

Major Economic News

- Minister of Human Resources and Social Development Ahmad bin Sulaiman AlRajhi launched the employee loyalty program (DOAM). The program offers a package of exclusive offers to public employees through a network of more than 2,500 service providers across the Kingdom, benefiting more than 1.2mn employees. (Source: Argaam)

Major Corporate News

- The General Authority of Competition issued a no-objection on the economic concentration between the Red Sea International Co. and Fundamental Installation for Electric Work Co., allowing the former to acquire 51% of the latter. (Source: Tadawul)
- The General Authority for Competition (GAC) gave the go-ahead for Methanol Chemicals Co. (Chemanol) to acquire 80.0% of Global Co. for Chemical Industries Ltd. In a separate statement, GAC also approved Chemanol's acquisition of an 84.0% stake in ADDAR Chemicals Co. (Source: Tadawul)
- ACWA Power signed strategic pacts with six Italian partners at the Saudi-Italian Investment Forum to boost cooperation in green hydrogen, water desalination, and research and development. (Source: Argaam)
- The Capital Market Authority approved SICO Capital's request to float the units of the public offer of SICO Kingdom Equity Fund. (Source: Argaam)
- The offering price range for IPO of Intelligent Oud Co. was set between SAR 46.0 and SAR 49.0 per share. The book-building period for qualified investors will run from September 10-12. The company will offer 20.0% its capital, on Nomu-Parallel Market. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,430.9. The value traded stood at SAR 5.4bn (up 24.5% over previous day), while the advance-decline ratio stood at 65/151. The parallel market index ended flat at 23,583.6 points. The value traded stood at SAR 33.0mn (down 19.5% over previous day). Most sectors in the main market ended in the red. Utilities and Insurance (up 3.8% and 3.0%, respectively) advanced the most; Pharma & Bio Tech and Software & Services (down 2.1% and 2.0%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
TAWUNIYA	126.40	9.9
ATHEEB TELECOM	126.60	9.9
ACWA POWER	201.80	6.8
ALMAWARID	138.60	5.3
ALRAJHI TAKAFUL	168.20	3.7

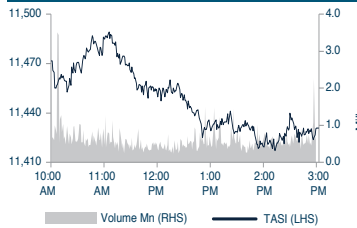
Top Losers

Company	Price	Change%
ALBAHA	0.15	-6.3
NCLE	108.40	-3.9
ELM	813.00	-3.6
GACO	20.36	-3.5
RAYDAN	26.45	-3.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,431	11,493	11,413	(0.2)	9.1
NomuC	23,584	23,691	23,353	0.0	21.5

TASI movement during session



TASI Ratios

P/E* (x)	23.6
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	6,433	(0.4)	18.5	16.6
Materials	6,405	(0.6)	1.8	40.8
Capital Goods	7,920	(1.4)	51.5	22.5
Commercial Service	4,774	1.2	38.9	29.6
Transportation	5,782	(1.4)	27.3	High
Consumer Durables	5,021	(0.1)	18.8	Neg
Consumer Services	5,288	(1.0)	43.3	41.4
Media	24,344	0.2	13.3	27.4
Retailing	7,808	(0.9)	8.8	22.7
Food & Staples	10,033	0.2	17.5	19.8
Food & Beverages	5,854	(1.5)	26.2	31.3
Healthcare	10,703	1.6	17.5	44.8
Pharma & Bio Tech	4,881	(2.1)	69.9	High
Banks	11,019	(0.4)	(4.5)	13.3
Diversified Financial	7,030	0.6	10.5	34.3
Insurance	8,338	3.0	56.8	25.8
Telecom	7,284	(1.9)	14.0	15.6
Utilities	8,547	3.8	19.1	16.8
REITs	3,614	(0.2)	(9.1)	High
Real Estate	3,325	0.1	33.0	High
Software & Services	68,971	(2.0)	92.2	44.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for August (bn)
11,479	11,448	11,432	5.44

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.7	342.9	717.6
Previous week	29.1	998.8	1,803.5

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.30	-0.4
Al Rajhi	71.90	-0.4
SNB	35.95	0.1
SABIC	89.90	-0.1
STC	38.95	-2.4

International Market News

- The Sentix index for the Eurozone declined to -21.5 points in September (consensus: -20.0) from -18.9 in August. Germany's economic weakness remained a major drag on the region. (Source: Reuters)
- China's Caixin services PMI dropped to 51.8 in August from 54.1 in July, the lowest reading since December 2022. The increase in new orders in the services sector was below the average seen for FY23 to date, partly due to weaker foreign demand. (Source: CNBC)
- Japan's household spending declined 2.7% M/M in July (consensus: an increase of 0.7%) compared to a rise of 0.9% in June. On a Y/Y basis, household spending fell 5.0% in July (consensus: a fall of 2.5%) compared to a decline of 4.2% in June. (Source: Econoday)
- Japan's services PMI increased to 54.3 in August (in line with consensus) from 53.8 in July. The expansion was driven by robust consumer spending as inbound tourism regained momentum. (Source: Reuters)
- Oil prices rose 0.5% driven by expectations of OPEC+ extending the supply cuts. The prices were also aided by hopes that the US Federal Reserve will pause its rate hikes.
- Gold prices inched up 0.1%, as US dollar weakened amid growing expectations that the US Federal Reserve will end its monetary tightening.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.24	0.0	0.6	0.7
Euro	1.08	0.1	-0.4	0.9
Japanese Yen	146.47	0.2	0.6	11.7
Sterling Pound	1.26	0.3	-0.4	4.5
Chinese Yuan	7.28	0.1	0.0	5.1
Indian Rupee	82.75	0.0	-0.0	0.0
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	0.0	0.8
Omani Rial	0.39	-0.1	-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
5 th Sep	City Cement	Cash Dividend Distribution
5 th Sep	Lumi Rental	End of IPO book-building
6 th Sep	A.Othaim Market	Cash Dividend Distribution
6 th Sep	Baazeem	Cash Dividend Distribution
6 th Sep	MRNA	Cash Dividend Distribution
7 th Sep	EPCCO	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,069	-0.5	-0.3	22.0	9.3
Abu Dhabi (ADX)	9,748	-0.4	-0.6	-4.5	31.6
Kuwait (KSE)	7,621	-0.9	-1.0	-6.1	18.1
Qatar (QE)	10,131	-0.5	-0.6	-5.1	12.7
Oman (MSM)	4,758	-0.4	-0.9	-2.1	13.1
Bahrain (BSE)	1,962	0.3	0.5	3.5	7.4
Egypt (EGX30)	18,911	1.0	0.2	29.5	8.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,838	0.0	0.3	5.1	20.9
Nasdaq	15,491	0.0	-0.1	41.6	32.9
S&P 500	4,516	0.0	0.2	17.6	22.1
FTSE 100	7,453	-0.2	0.2	0.0	10.8
Germany DAX 30	15,825	-0.1	-0.8	13.7	12.4
France CAC 40	7,280	-0.2	-0.5	12.4	12.5
Japan Nikkei 225	32,939	0.7	1.0	26.2	26.2
Russia MOEX	3,269	1.2	1.3	51.8	2.6
Hong Kong Hang Seng	18,844	2.5	2.5	-4.7	10.6
South Korea KOSPI	2,585	0.8	1.1	15.6	18.3
China Shanghai Composite	3,177	1.4	1.8	2.8	14.2
Australia ASX 200	7,319	0.6	0.2	4.0	16.6
India Sensex	65,628	0.4	1.2	7.9	22.9
MSCI EM	996	1.0	1.5	4.1	14.2
MSCI World	2,990	0.0	0.1	14.9	19.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	93.44	1.4	3.2	10.9
Brent Crude (\$/bbl)	89.00	0.5	2.5	3.6
Texas crude (\$/bbl)	85.55	0.0	2.3	6.6
Natural Gas (\$/mmbtu)	2.77	0.0	-0.1	-32.7
Gold (\$/oz)	1,942.69	0.1	0.1	6.5
Silver (\$/oz)	23.99	-0.8	-1.8	0.2
Steel (\$/ton)	720.00	0.0	-1.2	-3.2
Iron Ore (CNY/MT)	919.00	0.1	0.3	7.2
Wheat (\$/bu)	595.50	0.0	-1.1	-27.4
Corn (\$/bu)	481.50	0.0	0.7	-21.2
Sugar (\$/lb)	25.81	0.0	3.0	44.8
SMP* (EUR/MT)	2,200.00	-0.4	-0.4	-20.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.75	-6.8	-10.8	102.1
KSA (SAIBOR 3M)	6.19	-0.9	3.8	84.9
KSA (SAIBOR 6M)	6.09	-0.7	-1.1	49.6
KSA (SAIBOR 12M)	6.05	-3.1	-2.9	18.3
USA (SOFR 3M)	5.40	0.0	0.1	81.5
UAE (EIBOR 3M)	5.36	14.8	10.7	105.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 4, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,431
Short-term view	Cautious
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,365.7
Value (SAR mn)	5,376.7
Volume (mn)	188.7
Number of Transactions	419,072
Market Breadth	65 : 151

Key statistics	
1D return %	-0.22%
MTD return %	-0.53%
QTD return	-0.25%
YTD return	9.09%
ADT vol. 3M* (mn)	247.6
ADT val. 3M (SARmn)	6,078.5

*ADT stands for Average Daily Traded

TASI market commentary

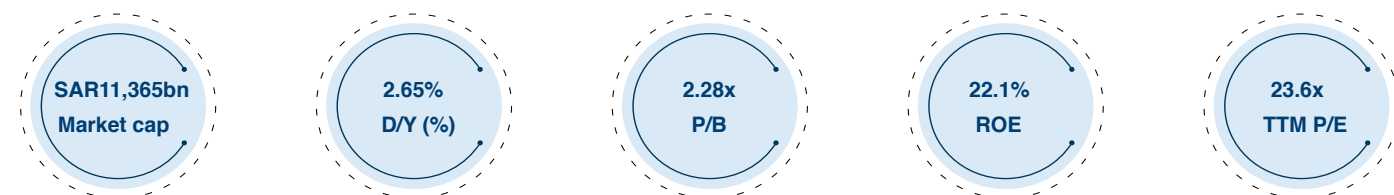
- TASI witnessed a decline on Monday which was led by index heavyweights Telecommunication services (-1.94% D/D) and Materials (-0.63% D/D) sectors. At close, the Saudi market ended the day with a change of -0.22% at 11,431. In terms of activity, total volumes and value traded were ~189mn and ~SAR 5.4bn, respectively. The advance-decline ratio came in at 65/151.

Technical outlook

- TASI closed near 11,431, losing another 25 points. The profit-booking attitude persisted for the third consecutive session; forming another red candlestick. TASI has breached the lower boundary of a bearish continuation wedge price pattern. Additionally, the index started to breach its 20-day SMA; which came after a failed attempt to penetrate its 50-day SMA. Furthermore, the RSI indicator has fallen below the 50 level and breached a rising trendline; indicating the inherent weakness of the index and suggesting to witness further selling pressure. TASI has an immediate support level near 11,420 followed by 11,350. If breached, the next level of support is expected to be met near 11,170. On the other hand, it has an immediate resistance at around 11,550. If penetrated; it would be expected to reach a strong resistance near 11,650. TASI is witnessing a selling pressure which may continue, as long as the index maintains trading below the lower boundary of the completed bearish wedge price pattern as well as its 50-day SMA near the resistance level of 11,550. Otherwise, a close above it would indicate the strength of the index and potentially trigger further buying power toward the significant resistance level of 11,650.

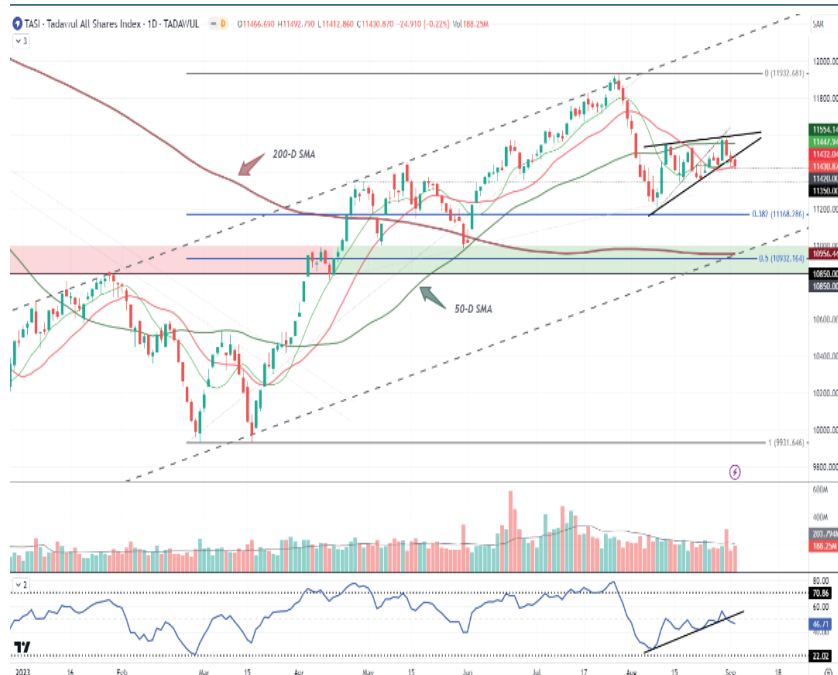
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,100	11,170	11,350	11,420	11,550	11,650	11,775



Source: Bloomberg, Argaam

TASI daily chart

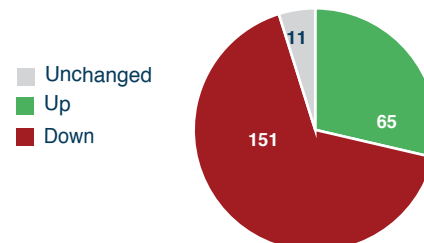


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
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No stocks recommendations due to market volatility

* As of 04th Sep 2023

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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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