



## Major Economic News

- **HRSD launched** the “Youth Development Strategy” on January 29, 2024, aiming to empower the youth and support them to achieve national aspirations through developing youth opportunities and choices. The strategy to include 20 initiatives and 40 projects, as it's crucial for KSA's as the youth accounts for 44% of total population and represents 78% of the workforce. (Source: Argaam)
- **The Local Content and Government Procurement Authority (LCGPA)** signed 4 agreements to localize the pharma industry and ensure sustainable partnership between the government and private sectors. The financial impact of localization exceeds SAR 250mn over ten years. (Source: Argaam)

## Major Corporate News

- **Saudi Chemical** inks a 3-year contract with LCGPA for the localization and technology transfer of the pharma product, Ticagrelor, for its inclusion in the mandatory list. The company is expecting the revenues exceeding SAR 35mn over five years, following the commercialization. (Source: Argaam)
- **Saudi Aramco** has received a directive from the Ministry of Energy to maintain its maximum sustainable capacity (MSC) at 12mn barrels per day and not to continue increasing its MSC to 13mn barrels per day. (Source: Tadawul)

## Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
Jarir	273.2	267.6	2.09	296.3	-7.81

## Market Analysis

The **Saudi Stock Exchange** decreased 0.1% to 12,252.8. The value traded stood at SAR 8.3bn (up 19.0% over the previous day), while the advance-decline ratio stood at 97/120. The parallel market index decreased 1.3% to 24,686.3 points. The value traded stood at SAR 17.6mn (up 23.9% over the previous day). Most sectors in the main market ended in the red. Utilities and Capital Goods (up 2.5% and 1.1%, respectively) advanced the most, while Pharma and Commercial Service (down 2.9% and 2.0%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ALJAZIRA REIT	19.90	9.9
ALBAHA	0.15	7.1
SAUDI ELECTRICITY	20.42	6.5
ALAHLI REIT 1	8.98	6.3
WALAA	19.58	4.7

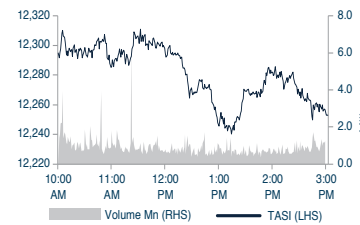
## Top Losers

Company	Price	Change%
SPIMACO	35.85	-3.8
LIVA	20.44	-3.6
ATAA	74.50	-3.5
BAWAN	48.55	-2.9
EQUIPMENT HOUSE	48.50	-2.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,253	12,313	12,235	(0.1)	2.4
NomuC	24,686	25,214	24,678	(1.3)	0.6

## TASI movement during session



## TASI Ratios

P/E* (x)	26.7
Price-to-Book (x)	2.5
Dividend Yield (%)	2.5
Return on Equity (%)	20.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,905	-0.5	-5.0	16.4
Materials	6,128	0.7	-3.5	High
Capital Goods	10,859	1.1	9.4	35.5
Commercial Service	5,177	-2.0	-6.9	32.9
Transportation	6,930	0.0	9.3	41.6
Consumer Durables	4,972	-0.9	-1.0	Neg
Consumer Services	5,315	-0.2	7.6	37.9
Media	29,110	-1.0	18.7	High
Consumer Discretionary Ret	8,515	0.2	-0.1	27.5
Consumer Staples Ret	10,323	-0.6	6.7	26.4
Food & Beverages	6,208	0.0	10.7	32.1
Healthcare	12,497	-1.7	3.9	48.8
Pharma & Bio Tech	5,165	-2.9	6.3	High
Banks	12,978	-0.4	6.4	15.2
Financial Services	7,097	-0.7	6.7	32.7
Insurance	8,666	-0.1	2.3	23.3
Telecom	8,013	-0.1	3.8	15.3
Utilities	9,860	2.5	-0.8	19.9
REITs	3,663	0.9	-0.1	High
Real Estate	3,122	-1.0	2.4	46.8
Software & Services	74,088	-0.5	8.0	46.3

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,192	12,117	12,127	8.47

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	15.2	547.80	969.60
Previous week	38.7	1,483.10	2,311.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.25	-0.5
Al Rajhi	90.50	-1.1
SNB	42.90	-0.6
SABIC	79.70	0.6
STC	41.80	-0.9





## International Market News

- **The US treasury** is expected to add USD 760bn in Q1-24 due to forecasts for increased net fiscal flows and higher cash balance. It also expected to borrow USD 202bn in Q2-24 as it projects a cash balance of USD7 50bn at the end of June 2024. (Source: Investing.com)
- **The expectations for inflation in United Kingdom**, especially in the short term, have fallen, according to a survey. The public expectations for inflation fell to 3.5% in December from 4.2% in October. This could be useful as the Bank of England is expected to take a tentative first step towards cutting interest rates from their highest levels. (Source: Reuters)
- **Prices in British shops rose** in December at the slowest annual pace since May 2022 as per British Retail Consortium (BRC). This is likely to add to the signs of easing inflation pressures. (Source: Reuters)
- **China's manufacturing activity** in January likely shrank for the fourth straight month, however at a slower pace than December. This indicates that the sprawling sector was still struggling to regain momentum at the start of 2024. (Source: CNBC)
- **Japan's jobless rate fell** to 2.4% M/M in December as against the forecast of 2.5% on Reuters poll. The jobs-to-applicants ratio slipped to 1.3 in December, matching the June 2022 levels. (Source: Reuters)
- **Oil rose** 0.2% as escalating geopolitical tensions in the Middle East continued to concern the fuel supplies.
- **Gold** was flat and draws support from broad-based US dollar weakness and the extended selling in the US treasury bond yields.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.61	0.2	2.2	2.2
Euro	1.08	-0.2	-1.9	-1.9
Japanese Yen	147.50	-0.4	4.6	4.6
Sterling Pound	1.27	0.0	-0.2	-0.2
Chinese Yuan	7.19	-0.0	0.9	0.9
Indian Rupee	83.14	0.0	-0.1	-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	0.1	0.1
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.89	-0.0	-0.0	-0.0

## Corporate Calendar

Date	Company	Event
29-Jan	ATAA	Eligibility for cash dividend
29-Jan	ALWASAIL	EGM
29-Jan	PAN GULF	End of IPO
30-Jan	ALJOUF	Cash dividend distribution
30-Jan	DALLAH HEALTH	Cash dividend distribution
30-Jan	AVALON PHARMA	Start of IPO

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,171	0.2	2.7	2.7	9.2
Abu Dhabi (ADX)	9,551	-0.2	-0.3	-0.3	27.1
Kuwait (KSE)	8,015	-0.4	7.2	7.2	17.1
Qatar (QE)	10,152	-1.9	-6.3	-6.3	12.1
Oman (MSM)	4,592	-0.1	1.7	1.7	10.1
Bahrain (BSE)	2,041	1.2	3.5	3.5	8.2
Egypt (EGX30)	29,228	2.1	17.4	17.4	14.0

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,333	0.6	1.7	1.7	22.5
Nasdaq	17,596	1.0	4.6	4.6	34.3
S&P 500	4,928	0.8	3.3	3.3	23.7
FTSE 100	7,633	-0.0	-1.3	-1.3	10.3
Germany DAX 30	16,942	-0.1	1.1	1.1	14.8
France CAC 40	7,641	0.1	1.3	1.3	13.5
Japan Nikkei 225	36,027	0.8	7.7	7.7	29.7
Russia MOEX	3,177	0.4	2.5	2.5	2.9
Hong Kong Hang Seng	16,077	0.8	-5.7	-5.7	8.4
South Korea KOSPI	2,501	0.9	-5.8	-5.8	17.4
China Shanghai Composite	2,883	-0.9	-3.1	-3.1	13.3
Australia ASX 200	7,578	0.3	-0.2	-0.2	16.7
India Sensex	71,942	1.8	-0.4	-0.4	25.1
MSCI EM	990	0.5	-3.3	-3.3	14.7
MSCI World	3,236	0.6	2.1	2.1	20.5

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.94	1.2	6.9	6.9
Brent Crude (\$/bbl)	82.40	-1.4	7.0	7.0
Texas crude (\$/bbl)	76.78	-1.6	7.2	7.2
Natural Gas (\$/mmbtu)	2.05	-5.6	-11.7	-11.7
Gold (\$/oz)	2,033.23	0.7	-1.4	-1.4
Silver (\$/oz)	23.20	1.8	-2.5	-2.5
Steel (\$/ton)	1,077.00	0.0	-5.1	-5.1
Iron Ore (CNY/MT)	1,061.50	0.1	1.8	1.8
Wheat (\$/bu)	593.50	-1.1	-5.5	-5.5
Corn (\$/bu)	440.25	-1.3	-6.6	-6.6
Sugar (\$/lb)	23.53	-1.0	14.3	14.3
SMP* (EUR/MT)	2,530.00	0.0	-1.8	-1.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.91	3.0	-0.8	-0.8
KSA (SAIBOR 3M)	6.32	4.7	9.1	9.1
KSA (SAIBOR 6M)	5.97	-0.4	-10.2	-10.2
KSA (SAIBOR 12M)	5.95	-0.0	-4.9	-4.9
USA (SOFR 3M)	5.31	-0.5	-1.9	-1.9
UAE (EIBOR 3M)	5.28	5.1	-5.1	-5.1

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 29, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,253
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	12,344 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	10,936.9
Value (SAR mn)	8,284.1
Volume (mn)	286.6
Number of Transactions	539,465
Market Breadth	97 : 120

## Key statistics

1D return %	-0.09%
MTD return %	2.38%
QTD return	2.38%
YTD return	2.38%
ADT vol. 3M* (mn)	277.0
ADT val. 3M (SARmn)	6,644.4

\*ADT stands for Average Daily Traded

## TASI market commentary

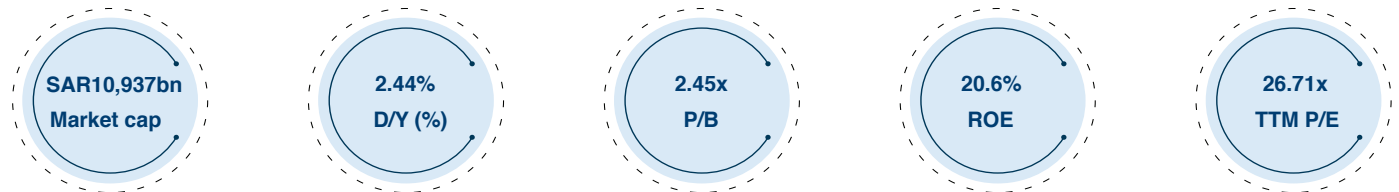
- TASI experienced a decline on Monday; primarily driven by the performance of the Energy sector (down 0.46%) and the Banks sector (down 0.36%). At close, the Saudi market ended the day with a change of -0.09% at 12,253. In terms of activity, total volumes and value traded were ~287mn and ~SAR 8.3bn, respectively. The advance-decline ratio came in at 97/120.

## Technical outlook

- TASI closed near 12,253, marking a loss of 11 points. The index witnessed a coiled session that represented a temporary pause within its potential upward movement toward the previous peak near 12,345. TASI has formed a small red candlestick, which requires confirmation by a subsequent bearish candlesticks pattern to indicate a further profit-booking attitude. Meanwhile, the RSI indicator is still hovering above the 50 level, indicating a possible further rise in the market in the short term. TASI has an immediate resistance level of nearly 12,345. If successfully penetrated, the following resistance level would be near 12,480, followed by 12,640. Conversely, an immediate support level is observed near 12,225. If breached, the subsequent support would be around 12,150, followed by 12,100. TASI has experienced a temporary pause within the prevailing buying sentiment; nevertheless, it is still hovering above its 5-day and 10-day SMAs, indicating the potential for further upward movement toward the previous peak. Therefore, traders are advised to cautiously consider buying opportunities and closely monitor the significant resistance of the previous peak around 12,345.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
12,025	12,100	12,150	12,225	12,345	12,480	12,640



Source: Bloomberg, Argaam

## TASI daily chart



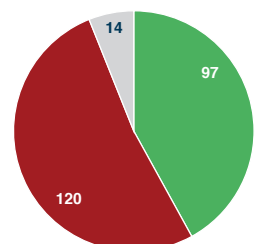
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

Unchanged  
Up  
Down





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
7202	Arabian Internet and Communications Services Co.	343.00	342.20 – 343.00	346.20 – 353.00	339.40
2350	Saudi Kayan Petrochemical Company	9.69	9.67 – 9.69	9.79 – 9.98	9.59
8100	Saudi Arabian Cooperative Insurance Company	16.50	16.46 – 16.50	16.66 – 17.06	16.32
4260	United International Transportation Co.	80.90	80.70 – 80.90	81.70 – 82.50	80.00
4191	Abdullah Saad Mohammed Abo Moati for Bookstores Co.	31.10	31.00 – 31.10	31.40 – 31.95	30.75
1304	Al Yamamah Steel Industries Co.	29.40	29.35 – 29.40	29.70 – 30.15	29.10

\*As of 29<sup>th</sup> Jan 2024

\* Note – Stop loss is based on an intraday basis

## CHARTS OF THE DAY

## Technical observations

**SOLUTIONS** penetrated a declining trendline and its 20-day SMA after bouncing off the level of the previous peaks. Moreover, all the technical indicators show bullish structure.

## Arabian Internet and Communications Services Co. (SOLUTIONS)



Source: Tradingview, Aljazira Capital

## Technical observations

**Saudi Kayan** formed a Piercing line candlestick near the lower boundary of a declining channel and the level of the prior minor trough. Moreover, all the technical indicators show bullish structure.

## Saudi Kayan Petrochemical Company (Saudi Kayan)



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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