



Major Economic News

- Saudi Arabia will be one of the world's strongest economies and will rank among the world's top seven economies globally if it goes on the right path, according to Crown Prince. (Source: Argaam)
- The total number of complaints submitted by passengers on air carriers in August amounted to 1,442, according to GACA. The complaints for August were mainly about flights, boarding services, and then tickets. (Source: Argaam)
- POS transactions reached around SAR 11.19bn in the week ended September 16, as compared to SAR 11.33bn in the week before, according to SAMA. The data showed about 181.9mn transactions were processed during the week. (Source: Argaam)

Major Corporate News

- Leejam announces the opening of a new low-cost and 24-Hour Men Xpress fitness center in Jeddah. The center will operate 24 hours a day with a low-cost operating model. To increase accessibility to clubs and gyms, it will also be digitally enabled, with highly flexible subscriptions that begin with a minimal commitment of one month and at a fair price. (Source: Tadawul)
- FIPCO signed a master Murabaha agreement with the Saudi Export-Import Bank (EXIM Bank) to secure a SAR 19mn Shariah-compliant short-term revolving facility. (Source: Tadawul)
- Prefect Presentation for Commercial Service Co. (2P) renewed a Shariah-compliant credit facility agreement worth SAR 306.18mn with Saudi Awwal Bank (SAB). (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange declined 0.1% to 11,061.5. The value traded stood at SAR 5.2bn (down 10.7% over previous day), while the advance-decline ratio stood at 96/109. The parallel market index also declined 0.1% at 22,393.1 points. The value traded stood at SAR 99.2mn (up 422.2% over previous day). Most sectors in the main market ended in red. Insurance and Transportation (down 1.4% and 0.9%, respectively) declined the most; Food & Beverages and Consumer Durables (up 1.2% and 1.1%, respectively) advanced the most.

Top Gainers

Company	Price	Change%
KEC	15.16	9.5
ATHEEB TELECOM	133.60	4.4
ENAYA	12.90	4.4
DALLAH HEALTH	140.20	4.2
SUMOU	51.10	3.6

Top Losers

Company	Price	Change%
DAR ALARKAN	15.78	-4.0
BUPA ARABIA	196.60	-3.6
FIPCO	52.60	-3.3
BUDGET SAUDI	67.50	-2.9
ARAB SEA	6.46	-2.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,062	11,082	11,026	-0.1	5.6
NomuC	22,393	22,677	22,300	-0.1	15.3

TASI movement during session



TASI Ratios

P/E* (x)	22.64
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	6,440	0.0	18.7	16.6
Materials	6,261	-0.1	-0.5	39.6
Capital Goods	7,670	0.1	46.8	21.3
Commercial Service	4,815	0.0	40.1	29.3
Transportation	5,584	-0.9	23.0	High
Consumer Durables	5,067	1.1	19.9	Neg
Consumer Services	5,012	0.0	35.8	39.4
Media	22,547	-0.9	4.9	25.4
Retailing	7,787	0.9	8.5	22.7
Food & Staples	9,804	-0.4	14.8	19.5
Food & Beverages	5,895	1.2	27.1	31.4
Healthcare	10,188	-0.2	11.8	42.6
Pharma & Bio Tech	4,512	-0.7	57.0	High
Banks	10,498	-0.1	-9.0	12.7
Diversified Financial	6,770	-0.3	6.4	33.1
Insurance	7,916	-1.4	48.9	24.5
Telecom	7,175	-0.4	12.3	15.4
Utilities	8,113	-0.4	13.1	16
REITs	3,511	0.0	-11.7	High
Real Estate	3,090	-0.6	23.6	High
Software & Services	61,289	0.9	70.8	39.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,085	11,131	11,288	5.7

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	20.8	721.29	1,538.17
Previous week	31.2	1,104.45	2,145.63

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.30	0.0
Al Rajhi	69.00	0.0
SNB	33.45	-0.5
SABIC	84.00	-0.6
STC	38.15	-0.8



International Market News

- The Federal Reserve held interest rates steady and indicated that it still expects one more hike before the end of 2023 and fewer cuts than previously indicated in 2024. The Fed also sharply revised up its economic growth expectations for 2023, with GDP now expected to increase 2.1% this year. (Source: CNBC)
- UK CPI unexpectedly slowed to an 18-month low in August, increasing the chances of a pause in the interest rate hike cycle. The CPI reported an annual increase of 6.7% in August after rising 6.8% in July. (Source: RTT News)
- Eurozone construction output expanded in July, driven by increased building activity. Production in the construction sector increased 0.8% M/M in July, reversing a 1.2% decline in June. (Source: RTT News)
- The European car market continued to rise sharply in August amid increasing demand and market share for battery-powered electric vehicles. New car registrations surged 21% Y/Y in August, following a 15.2% rise in July. (Source: Investing)
- Oil prices declined after the U.S. Federal Reserve left interest rates unchanged but stiffened its hawkish stance with a further rate increase by end of 2023.
- Gold slightly pared gains after the U.S. Federal Reserve held interest rates unchanged but struck a hawkish stance for future policy.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.33	0.2	1.6	1.7
Euro	1.07	-0.2	-1.7	-0.4
Japanese Yen	148.34	0.3	1.9	13.1
Sterling Pound	1.23	-0.4	-2.6	2.2
Chinese Yuan	7.31	0.1	0.4	5.6
Indian Rupee	83.08	-0.2	0.4	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	0.2	0.9
Omani Rial	0.39	0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	30.90	0.0	-0.1	24.8

Corporate Calendar

Date	Company	Event
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
25 th Sep	Jazira Takaful	Ex-bonusDate

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,138	1.6	1.4	24.1	9.5
Abu Dhabi (ADX)	9,823	0.0	0.1	-3.8	31.9
Kuwait (KSE)	7,615	-0.4	-1.0	-6.2	18.1
Qatar (QE)	10,295	-0.2	1.0	-3.6	12.9
Oman (MSM)	4,694	0.1	-2.2	-3.4	13.0
Bahrain (BSE)	1,923	-0.3	-1.5	1.5	7.2
Egypt (EGX30)	19,797	-0.8	4.9	35.6	9.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,441	-0.2	-0.8	3.9	20.7
Nasdaq	14,970	-1.5	-3.4	36.8	31.8
S&P 500	4,402	-0.9	-2.3	14.7	21.6
FTSE 100	7,732	0.9	3.9	3.8	11.2
Germany DAX 30	15,782	0.7	-1.0	13.3	12.4
France CAC 40	7,331	0.7	0.2	13.2	12.6
Japan Nikkei 225	33,024	-0.7	1.2	26.6	26.3
Russia MOEX	3,068	-0.5	-5.0	42.4	2.6
Hong Kong Hang Seng	17,886	-0.6	-2.7	-9.6	10.1
South Korea KOSPI	2,560	0.0	0.1	14.5	18.1
China Shanghai Composite	3,109	-0.5	-0.4	0.6	13.9
Australia ASX 200	7,163	-0.5	-1.9	1.8	15.9
India Sensex	66,801	-1.2	3.0	9.8	23.3
MSCI EM	971	-0.4	-1.0	1.5	14.1
MSCI World	2,936	-0.5	-1.7	12.8	18.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	97.75	-0.8	8.0	16.0
Brent Crude (\$/bbl)	93.53	-0.9	7.7	8.9
Texas crude (\$/bbl)	90.28	-1.0	8.0	12.5
Natural Gas (\$/mmbtu)	2.73	-4.0	-1.3	-34.5
Gold (\$/oz)	1,930.30	-0.1	-0.5	5.8
Silver (\$/oz)	23.24	0.2	-4.9	-3.0
Steel (\$/ton)	704.00	-0.3	-3.4	-5.4
Iron Ore (CNY/MT)	948.50	0.6	3.5	10.7
Wheat (\$/bu)	588.75	0.8	-2.2	-28.2
Corn (\$/bu)	482.25	1.3	0.8	-21.0
Sugar (\$/lb)	27.15	-2.1	6.8	51.6
SMP* (EUR/MT)	2,247.00	-0.1	1.7	-19.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.94	6.5	8.2	121.1
KSA (SAIBOR 3M)	6.18	-3.4	3.0	84.0
KSA (SAIBOR 6M)	6.01	-3.9	-9.7	41.0
KSA (SAIBOR 12M)	6.11	-0.7	2.7	23.9
USA (SOFR 3M)	5.40	-0.1	-0.5	80.9
UAE (EIBOR 3M)	5.25	24.5	-0.1	94.5

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 20, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,062
Short-term view	Cautious Buy
52 weeks high/low	12,100 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,244.1
Value (SAR mn)	5,239.3
Volume (mn)	182.6
Number of Transactions	370,010
Market Breadth	96 : 109

Key statistics	
1D return %	-0.08%
MTD return %	-3.74%
QTD return	-3.47%
YTD return	5.56%
ADT vol. 3M* (mn)	234.6
ADT val. 3M (SARmn)	5,951.7

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a decline on Wednesday which was led by index heavyweights Telecommunication services (-0.43% D/D) and Materials (-0.15% D/D) sectors. At close, the Saudi market ended the day with a change of -0.08% at 11,062. In terms of activity, total volumes and value traded were ~183mn and ~SAR 5.2bn, respectively. The advance-decline ratio came in at 96/109.

Technical outlook

- TASI closed near 11,062, registering a marginal loss of 9 points. The last session witnessed a notable balance between buying and selling attitudes after reaching the level of previous medium-term troughs and the lower boundary of a long-term rising channel, coinciding with the 200-day SMA. Moreover, the index developed a hammer candlestick, suggesting a potential shift in power from selling to buying in the near term. Furthermore, the RSI indicator exhibits a positive divergence near its oversold zone, indicating the possibility of witnessing an upcoming significant upside rebound. TASI has an immediate resistance level at around 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 11,290 would be an additional indication 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	11,290	11,350



Source: Bloomberg, Argam

TASI daily chart



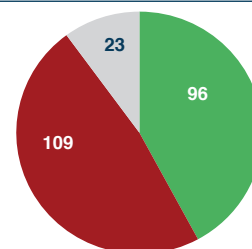
Source: Tradingview, Aljazira Capital

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	Arabian Internet and Communications Services Co.	304.80	304.80 - 301.75	309.00	317.00	4.00%	298.00

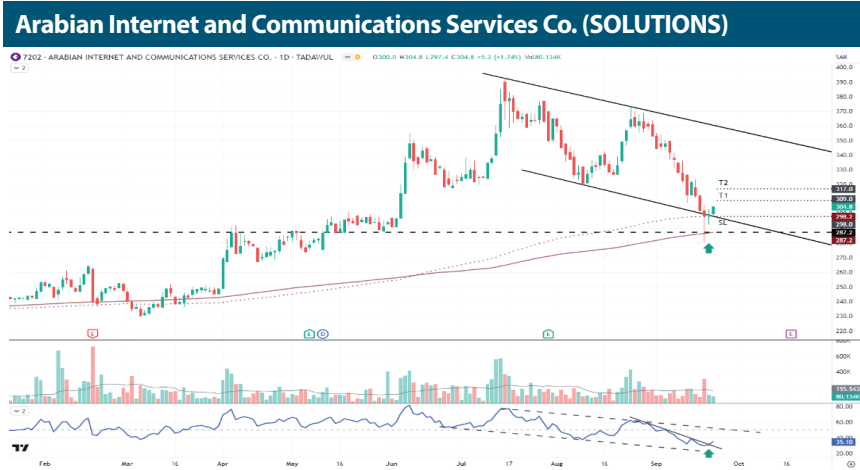
* As of 20th September 2023

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

CHARTS OF THE WEEK

Technical observations

SOLUTION started to bounce off the lower boundary of a long-term declining channel which coincides with the 200-day EMA. Moreover, the RSI indicator is showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR304.80 - 301.75, for a target of SAR309.00 followed by SAR317.00, with a stop loss below SAR298.00 on a closing basis.



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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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