



Domestic Market News

- **Ministry of Investment** issued 2.7K licenses in Q2-24, thereby marking a rise of 50% Y/Y. However, on Q/Q basis the number of licenses decreased 13%. (Source: Argaam)
- **SSP** announced award of order amounting to SAR 138mn for supply of Oil & Gas Steel Pipes to Aramco. The financial impact is expected in Q2-25 and Q3-25. (Source: Tadawul)
- **SAPTCO** received project worth SAR 127.8mn from Jeddah Municipality to operate the public transport network in Jeddah for a period of 3 years. (Source: Tadawul)
- **Tanmiah** and its subsidiaries obtained credit facilities worth SAR 320mn from Alinma Bank and NBK, respectively. The facility is availed to fund working capital requirements. (Source: Argaam)
- **Savola** issued prospectus for capital increase through a SAR 6mn rights offering. The capital increase is aimed at repaying loans and distribute shares in Almarai. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q2-24	Q2-23	Y/Y %	Q1-24	Q/Q %
AVALON PHARMA	21.8	18.0	20.89	9.4	132.76
MOUWASAT	152.7	150.5	1.43	1716	-11.00
ANB	1231.0	986.0	24.85	1236.0	-0.40
SAB	2018.0	1550.0	30.19	2043.0	-1.22
SHL	6.0	2.6	132.76	4.6	30.91
A.OTHAIM	43.3	139.4	-68.96	118.9	-63.30
SRMG	81.4	181.6	-55.17	86.9	-6.28
LUMI	46.0	49.6	-7.32	44.7	2.91
JAMJOOM	106.9	86.3	23.97	102.9	3.86
DAR ALARKAN	165.1	146.5	12.73	153.6	7.51
ARAMCO*	109.0	112.8	-3.37	102.3	6.59

*NM means Not Meaningful.

Market Analysis

The **Saudi Stock Exchange** decreased 2.1% to 11,504.5. The value traded stood at SAR 10.6bn (up 64.0% over the previous day), while the advance-decline ratio stood at 16/215. The parallel market index decreased 1.6% to 25,701.5 points. The value traded stood at SAR 45.5mn (up 24.6% over the previous day). Most of the sectors in the main market ended in red. Software & Services (up 0.7%) while Commercial Service and Consumer Durables (down 6.1% and 5.2%, respectively) declined the most.

Top Gainers

Company	Price	Change%
TAWUNIYA	160.00	3.9
DALLAH HEALTH	161.00	3.2
ELM	924.80	2.1
SHAKER	26.20	2.0
ALETIHAD	17.00	1.9

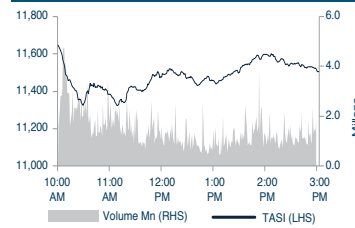
Top Losers

Company	Price	Change%
AYYAN	14.22	-10.0
WALAA	24.22	-10.0
ACIG	15.62	-9.9
SALAMA	23.22	-9.5
MIAHONA	32.40	-9.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,504	11,649	11,318	(2.1)	(4.4)
NomuC	25,701	26,145	25,247	(1.6)	4.8

TASI movement during session



TASI Ratios

P/E* (x)	24.9
Price-to-Book (x)	2.3
Dividend Yield (%)	2.8
Return on Equity (%)	19.3

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,073	-1.3	-18.6	15.1
Materials	5,473	-3.3	-14.4	High
Capital Goods	11,549	-2.4	14.5	25.5
Commercial Service	4,675	-6.1	-16.2	34
Transportation	7,231	-4.0	13.8	35.2
Consumer Durables	4,684	-5.2	-6.0	Neg
Consumer Services	4,763	-3.4	-4.3	35.4
Media	29,209	-4.3	19.0	43.2
Consumer Discretionary Ret	7,191	-2.6	-16.5	21.2
Consumer Staples Ret	8,696	-3.0	-11.0	20.7
Food & Beverages	5,760	-3.7	2.3	28.6
Healthcare	12,193	-1.6	-0.3	43.1
Pharma & Bio Tech	4,399	-3.9	-9.6	42.2
Banks	11,600	-1.4	-5.6	13
Financial Services	7,164	-1.5	6.4	33.1
Insurance	10,664	-2.6	24.1	25.9
Telecom	7,315	-0.2	-5.8	14.3
Utilities	13,235	-4.2	33.4	28.6
REITs	3,245	-1.0	-11.5	25.2
Real Estate	3,480	-3.6	13.8	40.9
Software & Services	72,923	0.7	6.3	42.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for July (bn)
12,019	12,068	12,011	6.33

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	17.1	787.90	1,440.40
Previous week	30.7	1,455.10	2,501.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	26.80	-1.3
Al Rajhi	84.20	1.8
SNB	34.65	-5.2
ACWA POWER	378.20	-5.0
ALINMA	31.05	-0.5





International Market News

- **US services PMI** rose to 51.4 in July from 48.8 in June, while economists had expected the index to rise to 51.0. The slightly bigger than expected increase by the headline index partly reflected turnarounds by both new orders and business activity. (Source: RTT News)
- According to **Fed Reserve officials**, the weaker than expected job numbers and other economic data do not suggest that the US economy is in a recession yet. They moreover indicate that the policy need not be restrictive if the economy is not overheating. (Source: Reuters)
- **Eurozone's** final composite output index slid to 50.2 in July from 50.9 in June. The reading indicates that the growth was only fractional and weakest since activity levels began rising in March. The private sector activity growth is the weakest in current five-month sequence of expansion amid falling demand, weaker sentiment. (Source: CNBC)
- **Eurozone** producer prices fell 3.2% Y/Y in June and thus continued their falling trend, largely due to cheap energy costs. Excluding energy, the producer price index dropped just 0.1%. Meanwhile, prices of durable and non-durable consumer goods gained 0.4% and 1.2%, respectively. (Source: Reuters)
- **Oil prices** gained 0.6% on the fear of increasing conflicts in the Middle East region.
- **Gold prices** fell 1.4% amid an escalating Middle East conflict.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.69	-0.5	-1.4	1.3
Euro	1.10	0.4	1.2	-0.8
Japanese Yen	144.18	-1.6	-3.9	2.2
Sterling Pound	1.28	-0.2	-0.6	0.4
Chinese Yuan	7.14	-0.4	-1.2	0.2
Indian Rupee	83.85	0.1	0.1	0.8
UAE Dirham	3.67	-0.0	-0.0	0.0
Qatari Rial	3.65	-0.0	0.0	0.0
Kuwaiti Dinar	0.31	-0.1	-0.1	-0.7
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	-0.0
Egyptian Pound	49.26	1.2	1.4	59.4

Corporate Calendar

Date	Company	Event
6-Aug	BAAZEEM	EGM
7-Aug	ELM	Eligibility of Cash Dividend
8-Aug	ZOUJAJ	Eligibility of Cash Dividend
8-Aug	BUDGET SAUDI	Eligibility of Cash Dividend
8-Aug	AL RAJHI REIT	Eligibility of Cash Dividend
8-Aug	EIC	Eligibility of Cash Dividend

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,046	-4.5	-5.2	-0.3	7.883
Abu Dhabi (ADX)	8,975	-3.4	-3.9	-6.3	17.999
Kuwait (KSE)	7,544	-2.0	-4.5	0.9	21.127
Qatar (QE)	10,057	0.0	-1.0	-7.1	11.325
Oman (MSM)	4,602	-1.0	-1.3	2.0	11.747
Bahrain (BSE)	1,931	-1.0	-2.0	-2.0	7.454
Egypt (EGX30)	27,841	-2.3	-5.2	11.8	7.810

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,703	-2.6	-5.2	2.7	22.2
Nasdaq	17,895	-3.0	-7.6	6.4	31.5
S&P 500	5,186	-3.0	-6.1	8.7	24.3
FTSE 100	8,008	-2.0	-4.3	3.6	14.0
Germany DAX 30	17,339	-1.8	-6.3	3.5	15.3
France CAC 40	7,149	-1.4	-5.1	-5.2	13.5
Japan Nikkei 225	31,458	-12.4	-19.5	-6.0	20.2
Brazil IBOVESPA	125,270	-0.5	-1.9	-6.6	9.2
Hong Kong Hang Seng	16,698	-1.5	-3.7	-2.0	9.3
South Korea KOSPI	2,442	-8.8	-11.9	-8.0	14.4
China Shanghai Composite	2,861	-1.5	-2.7	-3.8	13.5
Australia ASX 200	7,650	-3.7	-5.5	0.8	18.9
India Sensex	78,759	-2.7	-3.6	9.0	24.0
MSCI EM	1,016	-4.2	-6.3	-0.7	15.3
MSCI World	3,343	-3.1	-6.4	5.5	21.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	75.71	-6.5	-7.8	-5.9
Brent Crude (\$/bbl)	76.30	-0.7	-5.5	-1.0
Texas crude (\$/bbl)	72.94	-0.8	-6.4	1.8
Natural Gas (\$/mmbtu)	1.94	-1.3	-4.6	-27.3
Gold (\$/oz)	2,410.79	-1.3	-1.5	16.9
Silver (\$/oz)	27.26	-4.5	-6.0	14.6
Steel (\$/ton)	687.00	0.9	-2.4	-39.5
Iron Ore (CNY/MT)	788.50	0.0	3.2	-24.4
Wheat (\$/bu)	539.50	0.1	2.3	-17.8
Corn (\$/bu)	407.00	0.9	1.8	-19.2
Sugar (\$/lb)	18.08	-0.1	-4.5	-11.9
SMP* (EUR/MT)	2,428.00	0.0	2.8	-5.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.77	-2.3	-0.7	-14.4
KSA (SAIBOR 3M)	6.20	1.0	0.1	-3.4
KSA (SAIBOR 6M)	5.91	-3.1	-4.5	-16.4
KSA (SAIBOR 12M)	5.73	-4.4	-4.5	-26.5
USA (SOFR 3M)	5.13	-9.5	-10.9	-19.9
UAE (EIBOR 3M)	5.17	3.7	-5.7	-15.3

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of Aug 5, 2024





Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,505
Short-term view	Cautious
52 weeks high/low	12,883 – 10,262

Market data	
Exchange Market Cap. (SAR bn)	9,746.2
Value (SAR mn)	10,594.6
Volume (mn)	453.7
Number of Transactions	870,266
Market Breadth	16 : 215

Key statistics	
1D return %	-2.13%
MTD return %	-5.00%
QTD return	-1.50%
YTD return	-3.87%
ADT vol. 3M* (mn)	308.5
ADT val. 3M (SARmn)	7,606.8

*ADT stands for Average Daily Traded

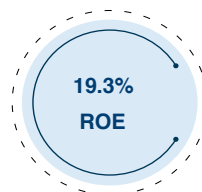
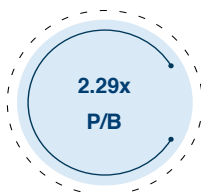
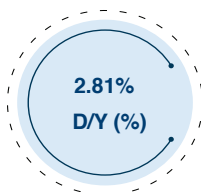
TASI market commentary

- TASI experienced a decline on Monday; primarily driven by the performance of the Materials sector (down 3.27%) and the Banks sector (down 1.37%). At close, the Saudi market ended the day with a change of -2.13% at 11,505. In terms of activity, total volumes and value traded were ~454mn and ~SAR 10.6bn, respectively. The advance-decline ratio came in at 16/215.

Technical outlook

- TASI closed the last session near 11,505, registering another substantial loss of 250 points. The sell-off persisted with another downward opening gap. TASI formed a red candlestick that closed below the lower boundary of a rising channel. This breach suggests a potential downside target near 11,225 followed by another target zone near 11,050 – 11,000. Additionally, the RSI indicator is still moving downward approaching its oversold zone near the 30 level. TASI has an immediate support level of around 11,440. If breached, the subsequent support levels would be around 11,225 - 11,050. On the other hand, an immediate resistance level is observed around 11,650. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,750 – 11,835. TASI is currently testing the support level of the prior bottom, however, it has breached the lower boundary of a rising channel which suggests a potential further decline in the short term. Accordingly, traders are advised to exercise caution and closely monitor the level of around 11,440, as breaching it could trigger potential further selling pressure.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,050	11,225	11,440	11,500	11,650	11,750	11,835



Source: Bloomberg, Argam

TASI daily chart

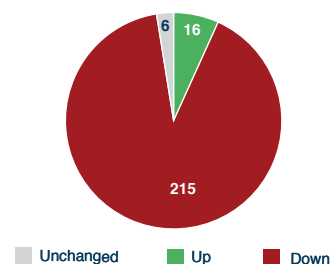


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
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No stocks recommendations due to market volatility

*As of 05th August 2024

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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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