



Major Economic News

- The People's Republic of China announced officially granting Saudi Arabia the Approved Destination Status (ADS), through a bilateral agreement signed, which allows Chinese citizens to travel to Saudi Arabia in group tours in addition to facilitating greater ease of access to the Kingdom. (Source: Argaam)

Major Corporate News

- Sahara International Petrochemical Co. received approval of the Ministry of Energy for allocating the required quantities of feedstock to set up a blue ammonia plant (low carbon) in Jubail Industrial City in the Kingdom with a capacity of 1.2mn tons per year. (Source: Tadawul)
- Naqi Water Co. announced the completion of the acquisition of a poultry project, raising its ownership in the project to 100%. Naqi Water also signed a SAR 2.4mn agreement to supply 103,000 Lohmann egg-laying hens. The deal was entirely funded by the company's own resources. (Source: Tadawul)
- Arabian Internet and Communications Services Co. (solutions) signed several contracts with STC, a related party, at a total value of SAR 300.0mn. The contracts will extend for two years with the relevant financial impact to reflect on financial statements as of Q4-23
- Saudi Azm for Communication and Information Technology Co. signed a SAR 15.2mn contract with the Social Development Bank to develop and operate technical and security systems of the latter's IT department. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.4% to 10,918.2 The value traded stood at SAR 6.3bn (up 16.8% over previous day), while the advance-decline ratio stood at 93/126. The parallel market index increased 0.8% at 22,406.8 points. The value traded stood at SAR 86.2mn (up 88.5% over previous day). Most sectors in the main market ended in green. Pharma and Food & Beverages (up 2.7% and 1.4%, respectively) advanced the most; Software and Services and Food & Staples (down 0.9% and 0.7%, respectively) declined the most.

Top Gainers

Company	Price	Change%
ALSAGR INSURANCE	23.60	7.9
SASCO	62.40	7.8
AMIAITIT	51.70	6.3
ALHOKAIR GROUP	2.28	5.6
ALDREES	139.80	5.3

Top Losers

Company	Price	Change%
ALBAHA	0.15	-6.3
THIMAR	26.75	-5.1
ALAKARIA	13.62	-3.1
SUMOU	46.65	-2.7
FIRST MILLS	72.70	-2.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	10,918	10,963	10,820	0.4	4.2
NomuC	22,407	22,571	22,235	0.8	15.4

TASI movement during session



TASI Ratios

P/E* (x)	22.3
Price-to-Book (x)	2.15
Dividend Yield (%)	2.81
Return on Equity (%)	22.07

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,431	0.9	18.5	16.6
Materials	6,177	0.3	-1.8	39
Capital Goods	7,511	1.3	43.7	21
Commercial Service	4,585	0.6	33.4	28
Transportation	5,475	-0.4	20.6	High
Consumer Durables	4,942	-0.6	17.0	Neg
Consumer Services	4,865	-0.3	31.8	38.5
Media	21,867	0.6	1.7	24.9
Retailing	7,653	0.5	6.7	22.3
Food & Staples	9,613	-0.7	12.5	19.1
Food & Beverages	5,790	1.4	24.8	30.8
Healthcare	9,996	0.0	9.7	42.1
Pharma & Bio Tech	4,268	2.7	48.5	High
Banks	10,336	0.2	-10.5	12.5
Diversified Financial	6,669	-0.7	4.8	32.7
Insurance	7,750	0.8	45.8	24
Telecom	7,013	-0.4	9.8	15
Utilities	8,068	0.9	12.5	15.9
REITs	3,468	-0.1	-12.8	0
Real Estate	3,082	-0.3	23.3	High
Software & Services	60,417	-0.9	68.3	38.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
10,976	11,045	11,208	5.7

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.6	393.95	894.71
Previous week	25.8	887.32	1,921.25

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	34.25	0.9
Al Rajhi	67.60	1.4
SNB	32.80	0.0
SABIC	82.30	-1.0
STC	37.20	-1.2



International Market News

- The US consumer confidence index plunged to 103.0 in September (consensus: 105.8) from an upwardly revised 108.7 in August. Consumer confidence declined across all age groups. (Source: Reuters)
- New home sales in the US declined 8.7% to an annual rate of 675,000 in August (consensus: 700,000) after rising by 8.0% to an upwardly revised rate of 739,000 in July. (Source: RTT News)
- Industrial profits in China recorded a growth of 17.2% in August as again a 6.7% decrease in July. However, industrial profits during the January to August period fell 11.7% Y/Y, which was slower than the 15.5 percent decrease seen in the seven months to July. The measures adopted by the government as well as the central bank started to boost demand and support corporate earnings. (Source: Investing)
- Japan's government retained its economic view on the economy amid recovery at a moderate pace driven by improving employment and income situation but cautioned about the downside risk originating from slowing global growth. (Source: RTT News)
- Oil prices gained 0.7%, as expectations of tighter supply outweighed concerns over global demand.
- Gold fell 0.8%, impacted by higher treasury yields and a stronger US dollar on prospects of the Federal Reserve keeping interest rates higher for longer.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	106.2	0.2	2.5	2.6
Euro	1.1	-0.2	-2.5	-1.2
Japanese Yen	149.1	0.1	2.4	13.7
Sterling Pound	1.2	-0.4	-4.1	0.6
Chinese Yuan	7.3	-0.1	0.5	5.6
Indian Rupee	83.2	0.1	0.5	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	0.3	1.0
Omani Rial	0.4	0.1	0.1	0.1
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
27 th Sep	Saudi Aramco	Cash Dividend Distribution
27 th Sep	SAIC	EGM
28 th Sep	ALBABTAIN	EGM
28 th Sep	ALDAWAA	Cash Dividend Distribution
28 th Sep	ADES Holding	IPO
28 th Sep	ZAMIL INDUST	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,154	-0.7	1.7	24.5	9.5
Abu Dhabi (ADX)	9,813	-0.2	0.0	-3.9	31.8
Kuwait (KSE)	7,530	0.5	-2.2	-7.2	17.9
Qatar (QE)	10,325	0.6	1.3	-3.3	12.9
Oman (MSM)	4,669	0.1	-2.7	-3.9	12.9
Bahrain (BSE)	1,938	0.1	-0.7	2.2	7.3
Egypt (EGX30)	20,355	0.2	7.8	39.4	9.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,619	-1.1	-3.2	1.4	20.2
Nasdaq	14,546	-1.5	-6.2	33.0	30.9
S&P 500	4,274	-1.5	-5.2	11.3	20.9
FTSE 100	7,626	0.0	2.5	2.3	10.9
Germany DAX 30	15,256	-1.0	-4.3	9.6	12.0
France CAC 40	7,074	-0.7	-3.3	9.3	12.2
Japan Nikkei 225	32,315	-1.1	-0.9	23.8	25.7
Russia MOEX	3,052	0.2	-5.5	41.7	2.6
Hong Kong Hang Seng	17,467	-1.5	-5.0	-11.7	9.8
South Korea KOSPI	2,463	-1.3	-3.6	10.1	17.5
China Shanghai Composite	3,102	-0.4	-0.6	0.4	13.8
Australia ASX 200	7,038	-0.5	-3.7	-0.0	15.6
India Sensex	65,945	-0.1	1.7	8.4	23.0
MSCI EM	947	-1.1	-3.4	-1.0	13.8
MSCI World	2,845	-1.2	-4.7	9.3	18.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	95.47	-2.0	5.5	13.3
Brent Crude (\$/bbl)	93.96	0.7	8.2	9.4
Texas crude (\$/bbl)	90.39	0.8	8.1	12.6
Natural Gas (\$/mmbtu)	2.66	0.6	-4.0	-36.4
Gold (\$/oz)	1,900.65	-0.8	-2.0	4.2
Silver (\$/oz)	22.85	-1.3	-6.5	-4.6
Steel (\$/ton)	702.00	-0.4	-3.7	-5.6
Iron Ore (CNY/MT)	924.50	-1.5	0.9	7.9
Wheat (\$/bu)	589.00	0.0	-2.2	-28.2
Corn (\$/bu)	479.75	-0.3	0.3	-21.4
Sugar (\$/lb)	26.24	-1.3	3.2	46.5
SMP* (EUR/MT)	2,263.00	0.1	2.4	-18.5

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.886	2.46	2.7	115.6
KSA (SAIBOR 3M)	6.150	-2.01	-0.1	80.9
KSA (SAIBOR 6M)	6.080	-1.17	-2.5	48.3
KSA (SAIBOR 12M)	6.159	3.06	7.7	28.9
USA (SOFR 3M)	5.386	-0.55	-1.6	79.8
UAE (EIBOR 3M)	5.228	-9.63	-2.7	91.9

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of September 26, 2023



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	10,918
Short-term view	Cautious
52 weeks high/low	12,100 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,192.6
Value (SAR mn)	6,273.0
Volume (mn)	203.8
Number of Transactions	450,091
Market Breadth	93 : 126

Key statistics

1D return %	0.37%
MTD return %	-4.99%
QTD return	-4.72%
YTD return	4.20%
ADT vol. 3M* (mn)	232.6
ADT val. 3M (SARmn)	5,928.7

*ADT stands for Average Daily Traded

TASI market commentary

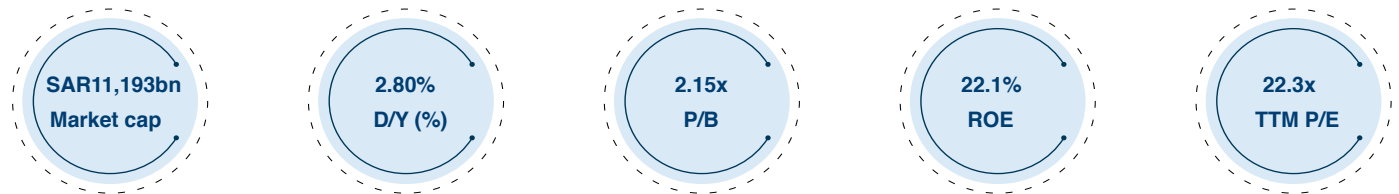
- TASI witnessed a rise on Tuesday which was led by index heavyweights Energy (0.88% D/D) and Materials (0.32% D/D) sectors. At close, the Saudi market ended the day with a change of 0.37% at 10,918. In terms of activity, total volumes and value traded were ~204mn and ~SAR 6.3bn, respectively. The advance-decline ratio came in at 93/126.

Technical outlook

- TASI closed near 10,918, registering a gain of 40 points. The index experienced an initial decline at the session's outset. However, notable buying power appeared and pushed the index higher to retest the 200-day SMA. TASI developed a spinning top candlestick which needs to be confirmed by a following bullish candlestick to validate the potential for a near-term upside rebound. Moreover, the RSI indicator continues to move below declining trendline affirming the index's downward movement in the near term. TASI currently has an immediate resistance level of around 10,970. If successfully penetrated, the index would face the subsequent resistance levels near 11,075 followed by 11,150. On the other hand, immediate support is observed near 10,850. If this level is breached, the subsequent support level is expected to be found near 10,700, where buying power may resurface. Traders are advised to exercise caution as long as the index stays below its 200-day SMA around 10,970. Besides, it is advisable to wait for a confirmation of the candlesticks reversal pattern or for the index to reach the 61.8% Fibonacci retracement level of the preceding long-term uptrend near 10,700 where a potential buying opportunity may be found.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,550	10,700	10,850	10,970	11,075	11,150	11,235



Source: Bloomberg, Argam

TASI daily chart



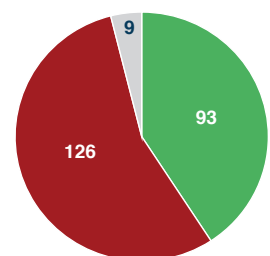
Source: Tradingview, Aljazeera Capital

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
4142	Riyadh Cables Group Co.	69.50	69.50 – 68.80	70.70	72.80	4.75%	67.50

* As of 26th September 2023

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

CHARTS OF THE WEEK

Technical observations

RIYADH CABLES started to bounce off a long-term rising trendline and penetrated its 50-day EMA. Moreover, the RSI indicator is showing a positive divergence suggesting a bullish rebound in the price action. We recommend buying the stock in a range of SAR69.50 – 68.80, for a target of **SAR70.70** followed by **SAR72.80**, with a stop loss below **SAR67.50** on a closing basis.

Riyadh Cables Group Co. (RIYADH CABLES)



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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