



## Domestic Market News

- **KSA's** oil exports increased 2.5% M/M to SAR 6.1mn bpd. KSA's total output increased 0.08% M/M to 8.9mn bpd. (Source: Argaam)
- **KSA** welcomed 60mn tourists in H1-24 with spending reaching SAR 150bn, a 10% Y/Y growth. Tourism income accounted for 5% of the economy in H1-24. The sector contributed 35% to GDP in 2023, with more growth expected in 2024. (Source: Argaam)
- **Saudi AZM** signed contract with National Center for Government Resources Systems to provide managed services. The contract value is worth exceeding 15% of company's total revenues for FY23. (Source: Tadawul)
- **SIDC** received approval from CMA to reduce its share capital from SAR 400mn to SAR 135mn. This would reduce shares from 40mn to 13.5mn. (Source: Tadawul)
- **Pro Medex** signed a contract with the Ministry of National Guard – Health Affairs for supplying Orthopedic and spine supplies. The contract value is SAR 8.39mn with a duration of one year. The financial impact will be reflected during FY24 and FY25. (Source: Tadawul)
- **Aramco** completed the issuance of 30K international bonds worth USD 6.0bn. It decided a 5.25% return for bonds with 10yr maturity, 5.75% for 30yr maturity and 5.87% for 40yr maturity. (Source: Tadawul)

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

Company	Q2-24	Q2-23	Y/Y %	Q1-24	Q/Q %
ADVANCED*	42.0	60.3	-30.35	-58.4	NM

\*NM means Not Meaningful.

## Market Analysis

The **Saudi Stock Exchange** increased by 0.6% to 12,157.6. The value traded stood at SAR 7.4bn (up 1.8% over the previous day), while the advance-decline ratio stood at 157/64. The parallel market index decreased 0.1% to 25,887.9 points. The value traded stood at SAR 41.2mn (up 36.1% over the previous day). All sectors in the main market ended in green. Utilities and Media (up 2.7% and 2.2%, respectively) advanced the most.

## Top Gainers

Company	Price	Change%
AYYAN	19.42	10.0
MIAHONA	42.25	9.9
ALSAGR INSURANCE	24.88	9.4
GASCO	107.20	9.4
ALBAHA	0.13	8.3

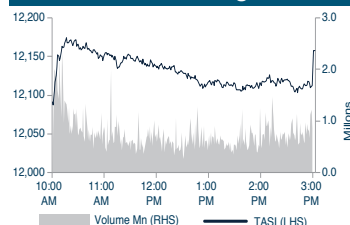
## Top Losers

Company	Price	Change%
MEDGULF	31.70	-2.5
BAAZEEM	64.30	-1.5
APC	131.40	-1.2
SAPTCO	17.84	-1.1
RED SEA	27.35	-1.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,158	12,178	12,084	0.6	1.0
NomuC	25,888	25,997	25,734	(0.1)	5.5

## TASI movement during session



## TASI Ratios

P/E* (x)	27.4
Price-to-Book (x)	2.4
Dividend Yield (%)	2.7
Return on Equity (%)	19.1

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,364	0.4	-13.9	15.9
Materials	5,942	0.5	-7.0	High
Capital Goods	12,849	0.3	27.4	28.4
Commercial Service	5,103	0.8	-8.5	37
Transportation	8,018	0.3	26.2	38.9
Consumer Durables	5,406	0.7	8.5	Neg
Consumer Services	5,405	0.9	8.6	40.1
Media	33,311	2.2	35.7	High
Consumer Discretionary Ret	7,620	0.6	-11.5	22.6
Consumer Staples Ret	9,328	0.4	-4.6	22.3
Food & Beverages	6,276	1.7	11.5	31.1
Healthcare	13,203	1.4	8.0	46.6
Pharma & Bio Tech	4,775	1.2	-1.9	45
Banks	11,945	0.0	-2.8	13.5
Financial Services	7,683	1.1	14.1	32.7
Insurance	11,477	0.1	33.5	28
Telecom	7,754	0.3	-0.2	15.1
Utilities	13,923	2.7	40.3	30.1
REITs	3,310	--	-9.7	25.7
Real Estate	3,608	1.2	18.0	42.2
Software & Services	73,911	1.8	7.8	42.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for July (bn)
11,972	11,849	11,754	6.02

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	28.2	928.70	2,015.60
Previous week	26.4	1,048.40	2,184.70

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	28.35	0.4
Al Rajhi	83.30	0.2
SNB	37.75	2.4
ACWA POWER	397.60	2.5
ALINMA	32.40	0.0





## International Market News

- According to **EIA**, oil inventories in the US decreased 4.9mn barrels (prior: down 3.4mn) to 440.2mn in the week ended July 12. Gasoline inventories increased 3.3mn barrels (prior: down 2.0mn) to 233.0mn, while distillate inventories increased 3.5mn barrels (prior: up 4.9mn) to 128.1mn. (Source: EIA, Econoday)
- US industrial production** rose 0.6% in June, following a 0.9% increase in May, surpassing the estimated 0.3% rise. The beat versus consensus was partly due to 2.8% spike in utilities output. Industrial capacity utilization rose to 78.8%, defying expectations of a decline to 78.6%. (Source: RTT News)
- Eurozone CPI** increased by 2.5% Y/Y, slightly below May's 2.6%, but in-line with the flash estimate. Core inflation was steady at 2.9%. Among inflation components, services had the highest annual increase at 4.1%, followed by food, alcohol, and tobacco at 2.4%. (Source: Reuters)
- Japan** recorded a merchandise trade surplus of USD 1.4bn in June, beating the expected USD 1.5bn deficit. Exports were up 5.4% Y/Y, while the imports rose 3.2% Y/Y. (Source: CNBC)
- Oil prices** gained 1.8% as large US inventory draw indicated improving demand scenario.
- Gold prices** fell 0.4% due to profit booking at the back of growing expectations of Fed rate cuts in September.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.75	-0.5	-2.0	2.4
Euro	1.09	0.4	2.1	-0.9
Japanese Yen	156.20	-1.4	-2.9	10.7
Sterling Pound	1.30	0.3	2.9	2.2
Chinese Yuan	7.27	-0.2	-0.4	2.1
Indian Rupee	83.59	0.0	0.2	0.5
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	0.0
Kuwaiti Dinar	0.31	-0.0	-0.4	-0.6
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	48.20	0.3	0.4	56.0

## Corporate Calendar

Date	Company	Event
18-Jul	CENOMI CENTERS	Cash Dividend Distribution
18-Jul	NGC	EGM
18-Jul	ZAIN KSA	Cash Dividend Distribution
18-Jul	ALINMA RETAIL REIT	Eligibility of Cash Dividend
21-Jul	ALDAWLIAH	Cash Dividend Distribution
22-Jul	GASCO	Cash Dividend Distribution

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,132	0.5	2.5	1.8	8.1
Abu Dhabi (ADX)	9,168	0.1	1.2	-4.3	18.4
Kuwait (KSE)	7,773	0.1	3.0	4.0	21.8
Qatar (QE)	10,152	-0.4	1.8	-6.3	11.4
Oman (MSM)	4,693	0.1	0.1	4.0	11.5
Bahrain (BSE)	1,986	0.2	-2.0	0.7	7.7
Egypt (EGX30)	28,340	1.8	2.1	13.8	8.0

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	41,198	0.6	5.3	9.3	23.6
Nasdaq	19,799	-2.9	0.6	17.7	34.9
S&P 500	5,588	-1.4	2.3	17.2	26.2
FTSE 100	8,187	0.3	0.3	5.9	14.4
Germany DAX 30	18,437	-0.4	1.1	10.1	16.3
France CAC 40	7,571	-0.1	1.2	0.4	13.2
Japan Nikkei 225	41,098	-0.4	3.8	22.8	26.4
Brazil IBOVESPA	129,450	0.3	4.5	-3.5	9.5
Hong Kong Hang Seng	17,739	0.1	0.1	4.1	9.9
South Korea KOSPI	2,843	-0.8	1.6	7.1	16.7
China Shanghai Composite	2,963	-0.5	-0.2	-0.4	14.0
Australia ASX 200	8,058	0.7	3.7	6.2	19.9
India Sensex	80,717	0.0	2.1	11.7	25.4
MSCI EM	1,111	-0.5	2.3	8.6	16.2
MSCI World	3,608	-1.0	2.7	13.8	22.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.08	-0.6	-2.2	7.0
Brent Crude (\$/bbl)	85.08	1.6	-1.5	10.4
Texas crude (\$/bbl)	82.85	2.6	1.6	15.6
Natural Gas (\$/mmbtu)	2.04	-7.0	-21.8	-24.5
Gold (\$/oz)	2,458.79	-0.4	5.7	19.2
Silver (\$/oz)	30.30	-3.0	4.0	27.3
Steel (\$/ton)	659.00	-0.2	-2.2	-41.9
Iron Ore (CNY/MT)	827.50	-0.7	-0.1	-20.7
Wheat (\$/bu)	539.25	1.6	-6.0	-17.8
Corn (\$/bu)	411.75	0.7	-2.1	-18.2
Sugar (\$/lb)	19.36	-1.3	-4.6	-5.7
SMP* (EUR/MT)	2,369.00	-0.4	-2.3	-8.1

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.76	-0.0	-9.3	-15.7
KSA (SAIBOR 3M)	6.25	5.1	1.9	1.7
KSA (SAIBOR 6M)	5.95	-0.8	-6.0	-12.4
KSA (SAIBOR 12M)	5.77	-2.8	-10.3	-22.8
USA (SOFR 3M)	5.28	0.0	-4.5	-5.2
UAE (EIBOR 3M)	5.21	-1.3	-8.4	-11.4

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 17, 2024



### Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,158
<b>Short-term view</b>	Buy
52 weeks high/low	12,883 – 10,262

### Market data

Exchange Market Cap. (SAR bn)	10,314.2
Value (SAR mn)	7,386.5
Volume (mn)	239.8
Number of Transactions	538,184
Market Breadth	157 : 64

### Key statistics

1D return %	0.64%
MTD return %	4.09%
QTD return	4.09%
YTD return	1.59%
ADT vol. 3M* (mn)	304.1
ADT val. 3M (SARmn)	7,650.0

\*ADT stands for Average Daily Traded

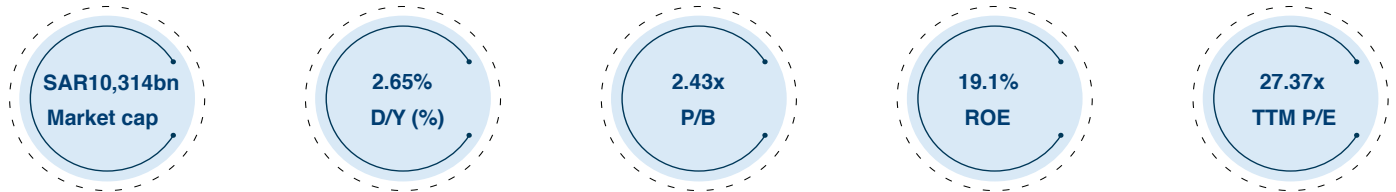
### TASI market commentary

TASI experienced a rise on Wednesday; primarily driven by the performance of the Materials sector (up 0.53%) and the Energy sector (up 0.37%). At close, the Saudi market ended the day with a change of 0.64% at 12,158. In terms of activity, total volumes and value traded were ~240mn and ~SAR 7.4bn, respectively. The advance-decline ratio came in at 157/64.

### Technical outlook

TASI closed the last session near 12,158, marking a gain of 77 points. The market exhibited a persistent buying sentiment, leading to the tenth consecutive rising session. TASI is still moving toward a significant resistance zone situated around 12,190 – 12,235, which aligns with the 161.8% Fibonacci level. Moreover, TASI formed a bullish Marubozu Open candlestick, depicting the prevailing buying attitude in the market. Additionally, the RSI indicator is still showing an upward movement above the level of 50. TASI has an immediate resistance level of around 12,190. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,235 – 12,330. On the other hand, an immediate support level is observed around 12,060. If breached, the subsequent support levels would be around 11,950– 11,900. As TASI continues its upward trajectory within the prevailing short-term buying sentiment and approaches the significant resistance of the 161.8% Fibonacci level, traders are advised to keep considering buying opportunities and closely monitor the resistance zone around 12,190– 12,235.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,900	11,950	12,060	12,155	12,190	12,235	12,330



Source: Bloomberg, Argaam

### TASI daily chart

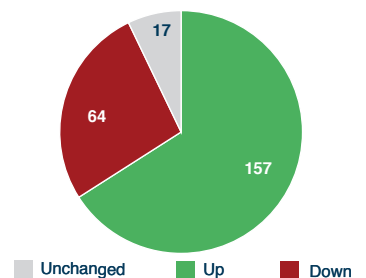


Source: Tradingview, Aljazira Capital

### Our view



### Market depth



## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
1302	Bawan	47.25	47.15 – 47.25	47.65 – 48.20	46.65
4005	Care	227.00	226.40 – 227.00	229.00 – 321.60	224.20
4292	Ataa	61.90	61.80 – 61.90	62.50 – 63.10	61.10
2050	Savola Group	47.40	47.30 – 47.40	47.80 – 48.35	46.80
7020	Etihad Etisalat	54.20	54.10 – 54.20	54.70 – 55.30	53.50
4320	Alandalus	25.75	25.70 – 25.75	26.00 – 26.30	25.45
7204	2P	15.40	15.36 – 15.40	15.54 – 15.70	15.20

\*As of 17<sup>th</sup> July 2024

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

## CHARTS OF THE DAY

### Technical observations

**Bawan** has just penetrated the level of the prior minor peak as well as a declining trendline. Moreover, all the technical indicators show bullish structure.

### Bawan Company (Bawan)



Source: Tradingview, Aljazira Capital

### Technical observations

**Care** has penetrated the level of the previous peaks after bouncing off its 20-day SMA. Moreover, all the technical indicators show bullish structure.

### National Medical Care Co. (Care)



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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