



## Major Economic News

- Saudi Arabia reported revenue of SAR 280.9bn and expenditure of SAR 283.9bn in Q1-23, with a deficit of SAR 2.9bn. Oil revenue stood at SAR 178.6bn, while non-oil revenue reached SAR 102.3bn in Q1-23. (Source: Argaam)
- Saudi Arabia's real gross domestic product rose by 3.9% Y/Y in the Q1-23. The GDP growth was driven by non-oil and oil activities, which increased by 5.8% Y/Y and 1.3% Y/Y, respectively. (Source: Argaam)
- Residential real estate finance provided by banks to individuals declined by 53% Y/Y to SAR 7.3bn in March. Residential real estate finance retreated 2% or nearly SAR 113.0mn from February. (Source: Argaam)
- Consumer spending in Saudi Arabia increased 6% Y/Y to SAR 120.6bn in March 2023 from SAR 113.8bn during the same month last year. (Source: Argaam)

## Major Corporate News

- Al Moammar Information Systems Co. signed a contract with the PIF phase 2 at a total value of SAR 96.4mn wherein MIS will lead supply, implement, integrate audio/visual, digital signage and smart services solutions for PIF. (Source: Tadawul)
- Riyadh Cables Group Co. intends to repurchase and allocate 500,000 of the company's shares for the long-term Employee Stock Incentive Program. The buyback will be financed from Riyadh Cables own resources. (Source: Tadawul)

## Earnings update (Net Profit) (SAR mn)

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
Solutions	304.0	283.0	7.4	197.0	54.3
Bawan	34.5	50.3	-31.4	29.8	15.8
SASCO	14.1	8.0	75.4	28.5	-50.6
ALASEEL	27.8	18.9	46.3	5.8	382.8

## Market Analysis

- The Saudi Stock Exchange increased 1.2% to 11,256.7 on Sunday. The value traded stood at SAR 5.0bn (up 6.0% over previous day), while the advance-decline ratio stood at 173/43. The parallel market index increased 1.0% to 21,094.4 points. The value traded stood at SAR 24.0mn (down 12.7% over previous day). Most sectors in the main market ended in the green. Commercial & Professional services and Energy (up 2.1% and 1.9%, respectively) advanced the most; REITs (down 0.2%) was the only laggard.

## Top Gainers

Company	Price	Change%
SALAMA	19.18	10.0
CHEMICAL	32.00	6.5
SABB	36.85	6.0
MEPCO	34.35	5.7
SAVOLA GROUP	33.00	5.3

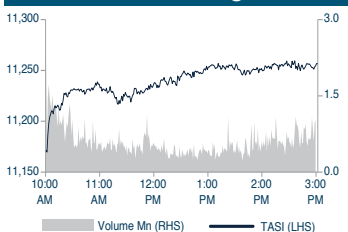
## Top Losers

Company	Price	Change%
BJAZ	18.20	-4.2
TAPRCO	23.20	-2.9
RED SEA	26.10	-2.4
CENOMI CENTERS	21.10	-2.4
RETAL	11.76	-2.0

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,257	11,260	11,164	1.2	7.4
NomuC	21,094	21,114	20,916	1.0	8.6

## TASI movement during session



## TASI Ratios

P/E* (x)	20.1
Price-to-Book (x)	2.3
Dividend Yield (%)	2.7
Return on Equity (%)	26.7

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,056	1.9	11.6	13.1
Materials	6,602	1.4	5.0	16.0
Capital Goods	6,681	1.5	27.8	19.1
Commercial Service	3,629	2.1	22.3	30.0
Transportation	5,583	0.9	22.9	High
Consumer Durables	4,858	1.7	15.0	Neg
Consumer Services	4,850	0.7	31.4	48.8
Media	24,455	0.7	13.8	25.5
Retailing	7,992	0.4	11.4	21.8
Food & Staples	10,450	0.2	22.3	21.5
Food & Beverages	5,398	1.1	16.4	33.0
Healthcare	11,542	0.1	26.7	High
Pharma & Bio Tech	3,364	1.6	17.1	Neg
Banks	11,275	1.1	-2.3	14.7
Diversified Financial	6,425	1.9	1.0	7.4
Insurance	6,506	1.0	22.4	High
Telecom	8,007	1.6	25.3	18.8
Utilities	7,780	1.6	8.4	13.8
REITs	3,945	-0.2	-0.8	31.3
Real Estate	3,149	0.9	26.0	High
Software & Services	45,210	0.8	26.0	34.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,191	11,227	11,093	5.35

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	5.0	184.60	331.20
Previous week	27.2	974.70	1,943.40

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	35.75	2.0
Al Rajhi	75.00	0.8
SNB	37.24	0.9
SABIC	90.20	1.3
STC	44.00	1.5



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Qatar and Kuwait increased 0.3% and 0.1%, respectively, while Bahrain and Egypt declined 0.3% each. Meanwhile, Oman increased 0.3%.
- US unemployment rate fell back to a 53-year low of 3.4%. Nonfarm payrolls rose by 253,000 jobs last month. Job growth has averaged 290,000 jobs per month over the prior six months. Average hourly earnings gained 0.5% last month after advancing 0.3% in March. Wages increased 4.4% Y/Y basis in April after climbing 4.3% in March. (Source: Econoday)
- US non-farm productivity fell at an annual rate of 2.7% in Q1-23 (consensus: remain unchanged) as compared to rise at annual rate of 1.6%. Unit labor costs increased at an annual rate of 6.3% (consensus: 3.9% Y/Y) as compared to rise at an annual rate of 3.3%. (Source: Econoday)
- US consumer credit increased to USD 26.5bn in March (consensus: USD 17.0bn) as compared to USD 15.1bn in February. (Source: Econoday)
- Eurozone retail sales declined 3.8% Y/Y in March (consensus: decline by 3.0% Y/Y) as compared to decline 2.4% Y/Y in February. On M/M basis, retail sales declined 1.2% (consensus: rise of 0.1% M/M) as compared to decline of 0.2% M/M. (Source: Econoday)
- European Central Bank raised interest rates by 25 bps in May to 3.75% as compared to previous hike of 50bps in March to 3.50%. (Source: Econoday)

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	101.21	0.0	-0.4	-2.2
Euro	1.10	0.0	0.0	2.9
Japanese Yen	134.80	0.0	-1.1	2.8
Sterling Pound	1.26	0.0	0.5	4.6
Chinese Yuan	6.92	0.0	-0.1	-0.0
Indian Rupee	81.80	0.0	0.0	-1.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.6
Kuwaiti Dinar	0.31	0.0	-0.1	0.1
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.94	0.0	0.1	25.0

## Corporate Calendar

Date	Company	Event
8 <sup>th</sup> May	Herfy Foods	Eligibility for Cash Dividend
8 <sup>th</sup> May	Saudi Aramco	Ex-bonus Date
8 <sup>th</sup> May	Saudi Aramco	EGM
8 <sup>th</sup> May	MULKIA REIT	Cash Dividend Distribution
8 <sup>th</sup> May	ALMUNAJEM	Eligibility for Cash Dividend
9 <sup>th</sup> May	SAUDI ELECTRICITY	Eligibility for Cash Dividend

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,583	0.0	1.1	7.6	9.1
Abu Dhabi (ADX)	9,706	0.0	-0.9	-5.5	16.4
Kuwait (KSE)	5,564	0.1	-0.7	-0.6	11.4
Qatar (QE)	10,673	0.3	4.8	-0.1	11.8
Oman (MSM)	4,717	-0.1	0.0	-2.9	10.3
Bahrain (BSE)	1,900	-0.3	-0.2	0.3	7.9
Egypt (EGX30)	17,235	-0.3	-2.4	18.1	6.9

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,674	0.0	-1.2	1.6	19.4
Nasdaq	13,259	0.0	0.1	21.2	29.5
S&P 500	4,136	0.0	-0.8	7.7	19.7
FTSE 100	7,778	0.0	-1.2	4.4	11.0
Germany DAX 30	15,961	0.0	0.2	14.6	13.4
France CAC 40	7,433	0.0	-0.8	14.8	12.7
Japan Nikkei 225	29,158	0.0	1.0	11.7	24.0
Russia MOEX	2,538	0.0	-3.7	17.8	3.3
Hong Kong Hang Seng	20,049	0.0	0.8	1.4	11.4
South Korea KOSPI	2,501	0.0	0.0	11.8	12.8
China Shanghai Composite	3,335	0.0	0.3	7.9	15.3
Australia ASX 200	7,220	0.0	-1.2	2.6	14.7
India Sensex	61,054	0.0	-0.1	0.4	23.0
MSCI EM	982	0.0	0.5	2.6	12.7
MSCI World	2,822	0.0	-0.5	8.4	17.9

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.23	0.0	-5.7	-9.5
Brent Crude (\$/bbl)	75.30	0.0	-5.3	-12.4
Texas crude (\$/bbl)	71.34	0.0	-7.1	-11.1
Natural Gas (\$/mmbtu)	2.14	0.0	-11.3	-47.2
Gold (\$/oz)	2,016.79	0.0	1.3	10.6
Silver (\$/oz)	25.67	0.0	2.4	7.1
Steel (\$/ton)	1,101.00	0.0	3.0	48.0
Iron Ore (CNY/MT)	818.00	0.0	-3.8	-4.6
Wheat (\$/bu)	660.25	0.0	4.2	-17.8
Corn (\$/bu)	596.50	0.0	2.0	-11.2
Sugar (\$/lb)	26.32	0.0	-0.1	46.4
SMP* (EUR/MT)	2,389.00	0.0	-0.1	-13.9

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.54	-4.6	32.7	81.0
KSA (SAIBOR 3M)	5.86	14.2	26.9	51.5
KSA (SAIBOR 6M)	5.75	1.9	5.6	15.2
KSA (SAIBOR 12M)	5.76	-0.1	-9.1	-11.3
USD (LIBOR 3M)	5.34	1.3	37.4	57.0
UAE (EIBOR 3M)	5.21	0.0	21.7	89.8

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 07, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,257
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,904.0
Value (SAR mn)	4,952.1
Volume (mn)	184.6
Number of Transactions	331,213
Market Breadth	173 : 43

Key statistics	
1D return %	1.24%
MTD return %	-0.45%
QTD return	6.29%
YTD return	7.43%
ADT vol. 3M* (mn)	174.4
ADT val. 3M (SARmn)	4,783.5

\*ADT stands for Average Daily Traded

### TASI market commentary

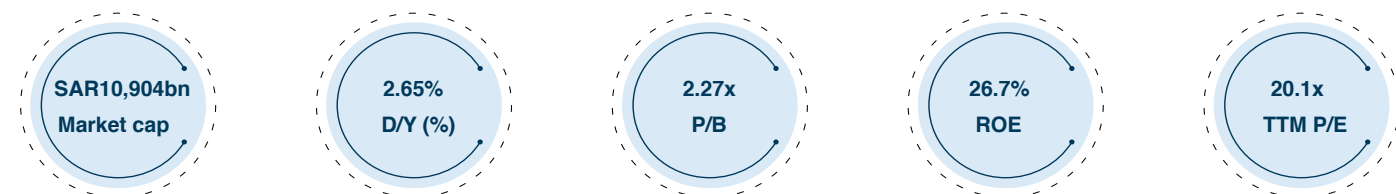
- TASI witnessed a rise on Sunday which was led by index heavyweight Energy (1.92% D/D) and Telecommunication Services (1.56% D/D) sectors. At close, the Saudi market ended the day with a change of 1.24% at 11,257. In terms of activity, total volumes and value traded were ~185mn and ~SAR 5.0bn respectively. The advance-decline ratio came in at 173/43.

### Technical outlook

- TASI closed near 11,257 after gaining 138 points. The buying power continued, pushing the index higher to penetrate its 10-day SMA. TASI developed a marubozu candlestick after an upside opening gap reflecting the short-term buying attitude and suggesting a possible further advance toward the prior peak near 11,350. The RSI indicator is moving up inside the positive territory above its 50 level suggesting to witness a further rise in the index. TASI currently has immediate resistance near the level of 11,275 followed by the level of the prior peak near 11,350. If penetrated, the next resistance is expected to lay near the level of 11,445. Immediate support is seen around the 10-day SMA near 11,225 followed by 11,160 and the 20-day SMA near 11,075. If breached, the index would be expected to meet the next support at the level of the prior minor trough near 11,000. Traders are advised to buy and keep track of a protective stop loss below 11,000.

### Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,000	11,075	11,160	11,225	11,275	11,350	11,445



Source: Bloomberg, Argaam

### TASI daily chart



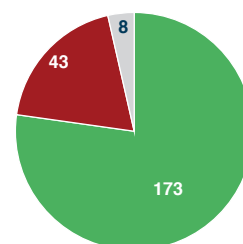
Source: Tradingview, Aljazira Capital

### Our view



### Market depth

Unchanged  
Up  
Down





## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
2120	Saudi Advanced Industries Co.	28.30	28.00 – 28.30	29.00	30.30	7.07%	27.40
4008	Saudi Company for Hardware	32.10	31.80 – 32.10	32.75	33.55	4.52%	31.45

\* As of 07<sup>th</sup> May 2023

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

## CHARTS OF THE WEEK

## Technical observations

**SAIC** started to bounce of its 10-day SMA after finishing a double bottom price pattern. Moreover, the RSI indicator started to bounce off a cleared declining trendline confirming the bullish price action. We recommend buying the stock in a range of SAR28.00 – 28.30, for a target of SAR29.00 followed by SAR30.30, with a stop loss below SAR27.40 on a closing basis.

## Saudi Advanced Industries Co. (SAIC)



Source: Tradingview, AlJazira Capital

## Technical observations

**SACO** is hovering above the zone of a breakaway gap after finishing a triple bottom price pattern. Moreover, the RSI indicator shows a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR31.80 – 32.10, for a target of SAR32.75 followed by SAR33.55, with a stop loss below SAR31.45 on a closing basis.

## Saudi Company for Hardware (SACO)



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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