



Major Economic News

- The total number of domestic and inbound tourists to Saudi Arabia reached 73.1mn during the first nine months of FY22, spending nearly SAR 133.3bn. Domestic tourists constituted 86% or close to 62.6mn, while inbound tourists accounted for 14% of the total tourists, at about 10.5mn (Source: Argaam)
- The World Bank lowered its forecast for real GDP growth in Saudi Arabia to 2.2% in FY23, compared to its previous estimate of 2.9% last April. Saudi Arabia's non-oil GDP is projected to rise by 4.7% during FY23, while the oil GDP is estimated to retreat by 2%. (Source: Argaam)
- The point-of-sales transactions reached nearly SAR 10.9bn in the week ended May 13, compared to almost SAR 11.6bn in the week before. Data showed that about 171.46 million transactions were processed during the week (Source: Argaam)

Major Corporate News

- Saudi telecom major stc stated that the buyer of Al Khobar land paid SAR 367.7mn via a certified check, which represents part of the land value. The payment of the remaining amount, reaching SAR 1.0bn, was postponed for an additional 60 days for the buyer to complete the purchase financing. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
SGS	40.0	-19.0	NM	-107.8	NM
YCC	51.0	38.9	31.0	59.2	-13.8
ALSAIF GALLERY	50.5	59.1	-14.5	28.0	80.2
SAIC	22.1	30.9	-28.7	19.9	11.2
SPCC	49.0	87.0	-43.7	62.0	-21.0
SINAD HOLDING	-21.5	10.2	NM	74.8	NM
ZAMIL INDUST	-13.8	-51.9	NM	-99.6	NM

Market Analysis

- The Saudi Stock Exchange increased 0.6% to 11,277.6. The value traded stood at SAR 6.0bn (down 12.8% over previous day), while the advance-decline ratio stood at 136/75. The parallel market index increased 0.9% to 20,864.7 points. The value traded stood at SAR 24.4mn (down 59.0% over previous day). Most sectors in the main market ended in the green. Food and Beverages and Insurance (up 2.4% and 1.7%, respectively) advanced the most; Commercial Service and Consumer Durable (down 4.4% and 0.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SHAKER	26.25	9.8
ACIG	14.94	5.8
TAWUNIYA	117.40	5.2
MALATH INSURANCE	17.72	5.0
SAVOLA GROUP	35.65	4.6

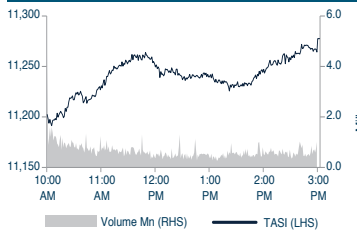
Top Losers

Company	Price	Change%
CATERING	88.00	-7.4
ALASEEL	46.70	-2.7
MESC	15.08	-2.6
SACO	33.60	-2.5
EIC	41.60	-2.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,278	11,278	11,187	0.6	7.6
NomuC	20,865	20,872	20,642	0.9	7.5

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	6,001	-0.8	10.6	12.9
Materials	6,657	0.3	5.8	16.1
Capital Goods	6,855	-0.6	31.2	19.8
Commercial Service	3,629	-4.4	16.9	28.6
Transportation	5,661	1.3	24.7	High
Consumer Durables	5,085	-0.8	20.4	Neg
Consumer Services	4,905	-0.1	32.9	49.4
Media	24,692	0.8	14.9	25.8
Retailing	8,120	0.9	13.2	22.2
Food & Staples	10,290	-0.1	20.5	21.1
Food & Beverages	5,438	2.4	17.2	33
Healthcare	11,419	0.9	25.3	High
Pharma & Bio Tech	3,799	-0.7	32.2	Neg
Banks	11,332	1.5	-1.8	14.8
Diversified Financial	6,473	0.4	1.8	7.3
Insurance	7,047	1.7	32.5	High
Telecom	7,912	-0.1	23.8	18.7
Utilities	7,351	-0.2	2.5	12.9
REITs	3,881	-0.1	-2.4	30.7
Real Estate	3,186	1.4	27.4	High
Software & Services	48,206	1.1	34.3	37.1

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,291	11,269	11,239	5.71

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	23.7	821.00	1,545.50
Previous week	28.5	1,085.10	1,964.30

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.10	-0.9
Al Rajhi	75.00	0.4
SNB	37.00	3.6
SABIC	91.00	0.0
STC	44.15	-0.3



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 1.6% and 0.5%, respectively. Qatar and Bahrain increased 2.0% and 0.1%, respectively, while Egypt, Kuwait and Oman declined 1.1%, 0.7%, and 0.3%, respectively.
- According to EIA, oil inventories in the US increased 5.0barrels (prior: up 3.0mn) to 467.6mn in the week ended May 12. Gasoline inventories down 1.4mn barrels (prior: down 3.2mn) to 218.3mn, while distillate inventories up 0.1 barrels (prior: down 4.2mn) to 106.2. (Source: EIA, Econoday)
- US housing starts jumped by 2.2% to an annual rate of 1.401mn in April (consensus: 1.405mn) after plunging by 4.5% to a revised rate of 1.371mn in March. Building permits slumped by 1.5% to an annual rate of 1.416mn in April after tumbling by 3.0% to a revised rate of 1.437mn in March. (Source: Econoday)
- Eurozone harmonized index of consumer prices increased 7.0% Y/Y in April (consensus: 7.0% Y/Y) as compared to 6.9% Y/Y in March. (Source: Econoday)
- Oil prices increased 2.7%, as optimism over oil demand and US debt ceiling negotiations outweighed worries about abundant supply.
- Gold prices declined 0.4%, the US dollar increased as policymakers from the US Federal Reserve downplayed the likelihood of interest rate decreases this year in their remarks.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.88	0.3	1.2	-0.6
Euro	1.08	-0.2	-1.6	1.3
Japanese Yen	137.68	0.9	1.0	5.0
Sterling Pound	1.25	0.0	-0.6	3.3
Chinese Yuan	7.01	0.1	1.2	1.2
Indian Rupee	82.39	0.2	0.7	-0.4
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	-0.1	-0.1	-0.7
Kuwaiti Dinar	0.31	0.1	0.2	0.3
Omani Rial	0.38	-0.1	-0.1	-0.1
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
18 th May	Cash Dividend Distribution	Cash Dividend Distribution
18 th May	Cash Dividend Distribution	Cash Dividend Distribution
18 th May	Eligibility for Cash Dividend	Eligibility for Cash Dividend
18 th May	End of rights trading	End of rights trading
18 th May	Cash Dividend Distribution	Cash Dividend Distribution
18 th May	EGM	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,566	1.6	0.6	7.1	8.7
Abu Dhabi (ADX)	9,526	0.5	-2.7	-7.2	16.0
Kuwait (KSE)	5,466	-0.7	-2.5	-2.3	11.1
Qatar (QE)	10,682	2.0	4.9	0.0	12.3
Oman (MSM)	4,695	-0.3	-0.5	-3.3	10.2
Bahrain (BSE)	1,940	0.1	1.9	2.4	8.9
Egypt (EGX30)	16,844	-1.1	-4.7	15.4	6.6

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,421	1.2	-2.0	0.8	19.3
Nasdaq	13,589	1.2	2.6	24.2	29.8
S&P 500	4,159	1.2	-0.3	8.3	19.8
FTSE 100	7,723	-0.4	-1.9	3.6	10.8
Germany DAX 30	15,951	0.3	0.2	14.6	13.1
France CAC 40	7,399	-0.1	-1.2	14.3	12.6
Japan Nikkei 225	30,094	0.8	4.3	15.3	29.7
Russia MOEX	2,634	0.0	-0.0	22.3	3.5
Hong Kong Hang Seng	19,561	-2.1	-1.7	-1.1	10.5
South Korea KOSPI	2,495	0.6	-0.3	11.5	14.5
China Shanghai Composite	3,284	-0.2	-1.2	6.3	14.8
Australia ASX 200	7,199	-0.5	-1.5	2.3	14.6
India Sensex	61,561	-0.6	0.7	1.2	23.2
MSCI EM	976	-0.3	-0.1	2.0	12.8
MSCI World	2,821	0.7	-0.5	8.4	17.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.29	-1.0	-5.6	-9.4
Brent Crude (\$/bbl)	76.96	2.7	-3.2	-10.4
Texas crude (\$/bbl)	72.83	2.8	-5.1	-9.3
Natural Gas (\$/mmbtu)	2.37	-0.5	-1.9	-41.6
Gold (\$/oz)	1,981.84	-0.4	-0.4	8.7
Silver (\$/oz)	23.75	0.0	-5.2	-0.9
Steel (\$/ton)	1,092.00	-0.1	2.2	46.8
Iron Ore (CNY/MT)	832.00	-0.2	-2.1	-2.9
Wheat (\$/bu)	625.50	-3.4	-1.3	-22.1
Corn (\$/bu)	561.50	-3.4	-4.0	-16.4
Sugar (\$/lb)	25.91	-0.6	-1.7	44.1
SMP* (EUR/MT)	2,416.00	0.3	1.0	-13.0

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.53	0.0	31.6	80.0
KSA (SAIBOR 3M)	5.86	-1.3	27.1	51.7
KSA (SAIBOR 6M)	5.79	-1.1	9.1	18.8
KSA (SAIBOR 12M)	5.77	2.4	-8.2	-10.4
USD (LIBOR 3M)	5.35	0.0	38.3	57.8
UAE (EIBOR 3M)	5.09	18.8	9.7	77.8

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of May 17, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,278
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,820.7
Value (SAR mn)	6,017.3
Volume (mn)	204.4
Number of Transactions	388,617
Market Breadth	136 : 75

Key statistics	
1D return %	0.64%
MTD return %	-0.27%
QTD return	6.49%
YTD return	7.63%
ADT vol. 3M* (mn)	180.9
ADT val. 3M (SARmn)	5,675.5

*ADT stands for Average Daily Traded

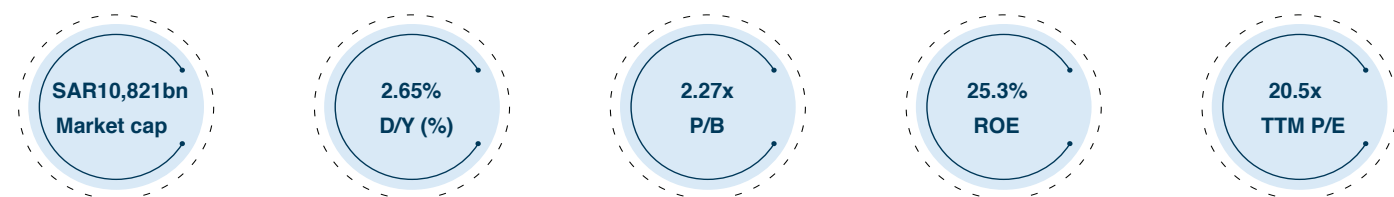
TASI market commentary

- TASI witnessed a rise on Wednesday which was led by index heavyweight Banks (1.50% D/D) and Materials (0.33% D/D) sectors. At close, the Saudi market ended the day with a change of 0.64% at 11,278. In terms of activity, total volumes and value traded were ~204mn and ~SAR 6.0bn respectively. The advance-decline ratio came in at 136/75.

Technical outlook

- TASI closed near 11,278 after gaining 72 points. The index faced buying power at the support level of the 20-day SMA which pushed it up to close positively above its most important daily moving averages. It is expected to re-test the resistance of the 50% Fibonacci retracement of the long-term downside move since August 2022 near 11,350 which is needed to be penetrated to pave the way toward higher levels. The RSI indicator started to move up after approaching its 50 level which represents a short-term positive sign, however, it developed a negative divergence indicating a weakness in the medium-term uptrend. TASI currently has immediate resistance near the 50% Fibonacci retracement near 11,350. If penetrated, the next resistance is expected to lay near the prior minor peak at 11,450. Immediate support is seen around the level of 11,250 followed by the 20-day SMA near 11,220. If breached, the index would be expected to meet the next support near the level of 11,160 followed by 11,100. Traders are advised to cautiously buy and closely monitor the significant resistance level of 11,350 where a decisive close above it would alter the short-term negativity of the index and pave the way for higher levels.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,100	11,160	11,220	11,250	11,350	11,450	11,570



Source: Bloomberg, Argaam

TASI daily chart



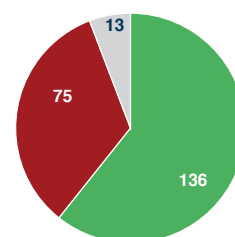
Source: Tradingview, Aljazira Capital

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
7202	Arabian Internet and Communications Services Co.	296.00	295.25 – 296.00	299.00	305.00	3.04%	293.00
2090	National Gypsum Company (NGC)	26.40	26.35 – 26.40	26.65	26.80	1.52%	26.15
4014	Scientific and Medical Equipment House Co.	73.40	73.20 – 73.40	74.10	75.30	2.59%	72.65
8312	Alinma Tokio Marine Co.	18.00	17.95 – 18.00	18.18	18.74	4.11%	17.80
8070	Arabian Shield Cooperative Insurance Company	17.76	17.70 – 17.76	17.95	18.10	1.91%	17.60
8310	Amana Cooperative Insurance Co.	12.80	12.75 – 12.80	12.95	13.10	2.34%	12.65
1810	Seera Group Holding	25.50	25.45 – 25.50	25.75	26.00	1.96%	25.25
2100	Wafrah for Industry & Development Co.	36.95	36.85 – 36.95	37.30	37.60	1.76%	36.60
4163	Aldawaa Medical Services Co.	84.10	83.90 – 84.10	84.95	85.70	1.90%	83.25
2320	Al-Babtain Power and Telecommunication Co.	26.75	26.70 – 26.75	27.00	27.30	2.06%	26.50
4170	Tourism Enterprise Co.	17.54	17.50 – 17.54	17.74	18.00	2.62%	17.35

* As of 17th May 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SOLUTIONS started to bounce off the level of the prior peaks and the 10-day SMA. Moreover, all the technical indicators show bullish structure.

Arabian Internet and Communications Services Co. (SOLUTIONS)



Source: Tradingview, AlJazira Capital

Technical observations

NGC penetrated the level of the prior peak after bouncing off its 10-day SMA. Moreover, all the technical indicators show bullish structure.

National Gypsum Company (NGC)



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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