



## Major Economic News

- **Saudi Arabia's** non-oil exports fell 1% Y/Y to SAR 23.3bn in March. Non-oil exports accounted for about 23% of the Kingdom's total exports in March, amounting to SAR 100.7bn. The products of chemical or allied industries accounted for 28% of the total non-oil exports. Meanwhile, the exports of plastics and articles thereof and rubber and articles thereof accounted for 22% of the total non-oil exports, falling 1% Y/Y. (Source: Argam)
- **SAMA** seeks public feedback on the draft principles of internal audit and compliance for finance companies through Istila platform. The move is part of SAMA's supervisory and oversight role over the finance sector. This is in addition to its ongoing efforts to support the stability and development of the sector. The draft principles aim to establish a comprehensive regulatory framework that contributes to defining the tasks of the main units in the finance companies. (Source: Argam)

## Major Corporate News

- **Armah Sports Company** announced the opening of a new B\_FIT club for men in Jeddah. The club will be dedicated to men and feature a wide range of innovative tech-enabled solutions which integrate with a premium fitness club offering. The financial impact will appear as of Q2-FY24. With this opening, the total number of Armah's operating clubs would be 11 and further new club announcements will be made soon. (Source: Tadawul)

## Market Analysis

The **Saudi Stock Exchange** decreased 1.2% to 11,850.6. The value traded stood at SAR 4.4bn (down 21.4% over the previous day), while the advance-decline ratio stood at 55/166. The parallel market index decreased 0.2% to 26,638.2 points. The value traded stood at SAR 29.6mn (down 39.9% over the previous day). Most sectors in the main market ended in the red. Software & Services and Insurance (up 1.6% and 0.7%, respectively) advanced the most, while Transportation and Materials (down 2.0% and 1.7%, respectively) led the laggards.

## Top Gainers

| Company     | Price  | Change% |
|-------------|--------|---------|
| BUPA ARABIA | 240.80 | 4.8     |
| SFICO       | 24.28  | 4.5     |
| CARE        | 176.20 | 3.8     |
| MIS         | 148.60 | 3.5     |
| APC         | 170.40 | 2.7     |

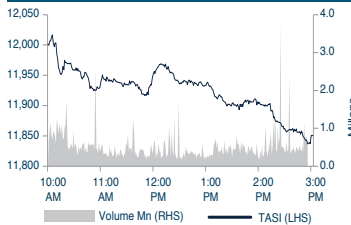
## Top Losers

| Company      | Price | Change% |
|--------------|-------|---------|
| ALBAHA       | 0.13  | -7.1    |
| EIC          | 5.60  | -5.1    |
| MAADEN       | 47.65 | -4.6    |
| SAUDI GERMAN | 76.80 | -4.0    |
| BUDGET SAUDI | 77.00 | -4.0    |

## Saudi Stock Exchange

| Index | Closing | High   | Low    | Daily Change% | YTD % |
|-------|---------|--------|--------|---------------|-------|
| TASI  | 11,851  | 12,018 | 11,832 | (1.2)         | (1.5) |
| NomuC | 26,638  | 26,866 | 26,542 | (0.2)         | 8.6   |

## TASI movement during session



## TASI Ratios

|                      |      |
|----------------------|------|
| P/E* (x)             | 26.7 |
| Price-to-Book (x)    | 2.4  |
| Dividend Yield (%)   | 2.7  |
| Return on Equity (%) | 19.1 |

\*Source: Argam (Excluding Aramco)

| Index                      | Close  | Daily Change% | YTD % | PE (TTM) |
|----------------------------|--------|---------------|-------|----------|
| Energy                     | 5,554  | -1.6          | -10.9 | 16.5     |
| Materials                  | 5,911  | -1.7          | -7.5  | High     |
| Capital Goods              | 12,420 | -1.4          | 23.2  | 27.4     |
| Commercial Service         | 4,883  | -0.4          | -12.5 | 42.3     |
| Transportation             | 7,062  | -2.0          | 11.2  | 33.9     |
| Consumer Durables          | 5,614  | -0.8          | 12.7  | Neg      |
| Consumer Services          | 5,102  | -1.1          | 2.5   | 38.5     |
| Media                      | 27,821 | 0.6           | 13.3  | 48.5     |
| Consumer Discretionary Ret | 7,670  | -0.4          | -11.0 | 22.9     |
| Consumer Staples Ret       | 9,412  | -0.3          | -3.7  | 22.5     |
| Food & Beverages           | 5,801  | -1.1          | 3.1   | 28.8     |
| Healthcare                 | 12,447 | -1.3          | 1.8   | 43.3     |
| Pharma & Bio Tech          | 4,826  | -0.5          | -0.9  | 43.5     |
| Banks                      | 11,121 | -1.6          | -9.5  | 12.5     |
| Financial Services         | 7,592  | -1.1          | 12.7  | 32.4     |
| Insurance                  | 10,305 | 0.7           | 19.9  | 24.0     |
| Telecom                    | 7,409  | -0.9          | -4.6  | 14.3     |
| Utilities                  | 15,974 | -0.4          | 61.0  | 34.2     |
| REITs                      | 3,253  | -0.2          | -11.3 | 25.4     |
| Real Estate                | 3,368  | -0.8          | 10.2  | 39.8     |
| Software & Services        | 69,354 | 1.6           | 1.1   | 40.2     |

## Average Index Value

| Average days 5 | Average days 10 | Average days 20 | Average value traded for May (bn) |
|----------------|-----------------|-----------------|-----------------------------------|
| 12,050         | 12,113          | 12,233          | 6.22                              |

## Market Statistics

|               | Value Traded (SAR bn) | Volumes (mn shares) | No. of Trades ('000) |
|---------------|-----------------------|---------------------|----------------------|
| Current Week  | 4.4                   | 164.90              | 372.90               |
| Previous week | 26.8                  | 1,035.70            | 2,190.70             |

## Top Weighted Companies

| Company      | Price  | Change% |
|--------------|--------|---------|
| Saudi Aramco | 29.45  | -1.7    |
| Al Rajhi     | 78.00  | -1.4    |
| SNB          | 33.05  | -2.7    |
| ACWA POWER   | 480.00 | 0.0     |
| ALINMA       | 30.45  | -1.3    |





## International Market News

- The **new home sales in the US** plunged by 4.7% to an annual rate of 634,000 in April, after surging by 5.4% in March. The consensus had estimated the new home sales to decrease by 1.9%. The beat over the consensus was led by the western region and mid-west region. (Source: RTT News)
- Germany economy** expanded its GDP by 0.2% Q/Q in Q1, as initially estimated and avoided a recession. The positive economy growth was led by rebound in the investments and exports. On the expenditure side, the household consumption dropped 0.4% as spending on food and clothing decreased. Likewise, government spending fell 0.4%. (Source: RTT News)
- Japan** renewed its push to counter excessive yen falls at the gathering of Group of Seven (G7) finance leaders, after a recent rise in bond yields to a 12-year high failed to slow the currency's decline. Bank of Japan Governor signalled that soft consumption or rising bond yields will not get in the way of normalizing monetary policy. (Source: Reuters)
- The **Bank of Japan** will proceed cautiously with inflation-targeting frameworks according to Bank of Japan Governor. To achieve 2% inflation in a sustainable and stable manner, the BOJ will proceed cautiously, similarly like other central banks with inflation-targeting frameworks. (Source: Reuters)

## Forex / Currency

| Currency / USD | Close  | Daily Change% | MTD % | YTD % |
|----------------|--------|---------------|-------|-------|
| Dollar Index   | 104.72 | 0.0           | -1.4  | 3.3   |
| Euro           | 1.08   | 0.0           | 1.7   | -1.7  |
| Japanese Yen   | 156.99 | 0.0           | -0.5  | 11.3  |
| Sterling Pound | 1.27   | 0.0           | 2.0   | 0.0   |
| Chinese Yuan   | 7.26   | 0.0           | 0.1   | 1.9   |
| Indian Rupee   | 83.10  | 0.0           | -0.4  | -0.1  |
| 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           | -0.3  | -0.1  |
| Omani Rial     | 0.38   | 0.0           | -0.0  | -0.0  |
| Bahraini Dinar | 0.38   | 0.0           | -0.0  | -0.0  |
| Egyptian Pound | 47.15  | 0.0           | -1.5  | 52.5  |

## Corporate Calendar

| Date   | Company         | Event                        |
|--------|-----------------|------------------------------|
| 27-May | ZOUJAJ          | Cash Dividend Distribution   |
| 27-May | A.OTHAIM MARKET | Eligibility of Cash Dividend |
| 27-May | MOUWASAT        | Eligibility of Cash Dividend |
| 28-May | ZOUJAJ          | EGM                          |
| 28-May | RAOOM           | Cash Dividend Distribution   |
| 28-May | SADAFSCO        | Cash Dividend Distribution   |

EGM: Extra Ordinary Meeting\*

OGM: Ordinary General Meeting\*

## Regional Markets

| Market          | Close  | Daily Change% | MTD % | YTD % | P/E  |
|-----------------|--------|---------------|-------|-------|------|
| Dubai (DFM)     | 4,013  | 0.0           | -3.4  | -1.2  | 7.9  |
| Abu Dhabi (ADX) | 8,834  | 0.0           | -2.6  | -7.8  | 17.7 |
| Kuwait (KSE)    | 7,783  | -0.0          | 1.2   | 4.1   | 14.4 |
| Qatar (QE)      | 9,396  | -1.7          | -3.4  | -13.2 | 10.6 |
| Oman (MSM)      | 4,806  | 0.1           | 0.4   | 6.5   | 12.8 |
| Bahrain (BSE)   | 2,020  | 0.0           | -0.4  | 2.5   | 7.7  |
| Egypt (EGX30)   | 27,539 | 1.2           | 12.6  | 10.6  | 10.6 |

## International Markets

| Index                    | Close  | Daily Change% | MTD % | YTD % | P/E  |
|--------------------------|--------|---------------|-------|-------|------|
| Dow Jones                | 39,070 | 0.0           | 3.3   | 3.7   | 22.9 |
| Nasdaq                   | 18,808 | 0.0           | 7.8   | 11.8  | 34.8 |
| S&P 500                  | 5,305  | 0.0           | 5.3   | 11.2  | 24.7 |
| FTSE 100                 | 8,318  | 0.0           | 2.1   | 7.6   | 15.0 |
| Germany DAX 30           | 18,693 | 0.0           | 4.2   | 11.6  | 16.5 |
| France CAC 40            | 8,095  | 0.0           | 1.4   | 7.3   | 14.1 |
| Japan Nikkei 225         | 38,646 | 0.0           | 0.6   | 15.5  | 26.6 |
| Russia MOEX              | 3,397  | 0.0           | -2.1  | 9.6   | 4.8  |
| Hong Kong Hang Seng      | 18,609 | 0.0           | 4.8   | 9.2   | 10.4 |
| South Korea KOSPI        | 2,688  | 0.0           | -0.2  | 1.2   | 17.3 |
| China Shanghai Composite | 3,089  | 0.0           | -0.5  | 3.8   | 13.8 |
| Australia ASX 200        | 7,728  | 0.0           | 0.8   | 1.8   | 19.5 |
| India Sensex             | 75,410 | 0.0           | 1.2   | 4.4   | 23.1 |
| MSCI EM                  | 1,083  | 0.0           | 3.5   | 5.8   | 15.4 |
| MSCI World               | 3,462  | 0.0           | 4.7   | 9.2   | 21.7 |

## Commodity Markets

| Commodity                 | Price    | Daily Change% | MTD % | YTD % |
|---------------------------|----------|---------------|-------|-------|
| Arab Light Crude (\$/bbl) | 83.70    | 0.0           | -6.4  | 4.1   |
| Brent Crude (\$/bbl)      | 82.12    | 0.0           | -6.5  | 6.6   |
| Texas crude (\$/bbl)      | 77.72    | 0.0           | -5.1  | 8.5   |
| Natural Gas (\$/mmbtu)    | 2.52     | 0.0           | 26.6  | 0.0   |
| Gold (\$/oz)              | 2,333.83 | 0.0           | 2.1   | 13.1  |
| Silver (\$/oz)            | 30.26    | 0.0           | 15.1  | 27.2  |
| Steel (\$/ton)            | 789.00   | 0.0           | -3.0  | -30.5 |
| Iron Ore (CNY/MT)         | 912.00   | 0.0           | 2.8   | -12.6 |
| Wheat (\$/bu)             | 697.25   | 0.0           | 15.6  | 8.0   |
| Corn (\$/bu)              | 464.75   | 0.0           | 4.0   | -5.9  |
| Sugar (\$/lb)             | 18.41    | 0.0           | -5.2  | -9.8  |
| SMP* (EUR/MT)             | 2,438.00 | 0.0           | 4.1   | -5.4  |

\*SMP: Skimmed Milk Powder

## Interbank Rates

| Region           | Rate* | Daily Change(bps) | MTD (bps) | YTD (bps) |
|------------------|-------|-------------------|-----------|-----------|
| KSA (SAIBOR 1M)  | 5.84  | 6.5               | -1.8      | -6.9      |
| KSA (SAIBOR 3M)  | 6.27  | -3.0              | 2.9       | 3.7       |
| KSA (SAIBOR 6M)  | 6.09  | -1.3              | 0.9       | 1.0       |
| KSA (SAIBOR 12M) | 5.90  | -3.5              | 2.3       | -9.2      |
| USA (SOFR 3M)    | 5.34  | 0.0               | 1.5       | 1.1       |
| UAE (EIBOR 3M)   | 5.25  | 0.0               | -6.2      | -7.4      |

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 26, 2024





## Technical observations

|                   |                 |
|-------------------|-----------------|
| Index             | TASI            |
| Ticker            | SASEIDX Index   |
| Last Close        | 11,851          |
| Short-term view   | Cautious        |
| 52 weeks high/low | 12,883 – 10,262 |

## Market data

|                               |          |
|-------------------------------|----------|
| Exchange Market Cap. (SAR bn) | 10,458.1 |
| Value (SAR mn)                | 4,370.4  |
| Volume (mn)                   | 164.9    |
| Number of Transactions        | 372,937  |
| Market Breadth                | 55 : 166 |

## Key statistics

|                     |         |
|---------------------|---------|
| 1D return %         | -1.21%  |
| MTD return %        | -4.39%  |
| QTD return          | -4.44%  |
| YTD return          | -0.98%  |
| ADT vol. 3M* (mn)   | 333.0   |
| ADT val. 3M (SARmn) | 7,974.0 |

\*ADT stands for Average Daily Traded

## TASI market commentary

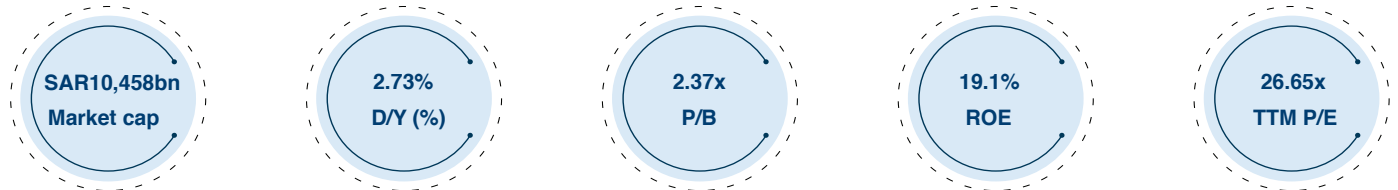
- TASI experienced a decline on Sunday; primarily driven by the performance of the Materials sector (down 1.70%) and the Energy sector (down 1.63%). At close, the Saudi market ended the day with a change of -1.21% at 11,851. In terms of activity, total volumes and value traded were ~165mn and ~SAR 4.4bn, respectively. The advance-decline ratio came in at 55/166.

## Technical outlook

- TASI closed the last session near 11,851, marking a loss of 145 points. The intensified selling pressure persisted, pushing the index downward inside the significant support zone between the 38.2% Fibonacci level and the level of the previous bottom around 11,880 – 11,770. TASI has formed a long red candlestick, depicting the prevailing selling pressure. The RSI indicator continued moving downward entering the oversold zone below the level of 30. TASI has an immediate support level of around 11,770. If breached, the subsequent support levels would be around 11,620 – 11,465. On the other hand, an immediate resistance level is observed around 11,935. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,000 – 12,100. Traders are encouraged to be cautious and carefully monitor the key support level near the previous bottom of 11,770 for any sign of bullish reversal candlestick patterns. A clear close below this level has the potential to induce additional selling pressure.

## Key price levels

| S3     | S2     | S1     | Pivot  | R1     | R2     | R3     |
|--------|--------|--------|--------|--------|--------|--------|
| 11,465 | 11,620 | 11,770 | 11,880 | 11,935 | 12,000 | 12,100 |



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 |
|------|---------|--------|-----------|------------|----------|-----------|
|------|---------|--------|-----------|------------|----------|-----------|

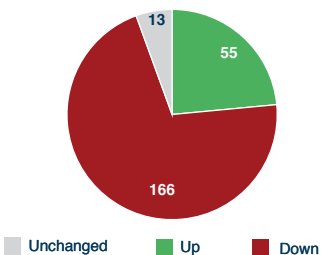
No stocks recommendations due to market volatility

\* As of 26<sup>th</sup> May 2024

## 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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