



## Major Economic News

- Saudi Arabia's trade surplus slipped to the lowest level in two years at SAR 22.4bn in July 2023. Total merchandise exports fell 35.0% Y/Y to around SAR 91.3bn in July. Meanwhile, increased 20.0% Y/Y to almost SAR 68.9bn in July. (Source: Argaam)
- National Housing Co. said it will be delivering over 30,000 housing units by September 2023. The residential units will be delivered in 11 cities, namely, Riyadh, Jeddah, Makkah, Al Ahsa, Dammam, Qatif, Al Khobar, Khamis Mushait, Taif, Yanbu and Madinah. (Source: Argaam)

## Major Corporate News

- CMA approved the application received from Naba Alsaha Medical Services Co. to increase its capital from SAR 70.0mn to SAR 105.0mn through a one-for-two bonus share distribution. The capital hike will be financed through transferring SAR 35.0mn from the retained earnings account to the company's capital. (Source: Tadawul)
- Aldrees Petroleum and Transport Services Co. opened three new integrated stations in Makkah and Najran. (Source: Argaam)
- Al Maather REIT Fund signed a lease contract with the National Housing Co. to rent Al Sahafa Tower 1, which has a total area of 6,300 sq. m. The rental contract term is five years, from December 01, 2023, until November 30, 2028, with a total rental value of SAR 21.7mn. (Source: Tadawul)

## Market Analysis

- The Saudi Stock Exchange declined 1.0% to 10,949.4 on Thursday. The value traded stood at SAR 5.0bn (down 4.6% over previous day), while the advance-decline ratio stood at 59/147. The parallel market index declined 0.1% to 22,371.0 points. The value traded stood at SAR 62.6mn (down 36.9% over previous day). Most sectors in the main market ended in the red. Media and Food & Beverages (down 3.8% and 1.6%, respectively) declined the most; Transportation and Real Estate (up 0.6% and 0.2%, respectively) advanced the most.

## Top Gainers

Company	Price	Change%
SAPTCO	18.40	7.0
NADEC	48.85	3.9
THIMAR	28.75	2.9
ALAMAR	122.80	2.5
SAIC	29.00	2.5

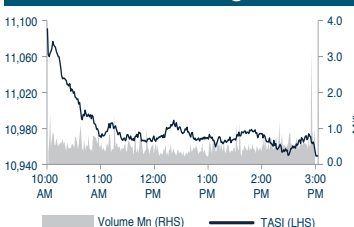
## Top Losers

Company	Price	Change%
ALARABIA	187.20	-5.5
CARE	116.20	-5.2
SGH	53.50	-5.1
ATHEEB TELECOM	127.00	-4.9
SAUDI RE	18.26	-3.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,949	11,091	10,946	-1.0	4.5
NomuC	22,371	22,468	22,246	-0.1	15.2

## TASI movement during session



## TASI Ratios

P/E* (x)	22.4
Price-to-Book (x)	2.16
Dividend Yield (%)	2.79
Return on Equity (%)	22.07

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,402	-0.6	18.0	16.5
Materials	6,196	-1.0	-1.5	39.1
Capital Goods	7,600	-0.9	45.4	21.1
Commercial Service	4,779	-0.7	39.1	29.1
Transportation	5,619	0.6	23.7	High
Consumer Durables	5,072	0.1	20.1	Neg
Consumer Services	4,973	-0.8	34.8	39.2
Media	21,692	-3.8	0.9	24.4
Retailing	7,704	-1.1	7.4	22.4
Food & Staples	9,780	-0.2	14.5	19.4
Food & Beverages	5,801	-1.6	25.0	30.8
Healthcare	10,089	-1.0	10.7	42.5
Pharma & Bio Tech	4,485	-0.6	56.1	High
Banks	10,367	-1.3	-10.2	12.5
Diversified Financial	6,731	-0.6	5.8	33
Insurance	7,848	-0.9	47.6	24.3
Telecom	7,092	-1.2	11.0	15.3
Utilities	7,991	-1.5	11.4	15.8
REITs	3,491	-0.6	-12.2	High
Real Estate	3,097	0.2	23.9	High
Software & Services	60,634	-1.1	69.0	38.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,044	11,104	11,265	5.7

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	25.8	887.32	1,921.25
Previous week	31.2	1,104.45	2,145.63

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.10	-0.6
Al Rajhi	68.00	-1.5
SNB	33.10	-1.1
SABIC	83.00	-1.2
STC	38.00	-0.4



## International Market News

- According to Baker Hughes, North America's rig count decreased to 820 in the week ended September 22 from 831 earlier. The rig count fell to 630 in the US from 641 earlier, while remained unchanged at 17 in the Gulf of Mexico. The rig count in Canada was unchanged at 190. (Source: Baker Hughes)
- US initial jobless claims decreased to 201,000 (consensus: 225,000) in the week ended September 16, representing a fall of 20,000 from the previous week's revised level of 221,000. (Source: RTT News)
- US existing home sales fell 0.7% to an annual rate of 4.04mn in August (consensus: 4.10mn) compared to a decline of 2.2% to an annual rate of 4.07mn in July. Existing home sales declined 15.3% Y/Y. (Source: RTT News)
- The Bank of England kept its benchmark rate unchanged pausing the rate hike cycle after 14 consecutive rate hikes. The Monetary Policy Committee voted in favor of maintaining the bank rate at 5.25% as against the markets expectation of 0.25% increase. (Source: RTT News)
- Oil prices remained flat on Friday, as demand concerns amid future rate hike expectations were offset by Russia's fuel export ban.
- Gold prices rose 0.3% due to weak economic data from Europe.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.6	0.2	1.9	2.0
Euro	1.1	-0.1	-1.8	-0.5
Japanese Yen	148.4	0.5	1.9	13.2
Sterling Pound	1.2	-0.5	-3.4	1.3
Chinese Yuan	7.3	-0.2	0.3	5.4
Indian Rupee	82.9	-0.2	0.2	0.2
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	0.3	1.0
Omani Rial	0.4	-0.1	-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
25 <sup>th</sup> Sep	AICTEC	EGM
25 <sup>th</sup> Sep	Lumi Rental	Listing date
25 <sup>th</sup> Sep	SAL	Start of IPO book-building
25 <sup>th</sup> Sep	ALMAWARID	Cash Dividend Distribution
25 <sup>th</sup> Sep	Emaar EC	EGM
26 <sup>th</sup> Sep	HCC	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,169	-0.3	2.1	25.0	9.5
Abu Dhabi (ADX)	9,849	0.0	0.4	-3.5	31.9
Kuwait (KSE)	7,464	-1.6	-3.0	-8.0	17.8
Qatar (QE)	10,292	-0.3	1.0	-3.6	12.9
Oman (MSM)	4,679	0.0	-2.5	-3.7	12.9
Bahrain (BSE)	1,932	0.1	-1.0	1.9	7.3
Egypt (EGX30)	20,214	0.7	7.1	38.5	9.8

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,964	-0.3	-2.2	2.5	20.4
Nasdaq	14,701	0.0	-5.2	34.4	31.2
S&P 500	4,320	-0.2	-4.2	12.5	21.2
FTSE 100	7,684	0.1	3.3	3.1	11.1
Germany DAX 30	15,557	-0.1	-2.4	11.7	12.2
France CAC 40	7,185	-0.4	-1.8	11.0	12.4
Japan Nikkei 225	32,402	-0.5	-0.7	24.2	25.8
Russia MOEX	3,049	1.0	-5.5	41.5	2.6
Hong Kong Hang Seng	18,057	2.3	-1.8	-8.7	10.2
South Korea KOSPI	2,508	-0.3	-1.9	12.2	17.7
China Shanghai Composite	3,132	1.5	0.4	1.4	14.0
Australia ASX 200	7,069	0.1	-3.2	0.4	15.7
India Sensex	66,009	-0.3	1.8	8.5	23.1
MSCI EM	964	0.8	-1.6	0.8	13.9
MSCI World	2,880	-0.2	-3.6	10.6	18.4

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	98.1	1.1	8.4	16.5
Brent Crude (\$/bbl)	93.3	-0.0	7.4	8.6
Texas crude (\$/bbl)	90.0	0.4	7.7	12.2
Natural Gas (\$/mmbtu)	2.6	1.0	-4.7	-36.8
Gold (\$/oz)	1,925.2	0.3	-0.8	5.5
Silver (\$/oz)	23.6	0.7	-3.6	-1.6
Steel (\$/ton)	705.0	0.1	-3.3	-5.2
Iron Ore (CNY/MT)	943.5	-0.2	3.0	10.1
Wheat (\$/bu)	579.5	0.7	-3.7	-29.4
Corn (\$/bu)	477.3	0.4	-0.2	-21.9
Sugar (\$/lb)	27.3	0.1	7.3	52.3
SMP* (EUR/MT)	2,263.0	-0.6	2.4	-18.5

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.906	0.00	4.7	117.6
KSA (SAIBOR 3M)	6.182	0.00	3.1	84.1
KSA (SAIBOR 6M)	6.074	0.00	-3.2	47.6
KSA (SAIBOR 12M)	6.107	0.00	2.5	23.7
USA (SOFR 3M)	5.400	-0.03	-0.1	81.2
UAE (EIBOR 3M)	5.118	-10.29	-13.8	80.8

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of September 22, 2023



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,949
Short-term view	Neutral
52 weeks high/low	12,100 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	11,165.0
Value (SAR mn)	4,996.0
Volume (mn)	166.0
Number of Transactions	383,081
Market Breadth	59 : 147

## Key statistics

1D return %	-1.01%
MTD return %	-4.71%
QTD return	-4.45%
YTD return	4.49%
ADT vol. 3M* (mn)	233.5
ADT val. 3M (SARmn)	5,929.5

\*ADT stands for Average Daily Traded

## TASI market commentary

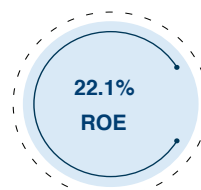
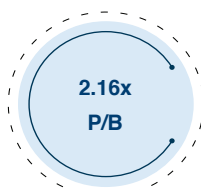
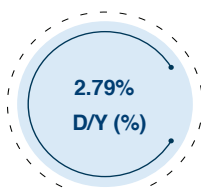
- TASI witnessed a decline on Thursday which was led by index heavyweights Banks (-1.25% D/D) and Telecommunication services (-1.15% D/D) sectors. At close, the Saudi market ended the day with a change of -1.01% at 10,949. In terms of activity, total volumes and value traded were ~166mn and ~SAR 5.0bn, respectively. The advance-decline ratio came in at 59/147.

## Technical outlook

- TASI closed near 10,949, posting a loss of 112 points. The index encountered notable selling pressure, leading to a test of the 50% Fibonacci retracement level of the preceding long-term uptrend. This level coincided with the lower boundary of a long-term rising channel near the 200-day SMA. Moreover, the RSI indicator has reached its oversold zone below the 30 level; however, it still displaying a positive divergence. TASI currently has immediate support near 10,930, where buying power may resurface. If this level is breached, the subsequent support level is expected to be found around 10,850 followed by 10,700. On the other hand, an immediate resistance level is observed at around 11,100. If successfully penetrated, the index would face the subsequent resistance levels near 11,200 followed by 11,265. Traders are advised to closely monitor the zone of its 200-day SMA and the 50% Fibonacci retracement level near 10,930 which represents a significant support level. Otherwise, breaching this level would potentially trigger further selling pressure towards the 61.8% Fibonacci retracement level at 10,700.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,700	10,850	10,930	11,100	11,200	11,265	11,350



Source: Bloomberg, Argam

## TASI daily chart

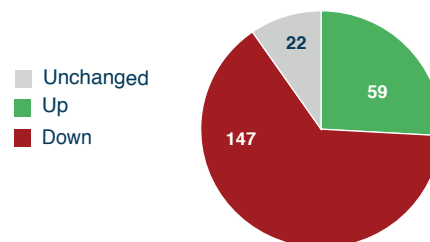


Source: Tradingview, Aljazira Capital

## 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 21st 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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