

May 2025

Monthly Technical Report

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This report is intended to present a general view for the market. This report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, no information in this analysis should be considered as being business, financial and legal advice.

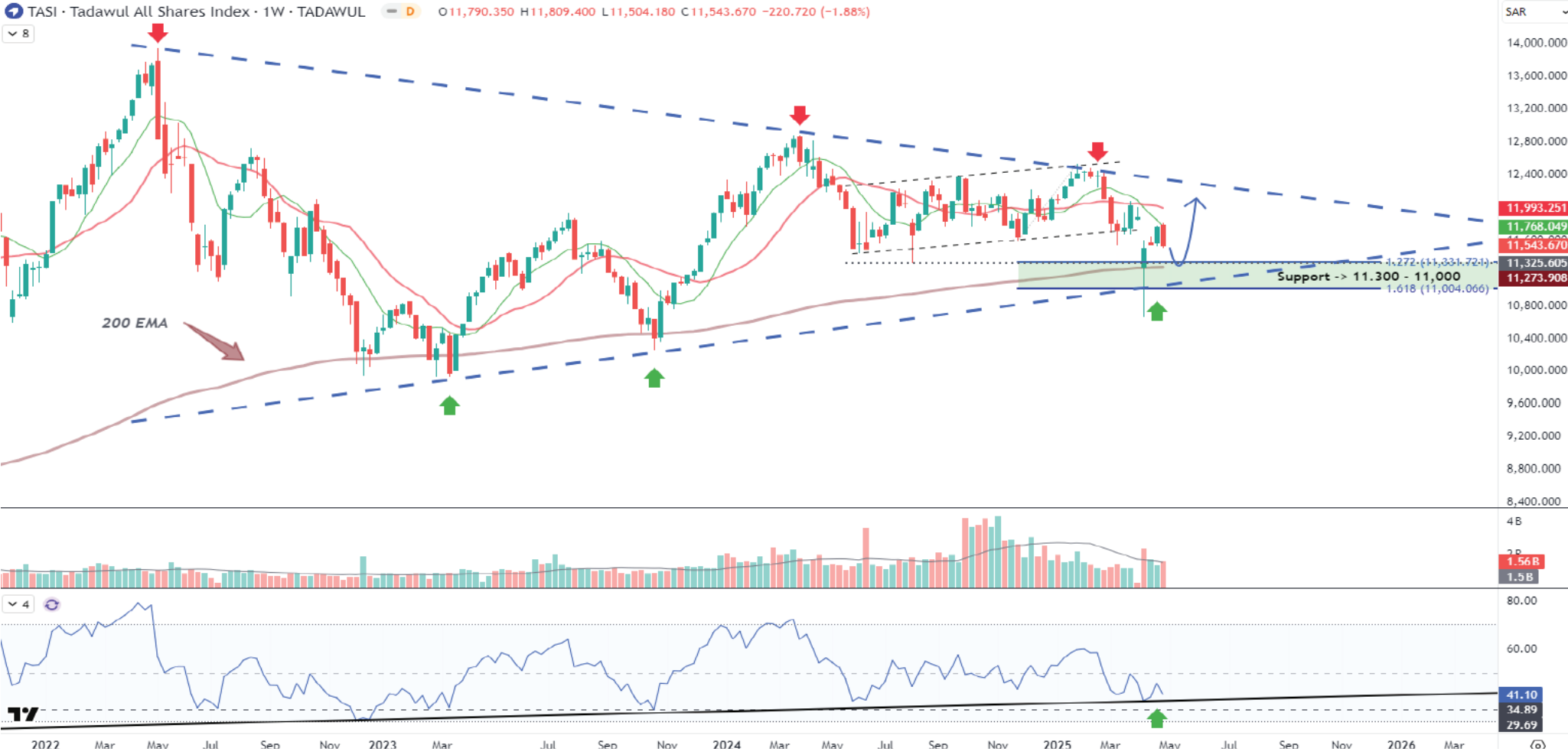




KSA EQUITY MARKET ANALYSIS

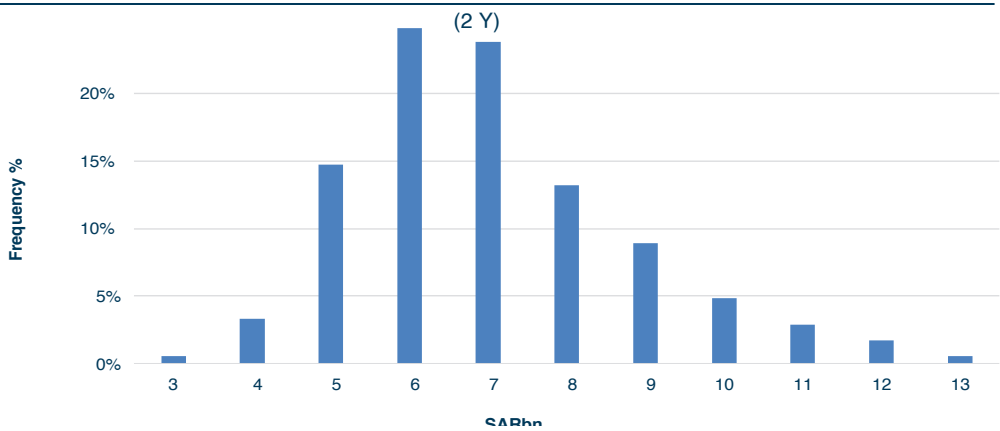


Tadawul Index (Weekly): After bouncing off the lower boundary of a potential Symmetrical Triangle pattern, the index started to experience a temporary profit-booking attitude following the test of its 10-week SMA near 11,770; suggesting a potential further decline to a retest of the support zone near 11,330 – 11,000, where buying attitude may reemerge. Meanwhile, the RSI indicator is simultaneously heading to retest a rising trendline. Otherwise, a decisive penetration above the level of 11,770 would pave the way for a possible further rise toward the 20-week SMA near 12,000.



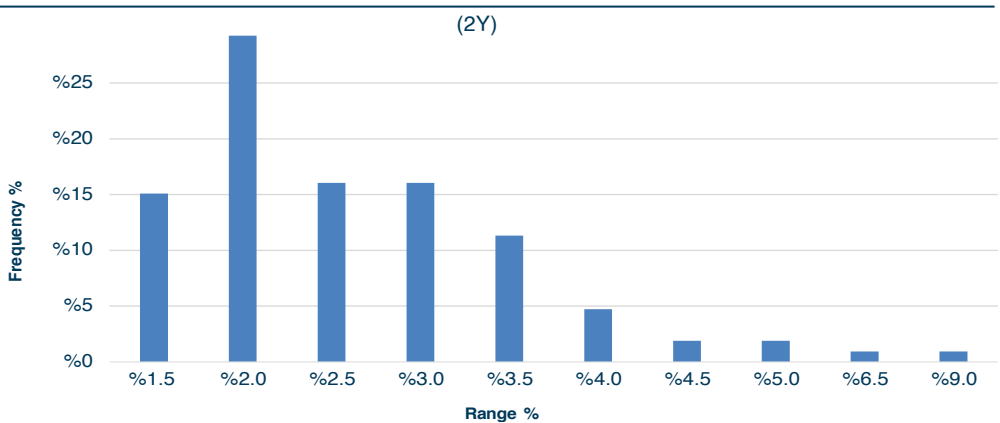
Source: Tradingview.com, Aljazira Capital Research

Daily Turnover



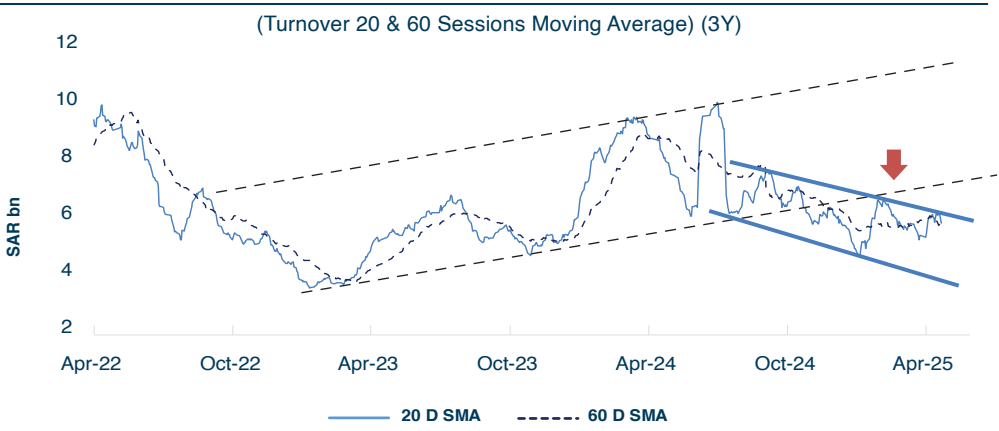
During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn nearly two-thirds of the time, with the highest frequency of SAR 6bn.

Weekly Range %



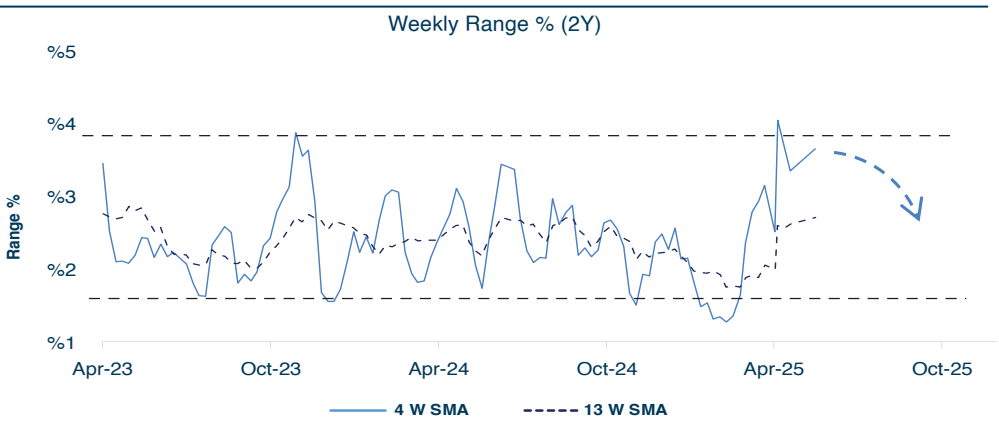
During the prior two years, TASI recorded a weekly movement range between 1.5 – 2.5% nearly two-thirds of the time, with the highest frequency of 2.0%.

Liquidity Trend (3Y)



The trend of the liquidity of the index is currently testing the upper boundary of a declining channel near 6.0bn, where the decisive breakout above it could trigger additional liquidity.

Volatility Trend



The trend of the volatility has reached the level of the previous peak near 4.00%, suggesting a potential retracement to retest the 13-week SMA near 2.70%.

Source: Argaam, Aljazira Capital Research

Banks Sector (Weekly): The index started to experience a temporary profit-taking attitude after bouncing off a rising trendline and the 200-week SMA, suggesting a potential decline to retest the support zone near 12,195 – 12,095, where buying attitude may reemerge. Moreover, the RSI indicator is currently retesting a rising trendline near the 50-level. On the flip side, a weekly close above the 10-week SMA around 12,800 would pave the way for a further rise toward the resistance zone of the prior peak near 13,050 – 13,200.



Materials Sector (Weekly): The index bounced off the lower boundary of the declining channel, suggesting a potential retest of the upper boundary around 5,350, which if penetrated would suggest a retest of the 100-week EMA near 5,860. Moreover, the RSI indicator is heading to retest a declining trendline. On the flip side, a weekly close below the level of 4,845 would pave the way for a further decline toward the previous bottom near 4,630.



Source: Tradingview.com, Aljazira Capital Research

Energy Sector (Weekly): The index is still experiencing a profit-booking attitude after breaching the level of the previous bottoms near 5,075, suggesting a retest of a potential Falling Wedge pattern near 4,660, where **potential buying attitude may reemerge**. Additionally, the RSI indicator is heading to retest a rising trendline, showing a Positive Divergence. Otherwise, a weekly close above the 10-week SMA around 4,945 could pave the way for a further rise toward the upper boundary of the Wedge pattern around 5,075.



Telecommunication Services Sector (Weekly): The index started to experience a temporary profit booking attitude toward the 10-week SMA near 8,900 before a potential rise toward a target near the 200% Fibonacci level around 9,850. Meanwhile, the RSI indicator is moving laterally within a dominating rising channel. Otherwise, a weekly close below the level of the 10-week SMA near 8,900 would indicate a possible further decline toward the 20-week SMA around 8,590.



Source: Tradingview.com, Aljazira Capital Research

Insurance Sector (Weekly): The index bounced off the lower boundary of a declining channel near 8,935, retesting its 10-week SMA near 9,460, which if penetrated would pave the way for an additional rise toward the 20-week SMA near 10,050. Meanwhile, the RSI indicator is currently heading to test a declining trendline near the level of 50. Otherwise, a weekly close below the level of around 8,935 could pave the way for a possible further decline toward the previous bottom near 8,035.



Consumer Durables and Apparel Sector (Weekly): The index is experiencing a temporary profit-booking attitude, heading to retest the support zone of 4,785 – 4,600 near the lower boundary of a rising channel, where the buying attitude may reemerge. Moreover, the RSI indicator is heading to retest a rising trendline. Otherwise, a weekly close above the 20-week SMA near 5,330 would pave the way for a further rise toward the resistance of the previous peak around 5,750 – 5,800.



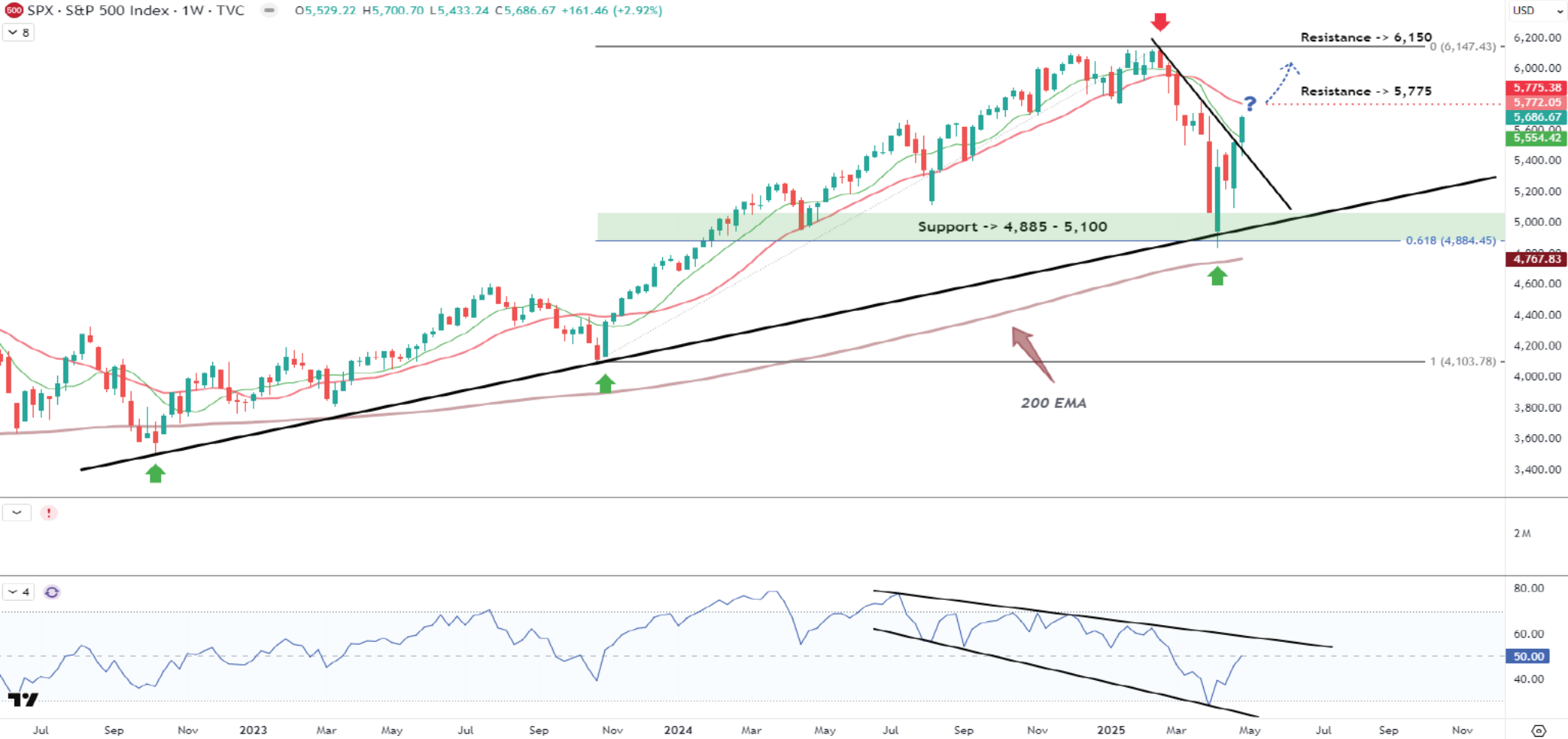
Source: Tradingview.com, Aljazira Capital Research



GLOBAL BROAD MARKETS ANALYSIS



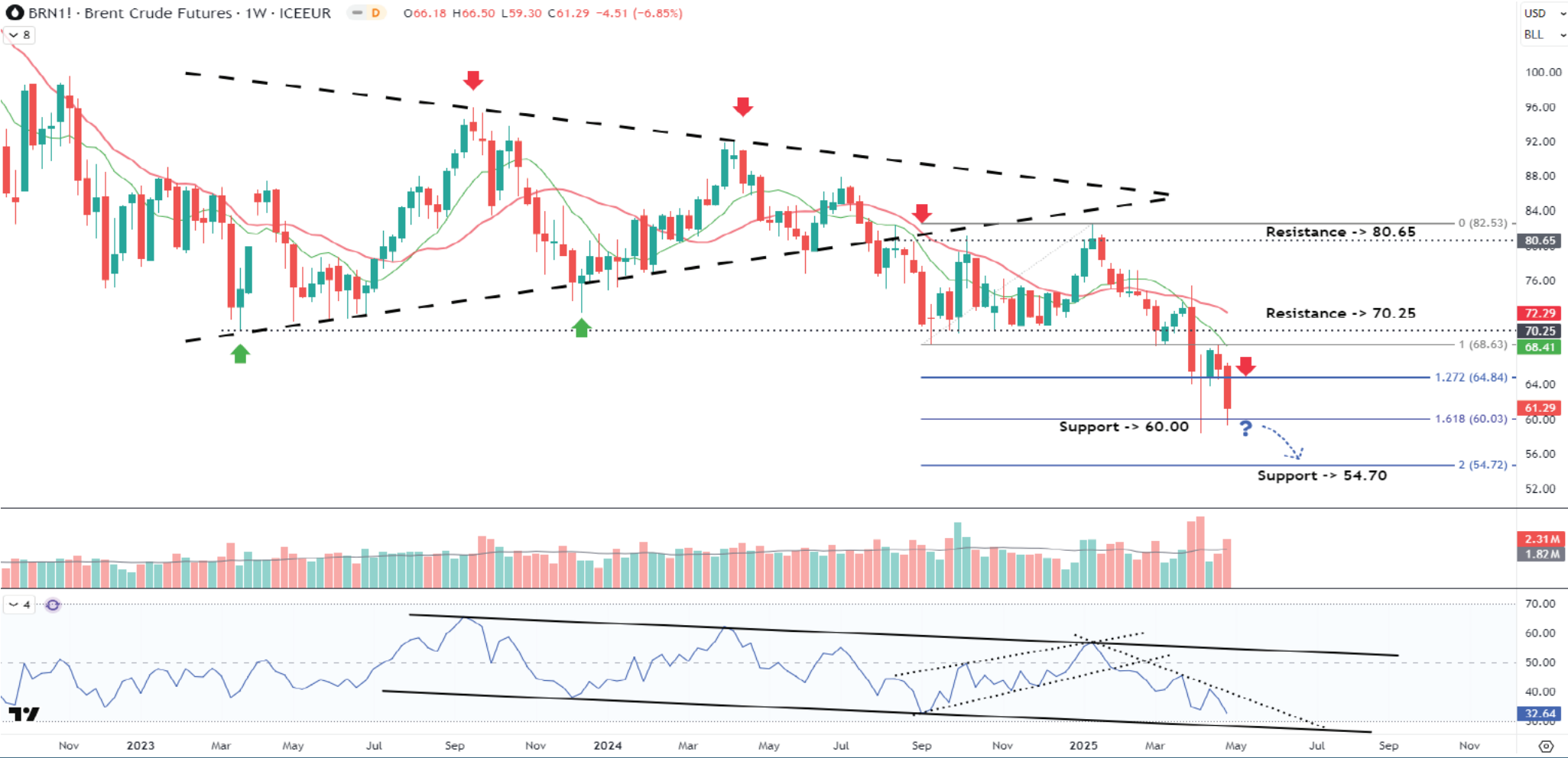
S&P500 (Weekly): After experiencing a sell-off, the index bounced off a major rising trendline and the 61.8% Fibonacci level to penetrate a declining trendline, heading to test the 20-week SMA near 5,775, which if penetrated could pave the way for a potential further rise toward the prior peak near 6,150. Moreover, the RSI indicator is currently heading to retest a declining trendline. Otherwise, a decisive weekly close below the level of 5,430 could pave the way for a possible further decline toward the support zone near 5,100 – 4,885.



Source: Tradingview.com, Aljazira Capital Research



Brent (Weekly): The contract, after breaching the support level of the 127.2% Fibonacci level near USD 64.85, is currently testing the 161.8% Fibonacci level near USD 60.00, which, if breached, could suggest a potential further selling pressure toward the 200% Fibonacci level near USD 54.70. Moreover, the RSI indicator continued to decline, heading to test the lower boundary of a declining channel. On the flip side, a decisive weekly close above the resistance level of the previous bottom near USD 70.25 could pave the way for a possible further rise toward the previous minor peak near USD 80.65.



Source: Tradingview.com, Aljazira Capital Research

Natural Gas (Weekly): The contract is testing the previously breached lower boundary of a rising channel, which suggests a decline toward a potential target near USD 2.50 followed by USD 1.80. Moreover, the RSI indicator is simultaneously retesting a previously breached rising trendline near the level of 50, confirming the price action. On the flip side, a decisive weekly close above the resistance of around USD 3.95 could indicate a possible further rise toward the level of the prior peak of around USD 4.80 - 4.90.



Source: Tradingview.com, Aljazira Capital Research

Gold (Weekly): The contract is currently experiencing profit-booking sentiment after hitting the upper boundary of the rising channel near USD 3,350, suggesting a potential further profit booking attitude toward the support zone of the 50% - 61.8% Fibonacci levels around USD 3,025 – 2,910. Meanwhile, the RSI indicator started to decline after displaying a negative divergence, heading to retest a rising trendline. Otherwise, a weekly close above USD 3,350 could pave the way for a possible further rise toward the level of around USD 3,685.



Source: Tradingview.com, Aljazira Capital Research

U.S. Dollar Index (Weekly): The index, after breaching the 200-week SMA near 102.70, is currently retesting the previously breached lower boundary of the sideways movement near the zone of 99.90 – 100.65, suggesting a potential further decline toward the 127.2% Fibonacci level of 97.40. Additionally, the RSI indicator is testing a declining trendline. On the flip side, a weekly close above the resistance level of 100.65 could indicate the strength of the index and pave the way for a possible further rise toward the 200-week SMA around 102.70.



Bitcoin (Weekly): The contract, after bouncing off the lower boundary of the dominating rising channel, has penetrated its 20-week SMA near USD 93,000, suggesting a potential further rise toward a resistance zone of the previous peak near USD 108,000 – 110,000. Meanwhile, the RSI indicator penetrated a declining trendline after bouncing off the level of previous bottoms. On the flip side, a weekly close below the 10-week SMA around USD 87,200 could pave the way for a further decline toward the support zone of around USD 77,400 – 73,450.



Source: Tradingview.com, Aljazira Capital Research





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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. The candlestick's wide part is known as the 'real body' and shows opening and closing levels of the security for the period. The shadows of the candlestick show the high and low prices for the period. The shape of the candlestick varies based on the relationship between the high, low, opening, and closing prices.

Bullish candle: This is a candle whose closing value is higher than the opening value (usually green in color).

Bearish candle: This is a candle whose closing value is lesser than the opening value (usually red in color).

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; for example, a 5-day simple moving average is the five-day sum of closing prices divided by five.

Exponential moving averages (EMA): Exponential moving averages reduce the lag by applying more weight to recent prices. The weights applied to the most recent price depend on the number of periods in the moving average.

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. Securities with a RSI above 70 could be considered "overbought" and those below 30 could be considered "oversold"

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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