



Major Economic News

- **KSA's real GDP declined** by 0.9% Y/Y in 2023. Oil activities decreased by 9.2%, while non-oil and government activities grew 4.6% and 2.1% Y/Y respectively. (Source: Argaam)
- **KSA and the UK** announced new procedures for the electronic exemption scheme for Saudi citizens travelling to the UK. The new visa will run for up to two years, allowing multiple entries while valid. (Source: Argaam)

Major Corporate News

- **Solutions' subsidiary** signed syndicated credit facility agreements with several banks, totaling EGP 2.8bn and USD 84.0mn. This financing would be to refinance under better terms and lower financing costs to support expansion and development of Solutions' subsidiary in the region. (Source: Argaam)
- **Saudi Ground Services** renewed the contract with Flyadeal on January 31, 2024 to provide ground handling services for domestic and international flights. The expected contract value within three years is SAR 800mn. (Source: Tadawul)
- **Saudi Arbia** to sell additional stake in **Aramco** in February. The Kingdom is working with a group of advisors and seeks to raise at least SAR 40bn from the sale. No decision is yet made on the timing of the sale. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
SIIG	11.0	-296.4	NM*	222.4	-95.1
East Pipes*	85.7	47.5	80.4	20.8	312.2

Note: NM means Not Meaningful. Net profit for East Pipes is for Q3 and Q2 respectively due to March ending financial year.

Market Analysis

The **Saudi Stock Exchange** decreased 1.6% to 11,796.6. The value traded stood at SAR 8.7bn (down 8.5% over the previous day), while the advance-decline ratio stood at 120/93. The parallel market index increased 0.8% to 24,986.7 points. The value traded stood at SAR 19.1mn (down 6.9% over the previous day). Most sectors in the main market ended in the green. Transportation and Commercial Service (up 2.1% and 1.3%, respectively) advanced the most, while Banks and Energy (down 3.5% and 2.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALMUNAJEM	86.10	10.0
SPM	49.60	6.0
ALYAMAMAH STEEL	30.65	5.9
BUDGET SAUDI	83.10	4.8
2P	27.50	4.4

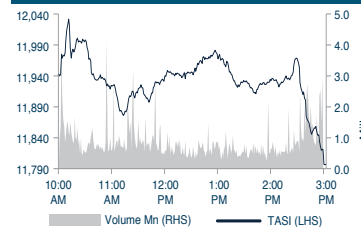
Top Losers

Company	Price	Change%
ADES	19.96	-9.9
ARABIAN DRILLING	167.80	-9.6
ALBAHA	0.13	-7.1
ALRAJHI	84.00	-4.7
RIBL	28.40	-3.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,797	12,034	11,797	(1.6)	(1.4)
NomuC	24,987	25,120	24,475	0.8	1.9

TASI movement during session



TASI Ratios

P/E* (x)	26.2
Price-to-Book (x)	2.4
Dividend Yield (%)	2.4
Return on Equity (%)	20.5

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,767	-2.2	-7.2	16
Materials	5,970	-0.1	-6.0	High
Capital Goods	10,585	0.6	6.6	34.7
Commercial Service	5,103	1.3	-8.2	32.5
Transportation	6,836	2.1	7.8	40.7
Consumer Durables	4,881	0.2	-2.8	Neg
Consumer Services	5,213	0.9	5.5	37
Media	28,579	0.7	16.5	High
Consumer Discretionary Ret	8,474	0.3	-0.6	27.4
Consumer Staples Ret	10,287	1.0	6.3	26.4
Food & Beverages	6,002	0.6	7.0	31.2
Healthcare	12,513	1.2	4.1	48.8
Pharma & Bio Tech	5,056	0.9	4.1	High
Banks	12,193	-3.5	-0.1	14.3
Financial Services	6,909	-0.2	3.9	32.1
Insurance	8,296	-0.9	-2.1	22.3
Telecom	7,899	-0.7	2.3	15
Utilities	9,451	-0.9	-4.9	19
REITs	3,609	0.1	-1.6	High
Real Estate	3,062	-0.0	0.4	46
Software & Services	72,645	0.8	5.9	45.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,092	12,081	12,113	8.52

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	33.4	1,186.10	2,113.40
Previous week	38.7	1,483.10	2,311.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	30.60	-2.2
Al Rajhi	84.00	-4.7
SNB	40.60	-3.6
SABIC	77.90	-0.3
STC	40.80	-2.3





International Market News

- According to **EIA**, oil inventories in the US increased 1.2mn barrels (prior: down 9.2mn) to 421.9mn in the week ended January 26. Gasoline inventories increased 1.2mn barrels (prior: up 4.9mn) to 254.1mn, while distillate inventories declined 2.5mn barrels (prior: down 1.4mn) to 130.8mn. (Source: EIA, Econoday)
- The Fed** once again decided to leave the interest rates unchanged as the inflation rate remains at an elevated level. It also maintained the target range for the federal funds rate at 5.25% to 5.50% in support of its dual goals of maximum employment and inflation at the rate of 2% over the longer run. (Source: RTT News)
- According to ADP, private payroll** growth declined sharply in January, possibly indicating that the US labour market is heading for a slowdown. Companies added 107,000 workers in January, lower than 158,000 in December. (Source: CNBC)
- China's manufacturing sector** continued to expand in January, at a steady pace with a manufacturing PMI score of 50.8. Chinese manufacturing companies signaled an expansion of output for the third month running in January. (Source: Reuters)
- Oil fell** 0.8% pressured by low economic activity in leading crude importer China and a surprise build in US crude inventories.
- Gold increased** 0.4% as the US treasury bond yields are falling again, reversing the late bounce seen in the last US session.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.27	-0.1	0.0	1.9
Euro	1.08	-0.2	0.0	-2.0
Japanese Yen	146.92	-0.5	0.0	4.2
Sterling Pound	1.27	-0.1	0.0	-0.3
Chinese Yuan	7.19	0.0	0.0	0.9
Indian Rupee	83.04	-0.1	0.0	-0.2
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	0.0	0.1
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	-0.0	0.0	0.0
Egyptian Pound	30.88	-0.0	0.0	-0.1

Corporate Calendar

Date	Company	Event
1-Feb	MAHARAH	EGM
1-Feb	WSM	Close of IPO
1-Feb	AVALON PHARMA	Close of IPO
4-Feb	CHEMICAL	Cash dividend distribution
5-Feb	AL-MODAWAT	End of IPO
7-Feb	SABIC - AGRI	Eligibility for cash dividend

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,169	0.0	0.0	2.7	8.9
Abu Dhabi (ADX)	9,508	-0.1	0.0	-0.7	26.9
Kuwait (KSE)	7,959	-0.9	0.0	6.5	17.0
Qatar (QE)	10,089	-0.2	0.0	-6.8	12.0
Oman (MSM)	4,562	-0.6	0.0	1.1	10.4
Bahrain (BSE)	2,067	-0.1	0.0	4.9	8.3
Egypt (EGX30)	28,282	-6.8	0.0	13.6	13.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,150	-0.8	0.0	1.2	22.4
Nasdaq	17,137	-1.9	0.0	1.9	33.4
S&P 500	4,846	-1.6	0.0	1.6	23.3
FTSE 100	7,631	-0.5	0.0	-1.3	10.3
Germany DAX 30	16,904	-0.4	0.0	0.9	14.8
France CAC 40	7,657	-0.3	0.0	1.5	13.3
Japan Nikkei 225	36,287	0.6	0.0	8.4	29.9
Russia MOEX	3,214	0.6	0.0	3.7	2.9
Hong Kong Hang Seng	15,485	-1.4	0.0	-9.2	8.1
South Korea KOSPI	2,497	-0.1	0.0	-6.0	17.4
China Shanghai Composite	2,789	-1.5	0.0	-6.3	12.8
Australia ASX 200	7,681	1.1	0.0	1.2	16.9
India Sensex	71,752	0.9	0.0	-0.7	22.8
MSCI EM	976	-0.5	0.0	-4.7	14.7
MSCI World	3,205	-1.0	0.0	1.1	20.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.90	0.4	5.6	5.6
Brent Crude (\$/bbl)	81.71	-1.4	0.0	6.1
Texas crude (\$/bbl)	75.85	-2.5	0.0	5.9
Natural Gas (\$/mmbtu)	2.10	1.1	0.0	-9.8
Gold (\$/oz)	2,039.52	0.1	0.0	-1.1
Silver (\$/oz)	22.96	-0.9	-0.0	-3.5
Steel (\$/ton)	963.00	-10.8	0.0	-15.2
Iron Ore (CNY/MT)	1,054.50	-0.8	0.0	1.1
Wheat (\$/bu)	595.25	-1.7	0.0	-5.2
Corn (\$/bu)	448.25	0.1	0.0	-4.9
Sugar (\$/lb)	24.13	0.9	0.0	17.2
SMP* (EUR/MT)	2,533.00	0.1	0.0	-1.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.88	-2.5	-2.8	-2.8
KSA (SAIBOR 3M)	6.37	3.8	13.5	13.5
KSA (SAIBOR 6M)	6.00	1.8	-8.0	-8.0
KSA (SAIBOR 12M)	5.94	-0.4	-5.6	-5.6
USA (SOFR 3M)	5.32	0.9	-1.6	-1.6
UAE (EIBOR 3M)	5.24	-3.7	-9.0	-9.0

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 31, 2024





Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,797
Short-term view	Cautious
52 weeks high/low	12,344 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,654.9
Value (SAR mn)	8,650.4
Volume (mn)	282.5
Number of Transactions	520,361
Market Breadth	120 : 93

Key statistics	
1D return %	-1.58%
MTD return %	-1.43%
QTD return	-1.43%
YTD return	-1.43%
ADT vol. 3M* (mn)	281.0
ADT val. 3M (SARmn)	6,764.3

*ADT stands for Average Daily Traded

TASI market commentary

- TASI experienced a decline on Wednesday; primarily driven by the performance of the Banks sector (down 3.49%) and the Energy sector (down 2.19%). At close, the Saudi market ended the day with a change of -1.58% at 11,797. In terms of activity, total volumes and value traded were ~283mn and ~SAR 8.7bn, respectively. The advance-decline ratio came in at 120/93.

Technical outlook

- TASI closed near 11,797, marking another loss of 189 points. As expected, the selling pressure persisted, forming a bearish Marubozu Close candlestick that indicates the possibility of further selling sentiment. Notably, TASI closed below the level of the previous trough, completing a Double Top price pattern that suggests a potential decline towards the 200% Fibonacci level of around 11,390. Moreover, the RSI indicator continued its downward movement below the 50 level, reaffirming the prevailing selling sentiment in the market. TASI has an immediate support level near 11,745. If breached, the subsequent support would be around 11,575, followed by 11,390. On the other hand, an immediate resistance level is observed near 11,870. If successfully surpassed, the following resistance level would be around 11,950, followed by 12,050. Although TASI is currently approaching a test of the 50-day SMA near 11,745, it has just completed a Double Top price pattern, indicating the potential for further decline towards the 200% Fibonacci level around 11,390. Therefore, traders are advised to exercise caution and closely monitor the critical support of the 50-day SMA around 11,745, as a close below it could trigger additional selling sentiment.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,390	11,575	11,745	11,870	11,950	12,050	12,110



Source: Bloomberg, Argaam

TASI daily chart

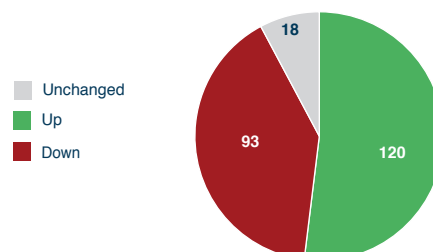


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
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No stocks recommendations due to market volatility

* As of 31st Jan 2024

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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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