



Major Economic News

- KSA's** Ministry of Industry seeks to increase investment in the manufacturing sector and tap the rapid growth in the Kingdom. The ministry seeks to maximize production capabilities in the manufacturing sector (industrial applications), through the petrochemical supply chain integration committee. The committee aims to solve the challenges related to the abundance and competitiveness of petrochemicals and to ensure that supply chains are enabled to reach the downstream industry. (Source: Argaam)

Major Corporate News

- Saudi Aramco** announced signing of 3 MoUs with Aeroseal, Spiritus and Rondo, leading American companies to advance the development of potential lower-carbon energy solutions. Aramco sees opportunity to build a lower-carbon new energy business. Innovative technologies deployed at scale can help reduce the costs of reducing carbon emissions. Saudi Aramco intends to invest in developing these through its own R&D, venture capital and technology deployment programs. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q1-24	Q1-23	Y/Y %	Q4-23	Q/Q %
JABAL OMAR*	19.0	11.9	59.43	-200.1	NM
NAQI	7.9	11.2	-29.17	2.4	234.71
MAADANIYAH*	-7.4	-4.9	NM	-13.1	NM
FARM SUPERSTORE	6.9	7.4	-8.00	3.1	122.98
BAAZEEM	8.5	8.9	-4.73	4.1	108.25
JOUF CEMENT	12.5	10.3	21.22	40.5	-69.22
NORTH CEMENT*	51.6	21.8	137.28	-8.3	NM
MIS*	73.1	46.6	56.95	-12.7	NM
ALARABIA	100.8	90.8	11.01	79.4	26.92
AL HAMMADI	64.0	81.4	-21.35	65.2	-1.76

*NM means Not Meaningful.

Market Analysis

The **Saudi Stock Exchange** increased 0.8% on Thursday to 12,198.4. The value traded stood at SAR 7.2bn (up 13.5% over the previous day), while the advance-decline ratio stood at 81/144. The parallel market index decreased 0.7% to 26,484.0 points. The value traded stood at SAR 36.6mn (up 9.6% over the previous day). Most sectors in the main market ended in the green. Utilities and Energy (up 4.6% and 1.5%, respectively) advanced the most, while Real Estate and Transportation (down 2.5% and 2.1%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ACIG	21.30	6.5
ACWA POWER	459.60	6.2
MBC Group	53.60	4.7
WALAA	25.60	4.5
MAHARAH	6.56	4.1

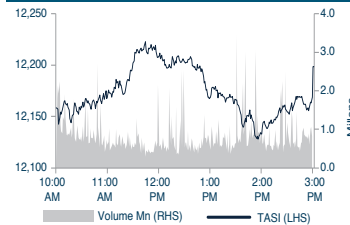
Top Losers

Company	Price	Change%
BINDAWOOD	8.03	-10.0
ALBABTAIN	42.75	-7.7
ALBAHA	0.13	-7.1
CENOMI CENTERS	22.54	-5.5
ALYAMAMAH STEEL	39.00	-5.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,198	12,223	12,125	0.8	1.9
NomuC	26,484	26,845	26,477	(0.7)	8.9

TASI movement during session



TASI Ratios

P/E* (x)	27.6
Price-to-Book (x)	2.5
Dividend Yield (%)	2.6
Return on Equity (%)	19.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,609	1.5	-9.8	16.1
Materials	6,164	0.9	-3.0	High
Capital Goods	12,697	-1.4	27.9	44.2
Commercial Service	5,230	0.4	-5.9	High
Transportation	7,184	-2.1	13.3	36.9
Consumer Durables	5,659	0.4	12.6	Neg
Consumer Services	5,283	-0.8	6.9	40.2
Media	29,950	1.0	22.1	High
Consumer Discretionary Ret	7,911	-0.7	-7.2	23.3
Consumer Staples Ret	9,732	-1.9	0.6	23.7
Food & Beverages	6,003	-0.7	7.0	30.3
Healthcare	13,063	0.7	8.6	47.3
Pharma & Bio Tech	5,154	0.0	6.1	47.5
Banks	11,666	0.7	-4.4	13.5
Financial Services	7,944	0.9	19.5	37.3
Insurance	10,403	-1.0	22.8	28.2
Telecom	7,597	0.2	-1.6	14.3
Utilities	15,488	4.6	55.8	34.2
REITs	3,325	-0.3	-9.4	25.9
Real Estate	3,498	-2.5	14.7	39
Software & Services	70,525	-0.3	2.8	42.6

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
12,180	12,275	12,328	6.74

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	33.1	1,296.50	2,578.50
Previous week	35.2	1,381.20	2,560.20

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	29.75	1.5
Al Rajhi	80.20	0.1
SNB	35.60	1.7
ACWA POWER	459.60	6.2
ALINMA	31.70	1.0





International Market News

- According to **Baker Hughes**, North America's rig count decreased 718 in the week ended May 17 from 719 earlier. The rig count rose to 604 in the US from 603 earlier, while increased to 19 in the Gulf of Mexico from 18. The rig count in Canada decreased to 114 from 116. (Source: Baker Hughe)
- US manufacturing output** unexpectedly fell by 0.3% in April, due to a decline in motor vehicle output. The reading was materially below the consensus estimate of 0.1% increase. Factory production fell 0.5% Y/Y. Manufacturing, which accounts for 10.4% of economy, remains constrained by higher borrowing costs. (Source: Reuters)
- The **initial claims** for unemployment benefits in the US dropped 10,000 to a seasonally adjusted 222,000 for the week ended May 11. The number of Americans filing new claims for jobless benefits fell indicating that labor market conditions remain fairly-tight even as job growth is cooling. (Source: RTT News)
- China's industrial output** expanded 6.7% Y/Y in April, materially ahead of consensus estimate at 5.5% increase. The rise in industrial output helped China by improving external demand, despite retail sales slowing down unexpectedly in April, property sector continuing to be a drag on the economy. (Source: Reuters)
- Oil prices** gained 0.8% due to signs of slowing down of US inflation, thereby boosting rate cut hopes.
- Gold prices** gained 1.6% due to lower than expected US inflation boosting rate cut hopes.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.45	-0.0	-1.7	3.1
Euro	1.09	0.0	1.9	-1.5
Japanese Yen	155.65	0.2	-1.4	10.4
Sterling Pound	1.27	0.2	1.7	-0.2
Chinese Yuan	7.23	0.2	-0.3	1.5
Indian Rupee	83.33	-0.2	-0.1	0.2
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	46.91	0.0	-2.0	51.8

Corporate Calendar

Date	Company	Event
19-May	SHAKER	EGM
19-May	RAOOM	Eligibility of Cash Dividend
19-May	ALNIMA	Eligibility of Cash Dividend
19-May	FOOD GATE	Eligibility of Cash Dividend
20-May	ALDREES	Cash Dividend Distribution
20-May	SRMG	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,068	-0.4	-2.1	0.2	8.0
Abu Dhabi (ADX)	9,042	0.0	-0.3	-5.6	17.0
Kuwait (KSE)	7,828	-0.2	1.8	4.7	14.5
Qatar (QE)	9,703	0.8	-0.3	-10.4	10.9
Oman (MSM)	4,792	0.4	0.2	6.2	12.7
Bahrain (BSE)	2,009	-0.1	-1.0	1.9	7.7
Egypt (EGX30)	26,143	3.3	6.9	5.0	10.0

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	40,004	0.3	5.8	6.1	23.5
Nasdaq	18,546	-0.1	6.3	10.2	34.2
S&P 500	5,303	0.1	5.3	11.2	25.4
FTSE 100	8,420	-0.2	3.4	8.9	14.9
Germany DAX 30	18,704	-0.2	4.3	11.7	16.5
France CAC 40	8,168	-0.3	2.3	8.3	14.2
Japan Nikkei 225	38,787	-0.3	1.0	15.9	26.7
Russia MOEX	3,502	0.4	0.9	13.0	4.9
Hong Kong Hang Seng	19,554	0.9	10.1	14.7	11.0
South Korea KOSPI	2,725	-1.0	1.2	2.6	17.5
China Shanghai Composite	3,154	1.0	1.6	6.0	14.0
Australia ASX 200	7,814	-0.8	2.0	2.9	19.7
India Sensex	73,917	0.3	-0.8	2.3	22.7
MSCI EM	1,100	0.1	5.1	7.4	15.6
MSCI World	3,473	0.1	5.1	9.6	21.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.12	1.2	-3.7	7.1
Brent Crude (\$/bbl)	83.98	0.9	-4.4	9.0
Texas crude (\$/bbl)	80.06	1.0	-2.3	11.7
Natural Gas (\$/mmbtu)	2.63	5.3	31.9	4.2
Gold (\$/oz)	2,415.22	1.6	5.6	17.1
Silver (\$/oz)	31.49	6.5	19.8	32.3
Steel (\$/ton)	787.00	0.1	-3.2	-30.7
Iron Ore (CNY/MT)	890.50	-0.4	0.3	-14.6
Wheat (\$/bu)	651.25	-1.8	8.0	0.9
Corn (\$/bu)	452.50	-1.0	1.3	-8.4
Sugar (\$/lb)	18.13	-1.1	-6.6	-11.2
SMP* (EUR/MT)	2,404.00	0.3	2.7	-6.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.87	-2.7	0.6	-4.5
KSA (SAIBOR 3M)	6.27	4.8	2.9	3.7
KSA (SAIBOR 6M)	6.06	0.5	-1.6	-1.5
KSA (SAIBOR 12M)	5.94	0.0	5.9	-5.6
USA (SOFR 3M)	5.33	0.0	-0.2	-0.6
UAE (EIBOR 3M)	5.20	-11.7	-11.7	-12.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 16, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,198
Short-term view	Neutral
52 weeks high/low	12,883 – 10,262

Market data

Exchange Market Cap. (SAR bn)	10,638.1
Value (SAR mn)	7,156.5
Volume (mn)	263.8
Number of Transactions	513,149
Market Breadth	81:144

Key statistics

1D return %	0.79%
MTD return %	-1.59%
QTD return	-1.64%
YTD return	1.93%
ADT vol. 3M* (mn)	351.6
ADT val. 3M (SARmn)	8,402.5

*ADT stands for Average Daily Traded

TASI market commentary

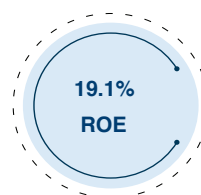
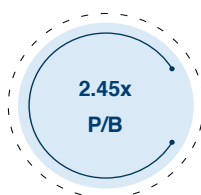
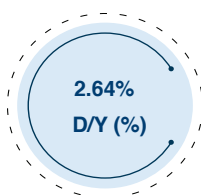
- TASI experienced a rise on Thursday; primarily driven by the performance of the Energy sector (up 1.49%) and the Materials sector (up 0.95%). At close, the Saudi market ended the day with a change of 0.79% at 12,198. In terms of activity, total volumes and value traded were ~264mn and ~SAR 7.2bn, respectively. The advance-decline ratio came in at 81/144.

Technical outlook

- TASI closed the last session near 12,198, recording a notable gain of 95 points. The buying power re-emerged propelling the index upwards after a test of the lower boundary of a potential Wedge price pattern. TASI formed a green candlestick after the appearance of an Inverted Hammer candlestick, indicating a potential further temporary positive rebound to retest the zone of the 10-day and 20-day SMAs around 12,275 – 12,330 within the dominating downward trajectory. Moreover, the RSI indicator started to exhibit a positive divergence. TASI has an immediate resistance level of around 12,275. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,330– 12,470. 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 closely monitor the significant resistance of the 20-day SMA and the upper boundary of the potential Bullish Wedge price pattern around 12,330. A decisive close above this resistance level could trigger further buying attitudes.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,880	12,000	12,100	12,185	12,275	12,330	12,470



Source: Bloomberg, Argaam

TASI daily chart

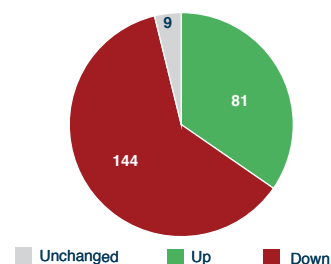


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
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No stocks recommendations due to market volatility

* As of 16th May 2024

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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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