



Major Economic News

- Saudi Arabia's** retail sector is expected to grow by 4-5% annually given the projected GDP growth, according to Bain & Company. Saudi Arabia witnessed a recovery in the retail sector in 2023, as consumer spending rose by 6.7%, after difficult last few years marked by VAT, pandemic, and inflation. (Source: Argaam)

Major Corporate News

- Al Arabia's** subsidiary signed a SAR 533.9mn contract for advertising billboards in Dubai. The contract tenure is for ten years and five months, with a total number of 294 advertising billboards spread across Dubai, of which 85 would be digital and 209 would be static. The financial impact is expected to appear in Q3-24. (Source: Argaam)
- Modern Mills** completed the book-building process for institutional investors and the final offer price was set at SAR 48 per share. The IPO order book was 127x covered. The retail offer will run from March 05 to 06. (Source: Argaam)
- Luberef** approved the early repayment of a part of its existing loans amounting to SAR 937.5mn. The step comes as part of the board's emphasis on improving the company's financial efficiency, reducing costs, and optimizing the use of available cash. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
OASIS	16.9	5.4	213.74	7.2	136.57
ATAA*	11.5	9.6	19.95	22.1	-48.03
ACWA	579.6	656.6	-11.72	397.9	45.66

* Data represents Q2-24 instead of Q4-23

Market Analysis

The **Saudi Stock Exchange** increased 0.1% to 12,611.4. The value traded stood at SAR 8.4bn (up 12.8% over the previous day), while the advance-decline ratio stood at 163/54. The parallel market index increased 0.1% to 26,292.0 points. The value traded stood at SAR 43.3mn (down 53.0% over the previous day). Most sectors in the main market ended in the green. Media and Food & Staples (up 2.5% and 2.3%, respectively) advanced the most, while Insurance and Banks (down 1.0% and 0.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
AVALON PHARMA	138.40	29.8
SFICO	27.40	9.9
HB	57.70	8.3
SSP	49.50	7.7
ALMUNAJEM	106.80	7.3

Top Losers

Company	Price	Change%
AMIANIT	28.90	-3.2
BUPA ARABIA	227.40	-2.3
ALBABTAIN	34.25	-1.9
TAWUNIYA	158.00	-1.9
ALBILAD	50.20	-1.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,611	12,612	12,572	0.1	5.4
NomuC	26,292	26,455	26,118	0.1	7.2

TASI movement during session



TASI Ratios

P/E* (x)	28.5
Price-to-Book (x)	2.5
Dividend Yield (%)	2.5
Return on Equity (%)	20.3

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,022	-0.1	-3.1	16.7
Materials	6,233	-0.1	-1.9	High
Capital Goods	12,350	1.7	24.4	41.2
Commercial Service	5,667	1.3	1.9	36.3
Transportation	7,401	1.6	16.7	44.7
Consumer Durables	5,573	0.1	10.9	Neg
Consumer Services	5,864	0.8	18.7	41.4
Media	32,073	2.5	30.8	High
Consumer Discretionary Ret	8,759	1.9	2.7	28.5
Consumer Staples Ret	10,530	2.3	8.8	27.4
Food & Beverages	6,577	0.3	17.3	33.9
Healthcare	13,903	0.7	15.6	High
Pharma & Bio Tech	5,514	-0.2	13.5	High
Banks	12,947	-0.5	6.1	15.2
Financial Services	7,817	1.7	17.6	35.3
Insurance	9,619	-1.0	13.5	25.7
Telecom	8,262	0.0	7.0	15.5
Utilities	10,282	0.6	3.5	20.4
REITs	3,596	0.2	-2.0	High
Real Estate	3,432	1.2	12.6	High
Software & Services	82,422	1.1	20.2	High

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,597	12,561	12,333	9.11

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	25	1,421.00	1,634.30
Previous week	46.5	1,860.50	2,810.20

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.90	-0.2
Al Rajhi	89.00	-1.0
SNB	42.35	0.1
SABIC	79.00	-1.1
STC	41.60	-0.2





International Market News

- **According to EIA**, oil inventories in the US increased 4.2mn barrels (prior: up 3.5mn) to 447.2mn in the week ended February 23. Gasoline inventories decreased 2.8mn barrels (prior: down 0.3mn) to 244.2mn, while distillate inventories declined 0.5mn barrels (prior: down 4.0mn) to 121.1mn. (Source: EIA, Econoday)
- **The US economic growth in the Q4** was lowered slightly, but its composition was much stronger than initially thought, which bodes well for the near-term outlook even as activity got off to a weak start because of freezing temperatures. GDP increased at a 3.2% annualized rate last quarter, revised slightly down from the previously reported 3.3% pace. (Source: Reuters)
- **The US goods trade deficit** increased 2.6% to USD 90.2 last month, while the exports rose 0.2% to USD 170.4bn, but was outpaced by a 1.1% increase in imports to the tune of USD 260.6bn. Exports added 0.7% to GDP growth last quarter. (Source: Reuters)
- **Japan's January factory output** fell at the fastest pace since May 2020. The production downturn in motor vehicles adds to concerns about the fragility of the economy. Industrial output fell 7.5% M/M in January and was slightly worse than the median forecast for a 7.3% drop. (Source: CNBC)
- **Oil prices** fell 0.1% amid mixed supply cues and US inflation in focus.
- **Gold prices** increased 0.1% on account of a fall in the US treasury yields.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.98	0.1	0.7	2.6
Euro	1.08	-0.1	0.2	-1.8
Japanese Yen	150.69	0.1	2.6	6.8
Sterling Pound	1.27	-0.2	-0.2	-0.5
Chinese Yuan	7.21	0.0	0.4	1.2
Indian Rupee	82.93	0.0	-0.1	-0.3
UAE Dirham	3.67	0.0	-0.0	0.0
Qatari Rial	3.65	0.0	0.0	0.1
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	30.87	-0.1	-0.0	-0.1

Corporate Calendar

Date	Company	Event
29-Feb	HCC	Eligibility for Cash Dividend
29-Feb	JADWA REIT	Eligibility for Cash Dividend
29-Feb	AL RAJHI REIT	Cash Dividend Distribution
29-Feb	GROUP FIVE	EGM
3-Mar	ATLAS ELEVATORS	EGM
3-Mar	MULKIA REIT	Cash Dividend Distribution

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,290	0.4	2.9	5.7	8.8
Abu Dhabi (ADX)	9,283	-0.0	-2.4	-3.1	20.0
Kuwait (KSE)	8,131	-0.3	2.2	8.7	17.3
Qatar (QE)	10,487	-0.1	3.9	-3.2	12.1
Oman (MSM)	4,533	-1.0	-0.6	0.4	12.2
Bahrain (BSE)	2,025	-0.9	-2.0	2.7	7.3
Egypt (EGX30)	28,876	-1.1	2.1	16.0	13.9

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,949	-0.1	2.1	3.3	22.1
Nasdaq	17,875	-0.5	4.3	6.2	34.9
S&P 500	5,070	-0.2	4.6	6.3	24.2
FTSE 100	7,625	-0.8	-0.1	-1.4	10.3
Germany DAX 30	17,601	0.3	4.1	5.1	15.2
France CAC 40	7,954	0.1	3.9	5.5	14.2
Japan Nikkei 225	39,208	-0.1	8.1	17.2	28.0
Russia MOEX	3,227	0.6	0.4	4.1	3.0
Hong Kong Hang Seng	16,537	-1.5	6.8	-3.0	8.7
South Korea KOSPI	2,652	1.0	6.2	-0.1	18.5
China Shanghai Composite	2,958	-1.9	6.1	-0.6	13.6
Australia ASX 200	7,660	-0.0	-0.3	0.9	19.2
India Sensex	72,305	-1.1	0.8	0.1	22.9
MSCI EM	1,019	-0.9	4.4	-0.5	15.4
MSCI World	3,323	-0.3	3.7	4.8	20.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.90	0.0	-2.4	3.1
Brent Crude (\$/bbl)	83.68	0.0	2.4	8.6
Texas crude (\$/bbl)	78.54	-0.4	3.5	9.6
Natural Gas (\$/mmbtu)	1.89	4.3	-11.1	-18.2
Gold (\$/oz)	2,034.55	0.2	-0.2	-1.4
Silver (\$/oz)	22.46	-0.0	-2.2	-5.6
Steel (\$/ton)	801.00	-13.1	-16.8	-29.4
Iron Ore (CNY/MT)	959.00	2.0	-9.1	-8.1
Wheat (\$/bu)	574.75	-1.6	-5.0	-10.1
Corn (\$/bu)	428.50	1.2	-6.5	-11.5
Sugar (\$/lb)	22.69	0.0	-2.4	11.1
SMP* (EUR/MT)	2,484.00	0.4	-1.9	-3.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.92	1.2	3.1	0.3
KSA (SAIBOR 3M)	6.24	1.3	-12.3	1.3
KSA (SAIBOR 6M)	6.08	0.9	8.9	0.8
KSA (SAIBOR 12M)	5.94	0.6	-0.2	-5.8
USA (SOFR 3M)	5.34	-0.2	2.6	1.0
UAE (EIBOR 3M)	5.13	-10.7	-10.8	-19.8

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 28, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,611
Short-term view	Buy
52 weeks high/low	12,669 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,204.6
Value (SAR mn)	8,386.4
Volume (mn)	490.0
Number of Transactions	528,077
Market Breadth	163 : 54

Key statistics	
1D return %	0.08%
MTD return %	6.91%
QTD return	5.38%
YTD return	5.38%
ADT vol. 3M* (mn)	322.8
ADT val. 3M (SARmn)	7,995.2

*ADT stands for Average Daily Traded

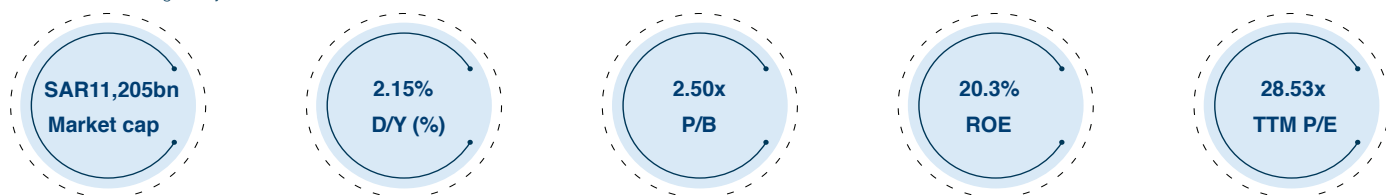
TASI market commentary

- TASI experienced a marginal rise on Wednesday; primarily driven by the performance of the Utilities sector (up 0.64%), the Consumer staples distribution and retail sector (up 2.26%) and other small sectors. At close, the Saudi market ended the day with a change of 0.08% at 12,611. In terms of activity, total volumes and value traded were ~490mn and ~SAR 8.4bn, respectively. The advance-decline ratio came in at 163/54.

Technical outlook

- TASI closed the last session near 12,611, registering a modest gain of 10 points. The buying sentiment persisted after bouncing off the significant support level of 12,500, resulting in a green candlestick. Moreover, the index maintained above its 5-day SMA, suggesting a potential resumption of its upward trajectory. TASI recorded the second-highest trading volume since the beginning of 2024, highlighting the short-term buying attitudes in the market. Furthermore, the RSI indicator continues its upward movement, heading toward the level of 70. TASI has an immediate resistance level near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,920 - 13,170. On the other hand, an immediate support level is observed near 12,500. If breached, the subsequent support levels would be around 12,280 - 12,200. Traders are advised to consider buying opportunities and closely monitor the significant resistance level of around 12,700.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
12,200	12,280	12,500	12,600	12,700	12,920	13,170



Source: Bloomberg, Argaam

TASI daily chart

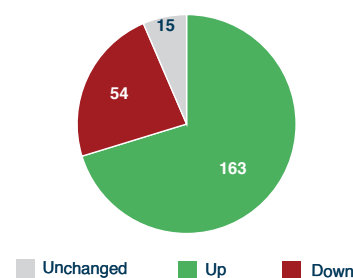


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
1830	Fitness Time	216.00	215.40 – 216.00	218.00 – 221.00	213.60
6020	GACO	20.14	20.08 – 20.14	20.34 – 20.88	19.90
6090	JAZADCO	16.84	16.80 – 16.84	17.00 – 17.44	16.64
1321	East Pipes	121.20	120.80 – 121.20	122.40 – 125.40	119.80
6014	Alamar	107.40	107.00 – 107.40	108.40 – 109.80	106.20
8190	United Cooperative Assurance	8.72	8.70 – 8.72	8.80 – 8.89	8.62
3008	Alkathiri	2.91	2.90 – 2.91	2.94 – 2.99	2.88

*As of 28th Feb 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

FITNESS TIME has formed a positive Doji Morning Star candlestick pattern after bouncing off the level of the prior peak as well as the 20-day SMA. Moreover, all the technical indicators show bullish structure.

Leejam Sports Co. (FITNESS TIME)



Source: Tradingview, Aljazira Capital

Technical observations

GACO has bounced off the level of the prior peaks as well as the its 10-day SMA. Moreover, all the technical indicators show bullish structure.

Al Gassim Investment Holding Co. (GACO)



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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