



## Major Economic News

- KSA's inflation** remained unchanged M/M at 1.6% in April. The cost-of-living index for April rose to 110.89 points, according to the base year of 2018. The higher CPI was mainly driven by an 8.7% Y/Y increase in housing, water, electricity, gas and other fuel prices. Meanwhile the Actual housing rents increased by 10.4% Y/Y reflecting the rise in villa rents by 9.4%. The rise in this section significantly impacted the annual inflation increase for April, given its weight in the index. (Source: Argaam)

## Major Corporate News

- EIC** announced the approval for Board of Directors for the expansion project of Saudi Power Transformers Co. Factory to manufacture extra high voltage transformers and reactors 380 K.V. The project also includes increasing the current capacity of high voltage transformers. The construction of the work is expected to commence in 2H-FY24, with an estimated project cost of SAR 192mn. The project will be funded from the available cash, bank facilities and other finance programs. The construction is expected to finish by Q4-26, and thus the financial impact will reflect in Q4-27. (Source: Tadawul)

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

Company	Q1-24	Q1-23	Y/Y %	Q4-23	Q/Q %
QACCO	74.2	54.9	35.09	40.9	81.52
GENOMI CENTERS	185.6	388.0	-52.16	482.3	-61.52
ALKATHIRI*	0.2	1.6	-84.97	-7.4	NM
BINDAWOOD	60.5	52.2	15.98	122.9	-50.77
AYYAN*	-55.9	-46.7	NM	-71.7	NM
ASLAK	6.1	4.5	35.56	8.3	-26.51
ALYAMAMAH STEEL*	30.5	-17.9	NM	29.6	3.36
SIECO*	0.5	-1.7	NM	-4.6	NM

\*NM means Not Meaningful.

## Market Analysis

The **Saudi Stock Exchange** decreased 0.1% to 12,103.2. The value traded stood at SAR 6.3bn (down 14.0% over the previous day), while the advance-decline ratio stood at 128/96. The parallel market index was flat at 26,666.2 points. The value traded stood at SAR 33.4mn (up 10.0% over the previous day). Most sectors in the main market ended in the red. Utilities and Consumer Durables (up 4.3% and 2.5%, respectively) advanced the most, while Media and Insurance (down 2.9% and 2.6%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
SIDC	9.61	10.0
WAFRAH	49.95	9.9
ALBAHA	0.14	7.7
ZAMIL INDUST	21.60	7.5
ALMAWARID	123.20	6.4

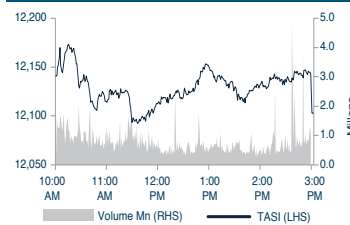
## Top Losers

Company	Price	Change%
BCI	33.60	-7.6
SAUDI ELECTRICITY	17.72	-5.6
BUPA ARABIA	247.60	-4.9
SRMG	230.60	-4.2
SPM	74.90	-3.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,103	12,177	12,089	(0.1)	1.1
NomuC	26,666	26,887	26,591	0.0	8.7

## TASI movement during session



## TASI Ratios

P/E* (x)	27.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2.7
Return on Equity (%)	19.2

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,526	-1.7	-11.1	15.8
Materials	6,106	-0.4	-3.9	High
Capital Goods	12,880	2.3	29.7	44.7
Commercial Service	5,210	2.3	-6.3	High
Transportation	7,339	1.1	15.8	37.6
Consumer Durables	5,637	2.5	12.2	Neg
Consumer Services	5,323	0.7	7.7	40.3
Media	29,645	-2.9	20.9	High
Consumer Discretionary Ret	7,968	0.0	-6.5	23.5
Consumer Staples Ret	9,923	1.0	2.5	24.4
Food & Beverages	6,044	-0.1	7.8	30.5
Healthcare	12,969	-0.9	7.8	46.9
Pharma & Bio Tech	5,153	1.6	6.1	47.5
Banks	11,583	-0.3	-5.1	13.3
Financial Services	7,876	0.9	18.4	37.1
Insurance	10,513	-2.6	24.1	28.6
Telecom	7,584	0.0	-1.8	14.3
Utilities	14,803	4.3	49.0	32.8
REITs	3,335	-0.5	-9.1	26
Real Estate	3,587	-0.7	17.6	40
Software & Services	70,702	-0.2	3.1	42.8

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
12,197	12,290	12,343	6.7

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	26	1,032.70	2,065.30
Previous week	35.2	1,381.20	2,560.20

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	29.30	-1.7
Al Rajhi	80.10	0.4
SNB	35.00	-1.1
ACWA POWER	432.80	6.1
ALINMA	31.40	0.0





## International Market News

- According to **EIA**, oil inventories in the US decreased 2.5mn barrels (prior: down 1.4mn) to 457.0mn in the week ended May 10. Gasoline inventories decreased 0.2mn barrels (prior: up 0.9mn) to 227.8mn, while distillate inventories were flat (prior: up 0.6mn) to 116.4mn. (Source: EIA, Econoday)
- US CPI** increased by 0.3% in April, after advancing 0.4% in March and February. The CPI increased less than expected suggesting that inflation resumed its downward trend. This bolsters the hopes of Fed to initiate rate cuts this year. (Source: Reuters)
- US retail sales** were unexpectedly flat in April, as higher gas prices pulled the spending away from other goods, indicating that consumer spending was losing momentum. Consumers are focusing spending on essentials and cutting back on luxuries amid higher prices. But sales have held up as a strong labor market helped households navigate the high inflation environment. (Source: RTT News)
- Japan's Q1-24 GDP** shrank 2.0% annualized, faster than the consensus estimates of 1.5% drop. The economy fell faster than expected as the weak yen continued to batter consumers, throwing a fresh challenge to the central bank's push to get interest rates further away from near zero. (Source: Reuters)
- Oil prices** gained 0.4% due to softer than expected US CPI data brought down the US dollar and ramped up the hopes for interest rate cuts.
- Gold prices** gained 0.3% as US CPI data fuels up the hopes for interest rate cuts by the Fed.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.35	-0.6	-1.8	3.0
Euro	1.09	0.6	2.0	-1.4
Japanese Yen	154.88	-1.0	-1.9	9.8
Sterling Pound	1.27	0.7	1.5	-0.4
Chinese Yuan	7.22	-0.3	-0.5	1.3
Indian Rupee	83.50	-0.0	0.1	0.3
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	-0.0
Omani Rial	0.38	0.0	-0.0	-0.0
Bahraini Dinar	0.38	-0.0	-0.0	0.0
Egyptian Pound	46.83	-0.1	-2.2	51.5

## Corporate Calendar

Date	Company	Event
16-May	SIIG	EGM
16-May	SACO	EGM
16-May	MAHARAH	EGM
16-May	ALBILAD	Cash Dividend Distribution
16-May	YCC	EGM
16-May	DAR ALMARKABAH	EGM

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,093	-1.1	-1.5	0.8	8.052
Abu Dhabi (ADX)	9,021	-0.4	-0.5	-5.8	16.851
Kuwait (KSE)	7,843	-0.4	2.0	4.9	14.483
Qatar (QE)	9,628	-0.2	-1.0	-11.1	10.842
Oman (MSM)	4,775	0.4	-0.2	5.8	12.631
Bahrain (BSE)	2,010	-0.6	-0.9	2.0	7.675
Egypt (EGX30)	25,316	-0.1	3.5	1.7	9.677

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,908	0.9	5.5	5.9	23.5
Nasdaq	18,597	1.5	6.6	10.5	34.3
S&P 500	5,308	1.2	5.4	11.3	25.4
FTSE 100	8,446	0.2	3.7	9.2	15.0
Germany DAX 30	18,869	0.8	5.2	12.6	16.8
France CAC 40	8,240	0.2	3.2	9.2	14.3
Japan Nikkei 225	38,386	0.1	-0.1	14.7	26.4
Russia MOEX	3,471	0.2	0.0	12.0	4.8
Hong Kong Hang Seng	19,074	0.0	7.4	11.9	10.7
South Korea KOSPI	2,730	0.0	1.4	2.8	16.7
China Shanghai Composite	3,120	-0.8	0.5	4.9	14.0
Australia ASX 200	7,754	0.3	1.2	2.1	19.5
India Sensex	72,987	-0.2	-2.0	1.0	22.4
MSCI EM	1,085	0.3	3.7	5.9	15.1
MSCI World	3,472	1.1	5.1	9.6	21.7

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	85.24	-0.8	-4.7	6.0
Brent Crude (\$/bbl)	82.75	0.4	-5.8	7.4
Texas crude (\$/bbl)	78.63	0.8	-4.0	9.7
Natural Gas (\$/mmbtu)	2.42	3.1	21.3	-4.1
Gold (\$/oz)	2,385.99	1.2	4.4	15.7
Silver (\$/oz)	29.67	3.7	12.9	24.7
Steel (\$/ton)	783.00	0.0	-3.7	-31.0
Iron Ore (CNY/MT)	888.00	-3.8	0.1	-14.9
Wheat (\$/bu)	665.75	-1.0	10.4	3.1
Corn (\$/bu)	462.50	-1.1	3.5	-6.4
Sugar (\$/lb)	18.65	-1.2	-3.9	-8.6
SMP* (EUR/MT)	2,397.00	0.1	2.4	-7.0

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.90	1.5	3.3	-1.8
KSA (SAIBOR 3M)	6.22	-8.0	-1.9	-1.1
KSA (SAIBOR 6M)	6.06	-1.6	-2.1	-2.0
KSA (SAIBOR 12M)	5.94	-0.4	5.8	-5.6
USA (SOFR 3M)	5.33	0.3	0.1	-0.2
UAE (EIBOR 3M)	5.31	-1.3	-0.1	-1.3

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 15, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,103
Short-term view	Cautious
52 weeks high/low	12,883 – 10,262

## Market data

Exchange Market Cap. (SAR bn)	10,482.6
Value (SAR mn)	6,307.5
Volume (mn)	246.7
Number of Transactions	527,734
Market Breadth	128 : 96

## Key statistics

1D return %	-0.15%
MTD return %	-2.35%
QTD return	-2.41%
YTD return	1.13%
ADT vol. 3M* (mn)	352.8
ADT val. 3M (SARmn)	8,454.3

\*ADT stands for Average Daily Traded

## TASI market commentary

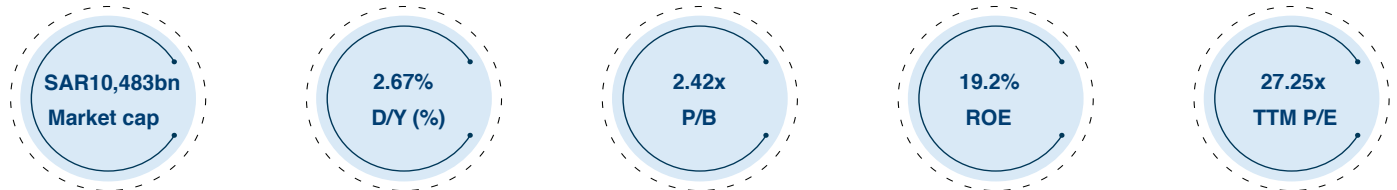
- TASI experienced a decline on Wednesday; primarily driven by the performance of the Energy sector (down 1.65%) and the Materials sector (down 0.42%). At close, the Saudi market ended the day with a change of -0.15% at 12,103. In terms of activity, total volumes and value traded were ~247mn and ~SAR 6.3bn, respectively. The advance-decline ratio came in at 128/96.

## Technical outlook

- TASI closed the last session near 12,103, marking a loss of 18 points. The index witnessed a resumption of the prevailing selling pressure, recording a new low. Nevertheless, TASI formed an Inverted Hammer candlestick, which is considered the beginning of a possible positive reversal pattern that needs to be confirmed by a subsequent bullish candlestick. The index may witness a possible temporary positive rebound within the dominating downward trajectory. Additionally, the RSI indicator is approaching its oversold zone. TASI has an immediate resistance level of around 12,185. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,290–12,345. On the other hand, an immediate support level is observed around 12,100. If breached, the subsequent support levels would be around 12,000 – 11,880. Traders are advised to trade cautiously and watch for the appearance of a positive reversal candlestick pattern, otherwise a decisive close below the support level of 12,100 could trigger further selling pressure.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,880	12,000	12,100	12,185	12,290	12,345	12,400



Source: Bloomberg, Argaam

## TASI daily chart

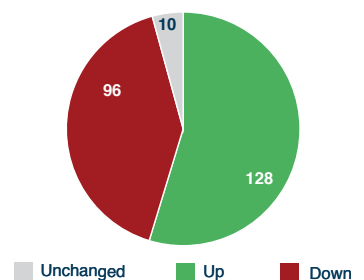


Source: Tradingview, Aljazira Capital

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
2240	Zamil Industrial Investment	21.60	21.56 – 21.60	21.80 – 22.50	21.34
2190	Saudi Industrial Services	35.00	34.90 – 35.00	35.35 – 35.70	34.60
4142	Riyadh Cables	105.00	104.74 – 105.00	106.00 – 107.20	103.80
2330	Advanced Petrochemical	40.15	40.05 – 40.15	40.50 – 40.95	39.70
1832	Sadr Logistics	3.69	3.68 – 3.69	3.73 – 3.76	3.65
4012	Thob Al Aseel	5.19	5.18 – 5.19	5.24 – 5.33	5.13

\*As of 15<sup>th</sup> May 2024

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

## CHARTS OF THE DAY

## Technical observations

**ZAMIL** has just penetrated the level of the prior minor peak as well as the 20-day SMA. Moreover, all the technical indicators show bullish structure.

## Zamil Industrial Investment Co. (ZAMIL INDUST)



Source: Tradingview, Aljazira Capital

## Technical observations

**SISCO** started to bounce off the lower boundary of the declining channel as well as a major rising trendline. Moreover, all the technical indicators show bullish structure.

## Saudi Industrial Services Co. (SISCO)



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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