



## Major Economic News

- **PIF** announced the establishment of Neo Space Group (NSG), a wholly owned by the fund, to become a national champion in the Saudi satellite and space sector. NSG aims to develop and enhance commercial space operations in Saudi Arabia, providing innovative satellite and space solutions locally and globally. It will invest in local and international assets and capabilities, as well as promising venture capital opportunities, to catalyze the advancement and localization of sector-specific expertise. (Source: Argaam)

## Major Corporate News

- **Saudi Aramco** showed interest in acquiring a minority stake in the renewable unit of Spanish oil company Repsol. Repsol has opened its renewable projects to investors willing to take minority stakes in portfolios of wind farms and solar plants to help fund its diversification into renewables and low-carbon businesses away from traditional oil and gas business. (Source: Argaam)
- **Atheeb Telecom** announced that it has been awarded two projects with a Technical and Vocational Training Corporation with a total amount of SAR 45.5mn. The first contract is worth SAR 23.6mn, while the second contract is worth SAR 21.9mn. Atheeb will provide internet services for 77 locations. The project duration will be 12 months and the positive financial impact will be reflected starting from Q1-FY24. (Source: Tadawul)

## Market Analysis

The **Saudi Stock Exchange** decreased 0.2% to 11,831.2. The value traded stood at SAR 5.9bn (up 35.0% over the previous day), while the advance-decline ratio stood at 110/108. The parallel market index decreased 0.7% to 26,448.5 points. The value traded stood at SAR 28.6mn (down 3.3% over the previous day). Most sectors in the main market ended in the red. Diversified Financials and Pharma & Bio Tech (up 1.1% and 0.5%, respectively) advanced the most, while Capital Goods and Media (down 2.6% and 1.9%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
SPM	75.10	4.9
CHUBB	34.10	4.0
MESC	32.85	3.5
SAIC	43.70	3.3
MEPCO	39.40	3.0

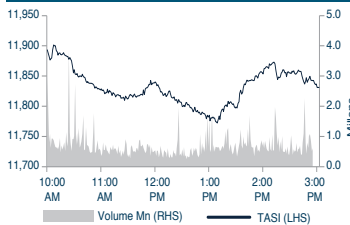
## Top Losers

Company	Price	Change%
EAST PIPES	145.00	-5.8
RIYADH CABLES	99.90	-5.6
SAUDI GERMAN	73.90	-3.8
BONYAN REIT	9.09	-3.6
SEERA	24.74	-3.4

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,831	11,904	11,769	(0.2)	(1.7)
NomuC	26,449	26,740	26,257	(0.7)	7.8

## TASI movement during session



## TASI Ratios

P/E* (x)	26.6
Price-to-Book (x)	2.4
Dividend Yield (%)	2.7
Return on Equity (%)	19.1

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,564	0.2	-10.7	16.6
Materials	5,901	-0.2	-7.7	High
Capital Goods	12,103	-2.6	20.0	26.7
Commercial Service	4,864	-0.4	-12.8	42.1
Transportation	7,026	-0.5	10.6	33.9
Consumer Durables	5,622	0.2	12.9	Neg
Consumer Services	5,094	-0.1	2.3	38.6
Media	27,305	-1.9	11.2	48.2
Consumer Discretionary Ret	7,657	-0.2	-11.1	22.9
Consumer Staples Ret	9,365	-0.5	-4.2	22.4
Food & Beverages	5,799	0.0	3.0	28.8
Healthcare	12,423	-0.2	1.6	43.2
Pharma & Bio Tech	4,851	0.5	-0.3	43.8
Banks	11,107	-0.1	-9.6	12.5
Financial Services	7,673	1.1	13.9	32.7
Insurance	10,290	-0.1	19.7	23.9
Telecom	7,382	-0.4	-5.0	14.3
Utilities	15,938	-0.2	60.6	34
REITs	3,247	-0.2	-11.4	25.3
Real Estate	3,374	0.2	10.4	39.9
Software & Services	68,452	-1.3	-0.2	39.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
11,991	12,070	12,206	6.2

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	10.3	379.70	905.70
Previous week	26.8	1,035.70	2,190.70

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	29.50	0.2
Al Rajhi	77.80	-0.3
SNB	33.70	2.0
ACWA POWER	479.00	-0.2
ALINMA	30.80	1.1





## International Market News

- According to the **key policymakers of the Euro area**, the ECB has room to cut interest rates as inflation slows but must take its time in easing policy. The policymakers warned that easing the rates too late could risk the inflation pushing below the target, which would then force ECB to rush with the rate cuts. (Source: Reuters)
- Japan's** corporate services prices in April rose 2.8% Y/Y, the fastest pace since early 2015. This robust growth was boosted by labor costs, in the services sector, indicating a positive sign for the policymakers looking for wages-led-cycle of demand growth. The annual gains reflect rising labour costs in labour-intensive service businesses such as machine repair and industrial facility renovation. (Source: Reuters)
- According to **Japan's** Finance Minister, the country is concerned about the negative aspects of the current weakness in the yen. The weak yen although boosts the profits for the exporters, but also increases the burdens on companies and consumers, as it pushes up the import prices. Since the country's policy goal has been to achieve wage increases that exceed the rise in prices, the country is more concerned about the negative impact of yen's weakness. (Source: Reuters)
- Oil** prices gained 1.0% on US fuel demand expectations ahead of the OPEC+ meeting.
- Gold** prices gained 0.5% at the back of softer US Dollar and the ongoing geopolitical tensions in the Middle East.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.60	-0.1	-1.5	3.2
Euro	1.09	0.1	1.8	-1.6
Japanese Yen	156.88	-0.1	-0.6	11.2
Sterling Pound	1.28	0.3	2.2	0.3
Chinese Yuan	7.26	-0.0	0.1	1.9
Indian Rupee	83.14	0.1	-0.4	-0.1
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	-0.3	-0.1
Omani Rial	0.38	0.0	-0.0	-0.0
Bahraini Dinar	0.38	0.0	-0.0	0.0
Egyptian Pound	47.17	0.1	-1.5	52.6

## Corporate Calendar

Date	Company	Event
28-May	ZOUJAJ	EGM
28-May	RAOOM	Cash Dividend Distribution
28-May	SADAFCO	Cash Dividend Distribution
28-May	GAS	Cash Dividend Distribution
29-May	SPCC	Cash Dividend Distribution
29-May	ALETIHAD	Eligibility of Cash Dividend

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,027	0.4	-3.1	-0.8	7.9
Abu Dhabi (ADX)	8,831	-0.0	-2.6	-7.8	17.7
Kuwait (KSE)	7,723	-0.8	0.4	3.3	14.3
Qatar (QE)	9,332	-0.7	-4.1	-13.8	10.5
Oman (MSM)	4,791	-0.3	0.1	6.1	12.8
Bahrain (BSE)	2,025	0.2	-0.2	2.7	7.8
Egypt (EGX30)	27,277	-1.0	11.6	9.6	10.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,070	0.0	3.3	3.7	22.9
Nasdaq	18,808	0.0	7.8	11.8	34.7
S&P 500	5,305	0.0	5.3	11.2	24.7
FTSE 100	8,318	0.0	2.1	7.6	15.0
Germany DAX 30	18,775	0.4	4.7	12.1	16.5
France CAC 40	8,132	0.5	1.8	7.8	14.1
Japan Nikkei 225	38,900	0.7	1.3	16.2	26.7
Russia MOEX	3,299	-2.9	-4.9	6.5	4.7
Hong Kong Hang Seng	18,827	1.2	6.0	10.4	10.6
South Korea KOSPI	2,723	1.3	1.1	2.6	17.5
China Shanghai Composite	3,124	1.1	0.6	5.0	14.0
Australia ASX 200	7,788	0.8	1.6	2.6	19.6
India Sensex	75,391	-0.0	1.2	4.4	23.1
MSCI EM	1,090	0.7	4.2	6.5	15.4
MSCI World	3,468	0.2	4.9	9.4	21.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.92	1.5	-5.1	5.6
Brent Crude (\$/bbl)	83.10	1.2	-5.4	7.9
Texas crude (\$/bbl)	77.72	0.0	-5.1	8.5
Natural Gas (\$/mmbtu)	2.52	0.0	26.6	0.0
Gold (\$/oz)	2,350.97	0.7	2.8	14.0
Silver (\$/oz)	31.63	4.5	20.3	32.9
Steel (\$/ton)	789.00	0.0	-3.0	-30.5
Iron Ore (CNY/MT)	905.00	-0.8	2.0	-13.2
Wheat (\$/bu)	697.25	0.0	15.6	8.0
Corn (\$/bu)	464.75	0.0	4.0	-5.9
Sugar (\$/lb)	18.41	0.0	-5.2	-9.8
SMP* (EUR/MT)	2,419.00	-0.8	3.3	-6.1

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.85	0.4	-1.4	-6.5
KSA (SAIBOR 3M)	6.34	7.4	10.2	11.1
KSA (SAIBOR 6M)	6.05	-3.3	-2.5	-2.3
KSA (SAIBOR 12M)	5.90	-0.2	2.1	-9.4
USA (SOFR 3M)	5.34	0.0	1.5	1.1
UAE (EIBOR 3M)	5.30	4.5	-1.7	-2.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 27, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,831
Short-term view	Neutral
52 weeks high/low	12,883 – 10,262

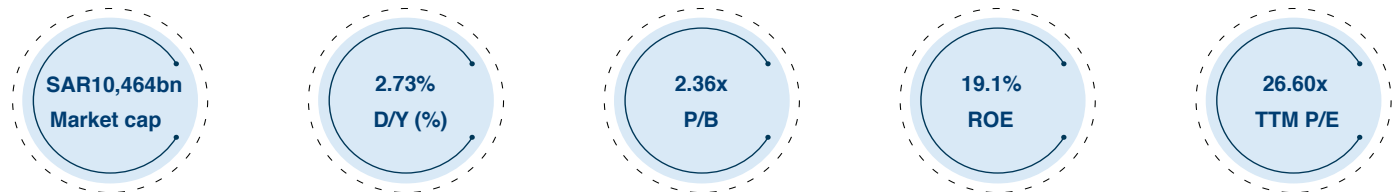
## Market data

Exchange Market Cap. (SAR bn)	10,463.5
Value (SAR mn)	5,899.1
Volume (mn)	214.8
Number of Transactions	532,793
Market Breadth	110 : 108

## Key statistics

1D return %	-0.16%
MTD return %	-4.55%
QTD return	-4.60%
YTD return	-1.14%
ADT vol. 3M* (mn)	328.8
ADT val. 3M (SARmn)	7,919.7

\*ADT stands for Average Daily Traded



Source: Bloomberg, Argaam

## TASI daily chart



Source: Tradingview, Aljazira Capital

## TASI market commentary

- TASI experienced a decline on Monday; primarily driven by the performance of the Telecommunication services sector (down 0.36%) and the Materials sector (down 0.18%). At close, the Saudi market ended the day with a change of -0.16% at 11,831. In terms of activity, total volumes and value traded were ~215mn and ~SAR 5.9bn, respectively. The advance-decline ratio came in at 110/108.

## Technical outlook

- TASI closed the last session near 11,831, registering a loss of 19 points. The index witnessed another declining session pushing it further towards the lower boundary of a declining channel where buying power started to reappear in the second half of the session. TASI has formed a red candlestick that is currently testing the significant support level of the previous bottom around 11,770. Meanwhile, the RSI indicator resumed its decline within the oversold zone below the level of 30 to reach the lower boundary of a declining channel. TASI has an immediate resistance level around 11,935. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,000 – 12,100. On the other hand, an immediate support level is observed around 11,770. If breached, the subsequent support levels would be around 11,620 – 11,465. Traders are advised to approach buying cautiously as long as the index remains above the key support level near the previous bottom of around 11,770. A definitive close below this level has the potential to trigger additional selling pressure.

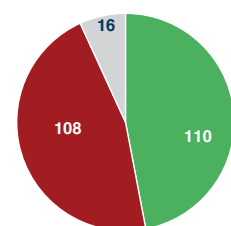
## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,465	11,620	11,770	11,880	11,935	12,000	12,100

## Our view



## Market depth



Unchanged Up Down





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
7040	Atheeb Telecom	115.00	114.80 – 115.00	116.20 – 118.00	113.60
8240	CHUBB	34.10	34.00 – 34.10	34.40 – 34.80	33.70
8250	GIG	29.65	29.60 – 29.65	29.95 – 30.25	29.30
1150	Alinma Bank	30.80	30.70 – 30.80	31.10 – 31.40	30.45
1201	Takween	12.96	12.92 – 12.96	13.08 – 13.22	12.80
1202	MEPCO	39.40	39.30 – 39.40	39.75 – 40.20	38.95

\*As of 27<sup>th</sup> May 2024

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

## CHARTS OF THE DAY

## Technical observations

**Atheeb Telecom** has just penetrated a declining trendline as well as its 10-day SMA. Moreover, all the technical indicators show bullish structure.

## Etihad Atheeb Telecommunication Company (Atheeb Telecom)



Source: Tradingview, Aljazira Capital

## Technical observations

**CHUBB** bounced off the level of the previous bottom and penetrated its 20-day SMA. Moreover, all the technical indicators show bullish structure.

## CHUBB Arabia Cooperative Insurance Co. (CHUBB)



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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