



## Major Economic News

- Saudi Arabia** to build food industrial clusters in Jazan, mining industrial clusters in Ras Al-Khair, automotive industrial clusters in Jeddah, and chemicals clusters in Yanbu. The ministry is working on several industries and make "Made in Saudi Arabia" as a major brand. (Source: Argaam)

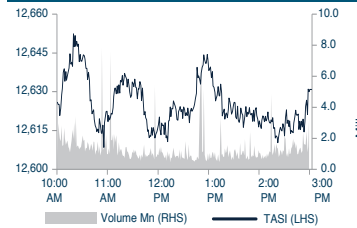
## Major Corporate News

- Eastern Cement** signed a 26-month contract with China's Sinoma CDI to establish a new production line in Khursaniyah, with a contract value of SAR 270.5mn. The new production line will operate with a production capacity of 10,000 tons of clinker per day. (Source: Argaam)
- Sure Global Tech** signed contract worth SAR 16.3mn with Ministry of Commerce to develop operational and governance models, as well as mechanisms and technical systems to monitor and track the entry and circulation of goods and products in the market. The contract is of 2-years and the positive impact on financials will be in 2024 and 2025. (Source: Argaam)
- Keir** signed 3-year contract with Dawiyat for telecommunication infrastructure for both ground and aerial networks, with financial impact from Q2-24 to Q2-27. (Source: Argaam)

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,631	12,654	12,608	0.2	5.5
NomuC	26,403	26,403	26,002	0.4	7.6

## TASI movement during session



## TASI Ratios

P/E* (x)	28.5
Price-to-Book (x)	2.5
Dividend Yield (%)	2.5
Return on Equity (%)	20.3

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,989	-0.5	-3.7	16.6
Materials	6,193	-0.6	-2.5	High
Capital Goods	12,185	-1.3	22.7	40.9
Commercial Service	5,676	0.2	2.1	36.4
Transportation	7,415	0.2	17.0	45.2
Consumer Durables	5,518	-1.0	9.8	Neg
Consumer Services	5,855	-0.2	18.5	41.3
Media	32,385	1.0	32.0	High
Consumer Discretionary Ret	8,996	2.7	5.5	29.2
Consumer Staples Ret	10,437	-0.9	7.8	27.2
Food & Beverages	6,561	-0.3	17.0	33.8
Healthcare	14,000	0.7	16.4	High
Pharma & Bio Tech	5,424	-1.6	11.7	High
Banks	12,924	-0.2	5.9	15.2
Financial Services	7,749	-0.9	16.5	35.2
Insurance	9,857	2.5	16.3	26.3
Telecom	8,390	1.5	8.7	15.8
Utilities	10,507	2.2	5.7	20.8
REITs	3,638	1.2	-0.8	High
Real Estate	3,463	0.9	13.6	High
Software & Services	84,602	2.6	23.4	High

## Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q5-23	Q/Q %
NAQI	2.4	2.5	-5.78	16.2	-85.4
ZAIN	295.6	250.5	18.00	284.6	3.87
BAWAN	29.5	21.5	37.44	42.8	-31.05

Source: Tadawul, Argaam, Aljazeera Capital

## Market Analysis

The **Saudi Stock Exchange** increased 0.2% to 12,630.9 on Thursday. The value traded stood at SAR 12.9bn (up 54.2% over the previous day), while the advance-decline ratio stood at 97/123. The parallel market index increased 0.4% to 26,402.8 points. The value traded stood at SAR 51.5mn (up 19.1% over the previous day). Most sectors in the main market ended in the green. Retailing and Software & Services (up 2.7% and 2.6%, respectively) advanced the most, while Pharma & Bio Tech and Capital Goods (down 1.6% and 1.3%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
AVALON PHARMA	179.80	29.9
ALRAJHI TAKAFUL	84.70	10.0
SASCO	94.30	8.8
2P	35.00	8.2
AYYAN	28.60	8.1

## Top Losers

Company	Price	Change%
PETRO RABIGH	8.27	-8.0
ALBAHA	0.14	-6.7
RIYADH CABLES	112.00	-5.1
ATAA	78.80	-3.9
HB	55.60	-3.6

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for February (bn)
12,596	12,580	12,375	9.3

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	37.9	1,970.50	2,250.10
Previous week	46.5	1,860.50	2,810.20

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.70	-0.6
Al Rajhi	89.00	0.0
SNB	42.35	0.0
SABIC	78.80	-0.3
STC	42.45	2.0





## International Market News

- According to **Baker Hughes**, North America's rig count increased 860 in the week ended March 01 from 857 earlier. The rig count rose to 629 in the US from 626 earlier, while increased to 19 in the Gulf of Mexico from 18. The rig count in Canada stayed at 231. (Source: Baker Hughes)
- US Manufacturing activity** unexpectedly contracted rapidly in February to 47.8 from 49.1 in January. Economists had expected the index to inch up to 49.5. The unexpected decrease was partly due to the downturn by new orders, as the new orders index slid to 49.2 in February from 52.5 in January. (Source: RTT News)
- Eurozone** inflation softened for second straight month in February. Consumer prices increased 2.6% after rising 2.8% in January, while core inflation eased to 3.1% from 3.3%. (Source: Reuters)
- UK** factory activity deteriorated in February, as the PMI index increased to a 10-month high of 47.5. The overall decrease was due to weak demand from both domestic and overseas clients, lower sales volumes, market negativity, and disruptions to production schedules due to the Red Sea crisis. (Source: CNBC)
- Oil prices** increased 1.5% on Friday as investors awaited an OPEC+ decision on supply agreements and the fresh US, Europe, and Chinese economic data.
- Gold prices** fell 0.2% on Friday on firm US dollar which offset hopes of interest cuts.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.9	-0.3	-0.3	2.5
Euro	1.1	0.3	0.3	-1.8
Japanese Yen	150.1	0.1	0.1	6.4
Sterling Pound	1.3	0.2	0.2	-0.6
Chinese Yuan	7.2	0.0	0.0	1.2
Indian Rupee	82.9	-0.0	-0.0	-0.4
UAE Dirham	3.7	0.0	0.0	0.0
Qatari Rial	3.6	-0.0	-0.0	0.1
Kuwaiti Dinar	0.3	0.0	0.0	0.2
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
3-Mar	ATLAS ELEVATORS	EGM
3-Mar	MULKIA REIT	Cash Dividend Distribution
3-Mar	KNOWLEDGE TOWER	Eligibility for Cash Dividend
4-Mar	CITY CEMENT	Cash Dividend Distribution
4-Mar	SABIC	Cash Dividend Distribution
4-Mar	SULAIMAN HABIB	Cash Dividend Distribution

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,357	1.1	1.1	7.3	9.0
Abu Dhabi (ADX)	9,279	0.3	0.3	-3.1	20.0
Kuwait (KSE)	8,159	0.3	0.0	9.1	17.4
Qatar (QE)	10,475	-0.1	0.0	-3.3	12.1
Oman (MSM)	4,555	0.5	0.0	0.9	12.3
Bahrain (BSE)	2,005	-1.0	0.0	1.7	7.4
Egypt (EGX30)	28,964	0.3	0.0	16.3	13.9

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,087	0.2	0.2	3.7	22.4
Nasdaq	18,303	1.4	1.4	8.8	35.7
S&P 500	5,137	0.8	0.8	7.7	24.6
FTSE 100	7,683	0.7	0.7	-0.7	10.4
Germany DAX 30	17,735	0.3	0.3	5.9	15.3
France CAC 40	7,934	0.1	0.1	5.2	14.2
Japan Nikkei 225	39,911	1.9	1.9	19.3	28.5
Russia MOEX	3,267	0.3	0.3	5.4	3.0
Hong Kong Hang Seng	16,589	0.5	0.5	-2.7	8.7
South Korea KOSPI	2,642	0.0	0.0	-0.5	18.0
China Shanghai Composite	3,027	0.4	0.4	1.8	13.9
Australia ASX 200	7,746	0.6	0.6	2.0	19.6
India Sensex	73,745	1.7	1.7	2.1	23.4
MSCI EM	1,025	0.4	0.4	0.1	15.3
MSCI World	3,364	0.8	0.8	6.1	20.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.9	1.8	1.8	4.3
Brent Crude (\$/bbl)	83.6	-0.1	-0.1	8.5
Texas crude (\$/bbl)	80.0	2.2	2.2	11.6
Natural Gas (\$/mmbtu)	1.8	-1.3	-1.3	-20.4
Gold (\$/oz)	2,082.9	1.9	1.9	1.0
Silver (\$/oz)	23.1	2.0	2.0	-2.8
Steel (\$/ton)	790.0	-0.6	-0.6	-30.4
Iron Ore (CNY/MT)	961.5	-0.3	-0.3	-7.8
Wheat (\$/bu)	557.8	-3.2	-3.2	-12.8
Corn (\$/bu)	424.8	-1.1	-1.1	-12.2
Sugar (\$/lb)	21.1	-2.8	-2.8	3.3
SMP* (EUR/MT)	2,500.0	0.0	0.0	-3.0

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.887	-2.83	0.3	-2.6
KSA (SAIBOR 3M)	6.230	-1.53	-13.8	-0.3
KSA (SAIBOR 6M)	6.079	-0.51	8.3	0.3
KSA (SAIBOR 12M)	5.934	-0.26	-0.4	-6.0
USA (SOFR 3M)	5.331	-0.24	-0.2	-0.0
UAE (EIBOR 3M)	5.240	-4.71	-4.7	-8.7

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 29, 2024



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,631
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	12,669 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	11,168.9
Value (SAR mn)	12,934.8
Volume (mn)	549.5
Number of Transactions	615,850
Market Breadth	97 : 123

## Key statistics

1D return %	0.15%
MTD return %	7.07%
QTD return	5.54%
YTD return	5.54%
ADT vol. 3M* (mn)	327.9
ADT val. 3M (SARmn)	8,114.4

\*ADT stands for Average Daily Traded

## TASI market commentary

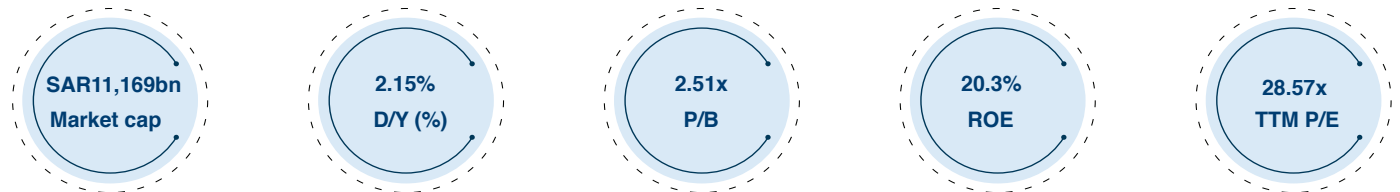
- TASI experienced a marginal rise on Thursday; primarily driven by the performance of the Telecommunication services sector (up 1.54%), the Utilities sector (up 2.18%). At close, the Saudi market ended the day with a change of 0.15% at 12,631. In terms of activity, total volumes and value traded were ~550mn and ~SAR 12.9bn, respectively. The advance-decline ratio came in at 97/123.

## Technical outlook

- TASI closed the last session near 12,631, marking another modest gain of 19 points. The index continued trading above both the 5-day & 10-day SMAs within its upward movement following the successful test of the significant support level of 12,500. TASI formed a Shooting Star candlestick, which would require confirmation by a subsequent bearish candlestick pattern to indicate a possible temporary profit-booking attitude. Furthermore, the RSI indicator has maintained the positive momentum, moving closer to the 70 level. TASI has an immediate resistance level near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,970 - 13,175. On the other hand, an immediate support level is observed near 12,500. If breached, the subsequent support levels would be around 12,280 - 12,200. Traders are advised to cautiously consider buying opportunities and closely monitor the significant resistance level of around 12,700.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
12,200	12,280	12,500	12,600	12,700	12,970	13,175



Source: Bloomberg, Argam

## TASI daily chart

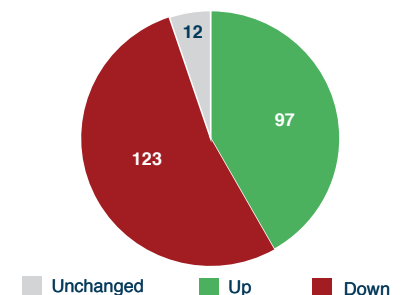


Source: Tradingview, Aljazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
4003	United Electronics Co.	95.50	94.60 – 95.50	99.50 – 102.40	7.23%	92.40

\* As of 29<sup>th</sup> Feb 2024,

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

## CHARTS OF THE WEEK

## Technical observations

**Extra** has just penetrated the upper boundary of a continuation Rectangle price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 94.60 – 95.50, for a target range of SAR99.50 – 102.40, with a stop loss below SAR92.40 on a closing basis.

## United Electronics Co. (Extra)



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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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