



Domestic Market News

- China's Baosteel doubled its investment in steel plate manufacturing in **KSA** to reach USD 1bn. Project with annual capacity of 1.5mn tons will supply O&G, construction, shipbuilding sectors in MENA region. (Source: Argaam)
- KSA's** oil exports increased 5% Y/Y to SAR 75.9bn in May 2024. Oil exports accounted for 72% of KSA's total exports of SAR 104.7bn. (Source: Argaam)
- As per **SAMA**, medium term global economic risks are geopolitical conflicts, economic fragmentation, trade restrictions. If nominal growth outpaces interest rates, near-term risks remain contained (Source: Argaam).
- Medgulf** signed non-binding MoU with Buruj to evaluate potential merger. MOU will be valid until completion, termination, or 1-year from signing. (Source: Tadawul)
- MIS** signed contract with Microsoft Arabia and Saudi Data Center Fund for data center services. Contract value is more than 50% of latest revenue of the company. Financial impact to be from H1-26. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q2-24	Q2-23	Y/Y %	Q1-24	Q/Q %
ALMUNAJEM	63.8	57.6	10.83	114.0	-44.04
KEC*	-25.1	-1.5	NM	-13.6	NM
YANBU	224.8	27.4	720.44	99.5	125.93
CITY CEMENT	27.8	24.3	14.36	41.6	-33.20
HMG	555.0	486.9	13.97	550.9	0.74
ATHEEB	46.7	52.6	-11.16	18.1	157.75
SHAKER	16.4	15.9	3.54	32.2	-48.9
SABIC AGRI	705.0	651.0	8.29	841.0	-16.17

*NM means Not Meaningful

Market Analysis

The **Saudi Stock Exchange** decreased 0.6% to 12,026.2. The value traded stood at SAR 6.4bn (up 5.8% over the previous day), while the advance-decline ratio stood at 54/170. The parallel market index increased 0.3% to 26,420.0 points. The value traded stood at SAR 38.1mn (down 45.1% over the previous day). Most of the sectors in the main market ended in red. Capital Goods and REITs (up 0.6% and 0.3%, respectively) advanced the most, while Diversified Financials and Consumer Services (down 2.1% each) declined the most.

Top Gainers

Company	Price	Change%
RETAL	12.98	7.1
ALAKARIA	23.38	4.9
EIC	6.92	4.5
TANMIAH	132.80	4.4
ALRAJHI TAKAFUL	218.00	4.3

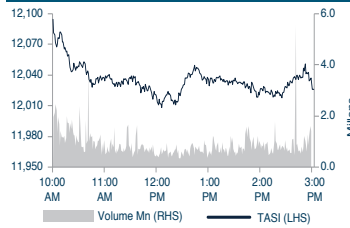
Top Losers

Company	Price	Change%
MIAHONA	36.25	-9.6
ALSAGR INSURANCE	20.34	-5.9
SMASCO	10.02	-5.5
KINGDOM	8.14	-4.6
NCLE	191.20	-4.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,026	12,095	12,008	(0.6)	(0.1)
NomuC	26,420	26,420	26,203	0.3	7.7

TASI movement during session



TASI Ratios

P/E* (x)	26.9
Price-to-Book (x)	2.4
Dividend Yield (%)	2.7
Return on Equity (%)	19.2

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,298	0.0	-15.0	15.7
Materials	5,786	-0.7	-9.5	High
Capital Goods	12,845	0.6	27.4	28.2
Commercial Service	5,218	-1.8	-6.5	38
Transportation	7,873	-1.3	23.9	38.4
Consumer Durables	5,363	-0.2	7.7	Neg
Consumer Services	5,334	-2.1	7.2	39.6
Media	32,200	-0.8	31.1	High
Consumer Discretionary Ret	7,502	-0.5	-12.9	22.2
Consumer Staples Ret	9,245	-0.2	-5.4	22.1
Food & Beverages	6,227	-0.6	10.6	30.9
Healthcare	12,876	-0.6	5.3	45.4
Pharma & Bio Tech	4,759	-0.9	-2.2	45.2
Banks	11,914	-0.7	-3.0	13.4
Financial Services	7,597	-2.1	12.8	34.5
Insurance	11,411	-1.0	32.8	27.8
Telecom	7,700	-0.4	-0.9	15.1
Utilities	13,455	-1.3	35.6	29.1
REITs	3,317	0.3	-9.5	25.8
Real Estate	3,712	-0.1	21.4	43.8
Software & Services	73,356	-0.6	7.0	42.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for July (bn)
12,122	12,087	11,891	6.36

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	33.9	1,618.40	2,558.20
Previous week	37	1,315.90	2,603.80

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	28.00	0.0
Al Rajhi	83.50	-1.1
SNB	37.10	-1.1
ACWA POWER	383.20	-1.2
ALINMA	32.25	0.2





International Market News

- According to **Baker Hughes**, North America's rig count increased 800 in the week ended July 26 from 783 earlier. The rig count rose to 589 in the US from 586 earlier, while decreased to 19 in the Gulf of Mexico from 20. The rig count in Canada increased from 197 to 211. (Source: Baker Hughes)
- US GDP** surged 2.8% in Q2-24, beating economist expectations of 2.0%. The acceleration in real GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in consumer spending. On the inflation front, the report said the personal consumption expenditures price index increased 2.6 percent in Q2-24. (Source: Reuters)
- Initial jobless** claims decreased by 10,000 from the previous week, to 235,000. Economists had expected jobless claims to dip to 238,000. The claims data have been subject to a variety of seasonal factors, but the claims data is consistent with labor market that is cooling but not collapsing. (Source: RTT News)
- Eurozone** inflation expectations remained stable at 2.8% for 2024, after having fallen in May to their lowest level since September 2021. The expectations for next three years also remained unchanged, at 2.3 percent. (Source: Reuters)
- Oil prices** on Friday fell 1.5% on fears from slower demand from China.
- Gold prices** on Friday gained 0.9% driven by weakening of the US treasury yields.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.32	-0.0	-1.5	2.9
Euro	1.09	0.1	1.3	-1.7
Japanese Yen	153.76	-0.1	-4.4	9.0
Sterling Pound	1.29	0.1	1.8	1.1
Chinese Yuan	7.26	0.3	-0.5	1.9
Indian Rupee	83.73	0.0	0.4	0.6
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	-0.5
Omani Rial	0.39	-0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	48.33	-0.0	0.6	56.4

Corporate Calendar

Date	Company	Event
28-Jul	GACO	EGM
28-Jul	MULKIA REIT	Eligibility of Cash Dividend
28-Jul	ASG	Start of offering
30-Jul	FIRST MILLS	Eligibility of Cash Dividend
30-Jul	ANAAM HOLDING	EGM
31-Jul	YANSAB	Eligibility of Cash Dividend

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,280	1.0	6.2	5.4	8.3
Abu Dhabi (ADX)	9,318	0.2	2.8	-2.7	18.6
Kuwait (KSE)	7,801	-0.0	3.4	4.3	21.8
Qatar (QE)	10,098	-0.4	1.3	-6.8	11.4
Oman (MSM)	4,657	0.0	-0.7	3.2	11.4
Bahrain (BSE)	1,975	-0.2	-2.5	0.2	7.6
Egypt (EGX30)	29,091	0.0	4.8	16.9	8.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	40,589	1.6	3.8	7.7	23.3
Nasdaq	19,024	1.0	-3.3	13.1	33.6
S&P 500	5,459	1.1	-0.0	14.5	25.5
FTSE 100	8,286	1.2	1.5	7.1	14.5
Germany DAX 30	18,418	0.6	1.0	9.9	16.2
France CAC 40	7,518	1.2	0.5	-0.3	13.1
Japan Nikkei 225	37,667	-0.5	-4.8	12.6	24.2
Brazil IBOVESPA	127,492	1.2	2.9	-5.0	9.4
Hong Kong Hang Seng	17,021	0.1	-3.9	-0.2	9.5
South Korea KOSPI	2,732	0.8	-2.4	2.9	16.1
China Shanghai Composite	2,891	0.1	-2.6	-2.8	13.6
Australia ASX 200	7,921	0.8	2.0	4.4	19.5
India Sensex	81,333	1.6	2.9	12.6	25.4
MSCI EM	1,072	-0.2	-1.3	4.7	15.5
MSCI World	3,524	1.0	0.4	11.2	21.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.71	1.8	-4.9	4.1
Brent Crude (\$/bbl)	81.13	-1.5	-6.1	5.3
Texas crude (\$/bbl)	77.16	-1.4	-5.4	7.7
Natural Gas (\$/mmbtu)	2.01	-1.7	-22.9	-25.6
Gold (\$/oz)	2,387.19	1.0	2.6	15.7
Silver (\$/oz)	27.93	0.3	-4.2	17.4
Steel (\$/ton)	664.00	0.0	-1.5	-41.5
Iron Ore (CNY/MT)	783.50	2.0	-5.4	-24.9
Wheat (\$/bu)	523.50	-2.6	-8.7	-20.2
Corn (\$/bu)	410.00	-2.6	-2.6	-18.6
Sugar (\$/lb)	18.42	-1.3	-9.3	-10.3
SMP* (EUR/MT)	2,363.00	0.0	-2.5	-8.3

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.83	-0.6	-1.6	-8.0
KSA (SAIBOR 3M)	6.19	-0.5	-4.0	-4.2
KSA (SAIBOR 6M)	6.01	2.0	0.1	-6.4
KSA (SAIBOR 12M)	5.78	-0.9	-9.0	-21.5
USA (SOFR 3M)	5.26	-0.8	-6.9	-7.6
UAE (EIBOR 3M)	5.21	-6.1	-8.8	-11.8

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 25, 2024



Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,026
Short-term view	Profit Booking
52 weeks high/low	12,883 – 10,262

Market data

Exchange Market Cap. (SAR bn)	10,190.0
Value (SAR mn)	6,352.2
Volume (mn)	278.0
Number of Transactions	491,940
Market Breadth	54 : 170

Key statistics

1D return %	-0.62%
MTD return %	2.97%
QTD return	2.97%
YTD return	0.49%
ADT vol. 3M* (mn)	300.6
ADT val. 3M (SARmn)	7,573.9

*ADT stands for Average Daily Traded

TASI market commentary

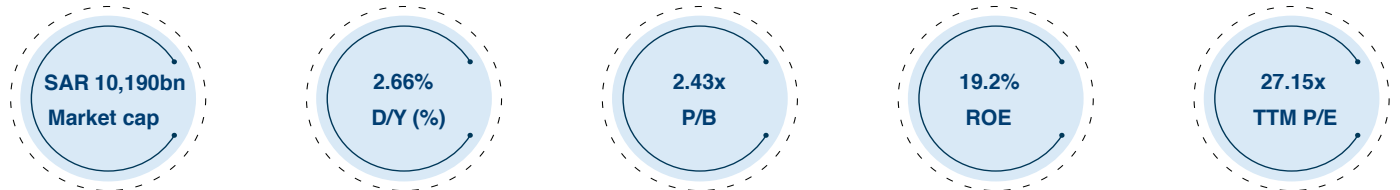
- TASI experienced a decline on Thursday; primarily driven by the performance of the Materials sector (down 0.75%) and the Banks sector (down 0.67%). At close, the Saudi market ended the day with a change of -0.62% at 12,026. In terms of activity, total volumes and value traded were ~278mn and ~SAR 6.4bn, respectively. The advance-decline ratio came in at 54/170.

Technical outlook

- TASI closed the last session near 12,026, recording a loss of 75 points. The index witnessed a resurgence of the prevailing profit-booking attitude, leading to the breach of its 10-day SMA around 12,085. TASI formed a long red candlestick reflecting the dominating profit-booking sentiment among market participants in the near term. Additionally, the RSI indicator continued its downward trajectory, nearing the 50 level. TASI has an immediate support level of around 11,950. If breached, the subsequent support levels would be around 11,890 – 11,810. On the other hand, an immediate resistance level is observed around 12,085. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,190 – 12,235. Due to the dominating profit-booking sentiment of the market participants, TASI has breached its 10-day SMA, indicating a possible further profit-booking attitude. Consequently, traders are advised to closely monitor the support zone of 11,950 – 11,890 near the 20-day SMA, where buying attitudes may reemerge.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,810	11,890	11,950	12,085	12,190	12,235	12,330



Source: Bloomberg, Argam

TASI daily chart

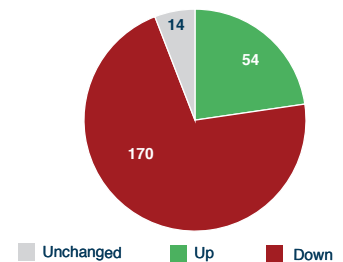


Source: Tradingview, Aljazira Capital

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 25th July 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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