



Major Economic News

- **OPEC** kept its forecasts for global oil demands unchanged for 2024 and 2025. It expects demand to rise by 2.3mn bpd in 2024 and 1.9mn bpd in 2025. Moreover, it also maintained its forecasts for global economic growth in 2024 and 2025 at 2.8% and 2.9%, respectively. (Source: Argaam)
- **According to S&P Global** the oil production by OPEC nations increased by 100,000 bpd to stand at 26.8mn bpd in May. 9 OPEC nations boosted their productions, raising the group's production by nearly 320,000 bpd above their collective targets. (Source: Argaam)

Major Corporate News

- **2P** signed a contract with MoH for implementing, activating and maintaining electronic file for Hafar Al-Batin Health Cluster hospitals. The contract worth SAR 63.3mn will have a positive financial impact over FY24-27. (Source: Tadawul)
- **Acwa Power's** board recommended increasing capital through a SAR 7.1bn rights issue. This capital increase aims to anchor the growth strategy of tripling AUM by 2030 and enhance its financial position. (Source: Argaam)
- **Rawasi** signed a contract with TAWAL to implement work contract for replacement of electro-mechanic equipment for mobile sites. The contract with a value of SAR 11.9mn and a duration of 6 months will have a positive financial impact which may appear during the second half of 2024 and first half of 2025. (Source: Tadawul)

Market Analysis

The **Saudi Stock Exchange** decreased by 0.7% to 11,775.5. The value traded stood at SAR 11.5bn (up 14.7% over the previous day), while the advance-decline ratio stood at 143/80. The parallel market index increased 0.3% to 26,848.2 points. The value traded stood at SAR 187.6mn (up 251.5% over the previous day). Most of the sectors in the main market ended in red. Commercial Service and Capital Goods (up 4.2% and 2.2%, respectively) advanced the most, while Media and Utilities (down 2.1% each) led the laggards.

Top Gainers

Company	Price	Change%
MIAHONA	20.68	10.0
CENOMI RETAIL	8.89	9.4
CHEMICAL	11.08	8.6
ALLIANZ SF	18.82	8.2
EIC	6.03	8.1

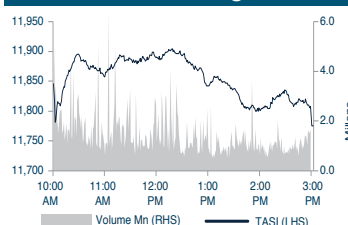
Top Losers

Company	Price	Change%
BAHRI	25.30	-3.3
ACWA POWER	366.00	-2.7
SRMG	211.40	-2.6
SULAIMAN ALHABIB	302.00	-2.2
ANB	20.54	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,775	11,907	11,769	0.7	(2.2)
NomuC	26,848	27,015	26,690	0.3	9.5

TASI movement during session



TASI Ratios

P/E* (x)	26.5
Price-to-Book (x)	2.4
Dividend Yield (%)	2.8
Return on Equity (%)	19.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,332	-0.5	-14.4	15.9
Materials	5,859	-0.2	-8.3	High
Capital Goods	12,258	2.2	21.6	27
Commercial Service	5,200	4.2	-6.8	45.2
Transportation	7,507	-0.7	18.2	36.1
Consumer Durables	5,485	1.0	10.1	Neg
Consumer Services	5,148	1.4	3.4	38.7
Media	27,793	-2.1	13.2	48
Consumer Discretionary Ret	7,671	0.0	-11.0	22.8
Consumer Staples Ret	9,385	-0.6	-4.0	22.5
Food & Beverages	6,044	0.6	7.4	30
Healthcare	13,411	-0.4	9.7	High
Pharma & Bio Tech	4,722	0.8	-3.0	44.1
Banks	11,529	-1.2	-6.2	13
Financial Services	7,909	-1.0	17.4	33.4
Insurance	10,496	-0.7	22.1	24.4
Telecom	7,464	-0.3	-3.9	14.6
Utilities	12,857	-2.1	29.6	27.9
REITs	3,309	0.2	-9.7	25.7
Real Estate	3,450	-0.3	12.9	40.6
Software & Services	69,583	-0.1	1.5	40.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for June (bn)
11,720	11,684	11,854	13.82

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	75.5	2,828.20	1,932.00
Previous week	35.1	1,454.20	2,934.40

Top Weighted Companies

Company	Price	Change%
Al Rajhi	80.00	-1.1
Saudi Aramco	28.20	-0.5
SNB	35.65	-0.1
ACWA POWER	366.00	-2.7
ALINMA	32.00	-2.1





International Market News

- **US small business sentiment** increased by 0.8 points to reach 90.5. It increased for a second month in a row in May to reach its highest level thus far this year. However, the uncertainty perception rose to its highest in three-and-a-half years ahead of the general election, and inflation remained the main worry for business owners. (Source: RTT News)
- **Unemployment rate in UK** increased to 4.4%, while it was forecasted to remain unchanged at 4.3%. The unemployment rate fell to the highest since the middle of 2021 while the wage growth remained strong. The average earnings excluding bonus grew at a steady pace of 6.0% Y/Y, as expected. (Source: Reuters)
- **China's CPI** increased 0.3% Y/Y in May, while the Producer Price Index (PPI) eased to 1.4% in May. However, the underlying trends suggest that China would need to do more to prop-up the feeble domestic demand and uneven economic recovery. The CPI remained slightly negative when compared on M/M terms, but the improvement in PPI was driven by commodity prices. (Source: Reuters)
- **Japan's** wholesale CPI increased 2.4% Y/Y in May, exceeding the consensus estimate of a 2.0% rise. This rise was the fastest in the last 9 months and thus complicating BoJ's path for interest rate hikes. (Source: Reuters)
- **Oil** gained 0.7% on higher-than-expected draw in the US oil inventories.
- **Gold** gained 0.3% on the upcoming US inflation data and Fed decisions.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.23	0.1	0.5	3.8
Euro	1.07	-0.2	-1.0	-2.7
Japanese Yen	157.13	0.1	-0.1	11.4
Sterling Pound	1.27	0.1	-0.0	0.1
Chinese Yuan	7.27	0.1	0.1	2.0
Indian Rupee	83.57	0.1	0.1	0.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	0.0
Kuwaiti Dinar	0.31	-0.0	-0.1	-0.2
Omani Rial	0.38	-0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	47.56	-0.3	0.7	53.9

Corporate Calendar

Date	Company	Event
12-Jun	A.OTHAIM MARKET	Cash Dividend Distribution
12-Jun	ALMUNAJEM	Eligibility for Cash Dividend
12-Jun	CARE	Cash Dividend Distribution
12-Jun	MODERN MILLS	Eligibility for Cash Dividend
12-Jun	ALBABTAIN FOOD	Cash Dividend Distribution
13-Jun	SAUDI GERMAN HEALTH	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,009	0.9	0.8	-1.3	7.9
Abu Dhabi (ADX)	9,000	0.1	1.5	-6.0	18.0
Kuwait (KSE)	7,662	-0.3	-0.3	2.5	20.7
Qatar (QE)	9,632	0.3	3.4	-11.1	10.8
Oman (MSM)	4,696	-0.3	-3.1	4.0	12.5
Bahrain (BSE)	2,039	-0.0	0.0	3.4	7.8
Egypt (EGX30)	26,082	0.7	-3.1	4.8	7.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,747	-0.3	0.2	2.8	22.2
Nasdaq	19,210	0.7	3.6	14.2	33.7
S&P 500	5,375	0.3	1.9	12.7	25.2
FTSE 100	8,148	-1.0	-1.5	5.4	14.6
Germany DAX 30	18,370	-0.7	-0.7	9.7	16.2
France CAC 40	7,789	-1.3	-2.5	3.3	13.5
Japan Nikkei 225	39,135	0.2	1.7	16.9	28.2
Russia MOEX	3,171	-0.3	-1.4	2.3	4.5
Hong Kong Hang Seng	18,176	-1.0	0.5	6.6	10.3
South Korea KOSPI	2,705	0.2	2.6	1.9	16.0
China Shanghai Composite	3,028	-0.8	-1.9	1.8	14.2
Australia ASX 200	7,755	-1.3	0.7	2.2	19.5
India Sensex	76,457	-0.0	3.4	5.8	24.0
MSCI EM	1,066	-0.4	1.6	4.1	15.4
MSCI World	3,480	-0.1	1.0	9.8	21.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.45	2.1	0.1	5.0
Brent Crude (\$/bbl)	81.92	0.4	0.4	6.3
Texas crude (\$/bbl)	77.90	0.2	1.2	8.7
Natural Gas (\$/mmbtu)	3.13	7.7	21.0	18.0
Gold (\$/oz)	2,317.01	0.3	-0.4	12.3
Silver (\$/oz)	29.28	-1.6	-3.7	23.0
Steel (\$/ton)	728.00	0.4	-4.3	-35.9
Iron Ore (CNY/MT)	902.00	0.1	2.0	-13.5
Wheat (\$/bu)	626.50	3.1	-7.7	-3.0
Corn (\$/bu)	449.50	-0.5	0.7	-9.0
Sugar (\$/lb)	18.75	0.9	2.5	-8.7
SMP* (EUR/MT)	2,530.00	0.0	4.1	-1.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.87	-1.3	0.2	-3.9
KSA (SAIBOR 3M)	6.27	2.9	3.4	3.5
KSA (SAIBOR 6M)	6.01	-0.8	-10.1	-6.6
KSA (SAIBOR 12M)	5.85	-0.0	-3.5	-14.7
USA (SOFR 3M)	5.35	0.4	0.4	1.5
UAE (EIBOR 3M)	5.23	-13.9	-9.3	-9.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of June 11, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,776
Short-term view	Cautious Buy
52 weeks high/low	12,883 – 10,262

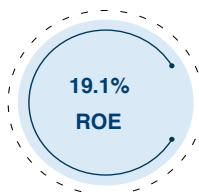
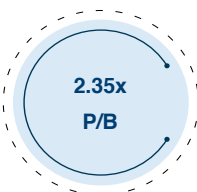
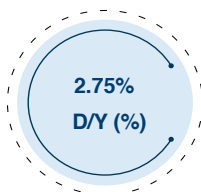
Market data

Exchange Market Cap. (SAR bn)	10,204.9
Value (SAR mn)	11,497.2
Volume (mn)	494.3
Number of Transactions	658,511
Market Breadth	143 : 80

Key statistics

1D return %	-0.66%
MTD return %	2.36%
QTD return	-5.05%
YTD return	-1.60%
ADT vol. 3M* (mn)	339.5
ADT val. 3M (SARmn)	8,487.2

*ADT stands for Average Daily Traded



Source: Bloomberg, Argam

TASI daily chart



Source: Tradingview, Aljazira Capital

TASI market commentary

- TASI experienced a decline on Tuesday; primarily driven by the performance of the Banks sector (down 1.19%) and the Energy sector (down 0.53%). At close, the Saudi market ended the day with a change of -0.66% at 11,776. In terms of activity, total volumes and value traded were ~494mn and ~SAR 11.5bn, respectively. The advance-decline ratio came in at 143/80.

Technical outlook

- TASI closed the last session near 11,776, marking a loss of 78 points. The profit booking sentiment persisted following the test of the significant resistance level of the 200-day EMA around 11,900, pushing the index downward to retest a previously penetrated declining trendline. TASI formed a red candlestick, reflecting the current temporary profit booking attitude. Moreover, the RSI indicator is still hovering above the penetrated upper boundary of a declining channel, indicating a potential positive breakout in the price action. TASI has an immediate support level of around 11,680. If breached, the subsequent support levels would be around 11,570–11,440. On the other hand, an immediate resistance level is observed around 11,900. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,000 – 12,165. Traders are advised to consider buying opportunities cautiously as long as the index maintains trading above its 10-day SMA around 11,680. Additionally, it is crucial to closely monitor the significant resistance of the 200-day EMA and the declining trendline around 11,900 – 12,000, as a decisive close above it may potentially indicate the end of the previous downside correction.

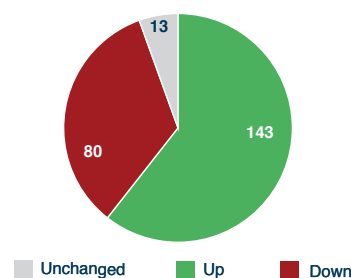
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,440	11,570	11,680	11,830	11,900	12,000	12,165

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	*Close	Buy range	Sell range	Stop loss
2081	Alkhorayef	184.40	184.00 – 184.40	186.00 – 188.20	182.20
2040	Saudi Ceramic	35.45	35.35 – 35.45	35.80 – 36.35	35.05
1211	Maaden	45.70	45.60 – 45.70	46.10 – 46.60	45.15
1820	Alhokair Group	2.70	2.69 – 2.70	2.73 – 2.75	2.67
4192	Alsaif Gallery	9.81	9.79 – 9.81	9.90 – 10.08	9.69
4191	Abo Moati	28.95	28.90 – 28.95	29.20 – 29.55	28.60
4290	Alkhaleej Training	32.90	32.85 – 32.90	33.20 – 33.60	32.50
2060	Tasnee	11.88	11.86 – 11.88	12.00 – 12.12	11.74

*As of 11th June 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

AWPT has just penetrated the level of the prior peak. Moreover, all the technical indicators show bullish structure.

Alkhorayef Water and Power Technologies Co. (AWPT)



Source: Tradingview, Aljazira Capital

Technical observations

Saudi Ceramics penetrated its 20-day and 50-day SMAs as well as the level of the prior minor peak. Moreover, all the technical indicators show bullish structure.

Saudi Ceramic Co. (Saudi Ceramics)



Source: Tradingview, Aljazira Capital



Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

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.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Asset Management | Brokerage | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068