



## Major Economic News

- **KSA retail sales** are expected to increase 5% annually over the next five years. This optimism surrounding the Saudi markets stems from a confluence of factors. The non-oil economy's consistent growth, coupled with rising income levels, evolving business environment. These growth drivers are in addition to the untapped potential for retail growth in both urban centers and through large-scale development projects. (Source: Argaam)

## Major Corporate News

- The General Authority for Competition (**GAC**) announced its decision to penalize **Panda Retail and Doorstep for Telecommunications and IT** for breaching Article 7 of the competition law. A fine of SAR 400,000 was imposed on each company. (Source: Argaam)
- **Dallah Healthcare and Fitahi Holding Group** announced that their associate International Medical Center (IMC) signed a contract worth SAR 21mn, to design and establish a new integrated specialties hospital. This new hospital will be built on land owned by IMC in Jeddah. There is no expected financial impact at the current time. (Source: Argaam)
- **Saudi Lime Industries** signed a conditional binding agreement with Astra Industrial Group and Tharawat Mining to fully acquire their stakes in Astra Mining. Under this deal, the company will purchase the stakes for SAR 35mn and settle debts worth SAR129.6mn with local banks.

## Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
AMLAK	8.9	16.0	-44.43	5.6	59.50

## Market Analysis

The **Saudi Stock Exchange** decreased 0.2% to 12,604.6. The value traded stood at SAR 6.6bn (down 22.9% over the previous day), while the advance-decline ratio stood at 148/74. The parallel market index increased 0.8% to 25,702.7 points. The value traded stood at SAR 58.5mn (down 7.2% over the previous day). Most sectors in the main market ended in the green. Consumer Durables and Consumer Services (up 1.7% and 1.5%, respectively) advanced the most, while Software & Services and Media (down 2.5% and 1.5%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
AMIANIT	29.25	10.0
APC	174.80	9.9
SSP	42.70	9.9
SPM	57.90	9.9
ALSAIF GALLERY	10.22	7.6

## Top Losers

Company	Price	Change%
ALBAHA	0.14	-6.7
SAVOLA GROUP	55.50	-3.7
JADWA REIT SAUDI	12.64	-3.1
SRMG	237.80	-2.1
MAADEN	49.25	-2.1

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,605	12,662	12,592	(0.2)	5.3
NomuC	25,702	25,796	25,582	0.8	4.8

## TASI movement during session



## TASI Ratios

P/E* (x)	27.6
Price-to-Book (x)	2.5
Dividend Yield (%)	2.7
Return on Equity (%)	20.4

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,033	-0.2	-3.0	16.7
Materials	6,233	0.1	-1.9	High
Capital Goods	12,182	1.4	22.7	40.5
Commercial Service	5,639	0.4	1.4	36.2
Transportation	7,401	-0.4	16.7	44.8
Consumer Durables	5,490	1.7	9.3	Neg
Consumer Services	5,880	1.5	19.0	41
Media	31,519	-1.5	28.5	High
Consumer Discretionary Ret	8,710	-0.4	2.2	28.4
Consumer Staples Ret	10,395	-0.6	7.4	26.8
Food & Beverages	6,725	-0.9	19.9	34.5
Healthcare	13,986	-0.6	16.3	High
Pharma & Bio Tech	5,645	0.8	16.2	High
Banks	12,925	-0.5	5.9	15.1
Financial Services	7,523	1.2	13.1	34
Insurance	9,602	1.4	13.3	25.7
Telecom	8,252	-0.4	6.9	15.5
Utilities	10,192	0.2	2.6	20.3
REITs	3,581	-0.4	-2.4	High
Real Estate	3,454	0.0	13.3	High
Software & Services	82,255	-2.5	19.9	High

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,588	12,477	12,271	9.25

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	46.5	1,860.50	2,810.20
Previous week	51.1	1,832.20	2,999.40

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.95	-0.2
Al Rajhi	89.80	-0.9
SNB	42.25	-0.9
SABIC	79.80	0.9
STC	41.95	0.0





## International Market News

- **Existing home sales in the US** witnessed a significant rebound in January, as the sales increased by 3.1% M/M to an annual rate of 4.0mn, thereby beating the expectations of the economists of 3.79mn. The housing inventory at the end of January totaled 1.0mn units, up 3.1% Y/Y (Source: RTT News)
- The **job vacancies in the UK** fell 15% Y/Y in January, adding to signs of a cooling labor market. Falling job vacancies offer a potential sign that employers are finding it easier to recruit than in the immediate aftermath of the COVID-19 pandemic. (Source: Reuters)
- **The German economy** contracted at the end of the year on weaker investments. The GDP slid 0.3% Q/Q in Q4, despite household spending and government consumption increasing 0.2% and 0.3% respectively. The government further downgraded its growth projections for FY24 from 1.3% to 0.2% (Source: RTT News)
- **China's new home prices** slowed their M/M declines in January with biggest cities seeing some stabilization, but nationwide downward trend persisted despite Beijing's efforts to revive demand. New home prices fell 0.3% M/M in January. (Source: Reuters)
- **Japan's** business-to-business service prices increased 2.1% in January, slowing further from 2.4% annual gain in December. Bank of Japan is closely watching service price movements to see if inflationary pressure is broadening in economy (Source: Investing.com)

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.94	0.0	0.6	2.6
Euro	1.08	0.0	0.0	-2.0
Japanese Yen	150.51	0.0	2.4	6.7
Sterling Pound	1.27	0.0	-0.1	-0.5
Chinese Yuan	7.21	0.0	0.3	1.1
Indian Rupee	82.95	0.0	-0.1	-0.3
UAE Dirham	3.67	0.0	-0.0	0.0
Qatari Rial	3.65	0.0	0.1	0.1
Kuwaiti Dinar	0.31	0.0	0.1	0.2
Omani Rial	0.38	0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	0.0
Egyptian Pound	30.90	0.0	0.1	-0.0

## Corporate Calendar

Date	Company	Event
27-Feb	AMIANIT	Start of IPO
27-Feb	ALLIANZ SF	EGM
28-Feb	SADAFCO	EGM
29-Feb	HCC	Eligibility for Cash Dividend
29-Feb	JADWA REIT	Eligibility for Cash Dividend
29-Feb	AL RAJHI REIT	Cash Dividend Distribution

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,226	0.0	1.4	4.1	8.7
Abu Dhabi (ADX)	9,280	0.0	-2.4	-3.1	24.5
Kuwait (KSE)	8,128	0.0	2.1	8.7	17.3
Qatar (QE)	10,410	1.0	3.2	-3.9	12.0
Oman (MSM)	4,578	0.2	0.4	1.4	12.3
Bahrain (BSE)	2,051	0.1	-0.8	4.0	7.8
Egypt (EGX30)	27,841	-5.0	-1.6	11.8	13.4

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	39,132	0.0	2.6	3.8	22.3
Nasdaq	17,938	0.0	4.7	6.6	35.0
S&P 500	5,089	0.0	5.0	6.7	24.2
FTSE 100	7,706	0.0	1.0	-0.3	10.4
Germany DAX 30	17,419	0.0	3.1	4.0	15.1
France CAC 40	7,967	0.0	4.0	5.6	14.2
Japan Nikkei 225	39,099	0.0	7.7	16.8	28.1
Russia MOEX	3,142	0.0	-2.2	1.4	2.9
Hong Kong Hang Seng	16,726	0.0	8.0	-1.9	8.8
South Korea KOSPI	2,668	0.0	6.8	0.5	18.5
China Shanghai Composite	3,005	0.0	7.8	1.0	13.8
Australia ASX 200	7,644	0.0	-0.5	0.7	19.1
India Sensex	73,143	0.0	1.9	1.2	23.2
MSCI EM	1,028	0.0	5.4	0.4	15.4
MSCI World	3,334	0.0	4.0	5.2	20.6

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	83.57	0.0	-1.6	3.9
Brent Crude (\$/bbl)	81.62	0.0	-0.1	5.9
Texas crude (\$/bbl)	76.49	0.0	0.8	6.8
Natural Gas (\$/mmbtu)	1.60	0.0	-23.7	-31.1
Gold (\$/oz)	2,035.40	0.0	-0.2	-1.3
Silver (\$/oz)	22.95	0.0	-0.0	-3.6
Steel (\$/ton)	922.00	0.0	-4.3	-18.8
Iron Ore (CNY/MT)	967.50	0.0	-8.3	-7.2
Wheat (\$/bu)	569.00	0.0	-6.0	-11.0
Corn (\$/bu)	413.50	0.0	-9.8	-14.6
Sugar (\$/lb)	21.82	0.0	-6.2	6.9
SMP* (EUR/MT)	2,475.00	0.0	-2.3	-4.0

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.94	0.2	5.2	2.4
KSA (SAIBOR 3M)	6.24	-0.3	-12.5	1.0
KSA (SAIBOR 6M)	6.09	-3.7	9.3	1.3
KSA (SAIBOR 12M)	5.92	1.7	-1.8	-7.4
USA (SOFR 3M)	5.33	0.0	1.5	-0.1
UAE (EIBOR 3M)	5.34	0.0	10.0	1.0

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 25, 2024





## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,605
<b>Short-term view</b>	Cautious Buy
52 weeks high/low	12,662 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	11,207.5
Value (SAR mn)	6,632.3
Volume (mn)	385.4
Number of Transactions	432,513
Market Breadth	148 : 74

## Key statistics

1D return %	-0.24%
MTD return %	6.85%
QTD return	5.32%
YTD return	5.32%
ADT vol. 3M* (mn)	310.6
ADT val. 3M (SARmn)	7,835.8

\*ADT stands for Average Daily Traded

## TASI market commentary

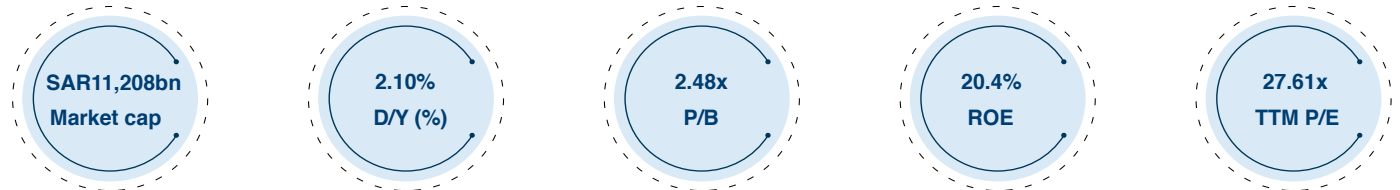
- TASI experienced a decline on Sunday; primarily driven by the performance of the Banks sector (down 0.53%) and the Telecommunication services sector (down 0.38%). At close, the Saudi market ended the day with a change of -0.24% at 12,605. In terms of activity, total volumes and value traded were ~385mn and ~SAR 6.6bn, respectively. The advance-decline ratio came in at 148/74.

## Technical outlook

- TASI closed the previous session near 12,605, marking a loss of 30 points. The index has just hit the previous session's high and started to experience an intervening profit-taking attitude. TASI formed a Bearish Engulfing candlestick, indicating a potential further temporary profit-taking sentiment. However, it is worth noting that as long as TASI remains trading above its 10-day SMA around 12,480, there is a possibility of experiencing a positive reversal and resuming the prevailing upward movement. Moreover, the RSI indicator still hovers within the overbought zone above the 70 level. TASI has an immediate support level of nearly 12,590. If breached, the subsequent support levels would be around 12,480 - 12,280. On the other hand, an immediate resistance level is observed near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,920 - 13,170. Traders are advised to cautiously buy and closely monitor the significant support level of around 12,480.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
12,200	12,280	12,480	12,590	12,700	12,920	13,170



Source: Bloomberg, Argaam

## TASI daily chart

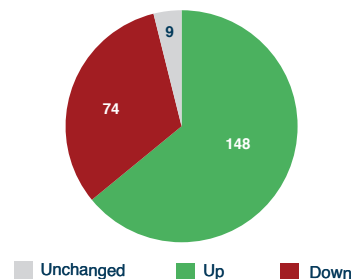


Source: Tradingview, Aljazeera Capital

## Our view



## Market depth





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
1210	Basic Chemical Industries Co.	34.90	34.80 – 34.90	35.25 – 35.85	34.50
2100	Wafrah for Industry & Development Co.	44.80	44.70 – 44.80	45.25 – 46.00	44.30
4110	Batic Investments and Logistics Co.	2.39	2.38 – 2.39	2.41 – 2.44	2.37
3007	Zahrat Al Waha for Trading Co.	39.75	39.65 – 39.75	40.15 – 40.60	39.35
4012	Thob Al Aseel Co.	4.75	4.74 – 4.75	4.80 – 4.90	4.70
2120	Saudi Advanced Industries Co.	32.70	32.60 – 32.70	33.00 – 33.65	32.35
1212	Astra Industrial Group	157.80	157.40 – 157.80	159.40 – 161.00	156.22

\*As of 25<sup>th</sup> Feb 2024

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

## CHARTS OF THE DAY

## Technical observations

**BCI** bounced off the level of the prior peaks as well as its 10-day SMA. Moreover, all the technical indicators show bullish structure.

## Basic Chemical Industries Co. (BCI)



Source: Tradingview, Aljazira Capital

## Technical observations

**Wafrah** has penetrated the level of the prior peak. Moreover, all the technical indicators show bullish structure.

## Wafrah for Industry &amp; Development Co. (Wafrah)



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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