



Major Economic News

- Saudi Arabia extended the voluntary oil cut of 1.0mn barrels per day (bpd) for additional three months until December 2023. The cut was implemented in July and was extended to include August and September. The Kingdom's production will be approximately 9.0mn bpd. (Source: Argaam)
- The seasonally adjusted Riyadh Bank Saudi Arabia PMI fell to 57.7 points in August 2023. The Saudi non-oil private sector witnessed the slowest improvement in nearly a year. Business growth and new activities declined in August. (Source: Argaam)
- PIF announced the completion of the sale of its 10.9% stake or 8.2mn shares, in National Gas and Industrialization Co. (GASCO). The process was completed through a private sale transaction for SAR 491.2mn. (Source: Argaam)
- Saudi Arabia's merchandise imports grew by 2.0% Y/Y to SAR 178.9bn in Q2-23. On a Q/Q basis, merchandise imports fell by 8.0%. (Source: Argaam)

Major Corporate News

- STC acquired a 9.9% stake in Spain-based Telefonica for SAR 8.5bn (EUR 2.1bn). The transaction is funded through a mixture of its own resources and bank debt. (Source: Tadawul)
- SADES International Holding Co. issued its prospectus to float 30.0% of its 338.7mn share capital or 39.5% of pre- IPO capital. Institutional offering and book-building period will start from September 10, 2023, and end on September 14, 2023. The issue will be open for institutional investors from September 26-28, 2023. (Source: Argaam)

Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,411.0. The value traded stood at SAR 5.8bn (up 7.7% over previous day), while the advance-decline ratio stood at 79/132. The parallel market index decreased 0.2% to 23,545.8 points. The value traded stood at SAR 54.6mn (up 65.5% over previous day). Most sectors in the main market ended in the red. Commercial Service and Insurance (up 3.6% and 2.2%, respectively) advanced the most; Food & Beverages and Consumer Services (down 1.1% and 1%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MAHARAH	68.30	9.6
ALBAHA	0.16	6.7
ATHEEB TELECOM	135.00	6.6
WAFRAH	37.60	6.1
TAWUNIYA	134.00	6.0

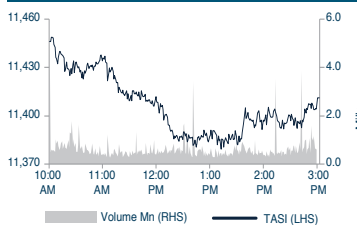
Top Losers

Company	Price	Change%
EQUIPMENT HOUSE	47.75	-2.9
NAMA CHEMICALS	31.65	-2.5
A.OTHAIM MARKET	14.10	-2.2
NADEC	48.00	-2.1
SAPTCO	17.84	-2.1

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,411	11,452	11,377	(0.2)	8.9
NomuC	23,546	23,672	23,380	(0.2)	21.3

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	6,396	(0.6)	17.9	16.5
Materials	6,394	(0.2)	1.7	40.7
Capital Goods	7,953	0.4	52.2	22.6
Commercial Service	4,948	3.6	44.0	30.4
Transportation	5,775	(0.1)	27.2	High
Consumer Durables	4,993	(0.5)	18.2	Neg
Consumer Services	5,234	(1.0)	41.8	40.9
Media	24,589	1.0	14.4	27.6
Retailing	7,786	(0.3)	8.5	22.6
Food & Staples	10,003	(0.3)	17.1	19.9
Food & Beverages	5,792	(1.1)	24.8	30.9
Healthcare	10,880	1.7	19.4	45.7
Pharma & Bio Tech	4,842	(0.8)	68.5	High
Banks	11,001	(0.2)	(4.7)	13.3
Diversified Financial	6,992	(0.5)	9.9	34.0
Insurance	8,523	2.2	60.3	26.4
Telecom	7,321	0.5	14.6	15.8
Utilities	8,462	(1.0)	18.0	16.6
REITs	3,602	(0.4)	(9.4)	High
Real Estate	3,311	(0.4)	32.4	High
Software & Services	69,073	0.1	92.5	44.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for August (bn)
11,473	11,451	11,440	5.16

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	15.5	533.4	1,134.2
Previous week	29.1	998.8	1,803.5

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.10	-0.6
Al Rajhi	72.10	0.3
SNB	35.60	-1.0
SABIC	89.80	-0.1
STC	39.55	1.5

International Market News

- The factory orders in the US declined 2.1% in July (consensus: a decrease of 2.6%) as against a rise of 2.3% in June. The drop in factory orders was driven by a 5.2% fall in durable goods orders in July after soaring by 4.3% in June. Orders for transportation equipment plunged 14.3%. (Source: RTT News)
- UK's services PMI dropped to 49.5 in August (consensus: 48.7) from 51.5 in the previous month. There was a marginal decline in new orders amid caution among clients due to fewer new business. (Source: RTT News)
- ECB's Consumer Expectations Survey showed that median expectations for inflation over the next 12 months were steady at 3.4%. However, expectations for inflation three years ahead edged up to 2.4% from 2.3% in June. (Source: RTT News)
- Car registrations in the UK grew 24.4% Y/Y in August. A total of 85,657 new cars were registered in August, up from 68,458 units in the corresponding month last year. (Source: RTT News)
- Oil prices jumped 1.2%, reaching the highest level since November 2022, as Saudi Arabia and Russia extended their voluntary cuts till the end of this year.
- Gold prices fell 0.9% due to stronger US dollar and increase in US treasury yields on expectations that interest rates are likely to remain high.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.81	0.5	1.1	1.2
Euro	1.07	-0.7	-1.1	0.2
Japanese Yen	147.72	0.9	1.5	12.7
Sterling Pound	1.26	-0.5	-0.9	4.0
Chinese Yuan	7.31	0.4	0.4	5.5
Indian Rupee	83.04	0.4	0.3	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	0.1	0.8
Omani Rial	0.39	0.0	-0.0	0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	30.93	0.0	-0.0	24.9

Corporate Calendar

Date	Company	Event
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
7 th Sep	SUMOU	Listing date
7 th Sep	Dallah Health	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,053	-0.4	-0.7	21.5	9.3
Abu Dhabi (ADX)	9,656	-0.9	-1.6	-5.4	31.3
Kuwait (KSE)	7,601	-0.3	-1.2	-6.3	18.1
Qatar (QE)	10,066	-0.6	-1.3	-5.8	12.6
Oman (MSM)	4,727	-0.6	-1.5	-2.7	13.1
Bahrain (BSE)	1,948	-0.7	-0.2	2.8	7.3
Egypt (EGX30)	19,044	0.7	0.9	30.5	8.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,642	-0.6	-0.2	4.5	20.8
Nasdaq	15,508	0.1	0.0	41.8	32.9
S&P 500	4,497	-0.4	-0.2	17.1	22.0
FTSE 100	7,438	-0.2	-0.0	-0.2	10.8
Germany DAX 30	15,772	-0.3	-1.1	13.3	12.4
France CAC 40	7,255	-0.3	-0.8	12.1	12.5
Japan Nikkei 225	33,037	0.3	1.3	26.6	26.3
Russia MOEX	3,264	-0.1	1.1	51.5	2.6
Hong Kong Hang Seng	18,457	-2.1	0.4	-6.7	10.4
South Korea KOSPI	2,582	-0.1	1.0	15.5	18.3
China Shanghai Composite	3,154	-0.7	1.1	2.1	14.1
Australia ASX 200	7,314	-0.1	0.1	3.9	16.6
India Sensex	65,780	0.2	1.5	8.1	23.0
MSCI EM	986	-1.0	0.6	3.1	14.4
MSCI World	2,973	-0.6	-0.4	14.2	19.1

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	93.33	-0.1	3.1	10.8
Brent Crude (\$/bbl)	90.04	1.2	3.7	4.8
Texas crude (\$/bbl)	86.69	1.3	3.7	8.0
Natural Gas (\$/mmbtu)	2.58	-6.6	-6.7	-38.1
Gold (\$/oz)	1,926.12	-0.9	-0.7	5.6
Silver (\$/oz)	23.54	-1.9	-3.7	-1.7
Steel (\$/ton)	711.00	-1.2	-2.5	-4.4
Iron Ore (CNY/MT)	924.00	0.5	0.9	7.8
Wheat (\$/bu)	599.25	0.6	-0.5	-26.9
Corn (\$/bu)	486.00	0.9	1.6	-20.4
Sugar (\$/lb)	26.65	3.3	6.3	49.6
SMP* (EUR/MT)	2,188.00	-0.5	-1.0	-21.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.85	9.4	-1.4	111.5
KSA (SAIBOR 3M)	6.20	1.5	5.3	86.3
KSA (SAIBOR 6M)	6.08	-1.0	-2.1	48.6
KSA (SAIBOR 12M)	6.08	2.3	-0.6	20.6
USA (SOFR 3M)	5.39	-1.1	-1.0	80.4
UAE (EIBOR 3M)	5.36	-0.1	10.6	105.2

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 5, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,411
Short-term view	Cautious
52 weeks high/low	12,228 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,315.6
Value (SAR mn)	5,792.3
Volume (mn)	190.5
Number of Transactions	416,595
Market Breadth	79 : 132

Key statistics	
1D return %	-0.17%
MTD return %	-0.70%
QTD return	-0.42%
YTD return	8.90%
ADT vol. 3M* (mn)	247.6
ADT val. 3M (SARmn)	6,063.4

*ADT stands for Average Daily Traded

TASI market commentary

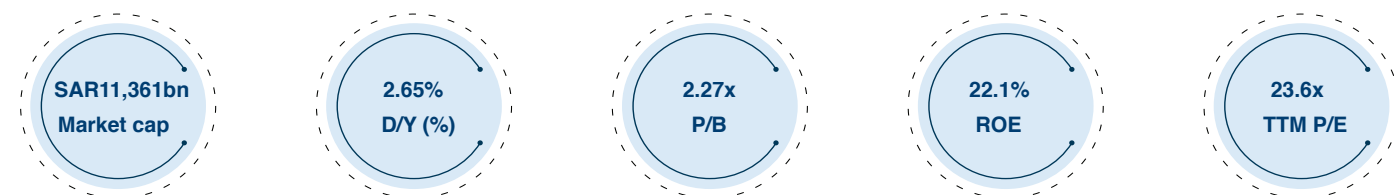
- TASI witnessed a decline on Tuesday which was led by index heavyweights Energy (-0.58% D/D) and Materials (-0.17% D/D) sectors. At close, the Saudi market ended the day with a change of -0.17% at 11,411. In terms of activity, total volumes and value traded were ~191mn and ~SAR 5.8bn, respectively. The advance-decline ratio came in at 79/132.

Technical outlook

- TASI closed near 11,411, losing another 20 points. The market sentiment has been dominated by selling pressure, leading to a fourth consecutive declining session accompanied by a gradual increase in trading activity. TASI closed below its 10 & 20-day SMAs after completing a bearish wedge price pattern which indicates the potential for further selling pressure. Furthermore, the RSI indicator has persistently remained below the 50 level after breaching a rising trendline; highlighting the inherent weakness of the index. TASI has an immediate support level of around 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 resistance at around 11,450 followed by 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	11,450	11,550	11,650	11,775



Source: Bloomberg, Argam

TASI daily chart

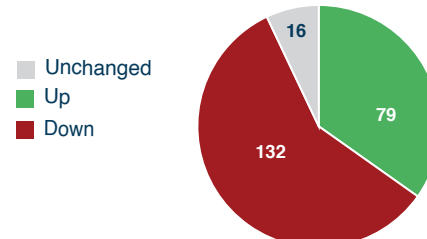


Source: Tradingview, Aljazira Capital

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 05th 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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