



Major Economic News

- **Saudi Arabia's Industrial Production Index** declined 6.1% Y/Y in April. The index dropped to 105.6 points in April, compared to 112.4 points in April 2023. It was directly affected by the slump in the mining & quarrying activity, which accounts for 61.4% of the index. The mining & quarrying activity dropped 14.1% Y/Y as the Kingdom's oil production was cut to 8.9mn bpd in April. (Source: Argam)

Major Corporate News

- **Naqi** signed contracts to purchase machinery and equipment for the poultry sector. This comes as part of the company's expansion plan for poultry houses to increase production efficiency and automate the egg production cycle and product grading processes. The transaction amount of SAR 14.2mn is to be financed internally without any external funding. The financial impact of these assets is expected to commence during the first half of FY25. (Source: Tadawul)
- **Thimar** announced an investment of SAR 6mn in a real estate fund licensed by the CMA to develop a project to construct a residential tower in Riyadh. It is expected that this investment will have a positive financial impact and shall fall within the company's direction of investing in distinctive real estate projects. (Source: Tadawul)
- **Wafrah** obtained credit facilities of a total value of SAR 50mn from Riyadh Bank. The facilities have a 3-year term and are secured by a promissory note. (Source: Argam)

Market Analysis

The **Saudi Stock Exchange** was flat at 11,853.8. The value traded stood at SAR 10.0bn (down 81.4% over the previous day), while the advance-decline ratio stood at 187/43. The parallel market index increased 1.7% to 26,768.4 points. The value traded stood at SAR 53.4mn (up 47.6% over the previous day). Most of the sectors in the main market ended in green. Transportation and Media (up 4.3% and 3.4%, respectively) advanced the most, while Utilities and Banks (down 2.2% and 0.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
BUDGET SAUDI	84.70	10.0
FITNESS TIME	218.80	9.3
ALARABIA	228.20	8.0
ALBAHA	0.14	7.7
ALBABBAIN	37.60	6.7

Top Losers

Company	Price	Change%
ACWA POWER	376.00	-3.0
ATHEEB TELECOM	93.10	-2.8
SNB	35.70	-2.3
SAUDI CEMENT	44.65	-2.3
JOUF CEMENT	10.78	-2.2

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,854	11,954	11,835	0.0	(1.5)
NomuC	26,768	26,768	26,305	1.7	9.1

TASI movement during session



TASI Ratios

P/E* (x)	26.6
Price-to-Book (x)	2.4
Dividend Yield (%)	2.8
Return on Equity (%)	19.1

*Source: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,360	-0.8	-14.0	15.9
Materials	5,869	1.0	-8.2	High
Capital Goods	11,996	3.3	19.0	26.4
Commercial Service	4,992	1.4	-10.5	43.4
Transportation	7,564	4.3	19.1	36.5
Consumer Durables	5,429	1.3	9.0	Neg
Consumer Services	5,075	2.5	1.9	38.2
Media	28,378	3.4	15.6	48.4
Consumer Discretionary Ret	7,673	0.2	-10.9	22.8
Consumer Staples Ret	9,445	1.8	-3.4	22.6
Food & Beverages	6,010	1.5	6.8	29.9
Healthcare	13,465	1.2	10.1	High
Pharma & Bio Tech	4,686	2.0	-3.7	43.7
Banks	11,668	-0.9	-5.0	13.2
Financial Services	7,987	0.3	18.6	33.7
Insurance	10,572	1.9	23.0	24.6
Telecom	7,486	0.1	-3.6	14.6
Utilities	13,134	-2.2	32.3	28.6
REITs	3,302	0.8	-9.9	25.7
Real Estate	3,460	0.5	13.2	40.6
Software & Services	69,634	2.5	1.5	40.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for June (bn)
11,687	11,673	11,872	14.15

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	64	2,333.90	1,273.50
Previous week	35.1	1,454.20	2,934.40

Top Weighted Companies

Company	Price	Change%
Al Rajhi	80.90	-1.1
Saudi Aramco	28.35	-0.9
SNB	35.70	-2.3
ACWA POWER	376.00	-3.0
ALINMA	32.70	-0.3





International Market News

- Persistently sticky inflation has made the bond investors reduce their exposure to **longer-dated US treasuries**, ahead of the Fed's meet, in which it is likely to the interest rates steady. (Source: Investing.com)
- Euro area** investor sentiment increased to +0.3 in June, from -3.6 in May. It continued its recovery trend to hit the highest since early 2022 but the momentum remained weak as the economy still struggles to reach the level that prevailed before the outbreak of the war in Ukraine. Meanwhile the economic situation index improved to -12.5 in June from -17.5 in May. The indicator advanced for the third straight month to reach the highest level since April 2023. (Source: RTT News)
- According to ECB President the ECB interest rates are not on a linear downwards path and the policymakers could at times wait more than one meeting before cutting them again. ECB requires more data including on wages, growth of unit profits and labour costs in order to decide the future course of the interest rates. (Source: Reuters)
- Oil** gained 2.5% at the back of expectations of increased fuel demand during the summer season.
- Gold** gained 0.5% amid higher US treasury yields, at the back of upcoming US inflation data and Fed decisions.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	105.15	0.3	0.5	3.8
Euro	1.08	-0.3	-0.8	-2.5
Japanese Yen	157.04	0.2	-0.2	11.3
Sterling Pound	1.27	0.1	-0.1	0.0
Chinese Yuan	7.27	0.0	0.0	2.0
Indian Rupee	83.51	0.2	0.1	0.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.0	0.0	0.0
Kuwaiti Dinar	0.31	0.2	-0.1	-0.2
Omani Rial	0.39	-0.0	-0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	47.71	0.4	1.0	54.4

Corporate Calendar

Date	Company	Event
11-Jun	BSFR	Cash Dividend Distribution
11-Jun	ATLAS ELEVATORS	Cash Dividend Distribution
11-Jun	RIYADH CEMENT	EGM
11-Jun	YCC	Cash Dividend Distribution
11-Jun	SAIC	Eligibility of Cash Dividend
11-Jun	TAM DEVELOPMENT	EGM

EGM: Extra Ordinary Meeting*

OGM: Ordinary General Meeting*

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,974	-0.2	-0.1	-2.1	7.8
Abu Dhabi (ADX)	8,990	0.4	1.4	-6.1	18.0
Kuwait (KSE)	7,682	0.0	-0.0	2.7	20.7
Qatar (QE)	9,604	0.4	3.1	-11.3	10.8
Oman (MSM)	4,709	-0.6	-2.8	4.3	12.6
Bahrain (BSE)	2,040	0.3	0.0	3.5	7.8
Egypt (EGX30)	25,897	0.9	-3.8	4.0	7.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	38,868	0.2	0.5	3.1	22.3
Nasdaq	19,075	0.4	2.9	13.4	33.4
S&P 500	5,361	0.3	1.6	12.4	25.1
FTSE 100	8,228	-0.2	-0.6	6.4	14.8
Germany DAX 30	18,495	-0.3	-0.0	10.4	16.3
France CAC 40	7,894	-1.3	-1.2	4.7	13.7
Japan Nikkei 225	39,038	0.9	1.4	16.7	28.2
Russia MOEX	3,181	-1.6	-1.1	2.6	4.5
Hong Kong Hang Seng	18,367	0.0	1.6	7.7	10.3
South Korea KOSPI	2,701	-0.8	2.5	1.7	15.9
China Shanghai Composite	3,051	0.0	-1.2	2.6	13.9
Australia ASX 200	7,860	0.0	2.1	3.5	19.8
India Sensex	76,490	-0.3	3.4	5.9	24.0
MSCI EM	1,070	-0.3	2.0	4.6	15.4
MSCI World	3,482	0.1	1.1	9.9	21.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	82.74	0.0	-1.9	2.9
Brent Crude (\$/bbl)	81.63	2.5	0.0	6.0
Texas crude (\$/bbl)	77.74	2.9	1.0	8.5
Natural Gas (\$/mmbtu)	2.91	-0.4	12.3	9.6
Gold (\$/oz)	2,310.88	0.7	-0.7	12.0
Silver (\$/oz)	29.75	2.0	-2.2	25.0
Steel (\$/ton)	725.00	-0.4	-4.7	-36.1
Iron Ore (CNY/MT)	901.50	0.0	2.0	-13.6
Wheat (\$/bu)	607.50	-3.2	-10.5	-5.9
Corn (\$/bu)	451.75	0.7	1.2	-8.6
Sugar (\$/lb)	18.59	-1.5	1.6	-9.4
SMP* (EUR/MT)	2,530.00	-0.2	4.1	-1.8

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.89	0.7	1.6	-2.6
KSA (SAIBOR 3M)	6.24	0.4	0.5	0.6
KSA (SAIBOR 6M)	6.02	-5.1	-9.3	-5.7
KSA (SAIBOR 12M)	5.85	-1.8	-3.4	-14.6
USA (SOFR 3M)	5.34	0.9	0.0	1.2
UAE (EIBOR 3M)	5.37	0.3	4.6	4.1

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of June 10, 2024





Technical observations

Index	TASI
Ticker	SASEIDX Index
Last Close	11,854
Short-term view	Cautious Buy
52 weeks high/low	12,883 – 10,262

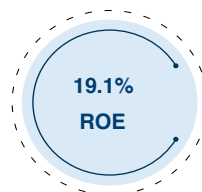
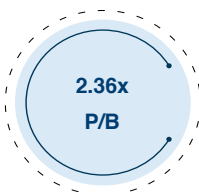
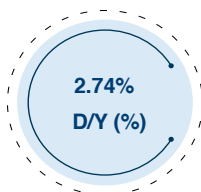
Market data

Exchange Market Cap. (SAR bn)	10,204.9
Value (SAR mn)	10,021.0
Volume (mn)	370.7
Number of Transactions	683,934
Market Breadth	187 : 43

Key statistics

1D return %	-0.01%
MTD return %	3.05%
QTD return	-4.42%
YTD return	-0.95%
ADT vol. 3M* (mn)	337.2
ADT val. 3M (SARmn)	8,435.4

*ADT stands for Average Daily Traded



Source: Bloomberg, Argaam

TASI daily chart



Source: Tradingview, Aljazira Capital

TASI market commentary

- TASI experienced a marginal decline on Monday; primarily driven by the performance of the Banks sector (down 0.90%) and the Energy sector (down 0.80%). At close, the Saudi market ended the day with a change of -0.01% at 11,854. In terms of activity, total volumes and value traded were ~371mn and ~SAR 10.0bn, respectively. The advance-decline ratio came in at 187/43.

Technical outlook

- TASI closed the last session near 11,854, marking a marginal loss of 1 point. Despite the session's positive start, profit booking sentiments resurfaced after testing the significant resistance level of the 200-day EMA around 11,900, leading to a close below the 20-day SMA positioned at 11,870. TASI formed a Shooting Star candlestick, which necessitates confirmation through a subsequent bearish candlestick pattern to indicate a possible further profit booking attitude. However, the RSI indicator broke through the upper boundary of a declining channel, hinting at a possible positive breakout in the price action. TASI has an immediate resistance level of around 11,900. If successfully surpassed, the subsequent resistance levels to watch for would be around 12,000 – 12,165. On the other hand, an immediate support level is observed around 11,670. If breached, the subsequent support levels would be around 11,570 – 11,440. Traders are advised to cautiously buy and closely monitor the significant resistance level of the 200-day EMA around 11,900. A decisive close above this level may potentially indicate the end of the previous downside correction.

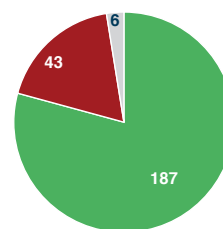
Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,440	11,570	11,670	11,830	11,900	12,000	12,165

Our view



Market depth



Unchanged Up Down





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Sell range	Stop loss
7030	ZAIN	11.80	11.78 – 11.80	11.90 – 12.06	11.66
4262	Lumi	94.50	94.30 – 94.50	95.40 – 96.40	93.40
1304	Al Yamamah Steel	34.40	34.30 – 34.40	34.70 – 35.25	34.00
4164	Nahdi	134.20	133.80 – 134.20	135.40 – 137.00	132.60
2280	Almarai	56.70	56.60 – 56.70	57.20 – 57.90	56.00
4016	AVALON PHARMA	127.80	127.60 – 127.80	129.00 – 131.00	126.20
8070	Arabian Shield	21.48	21.42 – 21.48	21.68 – 21.96	21.22

*As of 10th June 2024

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

ZAIN KSA has just penetrated its 20-day SMA as well as a declining trendline. Moreover, all the technical indicators show bullish structure.

Mobile Telecommunication Company Saudi Arabia (ZAIN KSA)



Source: Tradingview, Aljazira Capital

Technical observations

LUMI penetrated the levels of the prior peaks. Moreover, all the technical indicators show bullish structure.

Lumi Rental Co. (LUMI)



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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