



## Major Economic News

- **Consumer spending** in Saudi Arabia grew by 1.0% to SAR 113.2bn in April, up from nearly SAR 111.5bn in the same month last year. POS transactions saw a 3.0% Y/Y rise to around SAR 53.0bn in April, as 798.8mn transactions were processed through 1.8mn POS terminals. (Source: Argaam)

## Major Corporate News

- **Saudi Aramco** published the secondary offering document to sell 1.5bn shares. The book-building process will run from June 02-06, 2024. The retail offer will start on June 03 and end on June 05. The offered shares represent nearly 0.6% of the company's issued shares. Aramco's capital reaches SAR 90bn, divided into 242.0bn shares. The price range for the offer is between SAR 26.7 and SAR 29.0 per share. (Source: Argaam)
- **Rasan Information Technology Co.**'s retail offering of was 12.8x covered. A minimum of three shares were allocated to each subscriber. (Source: Argaam)
- **East Pipes Integrated Company for Industry** signed a supply contract with Saudi Aramco, at a total value exceeding SAR 1.6bn, inclusive of VAT. (Source: Tadawul)
- **Saudi Aramco** completed the acquisition of a 40.0% stake in Gas & Oil Pakistan Ltd. Saudi Aramco said the acquisition represents its downstream retail investment in Pakistan and signals the company's growing retail presence in high-value markets. (Source: Argaam)

## Market Analysis

The **Saudi Stock Exchange** decreased 1.7% on Thursday to 11,503.5. The value traded stood at SAR 13.1bn (up 112.1% over the previous day), while the advance-decline ratio stood at 65/161. The parallel market index increased 1.2% to 26,610.6 points. The value traded stood at SAR 36.4mn (up 13.3% over the previous day). Most sectors in the main market ended in red. Diversified Financials and REITs (up 0.1% each) advanced the most; while Utilities and Consumer Durables (down 8.3% and 2.8%, respectively) led the laggards.

## Top Gainers

| Company    | Price  | Change% |
|------------|--------|---------|
| MEDGULF    | 29.50  | 7.7     |
| AMAK       | 62.80  | 5.4     |
| AWPT       | 161.00 | 4.6     |
| NCLE       | 158.80 | 3.8     |
| EAST PIPES | 149.60 | 3.6     |

## Top Losers

| Company       | Price  | Change% |
|---------------|--------|---------|
| ACWA POWER    | 402.40 | -10.0   |
| CENOMI RETAIL | 8.40   | -7.9    |
| TAWUNIYA      | 131.40 | -6.4    |
| ALBABTAIN     | 34.80  | -6.1    |
| GIG           | 27.60  | -5.6    |

## Saudi Stock Exchange

| Index | Closing | High   | Low    | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI  | 11,503  | 11,703 | 11,503 | (1.7)         | (4.4) |
| NomuC | 26,611  | 26,611 | 26,119 | 1.2           | 8.5   |

## TASI movement during session



## TASI Ratios

|                      |      |
|----------------------|------|
| P/E* (x)             | 25.8 |
| Price-to-Book (x)    | 2.3  |
| Dividend Yield (%)   | 2.9  |
| Return on Equity (%) | 19.1 |

\*Source: Argaam (Excluding Aramco)

| Index                      | Close  | Daily Change% | YTD % | PE (TTM) |
|----------------------------|--------|---------------|-------|----------|
| Energy                     | 5,472  | -0.2          | -12.2 | 16.3     |
| Materials                  | 5,824  | -0.2          | -8.9  | High     |
| Capital Goods              | 11,744 | -0.4          | 16.5  | 26       |
| Commercial Service         | 4,729  | -0.3          | -15.2 | 41       |
| Transportation             | 6,977  | -0.2          | 9.8   | 33.3     |
| Consumer Durables          | 5,317  | -2.8          | 6.8   | Neg      |
| Consumer Services          | 5,000  | -0.3          | 0.4   | 38       |
| Media                      | 26,548 | -1.2          | 8.1   | 46.4     |
| Consumer Discretionary Ret | 7,439  | -1.5          | -13.6 | 22.2     |
| Consumer Staples Ret       | 9,258  | -0.4          | -5.3  | 22.2     |
| Food & Beverages           | 5,696  | -0.7          | 1.2   | 28.3     |
| Healthcare                 | 12,024 | -1.7          | -1.6  | 41.8     |
| Pharma & Bio Tech          | 4,622  | -0.9          | -5.0  | 42.5     |
| Banks                      | 11,005 | -1.6          | -10.4 | 12.4     |
| Financial Services         | 7,650  | 0.1           | 13.6  | 32.6     |
| Insurance                  | 10,127 | -1.7          | 17.8  | 23.5     |
| Telecom                    | 7,114  | -2.3          | -8.4  | 13.9     |
| Utilities                  | 13,771 | -8.3          | 38.8  | 29.6     |
| REITs                      | 3,258  | 0.1           | -11.1 | 25.3     |
| Real Estate                | 3,268  | -0.9          | 6.9   | 38.7     |
| Software & Services        | 65,511 | -2.4          | -4.5  | 37.7     |

## Average Index Value

| Average days 5 | Average days 10 | Average days 20 | Average value traded for May (bn) |
|----------------|-----------------|-----------------|-----------------------------------|
| 11,708         | 11,914          | 12,094          | 6.48                              |

## Market Statistics

|               | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week  | 35                    | 1,250.70            | 2,548.20             |
| Previous week | 26.8                  | 1,035.70            | 2,190.70             |

## Top Weighted Companies

| Company      | Price  | Change% |
|--------------|--------|---------|
| Saudi Aramco | 29.00  | -0.2    |
| Al Rajhi     | 76.10  | -1.4    |
| SNB          | 33.85  | -3.0    |
| ACWA POWER   | 402.40 | -10.0   |
| ALINMA       | 30.60  | -1.3    |





## International Market News

- **According to Baker Hughes**, North America's rig count increased to 728 in the week ended May 31 from 720 earlier. The rig count remained constant at 600 in the US, while increased to 21 in the Gulf of Mexico from 20 earlier. The rig count in Canada increased to 128 from 120 earlier. (Source: Baker Hughes)
- **According to EIA**, oil inventories in the US fell 4.2mn barrels (prior: up 1.8mn) to 454.7mn in the week ended May 24. Gasoline inventories increased 2.0mn barrels (prior: down 0.9mn) to 228.8mn, while distillate inventories were up 2.5mn barrels (prior: up 0.4mn) to 119.3mn. (Source: EIA, Econoday)
- **The US personal consumption expenditures price index** excluding food and energy costs increased 0.2% M/M in April (in line with consensus). On a Y/Y basis, core PCE was up 2.8% (consensus: 2.7%). Including the volatile food and energy category, PCE inflation was at 2.7% on an annual basis and 0.3% M/M. (Source: CNBC)
- **US initial jobless claims** rose to 219,000 (consensus: 217,000) in the week ended May 25, representing an increase of 3,000 from the previous week's revised level of 216,000. (Source: Econoday)
- **Oil prices** fell 0.3% on Friday, as ongoing demand concerns and expectations of Gaza ceasefire weighed on the prices.
- **Gold prices** fell 0.7%, paring gains in earlier session despite decrease in US Treasury yields post US inflation data.

## Forex / Currency

| Currency / USD | Close | Daily Change% | MTD % | YTD % |
|----------------|-------|---------------|-------|-------|
| Dollar Index   | 104.7 | -0.0          | 0.0   | 3.3   |
| Euro           | 1.1   | 0.1           | 0.0   | -1.7  |
| Japanese Yen   | 157.3 | 0.3           | 0.0   | 11.5  |
| Sterling Pound | 1.3   | 0.1           | 0.0   | 0.1   |
| Chinese Yuan   | 7.3   | 0.1           | 0.0   | 1.9   |
| Indian Rupee   | 83.5  | 0.2           | 0.0   | 0.3   |
| 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           | 0.0   | -0.1  |
| Omani Rial     | 0.4   | 0.0           | 0.0   | 0.0   |
| Bahraini Dinar | 0.4   | 0.0           | 0.0   | 0.0   |
| Egyptian Pound | 47.3  | -0.1          | 0.0   | 52.9  |

## Corporate Calendar

| Date  | Company      | Event                      |
|-------|--------------|----------------------------|
| 2-Jun | SPIMACO      | EGM                        |
| 2-Jun | SAUDI ARAMCO | IPO                        |
| 2-Jun | ALINMA       | Cash Dividend Distribution |
| 3-Jun | THIMAR       | EGM                        |
| 3-Jun | BAWAN        | EGM                        |
| 3-Jun | TADCO        | EGM                        |

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

| Market          | Close  | Daily Change% | MTD % | YTD % | P/E  |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM)     | 3,978  | 0.2           | 0.0   | -2.0  | 7.8  |
| Abu Dhabi (ADX) | 8,863  | 1.3           | 0.0   | -7.5  | 17.8 |
| Kuwait (KSE)    | 7,683  | -0.3          | 0.0   | 2.7   | 20.7 |
| Qatar (QE)      | 9,319  | 0.4           | 0.0   | -14.0 | 10.5 |
| Oman (MSM)      | 4,846  | 0.4           | 0.0   | 7.3   | 12.9 |
| Bahrain (BSE)   | 2,039  | 0.2           | 0.0   | 3.4   | 7.8  |
| Egypt (EGX30)   | 26,923 | -0.6          | 0.0   | 8.1   | 10.3 |

## International Markets

| Index                    | Close  | Daily Change% | MTD % | YTD % | P/E  |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones                | 38,686 | 1.5           | 0.0   | 2.6   | 22.2 |
| Nasdaq                   | 18,537 | -0.0          | 0.0   | 10.2  | 32.0 |
| S&P 500                  | 5,278  | 0.8           | 0.0   | 10.6  | 24.6 |
| FTSE 100                 | 8,275  | 0.5           | 0.0   | 7.0   | 14.9 |
| Germany DAX 30           | 18,498 | 0.0           | 0.0   | 10.4  | 16.3 |
| France CAC 40            | 7,993  | 0.2           | 0.0   | 6.0   | 13.9 |
| Japan Nikkei 225         | 38,488 | 1.1           | 0.0   | 15.0  | 27.0 |
| Russia MOEX              | 3,217  | -2.0          | 0.0   | 3.8   | 4.6  |
| Hong Kong Hang Seng      | 18,080 | -0.8          | 0.0   | 6.1   | 10.1 |
| South Korea KOSPI        | 2,637  | 0.0           | 0.0   | -0.7  | 15.6 |
| China Shanghai Composite | 3,087  | -0.2          | 0.0   | 3.8   | 14.0 |
| Australia ASX 200        | 7,702  | 1.0           | 0.0   | 1.5   | 19.4 |
| India Sensex             | 73,961 | 0.1           | 0.0   | 2.4   | 23.2 |
| MSCI EM                  | 1,049  | -0.9          | 0.0   | 2.5   | 15.1 |
| MSCI World               | 3,445  | 0.7           | 0.0   | 8.7   | 21.5 |

## Commodity Markets

| Commodity                 | Price   | Daily Change% | MTD % | YTD % |
|---------------------------|---------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 84.4    | -1.3          | 0.0   | 4.9   |
| Brent Crude (\$/bbl)      | 81.6    | -0.3          | 0.0   | 5.9   |
| Texas crude (\$/bbl)      | 77.0    | -1.2          | 0.0   | 7.5   |
| Natural Gas (\$/mmbtu)    | 2.6     | 0.6           | 0.0   | -2.5  |
| Gold (\$/oz)              | 2,327.3 | -0.7          | 0.0   | 12.8  |
| Silver (\$/oz)            | 30.4    | -2.5          | 0.0   | 27.8  |
| Steel (\$/ton)            | 761.0   | -1.4          | 0.0   | -33.0 |
| Iron Ore (CNY/MT)         | 884.0   | -0.5          | 0.0   | -15.2 |
| Wheat (\$/bu)             | 678.5   | -0.4          | 0.0   | 5.1   |
| Corn (\$/bu)              | 446.3   | -0.6          | 0.0   | -9.7  |
| Sugar (\$/lb)             | 18.3    | 0.6           | 0.0   | -10.3 |
| SMP* (EUR/MT)             | 2,431.0 | -0.0          | 0.0   | -5.7  |

\*SMP: Skimmed Milk Powder

## Interbank Rates

| Region           | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|------------------|-------|-------------------|-----------|-----------|
| KSA (SAIBOR 1M)  | 5.872 | 4.07              | 0.0       | -4.1      |
| KSA (SAIBOR 3M)  | 6.233 | -0.86             | 0.0       | 0.1       |
| KSA (SAIBOR 6M)  | 6.111 | 6.18              | 0.0       | 3.6       |
| KSA (SAIBOR 12M) | 5.883 | -0.24             | 0.0       | -11.2     |
| USA (SOFR 3M)    | 5.343 | -0.32             | 0.0       | 1.1       |
| UAE (EIBOR 3M)   | 5.322 | -7.30             | 0.0       | -0.5      |

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 31, 2024

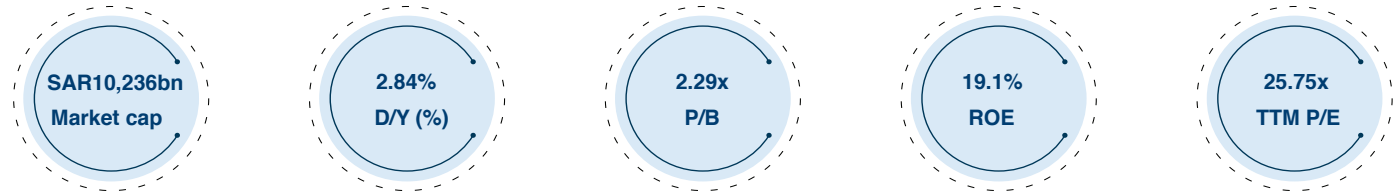


| Technical observations |                 |
|------------------------|-----------------|
| Index                  | TASI            |
| Ticker                 | SASEIDX Index   |
| Last Close             | 11,504          |
| Short-term view        | Cautious        |
| 52 weeks high/low      | 12,883 – 10,262 |

| Market data                   |          |
|-------------------------------|----------|
| Exchange Market Cap. (SAR bn) | 10,235.6 |
| Value (SAR mn)                | 13,138.6 |
| Volume (mn)                   | 416.1    |
| Number of Transactions        | 636,743  |
| Market Breadth                | 65 : 161 |

| Key statistics      |         |
|---------------------|---------|
| 1D return %         | -1.65%  |
| MTD return %        | -7.19%  |
| QTD return          | -7.24%  |
| YTD return          | -3.88%  |
| ADT vol. 3M* (mn)   | 318.3   |
| ADT val. 3M (SARmn) | 7,851.8 |

\*ADT stands for Average Daily Traded



Source: Bloomberg, Argam

TASI daily chart



Source: Tradingview, Aljazira Capital

SAUDI MARKET - TOP PICKS FOR THE WEEK

| Code | Company | Close* | Buy range | Sell range | Reward % | Stop loss |
|------|---------|--------|-----------|------------|----------|-----------|
|------|---------|--------|-----------|------------|----------|-----------|

No stocks recommendations due to market volatility

\* As of 30<sup>th</sup> May 2024

TASI market commentary

- TASI experienced a decline on Thursday; primarily driven by the performance of the Telecommunication services sector (down 2.34%) and the Banks sector (down 1.56%). At close, the Saudi market ended the day with a change of -1.65% at 11,504. In terms of activity, total volumes and value traded were ~416mn and ~SAR 13.1bn, respectively. The advance-decline ratio came in at 65/161.

Technical outlook

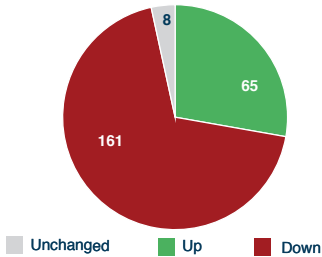
- TASI closed the last session near 11,504, marking a substantial loss of 193 points. The selling pressure re-intensified, resulting in a decline that broke below the support level represented by the 50% Fibonacci retracement level of around 11,570. Notably, TASI formed a Bearish Marubozu candlestick, indicating a potential continuation of the prevailing selling pressure towards the support level of the 61.8% Fibonacci level around 11,260. Additionally, the RSI indicator continues to move downward within the oversold zone, remaining below the level of 30. TASI has an immediate support level of around 11,465. If breached, the subsequent support levels would be around 11,365 – 11,260. On the other hand, an immediate resistance level is observed around 11,570. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,770 – 11,880. Traders are advised to exercise caution and closely monitor the significant support of the 61.8% Fibonacci retracement level around 11,260 where a potential positive reversal may start.

| Key price levels |        |        |        |        |        |        |
|------------------|--------|--------|--------|--------|--------|--------|
| S3               | S2     | S1     | Pivot  | R1     | R2     | R3     |
| 11,260           | 11,365 | 11,465 | 11,570 | 11,770 | 11,880 | 11,980 |

Our view



Market depth



Head of Sell-Side Research

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.

**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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Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068