



Major Economic News

- KSA's oil exports** fell 0.4% M/M to 6.3mn barrels per day (bpd) in December 2023. While the fall of 15% was much steep on Y/Y basis. The total output edged up 1% M/M to 8.9bpd in December. Local crude consumption was up 6% to 2.6mn bpd from nearly 2.5mn bpd in November. (Source: Argaam)
- Saudi's retail industry** will likely cross SAR 460bn by end of this year, backed by market strong demand. The sector accounted for 23% of non-oil GDP, with the industry reaching 88% in Riyadh and Jeddah in 2023. (Source: Argaam)

Major Corporate News

- Balady Poultry** announces the signing of a contract with Famson Company Ltd, to establish three poultry feed production lines with a production capacity of 60 tons per hour. The contract value is nearly USD 7mn with a contract tenure of 508 days. (Source: Argaam)
- National Gypsum** said the approximate financial impact related to Saudi Aramco's notice of fuel price adjustment will be 10.8% increase in the cost of sales. This impact is likely to be reflected starting from Q1FY24. (Source: Argaam)
- Saudi National Bank** announced the commencement of the offer of the Sukuk. The minimum subscription is set to USD 0.2mn and in increments of USD 1,000 in excess thereof. The maturity of the sukuk bond shall be five years. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
STC	2,274.0	2,758.0	-17.5	4,904.0	-53.6

Market Analysis

The **Saudi Stock Exchange** increased 0.7% to 12,594.6. The value traded stood at SAR 11.7bn (up 27.1% over the previous day), while the advance-decline ratio stood at 117/107. The parallel market index was flat at 25,271.6 points. The value traded stood at SAR 31.8mn (up 20.5% over the previous day). Most sectors in the main market ended in the green. Software & Services and Utilities (up 2.5% and 2.2%, respectively) advanced the most, while Commercial Service and Food & Staples (down 1.5% and 0.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
AMAK	61.40	9.8
EIC	4.30	8.0
CARE	209.60	7.3
BATIC	2.28	6.5
LAZURDE	16.92	6.4

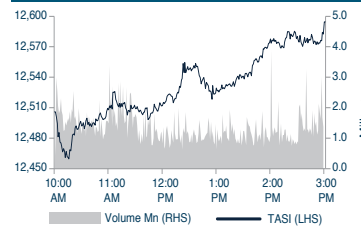
Top Losers

Company	Price	Change%
EAST PIPES	106.80	-3.8
TAKWEEN	15.42	-3.6
LIVA	19.26	-3.1
CATRION	134.60	-2.8
NCLE	171.00	-2.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,595	12,595	12,456	0.7	5.2
NomuC	25,272	25,626	25,224	0.0	3.0

TASI movement during session



TASI Ratios

P/E* (x)	27.5
Price-to-Book (x)	2.5
Dividend Yield (%)	1.9
Return on Equity (%)	20.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,034	0.1	-3.0	16.7
Materials	6,252	0.7	-1.6	High
Capital Goods	12,081	1.5	21.7	39.8
Commercial Service	5,628	-1.5	1.2	36.1
Transportation	7,437	-0.1	17.3	45.0
Consumer Durables	5,333	2.2	6.2	Neg
Consumer Services	5,868	0.8	18.8	40.9
Media	31,875	0.7	30.0	High
Consumer Discretionary Ret	8,833	1.8	3.6	28.6
Consumer Staples Ret	10,549	-0.4	9.0	27.1
Food & Beverages	6,772	1.3	20.8	34.7
Healthcare	14,019	2.1	16.6	High
Pharma & Bio Tech	5,651	1.6	16.3	High
Banks	12,850	0.6	5.3	15.0
Financial Services	7,507	0.5	12.9	34.0
Insurance	9,274	-0.2	9.5	24.9
Telecom	8,266	0.7	7.1	15.5
Utilities	10,305	2.2	3.7	20.5
REITs	3,597	0.1	-1.9	High
Real Estate	3,421	0.8	12.2	High
Software & Services	83,755	0.8	22.1	High

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,485	12,337	12,201	9.23

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	21	809.00	1,255.80
Previous week	51.1	1,832.20	2,999.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.95	0.0
Al Rajhi	90.00	0.6
SNB	41.45	0.0
SABIC	79.20	0.3
STC	41.75	0.5





International Market News

- **China** cut the benchmark reference rate for mortgages, by more than expected, as authorities ramped up efforts to stimulate credit demand and revive the property market. Commercial banks' improving net interest margins following recent deposit rate cuts and the reduction to bank reserves earlier this month has paved the way for lenders to reduce borrowing costs to support the economy. (Source: Reuters)
- **Germany** likely in recession as external demand weakens, consumers remain cautious and domestic investment being held back by high borrowing costs, according to Bundesbank. Germany has been struggling since Russia's 2022 invasion of Ukraine, which pushed up energy costs, thereby impacting the industry heavy economy. (Source: Reuters)
- **Japan's** core machinery orders in December rose slightly more than expected but remained down Y/Y, although further gains are expected to be capped by global and domestic headwinds. Core orders a highly volatile data series regarded as a leading indicator of capital spending in the coming six to nine months, went up 2.7% in December M/M. (Source: CNBC)
- **Oil** prices fell 0.1% as markets weighed a weak outlook for demand against worsening geopolitical conditions in Russia and the Middle East, which could potentially disrupt supplies.
- **Gold** prices were flat as investors awaited Fed's minutes for fresh hints on interest rate outlook.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.3	0.0	1.0	2.9
Euro	1.1	0.0	-0.4	-2.4
Japanese Yen	150.1	-0.1	2.2	6.4
Sterling Pound	1.3	-0.1	-0.7	-1.1
Chinese Yuan	7.2	-0.0	0.3	1.2
Indian Rupee	83.0	0.0	-0.0	-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	0.2
Omani Rial	0.4	-0.0	-0.0	0.0
Bahraini Dinar	0.4	0.0	-0.0	0.0
Egyptian Pound	30.8	-0.2	-0.2	-0.3

Corporate Calendar

Date	Company	Event
20-Feb	AMIANIT	EGM
20-Feb	A.OTHAIM MARKET	Eligibility for cash dividend
21-Feb	SABIC AGRI	Cash Dividend Distribution
21-Feb	BANAN	Cash Dividend Distribution
21-Feb	MODERN MILLS	End of IPO

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,273	0.3	2.5	5.3	8.8
Abu Dhabi (ADX)	9,410	-0.2	-1.0	-1.7	24.9
Kuwait (KSE)	8,061	0.8	1.3	7.8	17.2
Qatar (QE)	10,300	0.9	2.1	-4.9	11.9
Oman (MSM)	4,630	-0.2	1.5	2.6	12.5
Bahrain (BSE)	2,051	-0.0	-0.8	4.0	7.8
Egypt (EGX30)	29,452	1.1	4.1	18.3	14.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,628	0.0	1.3	2.5	22.0
Nasdaq	17,686	0.0	3.2	5.1	34.5
S&P 500	5,006	0.0	3.3	4.9	24.1
FTSE 100	7,729	0.2	1.3	-0.1	10.4
Germany DAX 30	17,092	-0.1	1.1	2.0	14.8
France CAC 40	7,769	0.0	1.5	3.0	14.3
Japan Nikkei 225	38,470	-0.0	6.0	15.0	27.5
Russia MOEX	3,245	0.1	0.9	4.7	3.0
Hong Kong Hang Seng	16,156	-1.1	4.3	-5.2	8.5
South Korea KOSPI	2,680	1.2	7.3	0.9	18.7
China Shanghai Composite	2,911	1.6	4.4	-2.2	13.4
Australia ASX 200	7,665	0.1	-0.2	1.0	16.8
India Sensex	72,708	0.4	1.3	0.6	23.1
MSCI EM	1,016	0.0	4.2	-0.7	15.2
MSCI World	3,287	0.1	2.5	3.7	20.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.0	0.3	-1.1	4.5
Brent Crude (\$/bbl)	83.6	0.1	2.3	8.5
Texas crude (\$/bbl)	79.2	0.0	4.4	10.5
Natural Gas (\$/mmbtu)	1.6	0.0	-23.4	-30.9
Gold (\$/oz)	2,017.2	0.2	-1.1	-2.2
Silver (\$/oz)	23.0	-1.7	0.3	-3.2
Steel (\$/ton)	929.0	0.0	-3.5	-18.1
Iron Ore (CNY/MT)	1,055.0	7.5	0.0	1.2
Wheat (\$/bu)	559.0	0.0	-7.6	-12.6
Corn (\$/bu)	429.5	0.0	-6.3	-11.3
Sugar (\$/lb)	22.6	0.0	-2.8	10.6
SMP* (EUR/MT)	2,475.0	-0.2	-2.3	-4.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.944	0.02	5.9	3.1
KSA (SAIBOR 3M)	6.226	-2.26	-14.2	-0.6
KSA (SAIBOR 6M)	6.073	-0.76	7.8	-0.2
KSA (SAIBOR 12M)	5.904	0.85	-3.5	-9.1
USA (SOFR 3M)	5.314	0.00	-0.1	-1.7
UAE (EIBOR 3M)	5.350	1.06	11.2	2.2

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 19, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,595
Short-term view	Buy
52 weeks high/low	12,595– 9,931

Market data

Exchange Market Cap. (SAR bn)	11,209.1
Value (SAR mn)	11,736.2
Volume (mn)	422.6
Number of Transactions	680,163
Market Breadth	117: 107

Key statistics

1D return %	0.74%
MTD return %	6.76%
QTD return	5.24%
YTD return	5.24%
ADT vol. 3M* (mn)	306.5
ADT val. 3M (SARmn)	7,686.5

*ADT stands for Average Daily Traded

TASI market commentary

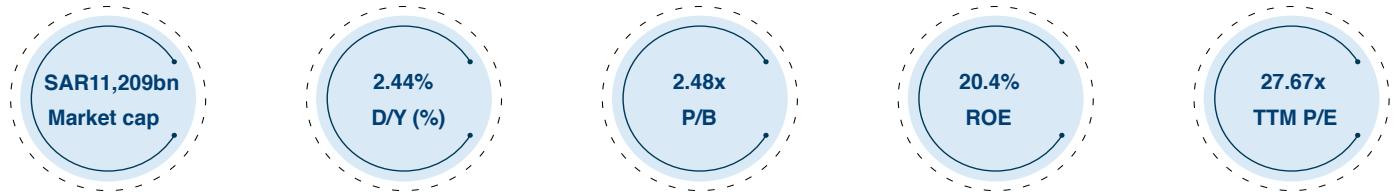
- TASI experienced a rise on Monday; primarily driven by the performance of the Telecommunication services sector (up 0.73%) and the Materials sector (up 0.69%). At close, the Saudi market ended the day with a change of 0.74% at 12,595. In terms of activity, total volumes and value traded were ~423mn and ~SAR 11.7bn, respectively. The advance-decline ratio came in at 117/107.

Technical outlook

- TASI closed the last session near 12,595, marking a gain of 93 points. The prevailing buying power persisted and pushed the index upward to record a new 52-week high of around 12,595. Moreover, TASI formed a Marubozu Close candlestick after testing the 5-day SMA, which successfully penetrated the resistance level of the 127.2% Fibonacci retracement level around 12,500. This breakthrough paves the way towards the second target of the horizontal channel near 12,700. Furthermore, the RSI indicator maintained its positive momentum, entering the overbought zone above the 70 level, indicating favorable market conditions. TASI has an immediate resistance level near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,915 - 13,170. On the other hand, an immediate support level is observed near 12,500. If breached, the subsequent support levels would be around 12,345 - 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	12,345	12,500	12,700	12,915	13,170



Source: Bloomberg, Argaam

TASI daily chart

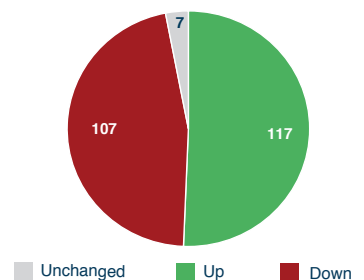


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward%	Stop loss
4040	Saudi Public Transport Co.	20.50	20.30 – 20.50	21.50 – 21.98	7.22%	19.86
3003	City Cement Co.	18.38	18.20 – 18.38	19.00 – 19.50	6.09%	17.90

* As of 19th Feb 2024,

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

CHARTS OF THE WEEK

Technical observations

SAPTCO has just penetrated the upper boundary of a declining channel as well as the 20-day SMA. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of SAR20.30 – 20.50, for a target range of SAR21.50 – 21.98, with a stop loss below SAR19.86 on a closing basis.

Saudi Public Transport Co. (SAPTCO)



Source: Tradingview, Aljazira Capital

Technical observations

CITY CEMENT has just finished a bullish Double Bottom price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the price action. We recommend buying the stock in a range of SAR18.20 – 18.38, for a target range of SAR19.00 – 19.50, with a stop loss below SAR17.90 on a closing basis.

City Cement Co. (CITY CEMENT)



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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