



Major Economic News

- Credit facilities extended to **MSMEs** in KSA increased 18% Y/Y to SAR 268.6bn in Q3-23 according to SAMA. Banks accounted for SAR 251.6bn worth of credit facilities, whereas facilities given by financing firms stood at SAR 16.9bn. (Source: Argaam)
- Spokesperson for **Real Estate General Authority** mentioned that unlicensed consultancy and analytical services in the real estate industry is a violation and unlicensed individuals or institutions may receive a warning of fine upto SAR 0.2mn. Several real estate practices are regulated, however opinions on real estate properties should also be based on reports of credible government entities. (Source: Argaam)

Major Corporate News

- Retal Urban Development** signed a 20-month contract worth SAR 48mn with one of the subsidiaries of Building Construction Co, on January 28, 2024. The contract entails development of four residential buildings in Al Sadafah district. The financial impact is likely expected after the start of implementation work in 2024 and 2025. (Source: Argaam)
- Canadian Medical Centre** announces resignation of its CEO Mr. Hasan Joudah due to his own circumstances. Further the company announced the appointment of Mr. Mohammed Yanouri as the CEO, effective from January 28, 2024. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
Aldrees	72.5	71.8	1.00	67.6	7.3

Market Analysis

The **Saudi Stock Exchange** increased 0.8% to 12,264.2. The value traded stood at SAR 7.0bn (down 3.6% over the previous day), while the advance-decline ratio stood at 132/80. The parallel market index decreased 0.9% to 25,020.6 points. The value traded stood at SAR 14.2mn (down 41.5% over the previous day). Most sectors in the main market ended in the green. Banks and Commercial Services (up 2.1% and 1.6%, respectively) advanced the most, while Telecom and Real Estate (down 0.9% and 0.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALJAZIRA REIT	18.10	10.0
BJAZ	21.12	9.2
MBC Group	62.80	7.5
LIVA	21.20	7.4
SAVOLA GROUP	47.00	5.5

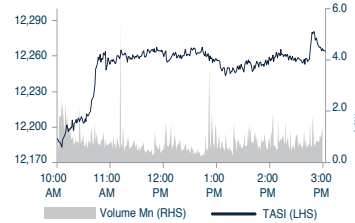
Top Losers

Company	Price	Change%
ALHOKAIR GROUP	2.72	-3.9
SINAD HOLDING	13.20	-2.7
CENOMI RETAIL	17.28	-2.0
CARE	186.00	-1.7
SHARQIYAH DEV	18.88	-1.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,264	12,283	12,180	0.8	2.5
NomuC	25,021	25,256	24,777	(0.9)	2.0

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	5,932	-0.4	-4.6	16.4
Materials	6,088	0.8	-4.2	High
Capital Goods	10,738	0.4	8.1	35.2
Commercial Service	5,285	1.6	-4.9	33.6
Transportation	6,927	1.4	9.3	41.6
Consumer Durables	5,015	-0.2	-0.2	Neg
Consumer Services	5,327	0.0	7.8	38.2
Media	29,390	1.0	19.8	High
Consumer Discretionary Ret	8,502	0.7	-0.3	27.5
Consumer Staples Ret	10,383	0.8	7.3	26.6
Food & Beverages	6,206	1.3	10.7	32.2
Healthcare	12,717	-0.6	5.7	49.6
Pharma & Bio Tech	5,321	-0.7	9.6	High
Banks	13,025	2.1	6.8	15.2
Financial Services	7,146	0.0	7.5	32.9
Insurance	8,671	0.5	2.3	23.4
Telecom	8,018	-0.9	3.9	15.3
Utilities	9,622	0.1	-3.2	19.3
REITs	3,630	0.5	-1.0	High
Real Estate	3,153	-0.8	3.4	47.3
Software & Services	74,470	0.3	8.6	46.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,163	12,104	12,116	8.48

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	7	261.20	430.20
Previous week	38.7	1,483.10	2,311.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.40	-0.5
Al Rajhi	91.50	3.4
SNB	43.15	0.2
SABIC	79.20	0.5
STC	42.20	-1.1





International Market News

- **The European Central Bank (ECB)** will be required to see the proof of slowing wage growth in the euro zone, before lowering the interest rates. The euro zone has a credible prospect of its inflation returning to 2% in 2025 however, the only missing piece is the conviction of wage growth adapting to the lower inflation. (Source: Investing.com)
- **Britain's** decision to suspend talks with Canada on a free trade deal creates the risk of tariffs being imposed on British-made cars sold in Canada, the UK car industry warned, as it urged the two sides to return to negotiations. (Source: Reuters)
- **China's industrial profits** witnessed their second straight yearly declines as the profits fell 2.3% in 2023, due to sluggish demand at home and abroad, adding pressure on economic growth amid a deep property slump and deflationary risks. However, the industrial profits are expected to increase 5-6% in 2024, as there is a slight improvement in demand. (Source: Reuters)
- **China's luxury sales** are rebounding, however they are not back to 2021 levels yet due to soft consumer sentiment and resumption of some overseas luxury shopping. Industry analysts and financial releases from major brands point to new growth opportunities versus pre-pandemic trends. (Source: CNBC)
- **Japan's** annual business-to-business service inflation hit 2.4% in December to match the previous month's nearly nine-year high. This suggests that companies were gradually passing on rising labour costs amid prospects for sustained wage gains. (Source: Reuters)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.4	0.0	2.1	2.1
Euro	1.1	0.0	-1.7	-1.7
Japanese Yen	148.2	0.0	5.0	5.0
Sterling Pound	1.3	0.0	-0.2	-0.2
Chinese Yuan	7.2	0.0	0.9	0.9
Indian Rupee	83.1	0.0	-0.1	-0.1
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	0.1
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	-0.0

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)	4,163	0.0	2.6	2.6	9.2
Abu Dhabi (ADX)	9,568	0.0	-0.1	-0.1	27.1
Kuwait (KSE)	8,050	-0.2	7.7	7.7	17.2
Qatar (QE)	10,347	-0.0	-4.5	-4.5	12.3
Oman (MSM)	4,596	-0.2	1.8	1.8	10.1
Bahrain (BSE)	2,017	0.2	2.3	2.3	8.1
Egypt (EGX30)	28,626	3.5	15.0	15.0	13.8

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,109	0.0	1.1	1.1	22.4
Nasdaq	17,421	0.0	3.5	3.5	34.0
S&P 500	4,891	0.0	2.5	2.5	23.5
FTSE 100	7,635	0.0	-1.3	-1.3	10.3
Germany DAX 30	16,961	0.0	1.3	1.3	14.9
France CAC 40	7,634	0.0	1.2	1.2	13.5
Japan Nikkei 225	35,751	0.0	6.8	6.8	29.6
Russia MOEX	3,163	0.0	2.1	2.1	2.9
Hong Kong Hang Seng	15,952	0.0	-6.4	-6.4	8.4
South Korea KOSPI	2,479	0.0	-6.7	-6.7	17.3
China Shanghai Composite	2,910	0.0	-2.2	-2.2	13.4
Australia ASX 200	7,555	0.0	-0.5	-0.5	16.7
India Sensex	70,701	0.0	-2.1	-2.1	24.7
MSCI EM	985	0.0	-3.8	-3.8	14.7
MSCI World	3,216	0.0	1.5	1.5	20.5

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.0	0.0	5.6	5.6
Brent Crude (\$/bbl)	83.6	0.0	8.5	8.5
Texas crude (\$/bbl)	78.0	0.0	8.9	8.9
Natural Gas (\$/mmbtu)	2.7	0.0	7.9	7.9
Gold (\$/oz)	2,018.5	0.0	-2.2	-2.2
Silver (\$/oz)	22.8	0.0	-4.2	-4.2
Steel (\$/ton)	1,077.0	0.0	-5.1	-5.1
Iron Ore (CNY/MT)	1,060.0	0.0	1.6	1.6
Wheat (\$/bu)	600.3	0.0	-4.4	-4.4
Corn (\$/bu)	446.3	0.0	-5.3	-5.3
Sugar (\$/lb)	23.8	0.0	15.5	15.5
SMP* (EUR/MT)	2,530.0	0.0	-1.8	-1.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.875	-4.36	-3.8	-3.8
KSA (SAIBOR 3M)	6.276	1.64	4.4	4.4
KSA (SAIBOR 6M)	5.977	-0.37	-9.9	-9.9
KSA (SAIBOR 12M)	5.945	-0.35	-4.9	-4.9
USA (SOFR 3M)	5.317	0.00	-1.4	-1.4
UAE (EIBOR 3M)	5.225	0.00	-10.2	-10.2

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 28, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,264
Short-term view	Buy
52 weeks high/low	12,344 – 9,931

Market data

Exchange Market Cap. (SAR bn)	10,966.5
Value (SAR mn)	6,960.2
Volume (mn)	261.2
Number of Transactions	430,174
Market Breadth	132 : 80

Key statistics

1D return %	0.84%
MTD return %	2.48%
QTD return	2.48%
YTD return	2.48%
ADT vol. 3M* (mn)	276.5
ADT val. 3M (SARmn)	6,609.1

*ADT stands for Average Daily Traded

TASI market commentary

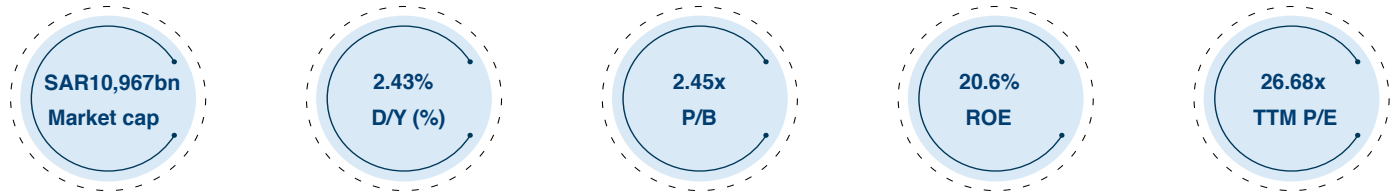
- TASI experienced a rise on Sunday; primarily driven by the performance of the Banks sector (up 2.15%) and the Materials sector (up 0.84%). At close, the Saudi market ended the day with a change of 0.84% at 12,264. In terms of activity, total volumes and value traded were ~261mn and ~SAR 7.0bn, respectively. The advance-decline ratio came in at 132/80.

Technical outlook

- TASI closed near 12,264, registering a gain of 103 points. The buying sentiment was regenerated, driving the index to resume its upward trajectory after surpassing the last minor peak. TASI has formed a Marubozu Open candlestick, reflecting the prevailing buying attitude and suggesting a possible resumption toward the prior peak near 12,345. Furthermore, the RSI indicator continued its upward movement above the 50 level, indicating the potential for further rise in the market. 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 12,160. If breached, the subsequent support would be around 12,100, followed by 12,025. TASI continues to trade above its 5-day and 10-day SMAs after breaking through the last minor peak, indicating the potential for further upward movement toward the previous peak. Therefore, traders are advised to keep considering buying positions 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	12,160	12,225	12,345	12,480	12,640



Source: Bloomberg, Argam

TASI daily chart

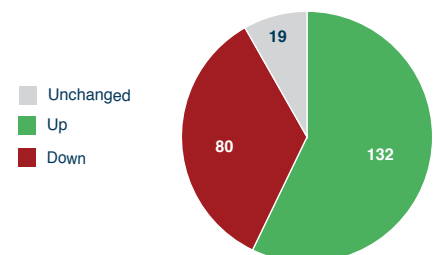


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
1320	Saudi Steel Pipe Co.	38.30	38.20 – 38.30	38.65 – 39.85	37.90
4071	Arabian Contracting Services Co.	257.60	257.00 – 257.60	260.00 – 269.40	254.60
2040	Saudi Ceramic Co.	26.85	26.80 – 26.85	27.10 – 27.45	26.55
2150	The National Company For Glass Industries	42.35	42.25 – 42.35	42.75 – 43.40	41.90
8170	Al-Etihad Cooperative Insurance Co.	18.98	18.94 – 18.98	19.16 – 19.38	18.78
8050	Salama Cooperative Insurance Co.	21.80	21.76 – 21.80	22.00 – 22.36	21.56
8300	Wataniya Insurance Company	20.88	20.84 – 20.88	21.08 – 21.42	20.66
4164	Nahdi Medical Co.	146.00	145.60 – 146.00	147.40 – 149.20	144.40

*As of 28th Jan 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SSP penetrated a declining trendline after bouncing off the level of the previous peak. Moreover, all the technical indicators show bullish structure.

Saudi Steel Pipe Co. (SSP)



Source: Tradingview, Aljazira Capital

Technical observations

ALARABIA penetrated a declining trendline and the 10-day SMA after bouncing off its 20-day SMA. Moreover, all the technical indicators show bullish structure.

Arabian Contracting Services Co. (ALARABIA)



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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