



Major Economic News

- The average salaries of Saudis working in the private sector surged by 45% over the past five years, reaching about SAR 9,600 in 2023 from SAR 6,600 in 2018. (Source: Argaam)
- Saudi Arabia's holdings of US Treasuries reached USD 109.2bn in July 2023, up USD 1.1bn M/M. The Kingdom maintained its 18th place among the largest holders of US Treasuries in July. (Source: Argaam)
- The Ministry of Investment issued nearly 1,819 licenses in Q2-23, a rise of 94% Y/Y after excluding the licenses issued under the National Anti-Commercial Concealment Program (Tasattur). When compared M/M, the number of investment licenses increased 11% from around 1,639. (Source: Argaam)

Major Corporate News

- Dallah healthcare company announces the board of director's resolution to buy up to 3.8mn shares equivalent to 3.91% of the company's ordinary shares and keeping the shares as treasury stocks. (Source: Tadawul)
- Arabian Pipes Company got awarded new order for a duration of 10 months and with total value of around SAR 54mn for supply of steel pipes to Saudi Aramco. (Source: Tadawul)
- Sumou Real Estate Co. announces the signing of agreement to Alinma Ajyad Real Estate Fund project in Mecca with an area of 300,000 square meters, with Al-Inma Ajyad Real Estate Company. The Company will receive development management fees worth SAR 30mn during the contract period. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.3% to 11,070.8. The value traded stood at SAR 5.9bn (up 4.1% over previous day), while the advance-decline ratio stood at 117/94. The parallel market index increased 0.5% at 22,409.4 points. The value traded stood at SAR 19.0mn (down 24.6% over) previous day. Most sectors in the main market ended in green. Media and Telecommunication Services (up 2.1% and 1.1%, respectively) advanced the most; Pharma and Software & Services (down 1.4% and 1.3%, respectively) declined the most.

Top Gainers

Company	Price	Change%
THIMAR	28.25	9.9
FIPCO	54.40	7.1
ARDCO	21.28	5.0
MAADEN	39.90	4.9
ARABIAN DRILLING	192.60	4.7

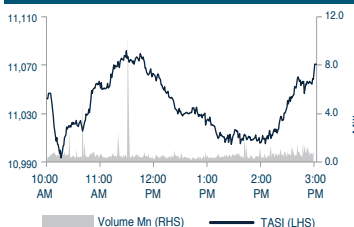
Top Losers

Company	Price	Change%
ALBAHA	0.15	-6.3
AL RAJHI REIT	8.16	-3.2
SPCC	45.20	-2.5
YCC	34.45	-2.4
SALAMA	30.25	-2.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,071	11,083	10,992	0.3	5.7
NomuC	22,409	22,409	22,208	0.5	15.4

TASI movement during session



TASI Ratios

P/E* (x)	22.68
Price-to-Book (x)	2.19
Dividend Yield (%)	2.76
Return on Equity (%)	22.07

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,438	0.3	18.6	16.6
Materials	6,270	0.8	-0.3	39.7
Capital Goods	7,660	0.8	46.6	21.3
Commercial Service	4,813	0.5	40.1	29.4
Transportation	5,636	-0.1	24.1	High
Consumer Durables	5,011	0.2	18.6	Neg
Consumer Services	5,009	0.0	35.7	39.6
Media	22,749	2.1	5.8	25.7
Retailing	7,716	0.4	7.6	22.4
Food & Staples	9,844	0.4	15.3	19.6
Food & Beverages	5,825	0.0	25.6	31.1
Healthcare	10,210	-0.6	12.1	42.9
Pharma & Bio Tech	4,545	-1.4	58.2	High
Banks	10,505	0.0	-9.0	12.7
Diversified Financial	6,791	0.9	6.8	33.2
Insurance	8,028	1.0	51.0	24.9
Telecom	7,205	1.1	12.8	15.5
Utilities	8,144	0.8	13.5	16.1
REITs	3,512	-0.1	-11.7	High
Real Estate	3,108	0.2	24.3	High
Software & Services	60,753	-1.3	69.3	38.8

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,098	11,155	11,303	5.8

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	15.6	538.74	1,168.16
Previous week	31.2	1,104.45	2,145.63

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.30	0.3
Al Rajhi	69.00	-0.9
SNB	33.60	0.0
SABIC	84.50	0.5
STC	38.45	1.3



International Market News

- Global debt hit a record USD 307 tn in Q2-23 despite increasing interest rates curbing bank credit, with markets such as the US and Japan driving the increase, according to the Institute of International Finance (IIF). (Source: Investing)
- China kept benchmark lending rates unchanged at a monthly fixing, in line with expectations, as fresh indications of economic stabilization and a weaker yuan lessened the need for quick monetary easing. (Source: Investing)
- The People's Bank of China held its benchmark loan prime rates at historic lows in an effort to balance a strike between supporting an economic rebound and preventing further weakness in the yuan. (Source: Investing)
- Economic growth in developing Asia in FY23 will be slightly lower than previously expected as the weakness in China's property sector and El Niño-related risks surround regional prospects, according to the Asian Development Bank. (Source: Investing)
- Oil prices rose as investors took profits following three sessions of gains that followed extended production cuts from Saudi Arabia and Russia.
- Gold price surged as investors remained on guard for the U.S. Federal Reserve's policy decision and its updated outlook on economy.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.1	-0.1	1.5	1.6
Euro	1.1	-0.1	-1.5	-0.2
Japanese Yen	147.9	0.2	1.6	12.8
Sterling Pound	1.2	0.1	-2.2	2.6
Chinese Yuan	7.3	0.2	0.4	5.5
Indian Rupee	83.3	0.0	0.6	0.6
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	0.2	0.9
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	-0.2	24.7

Corporate Calendar

Date	Company	Event
20 th Sep	ABO MOATI	Ex-dividend Date
21 st Sep	SISCO	Cash Dividend Distribution
21 st Sep	Atlas Elevators	Surplus refund date
21 st Sep	Lumi Rental	Surplus refund date
21 st Sep	EIC	Cash Dividend Distribution
21 st Sep	Knowledge Tower	Ex-dividend Date

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,075	0.6	-0.2	22.1	9.3
Abu Dhabi (ADX)	9,822	0.1	0.1	-3.8	31.9
Kuwait (KSE)	7,646	-0.3	-0.6	-5.8	18.2
Qatar (QE)	10,319	0.5	1.2	-3.4	12.9
Oman (MSM)	4,688	-0.5	-2.3	-3.5	12.9
Bahrain (BSE)	1,929	0.4	-1.2	1.8	7.3
Egypt (EGX30)	19,954	1.0	5.7	36.7	9.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,518	-0.3	-0.6	4.1	20.7
Nasdaq	15,191	-0.2	-2.0	38.9	32.2
S&P 500	4,444	-0.2	-1.4	15.7	21.8
FTSE 100	7,660	0.1	3.0	2.8	11.1
Germany DAX 30	15,664	-0.4	-1.8	12.5	12.3
France CAC 40	7,282	0.1	-0.5	12.5	12.6
Japan Nikkei 225	33,243	-0.9	1.9	27.4	26.5
Russia MOEX	3,084	-1.6	-4.5	43.2	2.6
Hong Kong Hang Seng	17,997	0.4	-2.1	-9.0	10.1
South Korea KOSPI	2,559	-0.6	0.1	14.4	18.1
China Shanghai Composite	3,125	-0.0	0.2	1.2	13.9
Australia ASX 200	7,197	-0.5	-1.5	2.2	16.0
India Sensex	67,597	0.0	4.3	11.1	23.6
MSCI EM	975	-0.2	-0.6	1.9	14.1
MSCI World	2,951	-0.2	-1.2	13.4	18.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	98.6	-0.5	8.9	17.0
Brent Crude (\$/bbl)	94.3	-0.1	8.6	9.8
Texas crude (\$/bbl)	91.2	-0.3	9.1	13.6
Natural Gas (\$/mmbtu)	2.8	4.4	2.9	-31.8
Gold (\$/oz)	1,931.4	-0.1	-0.5	5.9
Silver (\$/oz)	23.2	-0.2	-5.1	-3.1
Steel (\$/ton)	706.0	0.0	-3.2	-5.1
Iron Ore (CNY/MT)	942.5	0.7	2.9	10.0
Wheat (\$/bu)	584.0	-1.2	-3.0	-28.8
Corn (\$/bu)	476.3	1.0	-0.4	-22.0
Sugar (\$/lb)	27.7	1.3	9.0	54.8
SMP* (EUR/MT)	2,250.0	-1.1	1.9	-18.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.876	0.55	1.7	114.6
KSA (SAIBOR 3M)	6.214	-1.09	6.3	87.4
KSA (SAIBOR 6M)	6.047	0.73	-5.9	44.9
KSA (SAIBOR 12M)	6.116	6.01	3.4	24.6
USA (SOFR 3M)	5.397	-0.08	-0.4	81.0
UAE (EIBOR 3M)	5.009	-10.69	-24.6	69.9

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 19, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,071
Short-term view	Cautious Buy
52 weeks high/low	12,100 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,249.4
Value (SAR mn)	5,869.9
Volume (mn)	186.1
Number of Transactions	391,451
Market Breadth	117 : 94

Key statistics	
1D return %	0.31%
MTD return %	-3.66%
QTD return	-3.39%
YTD return	5.65%
ADT vol. 3M* (mn)	234.8
ADT val. 3M (SARmn)	5,954.4

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a rise on Tuesday which was led by index heavyweights Telecommunication services (1.10% D/D) and Materials (0.78% D/D) sectors. At close, the Saudi market ended the day with a change of 0.31% at 11,071. In terms of activity, total volumes and value traded were ~186mn and ~SAR 5.9bn, respectively. The advance-decline ratio came in at 117/94.

Technical outlook

- TASI closed near 11,071, registering a gain of 35 points. The buying attitude started to reappear once tested the level of previous medium-term troughs and the lower boundary of a long-term rising channel near the 200-day SMA. Additionally, TASI developed a bullish piercing line candlesticks pattern, indicating a potential shift in power from selling to buying. Moreover, the RSI indicator started to show a positive divergence near its oversold zone, suggesting the possibility of witnessing an impending significant upside rebound. TASI has an immediate resistance level of approximately 11,150. If successfully penetrated, it would be expected to face the next resistance near 11,200 followed by 11,300. On the other hand, immediate robust support is observed near 10,960, where buying power is expected to be found. If this level is breached, the next support level is expected to be found around 10,850. Traders are advised to cautiously buy as long as the index maintains trading above its 200-day SMA near 10,960. Additionally, the penetration of the 20-day SMA near 11,300 would provide an additional clue of the dominance of buying attitude in the short-term.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,700	10,850	10,960	11,150	11,200	11,300	11,350



Source: Bloomberg, Argam

TASI daily chart



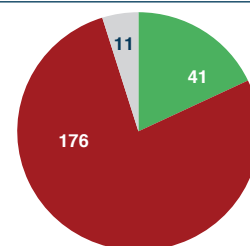
Source: Tradingview, Aljazeera Capital

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
7020	Etihad Etisalat Co.	44.20	44.20 – 43.75	44.85	45.85	3.73%	43.25
4031	Saudi Ground Services Co.	31.55	31.55 – 31.25	32.65	34.00	7.77%	30.15
2381	Arabian Drilling Co.	192.60	192.60 – 190.60	195.40	200.00	3.84%	188.00

* As of 19th September 2023

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

CHARTS OF THE WEEK

Technical observations

Etihad Etisalat has just penetrated the upper boundary of a bullish falling wedge price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR44.20 – 43.75, for a target of SAR44.85 followed by SAR45.85, with a stop loss below SAR43.25 on a closing basis.

Etihad Etisalat Co. (Etihad Etisalat)



Source: Tradingview, Aljazeera Capital

Technical observations

SGS finished a double bottom price pattern after bouncing off the level of the prior medium-term trough. 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 SAR31.55 – 31.25, for a target of SAR32.65 followed by SAR34.00, with a stop loss below SAR30.15 on a closing basis.

Saudi Ground Services Co. (SGS)



Source: Tradingview, Aljazeera 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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