



Major Economic News

- **Saudi Arabia** posted actual revenues of SAR 1.2tn and an expenditure of SAR 1.3tn in 2023, recording a budget deficit of SAR 81.0bn. Actual revenues fell 4% Y/Y to nearly SAR 1.2tn last year, while oil revenues reached SAR 754.6bn and non-oil revenues reached SAR 457.7bn in 2023.
- The **Real Estate General Authority (REGA)** launched a new e-platform to receive applications for qualification and licensing of real estate contributions. The platform will enable developers to obtain the necessary licenses to start real estate contributions through online submission of the applications.

Major Corporate News

- **SVCP** signed a memorandum of understanding (MoU) with Qatar based Laffan Pipes to partner in the deal for Saudi Land Factory for Cement Products. The agreement will see the establishment of an industrial company designated for the production and trade of high-density pipe products. The MoU terms are of 180 days. (Source: Argaam)
- **National Shipping Company** of Saudi renewed a non-binding MoU with Aijlan Bros for a partnership to create a new company focused on owning and operating various ship models. The MoU is extended with the same previous terms and conditions and will be automatically extended at the expiry of each term. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
City Cement	25.7	47.8	-46.18	4.4	481.56
Americana*	31.9	63.6	-49.82	83.5	-61.79

*US Dollar currency for Americana

Market Analysis

The **Saudi Stock Exchange** increased 0.3% to 12,438.8. The value traded stood at SAR 10.3bn (down 10.7% over the previous day), while the advance-decline ratio stood at 106/113. The parallel market index increased 1.2% to 25,695.8 points. The value traded stood at SAR 57.3mn (up 72.5% over the previous day). Most sectors in the main market ended in the green. Software and Services and Insurance (up 4.3% and 4.0%, respectively) advanced the most, while Banks and Pharma & Biotech (down 0.9% and 0.7%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
NAMA CHEMICALS	36.30	10.0
ATHEEB TELECOM	88.10	10.0
AYYAN	22.92	10.0
SAVOLA GROUP	53.00	8.2
ALAKARIA	20.54	8.1

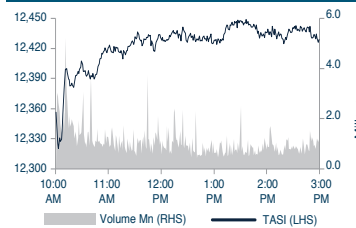
Top Losers

Company	Price	Change%
CHUBB	34.60	-8.6
CHEMANOL	17.76	-6.8
ALBAHA	0.14	-6.7
GULF UNION ALAHLIA	15.26	-2.8
ALJOUF	54.50	-2.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,439	12,452	12,312	0.3	3.9
NomuC	25,696	25,736	25,388	1.2	4.8

TASI movement during session



TASI Ratios

P/E* (x)	27.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2
Return on Equity (%)	20.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,020	0.6	-3.2	16.6
Materials	6,147	-0.4	-3.2	High
Capital Goods	11,843	1.9	19.3	38.4
Commercial Service	5,532	0.8	-0.5	35.1
Transportation	7,433	2.7	17.3	44.1
Consumer Durables	4,984	-0.1	-0.8	Neg
Consumer Services	5,561	1.4	12.6	38
Media	31,881	0.0	30.0	High
Consumer Discretionary Ret	8,603	0.5	0.9	27.7
Consumer Staples Ret	10,438	0.3	7.9	26.7
Food & Beverages	6,477	2.9	15.5	32.5
Healthcare	13,651	1.1	13.5	High
Pharma & Bio Tech	5,563	-0.7	14.5	High
Banks	12,792	-0.9	4.8	15.1
Financial Services	7,379	0.7	11.0	33.5
Insurance	9,200	4.0	8.6	23.7
Telecom	8,187	0.5	6.1	15.3
Utilities	10,086	1.6	1.5	19.8
REITs	3,596	-0.4	-2.0	High
Real Estate	3,345	0.6	9.7	49.5
Software & Services	83,090	4.3	21.2	49.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,310	12,169	12,125	9.12

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	40.7	1,376.10	2,385.70
Previous week	42.3	1,506.00	2,536.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.95	0.6
Al Rajhi	90.10	-0.8
SNB	41.80	-1.1
SABIC	78.60	0.3
STC	41.35	-0.4





International Market News

- According to EIA, oil **inventories** in the US increased 12.0mn barrels (prior: up 5.5mn) to 439.5mn in the week ended February 09. Gasoline inventories decreased 3.7mn barrels (prior: down 3.1mn) to 247.3mn, while distillate inventories declined 1.9mn barrels (prior: down 3.2mn) to 125.7mn. (Source: EIA, Econoday)
- The **Eurozone** economy came to a standstill at the end of 2023 as initially estimated. Despite 0% growth, it managed to escape a technical recession. GDP growth in Q4 was 0%, after shrinking 0.1% in the preceding period. (Source: RTT News)
- UK consumer price inflation** remained stable unexpectedly in January, raising hopes of an interest rate cut as early as June. CPI fell 0.6% on M/M, in contrast to the 0.4% increase in the previous month. (Source: CNBC)
- Japan's Q4 GDP** fell an annualized 0.4% versus forecast of 1.4% increase. This unexpected fall in GDP made the country's economy slip to a recessionary situation raising doubts about when the central bank would begin to exit its decade-long ultra-loose monetary policy. (Source: Reuters)
- Oil prices** fell 0.4% after a substantially bigger than expected build in US inventories pointed to well-supplied markets, while Japanese recession signals drove up concerns over slowing demand.
- Gold prices** were flat as fall in US bond yields and a weaker USD provided the support.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.7	-0.2	1.4	3.3
Euro	1.1	0.2	-0.8	-2.8
Japanese Yen	150.6	-0.1	2.5	6.8
Sterling Pound	1.3	-0.2	-1.0	-1.3
Chinese Yuan	7.2	-0.1	0.5	1.4
Indian Rupee	83.0	0.0	-0.0	-0.2
UAE Dirham	3.7	0.0	-0.0	0.0
Qatari Rial	3.6	-0.0	0.0	0.0
Kuwaiti Dinar	0.3	0.1	0.2	0.3
Omani Rial	0.4	0.0	0.0	0.0
Bahraini Dinar	0.4	0.0	-0.0	0.0
Egyptian Pound	30.9	-0.1	0.1	-0.0

Corporate Calendar

Date	Company	Event
15-Feb	SEDCO CAPITAL REIT	Cash Dividend Distribution
15-Feb	DERAYAH REIT	Eligibility for cash dividend
20-Feb	AMIAANTIT	EGM
20-Feb	A.OTHAIM MARKET	Eligibility for cash dividend
21-Feb	SABIC AGRI	Cash Dividend Distribution
21-Feb	BANAN	Cash Dividend Distribution

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,223	0.1	1.3	4.0	8.3
Abu Dhabi (ADX)	9,395	0.5	-1.2	-1.9	18.3
Kuwait (KSE)	8,041	-0.3	1.0	7.5	17.2
Qatar (QE)	10,212	1.2	1.2	-5.7	11.6
Oman (MSM)	4,631	0.9	1.5	2.6	12.6
Bahrain (BSE)	2,079	0.0	0.6	5.5	7.7
Egypt (EGX30)	28,875	0.9	2.1	16.0	13.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,424	0.4	0.7	1.9	22.0
Nasdaq	17,808	1.2	3.9	5.8	34.7
S&P 500	5,001	1.0	3.2	4.8	24.1
FTSE 100	7,568	0.7	-0.8	-2.1	10.2
Germany DAX 30	16,945	0.4	0.2	1.2	14.7
France CAC 40	7,677	0.7	0.3	1.8	13.5
Japan Nikkei 225	37,703	-0.7	3.9	12.7	27.0
Russia MOEX	3,258	0.1	1.4	5.1	3.0
Hong Kong Hang Seng	15,879	0.8	2.5	-6.9	8.3
South Korea KOSPI	2,620	-1.1	4.9	-1.3	18.3
China Shanghai Composite	2,866	0.0	2.8	-3.7	13.2
Australia ASX 200	7,548	-0.7	-1.7	-0.6	16.6
India Sensex	71,823	0.4	0.1	-0.6	22.8
MSCI EM	999	0.2	2.4	-2.4	14.9
MSCI World	3,266	0.8	1.9	3.0	20.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.5	0.8	-0.5	5.0
Brent Crude (\$/bbl)	81.6	-1.4	-0.1	5.9
Texas crude (\$/bbl)	76.6	-1.6	1.0	7.0
Natural Gas (\$/mmbtu)	1.6	-4.7	-23.4	-30.9
Gold (\$/oz)	1,992.3	-0.0	-2.3	-3.4
Silver (\$/oz)	22.4	1.1	-2.6	-6.0
Steel (\$/ton)	926.0	-0.8	-3.8	-18.4
Iron Ore (CNY/MT)	981.5	0.0	-6.9	-5.9
Wheat (\$/bu)	583.0	-2.3	-3.7	-8.8
Corn (\$/bu)	437.3	-1.4	-2.5	-7.2
Sugar (\$/lb)	22.7	0.5	-2.2	11.4
SMP* (EUR/MT)	2,483.0	-0.3	-2.0	-3.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.97	4.5	8.1	5.3
KSA (SAIBOR 3M)	6.20	0.8	-17.0	-3.4
KSA (SAIBOR 6M)	6.01	1.3	1.6	-6.4
KSA (SAIBOR 12M)	5.93	0.0	-1.3	-6.9
USA (SOFR 3M)	5.33	1.9	1.0	-0.6
UAE (EIBOR 3M)	5.27	-8.0	3.3	-5.7

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 14, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,439
Short-term view	Buy
52 weeks high/low	12,452– 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,159.4
Value (SAR mn)	10,269.3
Volume (mn)	335.4
Number of Transactions	589,215
Market Breadth	106 : 113

Key statistics	
1D return %	0.28%
MTD return %	5.44%
QTD return	3.94%
YTD return	3.94%
ADT vol. 3M* (mn)	295.7
ADT val. 3M (SARmn)	7,380.6

*ADT stands for Average Daily Traded

TASI market commentary

- TASI experienced a rise on Wednesday; primarily driven by the performance of the Energy sector (up 0.62%) and the Telecommunication services sector (up 0.53%). At close, the Saudi market ended the day with a change of 0.28% at 12,439. In terms of activity, total volumes and value traded were ~335mn and ~SAR 10.3bn, respectively. The advance-decline ratio came in at 106/113.

Technical outlook

- TASI closed the previous session near 12,439, registering a gain of 34 points. The index continued moving upward, forming a green candlestick, which recorded a higher 52-week high near 12,452. After penetrating the upper boundary of the horizontal channel, which suggests potential upside targets near 12,500 followed by 12,700, TASI is currently on its way to retesting the rising trendline near the first target near the 127.2% Fibonacci retracement level around 12,500. Furthermore, the RSI indicator continues to show higher readings, remaining above the 50 level. TASI has an immediate resistance level near 12,500. If successfully surpassed, the following resistance level would be around 12,700. On the other hand, an immediate support level is observed near 12,280. If breached, the subsequent support would be around 12,190. Traders are advised to buy and closely monitor the significant resistance level around 12,500.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
12,125	12,190	12,280	12,345	12,500	12,700	12,920



Source: Bloomberg, Argam

TASI daily chart

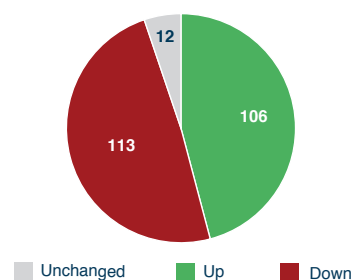


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
6090	Jazan Development and Investment Co.	16.30	16.26 – 16.30	16.46 – 16.80	16.12
1111	Saudi Tadawul Group Holding Co.	225.60	225.00 – 225.60	227.80 – 231.00	223.00
4013	Dr. Sulaiman Al Habib Medical Services Group	315.00	314.20 – 315.00	318.00 – 328.00	311.40
4200	Aldrees Petroleum and Transport Services Co.	174.60	174.20 -174.60	176.20 – 179.80	172.60
4003	United Electronics Co.	88.90	88.68 – 88.90	89.70 – 90.70	88.00
4260	United International Transportation Co.	88.30	88.10 – 88.30	89.10 – 90.70	87.30

*As of 14th Feb 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

JAZADCO has just penetrated the level of the previous peak. Moreover, all the technical indicators show bullish structure.

Jazan Development and Investment Co. (JAZADCO)



Source: Tradingview, Aljazira Capital

Technical observations

TADAWUL GROUP has penetrated the level of the prior peak after bouncing off its 20-day SMA. Moreover, all the technical indicators show bullish structure.

Saudi Tadawul Group Holding Co. (TADAWUL GROUP)



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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