



Major Economic News

- The chairman of the CMA stated that 19 businesses are awaiting completion of their listing procedures, while the CMA is considering almost 50 applications to be listed. The CMA over the next five years aims to upgrade the Saudi market and help it rank among the top 10 global markets by 2030. (Source: Argaam)
- The total AUM held by capital market institutions licensed by Saudi Arabia's CMA increased 7%, or SAR 53bn Q/Q to SAR 823.6bn in Q2-23. (Source: Argaam)
- Saudi Arabia plans to localize private sector dentistry profession by 35%, starting from March 10, 2024. The Health Ministry will oversee and implement the decision, in line with job market and the requirements of the dentistry profession. (Source: Argaam)

Major Corporate News

- Arabian Pipes Co. was awarded a new order valued around SAR 204mn by Saudi Aramco for the supply of steel pipes and coating service. The contract duration is for 16 months and the financial impact will be reflected on the results starting from Q1-24 to Q2-25. (Source: Argaam)
- Alkhorayef Water and Power Technologies Co. announced that the company-led consortium signed a 450-month contract valued at around SAR 7.8bn with Saudi Water Partnership Co. for the development of Rayis-Rabigh Independent Water Transmission Pipeline Project. The financial impact of this contract is expected to start in Q4-23. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange declined 0.3% to 11,122.2. The value traded stood at SAR 6.3bn (up 5.1% over previous day), while the advance-decline ratio stood at 108/107. The parallel market index increased 0.7% at 22,513.0 points. The value traded stood at SAR 26.2mn (down 61.3% over previous day). Most sectors in the main market ended in red. Consumer Services & Pharma (down 2.2% and 2.0%, respectively) declined the most; Food & Beverages and Software & Services (up 1.2% and 1.1%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
JAZIRA TAKAFUL	21.04	9.9
SUMOU	50.20	7.7
ARABIAN SHIELD	20.60	6.0
ATHEEB TELECOM	138.00	5.8
SFICO	26.05	5.8

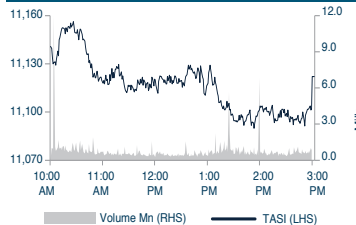
Top Losers

Company	Price	Change%
FITNESS TIME	133.60	-6.2
SABIC	85.70	-3.5
AMERICANA	4.43	-3.5
BUPA ARABIA	198.60	-3.3
ALDAWAA	87.40	-2.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,122	11,158	11,087	-0.3	6.1
NomuC	22,513	22,549	22,322	0.7	15.9

TASI movement during session



TASI Ratios

P/E* (x)	22.88
Price-to-Book (x)	2.21
Dividend Yield (%)	2.73
Return on Equity (%)	22.07

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,279	0.4	15.7	16.2
Materials	6,298	-1.1	0.1	39.8
Capital Goods	7,858	0.3	50.4	22.1
Commercial Service	4,846	-0.4	41.0	29.6
Transportation	5,696	-0.7	25.4	High
Consumer Durables	5,098	0.1	20.7	Neg
Consumer Services	5,152	-2.2	39.6	40.5
Media	24,340	-0.1	13.2	27.4
Retailing	7,688	-0.4	7.2	22.3
Food & Staples	9,742	-1.1	14.1	19.4
Food & Beverages	5,741	1.2	23.8	30.6
Healthcare	10,357	-0.9	13.7	43.2
Pharma & Bio Tech	4,584	-2.0	59.6	High
Banks	10,697	-0.3	-7.3	12.9
Diversified Financial	6,869	0.0	8.0	33.7
Insurance	8,101	0.2	52.4	25
Telecom	7,130	-1.1	11.6	15.4
Utilities	8,087	0.1	12.7	16
REITs	3,594	0.0	-9.6	High
Real Estate	3,181	-0.5	27.2	High
Software & Services	63,997	1.1	78.3	41.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,177	11,297	11,372	5.8

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	23.8	870.68	1,732.68
Previous week	28.1	954.57	2,054.52

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	33.45	0.5
Al Rajhi	70.80	-0.1
SNB	34.25	-0.9
SABIC	85.70	-3.5
STC	38.65	-0.9



International Market News

- In August, U.S. consumer prices increased by the most in over a year amid a surge in the cost of gasoline, but a mild increase in underlying inflation may persuade the Federal Reserve to keep interest rates on hold. The CPI increased by 0.6% in August (vs 0.2% increase in July), the largest gain since June 2022. While the core CPI inched 0.3% in August (vs 0.2% increase in July). (Source: Investing)
- U.K. GDP declined 0.5% in July, lower than the 0.2% contraction forecasted. Services output was the main drag, declining 0.5%. The unexpected dip in July indicated that the economy shrank at its fastest pace since December. (Source: CNBC)
- In UK, mortgage demand stalls, as the average contract interest rate for 30-year fixed-rate mortgages increased to 7.27% from 7.21%. Demand for refinances dropped 5% for the week and was 31% lower than the same week Y/Y. Applications for mortgages to purchase a home rose 1% week to week but were 27% lower than the same week Y/Y. (Source: CNBC)
- Oil prices edged lower as a surprise build in U.S. crude inventories offset expectations of tight crude supply for the rest of the year.
- Gold prices remained steady as investors focused on U.S. inflation data that could influence the Federal Reserve's interest rate outlook.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.8	0.1	1.1	1.2
Euro	1.1	-0.2	-1.0	0.2
Japanese Yen	147.5	0.3	1.3	12.5
Sterling Pound	1.2	0.0	-1.4	3.4
Chinese Yuan	7.3	-0.4	-0.0	5.1
Indian Rupee	83.0	0.1	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
14 th Sep	Atlas Elevators	Close of IPO offering
14 th Sep	Academy of Learning	Eligibility for Cash Dividend
14 th Sep	NAQI	Cash Dividend Distribution
14 th Sep	ADES Holding	End of IPO book-building process
14 th Sep	SAUDI TOP	Cash Dividend Distribution
14 th Sep	MARBLE DESIGN	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,051	-0.3	-0.8	21.4	9.3
Abu Dhabi (ADX)	9,755	0.1	-0.6	-4.5	31.6
Kuwait (KSE)	7,711	0.3	0.2	-5.0	18.3
Qatar (QE)	10,369	-0.2	1.7	-2.9	13.0
Oman (MSM)	4,711	0.3	-1.8	-3.0	13.0
Bahrain (BSE)	1,930	-0.2	-1.1	1.8	7.3
Egypt (EGX30)	19,362	1.1	2.6	32.6	8.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,576	-0.2	-0.4	4.3	20.8
Nasdaq	15,349	0.4	-1.0	40.3	32.6
S&P 500	4,467	0.1	-0.9	16.4	21.9
FTSE 100	7,526	-0.0	1.2	1.0	10.9
Germany DAX 30	15,654	-0.4	-1.8	12.4	12.3
France CAC 40	7,223	-0.4	-1.3	11.6	12.4
Japan Nikkei 225	32,707	-0.2	0.3	25.3	26.0
Russia MOEX	3,148	-0.6	-2.5	46.2	2.4
Hong Kong Hang Seng	18,009	-0.1	-2.0	-9.0	10.1
South Korea KOSPI	2,535	-0.1	-0.8	13.3	17.9
China Shanghai Composite	3,123	-0.4	0.1	1.1	13.9
Australia ASX 200	7,154	-0.7	-2.1	1.6	15.9
India Sensex	67,467	0.4	4.1	10.9	23.6
MSCI EM	975	-0.1	-0.6	1.9	14.1
MSCI World	2,957	0.0	-1.0	13.6	18.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	97.7	1.4	7.9	16.0
Brent Crude (\$/bbl)	91.9	-0.2	5.8	6.9
Texas crude (\$/bbl)	88.5	-0.4	5.8	10.3
Natural Gas (\$/mmbtu)	2.7	-2.3	-3.2	-35.8
Gold (\$/oz)	1,908.1	-0.3	-1.7	4.6
Silver (\$/oz)	22.8	-1.0	-6.6	-4.7
Steel (\$/ton)	707.0	-1.7	-3.0	-5.0
Iron Ore (CNY/MT)	938.0	0.6	2.4	9.5
Wheat (\$/bu)	597.3	1.7	-0.8	-27.2
Corn (\$/bu)	482.3	1.2	0.8	-21.0
Sugar (\$/lb)	26.8	-1.0	5.4	49.7
SMP* (EUR/MT)	2,280.0	0.4	3.2	-17.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.738	-0.55	-12.2	100.7
KSA (SAIBOR 3M)	6.283	0.30	13.3	94.3
KSA (SAIBOR 6M)	6.085	2.62	-2.0	48.8
KSA (SAIBOR 12M)	6.069	1.35	-1.3	20.0
USA (SOFR 3M)	5.409	0.12	0.8	82.2
UAE (EIBOR 3M)	5.158	-15.03	-9.7	84.9

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 13, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,122
Short-term view	Cautious
52 weeks high/low	12,100 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,070.2
Value (SAR mn)	6,346.7
Volume (mn)	235.3
Number of Transactions	441,878
Market Breadth	108 : 107

Key statistics	
1D return %	-0.31%
MTD return %	-3.21%
QTD return	-2.94%
YTD return	6.14%
ADT vol. 3M* (mn)	248.2
ADT val. 3M (SARmn)	6,011.8

*ADT stands for Average Daily Traded

TASI market commentary

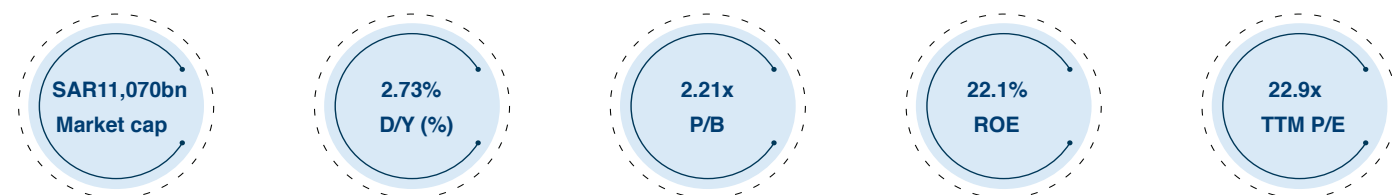
- TASI witnessed a decline on Wednesday which was led by index heavyweights Telecommunication services (-1.08% D/D) and Materials (-1.08% D/D) sectors. At close, the Saudi market ended the day with a change of -0.31% at 11,122. In terms of activity, total volumes and value traded were ~235mn and ~SAR 6.3bn, respectively. The advance-decline ratio came in at 108/107.

Technical outlook

- TASI closed near 11,122, losing 34 points. The index witnessed a red candlestick that closed below the 38.2% Fibonacci retracement level as well as the level of the prior minor trough assuring the prevailing selling pressure. The 10, 20, and 50-day SMAs are negatively diverging indicating the possibility of resuming the short-term downtrend. Additionally, the RSI indicator is currently situated within the bearish territory, below the 50 level, indicating the likelihood of further selling pressure in the near future. TASI has immediate support near 11,100. If breached, the next strong support level is expected to be near 10,960 where buying power may reappear. On the other hand, it has an immediate resistance at around 11,150 followed by 11,250. If penetrated; it would be expected to face a resistance near 11,350. TASI is still undergoing a selling attitude, nevertheless, the index is approaching the significant support zone ranging from 11,100 to 10,960, which traders should watch closely; as this area could potentially witness a resurgence of buying power.

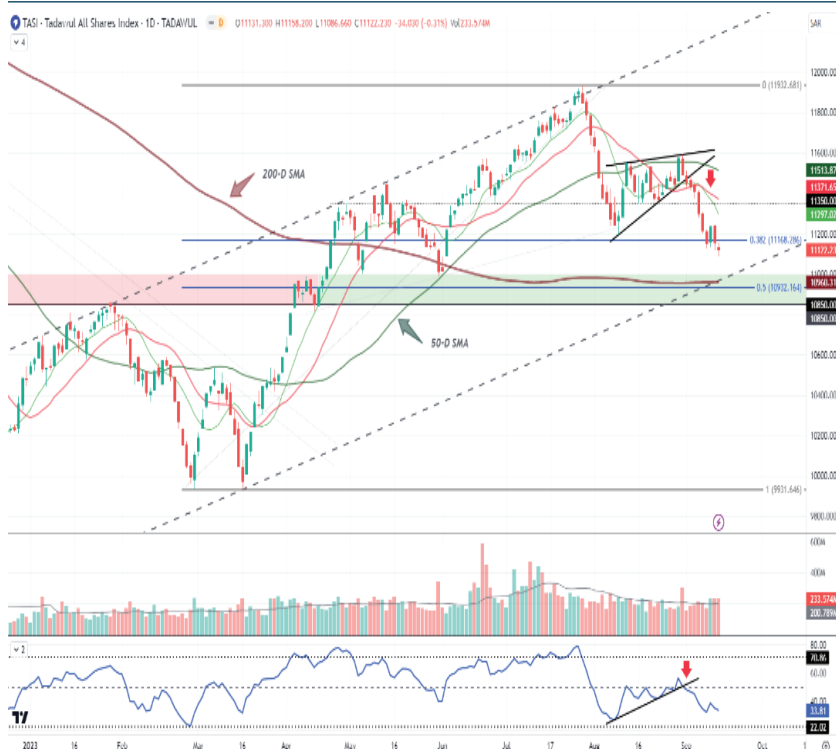
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,850	10,960	11,100	11,150	11,250	11,350	11,550



Source: Bloomberg, Argam

TASI daily chart



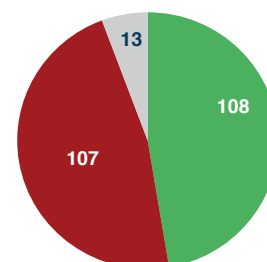
Source: Tradingview, Aljazeera Capital

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
8030	The Mediterranean and Gulf Insurance and Reinsurance Co.	14.78	14.64 – 14.78	15.00	15.38	4.06%	14.40

* As of 13th September 2023

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

CHARTS OF THE WEEK

Technical observations

MEDGULF has just finished a bullish continuation symmetrical triangle price pattern after bouncing off its 20-day SMA. 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 SAR14.78 – 14.64, for a target of SAR15.00 followed by SAR15.38, with a stop loss below SAR14.40 on a closing basis.

The Mediterranean and Gulf Insurance and Reinsurance Co. (MEDGULF)



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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