



## Major Economic News

- Saudi Arabia signed an MoU with Netherlands to enhance cooperation in the energy fields including renewable energy, energy efficiency, electricity and other related industries relevant to the energy conversion including green hydrogen. (Source: Argaam)
- OPEC maintained global oil demand forecast for FY23 steady at 2.33 mbpd as the potential Chinese growth will be offset by downside economic risks elsewhere such as the US debt ceiling. (Source: Argaam)
- The General Food Security Authority successfully built the largest grains storage capacity in the Middle East, according to the Ministry of Environment, Water, and Agriculture. This capacity increased by 40% to 3.5mn tons currently from 2.5mn tons in FY16. (Source: Argaam)

## Major Corporate News

- The General Authority for Competition (GAC) granted conditional approval for Tadawul Advanced Solutions Co. (Wamid) to buy a 51% stake in Direct Financial Network Co. (DirectFN). (Source: Tadawul) (Source: Tadawul)

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

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
ELM	322.0	250.0	28.8	212.0	51.9
Arabian Drilling	141.0	94.0	50.0	136.7	3.2
CARE	56.3	30.0	87.6	55.4	1.5
CHEMICAL	32.3	32.7	-1.3	23.4	38.0
Arabian Cement	49.2	41.9	17.4	35.1	40.1
HCC	18.5	-6.9	NM	22.3	-17.1
TANMIAH	21.0	1.5	1,300	123.3	-83.0
Maharah	36.5	24.8	46.9	40.2	-9.2
Mouwasat	166.6	150.2	10.9	179.8	-7.3
Almunajem Foods	81.9	97.6	-16.1	17.5	368.0

## Market Analysis

- The Saudi Stock Exchange increased 0.9% to 11,392.8 on Thursday. The value traded stood at SAR 6.2bn (up 8.1% over previous day), while the advance-decline ratio stood at 155/54. The parallel market index increased 0.5% to 21,263.8 points. The value traded stood at SAR 39.0mn (up 83.1% over previous day). Most sectors in the main market ended in the green. Telecom and Software & services (up 3.0% and 2.7%, respectively) advanced the most; Media and Pharma & Bio Tech (down 0.5% and 0.2%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
TAPRCO	19.50	8.1
SAVOLA GROUP	33.60	4.7
ETIHAD ETISALAT	46.90	4.5
RIBL	34.35	4.1
ALASEEL	45.00	4.1

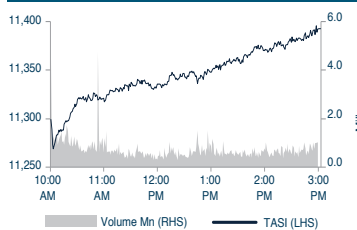
## Top Losers

Company	Price	Change%
SALAMA	20.90	-3.2
ALSAGR INSURANCE	17.20	-2.9
SHARQIYAH DEV	23.52	-2.7
NAQI	87.00	-2.3
JAZIRA TAKAFUL	19.22	-1.7

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,393	11,396	11,268	0.9	8.7
NomuC	21,264	21,374	20,988	0.5	9.5

## TASI movement during session



## TASI Ratios

P/E* (x)	20.6
Price-to-Book (x)	2.3
Dividend Yield (%)	2.6
Return on Equity (%)	25.3

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,263	0.4	15.4	13.6
Materials	6,696	0.6	6.4	16.3
Capital Goods	6,675	0.7	27.7	19.2
Commercial Service	3,629	0.7	24.5	30.6
Transportation	5,553	0.7	22.3	High
Consumer Durables	4,934	2.0	16.8	Neg
Consumer Services	4,849	1.2	31.4	48.9
Media	24,086	-0.5	12.0	25.1
Retailing	8,095	-0.1	12.8	22
Food & Staples	10,307	0.8	20.7	21.2
Food & Beverages	5,385	1.1	16.1	32.9
Healthcare	11,318	-0.1	24.2	High
Pharma & Bio Tech	3,417	-0.2	18.9	Neg
Banks	11,397	1.1	-1.3	14.9
Diversified Financial	6,491	1.0	2.0	7.4
Insurance	6,593	0.1	24.0	High
Telecom	8,193	3.0	28.2	19.3
Utilities	7,655	0.4	6.7	13.4
REITs	3,901	0.2	-1.9	30.9
Real Estate	3,118	0.6	24.7	High
Software & Services	47,599	2.7	32.6	36.6

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,301	11,251	11,168	5.57

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	28.5	1,085.10	1,964.30

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	33.65	0.3
Al Rajhi	75.60	0.5
SNB	36.75	1.7
SABIC	93.00	0.9
STC	45.65	2.7



### Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.3% and 0.4%, respectively. Oman increased 0.3% while Qatar and Bahrain rose 0.1% each. Meanwhile, Egypt and Kuwait declined 1.3% and 0.4%, respectively.
- According to Baker Hughes, North America's rig count decreased to 825 from 841 earlier in the week ended May 12. The rig count in the US decreased to 731 from 748 a week ago and increased to 22 from 20 in the Gulf of Mexico. The rig count in Canada increased to 94 from 93 in the week earlier. (Source: Baker Hughes)
- US consumer sentiment index tumbled to 57.7 in May (consensus: 63.0) from 63.5 in April. The steep drop by the headline index came as the current economic conditions index fell to 64.5 in May from 68.2 in April, while the index of consumer expectations slid to 53.4 from 60.5. One year-ahead inflation expectations receded slightly to 4.5 % in May after spiking to 4.6% in April. (Source: RTT news)
- US initial jobless claims increased to 264,000 (consensus: 245,000) in the week ended May 6, representing an increase of 22,000 from the previous week's revised level of 242,000. (Source: RTT news)
- Oil prices declined 1.1%, as the market balanced supply fears against renewed economic concerns in the United States and China
- Gold prices declined 0.2%, weighed down by a stronger dollar and an uptick in US bond yields.

### Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.68	0.6	1.0	-0.8
Euro	1.08	-0.6	-1.5	1.3
Japanese Yen	135.70	0.9	-0.4	3.5
Sterling Pound	1.25	-0.4	-0.9	3.1
Chinese Yuan	6.97	0.2	0.6	0.7
Indian Rupee	82.17	0.1	0.4	-0.7
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	0.0	0.2
Omani Rial	0.38	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	30.90	-0.0	-0.0	24.8

### Corporate Calendar

Date	Company	Event
14 <sup>th</sup> May	Kingdom	Eligibility for Cash Dividend
14 <sup>th</sup> May	Morabaha Marina	Start of IPO book-building process
14 <sup>th</sup> May	SEDCO CAPITAL REIT	End of IPO
14 <sup>th</sup> May	EDARAT	Ex-bonus Date
14 <sup>th</sup> May	EDARAT	EGM
14 <sup>th</sup> May	AlMuneef	Start of IPO

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

### Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,559	-0.3	0.4	6.9	8.7
Abu Dhabi (ADX)	9,635	-0.4	-1.6	-6.2	16.2
Kuwait (KSE)	5,531	-0.4	-1.3	-1.2	11.3
Qatar (QE)	10,742	0.1	5.5	0.6	12.4
Oman (MSM)	4,667	0.3	-1.1	-3.9	10.2
Bahrain (BSE)	1,937	0.1	1.7	2.2	9.2
Egypt (EGX30)	17,271	-1.3	-2.2	18.3	6.9

### International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,301	-0.0	-2.3	0.5	19.2
Nasdaq	13,340	-0.4	0.7	21.9	29.2
S&P 500	4,124	-0.2	-1.1	7.4	19.7
FTSE 100	7,755	0.3	-1.5	4.1	10.9
Germany DAX 30	15,914	0.5	-0.1	14.3	13.1
France CAC 40	7,415	0.4	-1.0	14.5	12.6
Japan Nikkei 225	29,388	0.9	1.8	12.6	24.2
Russia MOEX	2,565	-1.2	-2.6	19.1	3.4
Hong Kong Hang Seng	19,627	-0.6	-1.3	-0.8	10.7
South Korea KOSPI	2,475	-0.6	-1.0	10.7	14.0
China Shanghai Composite	3,272	-1.1	-1.5	5.9	14.8
Australia ASX 200	7,257	0.1	-0.7	3.1	14.7
India Sensex	62,028	0.2	1.5	2.0	23.4
MSCI EM	973	-0.5	-0.4	1.7	12.5
MSCI World	2,809	-0.2	-0.9	7.9	17.7

### Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.35	-3.7	-5.6	-9.4
Brent Crude (\$/bbl)	74.17	-1.1	-6.8	-13.7
Texas crude (\$/bbl)	70.04	-1.2	-8.8	-12.7
Natural Gas (\$/mmbtu)	2.27	3.5	-6.0	-44.0
Gold (\$/oz)	2,010.77	-0.2	1.0	10.2
Silver (\$/oz)	23.97	-0.9	-4.3	0.1
Steel (\$/ton)	1,096.00	0.1	2.5	47.3
Iron Ore (CNY/MT)	831.50	1.3	-2.2	-3.0
Wheat (\$/bu)	635.00	1.2	0.2	-20.9
Corn (\$/bu)	586.25	0.7	0.2	-12.7
Sugar (\$/lb)	26.22	0.8	-0.5	45.8
SMP* (EUR/MT)	2,402.00	-0.3	0.5	-13.5

\*SMP: Skimmed Milk Powder

### Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.50	-5.1	28.2	76.5
KSA (SAIBOR 3M)	5.88	-0.4	29.4	54.1
KSA (SAIBOR 6M)	5.78	1.6	8.9	18.6
KSA (SAIBOR 12M)	5.75	1.2	-9.9	-12.1
USD (LIBOR 3M)	5.32	-0.2	35.6	55.1
UAE (EIBOR 3M)	5.33	5.4	33.7	101.8

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of May 12, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,393
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,206.1
Value (SAR mn)	6,164.2
Volume (mn)	224.3
Number of Transactions	396,994
Market Breadth	155 : 54

Key statistics	
1D return %	0.88%
MTD return %	0.75%
QTD return	7.58%
YTD return	8.73%
ADT vol. 3M* (mn)	177.3
ADT val. 3M (SARmn)	4,908.6

\*ADT stands for Average Daily Traded

### TASI market commentary

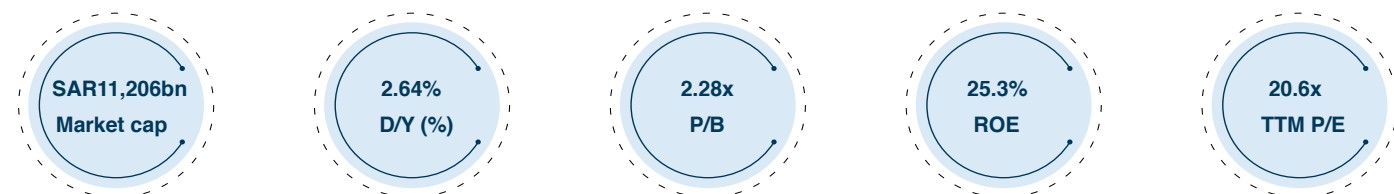
- TASI witnessed a rise on Thursday which was led by index heavyweight Telecommunication Services (3.00% D/D) and Banks (1.15% D/D) sectors. At close, the Saudi market ended the day with a change of 0.88% at 11,393. In terms of activity, total volumes and value traded were ~224mn and ~SAR 6.2bn respectively. The advance-decline ratio came in at 155/54.

### Technical outlook

- TASI closed near 11,393 after gaining 100 points. The powerful buying power continued and pushed the index up to penetrate the significant short-term resistance of the prior peak near 11,330. TASI developed a bullish Marubozu candlestick which penetrated the level of 50% Fibonacci retracement of the long-term downside move since Aug 2022. Upon the aforementioned bullish structure, it is expected to resume its way toward the upside target of the completed double bottom pattern that coincides with the 61.8% Fibonacci retracement level near 11,650. The RSI indicator is showing an upward move on the short term; however, a negative divergence seems to be developing, showing a potential weakness in the medium-term trend. TASI currently has immediate resistance near the level of the prior peak near 11,450 followed by 11,570. If penetrated, the next resistance is expected to lay near the level of 11,650. Immediate support is seen around the 10-day SMA at 11,250. If breached, the index would be expected to meet the next support at the 20-day SMA near 11,160. Traders are advised to buy and keeping track of a protective stop loss below the 10-day SMA at 11,250.

### Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,000	11,160	11,250	11,330	11,450	11,570	11,650



Source: Bloomberg, Argaam

### TASI daily chart



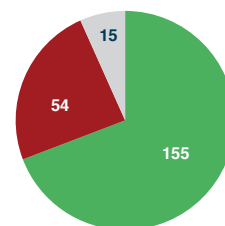
Source: Tradingview, Aljazira Capital

### Our view



### Market depth

■ Unchanged  
 ■ Up  
 ■ Down





## SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
7010	Saudi Telecom Co.	45.65	45.55 – 45.65	46.10	46.70	2.30%	45.20
2381	Arabian Drilling Co.	152.00	151.60 – 152.00	153.40	155.00	1.97%	150.50
2320	Al-Babtain Power and Telecommunication Co.	26.70	26.65 – 26.70	26.95	27.25	2.06%	26.45
2200	Arabian Pipes Company	56.00	55.85 – 56.00	56.70	57.10	1.96%	55.45
3060	Yanbu Cement Co.	36.20	36.10 – 36.20	36.55	36.90	1.93%	35.85
2310	Sahara International Petrochemical Co.	39.00	38.90 – 39.00	39.39	40.00	2.56%	38.60
2020	SABIC Agri-Nutrients Co.	132.40	132.10 – 132.40	133.50	135.00	1.96%	131.10
1302	Bawan Company	29.65	29.60 – 29.65	29.90	30.25	2.02%	29.35
6070	Al-Jouf Agricultural Development Co.	56.60	56.45 – 56.60	57.20	57.80	2.12%	56.00
1111	Saudi Tadawul Group Holding Co.	170.80	170.40 – 170.80	172.20	174.40	2.11%	169.20

\* As of 11<sup>th</sup> May 2023

\* Note – Stop loss is based on an intraday basis

## CHARTS OF THE DAY

## Technical observations

**STC** penetrated the level of the prior peak accompanied by heavy volume. Moreover, all the technical indicators show bullish structure.

## Saudi Telecom Co. (STC)



Source: Tradingview, AlJazira Capital

## Technical observations

**ARDC** penetrated a declining trendline after re-testing the zone of prior medium-term peak. Moreover, all the technical indicators show bullish structure.

## Arabian Drilling Co. (ARDC)



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.

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