argaam)
- Saudi Arabia's non-oil exports declined 45% Y/Y in June to around SAR 16.89bn. This marked the lowest readings for non-oil exports since June 2020. (Source: Argaam)
- BRICS has officially agreed to invite Saudi Arabia and other countries to join the group. (Source: Argaam)
- The Sakhaa Program contributed to the implementation of development projects worth SAR 2.7bn and the creation of ~1,400 jobs in education, health, and innovation. (Source: Argaam)

Major Corporate News

- STC announced its subsidiary (TAWAL) signed a sale and purchase agreement to acquire 3 towers companies from United Group for a cash consideration for the entire transaction. The transaction will be based on 100% Enterprise Value amounting to EUR 1.220bn (SAR 5bn). (Source: Tadawul)
- Budget Saudi announces the signing of a non-Binding MoU with the Saudi Economic and Development Holding Company (SEDCO) for the purpose of the total acquisition of its subsidiary, Al Jazeera Equipment Company Limited (AutoWorld). (Source: Tadawul)
- Seera announces the intention of Lumi Rental Co., a subsidiary of Seera, to float 30% of its issued share capital or 16.5mn shares through an IPO and to list its shares on the Main Market of the Exchange. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.3% to 11,405.3. The value traded stood at SAR 5.0bn (down 5.1% over previous day), while the advance-decline ratio stood at 105/99. The parallel market index increased 0.1% to 23,646.4 points. The value traded stood at SAR 83.9mn (up 151.1% over previous day). Most sectors in the main market ended in green. Insurance and Transportation (up 0.9% and 0.8%, respectively) advanced the most; Pharma and Healthcare Equipment & Services (down 0.3% and 0.2%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
SADR	3.55	6.3
ALKHATIRI	3.09	5.5
THEEB	70.40	4.1
ALBABTAIN	31.05	3.9
ABO MAOTI	31.80	3.4

Top Losers

Company	Price	Change%
SALAMA	23.20	-6.0
ALBAHA	0.16	-5.9
MAHARAH	58.80	-2.8
CENOMI RETAIL	18.40	-2.7
SGH	59.00	-2.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,405	11,447	11,392	0.3	11,405
NomuC	23,646	23,699	23,436	0.1	23,646

TASI movement during session



TASI Ratios

P/E* (x)	23.5
Price-to-Book (x)	2.27
Dividend Yield (%)	2.66
Return on Equity (%)	22.07

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,491	0.5	19.6	16.8
Materials	6,357	0.0	1.1	40.3
Capital Goods	7,605	0.4	45.5	21.4
Commercial Service	4,645	0.7	35.2	28.6
Transportation	5,570	0.8	22.6	High
Consumer Durables	5,065	0.5	19.9	Neg
Consumer Services	5,224	0.4	41.6	41.1
Media	23,942	0.6	11.4	26.9
Retailing	7,788	0.0	8.6	22.5
Food & Staples	10,216	0.6	19.6	20.3
Food & Beverages	5,922	0.4	27.6	31.8
Healthcare	10,789	-0.2	18.4	45.7
Pharma & Bio Tech	5,020	-0.3	74.7	High
Banks	11,002	0.4	-4.7	13.3
Diversified Financial	6,930	0.7	8.9	34.1
Insurance	8,016	0.9	50.8	24.9
Telecom	7,424	-0.2	16.2	16
Utilities	8,372	0.5	16.7	16.5
REITs	3,637	0.3	-8.5	High
Real Estate	3,302	0.1	32.1	High
Software & Services	67,654	0.4	88.5	43.9

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,412	11,436	11,445	5.3

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	23.7	974.65	1,715.78

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.65	0.4
Al Rajhi	72.30	-0.3
SNB	35.60	1.0
SABIC	87.80	-0.2
STC	39.90	-0.3



International Market News

- Fed Chair Powell mentioned that inflation is still above the comfort level of the policymakers. He has asked to be more vigilant in the fight against inflation and indicated the possibility of one more interest rate hike before the anticipated rate cuts. (Source: CNBC)
- According to Freddie Mac, interest rates on the most popular home loan in the United States reached their highest level since 2001. The popular 30-year mortgage rates rose to an average of 7.23% in the week ended 24 August, marking the highest level in over two decades, up from 7.09% last week, which was the first time the rate passed 7.0% in 2023. (Source: Investing)
- The mood of British consumers improved this month as lower inflation made people less pessimistic about the future of their own finances, yet sentiment remained low overall due to concerns about the wider economy. The GfK consumer sentiment indicator rose to -25 in August from a three-month low of -30 in July, its biggest rise since April although still below the average of -10 for the survey, which has been running since 1974. (Source: Investing)
- Oil prices rose as the U.S. diesel prices jumped, the number of oil rigs dropped and a fire broke out at a refinery in Louisiana.
- Gold prices fell as Federal Reserve Chair Powell indicated more interest rate hikes at an economic summit in Jackson Hole.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.1	0.1	2.2	0.5
Euro	1.1	-0.1	-1.8	0.9
Japanese Yen	146.4	0.4	2.9	11.7
Sterling Pound	1.3	-0.2	-2.0	4.1
Chinese Yuan	7.3	0.2	2.1	5.4
Indian Rupee	82.7	0.1	0.5	-0.1
UAE Dirham	3.7	0.0	0.0	0.0
Qatari Rial	3.6	0.0	0.0	-0.6
Kuwaiti Dinar	0.3	0.1	0.5	0.8
Omani Rial	0.4	0.0	0.0	0.0
Bahraini Dinar	0.4	0.0	0.0	-0.0
Egyptian Pound	30.9	-0.1	-0.1	24.8

Corporate Calendar

Date	Company	Event
27 th Aug	MRNA	Eligibility for cash dividend
27 th Aug	AIAHli REIT 1	Eligibility for cash dividend
27 th Aug	CMCER	Eligibility for cash dividend
27 th Aug	TAM DEVELOPMENT	Eligibility for cash dividend
27 th Aug	Munawla Cargo	Start of IPO offering
28 th Aug	Tawuniya	Ex-bonus date

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,099	-0.2	1.0	23.2	9.4
Abu Dhabi (ADX)	9,765	-0.1	-0.2	-4.9	32.3
Kuwait (KSE)	7,766	0.0	-3.7	-4.3	18.5
Qatar (QE)	10,365	0.0	-5.5	-3.0	13.0
Oman (MSM)	4,776	0.0	-0.0	-1.7	13.1
Bahrain (BSE)	1,952	0.0	0.0	3.0	7.4
Egypt (EGX30)	18,208	0.0	3.5	24.7	9.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,347	0.7	-3.4	3.6	20.6
Nasdaq	14,942	0.8	-5.2	36.6	31.6
S&P 500	4,406	0.7	-4.0	14.7	21.5
FTSE 100	7,339	0.1	-4.7	-1.5	10.6
Germany DAX 30	15,632	0.1	-5.0	12.3	12.3
France CAC 40	7,230	0.2	-3.6	11.7	12.5
Japan Nikkei 225	31,624	-2.1	-4.7	21.2	25.2
Russia MOEX	3,157	0.6	2.7	46.6	2.4
Hong Kong Hang Seng	17,956	-1.4	-10.6	-9.2	9.1
South Korea KOSPI	2,519	-0.7	-4.3	12.6	17.9
China Shanghai Composite	3,064	-0.6	-6.9	-0.8	13.6
Australia ASX 200	7,115	-0.9	-4.0	1.1	15.9
India Sensex	64,887	-0.6	-2.5	6.6	22.7
MSCI EM	971	-1.1	-7.2	1.5	14.0
MSCI World	2,912	0.2	-5.0	11.9	19.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	89.6	1.1	0.8	6.3
Brent Crude (\$/bbl)	84.5	1.3	-1.3	-1.7
Texas crude (\$/bbl)	79.8	1.0	-2.4	-0.5
Natural Gas (\$/mmbtu)	2.5	0.8	-3.6	-38.2
Gold (\$/oz)	1,915.0	-0.1	-2.6	5.0
Silver (\$/oz)	24.2	0.4	-2.1	1.1
Steel (\$/ton)	803.0	0.0	-2.7	7.9
Iron Ore (CNY/MT)	888.0	-1.0	-1.1	3.6
Wheat (\$/bu)	621.8	-1.6	-10.1	-24.2
Corn (\$/bu)	488.0	-0.1	-4.9	-20.1
Sugar (\$/lb)	24.8	2.2	3.0	39.3
SMP* (EUR/MT)	2,238.0	0.3	-5.4	-19.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.844	0.00	12.9	111.4
KSA (SAIBOR 3M)	6.129	0.00	12.1	78.8
KSA (SAIBOR 6M)	6.108	0.00	8.9	51.0
KSA (SAIBOR 12M)	6.082	0.00	4.3	21.2
USA (SOFR 3M)	5.404	1.60	3.9	81.6
UAE (EIBOR 3M)	5.385	18.44	12.2	107.5

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of August 24, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,405
Short-term view	Cautious
52 weeks high/low	13,949 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,440.1
Value (SAR mn)	5,027.0
Volume (mn)	227.3
Number of Transactions	369,400
Market Breadth	105 : 99

Key statistics

1D return %	0.34%
MTD return %	-2.45%
QTD return	-0.47%
YTD return	8.85%
ADT vol. 3M* (mn)	247.0
ADT val. 3M (SARmn)	6,131.9

*ADT stands for Average Daily Traded

TASI market commentary

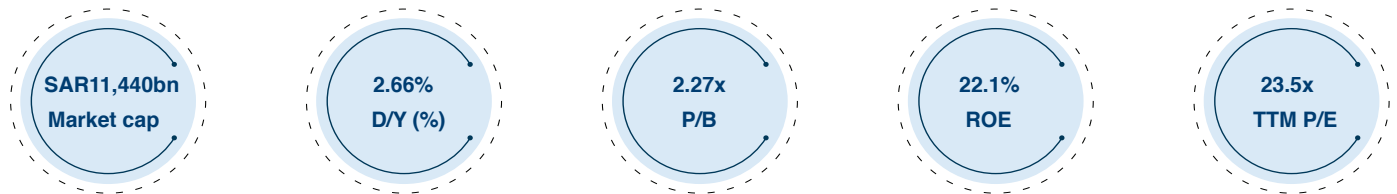
- TASI witnessed a rise on Thursday which was led by index heavyweights Energy (0.51% D/D) and Banks (0.38% D/D) sectors. At close, the Saudi market ended the day with a change of 0.34% at 11,405. In terms of activity, total volumes and value traded were ~227mn and ~SAR 5.0bn, respectively. The advance-decline ratio came in at 105/99.

Technical outlook

- TASI closed at around 11,405, up by 38 points. Although the last session began on a positive note with an upward opening gap and a strong recovery, however, the prevailing selling power; for the third consecutive session, came back and forced the index to surrender most of the session's gains. It is worth noting that the index is still hovering below its 5, 10, 20, and 50 SMAs. Additionally, the 20 & 50-day SMAs are still diverging negatively after materializing a negative crossover; depicting the dominating negative outlook. Moreover, the RSI indicator is still hovering laterally below the level of 50. Nonetheless, TASI is still moving in a near-term sideways action, and penetrating the immediate resistance near 11,450 will be followed by the resistance of 11,550, which if penetrated, will pave the way toward the next significant resistance near 11,650. On the other hand, it has an immediate support level near 11,350. If breached, the next level of support would be expected near 11,170 followed by 11,100. Traders are advised to watch the critical support level of 11,350 closely, as a breach could trigger further selling pressure. Besides, the profit-booking sentiment may persist as long as the index remains below the key resistance level of 11,650.

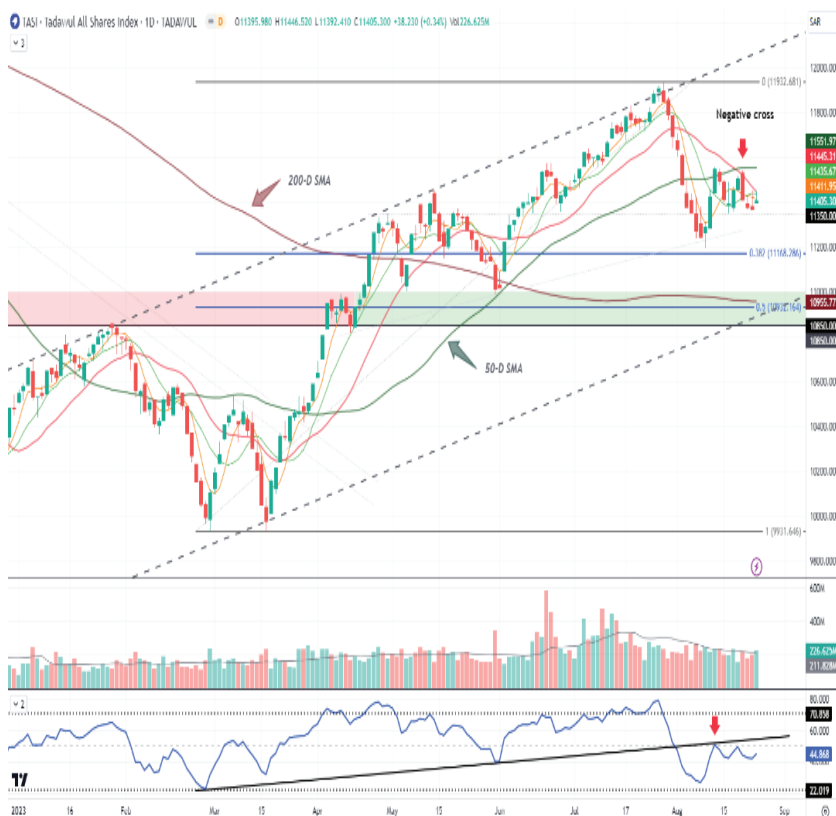
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,100	11,170	11,350	11,450	11,550	11,650	11,775



Source: Bloomberg, Argaam

TASI daily chart



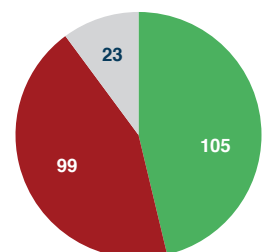
Source: Tradingview, Aljazira Capital

Our view



Market depth

Unchanged
Up
Down



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
4030	National Shipping Company of Saudi Arabia	23.52	23.28 – 23.52	23.84	24.30	3.32%	23.00

* As of 24th August 2023

* Note – Stop loss is based on a closing basis and not an intraday basis

CHARTS OF THE WEEK

Technical observations

BAHRI has just finished a bullish continuation flat-top broadening pattern. Moreover, the volume and the RSI indicator are showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR23.52 – 23.28, for a target of SAR23.84 followed by SAR24.30, with a stop loss below SAR23.00 on a closing basis.

National Shipping Company of Saudi Arabia (BAHRI)



Source: Tradingview, AlJazira Capital

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.