



## Major Economic News

- **Saudi Arabia's non-oil exports** increased by 12.0% or SAR 2.8bn Y/Y to around SAR 26.5bn in December 2023. Thus, non-oil exports reported their first annual rise since October 2022. On an M/M basis, non-oil exports rose by 17.0% or SAR 3.8bn. (Source: Argaam)
- **PIF** intends to acquire a stake in Saudi Binladin Group (SBG), as per Bloomberg report. The fund is working with Morgan Stanley on the potential deal to buy into SBG. (Source: Argaam)

## Major Corporate News

- **City Cement Co.** expects the increase in fuel prices, announced earlier by Saudi Aramco, will raise total costs for the company by an estimated 8.0%. The cement producer said its investments in alternative fuel and waste heat recovery systems had a positive impact by mitigating the financial impact. The impact will likely be reflected in financial statements beginning Q1-24. (Source: Tadawul)
- **Kinan International for Real Estate Development Co.** called off plans for listing on Nomu-Parallel Market, due to some developments that require the reissuance of a supplementary prospectus. (Source: Tadawul)

## Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
Hail Cement	3.2	22.3	-85.5	-3.1	NM
Saudi Steel Pipe	57.2	11.0	419.6	25.0	129.0
Qassim Cement	40.9	53.0	-22.9	8.1	408.2

\*NM – No meaning

## Market Analysis

The **Saudi Stock Exchange** increased 0.2% to 12,634.3 on Wednesday. The value traded stood at SAR 8.6bn (down 16.3% over the previous day), while the advance-decline ratio stood at 90/130. The parallel market index decreased 0.3% to 25,507.7 points. The value traded stood at SAR 63.0mn (up 104.2% over the previous day). Most sectors in the main market ended in the green. Energy and Consumer Durables (up 1.1% each) advanced the most, while Retailing and Telecom (down 2.0% and 1.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
AMIANITIT	26.60	9.8
ALBAHA	0.15	7.1
SALAMA	26.80	4.9
ATHEEB TELECOM	101.80	4.4
ALHOKAIR GROUP	2.96	4.2

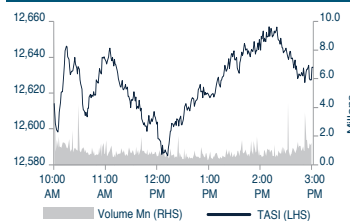
## Top Losers

Company	Price	Change%
GACO	19.40	-4.0
MAHARAH	6.83	-3.3
BUDGET SAUDI	89.50	-3.0
SACO	39.95	-2.8
SPM	52.70	-2.4

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,634	12,660	12,582	0.2	5.6
NomuC	25,508	25,756	25,439	(0.3)	4.0

## TASI movement during session



## TASI Ratios

P/E* (x)	27.7
Price-to-Book (x)	2.5
Dividend Yield (%)	2.1
Return on Equity (%)	20.4

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,044	1.1	-2.8	16.7
Materials	6,229	-0.2	-1.9	High
Capital Goods	12,017	0.3	21.0	39.9
Commercial Service	5,618	-1.0	1.1	36.1
Transportation	7,429	-0.8	17.2	45
Consumer Durables	5,399	1.1	7.5	Neg
Consumer Services	5,793	0.2	17.3	40.6
Media	32,013	0.4	30.5	High
Consumer Discretionary Ret	8,747	-2.0	2.6	28.3
Consumer Staples Ret	10,454	-0.3	8.0	27
Food & Beverages	6,785	-0.1	21.0	34.7
Healthcare	14,070	0.3	17.0	High
Pharma & Bio Tech	5,602	-0.2	15.4	High
Banks	12,994	0.5	6.5	15.2
Financial Services	7,431	-0.7	11.7	33.7
Insurance	9,470	1.0	11.8	25.4
Telecom	8,284	-1.5	7.3	15.6
Utilities	10,176	0.0	2.4	20.2
REITs	3,595	0.2	-2.0	High
Real Estate	3,453	0.2	13.3	High
Software & Services	83,596	-1.0	21.9	High

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,564	12,437	12,249	9.43

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	39.9	1,475.10	2,377.60
Previous week	51.1	1,832.20	2,999.40

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.00	1.1
Al Rajhi	90.60	-0.1
SNB	42.65	1.1
SABIC	79.10	-0.4
STC	41.95	-2.0





## International Market News

- According to **Baker Hughes**, North America's rig count increased 857 in the week ended February 23 from 855 earlier. The rig count rose to 626 in the US from 621 earlier, while increased to 18 in the Gulf of Mexico from 17. The rig count in Canada decreased to 231 from 234 earlier. (Source: Baker Hughes)
- According to **EIA**, oil inventories in the US rose 3.5mn barrels (prior: up 12.0mn) to 443.0mn in the week ended February 16. Gasoline inventories decreased 0.3mn barrels (prior: down 3.7mn) to 247.0mn, while distillate inventories fell 4.0mn barrels (prior: down 1.9mn) to 121.7mn. (Source: EIA, Econoday)
- The minutes of the **US Federal Reserve's** last meeting indicated that the officials were in no hurry to cut interest rates and expressed both optimism and caution on inflation. (Source: CNBC)
- US initial jobless claims** decreased to 201,000 (consensus: 216,000) in the week ended February 17, representing a fall of 12,000 from the previous week's revised level of 213,000. (Source: Econoday)
- Eurozone consumer prices** rose 2.8% Y/Y in January (in line with the consensus) compared to a 2.9% increase in December. The core inflation eased to 3.3% in January (in line with the consensus) from 3.4% a month ago. (Source: RTT News)
- Oil** declined 2.5% due to indications of delayed rate cuts from the US Federal Reserve, that weighed on the outlook for crude demand.
- Gold** prices rose 0.5%, as there was a slight recovery from steep losses in the last two weeks.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.94	-0.0	0.6	2.6
Euro	1.08	-0.0	0.0	-2.0
Japanese Yen	150.51	-0.0	2.4	6.7
Sterling Pound	1.27	0.1	-0.1	-0.5
Chinese Yuan	7.21	0.0	0.3	1.1
Indian Rupee	82.95	0.1	-0.1	-0.3
UAE Dirham	3.67	0.0	-0.0	0.0
Qatari Rial	3.65	0.0	0.1	0.1
Kuwaiti Dinar	0.31	0.1	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	30.90	0.0	0.1	-0.0

## Corporate Calendar

Date	Company	Event
25-Feb	STC	Eligibility for Cash Dividend
25-Feb	ANB	Cash Dividend Distribution
25-Feb	SAIB	Eligibility for Cash Dividend
25-Feb	YANSAB	Eligibility for Cash Dividend
25-Feb	ALDAWAA	Cash Dividend Distribution
27-Feb	ALLIANZ SF	EGM

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,226	-0.1	1.4	4.1	8.700
Abu Dhabi (ADX)	9,280	-0.4	-2.4	-3.1	24.485
Kuwait (KSE)	8,128	-0.1	2.1	8.7	17.338
Qatar (QE)	10,303	-0.6	2.1	-4.9	11.911
Oman (MSM)	4,571	-0.2	0.2	1.3	12.292
Bahrain (BSE)	2,050	0.0	-0.8	4.0	7.802
Egypt (EGX30)	29,310	0.1	3.6	17.7	14.084

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,132	0.2	2.6	3.8	22.3
Nasdaq	17,938	-0.4	4.7	6.6	35.0
S&P 500	5,089	0.0	5.0	6.7	24.2
FTSE 100	7,706	0.3	1.0	-0.3	10.4
Germany DAX 30	17,419	0.3	3.1	4.0	15.1
France CAC 40	7,967	0.7	4.0	5.6	14.1
Japan Nikkei 225	39,099	0.0	7.7	16.8	27.9
Russia MOEX	3,142	0.0	-2.2	1.4	2.9
Hong Kong Hang Seng	16,726	-0.1	8.0	-1.9	8.8
South Korea KOSPI	2,668	0.1	6.8	0.5	18.6
China Shanghai Composite	3,005	0.6	7.8	1.0	13.8
Australia ASX 200	7,644	0.4	-0.5	0.7	16.8
India Sensex	73,143	-0.0	1.9	1.2	23.2
MSCI EM	1,028	-0.1	5.4	0.4	15.4
MSCI World	3,334	0.1	4.0	5.2	20.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.57	-0.6	-1.6	3.9
Brent Crude (\$/bbl)	81.62	-2.5	-0.1	5.9
Texas crude (\$/bbl)	76.49	-2.7	0.8	6.8
Natural Gas (\$/mmbtu)	1.60	-7.4	-23.7	-31.1
Gold (\$/oz)	2,035.40	0.5	-0.2	-1.3
Silver (\$/oz)	22.95	0.9	-0.0	-3.6
Steel (\$/ton)	922.00	0.0	-4.3	-18.8
Iron Ore (CNY/MT)	967.50	-3.9	-8.3	-7.2
Wheat (\$/bu)	569.00	-1.8	-6.0	-11.0
Corn (\$/bu)	413.50	-1.2	-9.8	-14.6
Sugar (\$/lb)	21.82	-1.6	-6.2	6.9
SMP* (EUR/MT)	2,475.00	0.0	-2.3	-4.0

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.93	0.4	5.0	2.1
KSA (SAIBOR 3M)	6.25	1.1	-12.2	1.3
KSA (SAIBOR 6M)	6.13	4.8	13.0	5.0
KSA (SAIBOR 12M)	5.90	-2.4	-3.5	-9.1
USA (SOFR 3M)	5.33	0.7	1.5	-0.1
UAE (EIBOR 3M)	5.34	9.4	10.0	1.0

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 22, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,634
<b>Short-term view</b>	Buy
52 weeks high/low	12,661 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	11,227.7
Value (SAR mn)	8,605.5
Volume (mn)	301.1
Number of Transactions	507,543
Market Breadth	90 : 130

## Key statistics

1D return %	0.22%
MTD return %	7.10%
QTD return	5.57%
YTD return	5.57%
ADT vol. 3M* (mn)	309.1
ADT val. 3M (SARmn)	7,848.8

\*ADT stands for Average Daily Traded

## TASI market commentary

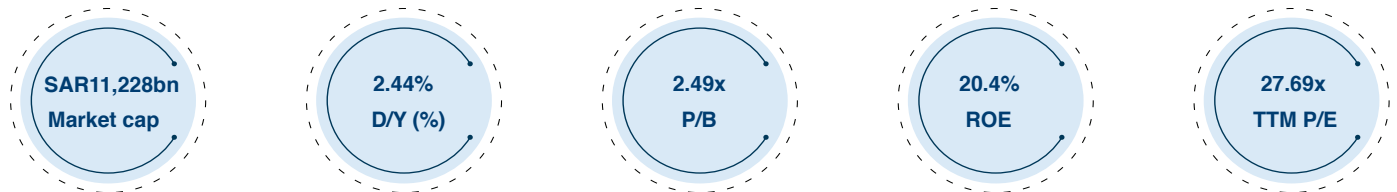
- TASI experienced a rise on Wednesday; primarily driven by the performance of the Energy sector (up 1.08%) and the Banks sector (up 0.48%). At close, the Saudi market ended the day with a change of 0.22% at 12,634. In terms of activity, total volumes and value traded were ~301mn and ~SAR 8.6bn, respectively. The advance-decline ratio came in at 90/130. TASI experienced a rise on Wednesday; primarily driven by the performance of the Energy sector (up 1.08%) and the Banks sector (up 0.48%). At close, the Saudi market ended the day with a change of 0.22% at 12,634. In terms of activity, total volumes and value traded were ~301mn and ~SAR 8.6bn, respectively. The advance-decline ratio came in at 90/130.

## Technical outlook

- TASI closed the previous session near 12,634, registering another modest gain of 28 points. The index witnessed a coiled session, ultimately closing in green territory. TASI formed a Spinning Top candlestick, which necessitates confirmation from a following bearish candlestick pattern to suggest a potential temporary profit-booking attitude. Importantly, TASI may sustain its ongoing upward movement toward the potential second target near 12,700, as long as it maintains trading above its 10-day SMA around 12,435. Moreover, the RSI indicator is still moving upward within the overbought zone above the 70 level. TASI has an immediate resistance level near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,920 - 13,170. On the other hand, an immediate support level is observed near 12,500. If breached, the subsequent support levels would be around 12,435 - 12,280. Traders are advised to keep considering buying opportunities and closely monitor the significant resistance level around 12,700.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
12,200	12,280	12,435	12,500	12,700	12,920	13,170



Source: Bloomberg, Argaam

## TASI daily chart

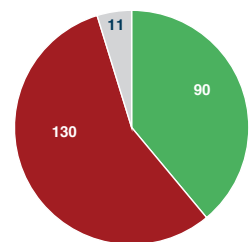


Source: Tradingview, Aljazira Capital

## Our view



## Market depth



■ Unchanged
 ■ Up
 ■ Down





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
3003	City Cement Co.	18.44	18.40 – 18.44	18.62 – 18.92	18.24
4300	Dar Alarkan Real Estate Development Co	13.26	13.24 – 13.26	13.38 – 13.70	13.12
1140	Bank Albilad	50.10	49.95 – 50.10	50.55 – 51.40	49.55
4200	Aldrees Petroleum and Transport Services Co.	178.80	178.40 – 178.80	180.60 – 185.60	176.80
8200	Saudi Reinsurance Co.	24.68	24.62 – 24.68	24.92 – 25.35	24.40
8150	Allied Cooperative Insurance Group	14.64	14.60 – 14.64	14.78 – 15.18	14.48

\* As of 21<sup>st</sup> Feb 2024

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

## CHARTS OF THE DAY

## Technical observations

**CITY CEMENT** started to bounce off the level of the prior peak as well as its 10-day SMA. Moreover, all the technical indicators show bullish structure.

## City Cement Co. (CITY CEMENT)



Source: Tradingview, Aljazira Capital

## Technical observations

**DAR ALARKAN** has penetrated its 20-day SMA after penetrating a declining trendline. Moreover, all the technical indicators show bullish structure.

## Dar Alarkan Real Estate Development Co (DAR ALARKAN)



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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