

Major Economic News

- Saudi's oil exports** rose by 1% M/M to 6.3mn barrels per day in November 2023, as per Joint Organizations Data Initiative. The exports increased 13% Y/Y from 7.3mn barrels per day in November 2022. However, the local crude consumption was down 6% to 2.5mn barrels per day in November 2023. (Source: Argaam)
- The President of Board of Grievances and Administrative Judicial Council** launched Saudi's first Administrative Enforcement Court on January 22, 2024. This will constitute a judicial shift that will enhance the commercial and investment environment. (Source: Argaam)

Major Corporate News

- Aramco** awarded contracts worth USD 3.3bn to build new natural gas liquids (NGL) facilities in Saudi. The project will cover engineering, procurement and construction works for the development of new NGL fractionation facilities in the Kingdom. (Source: Argaam)
- Yanbu Cement** estimated a 13% increase in cost of production due to recent adjustments in fuel product prices. The financial impact of this increase will likely be reflected in the Q1-24 financials. (Source: Argaam)
- Alhokair Group** was awarded a project by Alpha Facilities Contracting Company to provide catering services at a residential complex in NEOM. The estimated value of the contract is SAR 760mn and the financial impact is likely to begin in Q1-24. This project will contribute to strengthen the group's business and diversify its sources of income within the goals of its strategic plans. (Source: Argaam)

Market Analysis

The **Saudi Stock Exchange** increased 0.9% to 12,110.3. The value traded stood at SAR 9.4bn (up 43.8% over the previous day), while the advance-decline ratio stood at 126/91. The parallel market index decreased 0.9% to 24,582.9 points. The value traded stood at SAR 26.4mn (down 8.8% over the previous day). Most sectors in the main market ended in the green. Banks and Capital Goods (up 2.3% and 1.9%, respectively) advanced the most, while Commercial Service and Media (down 1.6% and 1.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALHOKAIR GROUP	2.76	10.0
MBC Group	79.90	9.9
TAKWEEN	19.38	6.4
ALUJAIN	44.85	5.3
SGS	41.65	5.2

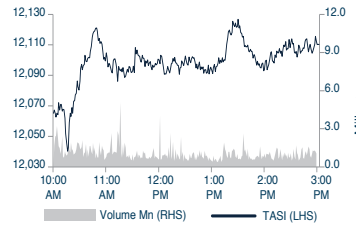
Top Losers

Company	Price	Change%
FITNESS TIME	178.00	-2.2
SVCP	49.45	-2.1
TAWUNIYA	123.20	-2.1
NGC	23.12	-2.0
AMIANITIT	66.70	-1.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,110	12,128	12,038	0.9	1.2
NomuC	24,583	24,911	24,581	(0.9)	0.2

TASI movement during session



TASI Ratios

P/E* (x)	26.3
Price-to-Book (x)	2.4
Dividend Yield (%)	2.5
Return on Equity (%)	20.6

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,974	-0.9	-3.9	16.6
Materials	6,003	0.2	-5.5	High
Capital Goods	10,659	1.9	7.3	34.9
Commercial Service	5,154	-1.6	-7.3	32.8
Transportation	6,872	0.6	8.4	40.7
Consumer Durables	5,051	0.6	0.5	Neg
Consumer Services	5,230	0.3	5.9	37.8
Media	29,359	-1.2	19.7	High
Consumer Discretionary Ret	8,313	0.5	-2.5	26.9
Consumer Staples Ret	10,185	-0.7	5.2	26
Food & Beverages	6,194	-0.6	10.4	32.2
Healthcare	12,611	1.8	4.9	49.1
Pharma & Bio Tech	5,232	-0.3	7.7	High
Banks	12,684	2.3	4.0	14.9
Financial Services	7,200	0.7	8.3	33.1
Insurance	8,577	-0.1	1.2	23.2
Telecom	7,992	0.7	3.5	15.2
Utilities	9,806	1.8	-1.3	19.6
REITs	3,592	0.0	-2.1	High
Real Estate	3,064	-0.1	0.5	45.8
Software & Services	72,953	-0.3	6.4	45.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,043	12,085	12,064	8.74

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	16	615.70	943.40
Previous week	43.8	1,778.20	2,680.20

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.65	-1.1
Al Rajhi	86.80	1.8
SNB	43.15	2.4
SABIC	78.20	0.5
STC	41.85	0.8

International Market News

- The latest report released by the Conference Board reported a modest decrease in its index of leading **US economic indicators** for the month of December, thereby continuing to signal underlying weakness in the US economy. (Source: RTT News)
- Germany's chemicals sector** which is the largest in Europe is being impacted from delayed shipments via the Red Sea, thereby becoming the latest industry to warn of supply disruptions that have forced some companies to curb production. Asian imports ranging from car parts, engineering equipment, chemicals, toys are currently taking longer to arrive. (Source: Reuters)
- The Bank of Japan** expectedly retained its ultra-loose monetary policy at its first meeting for the year. The interest rates were unanimously decided to be kept at -0.1%, and stick to its yield curve control policy, which keeps the upper limit for 10-year Japanese government bond yield at 1%. (Source: CNBC)
- China's capital Beijing** has set a growth target of 5% for 2024, surpassing last year's target of above 4.5%, despite expectations of slower growth for the national economy. (Source: Reuters)
- Oil prices** fell 0.1% impacted by anxiety over the global demand outlook for oil, offset by geopolitical tensions in Middle East and supply worries following an attack on Russian fuel export terminal.
- Gold prices** were flat, amid increasing bets that the US Federal Reserve will keep interest rates higher for longer.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.3	0.0	2.0	2.0
Euro	1.1	-0.1	-1.4	-1.4
Japanese Yen	148.1	-0.0	5.0	5.0
Sterling Pound	1.3	0.0	-0.2	-0.2
Chinese Yuan	7.2	-0.1	1.0	1.0
Indian Rupee	83.1	0.0	-0.2	-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	0.1
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	-0.0

Corporate Calendar

Date	Company	Event
25-Jan	CHEMICAL	Eligibility for Cash dividend
25-Jan	MULKIA REIT	Eligibility for Cash dividend
25-Jan	ProMedEx	Cash dividend distribution
25-Jan	WSM	Start of IPO
28-Jan	GASCO	Cash dividend distribution
28-Jan	AL-MODAWAT	Start of IPO

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,081	-0.0	0.5	0.5	9.1
Abu Dhabi (ADX)	9,680	-0.3	1.1	1.1	27.4
Kuwait (KSE)	7,983	0.4	6.8	6.8	17.0
Qatar (QE)	10,370	0.8	-4.3	-4.3	12.4
Oman (MSM)	4,607	0.1	2.1	2.1	10.1
Bahrain (BSE)	1,994	0.1	1.2	1.2	8.0
Egypt (EGX30)	28,050	1.2	12.7	12.7	13.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,002	0.4	0.8	0.8	22.3
Nasdaq	17,330	0.1	3.0	3.0	33.8
S&P 500	4,850	0.2	1.7	1.7	23.3
FTSE 100	7,488	0.3	-3.2	-3.2	10.1
Germany DAX 30	16,683	0.8	-0.4	-0.4	14.6
France CAC 40	7,413	0.6	-1.7	-1.7	13.1
Japan Nikkei 225	36,547	1.6	9.2	9.2	30.1
Russia MOEX	3,172	0.2	2.4	2.4	2.9
Hong Kong Hang Seng	14,961	-2.3	-12.2	-12.2	7.8
South Korea KOSPI	2,464	-0.3	-7.2	-7.2	17.2
China Shanghai Composite	2,756	-2.7	-7.3	-7.3	12.7
Australia ASX 200	7,477	0.7	-1.5	-1.5	16.5
India Sensex	71,424	0.0	-1.1	-1.1	24.9
MSCI EM	964	-0.7	-5.8	-5.8	14.5
MSCI World	3,189	0.4	0.6	0.6	20.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	81.4	-1.8	1.3	1.3
Brent Crude (\$/bbl)	80.1	1.9	3.9	3.9
Texas crude (\$/bbl)	75.2	2.4	4.9	4.9
Natural Gas (\$/mmbtu)	2.4	-4.0	-3.8	-3.8
Gold (\$/oz)	2,021.7	-0.4	-2.0	-2.0
Silver (\$/oz)	22.1	-2.3	-7.1	-7.1
Steel (\$/ton)	1,070.0	0.0	-5.7	-5.7
Iron Ore (CNY/MT)	1,032.5	0.6	-1.0	-1.0
Wheat (\$/bu)	596.5	0.5	-5.0	-5.0
Corn (\$/bu)	445.8	0.1	-5.4	-5.4
Sugar (\$/lb)	23.5	-0.3	14.2	14.2
SMP* (EUR/MT)	2,545.0	-0.2	-1.2	-1.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.857	3.18	-5.6	-5.6
KSA (SAIBOR 3M)	6.197	-1.26	-3.5	-3.5
KSA (SAIBOR 6M)	6.014	0.11	-6.2	-6.2
KSA (SAIBOR 12M)	5.908	-2.21	-8.6	-8.6
USA (SOFR 3M)	5.319	0.28	-1.3	-1.3
UAE (EIBOR 3M)	5.176	11.89	-15.1	-15.1

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 22, 2024

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,110
Short-term view	Buy
52 weeks high/low	12,344 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,984.6
Value (SAR mn)	9,421.1
Volume (mn)	337.5
Number of Transactions	546,592
Market Breadth	126 : 91

Key statistics	
1D return %	0.89%
MTD return %	1.19%
QTD return	1.19%
YTD return	1.19%
ADT vol. 3M* (mn)	272.5
ADT val. 3M (SARmn)	6,554.5

*ADT stands for Average Daily Traded

TASI market commentary

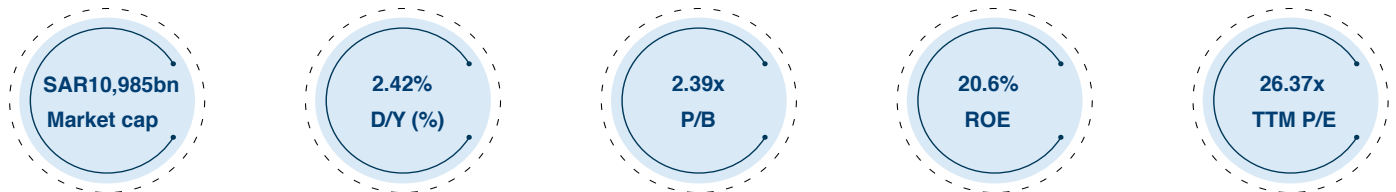
- TASI experienced a rise on Monday; primarily driven by the performance of the Banks sector (up 2.26%) and the Telecommunication services sector (up 0.74%). At close, the Saudi market ended the day with a change of 0.89% at 12,110. In terms of activity, total volumes and value traded were ~338mn and ~SAR 9.4bn, respectively. The advance-decline ratio came in at 126/91.

Technical outlook

- TASI closed near 12,110, recording a gain of 107 points. As expected, the buying attitude resurfaced and propelled the index upward after successfully testing the support zone provided by the rising trendline near the level of the previous peak. TASI formed a green candlestick that surpassed the upper boundary of a declining channel as well as its 10 & 20-day SMAs, signaling the end of the recent profit-booking phase and suggesting a potential further rise. Moreover, the RSI indicator rebounded from around the 50 level and penetrated a declining trendline, indicating a possible re-dominance of the buying sentiment. TASI has an immediate resistance level of nearly 12,140. If successfully penetrated, the following resistance level would be near 12,225 followed by 12,335. Conversely, an immediate support level is observed near 12,000. If breached, the subsequent support would be around 11,930 followed by 11,820. TASI has just broken through the declining channel and the 10-day and 20-day SMAs, suggesting the initiation of a new upward wave. Consequently, traders are advised to consider buying positions and closely monitor the significant resistance of the previous peak around 12,335.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,820	11,930	12,000	12,060	12,160	12,225	12,335



Source: Bloomberg, Argaam

TASI daily chart

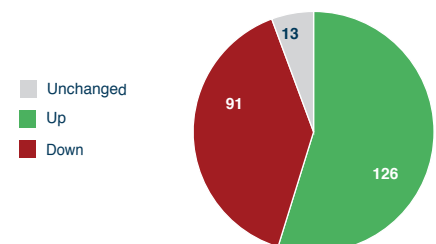


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
2170	Alujain Corp	44.85	44.40 – 44.85	47.50 – 48.50	8.14%	43.30
2083	The Power and Water Utility Company for Jubail and Yanbu	65.60	64.90 – 65.60	68.50 – 70.40	7.32%	63.50

* As of 22th Jan 2024,

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

CHARTS OF THE WEEK

Technical observations

ALUJAIN has penetrated a significant major declining trendline. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 44.40 – 44.85, for a target range of SAR47.50 – 48.50, with a stop loss below SAR**43.30** on a closing basis.

Alujain Corp (ALUJAIN)



Source: Tradingview, Aljazira Capital

Technical observations

Marafiq has penetrated the upper boundary of a bullish continuation Wedge price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR64.90 – 65.60, for a target range of SAR68.50 – 70.40, with a stop loss below SAR**63.50** on a closing basis.

The Power and Water Utility Company for Jubail and Yanbu (Marafiq)



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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