



Major Economic News

- **Saudi economy** is poised to grow from SAR 2.6tn to exceed the digital target of SAR 6.4tn by 2030. Further the private sector's contribution to the economy is expected to reach 65% by 2030, marking a quadruple increase compared to pre-Vision goals. (Source: Argaam)
- The **number of hotel rooms** in Saudi reached 0.28mn in 2023, with 0.25mn rooms in the pipeline by 2030. The private sector solely signed contracts to build 75,000 rooms. These luxurious rooms will place Saudi among the world's top countries that have the best hotels (Source: Argaam)

Major Corporate News

- **Saudi Chemical** through its subsidiary signed a binding agreement worth SAR 16.1mn with Bosnia's Techniki Remint Bratunac to transfer knowledge and localize production of mechanical fuses. The contract duration is one year and the company expects to achieve a revenue increase of over SAR 25mn annually, after starting the commercial marketing in 2025. (Source: Argaam)
- **Clean Life** buys 1,500 sqmt commercial land for SAR 4.5mn located in Riyadh. This self-financed deal is expected to boost the company's asset value and reduce leasing costs. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
AL OTHAIM	165.7	170.8	-2.98	62.38	165.63
SAVOLA	227.1	94.5	140.34	147.4	54.08

Market Analysis

The **Saudi Stock Exchange** increased 0.4% to 12,071.4. The value traded stood at SAR 9.4bn (up 15.4% over the previous day), while the advance-decline ratio stood at 135/80. The parallel market index was flat at 25,661.5 points. The value traded stood at SAR 22.0mn (down 43.9% over the previous day). Most sectors in the main market ended in the green. Healthcare and Software & Services (up 3.8% and 3.3%, respectively) advanced the most, while Banks and Food & Staples (down 0.9% and 0.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAUDI GERMAN	122.20	9.9
ALHAMMADI	68.40	7.9
2P	31.00	7.3
MIS	143.00	7.2
ATHEEB TELECOM	188.00	7.2

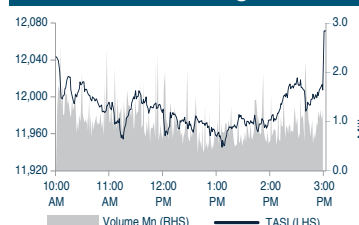
Top Losers

Company	Price	Change%
ALBAHA	0.14	-6.7
BSFR	38.35	-5.4
GIG	32.60	-3.7
ANAAM HOLDING	1.11	-2.6
AMERICANA	3.11	-2.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,071	12,071	11,943	0.4	0.9
NomuC	25,662	25,774	25,496	0.0	4.6

TASI movement during session



TASI Ratios

P/E* (x)	26.6
Price-to-Book (x)	2.4
Dividend Yield (%)	2
Return on Equity (%)	20.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,906	1.7	-5.0	16.4
Materials	6,067	0.4	-4.5	High
Capital Goods	11,344	2.2	14.2	37.3
Commercial Service	5,302	2.5	-4.6	33.9
Transportation	7,053	0.8	11.3	41.9
Consumer Durables	4,992	1.2	-0.6	Neg
Consumer Services	5,310	0.4	7.5	37.5
Media	30,540	0.9	24.5	High
Consumer Discretionary Ret	8,705	0.3	2.1	28.1
Consumer Staples Ret	10,365	-0.8	7.1	26.6
Food & Beverages	6,333	0.7	12.9	32.8
Healthcare	13,552	3.8	12.7	High
Pharma & Bio Tech	5,079	2.3	4.6	High
Banks	12,338	-0.9	1.1	14.4
Financial Services	7,060	0.6	6.2	32.4
Insurance	8,659	2.2	2.2	23.3
Telecom	8,168	-0.7	5.8	15.5
Utilities	9,633	0.9	-3.1	19.3
REITs	3,613	0.2	-1.5	High
Real Estate	3,110	0.9	2.0	46.9
Software & Services	76,521	3.3	11.6	47.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,954	12,061	12,068	7.63

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	22.3	853.50	1,404.80
Previous week	41.6	1,548.70	2,631.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.35	1.8
Al Rajhi	87.00	0.0
SNB	40.10	-1.2
SABIC	79.20	1.0
STC	42.55	-0.2





International Market News

- **European Union** policymakers agreed new rules to promote local production of equipment for solar and wind power, fuel cells and other clean technologies and help Europe's industry compete with Chinese and US rivals. (Source: Investing.com)
- **Eurozone** retail sales fell by 0.8% largely due to the lackluster performance by Germany. As of December month, retail food sales were down 1.6% M/M while the non-food retail sales were down 1.0% M/M. (Source: CNBC)
- The **UK construction activity** contracted at a slower pace in January as business optimism reached a two-year high. The construction Purchasing Manager's index posted 48.8 in January, up from 46.8 in December. (Source: RTT News)
- **Japan** government's chief economist mentions that Japan can retain its decade old-blueprint focusing on efforts to beat deflation even if the central bank were to phase out its massive stimulus with an end to negative interest rates. (Source: Retuers)
- **Oil** prices increased 0.2% as growth in US oil production is expected to remain largely steady through 2025, thereby easing worries of excess supply.
- **Gold** prices fell 0.1% on pullbacks in the USD dollar and treasury yields.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.21	-0.2	0.9	2.8
Euro	1.08	0.1	-0.6	-2.6
Japanese Yen	147.94	-0.5	0.7	4.9
Sterling Pound	1.26	0.5	-0.7	-1.0
Chinese Yuan	7.20	-0.3	0.2	1.1
Indian Rupee	83.06	-0.0	0.0	-0.2
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
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
11-Feb	ALKHABEER REIT	Eligibility for cash dividend

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,154	-1.8	-0.4	2.3	8.8
Abu Dhabi (ADX)	9,332	-1.0	-1.9	-2.6	26.4
Kuwait (KSE)	7,951	0.2	-0.1	6.3	17.0
Qatar (QE)	9,901	0.1	-1.9	-8.6	11.8
Oman (MSM)	4,559	0.2	-0.1	1.0	12.4
Bahrain (BSE)	2,063	-0.0	-0.2	4.7	8.1
Egypt (EGX30)	27,271	-1.4	-3.6	9.5	13.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,521	0.4	1.0	2.2	21.6
Nasdaq	17,573	-0.2	2.5	4.4	34.3
S&P 500	4,954	0.2	2.2	3.9	23.8
FTSE 100	7,681	0.9	0.7	-0.7	10.4
Germany DAX 30	17,033	0.8	0.8	1.7	14.9
France CAC 40	7,639	0.6	-0.2	1.3	13.5
Japan Nikkei 225	36,161	-0.5	-0.3	8.1	29.8
Russia MOEX	3,238	0.4	0.8	4.5	3.0
Hong Kong Hang Seng	16,137	4.0	4.2	-5.3	8.5
South Korea KOSPI	2,576	-0.6	3.2	-3.0	17.9
China Shanghai Composite	2,789	3.2	0.0	-6.2	12.8
Australia ASX 200	7,582	-0.6	-1.3	-0.1	16.7
India Sensex	72,186	0.6	0.6	-0.1	14.5
MSCI EM	1,000	1.7	2.5	-2.3	14.7
MSCI World	3,245	0.3	1.2	2.4	20.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	79.18	0.5	-6.7	-1.5
Brent Crude (\$/bbl)	78.59	0.8	-3.8	2.0
Texas crude (\$/bbl)	73.31	0.7	-3.3	2.3
Natural Gas (\$/mmbtu)	2.01	-3.5	-4.3	-13.7
Gold (\$/oz)	2,036.14	0.5	-0.2	-1.3
Silver (\$/oz)	22.43	0.3	-2.3	-5.8
Steel (\$/ton)	969.00	0.2	0.6	-14.6
Iron Ore (CNY/MT)	981.50	0.0	-6.9	-5.9
Wheat (\$/bu)	595.00	0.8	-0.0	-5.3
Corn (\$/bu)	438.75	-0.9	-2.1	-6.9
Sugar (\$/lb)	23.56	0.1	-2.4	14.5
SMP* (EUR/MT)	2,491.00	1.3	-1.7	-3.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.88	-0.1	-0.0	-2.8
KSA (SAIBOR 3M)	6.27	-0.4	-9.8	3.7
KSA (SAIBOR 6M)	6.00	1.2	0.9	-7.1
KSA (SAIBOR 12M)	5.93	0.6	-0.4	-6.0
USA (SOFR 3M)	5.32	0.6	0.7	-0.9
UAE (EIBOR 3M)	5.43	0.5	19.0	10.0

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 6, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,071
Short-term view	Cautious Buy
52 weeks high/low	12,344 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,915.0
Value (SAR mn)	9,379.3
Volume (mn)	320.8
Number of Transactions	530,287
Market Breadth	135 : 80

Key statistics	
1D return %	0.39%
MTD return %	2.33%
QTD return	0.87%
YTD return	0.87%
ADT vol. 3M* (mn)	286.9
ADT val. 3M (SARmn)	6,949.7

*ADT stands for Average Daily Traded

TASI market commentary

- TASI experienced a rise on Tuesday; primarily driven by the performance of the Energy sector (up 1.73%) and the Materials sector (up 0.37%). At close, the Saudi market ended the day with a change of 0.39% at 12,071. In terms of activity, total volumes and value traded were ~321mn and ~SAR 9.4bn, respectively. The advance-decline ratio came in at 135/80.

Technical outlook

- TASI closed near 12,071, recording a gain of 47 points. The index witnessed a profit-taking attitude in the first half of the last session upon testing its 20-day SMA near 12,075. However, it recouped all losses and closed at the session's high. TASI continues to encounter the 20-day SMA, forming a Hanging Man candlestick, which needs a following bearish candlestick's pattern to indicate a possible further profit booking attitude. Moreover, the RSI indicator is approaching a declining trendline, where a breakthrough would indicate further bullish speculative sentiment in the market. TASI has an immediate resistance level near 12,075. If successfully surpassed, the following resistance level would be around 12,200, followed by 12,280. On the other hand, an immediate support level is observed near 12,000. If breached, the subsequent support would be around 11,930, followed by 11,825. Traders are advised to cautiously buy and closely monitor the resistance level around 12,075, as a successful breakthrough could generate a further bullish speculative attitude.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,825	11,930	12,000	12,075	12,200	12,280	12,345



Source: Bloomberg, Argam

TASI daily chart

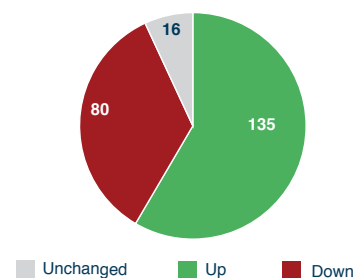


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
7203	Elm Co.	939.00	936.60 – 939.00	948.00 – 966.60	928.80
3060	Yanbu Cement Co.	31.35	31.25 – 31.35	31.65 – 32.10	31.00
3010	Arabian Cement Co.	32.00	31.90 – 32.00	32.30 – 32.60	31.65
2320	Al-Babtain Power and Telecommunication Co.	30.25	30.15 – 30.25	30.55 – 31.40	29.95
4100	Makkah Construction and Development Co.	75.60	75.40 – 75.60	76.30 – 77.60	74.80
2223	Saudi Aramco Base Oil Co.	153.40	153.00 – 153.40	154.80 – 157.00	151.80

*As of 06th Feb 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

ELM has just penetrated a declining trendline and the level of the last minor peak. Moreover, all the technical indicators show bullish structure.

Elm Co. (ELM)



Source: Tradingview, Aljazira Capital

Technical observations

YCC has penetrated a declining trendline as well as its 20-day SMA. Moreover, all the technical indicators show bullish structure.

Yanbu Cement Co. (YCC)



Source: Tradingview, Aljazira Capital



Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068