



## Major Economic News

- **The rating agency Moody's** affirmed Saudi Arabia's 'A1' rating, with positive outlook. The Kingdom's rating, according to Moody's, came in line with the tangible progress achieved in comprehensive reforms since FY16, as well as the effectiveness of its financial and public policies supporting economic diversification. (Source: Argaam)
- **The Ministry of Environment, Water and Agriculture** targets 16.2mn cu. m. of desalinated water per day. The production capacity of desalination plants in Saudi Arabia currently stands at 9.4mn cu. m. per day. (Source: Argaam)

## Major Corporate News

- **Saudi Aramco** is planning a USD 10.0bn share sale, according to a Reuters' report. The share sale is expected to take place as soon as June in what would be one of the region's biggest stock deals. The preparations are ongoing, and the details could still change. (Source: Reuters)
- **FTSE Russell added ADES Holding and SAL** to its Mid Cap index and FTSE Global Equity Index. FTSE Russell is scheduled to implement its changes on Thursday, June 20. (Source: Argaam)
- CMA approved **Perfect Presentation** for **Commercial Services Co.'s** application to increase its capital from SAR 150.0mn to SAR 300.0mn via a bonus issue. Accordingly, one bonus share will be issued for each existing share held by shareholders. The capital top-up will be funded by transferring SAR 150.0mn from retained earnings. (Source: Argaam)

## Market Analysis

**The Saudi Stock Exchange** decreased 1.3% to 11,996.0. The value traded stood at SAR 5.6bn (up 5.0% over the previous day), while the advance-decline ratio stood at 63/154. The parallel market index decreased 0.6% to 26,679.6 points. The value traded stood at SAR 49.2mn (up 34.1% over the previous day). Most sectors in the main market ended in the red. Capital Goods and Consumer Services (up 1.7% and 0.2%, respectively) advanced the most, while Insurance and Media (down 2.8% and 2.6%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ALBAHA	0.14	7.7
AYYAN	19.80	6.3
RIYADH CABLES	107.80	5.7
EAST PIPES	157.80	5.1
JAZIRA TAKAFUL	18.56	4.7

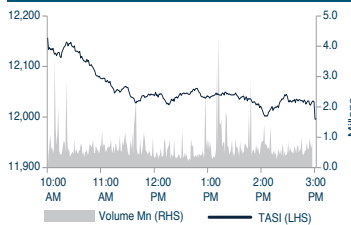
## Top Losers

Company	Price	Change%
BUPA ARABIA	229.80	-6.6
BSF	34.45	-5.1
GULF GENERAL	14.30	-4.8
NASEEJ	77.80	-4.8
ALARABIA	213.40	-4.4

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,996	12,156	11,995	(1.3)	(0.3)
NomuC	26,680	26,926	26,619	(0.6)	8.8

## TASI movement during session



## TASI Ratios

P/E* (x)	27
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	5,646	-0.3	-9.4	16.8
Materials	6,013	-1.1	-5.9	High
Capital Goods	12,591	1.7	24.9	27.7
Commercial Service	4,902	-1.4	-12.1	42.4
Transportation	7,205	-0.2	13.4	34.5
Consumer Durables	5,660	-0.8	13.6	Neg
Consumer Services	5,156	0.2	3.6	38.8
Media	27,665	-2.6	12.7	48.9
Consumer Discretionary Ret	7,703	-0.7	-10.6	23.0
Consumer Staples Ret	9,440	-0.5	-3.4	22.5
Food & Beverages	5,866	-1.2	4.2	29.1
Healthcare	12,607	-2.1	3.1	43.9
Pharma & Bio Tech	4,850	-0.8	-0.4	43.6
Banks	11,305	-2.5	-8.0	12.7
Financial Services	7,675	-0.3	14.0	32.7
Insurance	10,232	-2.8	19.0	23.7
Telecom	7,476	-1.5	-3.8	14.5
Utilities	16,033	0.0	61.6	34.4
REITs	3,261	-0.3	-11.0	25.4
Real Estate	3,396	-1.1	11.1	40.1
Software & Services	68,263	-0.6	-0.5	39.6

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
12,120	12,150	12,252	6.33

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	26.8	1,035.70	2,190.70
Previous week	33.1	1,296.50	2,578.50

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	29.95	-0.3
Al Rajhi	79.10	-1.4
SNB	33.95	-3.4
ACWA POWER	480.20	0.0
ALINMA	30.85	-2.7





## International Market News

- **According to Baker Hughes**, North America's rig count increased to 720 in the week ended May 24 from 718 earlier. The rig count fell to 600 in the US from 604 earlier, while increased to 20 in the Gulf of Mexico from 19. The rig count in Canada increased to 120 from 114 earlier. (Source: Baker Hughes)
- **US initial jobless claims** fell to 215,000 (consensus: 220,000) in the week ended May 18, representing a decrease of 8,000 from the previous week's revised level of 223,000. (Source: RTT News)
- **New orders for US manufactured durable goods** rose 0.7% in April (consensus: a fall of 0.8%) following a downwardly revised 0.8% increase in March. The continued strength in orders for transportation equipment, up 1.2% in April, led to the overall growth. (Source: RTT News)
- **UK retail sales** dropped 2.3% M/M in April (consensus: 0.5% decrease) vs. a revised 0.2% decline in March. The sales fell across most sectors as poor weather reduced footfall. (Source: RTT News)
- **Japan's core inflation** that excludes fresh food eased to 2.2% in April (in line with consensus) from 2.6% in the previous month. The indicator continued to stay above the 2.0% target for 25 straight months. (Source: RTT News)
- **Oil prices** gained 0.9% on Friday, showing some recovery after declining throughout the week, on hopes of summer fuel demand.
- **Gold prices** rose 0.2% due to the weaker US dollar.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.72	-0.4	-1.4	3.3
Euro	1.08	0.3	1.7	-1.7
Japanese Yen	156.99	0.0	-0.5	11.3
Sterling Pound	1.27	0.3	2.0	0.0
Chinese Yuan	7.26	0.1	0.1	1.9
Indian Rupee	83.10	-0.2	-0.4	-0.1
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	-0.1
Omani Rial	0.38	0.0	-0.0	-0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	47.15	0.1	-1.5	52.5

## Corporate Calendar

Date	Company	Event
26-May	GASCO	EGM
26-May	ALHAMMADI	Eligibility of Cash Dividend
26-May	BONYAN REIT	Eligibility of Cash Dividend
26-May	BINDAWOOD	Eligibility of Cash Dividend
26-May	ALMUNAJEM	EGM
26-May	SAL	Eligibility of Cash Dividend

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,013	-0.3	-3.4	-1.2	7.9
Abu Dhabi (ADX)	8,834	-0.6	-2.6	-7.8	17.7
Kuwait (KSE)	7,784	-0.2	1.2	4.1	14.4
Qatar (QE)	9,562	-1.5	-1.7	-11.7	10.8
Oman (MSM)	4,803	-0.1	0.4	6.4	12.8
Bahrain (BSE)	2,020	0.2	-0.4	2.5	7.7
Egypt (EGX30)	27,205	-0.1	11.3	9.3	10.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,070	0.0	3.3	3.7	22.9
Nasdaq	18,808	1.0	7.8	11.8	34.7
S&P 500	5,305	0.7	5.3	11.2	24.7
FTSE 100	8,318	-0.3	2.1	7.6	15.0
Germany DAX 30	18,693	0.0	4.2	11.6	16.5
France CAC 40	8,095	-0.1	1.4	7.3	14.1
Japan Nikkei 225	38,646	-1.2	0.6	15.5	26.6
Russia MOEX	3,397	-1.3	-2.1	9.6	4.8
Hong Kong Hang Seng	18,609	-1.4	4.8	9.2	10.4
South Korea KOSPI	2,688	-1.3	-0.2	1.2	17.3
China Shanghai Composite	3,089	-0.9	-0.5	3.8	13.8
Australia ASX 200	7,728	-1.1	0.8	1.8	19.5
India Sensex	75,410	-0.0	1.2	4.4	23.1
MSCI EM	1,083	-0.8	3.5	5.8	15.5
MSCI World	3,462	0.5	4.7	9.2	21.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.7	-1.7	-6.4	4.1
Brent Crude (\$/bbl)	82.1	0.9	-6.5	6.6
Texas crude (\$/bbl)	77.7	1.1	-5.1	8.5
Natural Gas (\$/mmbtu)	2.5	-5.2	26.6	0.0
Gold (\$/oz)	2,333.8	0.2	2.1	13.1
Silver (\$/oz)	30.3	0.4	15.1	27.2
Steel (\$/ton)	789.0	0.0	-3.0	-30.5
Iron Ore (CNY/MT)	912.0	-0.5	2.8	-12.6
Wheat (\$/bu)	697.3	-0.1	15.6	8.0
Corn (\$/bu)	464.8	0.2	4.0	-5.9
Sugar (\$/lb)	18.4	0.8	-5.2	-9.8
SMP* (EUR/MT)	2,438.0	0.5	4.1	-5.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.78	-5.2	-8.3	-13.4
KSA (SAIBOR 3M)	6.30	7.4	5.8	6.7
KSA (SAIBOR 6M)	6.10	-0.2	2.1	2.3
KSA (SAIBOR 12M)	5.94	2.7	5.8	-5.6
USA (SOFR 3M)	5.34	0.7	1.5	1.1
UAE (EIBOR 3M)	5.25	-14.2	-6.2	-7.4

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 24, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,996
Short-term view	Cautious
52 weeks high/low	12,883 – 10,262

## Market data

Exchange Market Cap. (SAR bn)	10,615.9
Value (SAR mn)	5,563.2
Volume (mn)	221.7
Number of Transactions	484,109
Market Breadth	63 : 154

## Key statistics

1D return %	-1.32%
MTD return %	-3.22%
QTD return	-3.27%
YTD return	0.24%
ADT vol. 3M* (mn)	336.7
ADT val. 3M (SARmn)	8,011.7

\*ADT stands for Average Daily Traded

## TASI market commentary

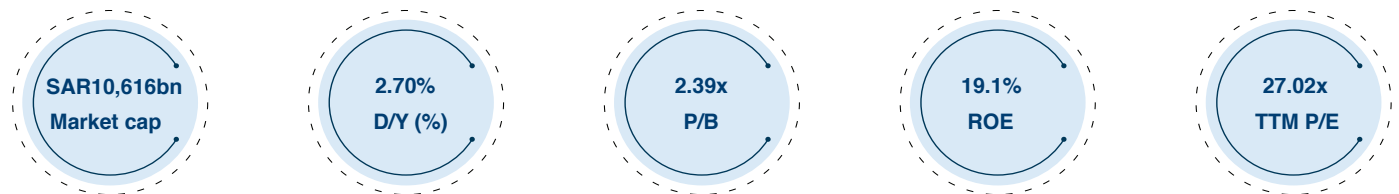
- TASI experienced a decline on Thursday; primarily driven by the performance of the Banks sector (down 2.45%) and the Telecommunication services sector (down 1.49%). At close, the Saudi market ended the day with a change of -1.32% at 11,996. In terms of activity, total volumes and value traded were ~222mn and ~SAR 5.6bn, respectively. The advance-decline ratio came in at 63/154.

## Technical outlook

- TASI closed the last session near 11,996, registering a substantial loss of 161 points. The index experienced intensified selling pressure, resulting in a break below the support level of 12,100. This downside break suggests a potential further decline toward the significant support level of the 38.2% Fibonacci level around 11,880. TASI has formed a Bearish Marubozu candlestick, indicating a possible resumption of the prevailing selling pressure. Furthermore, the RSI indicator continued moving downward, approaching the oversold zone near the level of 30. TASI has an immediate support level of around 11,935. If breached, the subsequent support levels would be around 11,880 – 11,785. On the other hand, an immediate resistance level is observed around 12,100. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,185 – 12,260. Traders are advised to exercise caution, and closely monitor the significant support zone near the 38.2% Fibonacci level and the prior bottom around 11,880 – 11,785.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,785	11,880	11,935	12,000	12,100	12,185	12,260



Source: Bloomberg, Argam

## TASI daily chart

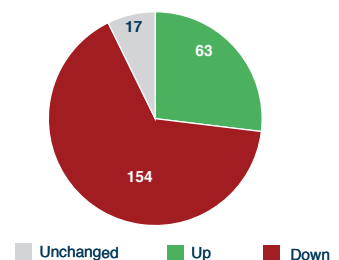


Source: Tradingview, Aljazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

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

\* As of 23<sup>rd</sup> May 2024

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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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