



Major Economic News

- The value of **Saudi Arabia's real estate** transactions fell 11% Y/Y to SAR 193.5bn in 2023. The number of real estate transactions reached around 172,070 by the end of 2023, while the total number of sold property reached 177,500. Riyadh dominated 44% of the total value of real estate transactions, while Jeddah took the second place at 18% with transactions worth SAR 35.1bn in 2023. (Source: Argaam)
- According to a report by the **National Industrial Development Center**, the Ministry of Industry and Mineral Resources issued 183 licenses in the construction materials sector during 2023, which was up 39% Y/Y. Investments in the construction materials sector amounted to SAR 336.0bn in 2023, up 1% Y/Y. (Source: Argaam)

Major Corporate News

- Northern Cement** expects production cost to increase by 14% on account of fuel price adjustments. The said impact is likely to be expected in Q1-24, with company exploring ways to reduce the impact of this adjustment on the financial results. (Source: Argaam)
- Ladun Investment's** subsidiary won a project worth SAR 628.1mn from the Ministry of Municipal and Rural Affairs and Housing to expand the ministry's headquarters in Riyadh. The company expects the contract to be signed on March 03, 2024. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
AlMunajem	81.6	16.9	382.9	61.1	33.5

Market Analysis

The **Saudi Stock Exchange** increased 0.6% to 12,174.2. The value traded stood at SAR 7.1bn (down 16.8% over the previous day), while the advance-decline ratio stood at 157/55. The parallel market index increased 0.4% to 24,961.0 points. The value traded stood at SAR 25.8mn (up 28.2% over the previous day). Most sectors in the main market ended in the green. Real Estate and Consumer Services (up 3.4% and 1.5%, respectively) advanced the most, while Utilities and Media (down 1.5% and 0.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SUMOU	46.20	10.0
2P	27.80	7.8
ALBAHA	0.15	7.1
TAIBA	28.40	6.4
ENAYA	15.88	5.9

Top Losers

Company	Price	Change%
MBC Group	64.80	-10.0
ADES	25.25	-2.3
SAUDI GERMAN	96.10	-2.1
ACWA POWER	245.20	-1.9
AYYAN	18.70	-1.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,174	12,199	12,099	0.57	1.7
NomuC	24,961	24,985	24,653	0.4	1.8

TASI movement during session



TASI Ratios

P/E* (x)	26.5
Price-to-Book (x)	2.4
Dividend Yield (%)	2.5
Return on Equity (%)	20.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,987	0.1	-3.7	16.6
Materials	6,031	0.6	-5.1	High
Capital Goods	10,749	1.4	8.3	35.1
Commercial Service	5,179	-0.8	-6.8	32.9
Transportation	6,829	-0.3	7.7	40.7
Consumer Durables	5,023	0.4	0.0	Neg
Consumer Services	5,271	1.5	6.7	37.9
Media	29,152	-0.9	18.9	High
Consumer Discretionary Ret	8,405	0.5	-1.4	27.1
Consumer Staples Ret	10,264	0.1	6.0	26.2
Food & Beverages	6,127	-0.2	9.2	31.8
Healthcare	12,775	1.0	6.2	49.7
Pharma & Bio Tech	5,288	-0.1	8.9	High
Banks	12,776	0.9	4.7	15
Financial Services	7,187	-0.2	8.1	33.1
Insurance	8,586	0.3	1.3	23.2
Telecom	8,118	1.0	5.2	15.5
Utilities	9,626	-1.5	-3.1	19.3
REITs	3,583	0.2	-2.3	High
Real Estate	3,162	3.4	3.7	47.2
Software & Services	74,568	0.7	8.7	46.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,071	12,079	12,090	8.63

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	31.5	1,164.10	1,882.40
Previous week	43.8	1,778.20	2,680.20

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.70	0.2
Al Rajhi	87.90	1.0
SNB	43.15	0.5
SABIC	79.30	0.6
STC	42.40	1.1





International Market News

- According to **EIA**, oil inventories in the US decreased 9.2mn barrels (prior: down 2.5mn) to 420.7mn in the week ended January 19. Gasoline inventories increased 4.9mn barrels (prior: up 3.1mn) to 253.0mn, while distillate inventories fell 1.4mn barrels (prior: up 2.4mn) to 133.3mn. (Source: EIA, Econoday)
- Asian shares** rose to a one-week high as policy support put a floor under the battered Chinese stock market, while bonds were under pressure ahead of a European Central Bank meeting later in the day.. (Source: Reuters)
- European Central Bank** to keep interest rates unchanged and likely to push back on investor bets for aggressive policy easing, despite recession risks and rapid slowdown in inflation. (Source: Investing.com)
- Chinese markets** caught a foothold overnight, with a cut in bank reserve requirements and vague promises of more support ahead enough to staunch selling, for now. The blue chip CSI300 (.CSI300), opens new tab rose more than 1%, cutting losses for the year to roughly 3%. (Source: Reuters)
- Oil prices** increased 0.3% as sentiment was boosted by a larger than expected decline in US weekly crude stockpiles and hopes of fresh stimulus measures to boost China's economy to shore up oil demand.
- Gold prices** increased 0.1% due to lower dollar, as investors awaited a deluge of economic news in the US.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.2	-0.4	1.9	1.9
Euro	1.1	0.3	-1.4	-1.4
Japanese Yen	147.5	-0.6	4.6	4.6
Sterling Pound	1.3	0.3	-0.0	-0.0
Chinese Yuan	7.2	-0.1	0.5	0.5
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
28-Jan	GASCO	Cash dividend distribution
28-Jan	AL-MODAWAT	Start of IPO
29-Jan	GULF GENERAL	EGM
29-Jan	ATAA	Eligibility for cash dividend
29-Jan	ALWASAIL	EGM
29-Jan	PAN GULF	End of IPO

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,181	1.8	3.0	3.0	9.2
Abu Dhabi (ADX)	9,655	0.0	0.8	0.8	27.4
Kuwait (KSE)	8,058	0.4	7.8	7.8	17.2
Qatar (QE)	10,373	0.1	-4.2	-4.2	12.4
Oman (MSM)	4,607	-0.4	2.1	2.1	10.1
Bahrain (BSE)	2,009	0.7	1.9	1.9	8.1
Egypt (EGX30)	27,666	0.3	11.1	11.1	13.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	37,806	-0.3	0.3	0.3	22.2
Nasdaq	17,499	0.5	4.0	4.0	34.1
S&P 500	4,869	0.1	2.1	2.1	23.4
FTSE 100	7,528	0.6	-2.7	-2.7	10.2
Germany DAX 30	16,890	1.6	0.8	0.8	14.8
France CAC 40	7,456	0.9	-1.2	-1.2	13.2
Japan Nikkei 225	36,226	-0.8	8.3	8.3	29.8
Russia MOEX	3,162	-0.4	2.0	2.0	2.9
Hong Kong Hang Seng	15,900	3.6	-6.7	-6.7	8.3
South Korea KOSPI	2,470	-0.4	-7.0	-7.0	16.6
China Shanghai Composite	2,821	1.8	-5.2	-5.2	13.0
Australia ASX 200	7,519	0.1	-0.9	-0.9	16.6
India Sensex	71,060	1.0	-1.6	-1.6	24.8
MSCI EM	982	1.3	-4.0	-4.0	14.5
MSCI World	3,204	0.4	1.1	1.1	20.4

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.4	0.5	3.6	3.6
Brent Crude (\$/bbl)	80.0	0.6	3.9	3.9
Texas crude (\$/bbl)	75.1	1.0	4.8	4.8
Natural Gas (\$/mmbtu)	2.6	7.8	5.1	5.1
Gold (\$/oz)	2,013.9	-0.8	-2.4	-2.4
Silver (\$/oz)	22.7	1.0	-4.7	-4.7
Steel (\$/ton)	1,083.0	1.2	-4.6	-4.6
Iron Ore (CNY/MT)	1,051.5	0.6	0.8	0.8
Wheat (\$/bu)	610.8	2.4	-2.7	-2.7
Corn (\$/bu)	452.3	1.3	-4.0	-4.0
Sugar (\$/lb)	24.5	3.0	18.9	18.9
SMP* (EUR/MT)	2,530.0	-0.5	-1.8	-1.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.938	9.30	2.5	2.5
KSA (SAIBOR 3M)	6.229	1.83	-0.3	-0.3
KSA (SAIBOR 6M)	6.006	-0.61	-7.0	-7.0
KSA (SAIBOR 12M)	5.917	-0.89	-7.7	-7.7
USA (SOFR 3M)	5.324	-0.06	-0.7	-0.7
UAE (EIBOR 3M)	5.139	-1.00	-18.9	-18.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 24, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,174
Short-term view	Buy
52 weeks high/low	12,344 – 9,931

Market data

Exchange Market Cap. (SAR bn)	11,015.9
Value (SAR mn)	7,051.8
Volume (mn)	241.4
Number of Transactions	438,014
Market Breadth	157 : 55

Key statistics

1D return %	0.57%
MTD return %	1.73%
QTD return	1.73%
YTD return	1.73%
ADT vol. 3M* (mn)	273.5
ADT val. 3M (SARmn)	6,568.5

*ADT stands for Average Daily Traded

TASI market commentary

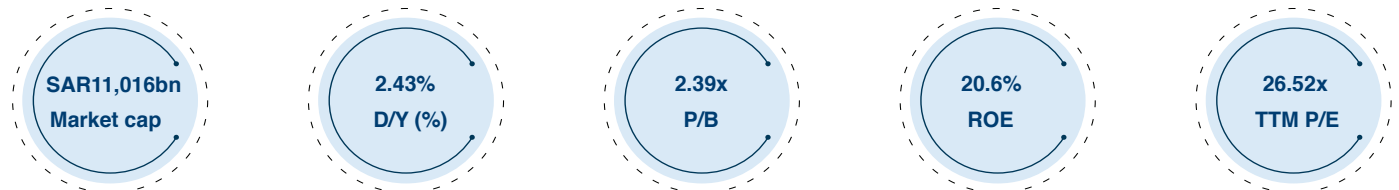
- TASI experienced a rise on Wednesday; primarily driven by the performance of the Telecommunication services sector (up 0.97%) and the Banks sector (up 0.88%). At close, the Saudi market ended the day with a change of 0.57% at 12,174. In terms of activity, total volumes and value traded were ~241mn and ~SAR 7.1bn, respectively. The advance-decline ratio came in at 157/55.

Technical outlook

- TASI closed near 12,174, registering a gain of 69 points. As anticipated, the buying sentiment resurfaced, driving the index to resume its upward trajectory after breaking through the upper boundary of a declining channel. Notably, TASI formed a bullish green candlestick that surpassed the last minor peak, signaling a potential continuation of the upward movement toward the previous peak of around 12,335. 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 12,225. If successfully penetrated, the following resistance level would be near 12,335 followed by 12,450. Conversely, an immediate support level is observed near 12,080. If breached, the subsequent support would be around 12,000 followed by 11,930. TASI has surpassed the last minor peak after bouncing off its 10-day and 20-day SMAs, indicating the potential for further upward move toward the previous peak. Accordingly, traders are advised to keep considering buying positions and closely monitor the significant resistance of the previous peak around 12,335.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,930	12,000	12,080	12,160	12,225	12,335	12,450



Source: Bloomberg, Argaam

TASI daily chart



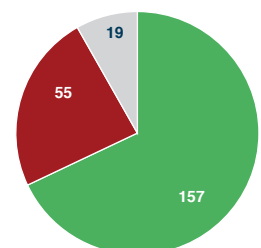
Source: Tradingview, Aljazira Capital

Our view



Market depth

Unchanged
Up
Down





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
4050	Saudi Automotive Services Co.	73.90	73.90 - 73.20	76.80 – 79.00	6.90%	71.60
2300	Saudi Paper Manufacturing Co.	45.70	45.70 – 45.25	47.75 – 49.10	7.44%	44.25
2240	Zamil Industrial Investment Co.	26.70	26.70 – 26.45	26.60 – 28.70	7.49%	25.80

* As of 24th Jan 2024,

* Note – Stop loss is based on a closing basis and not an intraday basis

CHARTS OF THE WEEK

Technical observations

SASCO has finished a bullish continuation Wedge price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 73.20 - 73.90, for a target range of SAR76.80 – 79.00, with a stop loss below SAR71.60 on a closing basis.

Saudi Automotive Services Co. (SASCO)



Source: Tradingview, Aljazira Capital

Technical observations

SPM has finished a bullish continuation Broadening Wedge price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 45.25 – 45.70, for a target range of SAR47.75 – 49.10, with a stop loss below SAR44.25 on a closing basis.

Saudi Paper Manufacturing Co. (SPM)



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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