



## Major Economic News

- **The cabinet** approved the fees schedule for real estate registration services, on January 23, 2024. The cabinet also approved a Memorandum of Understanding (MoU) between Saudi Arabia and India for electrical connectivity, clean green hydrogen and supply chains. An agreement between Saudi Arabia and Korea on mutual exemption from short-stay visa requirements for holders of diplomatic, private and official passports was also approved. In addition to these agreements, Saudi Arabia also approved a MoU with China's Ministry of Culture and Tourism to facilitate travel of Chinese tourist delegations to KSA. (Source: Argaam)
- **The CMA** intends to launch this year, four regulations to develop the local real estate sector, with the aim to create more liquidity and financing for companies. (Source: Argaam)

## Major Corporate News

- **Saudi Automotive Services** has a market share of 5.6% of KSA's stations count, with an eye to launch 50 new stations in 2024. This aligns with the company's strategy aimed at more acquisitions and new openings. The goal is to reach 600 stations by end of 2024. The company has already signed contracts for over 80 new stations, and currently operates 541 units across KSA. (Source: Argaam)
- **Arabian Internet and Communications Services Co. (Solutions)** signed a revenue-sharing agreement with Remat Al-Riyadh Development Co. to build, manage, operate, and maintain smart public parking spaces in Riyadh. (Source: Tadawul)

## Market Analysis

**The Saudi Stock Exchange** decreased 0.04% to 12,105.3. The value traded stood at SAR 8.5bn (down 10.0% over the previous day), while the advance-decline ratio stood at 82/128. The parallel market index increased 1.2% to 24,872.8 points. The value traded stood at SAR 20.2mn (down 23.6% over the previous day). Most sectors in the main market ended in the red. Software & Services and Commercial Service (up 1.5% and 1.3%, respectively) advanced the most, while Consumer Durables and Food & Beverages (down 0.9% and 0.8%, respectively) led the laggards.

### Top Gainers

Company	Price	Change%
BAHRI	23.30	4.5
SUMO	42.00	4.2
ALMAWARID	129.80	4.2
ALHOKAIR GROUP	2.87	4.0
ADES	25.85	3.8

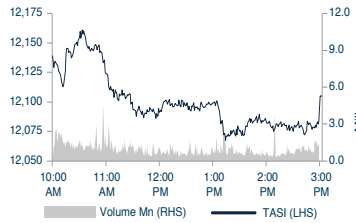
### Top Losers

Company	Price	Change%
MBC Group	72.00	-9.9
2P	25.80	-3.4
MESC	21.12	-3.0
AMERICANA	3.38	-2.9
MEPCO	39.45	-2.6

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,105	12,165	12,066	(0.0)	1.2
NomuC	24,873	24,898	24,500	1.2	1.4

### TASI movement during session



### TASI Ratios

P/E* (x)	26.3
Price-to-Book (x)	2.4
Dividend Yield (%)	2.5
Return on Equity (%)	20.6

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,979	0.1	-3.8	16.6
Materials	5,995	-0.1	-5.6	High
Capital Goods	10,603	-0.5	6.8	34.9
Commercial Service	5,221	1.3	-6.1	32.8
Transportation	6,851	-0.3	8.1	40.7
Consumer Durables	5,005	-0.9	-0.4	Neg
Consumer Services	5,192	-0.7	5.1	37.8
Media	29,418	0.2	19.9	High
Retailing	8,364	0.6	-1.9	26.9
Food & Staples	10,252	0.7	5.9	26
Food & Beverages	6,142	-0.8	9.5	32.2
Healthcare	12,644	0.3	5.1	49.1
Pharma & Bio Tech	5,295	1.2	9.0	High
Banks	12,664	-0.2	3.8	14.9
Diversified Financial	7,202	0.0	8.3	33.1
Insurance	8,564	-0.2	1.1	23.2
Telecom	8,040	0.6	4.1	15.2
Utilities	9,772	-0.3	-1.7	19.6
REITs	3,575	-0.5	-2.5	High
Real Estate	3,057	-0.2	0.3	45.8
Software & Services	74,032	1.5	8.0	45.5

### Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,048	12,075	12,076	8.72

### Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	24.5	922.70	1,444.40
Previous week	43.8	1,778.20	2,680.20

### Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.65	0.0
Al Rajhi	87.00	0.2
SNB	42.95	-0.5
SABIC	78.80	0.8
STC	41.95	0.2

## International Market News

- **British businesses** are warning of a new wave of post-Brexit trade disruption because EU exporters not being ready for the customs changes, whereas the British port infrastructure might be unprepared too. (Source: Reuters)
- **China** added 12.4mn new urban jobs last year, thereby meeting its target, however more efforts are needed to prop-up employment amid uncertain economic conditions in 2024. The job creation goal for 2024 is expected to be unveiled in March. (Source: Reuters)
- **China's** economic development is facing some difficulties and challenges. However, economic growth remains strong due to the ample room for macro policies. In this light China's financial regulator mentioned that the country will boost efforts to attract foreign firms and will not change its stance to protect the legal rights of foreign companies. (Source: Investing.com)
- **Japan's exports** surged to record highs in December, with shipments to the US soaring to their strongest-ever level while those to China were also robust, logging their first rise in more than a year. The better-than-expected data comes at a time of heightened concern about a faltering economic recovery in China and its potential to drag on the global economy. (Source: Reuters)
- **Oil prices** were flat as weak demand and a recovery in supply limited the market's reaction to mounting geopolitical risk.
- **Gold prices** fell 0.2%, in anticipation of key US economic data releases.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.6	0.3	2.3	2.3
Euro	1.1	-0.3	-1.7	-1.7
Japanese Yen	148.4	0.2	5.2	5.2
Sterling Pound	1.3	-0.2	-0.3	-0.3
Chinese Yuan	7.2	-0.4	0.6	0.6
Indian Rupee	83.2	0.1	-0.1	-0.1
UAE Dirham	3.7	0.0	0.0	0.0
Qatari Rial	3.6	-0.0	0.0	0.0
Kuwaiti Dinar	0.3	-0.0	0.1	0.1
Omani Rial	0.4	0.0	0.0	0.0
Bahraini Dinar	0.4	0.0	-0.0	-0.0
Egyptian Pound	30.9	-0.0	-0.0	-0.0

## Corporate Calendar

Date	Company	Event
25-Jan	CHEMICAL	Eligibility for Cash dividend
25-Jan	MULKIA REIT	Eligibility for Cash dividend
25-Jan	ProMedEx	Cash dividend distribution
25-Jan	WSM	Start of IPO
28-Jan	GASCO	Cash dividend distribution
28-Jan	AL-MODAWAT	Start of IPO

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,108	0.6	1.2	1.2	9.0
Abu Dhabi (ADX)	9,653	-0.3	0.8	0.8	27.3
Kuwait (KSE)	8,029	0.6	7.4	7.4	17.1
Qatar (QE)	10,362	-0.1	-4.3	-4.3	12.3
Oman (MSM)	4,625	0.4	2.5	2.5	10.1
Bahrain (BSE)	1,996	0.1	1.2	1.2	8.0
Egypt (EGX30)	27,587	-1.7	10.8	10.8	13.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	37,905	-0.3	0.6	0.6	22.3
Nasdaq	17,404	0.4	3.4	3.4	34.0
S&P 500	4,865	0.3	2.0	2.0	23.4
FTSE 100	7,486	-0.0	-3.2	-3.2	10.1
Germany DAX 30	16,627	-0.3	-0.7	-0.7	14.6
France CAC 40	7,388	-0.3	-2.1	-2.1	13.1
Japan Nikkei 225	36,518	-0.1	9.1	9.1	30.1
Russia MOEX	3,176	0.1	2.5	2.5	2.9
Hong Kong Hang Seng	15,354	2.6	-9.9	-9.9	8.0
South Korea KOSPI	2,479	0.6	-6.7	-6.7	17.3
China Shanghai Composite	2,771	0.5	-6.9	-6.9	12.7
Australia ASX 200	7,515	0.5	-1.0	-1.0	16.6
India Sensex	70,371	-1.5	-2.6	-2.6	24.6
MSCI EM	970	0.6	-5.3	-5.3	14.4
MSCI World	3,191	0.1	0.7	0.7	20.4

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.9	1.8	3.1	3.1
Brent Crude (\$/bbl)	79.6	-0.6	3.3	3.3
Texas crude (\$/bbl)	74.4	-1.1	3.8	3.8
Natural Gas (\$/mmbtu)	2.5	1.3	-2.5	-2.5
Gold (\$/oz)	2,029.3	0.4	-1.6	-1.6
Silver (\$/oz)	22.4	1.6	-5.7	-5.7
Steel (\$/ton)	1,070.0	0.0	-5.7	-5.7
Iron Ore (CNY/MT)	1,045.0	1.2	0.2	0.2
Wheat (\$/bu)	596.5	0.0	-5.0	-5.0
Corn (\$/bu)	446.5	0.2	-5.3	-5.3
Sugar (\$/lb)	23.8	1.1	15.4	15.4
SMP* (EUR/MT)	2,542.0	-0.1	-1.4	-1.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.845	-1.19	-6.8	-6.8
KSA (SAIBOR 3M)	6.211	1.32	-2.2	-2.2
KSA (SAIBOR 6M)	6.012	-0.19	-6.4	-6.4
KSA (SAIBOR 12M)	5.926	1.78	-6.9	-6.9
USA (SOFR 3M)	5.325	0.61	-0.7	-0.7
UAE (EIBOR 3M)	5.149	-2.74	-17.9	-17.9

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of January 23, 2024

## Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	12,105
<b>Short-term view</b>	Buy
52 weeks high/low	12,344 – 9,931

## Market data

Exchange Market Cap. (SAR bn)	10,986.2
Value (SAR mn)	8,478.1
Volume (mn)	307.0
Number of Transactions	500,960
Market Breadth	82 : 128

## Key statistics

1D return %	-0.04%
MTD return %	1.15%
QTD return	1.15%
YTD return	1.15%
ADT vol. 3M* (mn)	274.1
ADT val. 3M (SARmn)	6,590.5

\*ADT stands for Average Daily Traded

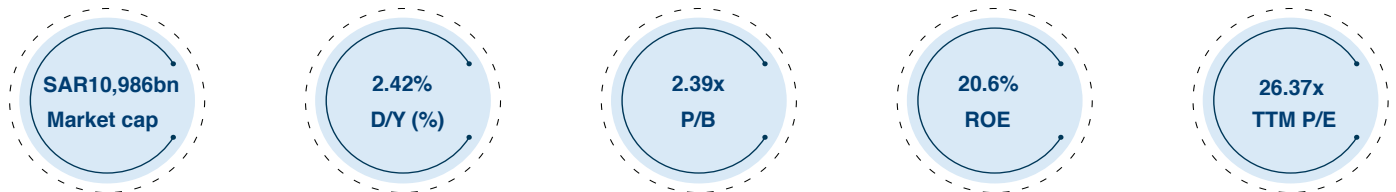
## TASI market commentary

- TASI experienced a decline on Tuesday; primarily driven by the performance of the Banks sector (down 0.16%) and the Materials sector (down 0.14%). At close, the Saudi market ended the day with a change of -0.04% at 12,105. In terms of activity, total volumes and value traded were ~307mn and ~SAR 8.5bn, respectively. The advance-decline ratio came in at 82/128.

## Technical outlook

- TASI closed near 12,105, marking a marginal loss of 5 points. The index has temporarily paused its upward move that originated from near the support zone around the rising trendline near the level of the previous peak. TASI has formed a Spinning Top candlestick that requires a confirmation by a subsequent bearish candlesticks pattern to indicate a potential further decline. Nevertheless, the index is still hovering above the upper boundary of a declining channel as well as its 10 & 20-day SMAs, suggesting a potential further rise. Moreover, the RSI indicator remains above the 50 level after penetrating a declining trendline, hinting at a possible resurgence in buying sentiment. TASI has an immediate resistance level of nearly 12,160. If successfully penetrated, the following resistance level would be near 12,225 followed by 12,335. Conversely, an immediate support level is observed near 12,075. If breached, the subsequent support would be around 12,000 followed by 11,930. TASI continues to trade above the previously broken upper boundary of the declining channel and the 10-day and 20-day SMAs, indicating the potential for a new upward wave. Therefore, traders are advised to keep considering buying positions and closely monitor the significant resistance of the previous peak around 12,335.

S3	S2	S1	Pivot	R1	R2	R3
11,820	11,930	12,000	12,075	12,160	12,225	12,335



Source: Bloomberg, Argaam

## TASI daily chart

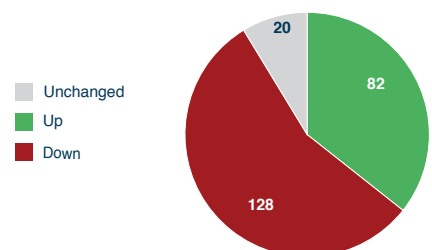


Source: Tradingview, Aljazira Capital

## Our view



## Market depth



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward %	Stop loss
4261	Theeb Rent a Car Company	66.00	65.30 – 66.00	68.30 – 70.80	7.27%	63.90

\* As of 23<sup>rd</sup> Jan 2024,

\* Note – Stop loss is based on a closing basis and not an intraday basis

## CHARTS OF THE WEEK

## Technical observations

**Theeb** has finished a bullish continuation Symmetrical Triangle price pattern. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of SAR65.30 – 66.00, for a target range of SAR68.30 – 70.80, with a stop loss below SAR63.90 on a closing basis.

## Theeb Rent a Car Company (Theeb)



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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