



## Major Economic News

- Saudi Council of Ministers approved providing health insurance coverage to domestic workers. The healthcare coverage will apply if a household employs four or more helpers. (Source: Argaam)
- Saudi ports reported a 13.3% rise in containers handled to 681,700 TEUs in April 2023, compared to 601,400 TEUs in the same month last year. (Source: Argaam)
- The National Debt Management Center announced receiving investors' applications for the international trust certificates issuance (Sukuk), with a total value of USD 6.0bn under the Kingdom's Global Trust Certificate Issuance Program. (Source: Argaam)

## Major Corporate News

- Dr. Sulaiman Al Habib Medical Services Group signed a conditional investment agreement with the Royal Commission for Jubail and Yanbu to allocate land with an area of 115,500 sq. m. in Al-Dafi district, Jubail Industrial City, to construct and operate a hospital. The land will be leased for a period of 50 Hijri years with a total yearly rental of SAR 1.2mn. (Source: Tadawul)
- Amlak International Finance Co. renewed the Sharia-compliant credit facilities agreement signed with the Saudi Investment Bank at a total value of SR 664.5mn. The facility has a term of one year and is aimed at facilitating business and increasing the company's ability to finance its clients. (Source: Tadawul)

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

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
Saudi Airlines Catering Co.	57.1	35.3	61.7	107.1	-46.7
SACO	-16.5	1.1	NM	-77.2	NM
Shaker	28.8	14.8	94.9	-2.1	NM
City Cement	27.6	17.2	60.9	47.8	-42.2
Wafrah	5.6	6.2	-8.6	4.8	17.2

## Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,206.0. The value traded stood at SAR 6.9bn (up 9.7% over previous day), while the advance-decline ratio stood at 111/95. The parallel market index increased 0.6% to 20,682.6 points. The value traded stood at SAR 59.4mn (down 49.6% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Capital Goods (up 9.8% and 1.9%, respectively) advanced the most; Energy and Media (down 2.0% and 1.0%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
ASTRA INDUSTRIAL	74.40	9.9
SAUDI GERMAN	50.50	9.9
SPIMACO	29.00	9.9
MALATH INSURANCE	16.88	7.5
MESC	15.48	5.6

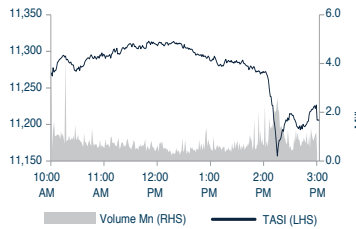
## Top Losers

Company	Price	Change%
CARE	99.80	-3.1
ANAAM HOLDING	26.95	-3.1
RIYADH CABLES	57.10	-2.7
SPPC	17.64	-2.2
SEDCO CAPITAL REIT	9.35	-2.2

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,206	11,315	11,148	-0.2	6.9
NomuC	20,683	20,748	20,544	0.6	6.5

## TASI movement during session



## TASI Ratios

P/E* (x)	20.3
Price-to-Book (x)	2.3
Dividend Yield (%)	2.7
Return on Equity (%)	25.3

\*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,050	-2.0	11.5	13.1
Materials	6,636	0.0	5.5	16.1
Capital Goods	6,897	1.9	32.0	19.9
Commercial Service	3,629	-0.9	22.4	30
Transportation	5,590	-0.2	23.1	High
Consumer Durables	5,128	0.0	21.4	Neg
Consumer Services	4,910	0.5	33.1	49.6
Media	24,495	-1.0	14.0	25.5
Retailing	8,048	-0.8	12.2	22
Food & Staples	10,300	0.1	20.6	21.1
Food & Beverages	5,313	0.4	14.5	32.3
Healthcare	11,320	1.4	24.3	High
Pharma & Bio Tech	3,826	9.8	33.1	Neg
Banks	11,164	0.2	-3.3	14.5
Diversified Financial	6,446	-0.4	1.3	7.3
Insurance	6,929	1.3	30.3	High
Telecom	7,923	-1.0	24.0	18.7
Utilities	7,362	-0.1	2.6	12.9
REITs	3,886	0.1	-2.2	30.8
Real Estate	3,143	0.2	25.7	High
Software & Services	47,690	1.0	32.9	36.6

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,294	11,248	11,223	5.68

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	17.7	616.60	1,156.90
Previous week	28.5	1,085.10	1,964.30

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.40	-2.1
Al Rajhi	74.70	0.0
SNB	35.70	0.3
SABIC	91.00	0.0
STC	44.30	-1.4



## Regional and International Markets

- Among other regional markets, Dubai decreased 0.5%, while Abu Dhabi remained flat. Egypt and Kuwait declined 0.6% and 0.2%, respectively; while Qatar and Oman fell 0.1% each. Meanwhile, Bahrain remained flat.
- US industrial production rose 0.5% M/M in April (consensus: unchanged from the previous month), while revised data showed production was unchanged in March. (Source: Econoday, RTT News)
- US retail sales increased 0.4% M/M in April (consensus: an increase of 0.7%) compared to a revised 0.7% decline in March. A rebound in sales by motor vehicle and parts dealers, which increased by 0.4%, supported retail sales growth. (Source: Econoday, RTT News)
- Japan's GDP expanded a seasonally adjusted 0.4% Q/Q in Q1-23 (consensus: an increase of 0.1%). On a Y/Y basis, GDP jumped 1.6 percent (consensus: an increase of 0.7%) versus the downwardly revised 0.1% contraction in the previous quarter. (Source: Econoday, RTT News)
- UK's jobless rate rose to 3.9% in the three months to March (consensus: 3.8%) from 3.8% in the preceding month. (Source: RTT News)
- Oil prices fell 0.4%, as a weaker set of data from China outweighed increase in demand FY23 outlook by IEA.
- Gold prices decreased 1.4% impacted by lower-than-expected US retail sales and hawkish statements from US Fed officials.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.56	0.1	0.9	-0.9
Euro	1.09	-0.1	-1.4	1.5
Japanese Yen	136.39	0.2	0.1	4.0
Sterling Pound	1.25	-0.3	-0.6	3.4
Chinese Yuan	7.00	0.6	1.0	1.1
Indian Rupee	82.22	-0.1	0.5	-0.6
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	0.3
Omani Rial	0.39	0.0	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.89	0.0	0.0	24.8

## Corporate Calendar

Date	Company	Event
17 <sup>th</sup> May	Al Rajhi REIT	Start of IPO
17 <sup>th</sup> May	MOUWASAT	Cash Dividend Distribution
17 <sup>th</sup> May	Baazeem	Cash Dividend Distribution
17 <sup>th</sup> May	ALMUNAJEM	Cash Dividend Distribution
18 <sup>th</sup> May	SNB	Cash Dividend Distribution
18 <sup>th</sup> May	ARDCO	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,509	-0.5	-1.0	5.4	8.6
Abu Dhabi (ADX)	9,476	0.0	-3.2	-7.7	15.9
Kuwait (KSE)	5,502	-0.2	-1.9	-1.7	11.1
Qatar (QE)	10,469	-0.1	2.8	-2.0	12.1
Oman (MSM)	4,710	-0.1	-0.2	-3.0	10.3
Bahrain (BSE)	1,938	0.0	1.8	2.3	9.1
Egypt (EGX30)	17,034	-0.6	-3.6	16.7	6.7

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,012	-1.0	-3.2	-0.4	19.0
Nasdaq	13,426	0.1	1.4	22.7	29.4
S&P 500	4,110	-0.6	-1.4	7.0	19.6
FTSE 100	7,751	-0.3	-1.5	4.0	10.9
Germany DAX 30	15,898	-0.1	-0.2	14.2	13.1
France CAC 40	7,406	-0.2	-1.1	14.4	12.6
Japan Nikkei 225	29,843	0.7	3.4	14.4	29.4
Russia MOEX	2,634	0.9	-0.0	22.3	3.5
Hong Kong Hang Seng	19,978	0.0	0.4	1.0	10.8
South Korea KOSPI	2,480	0.0	-0.9	10.9	14.5
China Shanghai Composite	3,291	-0.6	-1.0	6.5	14.8
Australia ASX 200	7,235	-0.4	-1.0	2.8	14.7
India Sensex	61,932	-0.7	1.3	1.8	23.3
MSCI EM	979	0.2	0.2	2.4	12.5
MSCI World	2,802	-0.6	-1.2	7.7	17.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	77.08	1.5	-4.7	-8.5
Brent Crude (\$/bbl)	74.91	-0.4	-5.8	-12.8
Texas crude (\$/bbl)	70.86	-0.4	-7.7	-11.7
Natural Gas (\$/mmbtu)	2.38	0.0	-1.4	-41.3
Gold (\$/oz)	1,989.17	-1.4	0.0	9.1
Silver (\$/oz)	23.75	-1.4	-5.2	-0.9
Steel (\$/ton)	1,093.00	0.0	2.2	46.9
Iron Ore (CNY/MT)	833.50	0.2	-1.9	-2.7
Wheat (\$/bu)	647.50	-2.0	2.2	-19.4
Corn (\$/bu)	581.25	-1.9	-0.6	-13.5
Sugar (\$/lb)	26.07	-0.8	-1.1	45.0
SMP* (EUR/MT)	2,408.00	0.6	0.7	-13.3

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.53	-0.1	31.7	80.0
KSA (SAIBOR 3M)	5.87	0.0	28.4	53.0
KSA (SAIBOR 6M)	5.80	0.0	10.2	19.9
KSA (SAIBOR 12M)	5.74	0.0	-10.7	-12.8
USD (LIBOR 3M)	5.33	0.0	36.8	56.3
UAE (EIBOR 3M)	4.90	-43.2	-9.1	59.1

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 16, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,206
<b>Short-term view</b>	Cautious
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,870.2
Value (SAR mn)	6,900.2
Volume (mn)	241.5
Number of Transactions	438,907
Market Breadth	111 : 95

Key statistics	
1D return %	-0.22%
MTD return %	-0.90%
QTD return	5.82%
YTD return	6.94%
ADT vol. 3M* (mn)	180.6
ADT val. 3M (SARmn)	5,043.6

\*ADT stands for Average Daily Traded

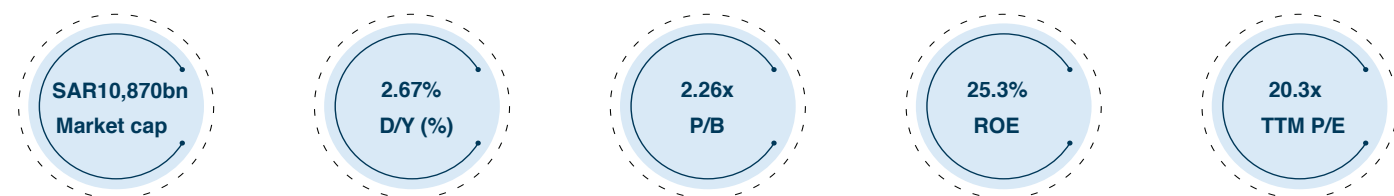
### TASI market commentary

- TASI witnessed a decline on Tuesday which was led by index heavyweight Energy (-1.96% D/D) and Telecommunication Services (-1.00% D/D) sectors. At close, the Saudi market ended the day with a change of -0.22% at 11,206. In terms of activity, total volumes and value traded were ~242mn and ~SAR 6.9bn respectively. The advance-decline ratio came in at 111/95.

### Technical outlook

- TASI closed near 11,206 after losing 24 points. Profit-taking defined Tuesday's trading activity after a failed initial attempt to push the index up. After breaching its 10-day SMA as well as the prior minor trough, the index managed to close below a medium-term rising trendline beside its 20-day SMA signaling a change in the short-term trend. The RSI indicator breached a rising trendline after developing a negative divergence assuring the weakness in the trend. TASI currently has immediate support near the level of 11,160 followed by 11,100. If breached, the index would be expected to meet the next support at the prior trough near the level of 11,000. Immediate resistance is seen around the 20-day SMA near 11,210 followed by the resistance of the 10-day SMA near 11,250. If penetrated, the next resistance is expected to lay near the 50% Fibonacci retracement of the long-term downside move since Aug 2022 by 11,330. Traders are advised to be cautious and on the other hand, keep track of the significant resistance level of 11,330 where a decisive close above it would signal a false breach of the medium-term rising trendline.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,000	11,100	11,160	11,210	11,250	11,330	11,450



Source: Bloomberg, Argaam

### TASI daily chart



Source: Tradingview, Aljazeera Capital

### SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
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No stocks recommendations due to market volatility

\* As of 16<sup>th</sup> May 2023

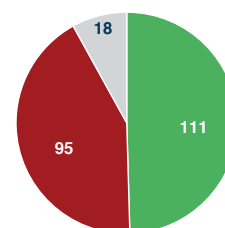
\* Note – Stop loss is based on an intraday basis

### Our view



### Market depth

■ Unchanged  
 ■ Up  
 ■ Down



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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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