



Major Economic News

- Economic growth in GCC** region is expected to rebound to 2.8% and 4.7% in 2024 and 2025, respectively, according to the World Bank. The rebound is not just due to the anticipated recovery in oil output, but also builds on the strong momentum of the non-oil economy, which is expected to continue to expand at a robust pace over the medium term. Despite diversification efforts, hydrocarbon receipts will remain crucial in shaping the region's fiscal and external balances in the medium term, it added. The World Bank expects Saudi Arabia's real GDP to grow by 2.5% in 2024, driven primarily by robust non-oil private activities. (Source: Argaam)

Major Corporate News

- Equipment House** signed a contract with the MoH for the medical maintenance project for Prince Muhammad bin Abdul-Aziz Hospital in Riyadh. The contract duration is of 5 years, with a contract value of SAR 51.1mn. It is expected that the contract will have a positive financial impact on the company's financial statements from Q3-24. (Source: Tadawul)
- East Pipes** announced the signing of multi-contracts with Al-Rashid Trading & Contracting Company, for a contract value of SAR 57mn. The purpose of these contracts would be for manufacturing and supply of steel pipes. It is expected that the contract will have a positive financial impact on the company's financial statements in the second and third quarters of FY24 and FY25 respectively. (Source: Tadawul)

Market Analysis

The **Saudi Stock Exchange** increased 0.3% to 11,696.5. The value traded stood at SAR 6.2bn (up 15.9% over the previous day), while the advance-decline ratio stood at 128/89. The parallel market index increased 0.3% to 26,302.9 points. The value traded stood at SAR 32.1mn (up 27.1% over the previous day). Most sectors in the main market ended in green. Banks and Insurance (up 1.6% and 1.4%, respectively) advanced the most; while Pharma & Bio Tech and Utilities (down 2.3% and 1.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SNB	34.90	5.8
MEDGULF	27.40	5.0
ANAAM HOLDING	1.14	4.6
CHEMICAL	8.95	4.0
CARE	181.60	3.8

Top Losers

Company	Price	Change%
ZOUJAJ	41.05	-4.3
ALBABTAIN	37.05	-3.8
SPIMACO	32.20	-3.6
ALASEEL	4.70	-2.5
CHUBB	33.00	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,697	11,735	11,594	0.3	(2.8)
NomuC	26,303	26,305	25,954	0.3	7.2

TASI movement during session



TASI Ratios

P/E* (x)	26.3
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	5,482	-0.6	-12.0	16.3
Materials	5,835	0.2	-8.7	High
Capital Goods	11,794	-0.4	16.9	26.1
Commercial Service	4,745	-0.1	-14.9	41
Transportation	6,992	0.2	10.1	33.3
Consumer Durables	5,470	-1.4	9.8	Neg
Consumer Services	5,013	0.1	0.7	38.1
Media	26,867	0.9	9.4	47.2
Consumer Discretionary Ret	7,553	-0.3	-12.3	22.5
Consumer Staples Ret	9,292	0.7	-4.9	22.2
Food & Beverages	5,734	0.3	1.9	28.5
Healthcare	12,228	0.7	0.0	42.6
Pharma & Bio Tech	4,662	-2.3	-4.2	42.4
Banks	11,180	1.6	-9.0	12.6
Financial Services	7,640	0.7	13.5	32.6
Insurance	10,305	1.4	19.9	23.9
Telecom	7,284	0.1	-6.2	14.2
Utilities	15,014	-1.8	51.3	32.2
REITs	3,254	0.7	-11.2	25.3
Real Estate	3,296	-0.8	7.8	39.1
Software & Services	67,134	-0.1	-2.1	38.9

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for May (bn)
11,807	11,984	12,137	6.16

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	21.8	834.60	1,911.40
Previous week	26.8	1,035.70	2,190.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	29.05	-0.7
Al Rajhi	77.20	-0.5
SNB	34.90	5.8
ACWA POWER	447.00	-2.1
ALINMA	31.00	0.8





International Market News

- **The US economic activity** continued to expand from early April through mid-May but firms grew more downbeat about the future amid weakening consumer demand while inflation continued to increase at a modest pace. Further, according to Fed, the jobs market continues to gradually cool back down toward more normalized levels. (Source: Reuters)
- **The Market Composite Index** published by the Mortgage Bankers Association, for the week ended May 24th, indicated a sharp pullback in the US mortgage applications. The loan application volume plunged by 5.7%, while the mortgage rates increased for the first time in four weeks, with the 30-year fixed rate increasing up to 7.05%. (Source: RTT News)
- **Eurozone** private sector credit growth remained weak and money supply posted the fastest growth in a year in April but the pace of expansion was subdued. Claims on the private sector increased 0.7% annually, meanwhile adjusted loans to the private sector posted a slightly faster growth of 0.9%. (Source: RTT News)
- **Oil prices** fell 0.7% due to the upcoming petroleum inventory data, which is likely to show a pick-up in demand.
- **Gold** prices fell 0.8% due to rising US Treasury yields, despite hawkish remarks from Fed officials.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.12	0.5	-1.0	3.7
Euro	1.08	-0.5	1.3	-2.2
Japanese Yen	157.64	0.3	-0.1	11.8
Sterling Pound	1.27	-0.5	1.7	-0.2
Chinese Yuan	7.27	0.1	0.3	2.1
Indian Rupee	83.35	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	-0.4	-0.2
Omani Rial	0.38	-0.0	-0.0	-0.0
Bahraini Dinar	0.38	0.0	-0.0	0.0
Egyptian Pound	47.32	-0.4	-1.2	53.1

Corporate Calendar

Date	Company	Event
30-May	ALBABTAIN	Eligibility of Cash Dividend
30-May	SAUDI ELECTRICITY	Cash Dividend Distribution
30-May	MULKIA REIT	Cash Dividend Distribution
30-May	AL RAJHI REIT	Cash Dividend Distribution
30-May	SEERA	EGM
2-Jun	SPIMACO	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,960	-0.7	-4.7	-2.5	7.8
Abu Dhabi (ADX)	8,711	-0.4	-3.9	-9.1	17.5
Kuwait (KSE)	7,707	0.2	0.2	3.1	14.3
Qatar (QE)	9,279	-1.0	-4.6	-14.3	10.4
Oman (MSM)	4,826	-0.1	0.9	6.9	12.9
Bahrain (BSE)	2,036	0.7	0.3	3.3	7.8
Egypt (EGX30)	27,090	-0.4	10.8	8.8	10.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,442	-1.1	1.7	2.0	22.0
Nasdaq	18,737	-0.7	7.4	11.4	34.6
S&P 500	5,267	-0.7	4.6	10.4	24.6
FTSE 100	8,183	-0.9	0.5	5.8	14.7
Germany DAX 30	18,473	-1.1	3.0	10.3	16.3
France CAC 40	7,935	-1.5	-0.6	5.2	13.8
Japan Nikkei 225	38,557	-0.8	0.4	15.2	26.5
Russia MOEX	3,318	0.5	-4.4	7.1	4.7
Hong Kong Hang Seng	18,477	-1.8	4.0	8.4	10.4
South Korea KOSPI	2,677	-1.7	-0.5	0.8	17.2
China Shanghai Composite	3,111	0.0	0.2	4.6	14.1
Australia ASX 200	7,666	-1.3	0.0	1.0	19.3
India Sensex	74,503	-0.9	0.0	3.1	23.0
MSCI EM	1,072	-1.5	2.5	4.7	15.5
MSCI World	3,430	-1.0	3.8	8.2	0.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	86.87	1.2	-2.9	8.0
Brent Crude (\$/bbl)	83.60	-0.7	-4.8	8.5
Texas crude (\$/bbl)	79.23	-0.8	-3.3	10.6
Natural Gas (\$/mmbtu)	2.67	-5.6	15.0	0.5
Gold (\$/oz)	2,338.12	-1.0	2.3	13.3
Silver (\$/oz)	31.98	-0.4	21.6	34.4
Steel (\$/ton)	779.00	-1.5	-4.2	-31.4
Iron Ore (CNY/MT)	892.50	-1.4	0.6	-14.4
Wheat (\$/bu)	692.75	-1.1	14.8	7.3
Corn (\$/bu)	455.25	-1.6	1.9	-7.8
Sugar (\$/lb)	18.35	-2.0	-5.5	-10.1
SMP* (EUR/MT)	2,411.00	0.5	3.0	-6.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.83	-4.6	-3.1	-8.2
KSA (SAIBOR 3M)	6.24	-2.0	0.1	0.9
KSA (SAIBOR 6M)	6.05	2.0	-2.8	-2.6
KSA (SAIBOR 12M)	5.89	-0.5	0.5	-10.9
USA (SOFR 3M)	5.35	0.1	1.9	1.6
UAE (EIBOR 3M)	5.36	9.9	4.7	3.5

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 29, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,697
Short-term view	Neutral
52 weeks high/low	12,883 – 10,262

Market data

Exchange Market Cap. (SAR bn)	10,312.9
Value (SAR mn)	6,195.8
Volume (mn)	246.5
Number of Transactions	509,264
Market Breadth	128 : 89

Key statistics

1D return %	0.31%
MTD return %	-5.63%
QTD return	-5.69%
YTD return	-2.26%
ADT vol. 3M* (mn)	320.5
ADT val. 3M (SARmn)	7,848.4

*ADT stands for Average Daily Traded

TASI market commentary

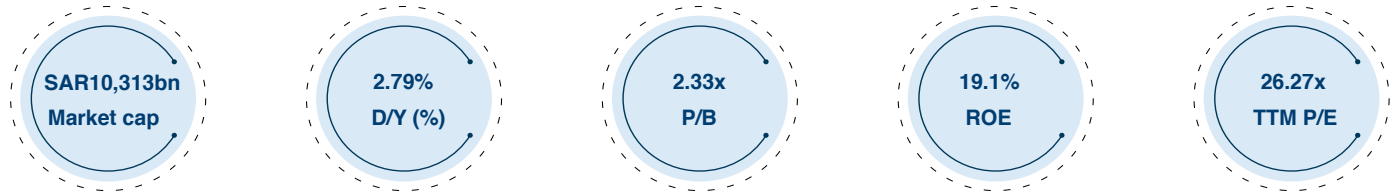
- TASI experienced a rise on Wednesday; primarily driven by the performance of the Banks sector (up 1.55%) and the Materials sector (up 0.17%). At close, the Saudi market ended the day with a change of 0.31% at 11,697. In terms of activity, total volumes and value traded were ~247mn and ~SAR 6.2bn, respectively. The advance-decline ratio came in at 128/89.

Technical outlook

- TASI closed the last session near 11,697, marking a gain of 37 points. Despite a negative start, a resurgence of buying power was observed just before reaching the support level of the 50% Fibonacci level near 11,570. Notably, TASI formed a Spinning Top candlestick, which requires confirmation through a subsequent bullish candlestick pattern to signal a potential positive rebound. Meanwhile, the RSI indicator remains hovering within the oversold zone below the level of 30. TASI has an immediate resistance level of around 11,770. If successfully surpassed, the subsequent resistance levels to watch for would be around 11,880 – 11,980. On the other hand, an immediate support level is observed around 11,570. If breached, the subsequent support levels would be around 11,465 – 11,365. Traders are advised to closely monitor the significant resistance level represented by the previous bottom around 11,770, as a breakthrough at this level could potentially trigger further buying sentiments, that may lead towards the 10-day SMA around 11,980.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,365	11,465	11,570	11,770	11,880	11,980	12,100



Source: Bloomberg, Argam

TASI daily chart

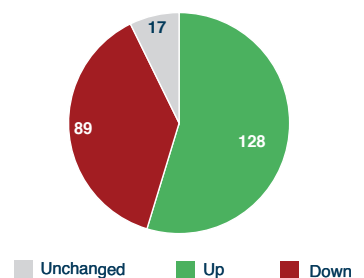


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
2140	AYYAN	20.64	20.58 – 20.64	20.84 – 21.06	20.40
2330	Advanced	39.90	39.80 – 39.90	40.25 – 40.70	39.45
1831	Maharah	5.91	5.90 – 5.91	5.97 – 6.03	5.84
8060	Walaa	25.50	25.45 – 25.50	25.75 – 26.00	25.20
8200	Saudi Reinsurance	25.30	25.25 – 25.30	25.55 – 25.80	25.00
8230	Alrajhi Takaful	152.60	152.20 – 152.60	154.00 – 155.60	150.80

*As of 29th May 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

AYYAN has just penetrated its 20-day SMA as well as the level of the prior minor peak. Moreover, all the technical indicators show bullish structure.

AYYAN Investment Co. (AYYAN)



Source: Tradingview, Aljazira Capital

Technical observations

Advanced has penetrated a declining trendline as well as its 10-day SMA. Moreover, all the technical indicators show bullish structure.

Advanced Petrochemical Co. (Advanced)



Source: Tradingview, Aljazira Capital



Head of Sell-Side Research

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.

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.

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.

Asset Management | Brokerage | Investment Banking | Custody | Advisory

Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068