



Domestic Market News

- **CMA** to increase its contribution to the national economy by increasing the listing to 24 companies in 2024 and also increase the percentage of micro and small enterprises listings to 45% of total listings by 2024. (Source: Argaam)
- **HRSD** launched first phase of the Professional Verification service. This will ensure that the foreign workers obtain verified educational qualifications before entering KSA's labor market. HRSD aims to deploy the service in 160 countries worldwide. (Source: Argaam)
- **SHL Finance** renewed credit facility agreement with Arab National Bank worth SAR 2.1bn. It will be used to expand and increase sales volume. The financing extends until April 30, 2025 and is covered by a promissory note. (Source: Tadawul)
- **Armah** signed a land lease contract in Riyadh, to operate 2 fitness clubs and commercial and office spaces for leasing. The average annual leasing value of the land is SAR 6.4mn, and the contract duration is for 21.5 Gregorian years. (Source: Tadawul)
- **Avalon Pharma** obtained bank facilities worth SAR 70mn from Emirates NBD, in compliance with Islamic Sharia. The facility will be used for financing company operations, for a period of one calendar year. (Source: Tadawul)
- **Saudi Aramco** to issue international bonds in USD, as senior unsecured notes. The net proceeds to be used for general corporate purposes. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-24	Q2-23	Y/Y %	Q1-24	Q/Q %
EXTRA	106.5	61.7	72.7	93.9	13.5

Market Analysis

The **Saudi Stock Exchange** increased by 0.3% to 11,718.2. The value traded stood at SAR 5.6bn (up 42.0% over the previous day), while the advance-decline ratio stood at 79/147. The parallel market index decreased 0.6% to 26,000.4 points. The value traded stood at SAR 78.8mn (up 77.0% over the previous day). Most of the sectors in the main market ended in red. Telecom and Pharma & Bio Tech (up 1.7% and 1.6%, respectively) advanced the most, while Consumer Durables and Healthcare (down 1.8% and 1.3%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAUDI RE	28.30	9.7
MEDGULF	32.00	4.8
SALAMA	28.70	4.4
SAB	38.25	3.2
JAZADCO	15.60	3.2

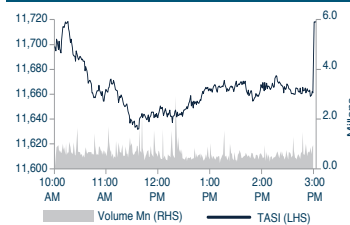
Top Losers

Company	Price	Change%
SAIC	41.50	-6.3
CARE	211.00	-4.9
ALBABTAIN	36.10	-3.9
TALCO	58.40	-3.8
ALJOUF	71.10	-3.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,718	11,724	11,630	0.3	(2.6)
NomuC	26,000	26,467	25,820	(0.6)	6.0

TASI movement during session



TASI Ratios

P/E* (x)	26.2
Price-to-Book (x)	2.3
Dividend Yield (%)	2.8
Return on Equity (%)	19.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,340	0.3	-14.3	15.9
Materials	5,727	0.1	-10.4	High
Capital Goods	12,940	-0.2	28.3	28.6
Commercial Service	5,079	-0.9	-9.0	36.9
Transportation	7,729	-0.9	21.7	37.5
Consumer Durables	5,292	-1.8	6.3	Neg
Consumer Services	5,266	-0.1	5.8	39.5
Media	30,067	-0.4	22.5	49.2
Consumer Discretionary Ret	7,473	1.0	-13.3	22.2
Consumer Staples Ret	9,187	0.1	-6.0	21.9
Food & Beverages	6,107	0.6	8.5	30.3
Healthcare	12,843	-1.3	5.1	45.3
Pharma & Bio Tech	4,696	1.6	-3.5	44.1
Banks	11,471	0.9	-6.6	13
Financial Services	7,485	-1.0	11.2	32.1
Insurance	11,183	-0.6	30.1	27.3
Telecom	7,633	1.7	-1.7	14.9
Utilities	12,739	-0.4	28.4	27.6
REITs	3,234	-0.2	-11.8	25.2
Real Estate	3,265	-0.9	6.8	38.5
Software & Services	68,247	-1.2	-0.5	39.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for July (bn)
11,653	11,672	11,675	5.53

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.5	408.00	867.00
Previous week	29	1,230.60	2,562.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	28.25	0.4
Al Rajhi	80.00	0.6
SNB	35.70	0.3
ACWA POWER	363.20	-0.5
ALINMA	31.30	1.5





International Market News

- The **Conference Board Employment Trends Index** fell to 110.3 in June from 111.0 in May. This leading indicator for payroll employment in the US decreased, extending the declining trend over the past several months, and signaled a slowdown in payroll hiring in the second half of the year. (Source: RTT News)
- The **investor confidence index** in the **Eurozone** dropped sharply to -7.3 in July from +0.3 in June. The score was significantly below consensus estimate of -0.6. The current situation index declined to -32.3 from -26.3 in June. Similarly, the expectations component lost 8.5 points to 1.5 in July. The investors seemed to be worried about the forthcoming state elections in Germany, the French elections, and the US presidential election later this year. (Source: Reuters)
- Japan's** M2 money stock increased 1.5% Y/Y in June, against the consensus estimate of 2.0%. Whereas the M3 money stock was up 1.0% Y/Y, easing from 1.3% in May. The Q2-24 the M2 was up 1.8% Y/Y, while M3 was up 1.3% Y/Y. (Source: Reuters)
- Japan's** total earnings rose 1.9% Y/Y in May, faster than 1.6% growth in April. The total labor cash earnings continued to increase in May, and at the quickest pace in nearly a year. (Source: CNBC)
- Oil prices** fell 0.9% due to the hurricane Beryl shutting down US refineries and ports along the Gulf of Mexico.
- Gold prices** fell 1.1% due to China halting purchases of bullion, alongside falling US Treasury yields.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.00	0.1	-0.8	3.6
Euro	1.08	-0.1	1.0	-1.9
Japanese Yen	160.83	0.0	-0.0	14.0
Sterling Pound	1.28	-0.1	1.3	0.6
Chinese Yuan	7.29	-0.0	-0.2	2.2
Indian Rupee	83.50	0.0	0.1	0.3
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	0.0
Kuwaiti Dinar	0.31	-0.0	-0.2	-0.4
Omani Rial	0.38	-0.0	-0.0	0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	47.96	-0.1	-0.1	55.2

Corporate Calendar

Date	Company	Event
10-Jul	APC	EGM
10-Jul	AL HOKAI MEDICAL GROUP	End of IPO
11-Jul	SIPCHEM	Cash Dividend Distribution
11-Jul	SEDCO CAPITAL REIT	Cash Dividend Distribution
11-Jul	ALRASHID INDUSTRIAL	Cash Dividend Distribution
14-Jul	BAAZEEM	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,082	0.3	1.3	0.5	8.0
Abu Dhabi (ADX)	9,133	-0.1	0.8	-4.6	18.3
Kuwait (KSE)	7,692	1.2	2.0	2.9	21.5
Qatar (QE)	10,157	0.0	1.9	-6.2	11.4
Oman (MSM)	4,687	-0.0	-0.0	3.8	12.5
Bahrain (BSE)	2,005	0.1	-1.0	1.7	8.4
Egypt (EGX30)	28,412	-0.7	2.3	14.1	8.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,345	-0.1	0.6	4.4	22.5
Nasdaq	20,440	0.2	3.8	21.5	36.0
S&P 500	5,573	0.1	2.1	16.8	26.1
FTSE 100	8,193	-0.1	0.4	6.0	14.4
Germany DAX 30	18,472	-0.0	1.3	10.3	16.3
France CAC 40	7,627	-0.6	2.0	1.1	13.3
Japan Nikkei 225	40,781	-0.3	3.0	21.9	26.1
Russia MOEX	3,123	0.0	-2.9	0.8	4.5
Hong Kong Hang Seng	17,524	-1.5	-1.1	2.8	9.8
South Korea KOSPI	2,858	-0.2	2.1	7.6	16.8
China Shanghai Composite	2,922	-0.9	-1.5	-1.8	13.8
Australia ASX 200	7,763	-0.8	-0.1	2.3	19.2
India Sensex	79,960	-0.0	1.2	10.7	25.2
MSCI EM	1,107	0.2	1.9	8.2	16.0
MSCI World	3,583	0.1	2.0	13.0	22.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	88.51	-1.8	0.5	10.1
Brent Crude (\$/bbl)	85.75	-0.9	-0.8	11.3
Texas crude (\$/bbl)	82.33	-1.0	1.0	14.9
Natural Gas (\$/mmbtu)	2.37	2.0	-9.0	-12.3
Gold (\$/oz)	2,359.13	-1.4	1.4	14.4
Silver (\$/oz)	30.76	-1.5	5.6	29.3
Steel (\$/ton)	673.00	-0.3	-0.1	-40.7
Iron Ore (CNY/MT)	874.00	0.0	5.6	-16.2
Wheat (\$/bu)	570.50	-3.4	-0.5	-13.1
Corn (\$/bu)	407.75	-3.8	-3.1	-19.0
Sugar (\$/lb)	20.13	-0.0	-0.8	-1.9
SMP* (EUR/MT)	2,380.00	0.0	-1.8	-7.6

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.82	-0.5	-3.2	-9.6
KSA (SAIBOR 3M)	6.22	-0.3	-0.9	-1.1
KSA (SAIBOR 6M)	5.95	0.1	-6.0	-12.4
KSA (SAIBOR 12M)	5.87	1.5	-0.3	-12.8
USA (SOFR 3M)	5.30	-0.2	-2.0	-2.7
UAE (EIBOR 3M)	5.30	-0.1	0.0	-3.0

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 8, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,718
Short-term view	Cautious Buy
52 weeks high/low	12,883 – 10,262

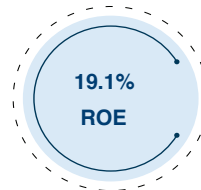
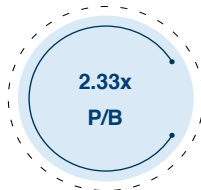
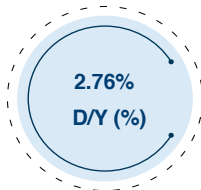
Market data

Exchange Market Cap. (SAR bn)	10,143.2
Value (SAR mn)	5,591.9
Volume (mn)	212.7
Number of Transactions	488,301
Market Breadth	79 : 147

Key statistics

1D return %	0.25%
MTD return %	0.33%
QTD return	0.33%
YTD return	-2.08%
ADT vol. 3M* (mn)	313.9
ADT val. 3M (SARmn)	7,894.3

*ADT stands for Average Daily Traded



Source: Bloomberg, Argaam

TASI daily chart



Source: Tradingview, Aljazira Capital

TASI market commentary

- TASI experienced a rise on Monday; primarily driven by the performance of the Telecommunication services sector (up 1.66%) and the Banks sector (up 0.85%). At close, the Saudi market ended the day with a change of 0.25% at 11,718. In terms of activity, total volumes and value traded were ~213mn and ~SAR 5.6bn, respectively. The advance-decline ratio came in at 79/147.

Technical outlook

- TASI closed the last session near 11,718, marking a gain of 30 points. The index once again experienced a coiled session, however the second half of the session witnessed buying attitudes that forced the index to close near the high and above its 20-day EMA. TASI formed a green candlestick, heading to test a declining trendline near the resistance level of around 11,770. Additionally, the RSI indicator is simultaneously testing a declining trendline near the level of 50. TASI has an immediate resistance level of around 11,770. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,900 – 12,000. On the other hand, an immediate support level is observed around 11,650. If breached, the subsequent support levels would be around 11,570– 11, 440. TASI approaches a test of a declining trendline after breaking through its 20-day EMA within the prevailing short-term sideways movement. Accordingly, traders are advised to cautiously buy and closely monitor the significant resistance level of around 11,770 as the successful penetration of this level could potentially trigger further buying attitudes.

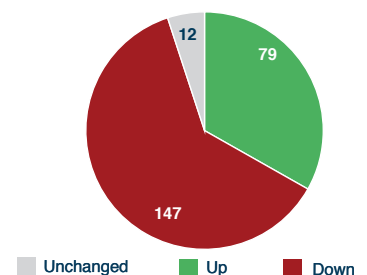
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,440	11,570	11,650	11,715	11,770	11,900	12,000

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
2070	SPIMACO	29.70	29.65 – 29.70	29.95 – 30.45	29.35
8050	Salama	28.70	28.65 – 28.70	28.95 – 29.30	28.35
4030	Bahri	27.15	27.10 – 27.15	27.40 – 27.70	26.80
7010	STC	38.50	38.40 – 38.50	38.85 – 39.25	38.00
6090	Jazadco	15.60	15.56 – 15.60	15.74 – 15.92	15.40
2280	Almarai	57.60	57.50 – 57.60	58.10 – 58.80	56.90
2360	Saudi Vitrified Clay Pipes	46.95	46.85 – 46.95	47.35 – 47.90	46.35

*As of 08th July 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SPIMACO has just penetrated its 20-day SMA after bouncing off the level of the prior bottom. Moreover, all the technical indicators show bullish structure.

Saudi Pharmaceutical Industries and Medical Appliances Corp (SPIMACO)



Source: Tradingview, Aljazira Capital

Technical observations

SALAMA has just penetrated the its 100-day EMA after bouncing off its 10-day and 20-day SMAs. Moreover, all the technical indicators show bullish structure.

Salama Cooperative Insurance Co. (SALAMA)



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.

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