



Major Economic News

- **The Minister of Hajj and Umrah** Tawfig Al-Rabiah announced a number of facilities to boost the number of Hajj and Umrah visitors from the UAE. He stated the UAE residents could now use a multi-entry electronic visa for Umrah, allowing a 90-day stay in the Kingdom annually. He also highlighted the launch of Saudi Airlines flights from Dubai to Madinah, offering three weekly flights. A daily flight will be added for Ramadan. (Source: Argaam)

Major Corporate News

- **Advanced Petrochemical Co.** signed EPC contracts to build the isopropanol plant in Jubail Industrial City using the manufacturing tech from Germany's Thyssenkrupp at a total value of USD 191.3mn (SAR 717.2mn). The project will be finalized in 32 months. The commercial operation is expected to begin by Q4-26. The isopropanol plant will have an annual production capacity of 70,000 tons. (Source: Argaam)
- **Alkhorayef Water and Power Technologies Co.** (AWPT) received a letter from Alkhorayef Group Co., a major shareholder, stating that a partial stake held by the latter in AWPT, representing 4.5% of its 51.0% stake, was transferred to Alkhorayef Investment Co., which is owned by Abdullah Ibrahim Alkhorayef Sons Co. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
Sulaiman AlHabib	525.0	441.5	18.9	544.8	-3.6
Saudi Kayan	-662.1	-791.1	NM	-449.0	NM
Solutions	162.0	197.0	-17.8	386.7	-58.1

*NM - No meaning

Market Analysis

The **Saudi Stock Exchange** increased 0.4% to 12,484.6. The value traded stood at SAR 10.3bn (up 0.8% over the previous day), while the advance-decline ratio stood at 168/49. The parallel market index decreased 1.9% to 25,204.5 points. The value traded stood at SAR 24.5mn (down 57.3% over the previous day). Most sectors in the main market ended in the green. Consumer Durables and Consumer Services (up 2.7% each) advanced the most, while Pharma & Biotech and Transportation (down 1.4% and 0.1%, respectively) were the only laggards.

Top Gainers

Company	Price	Change%
SIDC	11.90	10.0
AMERICANA	3.36	9.8
AYYAN	25.15	9.7
ATHEEB TELECOM	96.50	9.5
SINAD HOLDING	14.28	8.0

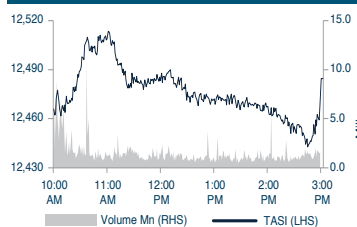
Top Losers

Company	Price	Change%
CHUBB	32.80	-5.2
TAKWEEN	16.24	-4.4
LUMI	115.40	-2.7
ASTRA INDUSTRIAL	152.20	-2.3
SAUDI GERMAN	118.80	-2.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,485	12,517	12,439	0.4	4.3
NomuC	25,205	25,774	25,135	(1.9)	2.8

TASI movement during session



TASI Ratios

P/E* (x)	27.4
Price-to-Book (x)	2.5
Dividend Yield (%)	1.9
Return on Equity (%)	20.5

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,022	0.0	-3.1	16.7
Materials	6,191	0.7	-2.5	High
Capital Goods	11,877	0.3	19.6	39.2
Commercial Service	5,618	1.6	1.1	35.5
Transportation	7,426	-0.1	17.1	45.6
Consumer Durables	5,118	2.7	1.9	Neg
Consumer Services	5,711	2.7	15.6	38.4
Media	32,053	0.5	30.7	High
Consumer Discretionary Ret	8,679	0.9	1.8	27.8
Consumer Staples Ret	10,494	0.5	8.4	26.7
Food & Beverages	6,506	0.5	16.0	33.3
Healthcare	13,725	0.5	14.1	High
Pharma & Bio Tech	5,482	-1.4	12.9	High
Banks	12,809	0.1	5.0	15
Financial Services	7,526	2.0	13.2	33.7
Insurance	9,280	0.9	9.5	24.7
Telecom	8,191	0.1	6.1	15.4
Utilities	10,138	0.5	2.0	20.1
REITs	3,600	0.1	-1.8	High
Real Estate	3,359	0.4	10.2	49.9
Software & Services	83,755	0.8	22.1	High

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,367	12,226	12,151	9.23

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	51.1	1,832.20	2,999.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.95	0.0
Al Rajhi	89.70	-0.4
SNB	41.95	0.4
SABIC	79.00	0.5
STC	41.65	0.7





International Market News

- According to **Baker Hughes**, North America's rig count remained unchanged at 855 in the week ended February 16. The rig count fell to 621 in the US from 623 earlier, while decreased to 17 in the Gulf of Mexico from 19. The rig count in Canada increased to 234 from 232 earlier. (Source: Baker Hughes)
- US initial jobless claims** decreased to 212,000 (consensus: 219,000) in the week ended February 10, representing a fall of 8,000 from the previous week's revised level of 220,000. (Source: Econoday)
- US retail sales** fell 0.8% M/M in January (consensus: a decline of 0.1% M/M) after climbing by a downwardly revised 0.4% in December. The bigger than expected decrease in retail sales was partly due to a steep drop in sales by motor vehicle and parts dealers, down 1.7% M/M. (Source: RTT News)
- UK's GDP** declined 0.3% Q/Q in Q4-23 (consensus: 0.1% contraction), following a 0.1% fall in the prior period. Services shrank 0.2% and production was down 1.0%. (Source: Reuters)
- Retail sales volumes in the UK** rebounded 3.4% in January (consensus: a growth of 1.5%), compared to a record fall of 3.3% in December. This was the largest monthly rise since April 2021. (Source: RTT News)
- Oil prices** gained 0.7%, as geopolitical tensions in the Middle East kept the supply concerns alive thus outweighing a forecast from IEA for slowing demand.
- Gold prices** rose 0.5% amid increased safe haven demand after data showing weak retail sales in the US and recessions in Japan and the UK.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.3	-0.0	1.0	2.9
Euro	1.1	0.0	-0.4	-2.4
Japanese Yen	150.2	0.2	2.2	6.5
Sterling Pound	1.3	0.0	-0.7	-1.0
Chinese Yuan	7.2	-0.1	0.4	1.2
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	-0.0	0.1	0.2
Omani Rial	0.4	0.0	0.0	0.0
Bahraini Dinar	0.4	-0.0	-0.0	0.0
Egyptian Pound	30.9	-0.0	0.1	-0.0

Corporate Calendar

Date	Company	Event
20-Feb	AMIANIT	EGM
20-Feb	A.OTHAIM MARKET	Eligibility for cash dividend
21-Feb	SABIC AGRI	Cash Dividend Distribution
21-Feb	BANAN	Cash Dividend Distribution
21-Feb	MODERN MILLS	End of IPO
20-Feb	AMIANIT	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,259	0.5	2.2	4.9	8.8
Abu Dhabi (ADX)	9,427	0.2	-0.9	-1.6	18.1
Kuwait (KSE)	8,039	-0.0	1.0	7.5	17.1
Qatar (QE)	10,155	-0.6	0.6	-6.2	11.7
Oman (MSM)	4,630	-0.0	1.5	2.6	12.4
Bahrain (BSE)	2,068	-0.6	0.0	4.9	7.9
Egypt (EGX30)	28,926	0.2	2.3	16.2	13.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,628	-0.4	1.3	2.5	22.1
Nasdaq	17,686	-0.9	3.2	5.1	34.5
S&P 500	5,006	-0.5	3.3	4.9	24.1
FTSE 100	7,712	1.5	1.1	-0.3	10.4
Germany DAX 30	17,117	0.4	1.3	2.2	14.8
France CAC 40	7,768	0.3	1.5	3.0	14.3
Japan Nikkei 225	38,487	0.9	6.1	15.0	27.6
Russia MOEX	3,242	-0.7	0.9	4.6	3.0
Hong Kong Hang Seng	16,340	2.5	5.5	-4.1	8.6
South Korea KOSPI	2,649	1.3	6.1	-0.2	18.5
China Shanghai Composite	2,866	0.0	2.8	-3.7	13.2
Australia ASX 200	7,658	0.7	-0.3	0.9	16.8
India Sensex	72,427	0.5	0.9	0.3	23.0
MSCI EM	1,016	0.8	4.1	-0.7	15.1
MSCI World	3,285	-0.1	2.5	3.7	21.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.8	0.5	-1.4	4.1
Brent Crude (\$/bbl)	83.5	0.7	2.2	8.3
Texas crude (\$/bbl)	79.2	1.5	4.4	10.5
Natural Gas (\$/mmbtu)	1.6	1.8	-23.4	-30.9
Gold (\$/oz)	2,013.6	0.5	-1.3	-2.4
Silver (\$/oz)	23.4	2.2	2.0	-1.6
Steel (\$/ton)	929.0	0.0	-3.5	-18.1
Iron Ore (CNY/MT)	981.5	0.0	-6.9	-5.9
Wheat (\$/bu)	559.0	-1.5	-7.6	-12.6
Corn (\$/bu)	429.5	-0.1	-6.3	-11.3
Sugar (\$/lb)	22.6	1.6	-2.8	10.6
SMP* (EUR/MT)	2,480.0	0.2	-2.1	-3.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.909	-5.69	2.4	-0.4
KSA (SAIBOR 3M)	6.209	1.11	-15.9	-2.3
KSA (SAIBOR 6M)	6.119	10.74	12.4	4.3
KSA (SAIBOR 12M)	5.925	-0.07	-1.4	-7.0
USA (SOFR 3M)	5.314	-0.51	-0.1	-1.7
UAE (EIBOR 3M)	5.339	-1.35	10.2	1.2

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 16, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,485
Short-term view	Buy
52 weeks high/low	12,517– 9,931

Market data

Exchange Market Cap. (SAR bn)	11,177.7
Value (SAR mn)	10,346.5
Volume (mn)	456.1
Number of Transactions	613,740
Market Breadth	168 : 49

Key statistics

1D return %	0.37%
MTD return %	5.83%
QTD return	4.32%
YTD return	4.32%
ADT vol. 3M* (mn)	300.5
ADT val. 3M (SARmn)	7,484.0

*ADT stands for Average Daily Traded

TASI market commentary

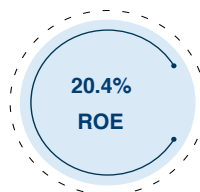
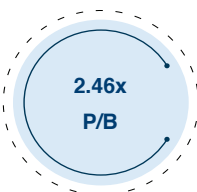
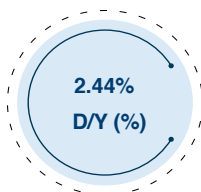
- TASI experienced a rise on Thursday; primarily driven by the performance of the Materials sector (up 0.72%) and the Banks sector (up 0.13%). At close, the Saudi market ended the day with a change of 0.37% at 12,485. In terms of activity, total volumes and value traded were ~456mn and ~SAR 10.3bn, respectively. The advance-decline ratio came in at 168/49.

Technical outlook

- TASI closed the previous session near 12,485, marking a gain of 46 points. As anticipated, the persistent buying power drove the index higher to fulfill the first target of around 12,500. Moreover, TASI formed a green candlestick, noting a higher 52-week high near 12,517. The index is currently retesting the rising trendline, aligning with the 127.2% Fibonacci retracement level around 12,500, and surpassing this resistance level would pave the way toward the second target of the horizontal channel near 12,700. Additionally, the RSI indicator still exhibits a positive structure, 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 -12,915. On the other hand, an immediate support level is observed near 12,345. If breached, the subsequent support would be around 12,280 -12,190. Traders are advised to cautiously buy and closely monitor the significant resistance level around 12,500, as the breakthrough would trigger a further buying attitude.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
12,125	12,190	12,280	12,345	12,500	12,700	12,915



Source: Bloomberg, Argaam

TASI daily chart

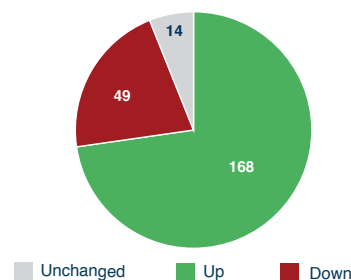


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward%	Stop loss
2090	National Gypsum Company	24.90	24.64 – 24.90	26.30 – 27.70	11.24%	23.90
1202	Middle East Paper Co.	42.00	41.60 – 42.00	44.20 – 45.80	9.05%	40.40
2020	SABIC Agri-Nutrients Co.	128.60	127.20 – 128.60	133.20 – 138.20	7.47%	124.40

* As of 15th Feb 2024,

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

CHARTS OF THE WEEK

Technical observations

NGC has just finished a bullish Head and Shoulders price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 24.64 – 24.90, for a target range of SAR26.30 - 27.70, with a stop loss below SAR23.90 on a closing basis.

National Gypsum Company (NGC)



Source: Tradingview, Aljazira Capital

Technical observations

MEPCO finished a bullish continuation Head and Shoulders price pattern after bouncing off the level of the prior peak. Moreover, the RSI indicator is showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR41.60 – 42.00, for a target range of SAR44.20 – 45.80, with a stop loss below SAR40.40 on a closing basis

Middle East Paper Co. (MEPCO)



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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