



Major Economic News

- According to a WEF report, **Saudi Arabia** continued to advance on the Road Quality Index which increased at 10% growth from 5.2 level to 5.7, taking the fourth place globally among the G20 countries. (Source: Argam)
- Ministry of Housing, Rural Affairs and Housing** witnessed signing of SAR 2.4bn worth of MoUs along with the launch of three real estate funds at over SAR 1bn. (Source: Argam)

Major Corporate News

- Jadwa Investment completed the purchase of a leased land in Jeddah and transferred it to **Jadwa REIT**. The company anticipates the deal to have a positive financial impact, with the financial impact effects appearing in the fund's financials in Q2-FY24. (Source: Argam)
- Shaker** said that the non-binding Memorandum of Understanding (MoU) with LG Electronics aims to conduct a feasibility study to establish air conditioner compressor manufacturing facility in the Kingdom. It aims to enhance the technical capabilities in the heating, ventilation and air conditioning (HVAC) space. The MoU will help KSA become a major and prominent player in the international HVAC market. (Source: Argam)
- Saudi National Bank** announced its intent to issue US Dollar denominated Sukuk, to eligible investors in KSA and internationally, in order to fulfil bank's financial and strategic objectives. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
Yanbu Petrochemical	18.5	-96.6	NM*	-161.3	NM

*NM indicates Not Meaningful

Market Analysis

The **Saudi Stock Exchange** increased 0.1% to 12,502.0. The value traded stood at SAR 9.2bn (down 10.7% over the previous day), while the advance-decline ratio stood at 155/65. The parallel market index increased 0.3% to 25,274.1 points. The value traded stood at SAR 26.4mn (up 7.9% over the previous day). Most sectors in the main market ended in the green. Food & Beverages and Consumer Durables (up 2.7% and 2.0%, respectively) advanced the most, while Media and Diversified Financials (down 1.2% and 0.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
NADEC	35.30	10.0
DWF	146.60	9.9
ATHEEB TELECOM	106.00	9.8
AMIANIT	75.30	6.8
BAHRI	26.35	5.7

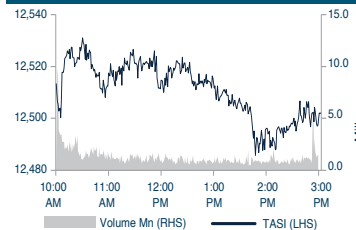
Top Losers

Company	Price	Change%
SOLUTIONS	372.80	-5.3
AWPT	236.00	-3.9
SALAMA	25.90	-3.2
ALLIANZ SF	18.82	-2.9
SAUDI RE	24.42	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,502	12,534	12,484	0.1	4.5
NomuC	25,274	25,402	25,149	0.3	3.0

TASI movement during session



TASI Ratios

P/E* (x)	27.3
Price-to-Book (x)	2.5
Dividend Yield (%)	2
Return on Equity (%)	20.4

*Source: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,031	0.1	-3.0	16.7
Materials	6,209	0.3	-2.3	High
Capital Goods	11,905	0.2	19.9	39.2
Commercial Service	5,715	1.7	2.8	36.7
Transportation	7,443	0.2	17.4	45.2
Consumer Durables	5,220	2.0	3.9	Neg
Consumer Services	5,819	1.9	17.8	40.7
Media	31,657	-1.2	29.1	High
Consumer Discretionary Ret	8,675	0.0	1.7	28.1
Consumer Staples Ret	10,588	0.9	9.4	27.2
Food & Beverages	6,684	2.7	19.2	34.3
Healthcare	13,730	0.0	14.2	High
Pharma & Bio Tech	5,563	1.5	14.5	High
Banks	12,775	-0.3	4.7	14.9
Financial Services	7,467	-0.8	12.3	33.8
Insurance	9,292	0.1	9.7	24.9
Telecom	8,206	0.2	6.3	15.4
Utilities	10,081	-0.6	1.4	20.1
REITs	3,593	-0.2	-2.0	High
Real Estate	3,394	1.1	11.3	High
Software & Services	83,755	0.8	22.1	High

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,425	12,280	12,176	9.23

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.2	386.40	575.60
Previous week	51.1	1,832.20	2,999.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.95	0.0
Al Rajhi	89.50	-0.2
SNB	41.45	-1.2
SABIC	79.00	0.0
STC	41.55	-0.2





International Market News

- The **US Producer Price Index** for final demand increased 0.3% in January after declining 0.1% in December. The increase was stronger than the economist' expectations of a 0.1% increase. This stronger than expected increase was largely driven by a 0.6% increase in the price for services, which has been the biggest increase since last July. (Source: RTT News)
- The **prices of homes** being put up for sale in the UK increased in annual terms for the first time in six months as demand from buyers strengthened, thereby adding to the signs of stabilization of the housing market. The asking prices for homes increased 0.1% in February, versus a year earlier, marking the first ever increase since August 2023. (Source: Reuters)
- China's travel activity** and spending jumped above pre-pandemic levels during the Lunar New year holiday, in a sign that consumption was improving. Around 474mn domestic trips were made during the eight-day festival, marking a 34.3% Y/Y jump, Tourists spending increased 47.3% Y/Y to nearly USD 87.9bn on domestic holiday trips. (Source: CNBC)
- Japan's government** is considering extending fuel subsidies beyond May, as a feeble economy and political pressure drives more fiscal spending. The economy unexpectedly slipped into recession in Q4, thereby underscoring the weakness of private consumption and steady inflation. (Source: Reuters)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.3	0.0	1.0	2.9
Euro	1.1	0.0	-0.4	-2.4
Japanese Yen	150.2	0.0	2.2	6.5
Sterling Pound	1.3	0.0	-0.7	-1.0
Chinese Yuan	7.2	0.0	0.4	1.2
Indian Rupee	83.0	0.0	-0.0	-0.2
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	0.2
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	0.1	-0.0

Corporate Calendar

Date	Company	Event
20-Feb	AMIANIT	EGM
20-Feb	A.OTHAIM MARKET	Eligibility for cash dividend
21-Feb	SABIC AGRI	Cash Dividend Distribution
21-Feb	BANAN	Cash Dividend Distribution
21-Feb	MODERN MILLS	End of IPO
25-Feb	ANB	Cash Dividend Distribution

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,259	0.0	2.2	4.9	8.8
Abu Dhabi (ADX)	9,427	0.0	-0.9	-1.6	18.1
Kuwait (KSE)	8,000	-0.5	0.5	7.0	17.1
Qatar (QE)	10,211	0.6	1.2	-5.7	11.8
Oman (MSM)	4,637	0.1	1.6	2.7	12.5
Bahrain (BSE)	2,052	-0.8	-0.7	4.1	7.9
Egypt (EGX30)	29,126	0.7	3.0	17.0	14.0

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,628	0.0	1.3	2.5	22.1
Nasdaq	17,686	0.0	3.2	5.1	34.5
S&P 500	5,006	0.0	3.3	4.9	24.1
FTSE 100	7,712	0.0	1.1	-0.3	10.4
Germany DAX 30	17,117	0.0	1.3	2.2	14.8
France CAC 40	7,768	0.0	1.5	3.0	14.3
Japan Nikkei 225	38,487	0.0	6.1	15.0	27.5
Russia MOEX	3,242	0.0	0.9	4.6	3.0
Hong Kong Hang Seng	16,340	0.0	5.5	-4.1	8.6
South Korea KOSPI	2,649	0.0	6.1	-0.2	18.7
China Shanghai Composite	2,866	0.0	2.8	-3.7	13.2
Australia ASX 200	7,658	0.0	-0.3	0.9	16.8
India Sensex	72,427	0.0	0.9	0.3	23.0
MSCI EM	1,016	0.0	4.1	-0.7	15.2
MSCI World	3,285	0.0	2.5	3.7	20.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.8	0.0	-1.4	4.1
Brent Crude (\$/bbl)	83.5	0.0	2.2	8.3
Texas crude (\$/bbl)	79.2	0.0	4.4	10.5
Natural Gas (\$/mmbtu)	1.6	0.0	-23.4	-30.9
Gold (\$/oz)	2,013.6	0.0	-1.3	-2.4
Silver (\$/oz)	23.4	0.0	2.0	-1.6
Steel (\$/ton)	929.0	0.0	-3.5	-18.1
Iron Ore (CNY/MT)	981.5	0.0	-6.9	-5.9
Wheat (\$/bu)	559.0	0.0	-7.6	-12.6
Corn (\$/bu)	429.5	0.0	-6.3	-11.3
Sugar (\$/lb)	22.6	0.0	-2.8	10.6
SMP* (EUR/MT)	2,480.0	0.0	-2.1	-3.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.944	3.48	5.9	3.0
KSA (SAIBOR 3M)	6.249	3.98	-11.9	1.6
KSA (SAIBOR 6M)	6.081	-3.77	8.6	0.5
KSA (SAIBOR 12M)	5.895	-2.96	-4.4	-9.9
USA (SOFR 3M)	5.314	0.00	-0.1	-1.7
UAE (EIBOR 3M)	5.339	0.00	10.2	1.2

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 18, 2024





Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,502
Short-term view	Buy
52 weeks high/low	12,534– 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,179.0
Value (SAR mn)	9,236.2
Volume (mn)	386.4
Number of Transactions	575,596
Market Breadth	155 : 65

Key statistics	
1D return %	0.14%
MTD return %	5.98%
QTD return	4.47%
YTD return	4.47%
ADT vol. 3M* (mn)	303.2
ADT val. 3M (SARmn)	7,575.6

*ADT stands for Average Daily Traded

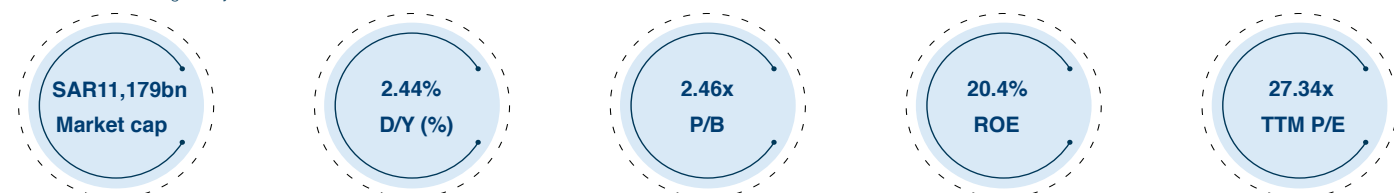
TASI market commentary

- TASI experienced a rise on Sunday; primarily driven by the performance of the Materials sector (up 0.29%) and the Telecommunication services sector (up 0.18%). At close, the Saudi market ended the day with a change of 0.14% at 12,502. In terms of activity, total volumes and value traded were ~386mn and ~SAR 9.2bn, respectively. The advance-decline ratio came in at 155/65.

Technical outlook

- TASI closed the last session near 12,502, registering a gain of 17 points. The index exhibited strong buying attitude at the session's onset, propelling it to achieve a higher 52-week high of around 12,534. However, TASI ended the session with the formation of a Shooting Star candlestick, which requires confirmation by a following bearish candlestick pattern to suggest a potential profit-taking attitude. Notably, the index closed almost at the resistance level of the 127.2% Fibonacci retracement level around 12,500, and another subsequent close above this level would open the path toward the second target of the horizontal channel near 12,700. Moreover, the RSI indicator still moves within the bullish territory above the 50 level. If TASI manages to maintain its position above the level of approximately 12,500, the subsequent resistance levels to watch for would be around 12,700 - 12,915. On the other hand, an immediate support level is observed near 12,345. If breached, the subsequent support would be around 12,280 - 12,190. Traders are advised to buy as long as the index remains above the level around 12,500

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
12,190	12,280	12,345	12,500	12,700	12,915	13,170



Source: Bloomberg, Argam

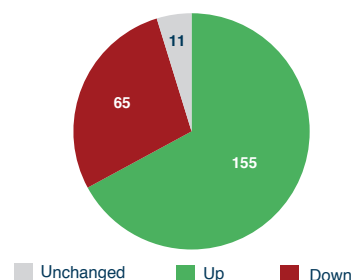
TASI daily chart



Our view



Market depth



Source: Tradingview, Aljazira Capital





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward%	Stop loss
2170	Alujain Corp	43.15	42.72 – 43.15	45.50 – 47.70	10.54%	41.45
1210	Basic Chemical Industries Co.	34.65	34.30 – 34.65	35.75 – 37.05	6.93%	33.60

* As of 18th Feb 2024,

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

CHARTS OF THE WEEK

Technical observations

ALUJAIN closed above the 200-day SMA after finishing a bullish 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 42.72 – 43.15, for a target range of SAR45.50 – 47.70, with a stop loss below SAR41.45 on a closing basis.

Alujain Corp (ALUJAIN)



Source: Tradingview, Aljazira Capital

Technical observations

BCI has just penetrated the upper boundary of a bullish Ascending Triangle price pattern as well as its 200-day SMA. Moreover, the RSI indicator is showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR34.30 – 34.65, for a target range of SAR35.75 – 37.05, with a stop loss below SAR33.60 on a closing basis.

Basic Chemical Industries Co. (BCI)



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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