



## Major Economic News

- **OPEC+** will likely decide its oil production levels for April and beyond in the coming weeks, according to a Reuters report. However, a meeting of the Joint Ministerial Monitoring Committee next Thursday would take place too early to take decisions on further output policy. (Source: Argaam)
- **PIF** completed the pricing of a USD 5.0bn (SAR 18.8bn) Reg S international bond offering. The offering was over five times covered, attracting orders worth USD 27.0bn (over SAR 10.0bn). (Source: Argaam)
- **Delivery orders** across Saudi Arabia exceeded 200.0mn in FY23, as per Saleh Al-Zuwayed, Spokesperson for the Transport General Authority. (Source: Argaam)

## Major Corporate News

- China, India and Southeast Asia are the big growth markets for **Saudi Aramco**, as per Mohammed Al Qahtani, Downstream President at Saudi Aramco. He added that Saudi Aramco is seeking refining and chemicals deals in Asia as it looks to expand its projects and seeks new acquisitions. (Source: Argaam)
- **Arabian Internet and Communications Services Co. (Solutions)** signed a contract with STC, a related party, for the renewal of a SAR 120.0mn deal that entailed the latter's provision of short message service center services to solutions' clients. The deal is valid for 24 months and is expected to have a positive financial impact on the company's financials starting from Q1-24. (Source: Tadawul)

## Market Analysis

The **Saudi Stock Exchange** decreased 0.1% to 12,161.6. The value traded stood at SAR 7.2bn (up 2.4% over the previous day), while the advance-decline ratio stood at 121/95. The parallel market index increased 1.2% to 25,248.7 points. The value traded stood at SAR 24.2mn (down 6.3% over the previous day). Most sectors in the main market ended in the green. Pharma and Consumer Services (up 1.4% and 1.1%, respectively) advanced the most, while Diversified Financials and Capital Goods (down 0.6% and 0.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
APC	132.40	5.8
ALMAWARID	133.80	3.7
GIG	34.05	3.7
ALBABTAIN	29.35	3.5
SUMOU	47.80	3.5

## Top Losers

Company	Price	Change%
MBC Group	58.40	-9.9
ALBAHA	0.14	-6.7
RIBL	29.45	-3.8
RIYADH CABLES	104.00	-3.0
SAIB	16.02	-2.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,162	12,196	12,141	(0.1)	1.6
NomuC	25,249	25,333	24,928	1.2	2.9

## TASI movement during session



## TASI Ratios

P/E* (x)	26.5
Price-to-Book (x)	2.4
Dividend Yield (%)	2.5
Return on Equity (%)	20.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,958	-0.5	-4.2	16.5
Materials	6,037	0.1	-5.0	High
Capital Goods	10,696	-0.5	7.7	35.1
Commercial Service	5,204	0.5	-6.4	33
Transportation	6,833	0.1	7.8	40.7
Consumer Durables	5,023	-0.0	0.0	Neg
Consumer Services	5,328	1.1	7.9	38.2
Media	29,108	-0.2	18.7	High
Consumer Discretionary Ret	8,440	0.4	-1.0	27.3
Consumer Staples Ret	10,303	0.4	6.5	26.4
Food & Beverages	6,128	0.0	9.3	31.9
Healthcare	12,797	0.2	6.4	49.8
Pharma & Bio Tech	5,361	1.4	10.4	High
Banks	12,751	-0.2	4.5	15
Financial Services	7,147	-0.6	7.5	32.9
Insurance	8,627	0.5	1.8	23.3
Telecom	8,092	-0.3	4.8	15.5
Utilities	9,612	-0.1	-3.3	19.3
REITs	3,610	0.7	-1.6	High
Real Estate	3,180	0.6	4.3	47.5
Software & Services	74,231	-0.5	8.2	46.2

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,111	12,084	12,101	8.56

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	38.7	1,483.10	2,311.90
Previous week	43.8	1,778.20	2,680.20

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.55	-0.5
Al Rajhi	88.50	0.7
SNB	43.05	-0.2
SABIC	78.80	-0.6
STC	42.65	0.6





## International Market News

- According to Baker Hughes, **North America's rig count** increased to 851 in the week ended January 26 from 843 earlier. The rig count rose to 621 in the US from 620 earlier, while declined to 17 in the Gulf of Mexico from 18 earlier. The rig count in Canada increased to 230 from 223 earlier. (Source: Baker Hughes)
- US GDP** expanded at a 3.3% annualized rate in Q4-23 (consensus: an increase of 2.0%) compared to 4.89% growth in Q3-23. In FY23, the US economy accelerated at a 2.5% annualized pace better than the 1.9% increase in FY22. The growth was driven by the strong consumer and government spending. (Source: CNBC)
- The **US core personal consumption expenditures** price index for December increased 0.2% M/M and 2.9% Y/Y. Consumer spending increased 0.7% (consensus: 0.5% increase). Personal income growth edged lower to 0.3% (in line with consensus). (Source: CNBC)
- US initial jobless claims** increased to 214,000 (consensus: 200,000) in the week ended January 20, representing a rise of 25,000 from the previous week's revised level of 189,000. (Source: RTT News)
- Oil prices** jumped 1.4% on Friday, as stronger-than-expected US economic growth and new stimulus measures by China increased the demand optimism.
- Gold prices** decreased 0.1%, as investors were cautious ahead of key inflation data and the US Fed meeting. Moreover, increased risk appetite amid fresh stimulus measures from China weighed on gold.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.43	-0.1	2.1	2.1
Euro	1.09	0.1	-1.7	-1.7
Japanese Yen	148.15	0.3	5.0	5.0
Sterling Pound	1.27	-0.0	-0.2	-0.2
Chinese Yuan	7.19	0.1	0.9	0.9
Indian Rupee	83.12	0.0	-0.1	-0.1
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	0.1	0.1
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	30.90	0.0	-0.0	-0.0

## Corporate Calendar

Date	Company	Event
28-Jan	GASCO	Cash dividend distribution
28-Jan	AL-MODAWAT	Start of IPO
29-Jan	GULF GENERAL	EGM
29-Jan	ATAA	Eligibility for cash dividend
29-Jan	ALWASAIL	EGM
29-Jan	PAN GULF	End of IPO

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,163	-0.2	2.6	2.6	9.2
Abu Dhabi (ADX)	9,568	-0.6	-0.1	-0.1	27.1
Kuwait (KSE)	8,063	0.1	7.8	7.8	17.2
Qatar (QE)	10,348	-0.2	-4.5	-4.5	12.3
Oman (MSM)	4,607	0.0	2.1	2.1	10.1
Bahrain (BSE)	2,014	0.2	2.1	2.1	8.1
Egypt (EGX30)	27,666	0.0	11.1	11.1	13.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,109	0.2	1.1	1.1	22.4
Nasdaq	17,421	-0.5	3.5	3.5	34.0
S&P 500	4,891	-0.1	2.5	2.5	23.5
FTSE 100	7,635	1.4	-1.3	-1.3	10.3
Germany DAX 30	16,961	0.3	1.3	1.3	14.9
France CAC 40	7,634	2.3	1.2	1.2	13.5
Japan Nikkei 225	35,751	-1.3	6.8	6.8	29.4
Russia MOEX	3,163	0.2	2.1	2.1	2.9
Hong Kong Hang Seng	15,952	-1.6	-6.4	-6.4	8.4
South Korea KOSPI	2,479	0.3	-6.7	-6.7	17.3
China Shanghai Composite	2,910	0.1	-2.2	-2.2	13.4
Australia ASX 200	7,555	0.0	-0.5	-0.5	16.6
India Sensex	70,701	0.0	-2.1	-2.1	24.7
MSCI EM	985	-0.3	-3.8	-3.8	14.8
MSCI World	3,216	0.1	1.5	1.5	20.5

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.96	0.8	5.6	5.6
Brent Crude (\$/bbl)	83.55	1.4	8.5	8.5
Texas crude (\$/bbl)	78.01	0.8	8.9	8.9
Natural Gas (\$/mmbtu)	2.71	5.5	7.9	7.9
Gold (\$/oz)	2,018.52	-0.1	-2.2	-2.2
Silver (\$/oz)	22.80	-0.5	-4.2	-4.2
Steel (\$/ton)	1,077.00	0.0	-5.1	-5.1
Iron Ore (CNY/MT)	1,060.00	-0.5	1.6	1.6
Wheat (\$/bu)	600.25	-2.0	-4.4	-4.4
Corn (\$/bu)	446.25	-1.2	-5.3	-5.3
Sugar (\$/lb)	23.77	-1.1	15.5	15.5
SMP* (EUR/MT)	2,530.00	0.0	-1.8	-1.8

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.92	-1.9	0.6	0.6
KSA (SAIBOR 3M)	6.26	3.1	2.7	2.7
KSA (SAIBOR 6M)	5.98	-2.5	-9.5	-9.5
KSA (SAIBOR 12M)	5.95	3.2	-4.6	-4.6
USA (SOFR 3M)	5.32	-0.2	-1.4	-1.4
UAE (EIBOR 3M)	5.23	7.3	-10.2	-10.2

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 26, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,162
Short-term view	Buy
52 weeks high/low	12,344 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	10,977.4
Value (SAR mn)	7,223.7
Volume (mn)	319.0
Number of Transactions	429,523
Market Breadth	121 : 95

## Key statistics

1D return %	-0.10%
MTD return %	1.62%
QTD return	1.62%
YTD return	1.62%
ADT vol. 3M* (mn)	275.2
ADT val. 3M (SARmn)	6,574.1

\*ADT stands for Average Daily Traded

## TASI market commentary

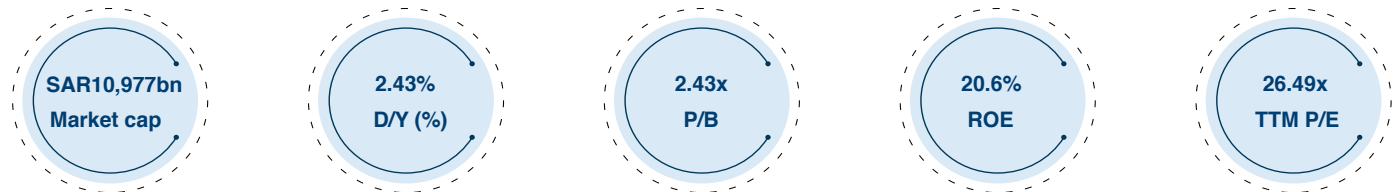
- TASI experienced a decline on Thursday; primarily driven by the performance of the Energy sector (down 0.49%) and the Telecommunication services sector (down 0.32%). At close, the Saudi market ended the day with a change of -0.10% at 12,162. In terms of activity, total volumes and value traded were ~319mn and ~SAR 7.2bn, respectively. The advance-decline ratio came in at 121/95.

## Technical outlook

- TASI closed near 12,162, marking a loss of 13 points. The index has temporarily paused its upward move after bouncing off its 20-day SMA and surpassing the last minor peak. TASI has formed a Spinning Top candlestick that requires confirmation by a subsequent bearish candlesticks pattern to indicate a possible further decline. Meanwhile, the RSI indicator is still hovering above the 50 level after penetrating a declining trendline, indicating a potential for further rise in the market. TASI has an immediate resistance level of nearly 12,225. If successfully penetrated, the following resistance level would be near 12,335 followed by 12,450. Conversely, an immediate support level is observed near 12,080. If breached, the subsequent support would be around 12,000, followed by 11,930. TASI continues to trade above its 10-day and 20-day SMAs after breaking through the last minor peak, indicating the potential for further upward movement toward the previous peak. Therefore, traders are advised to keep considering buying positions and closely monitor the significant resistance of the previous peak around 12,335.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,930	12,000	12,080	12,160	12,225	12,335	12,450



Source: Bloomberg, Argaam

## TASI daily chart



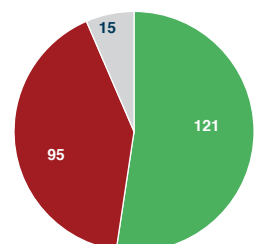
Source: Tradingview, Aljazira Capital

## Our view



## Market depth

■ Unchanged  
■ Up  
■ Down





## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
4300	Dar Alarkan Real Estate Development Co	14.04	13.90 – 14.04	14.44 – 14.84	5.70%	13.68
1833	Al Mawarid Manpower Co.	133.80	132.40 – 133.80	138.60 – 149.00	11.36%	127.80

\* As of 25<sup>th</sup> Jan 2024,

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

## CHARTS OF THE WEEK

## Technical observations

**DAR ALARKAN** has just penetrated the upper boundary of a declining channel. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 13.90 – 14.04, for a target range of SAR14.44 – 14.84, with a stop loss below SAR13.68 on a closing basis.

## Dar Alarkan Real Estate Development Co (DAR ALARKAN)



Source: Tradingview, Aljazira Capital

## Technical observations

**ALMAWARID** has finished a bullish Head and Shoulders price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 132.40 – 133.80, for a target range of SAR138.60 – 149.00, with a stop loss below SAR127.80 on a closing basis.

## Al Mawarid Manpower Co. (ALMAWARID)



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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