



## Domestic Market News

- **KSA's** CHI and Insurance Authority began mandating insurance for domestic workers registered with an employer employing more than four individuals from July 1. This decision is to ensure all beneficiaries receive comprehensive care and prevention. (Source: Argaam)
- **KSA** announced the discovery of two new unconventional oil fields and two new natural gas reservoirs in the Eastern Province and the Empty Quarter. (Source: Argaam)
- **SIIG's** directors provided approval to distribute cash dividends to the shareholders for 1H-24. The dividend per share amounted to SAR 0.5, totaling SAR 377.4mn. (Source: Tadawul)
- **Almunajem** to establish a new limited liability company based in Riyadh, dedicated to providing integrated logistics services. This new entity will be a 100% owned subsidiary of Almunajem. (Source: Argaam)
- **ACWA Power** signed financing agreements worth SAR 1.4bn with a consortium of development finance institutions, funds and international commercial lenders. The facility will be used to fund the Riverside Power Station project, whose total investment cost is SAR 2bn. (Source: Tadawul)
- **Arabian Pipe** was awarded a new order for supply steel pipes to Denys Arabia. The contract is worth SAR 293mn, with a duration of 10 months. The financial impact is expected from Q4-24 to Q2-25. (Source: Tadawul)

## Market Analysis

The **Saudi Stock Exchange** decreased by 0.2% to 11,658.5. The value traded stood at SAR 7.3bn (up 38.0% over the previous day), while the advance-decline ratio stood at 93/130. The parallel market index increased 0.7% to 26,317.9 points. The value traded stood at SAR 36.8mn (down 3.3% over the previous day). Most of the sectors in the main market ended in red. Media and Food & Beverages (up 1.6% and 1.0%, respectively) advanced the most, while Diversified Financials and Healthcare (down 1.4% and 1.3%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
SSP	71.70	10.0
TALCO	62.70	8.9
EAST PIPES	172.60	7.2
APC	197.80	6.1
MESC	32.80	5.3

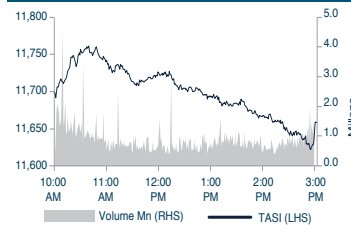
## Top Losers

Company	Price	Change%
SEDCO CAPITAL REIT	7.36	-4.3
ZAIN KSA	11.32	-4.1
WALAA	27.90	-3.5
ALAKARIA	18.42	-3.4
CARE	206.00	-3.3

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,659	11,764	11,616	(0.2)	(3.1)
NomuC	26,318	26,335	26,016	0.7	7.3

## TASI movement during session



## TASI Ratios

P/E* (x)	26.1
Price-to-Book (x)	2.3
Dividend Yield (%)	2.8
Return on Equity (%)	19.1

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,296	0.4	-15.0	15.7
Materials	5,737	-0.2	-10.3	High
Capital Goods	12,614	0.4	25.1	27.9
Commercial Service	5,086	-0.6	-8.8	37
Transportation	7,852	0.2	23.6	37.8
Consumer Durables	5,369	0.3	7.8	Neg
Consumer Services	5,173	0.5	3.9	39
Media	28,068	1.6	14.3	47.6
Consumer Discretionary Ret	7,399	0.0	-14.1	22
Consumer Staples Ret	9,203	-0.3	-5.8	22
Food & Beverages	6,091	1.0	8.2	30.1
Healthcare	12,814	-1.3	4.8	45.2
Pharma & Bio Tech	4,689	-0.5	-3.7	44.2
Banks	11,463	-0.3	-6.7	13
Financial Services	7,659	-1.4	13.7	32.5
Insurance	10,837	-0.9	26.1	26.5
Telecom	7,579	0.1	-2.4	14.8
Utilities	12,352	-1.0	24.5	26.9
REITs	3,217	-0.7	-12.3	25.1
Real Estate	3,320	-0.3	8.6	39.2
Software & Services	70,161	0.3	2.3	40.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for June (bn)
11,691	11,681	11,677	10.65

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	12.7	503.30	1,098.50
Previous week	33.1	1,347.00	2,548.90

## Top Weighted Companies

Company	Price	Change%
Al Rajhi	80.00	0.0
Saudi Aramco	28.00	0.4
SNB	36.15	-0.3
ACWA POWER	347.60	-1.3
ALINMA	31.00	-0.3





## International Market News

- **US manufacturing PMI** edged down to 48.5 in June, from 48.7 in May, whereas the economists had expected the index to inch up to 49.1. The unexpected dip by the headline index was amid a downturn in production, as the production index fell to 48.5 in June from 50.2 in May. (Source: RTT News)
- **US construction spending** edged down by 0.1% to an annual rate of USD 2.1tn in May, after rising by 0.3% in April. Economists had expected construction spending to inch up by 0.1%. The unexpected decrease in construction spending came as spending on private construction fell by 0.3 percent to an annual rate of USD1.6tn. (Source: RTT News)
- **Eurozone's manufacturing PMI** fell to 45.8 in June, from 47.3 in May. Factory production contracted the fastest. There was a sharper deterioration in demand conditions. Producers reported weaker sales to foreign clients and the reduction was the steepest since February. (Source: Reuters)
- **UK's manufacturing PMI** dropped to 50.9 in June from 51.2 in May. Production volume showed a further upturn in June, in response to rising new order inflows and on-going efforts to clear backlogs of work. Output growth was evident across consumer, intermediate, and investment goods categories. (Source: Reuters)
- **Oil prices** gained 0.2% due to demand hopes, ahead of fresh US inventory data.
- **Gold prices** gained 0.3% on anticipation of Fed's remarks in its upcoming meeting.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.90	0.0	0.0	4.5
Euro	1.07	0.3	0.3	-2.7
Japanese Yen	161.46	0.4	0.4	14.5
Sterling Pound	1.27	0.0	0.0	-0.6
Chinese Yuan	7.31	0.1	0.1	2.5
Indian Rupee	83.45	0.1	0.1	0.3
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	-0.1	-0.3
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	48.26	0.5	0.5	56.1

## Corporate Calendar

Date	Company	Event
3-Jul	IOUD	EGM
3-Jul	MAYAR	EGM
3-Jul	AME	Cash Dividend Distribution
4-Jul	NCLE	EGM
4-Jul	VIEW	Cash Dividend Distribution
4-Jul	SABIC AGRI	Eligibility of Cash Dividend

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,057	0.7	0.7	-0.1	8.0
Abu Dhabi (ADX)	9,060	-0.0	-0.0	-5.4	18.2
Kuwait (KSE)	7,540	-0.1	-0.1	0.8	21.1
Qatar (QE)	10,007	0.4	0.4	-7.6	11.3
Oman (MSM)	4,696	0.2	0.2	4.0	12.5
Bahrain (BSE)	2,017	-0.4	-0.4	2.3	8.5
Egypt (EGX30)	27,970	0.7	0.7	12.4	8.0

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,170	0.1	0.1	3.9	22.4
Nasdaq	19,812	0.7	0.7	17.7	34.9
S&P 500	5,475	0.3	0.3	14.8	25.6
FTSE 100	8,167	0.0	0.0	5.6	14.3
Germany DAX 30	18,291	0.3	0.3	9.2	16.1
France CAC 40	7,561	1.1	1.1	0.2	13.1
Japan Nikkei 225	39,631	0.1	0.1	18.4	25.4
Russia MOEX	3,123	0.0	-2.9	0.8	4.5
Hong Kong Hang Seng	17,719	0.0	0.0	3.9	9.9
South Korea KOSPI	2,804	0.2	0.2	5.6	16.5
China Shanghai Composite	2,995	0.9	0.9	0.7	14.1
Australia ASX 200	7,751	-0.2	-0.2	2.1	19.2
India Sensex	79,476	0.6	0.6	10.0	24.8
MSCI EM	1,087	0.1	0.1	6.2	15.7
MSCI World	3,520	0.2	0.2	11.1	22.0

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	87.55	-0.6	-0.6	8.9
Brent Crude (\$/bbl)	86.60	0.2	0.2	12.4
Texas crude (\$/bbl)	83.38	2.3	2.3	16.4
Natural Gas (\$/mmbtu)	2.48	-4.7	-4.7	-8.1
Gold (\$/oz)	2,331.90	0.2	0.2	13.0
Silver (\$/oz)	29.45	1.1	1.1	23.8
Steel (\$/ton)	674.00	0.0	0.0	-40.6
Iron Ore (CNY/MT)	848.00	2.4	2.4	-18.7
Wheat (\$/bu)	590.25	2.9	2.9	-10.1
Corn (\$/bu)	420.50	-0.1	-0.1	-16.5
Sugar (\$/lb)	20.23	-0.3	-0.3	-1.5
SMP* (EUR/MT)	2,460.00	1.5	1.5	-4.5

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.82	-2.8	-2.8	-9.2
KSA (SAIBOR 3M)	6.23	-0.5	-0.5	-0.7
KSA (SAIBOR 6M)	6.01	-0.1	-0.1	-6.6
KSA (SAIBOR 12M)	5.87	0.2	0.2	-12.3
USA (SOFR 3M)	5.32	-0.4	-0.4	-1.1
UAE (EIBOR 3M)	5.28	-1.6	-1.6	-4.6

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of July 1, 2024



## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,659
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	12,883 – 10,262

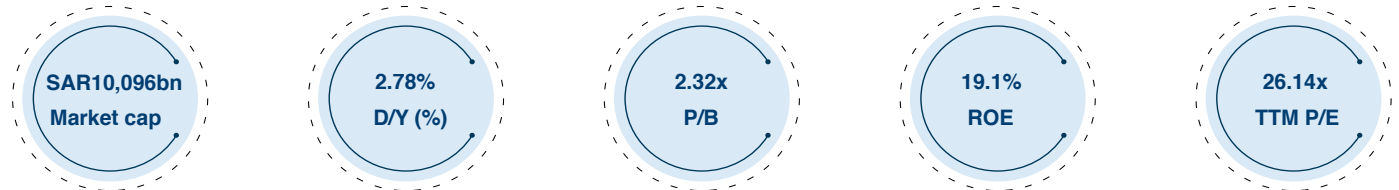
## Market data

Exchange Market Cap. (SAR bn)	10,069.4
Value (SAR mn)	7,336.7
Volume (mn)	273.7
Number of Transactions	634,575
Market Breadth	93 : 130

## Key statistics

1D return %	-0.18%
MTD return %	-0.18%
QTD return	-0.18%
YTD return	-2.58%
ADT vol. 3M* (mn)	322.5
ADT val. 3M (SARmn)	8,142.7

\*ADT stands for Average Daily Traded



Source: Bloomberg, Argaam

## TASI daily chart



Source: Tradingview, Aljazira Capital

## TASI market commentary

- TASI experienced a decline on Monday; primarily driven by the performance of the Banks sector (down 0.30%) and the Materials sector (down 0.19%). At close, the Saudi market ended the day with a change of -0.18% at 11,659. In terms of activity, total volumes and value traded were ~274mn and ~SAR 7.3bn, respectively. The advance-decline ratio came in at 93/130.

## Technical outlook

- TASI closed the last session near 11,659, marking a loss of 21 points. The index experienced a coiled session, extending the series of lateral fluctuations to seven sessions. TASI formed a Spinning Top candlestick depicting the balance between market participants' attitudes. The index continues hovering in close proximity to its 20-day EMA around 11,750, awaiting a breakthrough that could potentially signal a further rise towards the 200-day EMA around 11,900. Moreover, the RSI indicator continues hovering below the 50 level. TASI has an immediate support level of around 11,640. If breached, the subsequent support levels would be around 11,570 – 11,440. On the other hand, an immediate resistance level is observed around 11,750. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,900 – 12,000. TASI maintains the lateral fluctuations within the prevailing short-term sideways movement between the 200-day EMA around 11,900 and the previous bottom near 11,440. Accordingly, traders are advised to approach trading cautiously as long as the index continues to trade below the resistance of around 11,900.

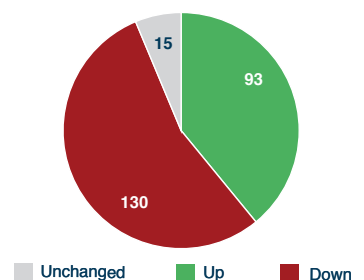
## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,440	11,570	11,640	11,710	11,750	11,900	12,000

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
1304	Al Yamamah Steel	36.70	36.60 – 36.70	37.05 – 37.45	36.25
2200	Arabian Pipes	197.80	197.20 – 197.80	199.60 – 201.80	195.40
2370	MESC	32.80	32.70 – 32.80	33.10 – 33.70	32.40
4141	Al-Omran	39.70	39.60 – 39.70	40.05 – 40.50	39.20
1213	Naseej	80.70	80.50 – 80.70	81.40 – 82.30	79.70
8310	Amana Insurance	12.26	12.22 – 12.26	12.38 – 12.50	12.12
2120	Saudi Advanced Industries	45.10	45.00 – 45.10	45.50 – 46.00	44.55

\*As of 01<sup>st</sup> July 2024

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

## CHARTS OF THE DAY

## Technical observations

**ALYAMAMAH STEEL** has just penetrated its 50-day EMA as well as a declining trendline. Moreover, all the technical indicators show bullish structure.

## Al Yamamah Steel Industries Co. (ALYAMAMAH STEEL)



Source: Tradingview, Aljazira Capital

## Technical observations

**APC** has just penetrated the level of the previous peaks. Moreover, all the technical indicators show bullish structure.

## Arabian Pipes Company (APC)



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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