



Major Economic News

- Saudi Arabia** announced setting up a fund valued at up to SAR 1bn, aimed at investing in semiconductor companies that plan to kick off operations in the Kingdom. The fund targets bringing the number of semiconductor firms operating in Saudi Arabia to 50 in total over the five to six years. The Kingdom aims to attract 25 international industry experts and to support the sector's startups to become global players. (Source: Argaam)

Major Corporate News

- Alaseel** announced the resignation of Mr. Ahmed Saleh Al-Sultan from his designation as CEO, effective 13th June, 2024. The Board also decided to appoint Mr. Abdulrahman Saeed Al-Maleh as Acting CEO, effective 14th June, 2024. Mr. Abdulrahman Al-Maleh has held the position of Sales Director since September 2018 and has over 25 years of experience in various multinational and local companies in the fields of sales and marketing. (Source: Tadawul)
- Arab Sea** announced purchasing of an office tower in Riyadh, consisting of 23 floors, from a member of the Board of Directors. The transaction amount is SAR 59mn, which would be paid in equal annual installments over a period of 10 calendar years. The office is being purchased for the purpose of designating it as the headquarters of the company and its subsidiaries. The real estate asset subject to the deal was evaluated by 3 evaluators accredited by the Saudi Authority for Evaluators (Source: Tadawul)

Market Analysis

The **Saudi Stock Exchange** decreased 0.5% to 11,553.2. The value traded stood at SAR 8.1bn (up 13.7% over the previous day), while the advance-decline ratio stood at 52/163. The parallel market index decreased 0.4% to 25,925.5 points. The value traded stood at SAR 33.7mn (down 46.5% over the previous day). Most sectors in the main market ended in red. Pharma & Bio Tech and Real Estate (up 1.0% and 0.5%, respectively) advanced the most, while Utilities and Insurance (down 2.2% and 2.1%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
FAKEEH CARE	63.30	10.1
AWPT	170.60	4.2
ADES	19.40	3.2
TALEEM REIT	10.36	3.2
JOUF CEMENT	10.82	3.1

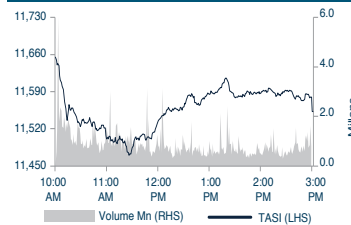
Top Losers

Company	Price	Change%
CENOMI RETAIL	8.04	-5.3
SISCO HOLDING	34.75	-5.1
MEDGULF	27.50	-5.0
SAUDI CABLE	64.80	-4.7
BATIC	3.35	-4.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,553	11,655	11,468	(0.5)	(4.0)
NomuC	25,926	26,212	25,926	(0.4)	5.7

TASI movement during session



TASI Ratios

P/E* (x)	25.9
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	5,328	0.0	-14.5	15.8
Materials	5,740	-1.0	-10.2	High
Capital Goods	11,750	0.3	16.5	25.8
Commercial Service	4,828	-1.5	-13.5	42
Transportation	7,090	-0.7	11.6	34.3
Consumer Durables	5,311	-1.0	6.6	Neg
Consumer Services	4,989	-0.8	0.2	37.6
Media	27,243	-1.6	11.0	47
Consumer Discretionary Ret	7,489	-0.5	-13.1	22.3
Consumer Staples Ret	9,231	-0.4	-5.6	22.1
Food & Beverages	5,752	-0.2	2.2	28.6
Healthcare	12,565	-1.2	2.8	47.5
Pharma & Bio Tech	4,551	1.0	-6.5	42.4
Banks	11,233	0.0	-8.6	12.7
Financial Services	7,719	-1.1	14.6	32.9
Insurance	10,164	-2.1	18.3	23.6
Telecom	7,314	-0.2	-5.9	14.2
Utilities	13,396	-2.2	35.0	28.9
REITs	3,233	0.2	-11.8	25.2
Real Estate	3,385	0.5	10.7	39.9
Software & Services	68,053	-1.2	-0.8	39.5

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
11,620	11,714	11,946	6.48

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	28.7	1,204.80	2,410.20
Previous week	35	1,250.70	2,548.20

Top Weighted Companies

Company	Price	Change%
Al Rajhi	77.80	0.1
Saudi Aramco	28.20	0.0
SNB	34.90	0.9
ACWA POWER	386.40	-2.7
ALINMA	30.80	-0.2





International Market News

- **According to EIA**, oil inventories in the US increased 1.2mn barrels (prior: down 4.2mn) to 455.9mn in the week ended May 31. Gasoline inventories increased 2.1mn barrels (prior: up 2.0mn) to 230.9mn, while distillate inventories increased 3.2mn barrels (prior: up 2.5mn) to 122.5mn. (Source: EIA, Econoday)
- **Services PMI** in the US increased to grew 53.8 in May, from 49.4 in April, whereas the consensus was estimating an increase to 50.8 levels. The services PMI reached its highest levels since August 2023. The reading indicates that the overall business is increasing with growth rates continuing to vary by company and industry. (Source: RTT News)
- **Eurozone producer prices** declined 5.7% Y/Y in April, much ahead of the consensus estimate of 5.1% decline. The producer prices in the eurozone continued to decline due to the sharp decrease in energy prices. Among major components, energy prices posted the biggest fall of 14.7%, followed by a 3.9% drop in intermediate goods prices. (Source: Reuters)
- **UK PMI** dropped to 52.9 in May, in-line with the consensus estimates. The PMI softened as growth momentum in business activity and new orders softened from their 11-month highs. (Source: Reuters)
- **Oil prices** gained 1.2% as Fed rate cut optimism offsets demand fears.
- **Gold prices** gained 1.2% amid rising Fed rate cut bets, which keep the US bond yields depressed.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.27	0.2	-0.4	2.9
Euro	1.09	-0.1	0.2	-1.5
Japanese Yen	156.11	0.8	-0.8	10.7
Sterling Pound	1.28	0.1	0.4	0.4
Chinese Yuan	7.26	0.2	-0.1	1.9
Indian Rupee	83.38	-0.2	-0.1	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	-0.2	-0.3
Omani Rial	0.39	0.0	-0.0	0.0
Bahraini Dinar	0.38	-0.0	-0.0	-0.0
Egyptian Pound	47.61	0.4	0.8	54.1

Corporate Calendar

Date	Company	Event
6-Jun	BAAZEEM	EGM
6-Jun	BUDGET SAUDI	Cash Dividend Distribution
6-Jun	FAD	EGM
6-Jun	MULKIA	EGM
6-Jun	MOUWASAT	Cash Dividend Distribution
6-Jun	SUMOU	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,980	-0.1	0.1	-2.0	7.8
Abu Dhabi (ADX)	8,948	0.3	1.0	-6.6	17.9
Kuwait (KSE)	7,668	0.2	-0.2	2.5	20.7
Qatar (QE)	9,491	0.3	1.8	-12.4	10.7
Oman (MSM)	4,779	-0.1	-1.4	5.9	12.8
Bahrain (BSE)	2,038	-0.2	-0.1	3.4	7.8
Egypt (EGX30)	26,634	-1.3	-1.1	7.0	7.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,807	0.2	0.3	3.0	22.2
Nasdaq	19,035	2.0	2.7	13.1	33.4
S&P 500	5,354	1.2	1.4	12.2	25.0
FTSE 100	8,247	0.2	-0.3	6.6	14.8
Germany DAX 30	18,576	0.9	0.4	10.9	16.4
France CAC 40	8,007	0.9	0.2	6.1	13.9
Japan Nikkei 225	38,490	-0.9	0.0	15.0	27.0
Russia MOEX	3,218	1.0	0.0	3.8	4.6
Hong Kong Hang Seng	18,425	-0.1	1.9	8.1	10.3
South Korea KOSPI	2,690	1.0	2.0	1.3	15.9
China Shanghai Composite	3,065	-0.8	-0.7	3.0	13.9
Australia ASX 200	7,769	0.4	0.9	2.3	19.6
India Sensex	74,382	3.2	0.6	3.0	23.3
MSCI EM	1,063	1.0	1.3	3.8	15.0
MSCI World	3,483	0.9	1.1	9.9	21.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	80.49	0.4	-4.6	0.1
Brent Crude (\$/bbl)	78.41	1.1	-3.9	1.8
Texas crude (\$/bbl)	74.07	1.1	-3.8	3.4
Natural Gas (\$/mmbtu)	2.76	6.6	6.6	4.0
Gold (\$/oz)	2,355.32	1.2	1.2	14.2
Silver (\$/oz)	30.01	1.7	-1.3	26.1
Steel (\$/ton)	742.00	0.1	-2.5	-34.6
Iron Ore (CNY/MT)	849.50	-1.6	-3.9	-18.6
Wheat (\$/bu)	646.75	-1.7	-4.7	0.2
Corn (\$/bu)	439.25	-0.7	-1.6	-11.1
Sugar (\$/lb)	19.13	1.4	4.5	-6.3
SMP* (EUR/MT)	2,521.00	3.0	3.7	-2.2

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.92	0.9	4.4	0.3
KSA (SAIBOR 3M)	6.25	-0.8	1.6	1.7
KSA (SAIBOR 6M)	6.17	2.1	6.3	9.9
KSA (SAIBOR 12M)	5.89	-0.1	0.3	-10.8
USA (SOFR 3M)	5.34	-0.1	-0.5	0.6
UAE (EIBOR 3M)	5.31	0.9	-1.4	-1.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of June 5, 2024

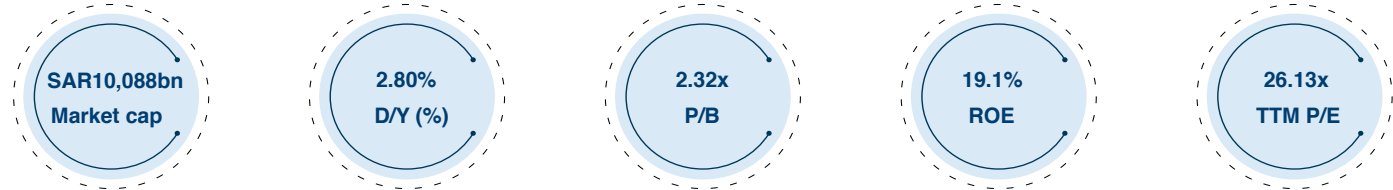


Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,553
Short-term view	Cautious
52 weeks high/low	12,883 – 10,262

Market data	
Exchange Market Cap. (SAR bn)	10,087.8
Value (SAR mn)	8,053.0
Volume (mn)	285.3
Number of Transactions	629,247
Market Breadth	52 : 163

Key statistics	
1D return %	-0.51%
MTD return %	0.43%
QTD return	-6.84%
YTD return	-3.46%
ADT vol. 3M* (mn)	313.7
ADT val. 3M (SARmn)	7,715.2

*ADT stands for Average Daily Traded



Source: Bloomberg, Argam

TASI daily chart



Source: Tradingview, Aljazira Capital

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 05th June 2024

TASI market commentary

- TASI experienced a decline on Wednesday; primarily driven by the performance of the Materials sector (down 1.01%) and the Telecommunication services sector (down 0.16%). At close, the Saudi market ended the day with a change of -0.51% at 11,553. In terms of activity, total volumes and value traded were ~285mn and ~SAR 8.1bn, respectively. The advance-decline ratio came in at 52/163.

Technical outlook

- TASI closed the last session near 11,553, marking a loss of 59 points. The ongoing selling pressure continued to drive the index below its 5-day SMA which is located around 11,650. Notably, TASI formed a red candlestick, reflecting the prevailing selling pressure. Moreover, the RSI indicator continued to decline after testing of the upper boundary of a declining channel. TASI has an immediate support level of around 11,440. If breached, the subsequent support levels would be around 11,365 – 11,260. On the other hand, an immediate resistance level is observed around 11,710. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,830 – 11,920. Traders are advised to exercise caution as long as the index maintains trading below the significant resistance level near the declining trendline and the 200-day EMA around 11,920 and closely monitor the support level of the prior bottom around 11,440. A decisive weekly close below this level could potentially trigger further selling pressure.

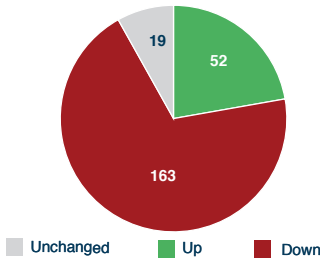
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,260	11,365	11,440	11,570	11,710	11,830	11,920

Our view



Market depth



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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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