



Domestic Market News

- **KSA** betting on the EV industry, with its aim of producing 300K-350K cars annually. It requires batteries where KSA is qualified to embrace investments and industries in the supply chain for EV batteries. (Source: Argaam)
- **Ministry of Industry and Mineral** offered 4 salt ore exploration licenses in the Eastern Province. The coastal area spans 4km where salt ore is naturally exposed. (Source: Argaam)
- **Armah** signed a lease for operating 2 fitness clubs in Jeddah. This supports its strategy for expansion in prime locations. The annual lease is valued at SAR 3.6mn, with a total contract value of SAR 54.6mn. (Source: Tadawul)
- **Ladun's** subsidiary signed SAR 628.1mn project for expanding ministry's headquarters. Contract duration is 48 months, with financial impact from Q4-24. (Source: Tadawul)
- **Edarat** signed contract worth SAR 9.7mn with BPS Arabia, which aims to grant it rights to provide VMware cloud services for 3 years. (Source: Tadawul)
- **Riyadh Cement** received ZATCA notice, levying withholding tax of SAR 25mn for the years 2006-10. The positive financial impact to be expected from Q3-24. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q2-24	Q2-23	Y/Y %	Q1-24	Q/Q %
SOLUTIONS	453.0	339.7	33.36	353.3	28.21
FIRST MILLS	45.5	34.9	30.36	77.7	-41.45
MOBILY	661.0	497.0	32.99	638.0	3.61

Market Analysis

The **Saudi Stock Exchange** decreased by 0.2% to 12,174.8. The value traded stood at SAR 8.3bn (up 30.8% over the previous day), while the advance-decline ratio stood at 127/96. The parallel market index increased 1.1% to 26,040.5 points. The value traded stood at SAR 34.7mn (up 40.4% over the previous day). Most of the sectors in the main market ended in green. Commercial Service and Consumer Services (up 1.7% and 1.5%, respectively) advanced the most, while Utilities and Materials (down 2.5% and 0.7%, respectively) declined the most.

Top Gainers

Company	Price	Change%
FAKEEH CARE	64.00	7.0
SADR	3.51	6.4
UCA	11.72	5.4
LEEJAM SPORTS	227.00	5.1
TANMIAH	130.20	4.7

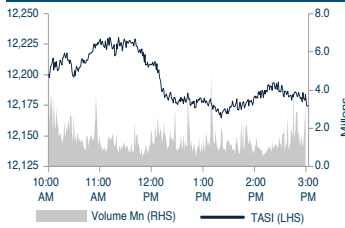
Top Losers

Company	Price	Change%
ALSAGR INSURANCE	21.90	-4.8
MIAHONA	42.50	-3.4
ACWA POWER	381.00	-3.3
AMAK	63.40	-3.1
TALCO	67.60	-2.9

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,175	12,235	12,163	(0.2)	1.1
NomuC	26,040	26,061	25,732	1.1	6.2

TASI movement during session



TASI Ratios

P/E* (x)	27.3
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	5,374	-0.3	-13.8	16
Materials	5,891	-0.7	-7.8	High
Capital Goods	12,658	0.9	25.5	28.1
Commercial Service	5,387	1.7	-3.4	39.4
Transportation	8,069	0.8	27.0	39.4
Consumer Durables	5,445	0.4	9.3	Neg
Consumer Services	5,400	1.5	8.5	40
Media	33,033	0.3	34.5	High
Consumer Discretionary Ret	7,605	0.7	-11.7	22.5
Consumer Staples Ret	9,350	0.9	-4.3	22.4
Food & Beverages	6,347	0.2	12.8	31.5
Healthcare	13,121	1.3	7.3	46.4
Pharma & Bio Tech	4,798	0.6	-1.4	45.5
Banks	12,073	-0.5	-1.7	13.6
Financial Services	7,758	-0.2	15.2	33.4
Insurance	11,437	0.5	33.1	27.9
Telecom	7,778	0.7	0.1	15.1
Utilities	13,460	-2.5	35.6	29.2
REITs	3,327	1.0	-9.2	25.8
Real Estate	3,717	0.8	21.6	43.5
Software & Services	73,381	1.4	7.0	42.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for July (bn)
12,161	11,999	11,836	6.36

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.7	784.50	1,089.90
Previous week	37	1,315.90	2,603.80

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	28.40	-0.4
Al Rajhi	84.30	-0.4
SNB	37.90	-1.0
ACWA POWER	381.00	-3.3
ALINMA	32.80	0.3





International Market News

- Atlanta Fed lifted the **US growth estimate** for Q2-24 to 2.7% from the earlier estimate of 2.5%. This upgrade in the estimate was at the back of upgrades to personal consumption and investment estimates following the release of the latest housing and industrial production data. (Source: RTT News)
- According to the **BoE**, banks should prepare to use its repo facilities more as it reduces its government bond holdings, and it plans to expand its six-month repo operation significantly. The banking system in the UK will be required to obtain reserves, through the respective bank's repo operations. (Source: Reuters)
- China's** central bank cut the interest rate on seven-day reverse repos from 1.8% to 1.7%. After cutting seven-day reverse repo rate, the central bank also lowered the one-year loan prime rate from 3.45% to 3.35%. The lowering of China's short-term policy rate as well as benchmark lending rates was aimed to strengthen counter-cyclical adjustments to better support the real economy. (Source: CNBC)
- Oil prices** fell 0.4% due to persistence of demand worries as China cut interest rates to boost economy, and also the increasing stockpiles.
- Gold prices** fell 0.7% driven by stronger US treasury yields.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.31	-0.1	-1.5	2.9
Euro	1.09	0.1	1.7	-1.3
Japanese Yen	157.04	-0.3	-2.4	11.3
Sterling Pound	1.29	0.1	2.3	1.6
Chinese Yuan	7.30	0.1	-0.0	2.4
Indian Rupee	83.67	0.0	0.3	0.6
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	-0.3	-0.5
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	48.43	0.4	0.8	56.7

Corporate Calendar

Date	Company	Event
23-Jul	SPC	EGM
24-Jul	MARAFIQ	Eligibility of Cash Dividend
24-Jul	SARCO	EGM
28-Jul	GACO	EGM
28-Jul	MULKIA REIT	Eligibility of Cash Dividend
28-Jul	ASG	Start of offering

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,179	-0.0	3.7	2.9	8.143
Abu Dhabi (ADX)	9,279	0.4	2.4	-3.1	18.610
Kuwait (KSE)	7,756	0.5	2.8	3.7	21.722
Qatar (QE)	10,121	0.6	1.5	-6.6	11.396
Oman (MSM)	4,631	-1.1	-1.2	2.6	11.320
Bahrain (BSE)	1,980	1.0	-2.3	0.4	7.642
Egypt (EGX30)	28,992	0.7	4.4	16.5	8.133

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	40,415	0.3	3.3	7.2	23.2
Nasdaq	19,823	1.5	0.7	17.8	35.0
S&P 500	5,564	1.1	1.9	16.7	26.0
FTSE 100	8,199	0.5	0.4	6.0	14.4
Germany DAX 30	18,407	1.3	0.9	9.9	16.2
France CAC 40	7,622	1.2	1.9	1.0	13.2
Japan Nikkei 225	39,599	-1.2	0.0	18.3	25.4
Brazil IBOVESPA	127,860	0.2	3.2	-4.7	9.4
Hong Kong Hang Seng	17,636	1.3	-0.5	3.5	9.9
South Korea KOSPI	2,764	-1.1	-1.2	4.1	16.3
China Shanghai Composite	2,964	-0.6	-0.1	-0.4	14.0
Australia ASX 200	7,932	-0.5	2.1	4.5	19.6
India Sensex	80,502	-0.1	1.9	11.4	25.1
MSCI EM	1,085	-0.4	-0.1	6.0	15.7
MSCI World	3,585	0.9	2.1	13.1	22.3

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.63	-2.9	-3.9	5.2
Brent Crude (\$/bbl)	82.40	-0.3	-4.6	7.0
Texas crude (\$/bbl)	79.78	-0.4	-2.2	11.3
Natural Gas (\$/mmbtu)	2.25	5.8	-13.5	-16.5
Gold (\$/oz)	2,396.59	-0.2	3.0	16.2
Silver (\$/oz)	29.13	-0.3	-0.1	22.4
Steel (\$/ton)	657.00	0.0	-2.5	-42.1
Iron Ore (CNY/MT)	804.50	-0.3	-2.8	-22.9
Wheat (\$/bu)	548.00	1.0	-4.4	-16.5
Corn (\$/bu)	415.00	2.5	-1.4	-17.6
Sugar (\$/lb)	18.30	-1.9	-9.9	-10.9
SMP* (EUR/MT)	2,367.00	0.2	-2.4	-8.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.75	-2.5	-9.5	-15.9
KSA (SAIBOR 3M)	6.19	-1.8	-4.1	-4.3
KSA (SAIBOR 6M)	5.98	-0.4	-3.6	-10.0
KSA (SAIBOR 12M)	5.73	-2.8	-13.8	-26.3
USA (SOFR 3M)	5.28	0.0	-4.1	-4.8
UAE (EIBOR 3M)	5.04	-18.3	-25.7	-28.7

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 22, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,175
Short-term view	Neutral
52 weeks high/low	12,883 – 10,262

Market data

Exchange Market Cap. (SAR bn)	10,324.0
Value (SAR mn)	8,345.7
Volume (mn)	439.5
Number of Transactions	612,483
Market Breadth	127 : 96

Key statistics

1D return %	-0.23%
MTD return %	4.24%
QTD return	4.24%
YTD return	1.73%
ADT vol. 3M* (mn)	304.5
ADT val. 3M (SARmn)	7,650.4

*ADT stands for Average Daily Traded

TASI market commentary

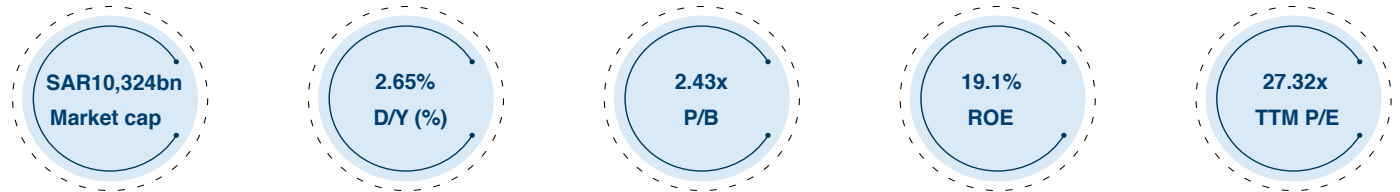
- TASI experienced a decline on Monday; primarily driven by the performance of the Materials sector (down 0.69%) and the Banks sector (down 0.52%). At close, the Saudi market ended the day with a change of -0.23% at 12,175. In terms of activity, total volumes and value traded were ~440mn and ~SAR 8.3bn, respectively. The advance-decline ratio came in at 127/96.

Technical outlook

- TASI closed the last session near 12,175, marking a loss of 28 points. After an impressive streak of twelve consecutive rising sessions, the index encountered a significant profit-taking sentiment upon testing the notable resistance of the 100-day SMA and the 161.8% Fibonacci level around 12,235. TASI formed a Shooting Star candlestick, which needs to be confirmed by the following negative candlestick to indicate a potential further profit booking attitude in the near-term. Additionally, the RSI indicator started to show a decline after reaching the level of 70. TASI has an immediate support level of around 12,160. If breached, the subsequent support levels would be around 12,060– 11,950. On the other hand, an immediate resistance level is observed around 12,235. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,330 – 12,410. TASI started to exhibit a profit-taking attitude once tested the significant resistance zone near the 100-day SMA and the 161.8% Fibonacci level around 12,235. Therefore, traders are advised to closely monitor the support level of the 5-day SMA around 12,160 as the successful breach could trigger a possible further profit booking attitude.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,950	12,060	12,160	12,190	12,235	12,330	12,410



Source: Bloomberg, Argaam

TASI daily chart

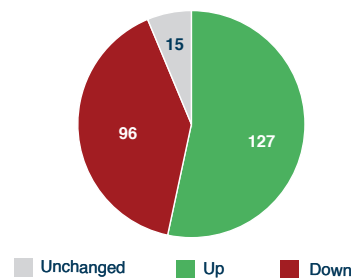


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
4260	Budget Saudi	91.90	91.70 – 91.90	92.70 – 93.70	90.70
2160	Amiantit	28.90	28.85 – 28.90	29.15 – 29.45	28.55
4002	Mouwasat	123.20	122.80 – 123.20	124.20 – 125.80	121.60
8260	Gulf General	14.38	14.34 – 14.38	14.50 – 14.68	14.20
4007	Al Hammadi	47.10	47.00 – 47.10	47.50 – 48.05	46.50
2230	Chemical	11.50	11.46 – 11.50	11.60 – 11.74	11.36
6004	Catering	123.00	122.60 – 123.00	124.00 – 125.40	121.40

*As of 22nd July 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

Budget Saudi has just penetrated the level of the prior minor peak. Moreover, all the technical indicators show bullish structure.

United International Transportation Co. (Budget Saudi)



Source: Tradingview, Aljazira Capital

Technical observations

AMIAANTIT has just penetrated a rising trendline as well as the prior minor peak. Moreover, all the technical indicators show bullish structure.

Saudi Arabian Amiantit Co. (AMIAANTIT)



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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