



Major Economic News

- The Saudi Crown Prince launched the strategy for logistics centers, which aims to enhance logistics infrastructure, diversify the local economy, and strengthen the Kingdom's position as a major investment destination and global logistics hub. (Source: Argaam)
- The Ministry of Municipal, Rural Affairs and Housing updated the table of violations and the related penalties. The modification benefits SMEs and helps to restrict regulation jurisprudence while protecting the rights of all parties. (Source: Argaam)
- The Saudi Real Estate Market is a unique model as an integrated platform for real estate wealth management that achieves transparency and reliability by providing real estate trading, financing, merging, and sorting services electronically around the clock, according to Minister of Justice. (Source: Argaam)

Major Corporate News

- Meyar Company announces the purchase of (15) trucks with a total value of SAR 3.7mn including VAT in order to develop supply chains and raise its efficiency. (Source: Tadawul)
- Zamil Air Conditioning and Refrigeration Services Company, a wholly owned subsidiary of Zamil Industrial Investment Company signed a contract with Al Muhammadiyah Hospital for Healthcare Company (subsidiary of Dr. Sulaiman Al Habib Medical Services Group) for the Mechanical, Electrical and Plumbing (MEP) works with a total amount of SAR 758.7mn. (Source: Tadawul)
- Zahrat Al Waha Trading Co. announces obtaining a loan from the Saudi Industrial Development Fund (SIDF) for an amount of SAR 40.0mn. for a period of two years. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.6% to 11,470.1. The value traded stood at SAR 3.9bn (down 23.2% over previous day), while the advance-decline ratio stood at 143/72. The parallel market index increased 1.5% to 24,010.0 points. The value traded stood at SAR 33.9mn (down 59.6% over previous day). Most sectors in the main market ended in green. Food & Beverages and Software & Services (up 1.9% each) advanced the most; Food & Staples retailing and Pharma (down 0.8% and 0.7%, respectively) declined the most.

Top Gainers

Company	Price	Change%
TAKWEEN	17.78	9.9
SPM	37.60	8.4
MEDGULF	14.22	6.4
ALBAHA	0.17	6.3
SEERA	28.15	4.7

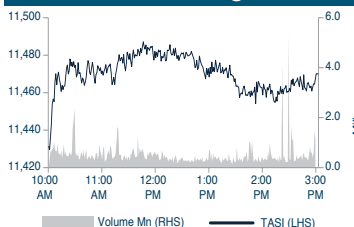
Top Losers

Company	Price	Change%
ZAMIL INDUST	24.10	-3.6
THIMAR	27.50	-3.5
ZOUJAJ	36.20	-1.9
ALMUNAJEM	75.70	-1.8
A.OTHAIM MARKET	14.56	-1.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,470	11,487	11,424	0.6	10.0
NomuC	24,010	24,275	23,651	1.5	24.0

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	6,519	0.4	20.1	16.8
Materials	6,393	0.6	1.6	40.6
Capital Goods	7,670	0.9	46.7	21.6
Commercial Service	4,724	1.7	37.5	29.1
Transportation	5,668	1.8	24.8	High
Consumer Durables	5,100	0.7	20.7	Neg
Consumer Services	5,286	1.2	43.2	41.4
Media	23,909	-0.1	11.2	26.8
Retailing	7,836	0.6	9.2	22.7
Food & Staples	10,133	-0.8	18.6	20.2
Food & Beverages	6,035	1.9	30.1	32.4
Healthcare	10,826	0.3	18.8	45.8
Pharma & Bio Tech	4,987	-0.7	73.6	High
Banks	11,052	0.4	-4.3	13.4
Diversified Financial	6,993	0.9	9.9	34.3
Insurance	8,060	0.5	51.6	25.0
Telecom	7,488	0.9	17.2	16.1
Utilities	8,420	0.6	17.4	16.6
REITs	3,628	-0.3	-8.7	High
Real Estate	3,312	0.3	32.5	High
Software & Services	68,931	1.9	92.1	44.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,406	11,428	11,429	5.3

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	3.9	163.65	280.64
Previous week	23.7	974.65	1,715.78

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.80	0.4
Al Rajhi	72.50	0.3
SNB	35.90	0.8
SABIC	88.40	0.7
STC	40.25	0.9



International Market News

- "Interest rates in Britain might have to stay high for some time yet", according to BoE Deputy Governor, as the central bank works to reduce the highest inflation rate among the world's big rich economies. (Source: Investing)
- Bank deposits fell for the second-straight week, while lending activity rebounded in the week ended August 16, in the US. Deposits at large U.S. banks fell by USD 48.8bn to USD 17.295tn from a week earlier, on a seasonally adjusted basis. (Source: Investing)
- The new orders for U.S. manufactured durable goods dropped by more than expected in the month of July. The durable goods orders plunged by 5.2% in July after rising by a revised 4.4% in June. This is compared to a consensus estimate of a drop of 4.0%. (Source: RTT News)
- The US jobless claims showed a modest decrease in first-time claims for U.S. unemployment benefits in the week ended August 19th. The initial jobless claims fell to 230,000, a decrease of 10,000 from the previous week's revised level of 240,000.
- China's securities regulator approved the establishment of 37 retail funds as part of the government's efforts to revitalize a stock market struggling for lift-off in an ailing economy. (Source: Investing)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.1	0.0	2.2	0.5
Euro	1.1	0.0	-1.8	0.9
Japanese Yen	146.4	0.0	2.9	11.7
Sterling Pound	1.3	0.0	-2.0	4.1
Chinese Yuan	7.3	0.0	2.1	5.4
Indian Rupee	82.7	0.0	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	0.0	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	0.0	-0.1	24.8

Corporate Calendar

Date	Company	Event
28 th Aug	Tawuniya	Ex-bonus date
28 th Aug	SAB	Cash dividend distribution
28 th Aug	QACCO	Ex-dividend date
28 th Aug	SULAIMAN ALHABIB	Cash dividend distribution
29 th Aug	ALANDALUS	Cash dividend distribution
29 th Aug	Ds Rent	Announces of listing and trading

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,099	0.0	1.0	23.2	9.4
Abu Dhabi (ADX)	9,765	0.0	-0.2	-4.9	32.3
Kuwait (KSE)	7,756	-0.1	-3.8	-4.4	18.5
Qatar (QE)	10,387	0.2	-5.3	-2.8	13.0
Oman (MSM)	4,772	-0.1	-0.1	-1.8	13.1
Bahrain (BSE)	1,953	0.1	0.0	3.1	7.4
Egypt (EGX30)	18,517	1.7	5.2	26.8	9.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,347	0.0	-3.4	3.6	20.6
Nasdaq	14,942	0.0	-5.2	36.6	31.6
S&P 500	4,406	0.0	-4.0	14.7	21.5
FTSE 100	7,339	0.0	-4.7	-1.5	10.6
Germany DAX 30	15,632	0.0	-5.0	12.3	12.3
France CAC 40	7,230	0.0	-3.6	11.7	12.5
Japan Nikkei 225	31,624	0.0	-4.7	21.2	25.2
Russia MOEX	3,157	0.0	2.7	46.6	2.4
Hong Kong Hang Seng	17,956	0.0	-10.6	-9.2	9.8
South Korea KOSPI	2,519	0.0	-4.3	12.6	17.9
China Shanghai Composite	3,064	0.0	-6.9	-0.8	13.6
Australia ASX 200	7,115	0.0	-4.0	1.1	15.9
India Sensex	64,887	0.0	-2.5	6.6	22.7
MSCI EM	971	0.0	-7.2	1.5	13.8
MSCI World	2,912	0.0	-5.0	11.9	19.9

Commodity Markets

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

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.848	0.41	13.3	111.8
KSA (SAIBOR 3M)	6.141	1.18	13.2	80.0
KSA (SAIBOR 6M)	6.129	2.11	11.0	53.1
KSA (SAIBOR 12M)	6.080	-0.14	4.1	21.1
USA (SOFR 3M)	5.404	0.0	3.9	81.6
UAE (EIBOR 3M)	5.385	0.0	12.2	107.5

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 27, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,470
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,494.5
Value (SAR mn)	3,858.5
Volume (mn)	163.6
Number of Transactions	280,642
Market Breadth	143 : 72

Key statistics	
1D return %	0.57%
MTD return %	-1.90%
QTD return	0.10%
YTD return	9.46%
ADT vol. 3M* (mn)	247.1
ADT val. 3M (SARmn)	6,118.5

*ADT stands for Average Daily Traded

TASI market commentary

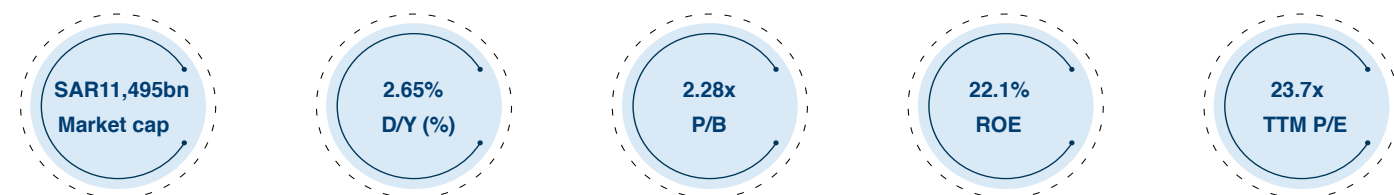
- TASI witnessed a rise on Sunday which was led by index heavyweights Telecommunication services (0.86% D/D) and Materials (0.56% D/D) sectors. At close, the Saudi market ended the day with a change of 0.57% at 11,470. In terms of activity, total volumes and value traded were ~164mn and ~SAR 3.9bn, respectively. The advance-decline ratio came in at 143/72.

Technical outlook

- TASI closed at around 11,470, gaining another 65 points. The index exhibited a strong start with an upward opening gap and maintained the buying attitude till the end of the last session. TASI penetrated its 5, 10, and 20-day SMAs in one session indicating a shift between the selling and buying forces in the near term and paving the way for a further rise toward the 50-day SMA. The RSI indicator started pointing upward increasing the likelihood of witnessing a possible further rise in the near term. While TASI currently experiences a short-term sideways movement, penetrating the significant resistance of the 50-day SMA near 11,550 would pave the way for the next strong resistance level around 11,650 point. On the other hand, it has an immediate support level near 11,430 followed by a critical support level of 11,350. If breached, the next level of support is expected to be met near 11,170 followed by 11,100. Traders are advised to closely monitor the significant resistance level of 11,550, as a breakthrough would likely trigger some further buying power in the near term. However, the profit-taking sentiment may persist as long as the index remains below the key resistance level of 11,650.

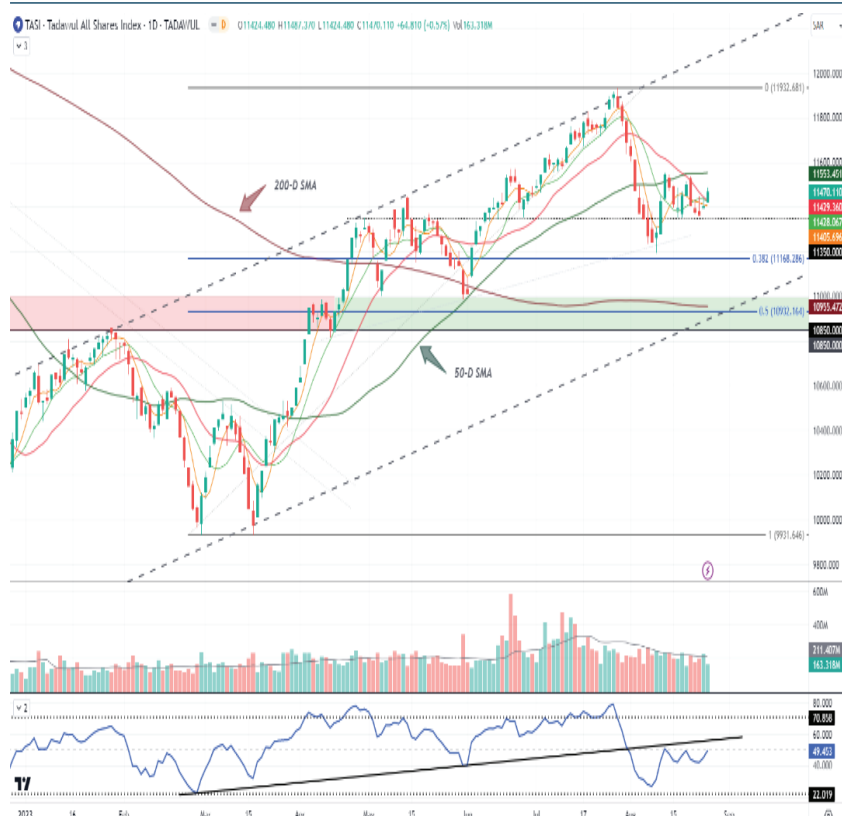
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,100	11,170	11,350	11,430	11,550	11,650	11,775



Source: Bloomberg, Argam

TASI daily chart



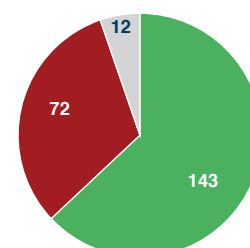
Source: Tradingview, Aljazira Capital

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
4291	National Company for Learning and Education	106.80	106.80 – 105.80	108.40	110.00	3.00%	104.80

* As of 27th August 2023

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

CHARTS OF THE WEEK

Technical observations

NCLE has just penetrated the upper boundary of a declining channel and finished a bullish reversal symmetrical triangle 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 SAR106.80 – 105.80, for a target of SAR108.40 followed by SAR110.00, with a stop loss below SAR104.80 on a closing basis.

National Company for Learning and Education (NCLE)



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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