



## Major Economic News

- **IATA** expects significant growth in Saudi Arabia's aviation sector during the next five years, marked by an increase in the number of destinations, fleet size, and airport infrastructure. The Kingdom is expected to witness a clear renaissance in the aviation sector during 2024, with growth rates expected to surpass those in 2023. (Source: Argaam)
- **KSA** plans to establish 96 projects to enhance infrastructure for reuse of treated water in agricultural, urban, and industrial sectors. The estimated cost for these projects exceeds USD 4bn. These projects aim to achieve reuse of more than 70% of the treated water produced locally, with a volume surpassing 2bn cubic meters by 2030. (Source: Argaam)

## Major Corporate News

- **NAQI** signed a contract with Saudi Authority for Industrial Cities and Technology Zones (MODON) to lease industrial land in Jazan region for establishing a production plant for bottled drinking water. This contract aligns with its investment direction to achieve growth through expanding its production facilities. This will enable the company to achieve efficient supply chains, enhance the flexibility of reaching its customers, and support its growth plans. The contract's duration is for 20 years with a total contract value of SAR 0.3mn. The financial impact of this contract is expected to be reflected in the second half of FY25. (Source: Tadawul)

## Market Analysis

The **Saudi Stock Exchange** increased 0.3% to 12,157.0. The value traded stood at SAR 5.3bn (down 1.8% over the previous day), while the advance-decline ratio stood at 84/136. The parallel market index decreased 0.3% to 26,845.0 points. The value traded stood at SAR 36.7mn (up 1.9% over the previous day). Most sectors in the main market ended in the red. Utilities and Real Estate (up 1.8% and 1.1%, respectively) advanced the most, while Media and Software & Services (down 2.4% and 1.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
NASEEJ	81.70	9.8
GULF GENERAL	15.02	6.7
MCDC	97.00	6.0
SAUDI CABLE	75.50	5.9
SGS	53.40	4.3

## Top Losers

Company	Price	Change%
AMLAK	11.34	-5.0
BATIC	3.27	-4.9
ALJOUF	63.50	-4.4
ALRAJHI TAKAFUL	146.40	-4.3
MESC	31.75	-3.9

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,157	12,157	12,066	0.3	1.6
NomuC	26,845	27,211	26,822	(0.3)	9.4

## 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	5,665	0.3	-8.9	16.2
Materials	6,083	-0.7	-4.2	High
Capital Goods	12,378	-0.6	24.7	43.1
Commercial Service	4,973	-1.2	-10.6	47.7
Transportation	7,218	0.3	13.9	37
Consumer Durables	5,706	0.3	13.6	Neg
Consumer Services	5,149	-0.7	4.2	39.6
Media	28,414	-2.4	15.9	High
Consumer Discretionary Ret	7,760	-0.8	-9.0	22.7
Consumer Staples Ret	9,487	0.1	-2.0	23.1
Food & Beverages	5,938	0.2	5.9	30
Healthcare	12,871	-0.5	7.0	46.6
Pharma & Bio Tech	4,888	-0.6	0.7	45.6
Banks	11,589	0.9	-5.0	13.3
Financial Services	7,698	-1.2	15.8	36.5
Insurance	10,523	-0.7	24.2	28.6
Telecom	7,590	-1.1	-1.7	14.3
Utilities	16,040	1.8	61.4	35.4
REITs	3,272	-0.4	-10.8	25.5
Real Estate	3,436	1.1	12.7	38.3
Software & Services	68,693	-1.5	0.2	41.5

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
12,160	12,179	12,265	6.38

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	21.2	814.00	1,706.60
Previous week	33.1	1,296.50	2,578.50

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	30.05	0.3
Al Rajhi	80.20	1.3
SNB	35.15	1.6
ACWA POWER	480.20	2.4
ALINMA	31.70	-0.5





## International Market News

- According to **EIA**, oil inventories in the US increased 1.8mn barrels (prior: down 2.5mn) to 458.8mn in the week ended May 17. Gasoline inventories decreased 0.9mn barrels (prior: down 0.2mn) to 226.8mn, while distillate inventories increased 0.4mn barrels (prior: down 0.1mn) to 116.7mn. (Source: EIA, Econoday)
- US existing home sales** unexpectedly fell 1.9% M/M in April, as higher mortgage rates and house prices weighed on demand. The housing market took a step back after residential investment, grew at its fastest pace in more than 3 years in Q1 amid a resurgence in mortgage rates. (Source: Reuters)
- Recent US economic data not increasing confidence of inflation moving sustainably towards the 2% target, minutes of latest **Fed Reserve meeting** suggest that officials expect to maintain rates at current levels longer than previously thought. Fed officials required greater confidence of inflation slowing down before they cut the interest rates. (Source: Reuters)
- UK CPI** increased more than expected to 2.3% in April, due to the stickiness of services inflation, which would possibly delay the timing of the first interest rate cut. The April inflation was the weakest since July 2021, with the rate being stronger than the consensus estimates of 2.1% increase. (Source: RTT News)
- Oil prices** fell 0.6% due to unexpected build-in the US inventories casting doubts over demand.
- Gold prices** fell 0.3% on hawkish commentary from the Fed officials in their meetings about the interest rate cuts.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.93	0.3	-1.2	3.6
Euro	1.08	-0.3	1.5	-2.0
Japanese Yen	156.80	0.4	-0.6	11.2
Sterling Pound	1.27	0.1	1.8	-0.1
Chinese Yuan	7.25	0.1	-0.0	1.8
Indian Rupee	83.28	-0.0	-0.2	0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	-0.0	-0.0	-0.0
Kuwaiti Dinar	0.31	0.0	-0.3	-0.1
Omani Rial	0.38	0.0	-0.0	-0.0
Bahraini Dinar	0.38	0.0	-0.0	0.0
Egyptian Pound	46.79	0.3	-2.3	51.4

## Corporate Calendar

Date	Company	Event
23-May	ZAMIL INDUSTRIAL	EGM
23-May	BUDGET SAUDI	Eligibility of Cash Dividend
23-May	BUDGET SAUDI	EGM
23-May	SGS	EGM
23-May	SAUDI ARAMCO	Cash Dividend Distribution
23-May	SULAIMAN ALHABIB	Eligibility of Cash Dividend

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,058	-0.4	-2.4	-0.0	8.0
Abu Dhabi (ADX)	8,973	-0.4	-1.0	-6.3	18.0
Kuwait (KSE)	7,799	0.1	1.4	4.3	14.4
Qatar (QE)	9,708	-0.1	-0.2	-10.4	10.9
Oman (MSM)	4,807	0.6	0.5	6.5	12.8
Bahrain (BSE)	2,016	0.1	-0.7	2.2	7.7
Egypt (EGX30)	27,227	0.0	11.4	9.4	10.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,671	-0.5	4.9	5.3	23.3
Nasdaq	18,705	-0.0	7.3	11.2	34.5
S&P 500	5,307	-0.3	5.4	11.3	24.7
FTSE 100	8,370	-0.5	2.8	8.2	15.0
Germany DAX 30	18,680	-0.2	4.2	11.5	16.5
France CAC 40	8,092	-0.6	1.3	7.3	14.1
Japan Nikkei 225	38,617	-0.8	0.6	15.4	26.5
Russia MOEX	3,445	0.5	-0.7	11.1	4.9
Hong Kong Hang Seng	19,196	-0.1	8.1	12.6	10.8
South Korea KOSPI	2,723	-0.0	1.2	2.6	17.5
China Shanghai Composite	3,159	0.0	1.7	6.2	13.9
Australia ASX 200	7,848	-0.0	2.4	3.4	19.8
India Sensex	74,221	0.4	-0.4	2.7	22.8
MSCI EM	1,095	0.2	4.7	7.0	14.1
MSCI World	3,466	-0.4	4.8	9.4	21.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.80	-1.3	-5.2	5.4
Brent Crude (\$/bbl)	81.90	-1.2	-6.8	6.3
Texas crude (\$/bbl)	77.57	-2.1	-5.3	8.3
Natural Gas (\$/mmbtu)	2.84	6.4	42.7	12.8
Gold (\$/oz)	2,378.85	-1.7	4.1	15.3
Silver (\$/oz)	30.79	-3.7	17.1	29.4
Steel (\$/ton)	789.00	-0.3	-3.0	-30.5
Iron Ore (CNY/MT)	921.00	1.9	3.8	-11.7
Wheat (\$/bu)	693.00	-0.6	14.9	7.3
Corn (\$/bu)	461.25	0.7	3.2	-6.6
Sugar (\$/lb)	18.23	-1.8	-6.1	-10.7
SMP* (EUR/MT)	2,425.00	0.5	3.6	-5.9

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.83	4.3	-3.1	-8.2
KSA (SAIBOR 3M)	6.23	-0.4	-1.5	-0.7
KSA (SAIBOR 6M)	6.10	4.4	2.3	2.4
KSA (SAIBOR 12M)	5.91	-0.1	3.2	-8.3
USA (SOFR 3M)	5.33	0.1	0.3	-0.1
UAE (EIBOR 3M)	5.33	3.3	1.8	0.6

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 22, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,157
Short-term view	Cautious
52 weeks high/low	12,883 – 10,262

## Market data

Exchange Market Cap. (SAR bn)	10,691.4
Value (SAR mn)	5,300.5
Volume (mn)	214.9
Number of Transactions	430,184
Market Breadth	84 : 136

## Key statistics

1D return %	0.29%
MTD return %	-1.92%
QTD return	-1.97%
YTD return	1.58%
ADT vol. 3M* (mn)	338.0
ADT val. 3M (SARmn)	8,062.4

\*ADT stands for Average Daily Traded

## TASI market commentary

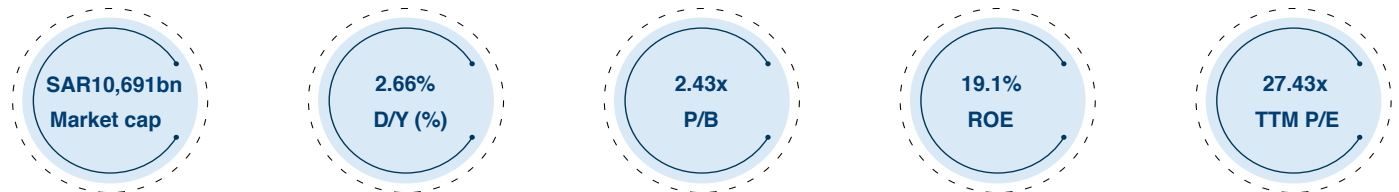
- TASI experienced a rise on Wednesday; primarily driven by the performance of the Banks sector (up 0.93%) and the Energy sector (up 0.34%). At close, the Saudi market ended the day with a change of 0.28% at 12,157. In terms of activity, total volumes and value traded were ~215mn and ~SAR 5.3bn, respectively. The advance-decline ratio came in at 84/136.

## Technical outlook

- TASI closed the last session near 12,157, registering a gain of 35 points. The index experienced another coiled session which closed near its high point. Despite still hovering below significant short-term moving averages, it maintains a lateral movement above the lowest close observed in the past five sessions. TASI has formed a green candlestick after a Doji candlestick indicating a possible temporary positive rebound within the prevailing downward trajectory. Furthermore, the RSI indicator has exhibited a positive divergence. TASI has an immediate resistance level of around 12,260. 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 should trade cautiously, particularly as long as the index maintains trading below 12,330 which needs to be penetrated to indicate the end of the current profit booking phase. Nevertheless, a confirmed close below 12,100 could potentially trigger additional selling pressure.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,880	12,000	12,100	12,185	12,260	12,330	12,470



Source: Bloomberg, Argam

## TASI daily chart

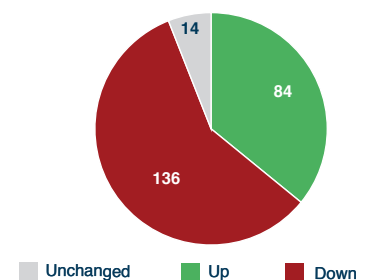


Source: Tradingview, Aljazira Capital

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
2160	Amiantit	27.10	27.00 – 27.10	27.35 – 27.65	26.80
8240	CHUBB	32.65	32.55 – 32.65	32.95 – 33.65	32.25
1120	Al Rajhi Bank	80.20	80.00 – 80.20	80.90 – 81.80	79.30
2082	ACWA Power	480.20	479.00 – 480.20	484.60 – 493.80	474.40
1212	Astra Industrial	159.20	158.80 – 159.20	160.60 – 162.40	157.40
1213	Naseej	81.70	81.50 – 81.70	82.50 – 83.50	80.70

\*As of 22<sup>nd</sup> May 2024

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

## CHARTS OF THE DAY

## Technical observations

**AMIAANTIT** started to bounce off a rising trendline and penetrated its 10-day SMA. Moreover, all the technical indicators show bullish structure.

## Saudi Arabian Amiantit Co. (AMIAANTIT)



Source: Tradingview, Aljazira Capital

## Technical observations

**CHUBB** started to bounce off the level of the prior bottom and penetrated a declining trendline as well as its 10-day SMA. Moreover, all the technical indicators show bullish structure.

## CHUBB Arabia Cooperative Insurance Co. (CHUBB)



Source: Tradingview, Aljazira Capital



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