



Major Economic News

- **Saudi Air Connectivity Program** aims to attract US, Canadian, and Brazilian airlines to Saudi Arabia, and bring more low-cost airlines from major hubs in Europe. The number of the existing airlines is not sufficient, and there is a need for foreign airlines in order to regulate the market and achieve strategic aviation goals. The program will prioritize the national airlines including Saudia, FlyNas, and Riyadh Air, enhance secondary markets and boost direct connectivity to various regions. The program targets to achieve this by 2030 as some airlines make decisions in a short period and others have a very long decision-making process.. (Source: Argaam)

Major Corporate News

- **Ladun** signed a rental contract with Real Estate Development Fund for 5 years with a total contract value of SAR 107.9mn. The company is expecting positive impact on its financial statements over FY24-28. (Source: Tadawul)
- **Lana Medical** was awarded a project worth SAR 29.9mn by the Secretariat General of the Gulf Cooperation Council. Under this contract, Lana's unit Lana Contracting Co. will construct buildings at the Unified Military Command in Riyadh. The project implementation includes all construction and architectural works, electrical and mechanical systems for the buildings, and coordination of the general site. The company is expecting the positive impact on its financial statements to appear from Q3-24. (Source: Argaam)

Market Analysis

The **Saudi Stock Exchange** decreased 1.7% to 11,612.0. The value traded stood at SAR 7.1bn (down 10.5% over the previous day), while the advance-decline ratio stood at 28/198. The parallel market index decreased 2.0% to 26,033.0 points. The value traded stood at SAR 63.1mn (up 34.4% over the previous day). All sectors in the main market ended in red. Insurance and Materials (down 2.7% and 2.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAL	270.40	2.7
SAUDI GERMAN	81.20	2.5
TANMIAH	124.80	2.5
SPPC	14.20	2.2
FITNESS TIME	203.60	1.9

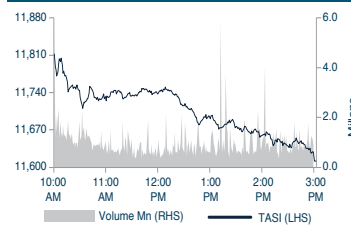
Top Losers

Company	Price	Change%
ALBAHA	0.13	-7.1
ALRAJHI TAKAFUL	154.20	-5.8
NCLE	153.60	-5.4
ARABIAN DRILLING	130.00	-5.1
2P	29.75	-5.0

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,612	11,812	11,612	(1.7)	(3.5)
NomuC	26,033	26,633	26,033	(2.0)	6.1

TASI movement during session



TASI Ratios

P/E* (x)	26.1
Price-to-Book (x)	2.3
Dividend Yield (%)	2.8
Return on Equity (%)	19.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,329	-2.4	-14.5	15.8
Materials	5,799	-2.4	-9.3	High
Capital Goods	11,719	-1.9	16.2	25.7
Commercial Service	4,903	-0.6	-12.1	42.6
Transportation	7,142	-0.4	12.4	34.5
Consumer Durables	5,363	-1.8	7.7	Neg
Consumer Services	5,032	-2.0	1.1	37.9
Media	27,679	-2.0	12.7	47.7
Consumer Discretionary Ret	7,528	-2.1	-12.6	22.4
Consumer Staples Ret	9,272	-1.0	-5.1	22.2
Food & Beverages	5,762	-2.2	2.4	28.7
Healthcare	12,723	-0.2	4.1	44.3
Pharma & Bio Tech	4,504	-1.7	-7.5	42.2
Banks	11,232	-1.0	-8.6	12.7
Financial Services	7,804	-1.1	15.9	33.2
Insurance	10,385	-2.7	20.8	24.1
Telecom	7,326	-1.3	-5.7	14.3
Utilities	13,691	-2.2	38.0	29.5
REITs	3,228	-0.5	-11.9	25.1
Real Estate	3,367	-2.1	10.2	39.8
Software & Services	68,895	-1.3	0.5	40.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
11,649	11,774	11,992	6.48

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	20.6	919.50	1,781.00
Previous week	35	1,250.70	2,548.20

Top Weighted Companies

Company	Price	Change%
Al Rajhi	77.70	-0.5
Saudi Aramco	28.20	-2.4
SNB	34.60	-1.7
ACWA POWER	397.00	-2.5
ALINMA	30.85	-2.2





International Market News

- **Factory orders** in the US increased by 0.7% in April compared to consensus estimates of 0.6%. The slightly bigger than expected increase in factory orders in April came as orders for durable goods rose by 0.6%, while orders for non-durable goods advanced by 0.8%. shipments of manufactured goods jumped by 1.0 percent in April. (Source: RTT News)
- **The job openings in the US** fell to 8.1mn in April from 8.4mn in March. Consensus had anticipated the job openings to dip to 8.3mn. The decline in openings signal a slower pace of hiring in the months ahead and with layoffs remaining low, the net job growth should continue to be positive. The unchanged quits rate is at a level that is consistent with ongoing moderation in wage growth. (Source: Reuters)
- **China's services PMI** increased to 54.0 in May, from 52.5 in April. The services activity in May accelerated at the quickest pace in 10 months while staffing levels expanded for the first time since January. Faster new business inflows underpinned services activity growth. New business increased at the quickest pace since May 2023, as did new export business. (Source: Reuters)
- **Oil prices** fell 1.1% on scepticism about an OPEC+ decision to boost supply later this year into a global market where demand has already shown signs of weakness.
- **Gold prices** declined 0.9% as investors anticipated US jobs data which could impact Fed's interest rate decisions.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.11	-0.0	-0.5	2.7
Euro	1.09	-0.2	0.3	-1.4
Japanese Yen	154.88	-0.8	-1.5	9.8
Sterling Pound	1.28	-0.3	0.2	0.3
Chinese Yuan	7.25	-0.1	-0.2	1.7
Indian Rupee	83.53	0.5	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	-0.1	-0.2	-0.3
Omani Rial	0.39	0.0	-0.0	0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	47.40	0.5	0.3	53.4

Corporate Calendar

Date	Company	Event
5-Jun	ALHAMMADI	Cash Dividend Distribution
5-Jun	PETRO RABIGH	EGM
6-Jun	BAAZEEM	EGM
6-Jun	BUDGET SAUDI	Cash Dividend Distribution
6-Jun	FAD	EGM
6-Jun	MULKIA	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,986	-0.2	0.2	-1.8	7.9
Abu Dhabi (ADX)	8,919	0.0	0.6	-6.9	17.9
Kuwait (KSE)	7,652	0.2	-0.4	2.3	20.6
Qatar (QE)	9,464	0.6	1.6	-12.6	10.7
Oman (MSM)	4,783	-0.8	-1.3	6.0	12.8
Bahrain (BSE)	2,042	0.2	0.1	3.6	7.8
Egypt (EGX30)	26,973	0.5	0.2	8.4	7.7

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,711	0.4	0.1	2.7	22.2
Nasdaq	18,655	0.3	0.6	10.9	32.7
S&P 500	5,291	0.2	0.3	10.9	24.8
FTSE 100	8,232	-0.4	-0.5	6.5	14.8
Germany DAX 30	18,406	-1.1	-0.5	9.9	16.2
France CAC 40	7,938	-0.8	-0.7	5.2	13.8
Japan Nikkei 225	38,837	-0.2	0.9	16.1	27.3
Russia MOEX	3,187	1.4	-0.9	2.8	4.5
Hong Kong Hang Seng	18,444	0.2	2.0	8.2	10.3
South Korea KOSPI	2,662	-0.8	1.0	0.3	15.7
China Shanghai Composite	3,091	0.4	0.1	3.9	14.1
Australia ASX 200	7,737	-0.3	0.5	1.9	19.5
India Sensex	72,079	-5.7	-2.5	-0.2	22.6
MSCI EM	1,052	-1.6	0.3	2.8	15.3
MSCI World	3,454	0.0	0.2	9.0	21.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.14	-5.1	-5.0	-0.3
Brent Crude (\$/bbl)	77.52	-1.1	-5.0	0.6
Texas crude (\$/bbl)	73.25	-1.3	-4.9	2.2
Natural Gas (\$/mmbtu)	2.59	-6.2	-0.0	-2.5
Gold (\$/oz)	2,327.01	-1.0	-0.0	12.8
Silver (\$/oz)	29.50	-4.0	-3.0	24.0
Steel (\$/ton)	741.00	-1.3	-2.6	-34.7
Iron Ore (CNY/MT)	863.50	-0.6	-2.3	-17.2
Wheat (\$/bu)	658.25	-2.2	-3.0	1.9
Corn (\$/bu)	442.50	-0.2	-0.8	-10.4
Sugar (\$/lb)	18.86	0.4	3.1	-7.6
SMP* (EUR/MT)	2,448.00	0.9	0.7	-5.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.91	-2.3	3.5	-0.6
KSA (SAIBOR 3M)	6.26	-0.4	2.4	2.5
KSA (SAIBOR 6M)	6.15	3.5	4.2	7.8
KSA (SAIBOR 12M)	5.89	-0.9	0.5	-10.7
USA (SOFR 3M)	5.34	-0.1	-0.4	0.7
UAE (EIBOR 3M)	5.30	3.9	-2.3	-2.8

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of June 4, 2024



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,612
Short-term view	Cautious
52 weeks high/low	12,883 – 10,262

Market data	
Exchange Market Cap. (SAR bn)	10,087.8
Value (SAR mn)	7,082.8
Volume (mn)	306.6
Number of Transactions	641,551
Market Breadth	28 : 198

Key statistics	
1D return %	-1.66%
MTD return %	0.94%
QTD return	-6.37%
YTD return	-2.97%
ADT vol. 3M* (mn)	314.7
ADT val. 3M (SARmn)	7,734.4

*ADT stands for Average Daily Traded

TASI market commentary

- TASI experienced a decline on Tuesday; primarily driven by the performance of the Materials sector (down 2.42%) and the Energy sector (down 2.37%). At close, the Saudi market ended the day with a change of -1.66% at 11,612. In terms of activity, total volumes and value traded were ~307mn and ~SAR 7.1bn, respectively. The advance-decline ratio came in at 28/198.

Technical outlook

- TASI closed the last session near 11,612, registering a substantial loss of 196 points. The selling pressure intensified once the index tested the 10-day SMA around 11,825, leading to a decline that broke below the 5-day SMA at around 11,650. TASI formed a Bearish Engulfing candlestick, indicating a potential continuation of the prevailing selling pressure. Moreover, following the test of the upper boundary of a declining channel, the RSI indicator began to decline. TASI has an immediate support level of around 11,570. If breached, the subsequent support levels would be around 11,440 – 11,365. On the other hand, an immediate resistance level is observed around 11,740. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,830 – 11,920. Traders are advised to exercise caution as long as the index maintains trading below the significant resistance level near the declining trendline and the 200-day EMA around 11,920 and closely monitor the support level of the prior bottom around 11,440.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,365	11,440	11,570	11,740	11,830	11,920	12,030



Source: Bloomberg, Argam

TASI daily chart

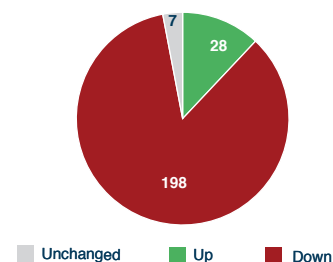


Source: Tradingview, Aljazira Capital

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 04th June 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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