



## Major Economic News

- Crown Prince Mohammed bin Salman announced the launch of "Alat", a company owned by PIF, which is slated to contribute to the goal of positioning Saudi Arabia as **a global hub for sustainable technology manufacturing** by focusing on advanced technologies and electronics. (Source: Argaam)
- The occupancy rates of Saudi-based REITs** continued their uptrend for the fourth consecutive quarter, as they rose by 5.8% from 83.1% in Q4-22 to 88.9% in Q4-23, their highest levels in a long time. This growth was propelled by the ongoing recovery across all operational segments, particularly segments such as hospitality. (Source: Argaam)

## Major Corporate News

- Group Five Pipe Saudi Co.** signed a two-month contract with Saudi Aramco at a value that exceeds SAR 30.0mn. The deal includes manufacture and supply of spiral-welded steel pipes tailored for one of the projects owned by Saudi Aramco. The relevant financial impact is expected to be reflected on the company's results starting from Q3-24. (Source: Tadawul)
- Naqi Water Co.** announced the opening of a new branch in Dammam. The new opening aims to increase the share of its retail sales to expand reach and directly serve a wider customer base. The related financial impact is expected in Q1-24. (Source: Tadawul)
- Pan Gulf Marketing Co.'s** IPO was priced at SAR 51 per share. The offering was 108.9% covered. (Source: Argaam)

## Market Analysis

The **Saudi Stock Exchange** increased 1.0% to 11,914.3. The value traded stood at SAR 8.2bn (down 4.9% over the previous day), while the advance-decline ratio stood at 89/132. The parallel market index increased 0.8% to 25,192.3 points. The value traded stood at SAR 14.7mn (down 23.0% over the previous day). Most sectors in the main market ended in the green. Software & Services and Telecom (up 2.1% and 1.7%, respectively) advanced the most, while Food & Staples and Commercial Service (down 1.3% and 0.9%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
SAUDI GERMAN	108.20	8.4
ALBAHA	0.14	7.7
ANAAM HOLDING	1.14	6.5
NADEC	31.45	5.0
FITNESS TIME	202.00	4.6

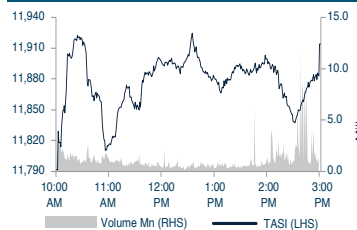
## Top Losers

Company	Price	Change%
BURUJ	20.22	-5.3
WATANIYA	19.00	-4.0
ALSAGR INSURANCE	22.76	-3.5
LUMI	107.80	-3.4
SEERA	28.60	-3.4

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,914	11,928	11,771	1.0	(0.4)
NomuC	25,192	25,192	24,594	0.8	2.7

## TASI movement during session



## TASI Ratios

P/E* (x)	26.4
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	5,842	1.3	-6.0	16.2
Materials	5,985	0.2	-5.8	High
Capital Goods	10,669	0.8	7.5	35.1
Commercial Service	5,057	-0.9	-9.0	32.2
Transportation	6,791	-0.7	7.1	40.3
Consumer Durables	4,849	-0.7	-3.5	Neg
Consumer Services	5,195	-0.4	5.1	37
Media	28,751	0.6	17.2	High
Consumer Discretionary Ret	8,473	0.0	-0.6	27.4
Consumer Staples Ret	10,151	-1.3	4.9	26.1
Food & Beverages	6,092	1.5	8.6	31.5
Healthcare	12,654	1.1	5.2	49.3
Pharma & Bio Tech	5,027	-0.6	3.5	High
Banks	12,378	1.5	1.5	14.5
Financial Services	7,012	1.5	5.4	32.4
Insurance	8,238	-0.7	-2.8	22.1
Telecom	8,030	1.7	4.0	15.3
Utilities	9,533	0.9	-4.1	19.1
REITs	3,606	-0.1	-1.7	High
Real Estate	3,049	-0.4	0.0	45.8
Software & Services	74,173	2.1	8.2	46.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,043	12,077	12,102	8.52

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	0	0.00	0.00
Previous week	41.6	1,548.70	2,631.70

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.00	1.3
Al Rajhi	86.00	2.4
SNB	41.15	1.4
SABIC	78.40	0.6
STC	41.75	2.3





## International Market News

- According to **Baker Hughes**, North America's rig count remained unchanged at 851 in the week ended February 02. The rig count fell to 619 in the US from 621 earlier, while remained unchanged at 17 in the Gulf of Mexico. The rig count in Canada increased to 232 from 230 earlier. (Source: Baker Hughes)
- US nonfarm payroll** increased 353,000 M/M in January (consensus: a rise of 170,000) compared with 333,000 in December. The unemployment rate was unchanged at 3.7% in January (consensus: 3.8%). The private payroll increased 317,000 in January (consensus: 142,000) compared with 278,000 in December. (Source: Econoday)
- US ISM manufacturing PMI** rose to 49.1 in January (consensus: 47.0) from a downwardly revised 47.1 in December. A notable turnaround in new orders resulted in an unexpected improvement in the headline index. (Source: RTT News)
- US initial jobless claims** increased to 224,000 (consensus: 214,000) in the week ended January 27, representing a rise of 9,000 from the previous week's revised level of 215,000. (Source: RTT News)
- Oil fell** 1.7% on Friday, as better-than-expected US jobs data lowered the prospects of early interest rate cuts by the US Federal Reserve.
- Gold decreased** 0.7%, as US treasury yields rose, and the US dollar strengthened after a strong set of employment data.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.9	0.8	0.6	2.6
Euro	1.1	-0.8	-0.3	-2.3
Japanese Yen	148.4	1.3	1.0	5.2
Sterling Pound	1.3	-0.9	-0.4	-0.8
Chinese Yuan	7.2	0.4	0.4	1.2
Indian Rupee	82.9	-0.1	-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	-0.1	-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
4-Feb	CHEMICAL	Cash dividend distribution
4-Feb	QUARA FINANCE	Start of IPO
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

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,229	0.2	1.4	4.2	9.0
Abu Dhabi (ADX)	9,456	-0.1	-0.5	-1.3	26.8
Kuwait (KSE)	7,918	-0.5	-0.5	5.9	16.9
Qatar (QE)	10,049	-0.4	-0.4	-7.2	12.0
Oman (MSM)	4,563	0.0	0.0	1.1	12.4
Bahrain (BSE)	2,067	-0.0	-0.0	4.9	8.1
Egypt (EGX30)	28,434	0.5	0.5	14.2	13.7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,654	0.3	1.3	2.6	22.7
Nasdaq	17,643	1.7	2.9	4.9	34.4
S&P 500	4,959	1.1	2.3	4.0	23.9
FTSE 100	7,616	-0.1	-0.2	-1.5	10.3
Germany DAX 30	16,918	0.4	0.1	1.0	14.8
France CAC 40	7,592	0.0	-0.8	0.7	13.2
Japan Nikkei 225	36,158	0.4	-0.4	8.0	29.8
Russia MOEX	3,226	-0.1	0.4	4.1	2.9
Hong Kong Hang Seng	15,534	-0.2	0.3	-8.9	8.1
South Korea KOSPI	2,615	2.9	4.7	-1.5	18.2
China Shanghai Composite	2,730	-1.5	-2.1	-8.2	12.6
Australia ASX 200	7,699	1.5	0.2	1.4	17.0
India Sensex	72,086	0.6	0.5	-0.2	22.9
MSCI EM	988	0.6	1.3	-3.5	14.7
MSCI World	3,248	0.6	1.3	2.5	20.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.4	-2.1	-5.2	0.0
Brent Crude (\$/bbl)	77.3	-1.7	-5.4	0.4
Texas crude (\$/bbl)	72.3	-2.1	-4.7	0.9
Natural Gas (\$/mmbtu)	2.1	1.4	-1.0	-10.7
Gold (\$/oz)	2,039.8	-0.7	0.0	-1.1
Silver (\$/oz)	22.7	-2.1	-1.2	-4.6
Steel (\$/ton)	967.0	-0.3	0.4	-14.8
Iron Ore (CNY/MT)	1,030.0	-2.3	-2.3	-1.2
Wheat (\$/bu)	599.8	-0.3	0.8	-4.5
Corn (\$/bu)	442.8	-1.0	-1.2	-6.0
Sugar (\$/lb)	23.9	1.4	-1.0	16.1
SMP* (EUR/MT)	2,465.0	-0.5	-2.7	-4.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.893	0.83	0.8	-2.0
KSA (SAIBOR 3M)	6.329	-3.82	-3.8	9.7
KSA (SAIBOR 6M)	5.996	0.07	0.1	-8.0
KSA (SAIBOR 12M)	5.951	1.20	1.2	-4.4
USA (SOFR 3M)	5.290	1.79	-2.5	-4.1
UAE (EIBOR 3M)	5.129	-9.34	-10.9	-19.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 2, 2024





## Technical observations

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

## Market data

Exchange Market Cap. (SAR bn)	10,780.9
Value (SAR mn)	8,224.6
Volume (mn)	362.5
Number of Transactions	518,271
Market Breadth	89 : 132

## Key statistics

1D return %	1.00%
MTD return %	1.00%
QTD return	-0.44%
YTD return	-0.44%
ADT vol. 3M* (mn)	284.1
ADT val. 3M (SARmn)	6,819.5

\*ADT stands for Average Daily Traded

## TASI market commentary

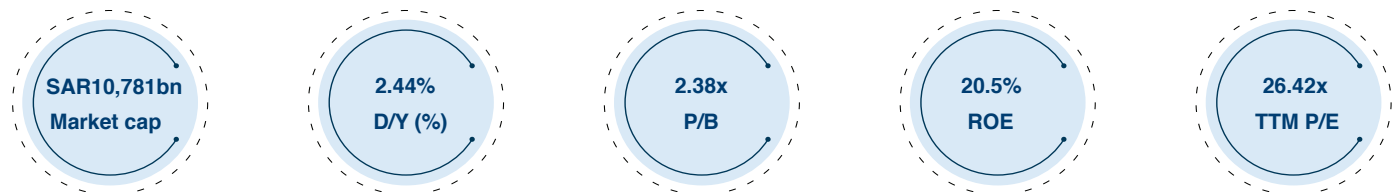
- TASI experienced a rise on Thursday; primarily driven by the performance of the Banks sector (up 1.52%) and the Telecommunication services sector (up 1.67%). At close, the Saudi market ended the day with a change of 1.00% at 11,914. In terms of activity, total volumes and value traded were ~363mn and ~SAR 8.2bn, respectively. The advance-decline ratio came in at 89/132.

## Technical outlook

- TASI closed near 11,914, marking a gain of 118 points. The index has rebounded from its 50-day SMA, forming a Piercing Line candlestick that indicates a temporary speculative pullback movement to retest the 20-day SMA near the broken lower boundary of the rising channel around 12,100 point. Moreover, the RSI indicator is still hovering below the 50 level, reflecting the prevailing selling sentiment in the market. TASI has an immediate resistance level near 11,950. If successfully surpassed, the following resistance level would be around 12,040, followed by 12,100. On the other hand, an immediate support level is observed near 11,870. If breached, the subsequent support would be around 11,765, followed by 11,550. Currently, TASI is undergoing a speculative temporary upside movement after bouncing off its 50-day SMA, indicating a possible retest of the 20-day SMA near the broken boundary of the rising channel. Therefore, traders are advised to cautiously buy and closely monitor the critical resistance level near the 20-day SMA around 12,100.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,425	11,550	11,765	11,870	11,950	12,040	12,100



Source: Bloomberg, Argaam

## TASI daily chart

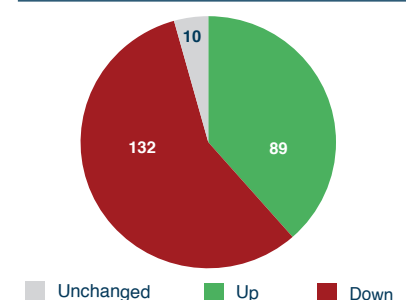


Source: Tradingview, Aljazeera Capital

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
2320	Al-Babtain Power and Telecommunication Co.	29.45	29.40 – 29.45	29.75 – 30.15	29.15
1212	Astra Industrial Group	132.60	132.20 – 132.60	133.80 – 137.40	131.20
2281	Tanmiah Food Co.	99.50	99.20 – 99.50	100.40 – 101.40	98.50
4164	Nahdi Medical Co.	139.20	138.80 – 139.20	140.60 – 142.00	137.80
4150	Arriyadh Development Co.	21.90	21.84 – 21.90	22.10 – 22.34	21.68
4300	Dar Alarkan Real Estate Development Co.	12.86	12.82 – 12.86	12.98 – 13.12	12.72

\*As of 1<sup>st</sup> Feb 2024

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

## CHARTS OF THE DAY

## Technical observations

**ALBABTAIN** penetrated a declining trendline and its 10 & 20-day SMAs after bouncing off the level of the previous peaks. Moreover, all the technical indicators show bullish structure.

## Al-Babtain Power and Telecommunication Co. (ALBABTAIN)



## Technical observations

**ASTRA INDUSTRIAL** has penetrated a declining trendline after bouncing off its 50-day SMA. Moreover, all the technical indicators show bullish structure.

## Astra Industrial Group (ASTRA INDUSTRIAL)



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