



Major Economic News

- Saudi oil exports** decreased in November 2023, by 19% Y/Y to SAR 72.4bn. Oil exports accounted for 76.2% of the total merchandise exports in the kingdom, which amounted to SAR 94.9bn in November 2023. (Source: Argaam)
- POS transactions** in Saudi totaled SAR 14.3bn for the week ended February 03, 2024. Meanwhile the total POS transactions amounted to 204.9mn for the week. The clothing and footwear sector led the top performers by 45%, followed by the furniture and telecommunications sector by 39%. (Source: Argaam)

Major Corporate News

- Scientific & Medical Equipment** announces the receipt of letter of approval for awarding the competition for the operation, maintenance, and cleaning project at the Austin Centre of Excellence in Riyadh. The project value is SAR 8.7mn with a three-year implementation period from April 01, 2024. (Source: Tadawul)
- Modern Mills** announced its prospectus for offering 24.6mn shares. The company's current activity is the production, packaging and sale of flour products, their derivatives and animal feed. The share sale for institutional investors from February 15-21, 2024, whereas for retail investors it will run during the period March 5-6, 2024. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
AWWAL BANK	1,857.3	1,233.9	50.52	1,830.3	1.47
YAMAMAH STEEL	29.5	-41.9	NM*	-22.9	NM*

*NM indicates Not Meaningful

Market Analysis

The **Saudi Stock Exchange** increased 0.8% to 12,165.9. The value traded stood at SAR 10.6bn (up 13.3% over the previous day), while the advance-decline ratio stood at 137/77. The parallel market index increased 0.2% to 25,720.5 points. The value traded stood at SAR 23.5mn (up 6.8% over the previous day). Most sectors in the main market ended in the green. Commercial Service & Media (up 2.6% and 2.4%, respectively) advanced the most, while Food & Beverages and Telecom (down 1.5% and 1.0%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
GASCO	80.30	10.0
ATHEEB TELECOM	62.80	10.0
TAKWEEN	21.40	9.1
SAUDI GERMAN	131.40	7.5
MCDC	80.70	6.8

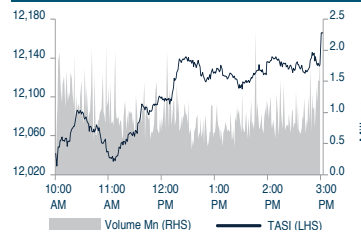
Top Losers

Company	Price	Change%
SISCO HOLDING	30.35	-5.2
SAVOLA GROUP	46.15	-3.9
EXTRA	91.10	-3.1
ANAAM HOLDING	1.09	-1.8
NADEC	31.50	-1.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,166	12,166	12,026	0.8	1.7
NomuC	25,720	25,815	25,435	0.2	4.9

TASI movement during session



TASI Ratios

P/E* (x)	26.8
Price-to-Book (x)	2.4
Dividend Yield (%)	1.9
Return on Equity (%)	20.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,855	-0.9	-5.8	16.2
Materials	6,145	1.3	-3.3	High
Capital Goods	11,455	1.0	15.4	37.6
Commercial Service	5,442	2.6	-2.1	34.8
Transportation	7,140	1.2	12.6	42.6
Consumer Durables	5,020	0.6	-0.1	Neg
Consumer Services	5,317	0.1	7.6	37.5
Media	31,282	2.4	27.5	High
Consumer Discretionary Ret	8,626	-0.9	1.2	27.8
Consumer Staples Ret	10,451	0.8	8.0	26.9
Food & Beverages	6,238	-1.5	11.2	32.4
Healthcare	13,697	1.1	13.9	High
Pharma & Bio Tech	5,101	0.4	5.0	High
Banks	12,525	1.5	2.7	14.7
Financial Services	7,180	1.7	8.0	32.8
Insurance	8,700	0.5	2.7	23.4
Telecom	8,089	-1.0	4.8	15.4
Utilities	9,781	1.5	-1.6	19.6
REITs	3,607	-0.2	-1.7	High
Real Estate	3,171	2.0	4.0	47.6
Software & Services	77,691	1.5	13.3	48.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,028	12,060	12,070	8.23

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	32.9	1,160.30	1,978.90
Previous week	41.6	1,548.70	2,631.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.05	-1.0
Al Rajhi	87.90	1.0
SNB	41.20	2.7
SABIC	79.40	0.3
STC	41.95	-1.4





International Market News

- **According to EIA**, oil inventories in the US increased 5.5mn barrels (prior: up 1.2mn) to 427.4mn in the week ended February 02. Gasoline inventories decreased 3.1mn barrels (prior: up 1.2mn) to 251.0mn, while distillate inventories declined 3.2mn barrels (prior: down 2.5mn) to 127.6mn. (Source: EIA, Econoday)
- **The US trade deficit** increased to USD 62.2bn in December, from USD 61.9bn in November. The wider deficit came as the value of imports increased by 1.3% M/M, while the value of exports jumped by 1.5%. (Source: RTT News)
- **Consumer credit** in the US increased marginally by USD 1.5bn in December, versus a USD 23.4bn gain in November. This has been the slowest pace of credit growth since an outright drop in August. (Source: CNBC)
- **China consumer price index** fell 0.8% in January Y/Y, after a 0.3% drop in December. Consumer prices suffered their steepest fall in more than 14 years in January while producer prices also dropped, underscoring the persistent deflationary risks facing the world's second-biggest economy as it struggles to recover. (Source: Reuters)
- **Oil prices** increased 0.4% due to larger than expected fall in US fuel stocks and rising tensions in the Middle East.
- **Gold prices** fell 0.1% due to waning bets on early US interest rate cuts which kept the outlook uncertain

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.06	-0.1	0.8	2.7
Euro	1.08	0.2	-0.4	-2.4
Japanese Yen	148.18	0.2	0.9	5.1
Sterling Pound	1.26	0.2	-0.5	-0.8
Chinese Yuan	7.21	0.2	0.4	1.2
Indian Rupee	82.97	-0.1	-0.1	-0.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.0	0.0	0.0
Kuwaiti Dinar	0.31	-0.1	0.1	0.2
Omani Rial	0.39	-0.0	0.0	0.0
Bahraini Dinar	0.38	-0.0	-0.0	0.0
Egyptian Pound	30.90	-0.0	0.1	-0.0

Corporate Calendar

Date	Company	Event
8-Feb	NASEEJ	EGM
8-Feb	AL RAJHI REIT	Eligibility for cash dividend
8-Feb	QUARA FINANCE	End of IPO
11-Feb	ATAA	Cash dividend distribution
11-Feb	ALKHABEER REIT	Eligibility for cash dividend
11-Feb	ANB	Eligibility for cash dividend

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,162	0.2	-0.2	2.5	8.9
Abu Dhabi (ADX)	9,355	0.2	-1.6	-2.3	26.5
Kuwait (KSE)	7,962	0.1	0.0	6.5	17.0
Qatar (QE)	9,990	0.9	-1.0	-7.8	11.9
Oman (MSM)	4,547	-0.3	-0.3	0.7	12.4
Bahrain (BSE)	2,063	0.0	-0.2	4.7	8.1
Egypt (EGX30)	27,906	2.3	-1.3	12.1	13.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,677	0.4	1.4	2.6	22.1
Nasdaq	17,755	1.0	3.6	5.5	34.6
S&P 500	4,995	0.8	3.1	4.7	24.0
FTSE 100	7,629	-0.7	-0.0	-1.4	10.3
Germany DAX 30	16,922	-0.7	0.1	1.0	14.6
France CAC 40	7,611	-0.4	-0.6	0.9	13.4
Japan Nikkei 225	36,120	-0.1	-0.5	7.9	29.7
Russia MOEX	3,257	0.6	1.3	5.1	3.0
Hong Kong Hang Seng	16,082	-0.3	3.9	-5.7	8.4
South Korea KOSPI	2,610	1.3	4.5	-1.7	18.2
China Shanghai Composite	2,830	1.4	1.5	-4.9	13.0
Australia ASX 200	7,616	0.5	-0.8	0.3	16.8
India Sensex	72,152	-0.0	0.6	-0.1	14.5
MSCI EM	1,003	0.3	2.7	-2.1	15.0
MSCI World	3,265	0.6	1.9	3.0	20.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.47	1.6	-5.2	0.1
Brent Crude (\$/bbl)	79.21	0.8	-3.1	2.8
Texas crude (\$/bbl)	73.86	0.8	-2.6	3.1
Natural Gas (\$/mmbtu)	1.97	-2.1	-6.3	-15.5
Gold (\$/oz)	2,035.36	-0.0	-0.2	-1.3
Silver (\$/oz)	22.22	-0.9	-3.2	-6.6
Steel (\$/ton)	953.00	-1.7	-1.0	-16.0
Iron Ore (CNY/MT)	981.50	0.0	-6.9	-5.9
Wheat (\$/bu)	602.00	1.2	1.1	-4.1
Corn (\$/bu)	434.25	-1.0	-3.1	-7.9
Sugar (\$/lb)	23.88	1.4	-1.0	16.0
SMP* (EUR/MT)	2,500.00	0.4	-1.3	-3.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.87	-1.2	-1.2	-4.0
KSA (SAIBOR 3M)	6.29	2.0	-7.8	5.8
KSA (SAIBOR 6M)	6.01	0.9	1.8	-6.2
KSA (SAIBOR 12M)	5.94	0.1	-0.3	-5.9
USA (SOFR 3M)	5.31	-0.8	-0.1	-1.7
UAE (EIBOR 3M)	5.36	-6.7	12.3	3.3

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 7, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,166
Short-term view	Cautious Buy
52 weeks high/low	12,344 – 9,931

Market data

Exchange Market Cap. (SAR bn)	10,878.0
Value (SAR mn)	10,627.4
Volume (mn)	306.7
Number of Transactions	574,126
Market Breadth	137 : 77

Key statistics

1D return %	0.78%
MTD return %	3.13%
QTD return	1.66%
YTD return	1.66%
ADT vol. 3M* (mn)	287.9
ADT val. 3M (SARmn)	7,010.8

*ADT stands for Average Daily Traded

TASI market commentary

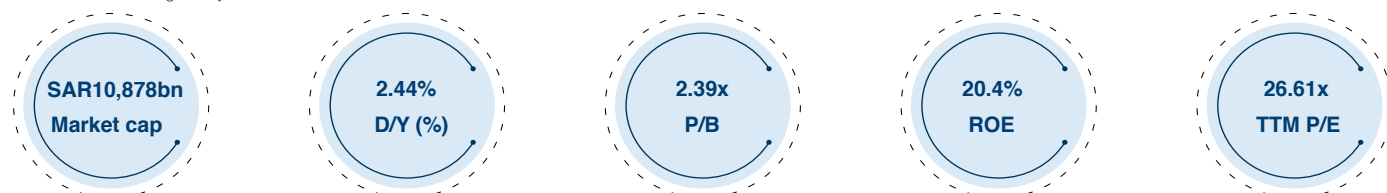
- TASI experienced a rise on Wednesday; primarily driven by the performance of the Banks sector (up 1.52%) and the Materials sector (up 1.28%). At close, the Saudi market ended the day with a change of 0.78% at 12,166. In terms of activity, total volumes and value traded were ~307mn and ~SAR 10.6bn, respectively. The advance-decline ratio came in at 137/77.

Technical outlook

- TASI closed near 12,166, recording a gain of 95 points. The bullish speculative attitude persisted, propelling the index to surpass its 20-day SMA. Notably, TASI formed a Marubozu candlestick, which suggests a potential further upward speculative advance towards the upper boundary of the recent sideways movement around 12,280. Furthermore, the RSI indicator is currently testing a declining trendline, and a breakthrough would serve as confirmation of the bullish speculative sentiment in the market. TASI has an immediate resistance level near 12,200, followed by 12,280. If successfully surpassed, the following resistance level would be around 12,345. On the other hand, an immediate support level is observed near 12,070. If breached, the subsequent support would be around 12,000, followed by 11,930. Traders are advised to cautiously buy and closely monitor the significant resistance level around 12,280.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,825	11,930	12,000	12,070	12,200	12,280	12,345



Source: Bloomberg, Argam

TASI daily chart

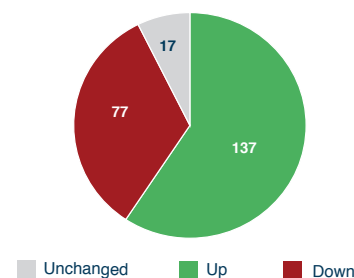


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
4263	SAL Saudi Logistics Services Co.	243.00	242.40 – 243.00	245.40 – 253.40	240.20
8010	The Company for Cooperative Insurance	132.40	132.00 – 132.40	133.60 – 138.20	131.08
8070	Arabian Shield Cooperative Insurance Company	19.60	19.54 – 19.60	19.80 – 20.08	19.38
4292	Ataa Educational Co.	78.00	77.80 – 78.00	78.70 – 80.00	77.20
4260	United International Transportation Co.	89.50	89.30 – 89.50	90.40 – 91.90	88.50
6070	Al-Jouf Agricultural Development Co.	54.60	54.50 – 54.60	55.10 – 56.80	54.00

*As of 07th Feb 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SAL has just penetrated the level of the last peak after bouncing off its 10-day SMA. Moreover, all the technical indicators show bullish structure.

SAL Saudi Logistics Services Co. (SAL)



Source: Tradingview, Aljazira Capital

Technical observations

Tawuniya has penetrated the level of the last peak after penetrating a declining trendline and its 20-day SMA. Moreover, all the technical indicators show bullish structure.

The Company for Cooperative Insurance (Tawuniya)



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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