



## Major Economic News

- **Saudi Arabia's** real GDP dropped by 1.7% Y/Y in Q1-24. Oil activities declined by 11.2% Y/Y, while non-oil and government activities rose by 3.4% and 2% Y/Y. (Source: Argaam)

## Major Corporate News

- **Lana** was awarded a project by Madinah Health Cluster for supplying consumables and supplies for hazardous healthcare waste, worth SAR 21.2mn. A positive financial impact on the company's financial statements is expected to be reflected in Q4-24. (Source: Tadawul)
- **MIS** was awarded a project worth SAR 78.7mn by IMSIU. Under the contract, MIS will operate the comprehensive computer system at IMSIU. It will also include application management services, data center and information center management and other operational services. (Source: Argaam)
- **Equipment House** was awarded a project by Ministry of Health, to maintain and repair medical devices and equipment for hospitals and primary healthcare centers in Taif Region. The contract whose term is for five years and a contract value of SAR 92.1mn, is expected to have a positive financial impact on results for Q4-24. (Source: Argaam)
- **Naseej** signed a project with Ministry of Commerce for providing professional technical services in the field of implementing technical projects that contribute to supporting the success of implementing digital transformation projects and programs for the Ministry of Commerce. The contract value is SAR 17.2mn. (Source: Tadawul)

## Market Analysis

The **Saudi Stock Exchange** increased 2.5% to 11,855.1. The value traded stood at SAR 53.9bn (up 735.7% over the previous day), while the advance-decline ratio stood at 215/15. The parallel market index increased 0.3% to 26,318.0 points. The value traded stood at SAR 36.1mn (up 15.1% over the previous day). All sectors in the main market ended in green. Healthcare and Food & Beverages (up 5.1% and 4.7%, respectively) advanced the most.

### Top Gainers

Company	Price	Change%
MIAHONA	17.66	18.2
WATANIYA	28.70	10.0
AWPT	170.60	8.3
SAUDI GERMAN	82.30	7.6
BJAZ	16.80	7.1

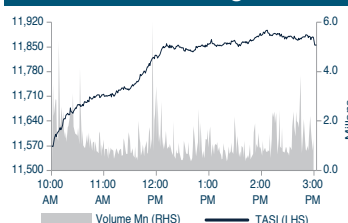
### Top Losers

Company	Price	Change%
ATHEEB TELECOM	95.80	-10.0
THIMAR	48.40	-9.7
FAKEEH CARE	59.50	-2.3
MBC GROUP	43.95	-1.5
SFICO	22.94	-0.8

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,855	11,899	11,556	2.5	(1.5)
NomuC	26,318	26,689	26,166	0.3	7.3

### TASI movement during session



### TASI Ratios

P/E* (x)	26.6
Price-to-Book (x)	2.4
Dividend Yield (%)	2.8
Return on Equity (%)	19.1

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,404	1.1	-13.3	16.1
Materials	5,810	1.5	-9.1	High
Capital Goods	11,616	2.0	15.2	25.5
Commercial Service	4,922	2.6	-11.8	42.8
Transportation	7,250	3.0	14.1	35.2
Consumer Durables	5,358	1.5	7.6	Neg
Consumer Services	4,953	0.9	-0.5	37.3
Media	27,445	1.9	11.8	46.6
Consumer Discretionary Ret	7,659	2.5	-11.1	22.7
Consumer Staples Ret	9,276	1.9	-5.1	22.2
Food & Beverages	5,922	4.7	5.2	29.4
Healthcare	13,311	5.1	8.9	49.9
Pharma & Bio Tech	4,595	2.5	-5.6	42.8
Banks	11,774	3.5	-4.2	13.3
Financial Services	7,962	2.1	18.2	33.8
Insurance	10,376	4.1	20.7	24.1
Telecom	7,475	2.4	-3.8	14.6
Utilities	13,424	1.6	35.3	29.2
REITs	3,276	0.7	-10.6	25.5
Real Estate	3,443	1.9	12.7	40.4
Software & Services	67,965	1.5	-0.9	39.6

### Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for June (bn)
11,678	11,671	11,892	14.84

### Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	53.9	1,963.20	589.50
Previous week	35.1	1,454.20	2,934.40

### Top Weighted Companies

Company	Price	Change%
Al Rajhi	81.80	3.7
Saudi Aramco	28.60	1.1
SNB	36.55	3.1
ACWA POWER	387.60	1.4
ALINMA	32.80	4.8



## International Market News

- **US consumer credit** increased by USD 6.4bn in April, while the consensus had estimated an increase by USD 11.0bn. The revolving credit which includes credit cards, edge down by USD 0.5bn in April, while non-revolving credit, such as auto loans and student loans, rose by USD 6.8bn. (Source: RTT News)
- The strong set of employment figures released last week have sent market expectations for **Fed rate cuts** lower as the data pointed to a strong labor market and the increase in wages could add to the stickiness of inflation. Economists feel that better than expected payroll growth could help keep inflation more buoyant and delay Fed rate cuts to later this year or into next year. (Source: Reuters)
- **Euro area GDP** grew 0.3% Q/Q, as initially estimated. The GDP growth was driven by the household spending along with favourable net exports. Net foreign demand was favorable in Q1, as exports rose 1.4% offsetting a 0.3% fall in imports. The negative contribution came from gross fixed capital formation, which fell 1.5% while changes in inventories also contracted by 0.3%. (Source: Reuters)
- **Japan's GDP** shrank 1.8% Q/Q on annualized basis in Q1, reporting a smaller decline the consensus estimate of 1.9% contraction. Japan's economy contracted less than expected on upward revisions to capital spending and inventory data, lending modest support to the central bank's plans to raise interest rates again this year. (Source: Reuters)

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.89	0.0	0.2	3.5
Euro	1.08	0.0	-0.4	-2.2
Japanese Yen	156.75	0.0	-0.4	11.1
Sterling Pound	1.27	0.0	-0.2	-0.1
Chinese Yuan	7.26	0.0	0.0	1.9
Indian Rupee	83.38	0.0	-0.1	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	0.0	-0.2	-0.3
Omani Rial	0.39	0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	47.51	0.0	0.5	53.7

## Corporate Calendar

Date	Company	Event
10-Jun	MAADANIYAH	EGM
10-Jun	HCC	EGM
10-Jun	STC	Cash Dividend Distribution
10-Jun	SULAIMAN ALHABIB	Cash Dividend Distribution
10-Jun	KINGDOM	Eligibility of Cash Dividend
10-Jun	QACCO	EGM

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,982	0.0	0.1	-1.9	7.8
Abu Dhabi (ADX)	8,957	0.0	1.1	-6.5	18.0
Kuwait (KSE)	7,680	0.1	-0.0	2.7	20.7
Qatar (QE)	9,571	0.4	2.7	-11.6	10.8
Oman (MSM)	4,738	-0.7	-2.2	5.0	12.6
Bahrain (BSE)	2,035	-0.0	-0.2	3.2	7.8
Egypt (EGX30)	25,659	-2.9	-4.7	3.1	7.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,799	0.0	0.3	2.9	22.2
Nasdaq	19,001	0.0	2.5	12.9	33.3
S&P 500	5,347	0.0	1.3	12.1	25.0
FTSE 100	8,245	0.0	-0.4	6.6	14.8
Germany DAX 30	18,557	0.0	0.3	10.8	16.4
France CAC 40	8,002	0.0	0.1	6.1	13.9
Japan Nikkei 225	38,684	0.0	0.5	15.6	27.9
Russia MOEX	3,233	0.0	0.5	4.3	4.6
Hong Kong Hang Seng	18,367	0.0	1.6	7.7	10.3
South Korea KOSPI	2,723	0.0	3.3	2.5	16.1
China Shanghai Composite	3,051	0.0	-1.2	2.6	13.9
Australia ASX 200	7,860	0.0	2.1	3.5	19.8
India Sensex	76,693	0.0	3.7	6.2	24.1
MSCI EM	1,073	0.0	2.3	4.8	15.3
MSCI World	3,479	0.0	1.0	9.8	21.9

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.73	0.0	-1.9	2.9
Brent Crude (\$/bbl)	79.62	0.0	-2.5	3.3
Texas crude (\$/bbl)	75.53	0.0	-1.9	5.4
Natural Gas (\$/mmbtu)	2.92	0.0	12.8	10.0
Gold (\$/oz)	2,293.78	0.0	-1.4	11.2
Silver (\$/oz)	29.15	0.0	-4.1	22.5
Steel (\$/ton)	728.00	0.0	-4.3	-35.9
Iron Ore (CNY/MT)	901.50	0.0	2.0	-13.6
Wheat (\$/bu)	627.50	0.0	-7.5	-2.8
Corn (\$/bu)	448.75	0.0	0.6	-9.2
Sugar (\$/lb)	19.00	0.0	3.8	-6.9
SMP* (EUR/MT)	2,534.00	0.0	4.2	-1.7

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.88	-1.2	0.9	-3.3
KSA (SAIBOR 3M)	6.23	-1.9	0.1	0.2
KSA (SAIBOR 6M)	6.07	-6.3	-4.2	-0.6
KSA (SAIBOR 12M)	5.87	-1.4	-1.7	-12.9
USA (SOFR 3M)	5.33	0.0	-0.9	0.3
UAE (EIBOR 3M)	5.37	0.0	4.3	3.8

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of June 9, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,855
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	12,883 – 10,262

Market data	
Exchange Market Cap. (SAR bn)	10,256.1
Value (SAR mn)	53,946.1
Volume (mn)	1,963.2
Number of Transactions	589,543
Market Breadth	215 : 15

Key statistics	
1D return %	2.55%
MTD return %	3.06%
QTD return	-4.41%
YTD return	-0.94%
ADT vol. 3M* (mn)	338.0
ADT val. 3M (SARmn)	7,433.1

\*ADT stands for Average Daily Traded

### TASI market commentary

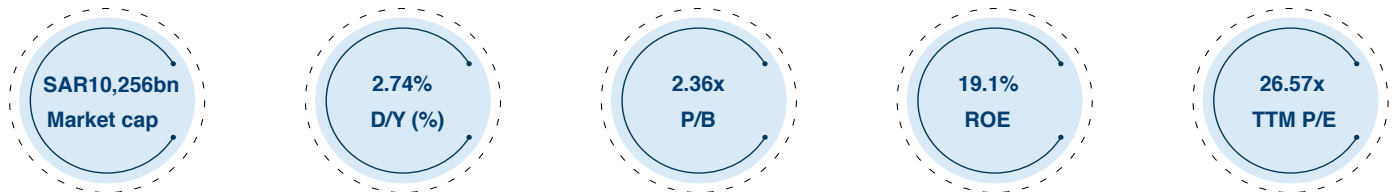
- TASI experienced a rise on Sunday; primarily driven by the performance of the Banks sector (up 3.54%) and the Telecommunication services sector (up 2.38%). At close, the Saudi market ended the day with a change of 2.55% at 11,855. In terms of activity, total volumes and value traded were ~1,963mn and ~SAR 53.9bn, respectively. The advance-decline ratio came in at 215/15.

### Technical outlook

- TASI closed the last session near 11,855, recording a substantial gain of 295 points. The index experienced a powerful buying power that penetrated its 10-day SMA of around 11,670 and started to penetrate a declining trendline. TASI formed a long green candlestick, reaching the significant resistance of the 20-day SMA and the 200-day EMA around 11,900. Meanwhile, the RSI indicator penetrated the upper boundary of a declining channel, suggesting a possible positive breakout in the price action. TASI has an immediate resistance level of around 11,900. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,000 – 12,165. On the other hand, an immediate support level is observed around 11,670. If breached, the subsequent support levels would be around 11,570 – 11,440. Traders are advised to cautiously buy and closely monitor the significant resistance level of the 20-day SMA as well as the 200-day EMA around 11,900. A decisive close above this level may signal the end of the previous downside correction.

### Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,440	11,570	11,670	11,830	11,900	12,000	12,165



Source: Bloomberg, Argaam

### TASI daily chart

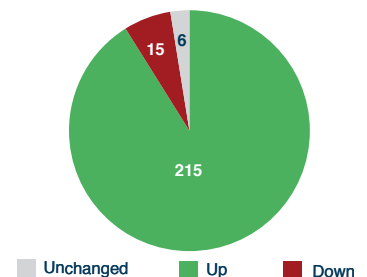


Source: Tradingview, Aljazira Capital

### Our view



### Market depth



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
7010	STC	37.55	37.45 – 37.55	37.90 – 38.30	37.10
4090	Taiba	42.50	42.40 – 42.50	42.90 – 43.35	42.00
1214	Shaker	28.55	28.50 – 28.55	28.80 – 29.15	28.20
4009	Saudi German Health	82.30	82.10 – 82.30	83.10 – 84.00	81.30
4263	SAL	280.80	280.20 – 280.80	283.40 – 286.40	277.40
4006	Farm Superstores	22.14	22.08 – 22.14	22.34 – 22.58	21.88
4002	Mouwasat	118.60	118.40 – 118.60	119.80 – 121.00	117.20

\*As of 9<sup>th</sup> June 2024

\* Note – Stop loss is based on an intraday basis

## CHARTS OF THE DAY

### Technical observations

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

### Saudi Telecom Co. (STC)



Source: Tradingview, Aljazira Capital

### Technical observations

**Taiba** penetrated its 20-day SMA as well as the level of the prior peak. Moreover, all the technical indicators show bullish structure.

### Taiba Investments Co. (Taiba)



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.