



# MONTHLY TECHNICAL REPORT

March 2024

Head of Sell-Side Research

**Jassim Al-Jubran**

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

This report is intended to present a general view for the market. 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, no information in this analysis should be considered as being business, financial and legal advice.



# KSA Equity Market ANALYSIS



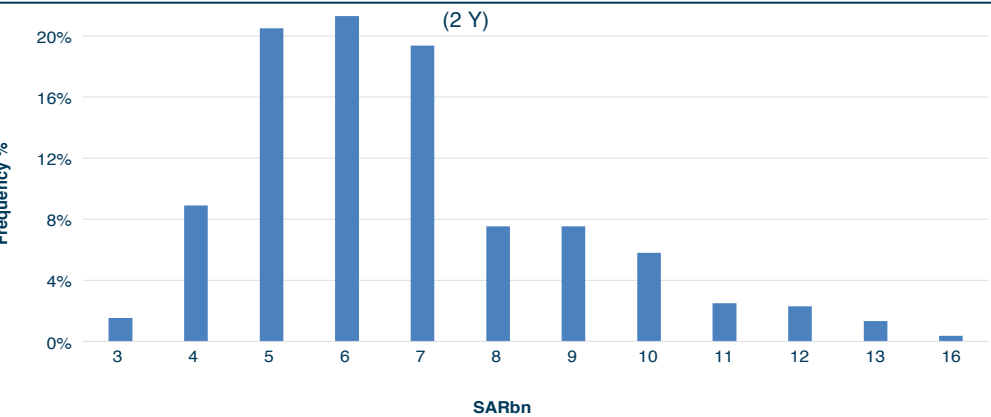
**Tadawul Index (Weekly):** The index is experiencing a temporary profit-booking action, besides, a weekly close above 12,670 is required to signal the end of the profit-booking action and suggest an upside target zone near the 161.8% Fibonacci level around 12,970 – 13,175. Additionally, the RSI indicator is still hovering above the level of 50 after penetrating a declining trendline. Otherwise, a weekly close below the 10-week SMA of around 12,280 would indicate the weakness of the index in the short term and pave the way for a further decline toward the 20-week SMA of around 11,730.



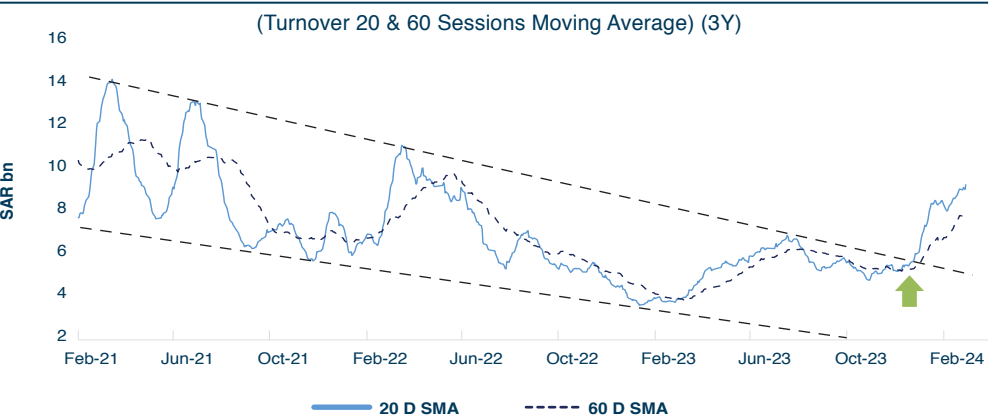
Source: Tradingview.com, Aljazira Capital

**Tadawul Index (Stat.):** During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn almost two-thirds of the time with the highest frequency of SAR 6bn. It recorded a weekly spread between 2.0 – 3.0% near the half of the same period with the highest frequency of 2.0%. The trend of the liquidity of the index continued moving upward after penetrating the upper boundary of the declining channel, potentially heading toward the level of the prior peak near SAR 11bn. Moreover, the average weekly spread is currently heading toward the lower boundary of its lateral range near 2.0%.

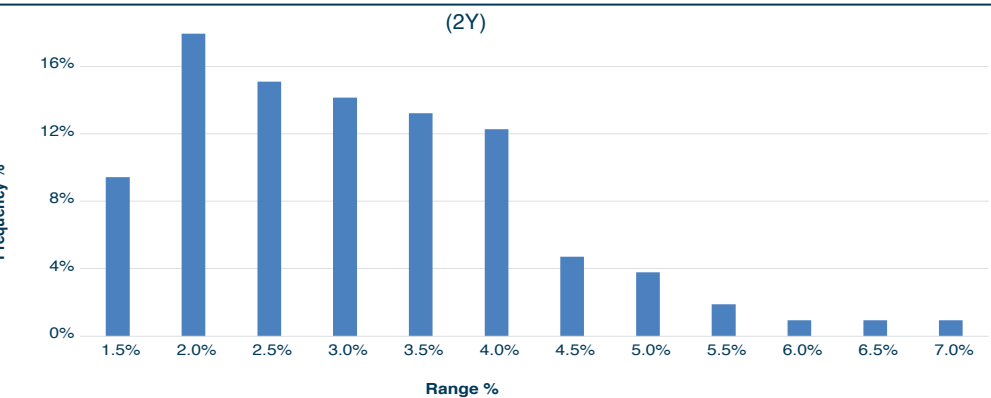
Daily Turnover



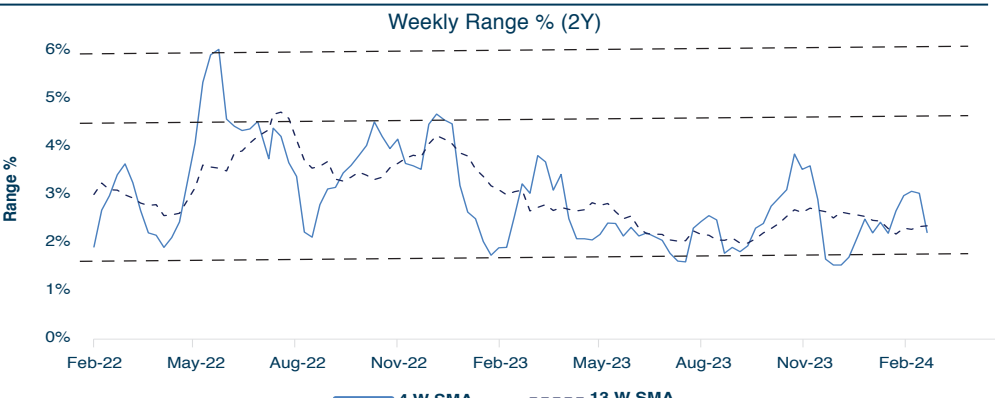
Liquidity Trend



Weekly Range %



Volatility Trend



Source: Argaam, Aljazira Capital

**Banks Sector (Weekly):** The index is currently experiencing a lateral profit-taking action between the levels of 13,135 – 12,135, before resuming the way toward a potential 2nd target of the Double Bottom pattern around 13,550. Moreover, the RSI indicator is still hovering within the bullish zone above the level of 50. On the flip side, a decisive weekly close below 11,990 would indicate the weakness of the index and pave the way for a further decline toward the 50-week SMA around 11,360.



**Materials Sector (Weekly):** The index is still hovering below the significant resistance zone near the 50-week SMA and the 61.8% Fibonacci level around 6,300, which requires a penetration to turn positive and pave the way toward an upside target near 6,775. Moreover, the RSI indicator is simultaneously hovering laterally around the level of 50. On the flip side, a decisive weekly close below the 20-week SMA around 6,030 would indicate the weakness of the index and pave the way for a further decline toward 5,620.



Source: Tradingview.com, Aljazira Capital



**Consumer Discretionary Distribution & retail Sector (Weekly):** The index formed a Dark Cloud Cover candlestick pattern suggesting a temporary profit-booking action before resuming the way toward the target of the inverted Head and Shoulders pattern near 9,400. Moreover, the RSI indicator is still showing a positive structure confirming the price action. On the flip side, a decisive weekly close below the 10-week SMA around 8,625 would indicate the weakness of the index and pave the way for a further decline toward the 20-week SMA around 8,200.



**Telecommunication Services Sector (Weekly):** The index formed a Bearish Engulfing candlestick pattern indicating a potential profit-booking action toward the zone of 38.2 – 50% Fibonacci retracement levels around 7,795 – 7,585, where buying power may reemerge. Moreover, the RSI indicator started to retrace from the Overbought around the level of 70. On the flip side, a decisive weekly close above 8,500 would indicate the strength of the index and pave the way for a further rise toward a target near 8,800.



Source: Tradingview.com, Aljazira Capital

**Insurance Sector (Weekly):** The index is currently heading toward a target near the 200% Fibonacci level around 10,475, where profit booking attitude may emerge. Moreover, the RSI indicator is moving upward above the level of 70, indicating a positive structure. On the flip side, a decisive weekly close below 9,725 would indicate the weakness of the index in the short term and pave the way for a further decline toward the level of around 9,400.



Source: Tradingview.com, Aljazira Capital

**Food & Beverages Sector (Weekly):** The index is currently experiencing a throwback move toward the support zone of the previous peaks near 6,490 – 6,360, where a potential reversal toward a target around 7,045 may start. Moreover, the RSI indicator is still hovering above the level of 50. On the flip side, a decisive weekly close below the 10-week SMA of around 6,360 would indicate the weakness of the index and pave the way for a further decline toward the 20-week SMA of around 5,895.





# GLOBAL BROAD MARKETS ANALYSIS





**S&P500 (Weekly):** The index formed a Doji weekly candlestick around the significant resistance of the 127.2% Fibonacci level around 5,180, suggesting a conservative view until penetrating it. Moreover, surpassing this level paves the way toward a 2nd target near the 161.8% level around 5,635, otherwise, a subsequent bearish candlestick pattern would suggest a potential profit-booking action toward 4,950. Furthermore, the RSI indicator is still hovering within the Overbought zone above the level of 70. On the flip side, a weekly close below 4,950 would indicate the weakness of the index in the short-term and pave the way for a further decline toward the previous peak near 4,820.



Source: Tradingview.com, Aljazira Capital

**Brent (Weekly):** The contract is still encountering the resistance level of the 50% Fibonacci level around USD 84.15 after bouncing off a major rising trendline. A breakthrough of this resistance level would suggest a possible further rise toward the previous peak around USD 96.00. Moreover, the RSI indicator is simultaneously hovering around the level of 50. On the flip side, a decisive weekly close below USD 72.30 would indicate the weakness of the contract and pave the way for a further decline toward USD 69.00 followed by USD 65.00.



Source: Tradingview.com, Aljazira Capital

**Gold (Weekly):** The contract closed above the upper boundary of its major sideways movement around USD 2,090, heading toward an upside target near the 127.2% Fibonacci level around zone of USD 2,215 - 2,245. Moreover, a weekly close above this resistance zone would suggest another upside target near USD 2,380. Additionally, the RSI indicator penetrated a declining trendline confirming the price action. On the flip side, a weekly close below USD 2,090 would indicate the weakness of the contract and pave the way for a further decline toward the 20-week SMA around USD 2,040.



Source: Tradingview.com, Aljazira Capital



**U.S. Dollar Index (Weekly):** The index experiences a profit-booking action which closed below its 50-week SMA , suggesting a potential further decline toward the support zone of 101.25 – 99.60. Moreover, the RSI indicator started moving downward from near the level of 50 where previous turning points have occurred. On the flip side, a weekly close above 104.60 would pave the way for a further rise toward the previous peak near 107.30.



Source: Tradingview.com, Aljazira Capital

**US 10Y T-Bonds Yield (Weekly):** The yield started to experience selling pressure after a temporary upside pullback move toward the lower boundary of a rising Wedge pattern, which suggests targets near 3.65% followed by 3.25%. Meanwhile, the RSI started to move downward after retesting a previously broken rising trendline near the level of 50. On the flip side, a weekly close above 4.40% would indicate the strength of the yield and pave the way for a further rise toward the zone of 4.75%.



Source: Tradingview.com, Aljazira Capital

**Bitcoin (Weekly):** The price is currently testing the level of its all-time peak around USD 69,000, where profit-taking attitudes may emerge. Moreover, the RSI indicator is testing the upper boundary of a rising channel within its overbought zone, suggesting a potential impending profit-taking action. On the flip side, a weekly close above USD 69,000 would indicate the strength of the price and pave the way for a further rise toward USD 83,500.



Source: Tradingview.com, Aljazira Capital



Head of Sell-Side Research - AGM

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. The candlestick's wide part is known as the 'real body' and shows opening and closing levels of the security for the period. The shadows of the candlestick show the high and low prices for the period. The shape of the candlestick varies based on the relationship between the high, low, opening, and closing prices.

**Bullish candle:** This is a candle whose closing value is higher than the opening value (usually green in color).

**Bearish candle:** This is a candle whose closing value is lesser than the opening value (usually red in color).

**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; for example, a 5-day simple moving average is the five-day sum of closing prices divided by five.

**Exponential moving averages (EMA):** Exponential moving averages reduce the lag by applying more weight to recent prices. The weights applied to the most recent price depend on the number of periods in the moving average.

**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. Securities with a RSI above 70 could be considered "overbought" and those below 30 could be considered "oversold"

**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.