

Major Economic News

- Saudi Arabia's Crown Prince announced signing a MoU between India, the Middle East, and Europe for the construction of a new economic corridor. (Source: Argaam)
- Saudi Arabia and the US signed a MoU between the two countries to build a framework for formulating a protocol on establishing intercontinental green transit corridor through the Kingdom to link Asia with the European continent. (Source: Argaam)
- Saudi Arabia's Ministry of Investment, Italy's GKSD Holding, and King Saud University Medical City signed a tripartite MoU to boost the healthcare sector. The MoU is estimated at a value of SAR 1bn. (Source: Argaam)

Major Corporate News

- Lumi Rental Co. announced the successful completion of the book-building process for its IPO on the Saudi Exchange setting the final IPO price at SAR 66 per share. The total value of orders during the book-building process reached ~SAR 102.9bn, with a coverage ratio of 94.5x. (Source: Argaam)
- Leejam Sports Company announces the closure of two fitness centers. The company will write off assets worth SAR 11.4mn for closing these fitness centers, and this will be reflected in Q3-23 financial statements. (Source: Tadawul)
- City Cement announced the establishment of a limited liability company under the name (Innovative Solutions for Environmental Services Company) by its subsidiary (Green Solutions for Environmental Services Company) to produce alternative fuel from waste and market it locally and globally. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange declined 0.7% to 11,215.6. The value traded stood at SAR 6.4bn (up 3.7% over previous day), while the advance-decline ratio stood at 70/146. The parallel market index declined 0.6% at 23,198.3 points. The value traded stood at SAR 24.2mn (down 23.5% over previous day). Most sectors in the main market ended in red. Diversified Financials and Software & Services (down 3.3% and 3.1%, respectively) declined the most; Media and Energy (up 0.5% and 0.4%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
ATHEEB TELECOM	146.20	9.4
APC	94.50	6.3
NASEEJ	42.80	5.3
ALARABIA	217.80	5.0
SALAMA	28.80	3.6

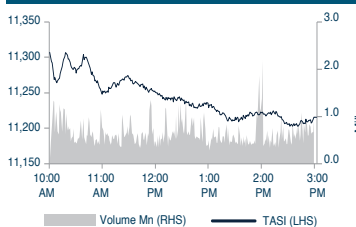
Top Losers

Company	Price	Change%
SUMOU	53.00	-7.0
ALBAHA	0.15	-6.3
CENOMI RETAIL	18.66	-4.8
THEEB	66.60	-4.7
TADAWUL GROUP	190.80	-4.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,216	11,308	11,200	-0.7	7
NomuC	23,198	23,513	23,170	-0.6	20

TASI movement during session



TASI Ratios

P/E* (x)	23.07
Price-to-Book (x)	2.23
Dividend Yield (%)	2.71
Return on Equity (%)	22.07

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,400	0.4	17.9	16.5
Materials	6,303	-0.8	0.2	40.1
Capital Goods	7,893	-0.8	51.0	22.5
Commercial Service	4,902	-1.3	42.6	30
Transportation	5,705	-2.4	25.6	High
Consumer Durables	4,978	0.3	17.8	Neg
Consumer Services	5,254	-0.5	42.4	41.4
Media	24,436	0.5	13.7	27.7
Retailing	7,722	-1.0	7.6	22.4
Food & Staples	9,738	-1.0	14.0	19.4
Food & Beverages	5,673	-0.2	22.3	30.4
Healthcare	10,664	-0.8	17.1	44.5
Pharma & Bio Tech	4,743	0.1	65.1	High
Banks	10,779	-1.1	-6.6	13
Diversified Financial	6,738	-3.3	5.9	33.1
Insurance	8,154	-2.2	53.4	25.3
Telecom	7,229	0.9	13.2	15.6
Utilities	8,098	-1.1	12.9	15.9
REITs	3,610	0.1	-9.2	High
Real Estate	3,195	-1.3	27.8	High
Software & Services	66,659	-3.1	85.7	42.9

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for August (bn)
11,362	11,425	11,431	5.6

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	0	0.00	0.00
Previous week	28.1	954.57	2,054.52

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.15	0.4
Al Rajhi	70.80	-1.5
SNB	35.10	-0.4
SABIC	88.90	-1.1
STC	39.10	1.0



International Market News

- China's consumer prices returned to positive territory in August while a slowdown was registered in factory-gate price decline. The CPI rose 0.1% in August Y/Y, slower than the median estimate for a 0.2% increase and compared to a decline of 0.3% in July. (Source: CNBC)
- Global leaders announced a multinational rail and ports deal linking the Middle East and South Asia on the sidelines of the G20 summit. (Source: CNBC)
- The US wholesale inventories dropped by 0.2% in July after declining by a revised 0.7% in June. This compares to a 0.1% decline expected by the economists. (Source: RTT News)
- The British public's expectations for inflation over the medium to long term, rose in August. Inflation expectations slightly rose to 3.3% from 3.2% in July, according to the survey by U.S. bank Citi and polling firm YouGov. (Source: Investing)
- Oil prices gained on rising U.S. diesel futures and concerns over tight oil supplies after Saudi Arabia and Russia agreed to extend cuts till the end of the year.
- Gold prices edged up supported by a slight retreat in the dollar, while investors waited for more economic data next week to gauge the Federal Reserve's interest rate hike plans. (Source: investing)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.1	0.0	1.4	1.5
Euro	1.1	0.0	-1.3	-0.0
Japanese Yen	147.8	0.4	1.6	12.7
Sterling Pound	1.2	-0.0	-1.6	3.2
Chinese Yuan	7.4	0.3	1.2	6.4
Indian Rupee	82.9	-0.3	0.2	0.3
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	0.1	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
10 th Sep	SADAFCO	Cash dividend distribution
10 th Sep	HCC	Eligibility for cash dividend
10 th Sep	Saudi Aramco	Eligibility for cash dividend
10 th Sep	City Scape	Conference event
10 th Sep	Atlas Elevators	Start of IPO offering
10 th Sep	Maharah	Cash dividend distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,067	0.2	-0.4	21.9	9.3
Abu Dhabi (ADX)	9,691	0.3	-1.2	-5.1	31.4
Kuwait (KSE)	7,691	0.0	-0.1	-5.2	18.3
Qatar (QE)	10,238	0.0	0.4	-4.2	12.8
Oman (MSM)	4,690	0.0	-2.3	-3.4	12.9
Bahrain (BSE)	1,942	0.0	-0.5	2.5	7.3
Egypt (EGX30)	19,376	0.0	2.7	32.7	8.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,577	0.2	-0.4	4.3	20.8
Nasdaq	15,280	0.1	-1.4	39.7	32.4
S&P 500	4,457	0.1	-1.1	16.1	21.8
FTSE 100	7,478	0.5	0.5	0.4	10.8
Germany DAX 30	15,740	0.1	-1.3	13.0	12.4
France CAC 40	7,241	0.6	-1.0	11.8	12.5
Japan Nikkei 225	32,607	-1.2	-0.0	25.0	26.0
Russia MOEX	3,143	-0.8	-2.6	45.9	2.4
Hong Kong Hang Seng	18,202	0.0	-1.0	-8.0	10.2
South Korea KOSPI	2,548	-0.0	-0.3	13.9	18.0
China Shanghai Composite	3,117	-0.2	-0.1	0.9	14.0
Australia ASX 200	7,157	-0.2	-2.0	1.7	15.9
India Sensex	66,599	0.5	2.7	9.5	23.3
MSCI EM	974	0.0	-0.7	1.8	14.1
MSCI World	2,949	0.1	-1.2	13.3	18.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	94.8	-0.2	4.7	12.5
Brent Crude (\$/bbl)	90.7	0.8	4.4	5.5
Texas crude (\$/bbl)	87.5	0.7	4.6	9.0
Natural Gas (\$/mmbtu)	2.6	1.0	-5.9	-37.6
Gold (\$/oz)	1,919.1	-0.0	-1.1	5.2
Silver (\$/oz)	22.9	-0.2	-6.2	-4.3
Steel (\$/ton)	720.0	-0.7	-1.2	-3.2
Iron Ore (CNY/MT)	907.0	-0.9	-1.0	5.8
Wheat (\$/bu)	595.8	-0.7	-1.0	-27.4
Corn (\$/bu)	483.8	-0.5	1.2	-20.8
Sugar (\$/lb)	26.3	-1.4	5.0	47.6
SMP* (EUR/MT)	2,269.0	1.1	2.7	-18.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.818	0.00	-4.2	108.8
KSA (SAIBOR 3M)	6.271	0.00	12.0	93.0
KSA (SAIBOR 6M)	6.045	0.00	-6.0	44.8
KSA (SAIBOR 12M)	6.086	0.00	0.4	21.6
USA (SOFR 3M)	5.410	-0.05	0.9	82.3
UAE (EIBOR 3M)	5.239	-10.83	-1.7	92.9

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 7, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,216
Short-term view	Cautious
52 weeks high/low	12,228 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,263.9
Value (SAR mn)	6,420.5
Volume (mn)	209.0
Number of Transactions	456,336
Market Breadth	70 : 146

Key statistics

1D return %	-0.73%
MTD return %	-2.40%
QTD return	-2.12%
YTD return	7.03%
ADT vol. 3M* (mn)	248.5
ADT val. 3M (SARmn)	6,038.9

*ADT stands for Average Daily Traded

TASI market commentary

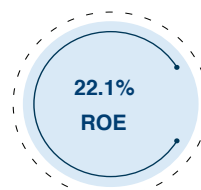
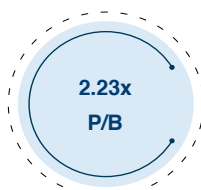
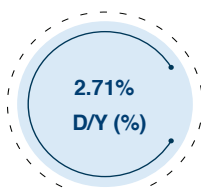
- TASI witnessed a decline on Thursday which was led by index heavyweights Banks (-1.12% D/D) and Materials (-0.80% D/D) sectors. At close, the Saudi market ended the day with a change of -0.73% at 11,216. In terms of activity, total volumes and value traded were ~209mn and ~SAR 6.4bn, respectively. The advance-decline ratio came in at 70/146.

Technical outlook

- TASI closed near 11,216, losing another 83 points. As anticipated, the index extended its sell-off, forming another long red candlestick. TASI is now approaching to test the level of the previous short-term trough as well as the 38.2% Fibonacci retracement level. Moreover, the 20 and 50 SMAs started to diverge negatively indicating the possibility of a continued selling sentiment thereafter. Furthermore, the RSI indicator is still heading to the downside after breaching a rising trendline; which indicates the likelihood of further selling pressure in the near future. TASI has immediate support near 11,170. If breached, the next level of support is expected to be met near 11,090 followed by 10,930. On the other hand, it has an immediate resistance at around 11,350 followed by 11,430. If penetrated; it would be expected to reach a resistance near 11,550. Presently, TASI remains under the influence of selling pressure, which is expected to persist as long as the index continues trading below its 20-day SMA near the resistance level of 11,430. Besides, traders are advised to closely monitor the significant support zone of 11,170 – 10,930 where buying power may reappear.

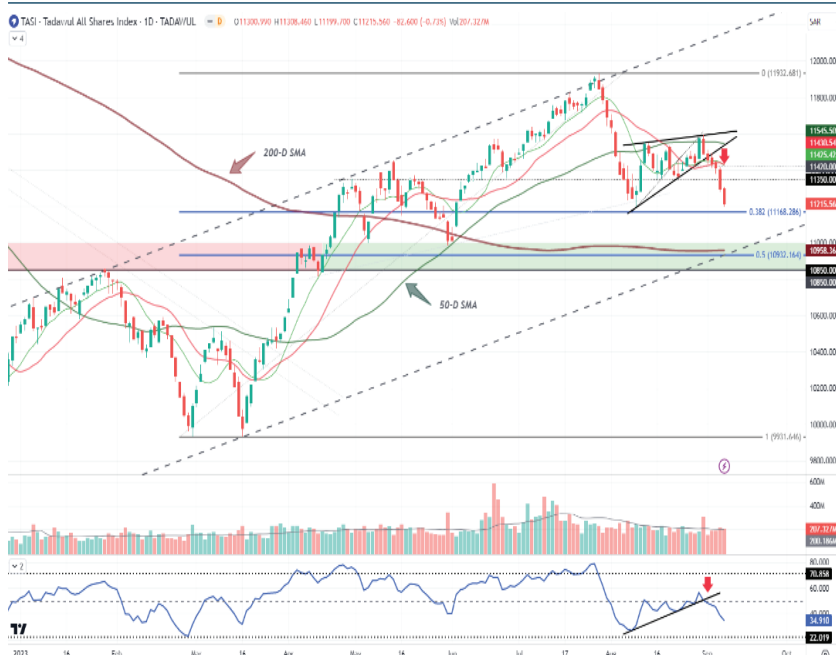
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,930	11,090	11,170	11,350	11,430	11,550	11,650



Source: Bloomberg, Argaam

TASI daily chart

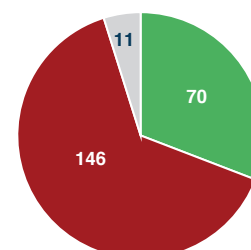


Our view



Market depth

Unchanged
Up
Down





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
4071	Arabian Contracting Services Co.	217.80	217.80 - 217.20	220.00	215.40
7020	Etihad Etisalat Co.	42.95	42.95 - 42.85	43.35	42.50
2080	National Gas and Industrialization Co.	62.50	62.50 - 62.30	63.10	61.90
1320	Saudi Steel Pipe Co.	35.50	35.50 - 35.40	35.85	35.15
4004	Dallah Healthcare Company	142.20	142.20 - 141.80	143.60	140.80
2170	Alujain Corp	49.30	49.30 - 49.15	49.80	48.80

* As of 07th Sep 2023

* Note – Stop loss is based on an intraday basis

Technical observations

ALARABIA penetrated the upper boundary of a symmetrical triangle price pattern after bouncing off the 20-day SMA. Moreover, all the technical indicators show bullish structure.

Arabian Contracting Services Co. (ALARABIA)



Source: Tradingview, Aljazira Capital

Technical observations

Etihad Etisalat started to bounce off the level of the prior medium-term trough as well as the 200-day EMA. Moreover, all the technical indicators show bullish structure.

Etihad Etisalat Co. (Etihad Etisalat)



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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