



# MONTHLY TECHNICAL REPORT

February 2025

Head of Sell-Side Research

**JASSIM AL-JUBRAN**

+966 11 2256248

j.aljbran@aljaziracapital.com.sa

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

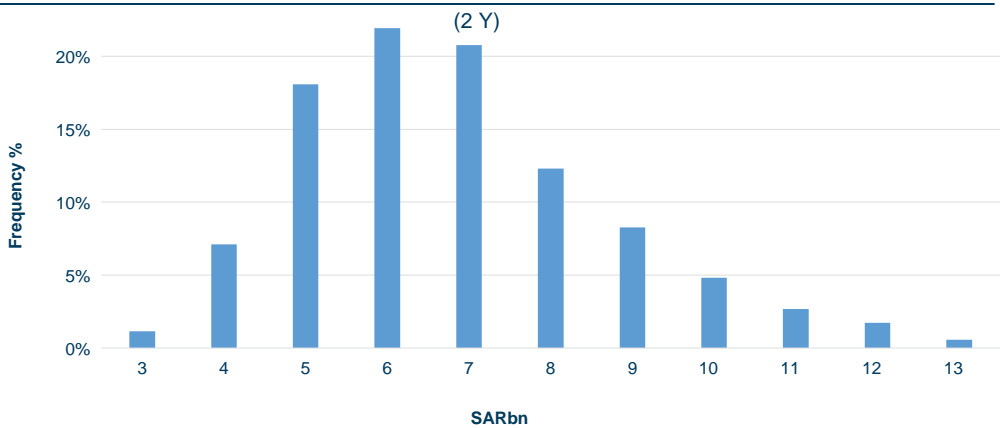


**Tadawul Index (Weekly):** The index is currently testing a significant resistance in the declining trendline near 12,470 that necessitates a successful penetration to induce further rise toward a target near 12,880. Meanwhile, the RSI indicator is currently moving above the level of 50. Otherwise, a weekly close below the support of its 10-week SMA near 12,065 would indicate the weakness of the index and pave the way for a further decline toward the level of the prior minor trough near 11,835.



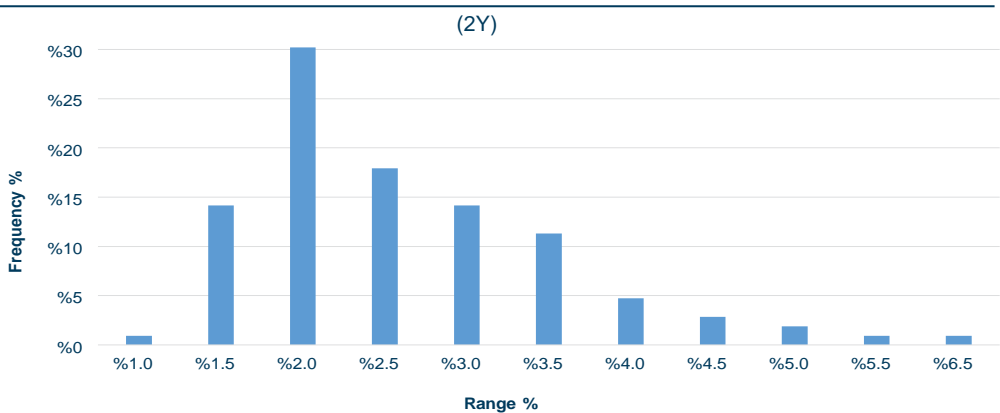
Source: Tradingview.com, Aljazira Capital Research

Daily Turnover



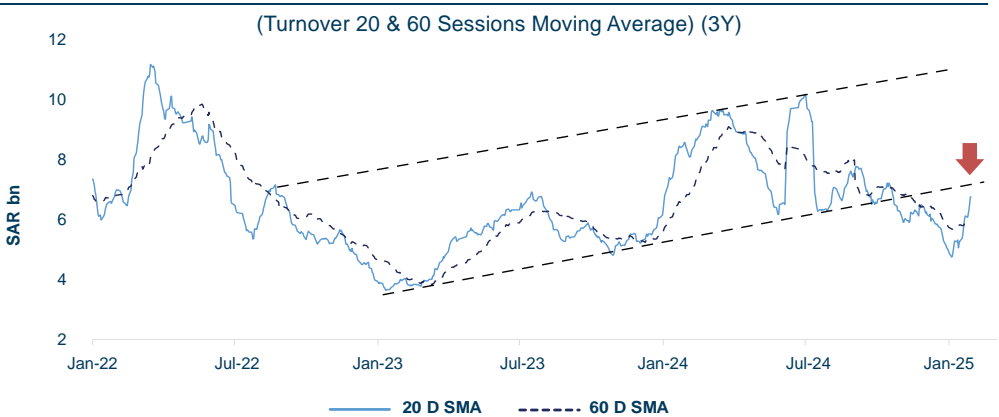
During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn nearly two-thirds of the time, with the highest frequency of SAR 6bn.

Weekly Range %



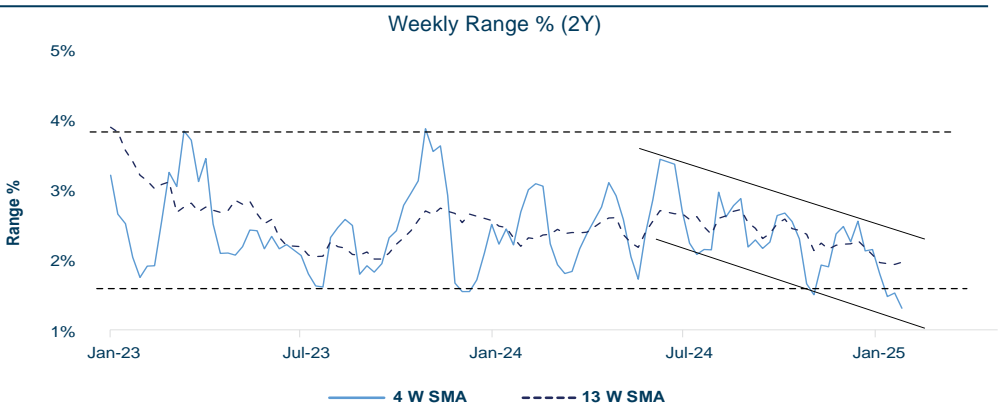
During the prior two years, TASI recorded a weekly spread between 1.5 – 2.5% nearly two-thirds of the time with the highest frequency of 2.0%.

Liquidity Trend (3Y)



The trend of the liquidity of the index is heading to retest the previously breached boundary of a rising channel where a possible downturn toward the previous bottom near 4.8bn may occur.

Volatility Trend



The trend of the weekly range has breached the level of the previous bottoms heading toward the lower boundary of a declining channel near 1.0%.

Source: Argaam, Aljazira Capital Research

**Banks Sector (Weekly):** The index has fulfilled the 1st target near 12,720, which is required to be surpassed to pave the way for a potential further rise toward a 2<sup>nd</sup> target near 13,200. Moreover, the RSI indicator is still moving within an upside trajectory above its 50 level. On the flip side, a weekly close below the 10-week SMA around 12,200 would pave the way for a further decline toward the level of the 20-week SMA near 11,935.



**Materials Sector (Weekly):** The index has bounced off the level of the prior bottom, nevertheless penetrating the 20-week SMA near 5,680 is required to suggest upside targets near 5,780, followed by the zone of 5,890 – 5,960. Moreover, the RSI indicator penetrated a declining trendline, indicating a positive momentum structure. On the flip side, a weekly close below the upper boundary of the channel around 5,545 would suggest a further decline toward the level of the previous bottom near 5,410.



Source: Tradingview.com, Aljazira Capital Research



**Energy Sector (Weekly):** The index is currently retesting the support of the 20-week SMA near 5,255, where the breach could induce further profit booking toward the support level near 5,170. Additionally, the RSI indicator is approaching a retest of a rising trendline. Otherwise, a weekly close above the last minor peak of around 5,360 could pave the way for a further rise toward the level of the previous peak of around 5,475.



**Telecommunication Services Sector (Weekly):** The index is still moving within an upside trajectory heading toward a potential target zone near 8,680 - 8,800. Meanwhile, the RSI indicator penetrated a declining trendline, confirming the price action. Otherwise, a weekly close below the level of 8,300 would indicate a possible further decline toward the 200-week SMA near 8,060.



Source: Tradingview.com, Aljazira Capital Research

**Insurance Sector (Weekly):** The index started to experience a profit booking attitude near the upper boundary of a declining channel, suggesting a **potential decline to retest the 10 & 20-week SMAs near 10,470 – 10,300**. Meanwhile, the RSI indicator started pointing downward, heading toward the 50-level. Otherwise, a weekly close above the upper boundary of the channel around 11,175 could pave the way for a possible further rise toward targets near 11,675 followed by 12,100.



**Utilities Sector (Weekly):** The index started to exhibit a profit-booking sentiment once it tested a declining trendline near 14,525. Nevertheless, a decisive breakout above this level may pave the way toward a potential target near the zone of 15,925 – 16,625. Moreover, the RSI indicator has penetrated a declining trendline suggesting a potential similar breakout in the price action. Otherwise, a weekly close below the 10-week SMA near 13,540 would pave the way for a further decline toward the prior trough near 12,930.



Source: Tradingview.com, Aljazira Capital Research





# GLOBAL BROAD MARKETS ANALYSIS





**S&P500 (Weekly):** The index is currently experiencing a short-term upside movement, heading toward the zone of around 6,145 – 6,220, with leading **weakness signs on the price momentum indicator.** Nevertheless, a weekly close below the 20-week SMA near 5,910 could induce further decline toward the rising trendline near 5,680, and breaching this level may change the current trend. The RSI indicator displays a negative divergence as an early warning of a potential impending profit booking action. Otherwise, a weekly close above the resistance of 6,220 could pave the way for a further rise toward a new upside target near 6,425.



Source: Tradingview.com, Aljazira Capital Research

**Brent (Weekly):** The contract is re-testing its 20-week SMA around USD 75.65, where the breach could suggest further profit booking toward the crucial support level near USD 72.00, which if breached may induce a further decline. Moreover, breaching this level would suggest targets near the zone of previous bottoms around USD 68.80 – 67.25. Additionally, the RSI indicator is simultaneously retesting a rising trendline. On the flip side, a decisive weekly close above the level of USD 78.50 could trigger a possible further rise toward the level of the prior peak of around USD 81.25 / 82.60.



Source: Tradingview.com, Aljazira Capital Research

**Gold (Weekly):** The contract is currently testing the resistance zone of USD 2,850 – 2,875 after penetrating the level of the prior peak, nevertheless penetrating the level of USD 2,875 could pave the way for a further rise toward targets near USD 2,960 followed by USD 3,060. Meanwhile, the RSI indicator is currently retesting a previously breached rising trendline beside displaying a negative divergence. Otherwise, a weekly close below the lower boundary of the rising channel around USD 2,695 could change the current uptrend and pave the way for a possible further decline toward the support zone near USD 2,545 – 2,495.



Source: Tradingview.com, Aljazira Capital Research



**U.S. Dollar Index (Weekly):** The index started to bounce off the level of previous peaks at 107.5, heading to retest the 1<sup>st</sup> target of the declining channel near 109.85, and penetrating this level would suggest another upside target near 112.00. Additionally, the RSI indicator is simultaneously retesting a previously penetrated declining trendline. On the flip side, a weekly close below the 10-week SMA around 107.85 would indicate the weakness of the index and pave the way for a further decline toward the level of the 20-week SMA around 105.80.



**Bitcoin (Weekly):** The contract started to experience a profit-booking attitude after testing the level of the previous peak of around USD 109,000, and a weekly close below the 10-week SMA near USD 100,190 could induce further profit-booking action toward the level of around USD 89,525. Meanwhile, the RSI indicator is showing a negative divergence after breaching a rising trendline, suggesting a potential further profit-booking attitude in the price action. On the flip side, a weekly close above USD 109,000 could pave the way for a further rise toward a new upside target of around USD 114,250.



Source: Tradingview.com, Aljazira Capital Research





Head of Sell-Side Research - Director

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

**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.

## Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, 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, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of stocks, bonds, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. The investor might get an amount less than the amount invested in some cases. Some stocks or securities maybe, by nature, of low volume/trades or may become like that unexpectedly in special circumstances and this might increase the risk on the investor. Some fees might be levied on some investments in securities. This report has been written by professional employees in Al-Jazira Capital, and they undertake that neither them, nor their wives or children hold positions directly in any listed shares or securities contained in this report during the time of publication of this report, however, The authors and/or their wives/children of this document may own securities in funds open to the public that invest in the securities mentioned in this document as part of a diversified portfolio over which they have no discretion. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. Funds managed by Al-Jazira Capital and its subsidiaries for third parties may own the securities that are the subject of this document. Al-Jazira Capital or its subsidiaries may own securities in one or more of the aforementioned companies, and/or indirectly through funds managed by third parties. The Investment Banking division of Al-Jazira Capital maybe in the process of soliciting or executing fee earning mandates for companies that is either the subject of this document or is mentioned in this document. One or more of Al-Jazira Capital board members or executive managers could be also a board member or member of the executive management at the company or companies mentioned in this report, or their associated companies. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.