



Major Economic News

- **KSA** stock market drew foreign investments of nearly SAR 400bn, which represented 12% of the outstanding shares, which have been on the rise since the opening of the market to foreign investors. Currently market regulator is studying 56 listing applications on both main market and parallel market, indicating an 30% increase Y/Y. (Source: Argaam)
- **Saudi Cabinet** decided to extend the exemption on small enterprises with a minimum of 9 workers, from paying the financial consideration for a period of three years. The cabinet also gave green light for the structures and organizational guidelines of the Ministries of Sports and Education. (Source: Argaam)

Major Corporate News

- **Panda Retail** is actively preparing for its IPO. The company is seeking to improve its profitability in the next two years, following a six to seven year of losses. During the past five years, Panda closed 50 branches and over 350 Pandati branches. In contrast, the company started developing 138 branches, of which 75 are already completed. (Source: Argaam)
- **KHC** announced the sale of Kingdom City residential complex in Al Rabie district to a real estate investment fund affiliated with Al Awal Investment for SAR 900mn. The residential complex comprises of 384 residential units. (Source: Argaam)

Earnings update (Net Profit) (SAR mn)

Company	Q4-23	Q4-22	Y/Y %	Q3-23	Q/Q %
MOBILY	745.9	605.9	23.11	523.8	42.40
THOUB AL-ASEEL	11.5	5.8	99.46	5.2	122.60

Market Analysis

The **Saudi Stock Exchange** increased 0.1% to 12,606.5. The value traded stood at SAR 10.3bn (down 12.4% over the previous day), while the advance-decline ratio stood at 100/120. The parallel market index increased 1.3% to 25,588.1 points. The value traded stood at SAR 30.9mn (down 3.1% over the previous day). Most sectors in the main market ended in the green. Telecom and Insurance (up 1.7% and 1.1%, respectively) advanced the most, while Consumer Service and Utilities (down 1.5% and 1.3%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
EAST PIPES	113.60	6.4
ALRAJHI TAKAFUL	73.90	6.2
GACO	20.20	6.1
DWF	156.60	5.8
NASEEJ	69.40	5.6

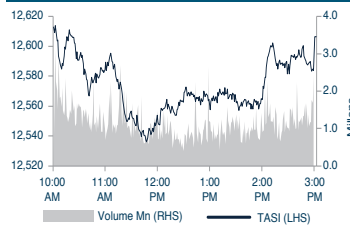
Top Losers

Company	Price	Change%
ALARABIA	262.00	-6.1
ATHEEB TELECOM	97.50	-5.5
AYYAN	24.70	-5.4
SEERA	33.55	-5.1
TAKWEEN	14.70	-4.7

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	12,607	12,620	12,534	0.1	5.3
NomuC	25,588	25,588	25,247	1.3	4.3

TASI movement during session



TASI Ratios

P/E* (x)	27.7
Price-to-Book (x)	2.5
Dividend Yield (%)	2.1
Return on Equity (%)	20.4

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,980	-0.9	-3.8	16.7
Materials	6,239	-0.2	-1.8	High
Capital Goods	11,983	-0.8	20.7	39.8
Commercial Service	5,677	0.9	2.1	36.1
Transportation	7,491	0.7	18.2	45
Consumer Durables	5,342	0.2	6.3	Neg
Consumer Services	5,781	-1.5	17.0	40.9
Media	31,876	0.0	30.0	High
Consumer Discretionary Ret	8,925	1.0	4.7	28.6
Consumer Staples Ret	10,486	-0.6	8.3	27.1
Food & Beverages	6,790	0.3	21.1	34.7
Healthcare	14,024	0.0	16.6	High
Pharma & Bio Tech	5,614	-0.6	15.6	High
Banks	12,931	0.6	6.0	15
Financial Services	7,480	-0.4	12.5	34
Insurance	9,376	1.1	10.7	24.9
Telecom	8,409	1.7	8.9	15.5
Utilities	10,172	-1.3	2.4	20.5
REITs	3,589	-0.2	-2.1	High
Real Estate	3,445	0.7	13.0	High
Software & Services	83,755	0.8	22.1	High

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
12,525	12,390	12,226	9.49

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	31.3	1,174.00	1,870.10
Previous week	51.1	1,832.20	2,999.40

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.65	-0.9
Al Rajhi	90.70	0.8
SNB	42.20	1.8
SABIC	79.40	0.3
STC	42.80	2.5





International Market News

- **The leading U.S. economic indicators** released by the Conference Board, indicates a fall more than expected in the month of January. The leading economic index fell by 0.4% in January after dipping 0.2% in December. Economists had expected this dip to be 0.3%. (Source: RTT News)
- **Bank of England** chief says that it is not unreasonable for the markets to expect rate cuts this year. The chief mentioned that the UK need not fall to 2% target in order to cut the interest rates. (Source: RTT News)
- **Germany as well as Europe** are set to see a massive decline in residential construction in the coming years due to rising costs. Only about 1.5mn housing units are forecasted to be built in Europe by 2026, which is a 13% decline on 2023. This translates to an expected decline of 35% in Germany. (Source: Reuters)
- **Japan's exports increased** rose more than expected in January, driven by US-bound shipments of autos and car parts, along with Chinese demand for chip-making equipment. However, the worsening factory sector added to concerns about broader economic weakness. Exports increased 11.9% Y/Y.
- **Oil prices** increased 0.4% as investors weighed concerns over output cuts by key producers and attacks on shipping in Red Sea against dimmed expectations of US rate cuts.
- **Gold prices** were flat despite China lowering its interest rates and a drop in US treasury bond yields.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.1	-0.2	0.8	2.7
Euro	1.1	0.3	-0.1	-2.1
Japanese Yen	150.0	-0.1	2.1	6.4
Sterling Pound	1.3	0.2	-0.5	-0.8
Chinese Yuan	7.2	-0.1	0.2	1.1
Indian Rupee	83.0	-0.1	-0.1	-0.3
UAE Dirham	3.7	0.0	0.0	0.0
Qatari Rial	3.6	0.0	0.0	0.1
Kuwaiti Dinar	0.3	-0.0	0.1	0.2
Omani Rial	0.4	0.0	-0.0	0.0
Bahraini Dinar	0.4	0.0	-0.0	0.0
Egyptian Pound	30.9	0.2	0.1	-0.0

Corporate Calendar

Date	Company	Event
21-Feb	SABIC AGRI	Cash Dividend Distribution
21-Feb	BANAN	Cash Dividend Distribution
21-Feb	MODERN MILLS	End of IPO
25-Feb	STC	Eligibility for Cash Dividend
25-Feb	ANB	Cash Dividend Distribution
25-Feb	SAIB	Eligibility for Cash Dividend

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	4,277	0.1	2.6	5.4	8.8
Abu Dhabi (ADX)	9,400	-0.1	-1.1	-1.9	24.9
Kuwait (KSE)	8,107	0.6	1.9	8.4	17.3
Qatar (QE)	10,308	0.1	2.2	-4.8	11.9
Oman (MSM)	4,582	-1.0	0.4	1.5	12.3
Bahrain (BSE)	2,049	-0.1	-0.9	3.9	7.9
Egypt (EGX30)	29,331	-0.4	3.7	17.8	14.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,564	-0.2	1.1	2.3	22.0
Nasdaq	17,546	-0.8	2.4	4.3	34.2
S&P 500	4,976	-0.6	2.7	4.3	23.9
FTSE 100	7,719	-0.1	1.2	-0.2	10.4
Germany DAX 30	17,068	-0.1	1.0	1.9	14.8
France CAC 40	7,795	0.3	1.8	3.3	14.3
Japan Nikkei 225	38,364	-0.3	5.7	14.6	27.4
Russia MOEX	3,207	-1.1	-0.2	3.5	2.9
Hong Kong Hang Seng	16,248	0.6	4.9	-4.7	8.5
South Korea KOSPI	2,658	-0.8	6.4	0.1	18.5
China Shanghai Composite	2,923	0.4	4.8	-1.8	13.4
Australia ASX 200	7,659	-0.1	-0.3	0.9	16.8
India Sensex	73,057	0.5	1.8	1.1	23.2
MSCI EM	1,019	0.3	4.4	-0.5	15.2
MSCI World	3,274	-0.4	2.2	3.3	21.0

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	84.1	0.2	-0.9	4.6
Brent Crude (\$/bbl)	82.3	-1.5	0.8	6.9
Texas crude (\$/bbl)	78.2	-1.3	3.1	9.1
Natural Gas (\$/mmbtu)	1.6	-2.1	-25.0	-32.3
Gold (\$/oz)	2,024.4	0.4	-0.7	-1.9
Silver (\$/oz)	23.0	-0.1	0.2	-3.3
Steel (\$/ton)	925.0	-0.4	-3.9	-18.5
Iron Ore (CNY/MT)	1,055.0	0.0	0.0	1.2
Wheat (\$/bu)	579.3	3.6	-4.3	-9.4
Corn (\$/bu)	432.5	0.7	-5.7	-10.6
Sugar (\$/lb)	22.2	-1.7	-4.5	8.8
SMP* (EUR/MT)	2,475.0	0.0	-2.3	-4.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.931	-1.32	4.6	1.7
KSA (SAIBOR 3M)	6.235	0.91	-13.3	0.3
KSA (SAIBOR 6M)	6.077	0.37	8.2	0.2
KSA (SAIBOR 12M)	5.927	2.35	-1.1	-6.7
USA (SOFR 3M)	5.326	1.17	1.0	-0.6
UAE (EIBOR 3M)	5.374	2.40	13.6	4.6

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of February 20, 2024

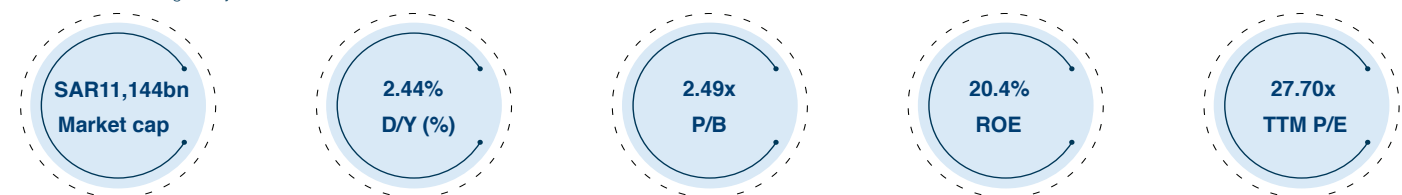


Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	12,607
Short-term view	Buy
52 weeks high/low	12,620 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,143.9
Value (SAR mn)	10,286.4
Volume (mn)	364.9
Number of Transactions	614,338
Market Breadth	100 : 120

Key statistics	
1D return %	0.09%
MTD return %	6.87%
QTD return	5.34%
YTD return	5.34%
ADT vol. 3M* (mn)	309.1
ADT val. 3M (SARmn)	7,776.4

*ADT stands for Average Daily Traded



Source: Bloomberg, Argaam

TASI daily chart



Source: Tradingview, Aljazira Capital

TASI market commentary

- TASI experienced a rise on Tuesday; primarily driven by the performance of the Telecommunication services sector (up 1.74%) and the Banks sector (up 0.64%). At close, the Saudi market ended the day with a change of 0.09% at 12,607. In terms of activity, total volumes and value traded were ~365mn and ~SAR 10.3bn, respectively. The advance-decline ratio came in at 100/120.

Technical outlook

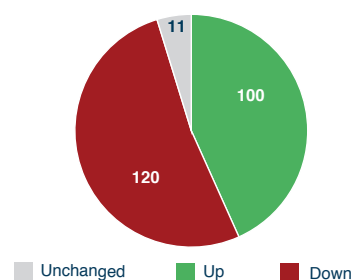
- TASI closed the previous session near 12,607, recording a modest gain of 12 points. Despite the initial profit-booking sentiment observed at the session's start, the prevailing buying sentiment resurfaced and managed to recover most of the index's earlier losses. TASI formed a Dragonfly Doji candlestick, which needs to be confirmed by a subsequent bearish candlestick pattern to indicate a possible temporary profit-booking attitude. It is worth noting that, as long as TASI maintains trading above its 10-day SMA around 12,390, it may continue its ongoing upward movement towards the potential second target near 12,700. Additionally, the RSI indicator continues to move upwards and remains within the overbought zone, above the 70 level. TASI has an immediate resistance level near 12,700. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,915 - 13,170. On the other hand, an immediate support level is observed near 12,500. If breached, the subsequent support levels would be around 12,390 - 12,280. Traders are advised to keep considering buying opportunities and closely monitor the significant support level around 12,500.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
12,200	12,280	12,390	12,500	12,700	12,915	13,170

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Sell range	Reward%	Stop loss
1831	Maharah Human Resources Company	7.06	6.99 – 7.06	7.40 – 7.75	9.77%	6.84
2190	Saudi Industrial Services Co.	32.30	32.00 – 32.30	33.75 – 34.70	7.43%	31.25

* As of 20th Feb 2024,

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

CHARTS OF THE WEEK

Technical observations

MAHARAH has just penetrated the upper boundary of a declining channel as well as its 20-day SMA. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of 6.99 – 7.06, for a target range of SAR7.40 – 7.75, with a stop loss below SAR6.84 on a closing basis.

Maharah Human Resources Company (MAHARAH)



Source: Tradingview, Aljazira Capital

Technical observations

SISCO has penetrated the upper boundary of a declining channel. Moreover, the RSI indicator is showing a bullish signal confirming the price action. We recommend buying the stock in a range of SAR32.00 – 32.30, for a target range of SAR33.75 – 34.70, with a stop loss below SAR31.25 on a closing basis.

Saudi Industrial Services Co. (SISCO)



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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