

Major Economic News

- Bahrain-based GFH Financial Group is currently focusing on investing in the Gulf region, especially Saudi Arabia and the UAE. The group is focusing on investing in the northern provinces in the sectors of healthcare, logistics, and education (Source: Argaam)

Major Corporate News

- Riyad Bank signed a partnership agreement with NEOM, to finance the Sindalah Island development project, at a total value of SAR 3.0bn. (Source: Tadawul)
- Perfect Presentation for Commercial Services Co. won a contract worth SAR 59.7mn for the operation and maintenance of communication networks at the Royal Commission in Yanbu (Source: Tadawul)
- Arab National Bank obtained the regulatory approvals for investing with the bank's strategic partner Arab Bank Plc to establish Arab Bank of Iraq (a private joint stock company in Iraq). (Source: Tadawul)
- Shareholders of Saudi Arabian Mining Co. will vote on a 50% capital increase through the distribution of bonus shares in their EGM scheduled for June 7. (Source: Tadawul)
- East Pipes Integrated Company for Industry signed a supply contract with Abdullah Ibrahim Al Sayegh & Sons Co. worth SAR 81mn. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
SHL	2.5	32.4	-92.4	15.9	-84.6
SPPC	-15.3	-3.3	NM	-3.0	NM
TCC	19.4	-6.9	NM	17.6	9.9
Al Yamamah Steel	-17.9	35.2	NM	-41.9	NM
Alamar Foods	14.5	43.2	-66.4	29.4	-50.8
Saudi German Health	50.1	20.5	144.6	33.2	51.2

Market Analysis

- The Saudi Stock Exchange decreased 0.4% to 11,348.4 on Sunday. The value traded stood at SAR 4.5bn (down 26.6% over previous day), while the advance-decline ratio stood at 99/106. The parallel market index decreased 4.1% to 20,397.3 points. The value traded stood at SAR 55.8mn (up 43.2% over previous day). Most sectors in the main market ended in the green. Consumer Durables and Insurance (up 3.5% and 1.1%, respectively) advanced the most; Telecom and Utilities (down 2.1% and 1.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALBAHA	17.84	10.0
ALRAJHI TAKAFUL	112.40	8.3
ALKHALEEL TRAINING	22.22	6.4
ALASEEL	47.50	5.6
ALDREES	109.00	5.2

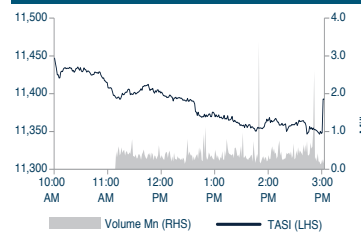
Top Losers

Company	Price	Change%
ETIHAD ETISALAT	45.35	-3.3
NADEC	30.70	-2.9
TANMIAH	141.00	-2.6
ZAIN KSA	13.90	-2.5
ALRAJHI REIT	9.67	-2.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,348	11,451	11,346	-0.4	8.3
NomuC	20,397	21,231	20,397	-4.1	5.0

TASI movement during session



TASI Ratios

P/E* (x)	20.5
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	6,277	0.2	15.7	13.6
Materials	6,674	-0.3	6.1	16.2
Capital Goods	6,732	0.9	28.8	19.4
Commercial Service	3,629	-0.2	24.2	30.5
Transportation	5,583	0.5	22.9	High
Consumer Durables	5,105	3.5	20.8	Neg
Consumer Services	4,865	0.3	31.8	49.0
Media	24,184	0.4	12.5	25.3
Retailing	8,097	0.0	12.9	22.1
Food & Staples	10,331	0.2	21.0	21.2
Food & Beverages	5,333	-1.0	15.0	32.5
Healthcare	11,199	-1.1	22.9	High
Pharma & Bio Tech	3,358	-1.7	16.9	Neg
Banks	11,344	-0.5	-1.7	14.8
Diversified Financial	6,497	0.1	2.1	7.4
Insurance	6,663	1.1	25.3	High
Telecom	8,018	-2.1	25.5	18.9
Utilities	7,515	-1.8	4.7	13.2
REITs	3,891	-0.3	-2.1	30.8
Real Estate	3,115	-0.1	24.6	High
Software & Services	47,832	0.5	33.3	36.8

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,319	11,255	11,190	5.47

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.5	154.40	308.80
Previous week	28.5	1,085.10	1,964.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	33.70	0.1
Al Rajhi	75.50	-0.1
SNB	36.45	-0.8
SABIC	92.50	-0.5
STC	44.90	-1.6

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Oman, Egypt, and Bahrain increased 0.8%, 0.6% and 0.2%, respectively, while Qatar declined 0.7%. Meanwhile, Kuwait remained flat.
- US import prices rose by 0.4% M/M in April (consensus: 0.3% M/M) after falling by a revised 0.8% M/M in March. The slightly bigger than expected rebound in import prices came as prices for fuel imports spiked by 4.5% M/M in April after plunging by 3.9% M/M in March. (Source: RTT news)
- US producer price index for final demand inched up by 0.2% M/M in April (consensus: 0.3% M/M) after falling by a revised 0.4% M/M in March. The annual rate of producer price growth slowed to 2.3% in April (consensus: 2.4% Y/Y) from 2.7% in March. (Source: RTT news)
- UK economy grew sluggishly in early FY23, better than the shallow recession, but an unexpectedly sharp drop in output in March. GDP edged up 0.1% in Q1-23, while output was 0.2% higher than a year earlier. While industrial output and construction grew, services sector dropped 0.4%, reflecting weak car sales and retail impacted by unusually rainy weather and high inflation. (Source: Reuters)
- The Bank of England raised its key interest rate by a quarter of a percentage point to 4.5% and Governor of British central bank said they would stay on course as they seek to curb the highest inflation of any major economy. (Source: Econoday)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.68	0.0	1.0	-0.8
Euro	1.08	0.0	-1.5	1.3
Japanese Yen	135.70	0.0	-0.4	3.5
Sterling Pound	1.25	0.0	-0.9	3.1
Chinese Yuan	6.97	0.0	0.6	0.7
Indian Rupee	82.17	0.0	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
15 th May	JARIR	Eligibility for Cash Dividend
15 th May	ALDREES	Cash Dividend Distribution
15 th May	AMLAK	Cash Dividend Distribution
15 th May	Ladun	Eligibility for Cash Dividend
15 th May	Mawarid Manpower	End of IPO book-building process
15 th May	Jamjoom Pharma	Start of IPO book-building process

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,559	0.0	0.4	6.9	8.7
Abu Dhabi (ADX)	9,635	0.0	-1.6	-6.2	16.2
Kuwait (KSE)	5,529	0.0	-1.4	-1.2	11.3
Qatar (QE)	10,669	-0.7	4.8	-0.1	12.3
Oman (MSM)	4,705	0.8	-0.3	-3.1	10.3
Bahrain (BSE)	1,941	0.2	1.9	2.4	9.1
Egypt (EGX30)	17,369	0.6	-1.7	19.0	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	0.0	0.7	21.9	29.2
S&P 500	4,124	0.0	-1.1	7.4	19.7
FTSE 100	7,755	0.0	-1.5	4.1	10.9
Germany DAX 30	15,914	0.0	-0.1	14.3	13.1
France CAC 40	7,415	0.0	-1.0	14.5	12.6
Japan Nikkei 225	29,388	0.0	1.8	12.6	24.2
Russia MOEX	2,565	0.0	-2.6	19.1	3.4
Hong Kong Hang Seng	19,627	0.0	-1.3	-0.8	10.7
South Korea KOSPI	2,475	0.0	-1.0	10.7	14.0
China Shanghai Composite	3,272	0.0	-1.5	5.9	14.8
Australia ASX 200	7,257	0.0	-0.7	3.1	14.7
India Sensex	62,028	0.0	1.5	2.0	23.4
MSCI EM	973	0.0	-0.4	1.7	12.4
MSCI World	2,809	0.0	-0.9	7.9	17.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.35	0.0	-5.6	-9.4
Brent Crude (\$/bbl)	74.17	0.0	-6.8	-13.7
Texas crude (\$/bbl)	70.04	0.0	-8.8	-12.7
Natural Gas (\$/mmbtu)	2.27	0.0	-6.0	-44.0
Gold (\$/oz)	2,010.77	0.0	1.0	10.2
Silver (\$/oz)	23.97	0.0	-4.3	0.1
Steel (\$/ton)	1,096.00	0.0	2.5	47.3
Iron Ore (CNY/MT)	831.50	0.0	-2.2	-3.0
Wheat (\$/bu)	635.00	0.0	0.2	-20.9
Corn (\$/bu)	586.25	0.0	0.2	-12.7
Sugar (\$/lb)	26.22	0.0	-0.5	45.8
SMP* (EUR/MT)	2,402.00	0.0	0.5	-13.5

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.62	12.9	41.0	89.4
KSA (SAIBOR 3M)	5.89	1.0	30.4	55.1
KSA (SAIBOR 6M)	5.80	1.3	10.2	19.9
KSA (SAIBOR 12M)	5.74	-0.5	-10.4	-12.6
USD (LIBOR 3M)	5.32	0.0	35.6	55.1
UAE (EIBOR 3M)	5.33	0.0	33.7	101.8

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of May 14, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,348
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	11,201.6
Value (SAR mn)	4,522.0
Volume (mn)	154.4
Number of Transactions	308,846
Market Breadth	99 : 106

Key statistics	
1D return %	-0.39%
MTD return %	0.36%
QTD return	7.16%
YTD return	8.30%
ADT vol. 3M* (mn)	177.3
ADT val. 3M (SARmn)	4,927.1

*ADT stands for Average Daily Traded

TASI market commentary

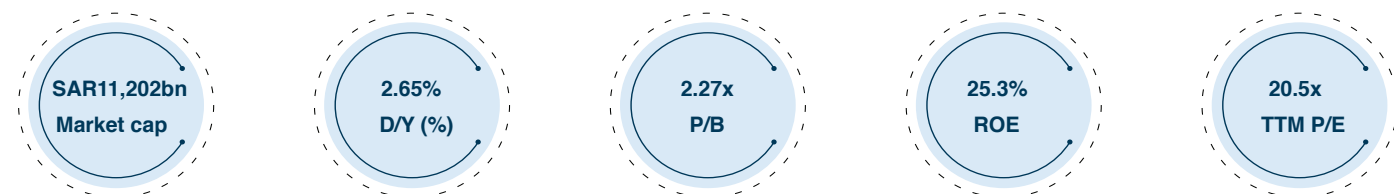
- TASI witnessed a decline on Sunday which was led by index heavyweight Telecommunication Services (-2.13% D/D) and Banks (-0.46% D/D) sectors. At close, the Saudi market ended the day with a change of -0.39% at 11,348. In terms of activity, total volumes and value traded were ~154mn and ~SAR 4.5bn respectively. The advance-decline ratio came in at 99/106.

Technical outlook

- TASI closed near 11,348 after losing 44 points. Despite the index's powerful start, an intense profit-taking attitude appeared once tested the resistance level of 127.2% Fibonacci external retracement of the prior short-term profit-taking action near the level of 11,450. However, TASI is still hovering above the significant short-term support of the prior peak near 11,330 keeping the potential of resuming its way toward the upside target of the completed double bottom pattern that coincides with the 61.8% Fibonacci retracement level near 11,650 persist. The RSI indicator is still showing an upward move in 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 11,175. Traders are advised to cautiously buy and keep 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	11,175	11,250	11,330	11,450	11,570	11,650



Source: Bloomberg, Argaam

TASI daily chart

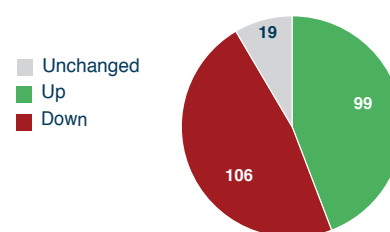


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
2030	Saudi Arabia Refineries Co.	88.30	88.10 – 88.30	89.20	90.10	2.04%	87.40
4292	Ataa Educational Co.	68.60	68.45 – 68.60	69.30	70.00	2.04%	67.90
8312	Alinma Tokio Marine Co.	17.86	17.80 – 17.86	18.05	18.25	2.18%	17.70
8060	Walaa Cooperative Insurance Co.	15.34	15.30 – 15.34	15.50	15.62	1.83%	15.20
8200	Saudi Reinsurance Co.	17.52	17.50 – 17.52	17.70	17.90	2.17%	17.35
4310	Knowledge Economic City	15.60	15.55 – 15.60	15.74	15.92	2.05%	15.45
6060	Ash-Sharqiyah Development Co.	23.60	23.55 – 23.60	23.84	24.16	2.37%	23.35
4071	Arabian Contracting Services Co.	128.00	127.70 – 128.00	129.20	130.60	2.03%	126.70
4180	Fitaihi Holding Group	31.75	31.65 – 31.75	32.05	32.50	2.36%	31.45
1212	Astra Industrial Group	67.70	67.55 – 67.70	68.40	69.00	1.92%	67.00

* As of 14th May 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SARCO penetrated a declining trendline after bouncing off the level of the prior. Moreover, all the technical indicators show bullish structure.

Saudi Arabia Refineries Co. (SARCO)



Source: Tradingview, AlJazira Capital

Technical observations

ATAA penetrated the 10-day SMA after re-testing the 20-day SMA. Moreover, all the technical indicators show bullish structure.

Ataa Educational Co. (ATAA)



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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