



Major Economic News

- Residential real estate finance provided by banks to individuals fell by 25.0% Y/Y to SAR 5.4bn in July. Compared to June, residential real estate finance decreased by SAR 544.0mn or 9.0%. (Source: Argaam)
- King Salman Energy Park announced that it is set to start operations in its logistics zone in FY24. The new zone will accommodate 10.0mn metric tons of goods upon completion. (Source: Argaam)
- ROSHN, a PIF giga-project, announced the launch of MARAFY project in the north of Jeddah, one of the largest mixed-use projects that will accommodate more than 130,000 residents. The project will have an 11-km-long man-made canal. (Source: Argaam)

Major Corporate News

- Saudi Top for Trading Co.'s board of directors recommended to reduce the stock nominal value from SAR 10.0 to SAR 1.0 a share. Accordingly, the number of shares will become 40.0mn shares instead of 4.0mn shares. (Source: Tadawul)
- Lucid Motors, partially owned by PIF, has reduced the prices of its electric vehicles (EVs) by 9.0-11.0%, in all of its markets, including Saudi Arabia. The cut in EV sale prices came following changes to EV prices globally, indicating that Lucid's EV prices currently range between SAR 418,000 and SAR 878,000. (Source: Argaam)
- Sahara International Petrochemical Co. (Sipchem) announced the establishment of a new subsidiary, Sipchem Innovent Investment Co., to achieve sustainable growth by supporting and financing startups in the field of sustainability. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,442.6. The value traded stood at SAR 5.4bn (down 0.5% over previous day), while the advance-decline ratio stood at 71/144. The parallel market index decreased 0.3% to 23,596.1 points. The value traded stood at SAR 64.3mn (up 83.1% over previous day). Most sectors in the main market ended in the red. Commercial Service and Transportation (up 2.3% and 0.4%, respectively) advanced the most; Software & Services and Energy (down 2.4% and 1.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
CATERING	112.20	4.3
ALDAWAA	96.90	4.2
NCLE	110.80	4.1
DUR	27.75	3.7
SPM	38.30	3.5

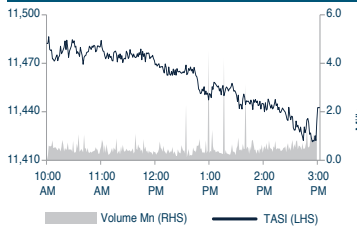
Top Losers

Company	Price	Change%
AWPT	145.60	-4.2
TANMIAH	103.00	-3.7
ELM	802.20	-3.5
ZOUJAJ	35.10	-2.8
FIRST MILLS	84.10	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,443	11,488	11,416	(0.2)	9.2
NomuC	23,596	23,732	23,569	(0.3)	21.5

TASI movement during session



TASI Ratios

P/E* (x)	23.7
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	6,395	(1.2)	17.8	16.5
Materials	6,412	0.1	1.9	40.7
Capital Goods	7,687	(0.4)	47.1	21.6
Commercial Service	4,795	2.3	39.5	29.6
Transportation	5,743	0.4	26.5	High
Consumer Durables	5,041	(0.7)	19.3	Neg
Consumer Services	5,317	(0.2)	44.1	41.5
Media	23,896	(0.3)	11.2	26.9
Retailing	7,851	(0.4)	9.4	22.7
Food & Staples	10,144	0.2	18.8	20.1
Food & Beverages	6,003	(0.2)	29.4	32.2
Healthcare	10,652	(0.1)	16.9	45.0
Pharma & Bio Tech	5,020	0.3	74.7	High
Banks	11,042	0.2	(4.3)	13.4
Diversified Financial	6,990	(0.7)	9.9	34.2
Insurance	8,006	(1.2)	50.6	24.8
Telecom	7,434	(0.5)	16.4	16.0
Utilities	8,572	0.3	19.5	16.9
REITs	3,610	(0.1)	(9.2)	High
Real Estate	3,349	0.4	34.0	High
Software & Services	68,972	(2.4)	92.2	44.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,430	11,428	11,408	5.27

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.7	509.6	1,034.8
Previous week	23.7	974.9	1,715.8

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.10	-1.3
Al Rajhi	72.40	0.1
SNB	35.80	0.0
SABIC	89.00	0.7
STC	40.05	-0.6



International Market News

- Consumer confidence in the US deteriorated as the consumer confidence index fell to 106.1 in August (consensus: 116.5) from a downwardly revised 114.0 in July. The rising prices weighed on consumer sentiments. (Source: RTT News)
- US job openings declined to 8.8mn (consensus: 9.5mn) by the end of July, the lowest level in more than two years. The job openings were lower by 338,000 compared to June end. There were 1.51 job openings for every unemployed person in July, compared to 1.54 in June. (Source: Investing.com)
- US home prices increased 0.7% M/M in June on a seasonally adjusted basis after rising by 0.8% in May. On a Y/Y basis, prices were unchanged in June versus a 0.4% fall in May. (Source: Investing.com)
- The unemployment rate in Japan stood at a seasonally adjusted 2.7% in July (consensus: 2.5%) compared to 2.5% in June. The jobs-to-applicant ratio edged down to 1.29 (consensus: 1.30) from 1.30 in June. (Source: RTT News)
- Oil prices gained 1.3% due to an expected impact on US supply from hurricane Idalia, which is set to hit Florida this week, also aided by weaker US dollar.
- Gold prices increased 0.9% driven by decline in US treasury yields and US dollar due to weaker labor market data.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.53	-0.5	1.6	0.0
Euro	1.09	0.6	-1.1	1.6
Japanese Yen	145.88	-0.5	2.5	11.3
Sterling Pound	1.26	0.3	-1.5	4.6
Chinese Yuan	7.28	-0.1	1.9	5.2
Indian Rupee	82.70	0.1	0.5	0.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.7
Kuwaiti Dinar	0.31	0.0	0.4	0.8
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.92	0.1	0.0	24.9

Corporate Calendar

Date	Company	Event
30 th Aug	Lumi Rental	Start of IPO book-building
30 th Aug	Marafiq	Cash Dividend Distribution
30 th Aug	Gulf Union Alahlia	EGM
31 st Aug	Catering	Cash Dividend Distribution
31 st Aug	Munawla Cargo	End of IPO
31 st Aug	ARDCO	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,085	-0.4	0.6	22.7	9.3
Abu Dhabi (ADX)	9,762	0.1	-0.3	-4.9	32.3
Kuwait (KSE)	7,734	0.1	-4.1	-4.7	18.4
Qatar (QE)	10,371	0.3	-5.4	-2.9	13.0
Oman (MSM)	4,781	0.2	0.1	-1.6	13.2
Bahrain (BSE)	1,956	0.2	0.1	3.2	7.4
Egypt (EGX30)	18,629	0.2	5.9	27.6	9.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,853	0.8	-2.0	5.1	20.9
Nasdaq	15,377	2.2	-2.4	40.6	32.5
S&P 500	4,498	1.5	-2.0	17.1	22.0
FTSE 100	7,465	1.7	-3.0	0.2	10.8
Germany DAX 30	15,931	0.9	-3.1	14.4	12.6
France CAC 40	7,373	0.7	-1.7	13.9	12.7
Japan Nikkei 225	32,227	0.2	-2.8	23.5	25.7
Russia MOEX	3,211	0.4	4.5	49.1	2.5
Hong Kong Hang Seng	18,484	1.9	-7.9	-6.6	10.2
South Korea KOSPI	2,552	0.3	-3.1	14.1	18.1
China Shanghai Composite	3,136	1.2	-4.7	1.5	13.9
Australia ASX 200	7,210	0.7	-2.7	2.4	16.2
India Sensex	65,076	0.1	-2.2	7.0	22.7
MSCI EM	988	1.0	-5.7	3.3	13.4
MSCI World	2,976	1.4	-2.9	14.3	18.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	89.34	-0.4	0.6	6.1
Brent Crude (\$/bbl)	85.49	1.3	-0.1	-0.5
Texas crude (\$/bbl)	81.16	1.3	-0.8	1.1
Natural Gas (\$/mmbtu)	2.66	-0.1	1.1	-35.2
Gold (\$/oz)	1,937.54	0.9	-1.4	6.2
Silver (\$/oz)	24.72	2.0	-0.1	3.2
Steel (\$/ton)	801.00	0.0	-2.9	7.7
Iron Ore (CNY/MT)	882.00	-0.8	-1.7	2.9
Wheat (\$/bu)	600.50	-2.7	-13.2	-26.8
Corn (\$/bu)	486.75	-1.9	-5.1	-20.3
Sugar (\$/lb)	25.45	-0.5	5.6	42.8
SMP* (EUR/MT)	2,245.00	0.0	-5.1	-19.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.84	2.8	12.2	110.7
KSA (SAIBOR 3M)	6.17	3.9	16.6	83.4
KSA (SAIBOR 6M)	6.15	3.0	13.5	55.5
KSA (SAIBOR 12M)	6.05	0.4	1.3	18.3
USA (SOFR 3M)	5.42	0.5	5.7	83.5
UAE (EIBOR 3M)	5.27	5.6	0.9	96.2

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of August 29, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,443
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931
Market data	
Exchange Market Cap. (SAR bn)	11,327.5
Value (SAR mn)	5,384.5
Volume (mn)	169.1
Number of Transactions	375,313
Market Breadth	71 : 144
Key statistics	
1D return %	-0.19%
MTD return %	-2.14%
QTD return	-0.14%
YTD return	9.20%
ADT vol. 3M* (mn)	247.7
ADT val. 3M (SARmn)	6,136.7

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a decline on Tuesday which was led by index heavyweights Energy (-1.24% D/D) and Telecommunication services (-0.54% D/D) sectors. At close, the Saudi market ended the day with a change of -0.19% at 11,443. In terms of activity, total volumes and value traded were ~169mn and ~SAR 5.4bn, respectively. The advance-decline ratio came in at 71/144.

Technical outlook

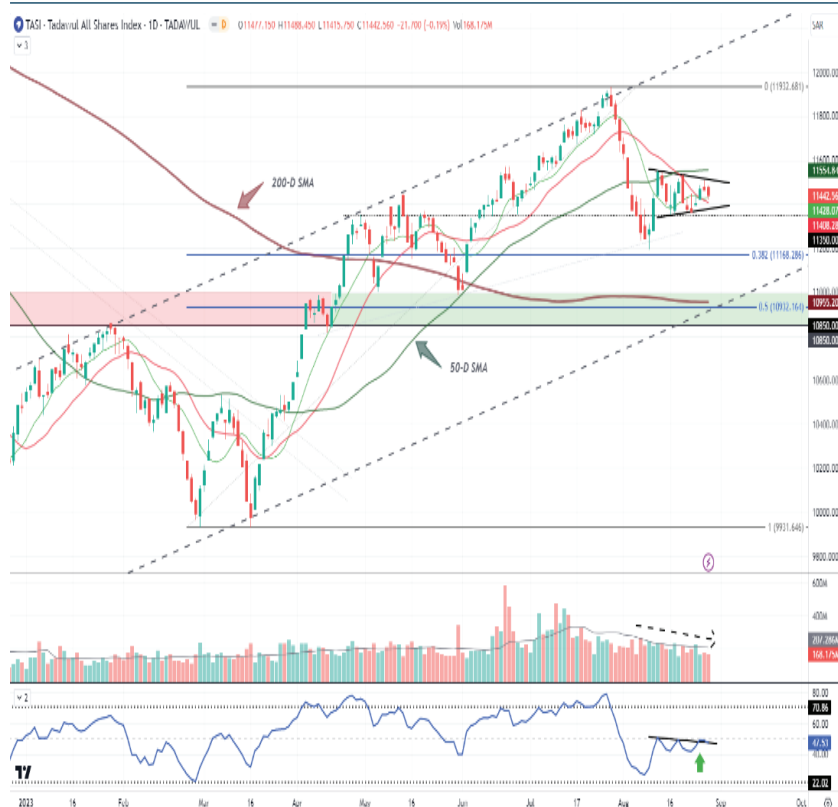
- TASI closed near 11,443, losing another 22 points. The index has formed a red candlestick in the last session, however, it was accompanied by a volume record which is less than the average volume of the last 20 sessions by almost 20%. Additionally, TASI is currently hovering inside a contracting sideways action between its 20 and 50-day SMAs with a gradually declining liquidity, reflecting the indecision status in the market. Nevertheless, the RSI indicator is currently testing the 50 level after penetrating a slight declining trendline; raising the likelihood of witnessing a possible further temporary rise towards the 50-day SMA in the near term. TASI has an immediate support level near 11,425 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. On the other hand, it has an immediate significant resistance near 11,550, which if penetrated; would pave the way for the next strong resistance level around 11,650. TASI continues its short-term sideways movement, with the potential to reach the strong resistance of 11,650, as long as it remains above the most critical support level near 11,350, as a breach would likely trigger some further selling pressure in the near term.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,100	11,170	11,350	11,425	11,550	11,650	11,775



Source: Bloomberg, Argaam

TASI daily chart



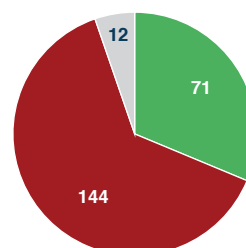
Source: Tradingview, Aljazira Capital

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
4050	Saudi Automotive Services Co.	67.00	67.00 – 66.30	68.50	71.00	5.97%	64.50

* As of 29th August 2023

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

CHARTS OF THE WEEK

Technical observations

SASCO has just finished a bullish continuation inverted head and shoulders price 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 SAR67.00 – 66.30, for a target of SAR68.50 followed by SAR71.00, with a stop loss below SAR64.50 on a closing basis.

Saudi Automotive Services Co. (SASCO)



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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