



Domestic Market News

- **Saudi-Egypt** electricity interconnection project is 60% completed. First phase with production capacity of 1.5 GW, will commence operations by Jul-25 at a total cost of USD 1.8bn. Project's maximum capacity of 3 GW is expected to reach by early 2026. (Source: Argaam)
- **Environment Minister** signed a contract worth SAR 175mn with one of national companies to establish and design regional veterinary lab for diagnosing diseases and producing, localizing vaccines in Riyadh. (Source: Argaam)
- **Keir** signed a contract with Saudi Electricity for establishing a ground line between two stations in Wadi AD Dwaser. The contract value is SAR 78.8mn with a duration of 25 months. The financial impact will appear in Q4-24. (Source: Tadawul)
- **Lana** obtained credit facilities worth SAR 13.0mn from Al Rajhi Bank to finance working capital requirement. The financing duration is 5 years and is secured by promissory notes. (Source: Tadawul)
- **Sisco Holding's** investment company signed contract worth SAR 316.2mn with Neom, to enhance and develop water recycling plant in Al-Badaa area. The contract duration is 24 months and the financial impact is expected during Q4-24. (Source: Tadawul)
- **Leejam** opened new men Xpress center in Riyadh, which will operate under the brand Fitness Time Xpress. The financial impact will appear as of Q3-24. (Source: Tadawul)

Market Analysis

The **Saudi Stock Exchange** increased by 0.6% to 11,947.7. The value traded stood at SAR 7.2bn (up 12.9% over the previous day), while the advance-decline ratio stood at 105/116. The parallel market index increased 0.6% to 25,849.9 points. The value traded stood at SAR 37.4mn (up 5.7% over the previous day). Most of the sectors in the main market ended in green. Software & Services and Banks (up 1.9% and 1.3%, respectively) advanced the most, while Capital Goods and Consumer Durables (down 1.3% and 0.3%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALSAGR INSURANCE	20.68	10.0
GASCO	95.30	6.0
JAZIRA TAKAFUL	19.40	5.3
MCDC	103.20	4.8
UCA	11.14	3.7

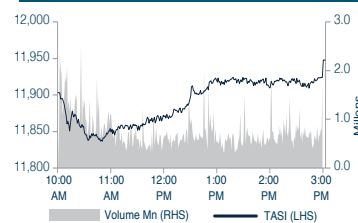
Top Losers

Company	Price	Change%
TALCO	65.70	-7.7
RASAN	64.00	-7.1
MBC Group	46.05	-6.5
MAHONA	35.70	-3.5
RIYADH CABLES	102.60	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,948	11,948	11,832	0.6	(0.7)
NomuC	25,850	25,870	25,647	0.6	5.4

TASI movement during session



TASI Ratios

P/E* (x)	26.9
Price-to-Book (x)	2.4
Dividend Yield (%)	2.7
Return on Equity (%)	19.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,316	0.0	-14.7	15.8
Materials	5,884	0.0	-8.0	High
Capital Goods	12,760	-1.3	26.5	28.3
Commercial Service	5,052	0.1	-9.4	36.7
Transportation	7,866	0.2	23.8	38.1
Consumer Durables	5,370	-0.3	7.8	Neg
Consumer Services	5,308	0.2	6.6	39.6
Media	31,402	0.1	27.9	High
Consumer Discretionary Ret	7,527	0.0	-12.6	22.3
Consumer Staples Ret	9,268	-0.1	-5.2	22.2
Food & Beverages	6,149	0.2	9.3	30.5
Healthcare	12,891	0.5	5.5	45.6
Pharma & Bio Tech	4,789	1.2	-1.6	45.1
Banks	11,804	1.3	-3.9	13.3
Financial Services	7,579	-0.3	12.5	32.3
Insurance	11,355	0.7	32.1	27.7
Telecom	7,707	0.4	-0.8	15
Utilities	13,115	0.6	32.1	28.4
REITs	3,297	0.6	-10.1	25.6
Real Estate	3,447	0.9	12.8	40.5
Software & Services	72,366	1.9	5.5	42

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for July (bn)
11,837	11,745	11,713	5.78

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	13.6	458.40	975.00
Previous week	26.4	1,048.40	2,184.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	28.10	0.0
Al Rajhi	82.80	1.7
SNB	36.85	0.7
ACWA POWER	373.80	0.4
ALINMA	32.15	1.4





International Market News

- According to **Fed Chair**, the three US inflation readings over Q2-24 adds confidence that the pace of price increases is returning to the target in a sustainable fashion. These comments from the Fed Chair indicated a shift in rate cut expectations. (Source: Investing.com)
- Eurozone** industrial output logged a monthly fall of 0.6% after remaining flat in April. The industrial production dropped for the first time in four months, though at a slower than expected pace. Within major industrial groupings, durable consumer goods output decreased the most, down 1.8 percent, followed by capital goods falling 1.2 percent. (Source: RTT News)
- Japanese** authorities are taking all possible measures in the currency market as excessively volatile moves are undesirable. It is important for currency rates to move stably reflecting fundamentals, as excessive volatility is undesirable. (Source: Investing.com)
- Japan's** industrial production advanced 3.6% M/M in May, thereby reversing a 0.9% decrease in April. The shipments rose 3.9%, while inventories expanded 0.9%. On the other hand, the inventory ratio declined 1.2%. This led to a rise of 0.1% in the capacity utilization, after falling 0.3% in April. (Source: Reuters)
- Oil prices** fell 0.2% due to increasing signs of weakness in top importer, China which could limit demand in the near term.
- Gold prices** gained 0.6% as Fed hints at cuts before 2% inflation target.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.19	0.1	-1.6	2.8
Euro	1.09	-0.1	1.7	-1.3
Japanese Yen	158.06	0.1	-1.8	12.1
Sterling Pound	1.30	-0.2	2.6	1.9
Chinese Yuan	7.27	0.0	-0.3	2.1
Indian Rupee	83.60	0.1	0.3	0.5
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	0.0
Kuwaiti Dinar	0.31	0.0	-0.3	-0.5
Omani Rial	0.38	-0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	47.97	-0.1	-0.1	55.2

Corporate Calendar

Date	Company	Event
16-Jul	TCC	Cash Dividend Distribution
16-Jul	NGDC	Cash Dividend Distribution
16-Jul	EIC	EGM
16-Jul	SURE	Cash Dividend Distribution
16-Jul	NOFOTH	Cash Dividend Distribution
17-Jul	AL HOKAI MEDICAL GROUP	Start of IPO

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,115	0.3	2.1	1.3	8.1
Abu Dhabi (ADX)	9,145	0.0	0.9	-4.5	18.3
Kuwait (KSE)	7,782	-0.1	3.2	4.1	21.8
Qatar (QE)	10,196	0.2	2.3	-5.9	11.5
Oman (MSM)	4,693	-0.1	0.1	4.0	11.8
Bahrain (BSE)	1,986	0.2	-2.0	0.7	7.7
Egypt (EGX30)	27,952	-0.3	0.7	12.3	7.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	40,212	0.5	2.8	6.7	23.0
Nasdaq	20,387	0.3	3.6	21.2	36.0
S&P 500	5,631	0.3	3.1	18.1	26.4
FTSE 100	8,183	-0.8	0.2	5.8	14.3
Germany DAX 30	18,591	-0.8	1.9	11.0	16.4
France CAC 40	7,633	-1.2	2.0	1.2	13.3
Japan Nikkei 225	41,191	0.0	4.1	23.1	26.4
Brazil IBOVESPA	129,321	0.3	4.4	-3.6	9.5
Hong Kong Hang Seng	18,016	-1.5	1.7	5.7	10.1
South Korea KOSPI	2,861	0.1	2.3	7.7	16.8
China Shanghai Composite	2,974	0.1	0.2	-0.0	14.1
Australia ASX 200	8,018	0.7	3.2	5.6	19.8
India Sensex	80,665	0.2	2.1	11.7	25.4
MSCI EM	1,120	-0.3	3.1	9.4	16.2
MSCI World	3,630	0.1	3.4	14.5	22.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	87.51	-0.9	-0.6	8.8
Brent Crude (\$/bbl)	84.85	-0.2	-1.8	10.1
Texas crude (\$/bbl)	81.91	-0.4	0.5	14.3
Natural Gas (\$/mmbtu)	2.16	-7.3	-17.0	-20.0
Gold (\$/oz)	2,422.27	0.4	4.1	17.4
Silver (\$/oz)	30.68	-0.4	5.3	28.9
Steel (\$/ton)	662.00	-0.5	-1.8	-41.7
Iron Ore (CNY/MT)	842.50	-1.3	1.8	-19.2
Wheat (\$/bu)	532.50	-3.3	-7.1	-18.9
Corn (\$/bu)	404.25	-2.5	-3.9	-19.7
Sugar (\$/lb)	19.76	2.9	-2.7	-3.8
SMP* (EUR/MT)	2,380.00	0.0	-1.8	-7.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.75	-2.3	-9.7	-16.1
KSA (SAIBOR 3M)	6.20	0.1	-3.2	-3.5
KSA (SAIBOR 6M)	5.95	0.2	-6.3	-12.7
KSA (SAIBOR 12M)	5.81	-1.2	-6.0	-18.5
USA (SOFR 3M)	5.29	-0.0	-3.9	-4.6
UAE (EIBOR 3M)	5.20	1.7	-9.3	-12.3

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 15, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,948
Short-term view	Cautious Buy
52 weeks high/low	12,883 – 10,262

Market data

Exchange Market Cap. (SAR bn)	10,188.9
Value (SAR mn)	7,187.1
Volume (mn)	243.2
Number of Transactions	542,488
Market Breadth	105 : 116

Key statistics

1D return %	0.56%
MTD return %	2.30%
QTD return	2.30%
YTD return	-0.16%
ADT vol. 3M* (mn)	308.6
ADT val. 3M (SARmn)	7,735.8

*ADT stands for Average Daily Traded

TASI market commentary

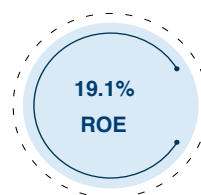
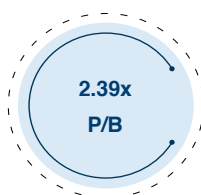
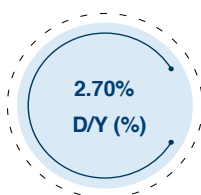
- TASI experienced a rise on Monday; primarily driven by the performance of the Banks sector (up 1.25%) and the Telecommunication services sector (up 0.42%). At close, the Saudi market ended the day with a change of 0.56% at 11,948. In terms of activity, total volumes and value traded were ~243mn and ~SAR 7.2bn, respectively. The advance-decline ratio came in at 105/116.

Technical outlook

- TASI closed the last session near 11,948, registering a gain of 66 points. The index exhibited a profit-taking attitude at the session's onset. However, the buying power resurfaced, propelling the index higher and reaffirming the penetration of its 200-day EMA around 11,870. Moreover, TASI formed a green candlestick, reflecting the buying attitude in the market. Furthermore, the RSI indicator is still moving upward above the level of 50 after surpassing a declining trendline. TASI has an immediate resistance level of around 11,950. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,060 – 12,190. On the other hand, an immediate support level is observed around 11,790. If breached, the subsequent support levels would be around 11,710 – 11,570. TASI has successfully penetrated its 200-day EMA near 11,870, indicating a possible continuation toward the upper boundary of the short-term rising channel, located within the resistance zone of around 12,060 – 12,190. Accordingly, traders are advised to cautiously buy and closely monitor the resistance zone around 12,060 – 12,190.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,570	11,710	11,790	11,870	11,950	12,060	12,190



Source: Bloomberg, Argam

TASI daily chart

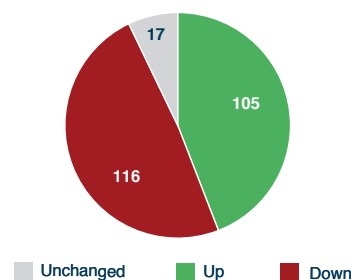


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
2284	Modern Mills	52.90	52.80 – 52.90	53.40 – 54.00	52.20
1120	Al Rajhi Bank	82.80	82.60 – 82.80	83.50 – 84.50	81.70
8050	Salama	29.05	29.00 – 29.05	29.30 – 29.65	28.70
8190	United Cooperative Assurance	11.14	11.12 – 11.14	11.24 – 11.36	11.00
7010	STC	38.90	38.80 – 38.90	39.25 – 39.70	38.40
4013	Sulaiman Al Habib	284.00	283.20 – 284.00	286.40 – 289.80	280.40
4290	Alkhaleej Training	30.85	30.80 – 30.85	31.15 – 31.50	30.45

*As of 15th July 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

MODERN MILLS has just penetrated the level of the prior minor peak after penetrating its 50-day EMA. Moreover, all the technical indicators show bullish structure.

Modern Mills for Food Products Co. (MODERN MILLS)



Source: Tradingview, Aljazira Capital

Technical observations

ALRAJHI has penetrated a declining trendline after bouncing off its 20-day SMA. Moreover, all the technical indicators show bullish structure.

Al Rajhi Bank (ALRAJHI)



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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