



Major Economic News

- **The number of factories in Saudi Arabia** increased by 10% Y/Y to 11,550 in 2023. Whereas the new industrial licenses reached nearly 1,379 in 2023 with total investments of over SAR 82bn. The total investment in the existing factories amounted to SAR 1.5tn. The ministry issued new licenses across 25 industrial activities, with manufacturing of food products receiving the highest number of licenses. (Source: Argaam)

Major Corporate News

- **SAPTCO** was awarded a project to operate the public transport network in the cities of Abha, Khamis Mushait and Ahad Rufidah, with Assir Municipality for a period of 5 years. The project value is said to be SAR 112.9mn (Source: Tadawul)
- **KEC** signed agreements on February 26 2024 with Hyatt International LLC to manage and operate the hotel and hotel apartments within the Al-Alya project under the Hyatt brand. The agreement involves a 4-star Al-Alya hotel with 130 rooms under Hyatt Centric brand and approximately 420-unit 4-star hotel apartments under Hyatt House brand. The project also consists of 70 villas, 29,000 square meters of commercial space, a large mosque, a nursery, and 1,426 residential apartments. Currently, 264 apartments are under construction within two residential towers. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
CARE	63.5	55.4	14.49	73.4	-13.49

Market Analysis

The **Saudi Stock Exchange** decreased 0.6% to 12,531.8. The value traded stood at SAR 9.2bn (up 38.1% over the previous day), while the advance-decline ratio stood at 42/186. The parallel market index decreased 0.4% to 25,592.6 points. The value traded stood at SAR 47.1mn (down 19.4% over the previous day). Most sectors in the main market ended in the red. Insurance and Diversified Financials (up 1.0% and 0.7%, respectively) advanced the most, while Transportation and Software & Services (down 2.5% and 2.3%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
AMIAANTIT	31.50	7.7
MAHARAH	7.21	6.2
WATANIYA	22.56	5.8
TAWUNIYA	160.20	4.0
SPM	60.20	4.0

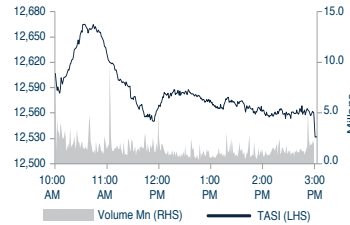
Top Losers

Company	Price	Change%
APC	165.00	-5.6
EIC	3.91	-5.6
MBC Group	65.20	-5.4
ATHEEB TELECOM	95.80	-5.0
WAFRAH	42.75	-4.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,532	12,669	12,532	(0.6)	4.7
NomuC	25,593	25,870	25,593	(0.4)	4.3

TASI movement during session



TASI Ratios

P/E* (x)	27.7
Price-to-Book (x)	2.5
Dividend Yield (%)	2.6
Return on Equity (%)	20.3

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,999	-0.6	-3.5	16.6
Materials	6,164	-1.1	-3.0	High
Capital Goods	11,957	-1.9	20.4	39.6
Commercial Service	5,620	-0.3	1.1	36
Transportation	7,216	-2.5	13.8	43.5
Consumer Durables	5,364	-2.3	6.8	Neg
Consumer Services	5,809	-1.2	17.6	40.7
Media	31,617	0.3	28.9	High
Consumer Discretionary Ret	8,554	-1.8	0.3	27.8
Consumer Staples Ret	10,190	-2.0	5.3	26.3
Food & Beverages	6,580	-2.2	17.3	33.8
Healthcare	13,781	-1.5	14.6	High
Pharma & Bio Tech	5,548	-1.7	14.2	High
Banks	12,969	0.3	6.3	15.2
Financial Services	7,575	0.7	13.9	34.3
Insurance	9,696	1.0	14.4	25.9
Telecom	8,194	-0.7	6.1	15.4
Utilities	10,056	-1.3	1.2	20
REITs	3,578	-0.1	-2.4	High
Real Estate	3,398	-1.6	11.5	High
Software & Services	80,354	-2.3	17.2	49.8

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,594	12,510	12,284	9.25

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.2	468.80	599.10
Previous week	46.5	1,860.50	2,810.20

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.80	-0.5
Al Rajhi	89.50	-0.3
SNB	42.35	0.2
SABIC	78.80	-1.3
STC	41.40	-1.3



International Market News

- **A continued rebound** was witnessed in the new home sales in the US in the month of January, although the increase fell short of expectations. The new home sales increased 1.5% to an annual rate of 661,000 in January, after increasing 7.3% in December 2023. This rebound was led by sharp increase in new home sales in the north-east and the west. (Source: RTT News)
- **Japan's ex-cabinet advisor** voiced opposition to ending negative interest rates any time soon, as this premature action would likely push the economy back to deflation. Speculation is rife that the Bank of Japan may ditch negative rates as early as March or April given expectations that major firms will offer higher pay rises. (Source: Reuters)
- **Japan's core consumer inflation** slowed for a third straight month in January but beat forecasts and held at the central bank's 2% target, keeping alive expectations it will end negative interest rates by April. The 2.0% gain in the CPI was slower than the 2.3% increase in December, however the gain beat median market forecasts. (Source: Investing.com)
- **Oil prices** increased 0.1%, as European diesel demand was constrained by Russian sanctions and shipping disruptions, pulled the prices higher.
- **Gold prices** increased 0.2% as US Dollar turned defensive.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.83	-0.1	0.5	2.5
Euro	1.09	0.3	0.3	-1.7
Japanese Yen	150.70	0.1	2.6	6.8
Sterling Pound	1.27	0.1	-0.0	-0.4
Chinese Yuan	7.21	0.1	0.3	1.2
Indian Rupee	82.90	-0.1	-0.2	-0.4
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	0.0	0.1
Omani Rial	0.38	0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	0.0
Egyptian Pound	30.92	0.1	0.1	0.0

Corporate Calendar

Date	Company	Event
27-Feb	AMIANTIT	Start of IPO
27-Feb	ALLIANZ SF	EGM
28-Feb	SADAFCO	EGM
29-Feb	HCC	Eligibility for Cash Dividend
29-Feb	JADWA REIT	Eligibility for Cash Dividend
29-Feb	AL RAJHI REIT	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	8.7
Abu Dhabi (ADX)	9,261	-0.2	-2.6	-3.3	24.4
Kuwait (KSE)	8,128	-0.1	2.1	8.7	17.3
Qatar (QE)	10,449	0.4	3.6	-3.5	12.1
Oman (MSM)	4,594	0.3	0.7	1.8	12.4
Bahrain (BSE)	2,054	0.1	-0.6	4.2	7.8
Egypt (EGX30)	28,932	3.9	2.3	16.2	13.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,069	-0.2	2.4	3.7	22.3
Nasdaq	17,933	-0.0	4.6	6.6	35.0
S&P 500	5,070	-0.4	4.6	6.3	24.2
FTSE 100	7,684	-0.3	0.7	-0.6	10.4
Germany DAX 30	17,423	0.0	3.1	4.0	15.1
France CAC 40	7,930	-0.5	3.6	5.1	14.1
Japan Nikkei 225	39,234	0.3	8.1	17.2	28.0
Russia MOEX	3,213	2.3	-0.0	3.7	2.9
Hong Kong Hang Seng	16,635	-0.5	7.4	-2.4	8.7
South Korea KOSPI	2,647	-0.8	6.0	-0.3	18.4
China Shanghai Composite	2,977	-0.9	6.8	0.1	13.7
Australia ASX 200	7,653	0.1	-0.4	0.8	19.1
India Sensex	72,790	-0.5	1.4	0.8	23.1
MSCI EM	1,024	-0.4	5.0	0.0	15.4
MSCI World	3,326	-0.2	3.8	4.9	20.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.07	-1.8	-3.3	2.1
Brent Crude (\$/bbl)	82.53	1.1	1.0	7.1
Texas crude (\$/bbl)	77.58	1.4	2.3	8.3
Natural Gas (\$/mmbtu)	1.66	3.5	-21.0	-28.7
Gold (\$/oz)	2,031.24	-0.2	-0.4	-1.5
Silver (\$/oz)	22.52	-1.9	-1.9	-5.4
Steel (\$/ton)	922.00	0.0	-4.3	-18.8
Iron Ore (CNY/MT)	949.00	-1.9	-10.0	-9.0
Wheat (\$/bu)	574.75	1.0	-5.0	-10.1
Corn (\$/bu)	421.50	1.9	-8.1	-12.9
Sugar (\$/lb)	22.16	1.6	-4.7	8.5
SMP* (EUR/MT)	2,475.00	0.0	-2.3	-4.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.91	-2.4	2.8	-0.0
KSA (SAIBOR 3M)	6.24	-0.2	-12.7	0.8
KSA (SAIBOR 6M)	6.09	0.3	9.7	1.6
KSA (SAIBOR 12M)	5.94	1.8	0.0	-5.6
USA (SOFR 3M)	5.34	0.7	2.2	0.6
UAE (EIBOR 3M)	5.18	-15.9	-5.9	-14.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 26, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,532
Short-term view	Profit Booking
52 weeks high/low	12,669 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,207.5
Value (SAR mn)	9,156.4
Volume (mn)	468.8
Number of Transactions	599,100
Market Breadth	42 : 186

Key statistics	
1D return %	-0.58%
MTD return %	6.23%
QTD return	4.72%
YTD return	4.72%
ADT vol. 3M* (mn)	314.8
ADT val. 3M (SARmn)	7,919.5

*ADT stands for Average Daily Traded

TASI market commentary

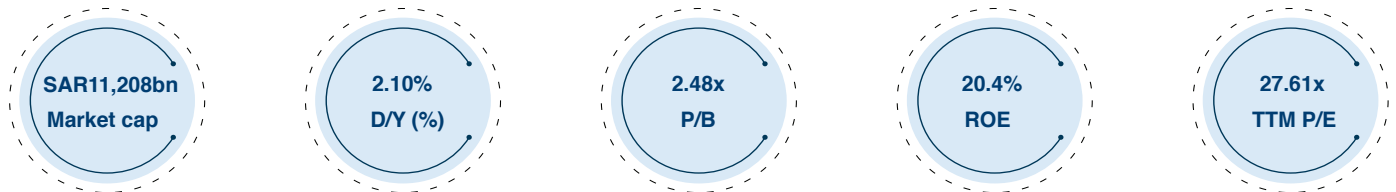
- TASI experienced a decline on Monday; primarily driven by the performance of the Materials sector (down 1.11%) and the Telecommunication services sector (down 0.71%). At close, the Saudi market ended the day with a change of -0.58% at 12,532. In terms of activity, total volumes and value traded were ~469mn and ~SAR 9.2bn, respectively. The advance-decline ratio came in at 42/186.

Technical outlook

- TASI closed the previous session near 12,532, registering a decline of 73 points. As expected, despite hitting a new 52-week high at the onset of the session, the market witnessed a resurgence of profit-booking attitudes, causing a retreat to close near the session's low. This resulted in the formation of a red candlestick, reflecting the current temporary intervening profit-booking sentiment. Currently, the index is approaching a crucial support level of around 12,500, near the 10-day SMA, and breaching this support level would generate further profit-booking attitudes. Additionally, the RSI indicator started moving down below the 70 level, indicating a near-term weakness in the index. TASI has an immediate support level of nearly 12,500. If breached, the subsequent support levels would be around 12,280 - 12, 200. On the other hand, an immediate resistance level is observed near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,920 - 13,170. Traders are advised to closely monitor the significant support level of around 12,500, as a close below it would suggest further decline toward the level of 12,280.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
12,200	12,280	12,500	12,590	12,700	12,920	13,170



Source: Bloomberg, Argaam

TASI daily chart



Source: Tradingview, Aljazira Capital

SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
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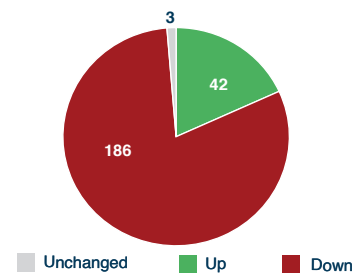
No stocks recommendations due to market volatility

*As of 26th Feb 2024

Our view



Market depth



Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

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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