



Major Economic News

- **Consumer spending** in Saudi grew by 7% Y/Y to SAR 1.3tn in 2023. Consumer spending which represents the total cash withdrawals, POS transactions and e-commerce, showed that the overall growth was led by e-commerce and POS transactions, which grew 28% Y/Y and 10% Y/Y respectively. (Source: Argaam)
- **The Ministry of Industry and Mineral Resources** issued 122 new industrial licenses in December 2023, at a total investment value of SAR 1.9bn. The new licenses covered five industrial activities, with 18 licenses issued in each of the manufacturing of non-metallic mineral products and casting metals sectors. (Source: Argaam)

Major Corporate News

- **Chubb** announced renewal of the Insurance Authority license to practice insurance activity in general insurance, protection and saving insurance for a period of three years. (Source: Tadawul)
- **Arabian Pipes** received new order with total value of SAR 108mn for supply of steel pipes to Saudi Aramco. The duration of the contract is said to be 11 months and the financial impact (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
AlJazira	279.3	243.8	14.59	276.0	1.19
SNB	4,348.1	4,765.4	-8.76	4,956.6	-12.28
ALBILAD	606.9	539.8	12.45	616.2	-1.50

Market Analysis

The **Saudi Stock Exchange** increased 0.4% to 11,962.7. The value traded stood at SAR 4.8bn (down 41.6% over the previous day), while the advance-decline ratio stood at 162/57. The parallel market index decreased 0.04% to 25,181.5 points. The value traded stood at SAR 16.6mn (up 12.6% over the previous day). Most sectors in the main market ended in the green. Healthcare and Transportation (up 2.8% and 2.1%, respectively) advanced the most, while Pharma & Bio Tech and Software & Services (down 0.4% and 0.3%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
MBC Group	61.40	9.8
CHEMICAL	4.94	9.5
SAUDI GERMAN	114.00	5.4
SARCO	91.20	5.0
ALAKARIA	19.10	5.0

Top Losers

Company	Price	Change%
ADES	19.94	-2.9
ATHEEB TELECOM	182.40	-2.5
ARABIAN DRILLING	170.00	-2.1
ALBABTAIN	28.90	-1.9
EAST PIPES	84.70	-1.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,963	11,963	11,899	0.4	(0.0)
NomuC	25,181	25,308	24,888	(0.0)	2.7

TASI movement during session



TASI Ratios

P/E* (x)	26.5
Price-to-Book (x)	2.4
Dividend Yield (%)	2.3
Return on Equity (%)	20.5

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,833	-0.1	-6.2	16.2
Materials	6,007	0.4	-5.4	High
Capital Goods	10,701	0.3	7.8	35.3
Commercial Service	5,113	1.1	-8.0	32.6
Transportation	6,932	2.1	9.3	41
Consumer Durables	4,866	0.3	-3.1	Neg
Consumer Services	5,239	0.8	6.0	37.4
Media	28,905	0.5	17.9	High
Consumer Discretionary Ret	8,540	0.8	0.2	27.6
Consumer Staples Ret	10,246	0.9	5.9	26.3
Food & Beverages	6,171	1.3	10.0	31.9
Healthcare	13,003	2.8	8.1	High
Pharma & Bio Tech	5,009	-0.4	3.1	High
Banks	12,408	0.2	1.7	14.5
Financial Services	7,047	0.5	6.0	32.4
Insurance	8,386	1.8	-1.0	22.5
Telecom	8,124	1.2	5.2	15.4
Utilities	9,516	-0.2	-4.2	19.1
REITs	3,608	0.1	-1.6	High
Real Estate	3,052	0.1	0.1	46
Software & Services	73,939	-0.3	7.8	46.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,982	12,073	12,086	6.51

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.8	237.90	351.60
Previous week	41.6	1,548.70	2,631.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	30.95	-0.2
Al Rajhi	87.00	1.2
SNB	40.60	-1.3
SABIC	78.60	0.3
STC	41.85	0.2





International Market News

- The **consumer sentiment index** for January was revised upwards to 79.0 from the preliminary reading of 78.8. For much of 2023, consumers had reserved judgment about the inflation slowdown, however over the last two months, consumers have finally felt assured that their worst fears for the economy would not come to pass. (Source: RTT News)
- As the **US widens restrictions** on China's access to advanced semiconductors and chip-making equipment, Beijing plans to curb dependence on the western technology, despite the emerging architecture accounting for a fraction of the chip market. (Source: Reuters)
- China's services activity** expanded at a slower pace in January as new orders fell, thereby suggesting a soft start amid tepid demand and a property slump. The Caixin PMI index edged down to 52.7 from 52.9 in December. The government is using government debt to fund infrastructure to help lift the economy as consumers are wary of spending amid uncertainty on income. (Source: Reuters)
- Japan's January service activity** expanded at the strongest pace since September, supported by robust demand and the weak yen, while international demand jumped for the first time in five months. The service sector in Japan accounts for 70% of its GDP and has been aiding it offset some of the drag on manufacturers from weak global demand. (Source: CNBC)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.9	0.0	0.6	2.6
Euro	1.1	0.0	-0.3	-2.3
Japanese Yen	148.4	0.0	1.0	5.2
Sterling Pound	1.3	0.0	-0.4	-0.8
Chinese Yuan	7.2	0.0	0.4	1.2
Indian Rupee	82.9	0.0	-0.1	-0.3
UAE Dirham	3.7	0.0	0.0	0.0
Qatari Rial	3.6	0.0	0.0	0.0
Kuwaiti Dinar	0.3	0.0	-0.1	0.0
Omani Rial	0.4	0.0	0.0	0.0
Bahraini Dinar	0.4	0.0	-0.0	0.0
Egyptian Pound	30.9	0.0	0.0	-0.1

Corporate Calendar

Date	Company	Event
5-Feb	AL-MODAWAT	End of IPO
7-Feb	SABIC - AGRI	Eligibility for cash dividend
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

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,229	0.0	1.4	4.2	9.0
Abu Dhabi (ADX)	9,456	0.0	-0.5	-1.3	26.8
Kuwait (KSE)	7,865	-0.7	-1.2	5.2	16.8
Qatar (QE)	10,040	-0.1	-0.5	-7.3	12.0
Oman (MSM)	4,560	-0.1	-0.0	1.0	12.4
Bahrain (BSE)	2,075	0.4	0.4	5.2	8.2
Egypt (EGX30)	27,574	-3.0	-2.5	10.8	13.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,654	0.0	1.3	2.6	22.7
Nasdaq	17,643	0.0	2.9	4.9	34.4
S&P 500	4,959	0.0	2.3	4.0	23.9
FTSE 100	7,616	0.0	-0.2	-1.5	10.3
Germany DAX 30	16,918	0.0	0.1	1.0	14.8
France CAC 40	7,592	0.0	-0.8	0.7	13.2
Japan Nikkei 225	36,158	0.0	-0.4	8.0	29.9
Russia MOEX	3,226	0.0	0.4	4.1	2.9
Hong Kong Hang Seng	15,534	0.0	0.3	-8.9	8.1
South Korea KOSPI	2,615	0.0	4.7	-1.5	18.0
China Shanghai Composite	2,730	0.0	-2.1	-8.2	12.6
Australia ASX 200	7,699	0.0	0.2	1.4	16.8
India Sensex	72,086	0.0	0.5	-0.2	23.0
MSCI EM	988	0.0	1.3	-3.5	14.8
MSCI World	3,248	0.0	1.3	2.5	20.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.4	0.0	-5.2	0.0
Brent Crude (\$/bbl)	77.3	0.0	-5.4	0.4
Texas crude (\$/bbl)	72.3	0.0	-4.7	0.9
Natural Gas (\$/mmbtu)	2.1	0.0	-1.0	-10.7
Gold (\$/oz)	2,039.8	0.0	0.0	-1.1
Silver (\$/oz)	22.7	0.0	-1.2	-4.6
Steel (\$/ton)	967.0	0.0	0.4	-14.8
Iron Ore (CNY/MT)	1,030.0	0.0	-2.3	-1.2
Wheat (\$/bu)	599.8	0.0	0.8	-4.5
Corn (\$/bu)	442.8	0.0	-1.2	-6.0
Sugar (\$/lb)	23.9	0.0	-1.0	16.1
SMP* (EUR/MT)	2,465.0	0.0	-2.7	-4.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.881	-1.25	-0.4	-3.2
KSA (SAIBOR 3M)	6.231	-9.87	-13.7	-0.2
KSA (SAIBOR 6M)	5.989	-0.66	-0.6	-8.6
KSA (SAIBOR 12M)	5.924	-2.69	-1.5	-7.1
USA (SOFR 3M)	5.290	0.00	-2.5	-4.1
UAE (EIBOR 3M)	5.129	0.00	-10.9	-19.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 4, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,914
Short-term view	Cautious Buy
52 weeks high/low	12,344 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,784.0
Value (SAR mn)	4,801.5
Volume (mn)	237.9
Number of Transactions	351,601
Market Breadth	162 : 57

Key statistics	
1D return %	0.41%
MTD return %	1.41%
QTD return	-0.04%
YTD return	-0.04%
ADT vol. 3M* (mn)	284.7
ADT val. 3M (SARmn)	6,828.4

*ADT stands for Average Daily Traded

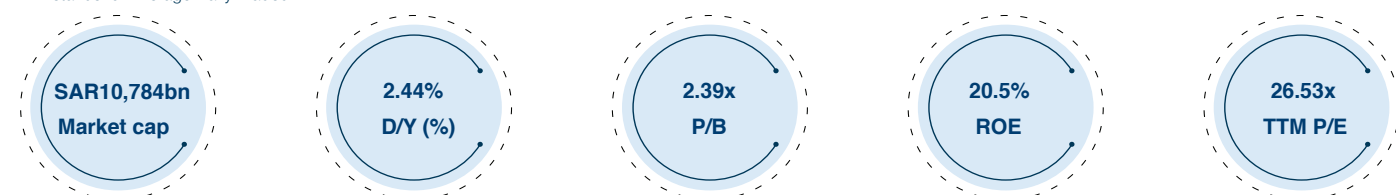
TASI market commentary

- TASI experienced a rise on Monday; primarily driven by the performance of the Materials sector (up 0.37%) and the Telecommunication services sector (up 1.17%). At close, the Saudi market ended the day with a change of 0.41% at 11,963. In terms of activity, total volumes and value traded were ~238mn and ~SAR 4.8bn, respectively. The advance-decline ratio came in at 162/57.

Technical outlook

- TASI closed near 11,963, registering a gain of 48 points. The index is currently experiencing a speculative rebound after bouncing off its 50-day SMA. TASI has formed a green candlestick after the appearance of the Piercing Line candlestick, indicating the possibility of a resumption of the temporary pullback movement to retest the 20-day SMA near the broken lower boundary of the rising channel around the 12,100 level. Moreover, the RSI indicator has started to move upward, although it still remains below the 50 level, indicating the prevailing selling sentiment in the short term. TASI has an immediate resistance level near 12,000. If successfully surpassed, the following resistance level would be around 12,070, followed by 12,100. On the other hand, an immediate support level is observed near 11,930. If breached, the subsequent support would be around 11,825, followed by 11,725. TASI is still undergoing a speculative temporary upside pullback movement, which may extend to retest the 20-day SMA near the broken boundary of the rising channel. Therefore, traders are advised to cautiously consider buying opportunities as long as the index maintains trading above the crucial support level of 11,825.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,550	11,725	11,825	11,930	12,000	12,070	12,100



Source: Bloomberg, Argaam

TASI daily chart

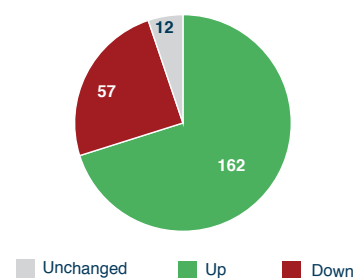


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
4200	Aldrees Petroleum and Transport Services Co.	169.40	169.00 – 169.40	171.00 – 177.80	167.40
3020	Yamama Cement Company	31.00	30.90 – 31.00	31.30 – 31.75	30.65
4005	National Medical Care Co.	194.00	193.60 – 194.00	196.00 – 201.00	191.80
1202	Middle East Paper Co.	39.65	39.55 – 39.65	40.05 – 40.40	39.20
6070	Al-Jouf Agricultural Development Co.	49.50	49.40 – 49.50	50.00 – 50.50	49.00
4040	Saudi Public Transport Co.	20.06	20.00 – 20.06	20.26 – 20.46	19.84

*As of 04th Feb 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

ALDREES has penetrated the level of the last peak and formed the White Three Soldiers candlesticks pattern. Moreover, all the technical indicators show bullish structure.

Aldrees Petroleum and Transport Services Co. (ALDREES)



Technical observations

YSCC has penetrated the upper boundary of a declining channel. Moreover, all the technical indicators show bullish structure.

Yamama Cement Company (YSCC)



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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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