



## Major Economic News

- The industrial sector recorded over SAR 542bn worth of foreign and joint investments, accounting for 37% of the sector's total, and 17% of total existing factories until May 2023. Foreign investors had 930 factories in the Kingdom, or 9% of the total with over SAR 71.0bn investments. Joint investments reached 924, representing 8% of the total with more than SAR 470.0bn investments. (Source: Argaam)
- The Zakat, Tax and Customs Authority approved levying value-added tax on profit margins from qualified used cars, excluding the total sale value, as of July 1. (Source: Argaam)

## Major Corporate News

- First Milling Co. (First Mills) issued its prospectus to float 16.65mn shares, or 30% of its SAR 555mn capital. (Source: Tadawul)
- ACWA Power Co. signed a hydrogen purchase agreement with Uzkimyosanoat, an Uzbek state-owned chemical company, and a power purchase agreement with the National Power Grid of Uzbekistan for total value of SAR 100mn. (Source: Tadawul)

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

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
MEPCO	-7.1	93.0	NM	23.9	NM
ALANDALUS	14.3	19.8	-27.9	13.5	5.8
SRMG	121.0	112.5	7.6	121.0	NM
CHEMANOL	-48.8	102.7	NM	-16.0	NM
BATIC	0.1	0.8	-93.4	-6.2	NM
Northern Cement	21.7	23.3	-6.8	36.7	-40.8
Retal	41.5	63.4	-34.5	62.5	-33.6
BUDGET SAUDI	69.3	60.3	15.0	65.1	6.5

## Market Analysis

- The Saudi Stock Exchange increased 0.6% to 11,344.4 on Thursday. The value traded stood at SAR 6.7bn (up 11.7% over previous day), while the advance-decline ratio stood at 132/72. The parallel market index decreased 0.2% to 20,832.6 points. The value traded stood at SAR 39.8mn (up 63.4% over previous day). Most sectors in the main market ended in the green. Pharma & Biotech and Transportation (up 6.3% and 1.4%, respectively) advanced the most; Media & Entertainment and Commercial & Professional Services (down 2.3% and 1.0%, respectively) bottomed the daily leaderboards.

## Top Gainers

Company	Price	Change%
TAWUNIYA	126.20	7.5
SPIMACO	30.70	6.6
ALRAJHI TAKAFUL	119.00	6.4
2P	233.40	6.1
BINDAWOOD	68.20	5.4

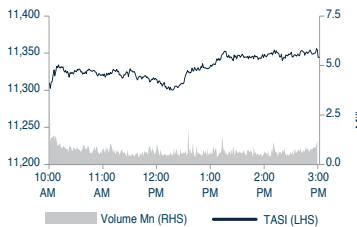
## Top Losers

Company	Price	Change%
ALJAZIRA REIT	18.30	-3.4
JABAL OMAR	23.62	-3.4
SRMG	201.00	-2.7
CATERING	85.90	-2.4
SIIG	25.25	-2.3

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,344	11,358	11,295	0.6	8.3
NomuC	20,833	20,895	20,595	-0.2	7.3

## 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	6,001	-0.8	10.6	13.1
Materials	6,657	0.3	5.8	16.1
Capital Goods	6,855	-0.6	31.2	20
Commercial Service	3,629	-4.4	16.9	28.2
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	49.9
Media	24,692	0.8	14.9	25.3
Retailing	8,120	0.9	13.2	22.2
Food & Staples	10,290	-0.1	20.5	21.3
Food & Beverages	5,438	2.4	17.2	33.1
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	15
Diversified Financial	6,473	0.4	1.8	7.4
Insurance	7,047	1.7	32.5	High
Telecom	7,912	-0.1	23.8	18.7
Utilities	7,351	-0.2	2.5	13
REITs	3,881	-0.1	-2.4	30.8
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)
11,281	11,291	11,254	5.78

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	30.4	1,037.80	1,970.10

## 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 decreased 0.3%. Bahrain rose 0.1%, while Egypt declined 0.6%. Qatar and Kuwait declined 0.4% each, while Oman remained flat.
- According to Baker Hughes, North America's rig count decreased to 805 from 825 earlier in the week ended May 19. The rig count in the US decreased to 720 from 731 a week ago, and decreased to 21 from 22 in the Gulf of Mexico. The rig count in Canada decreased to 85 from 94 in the week earlier. (Source: Baker Hughes)
- US initial jobless claims decreased to 242,000 (consensus: 254,000) in the week ended May 13, representing a decrease of 22,000 from the previous week's level of 264,000. (Source: Econoday)
- US existing home sales plunged by 3.4% to an annual rate of 4.28mn in April (consensus: edge up by 0.1% Y/Y) after tumbling by 2.6% to a revised rate of 4.4mn in March. Housing inventory at the end of April totalled 1.04mn units up 7.2% from March and up 1.0% Y/Y. (Source: RTT news)
- Oil prices fell 0.4%, investors were concerned that the United States' policymakers would be unable to agree on a new debt ceiling, leading to a default that would harm the economy and lower demand for fuel.
- Gold prices rose 1.0%, helped by a slight retreat in the US dollar, but were set for their biggest weekly drop in three and half months as hopes about US debt-ceiling negotiations weighed on the safe-haven metal.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.20	-0.4	1.5	-0.3
Euro	1.08	0.3	-1.9	0.9
Japanese Yen	137.98	-0.5	1.2	5.2
Sterling Pound	1.24	0.3	-1.0	3.0
Chinese Yuan	7.02	-0.4	1.4	1.5
Indian Rupee	82.67	0.1	1.0	-0.1
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	0.2	0.4
Omani Rial	0.39	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
21 <sup>st</sup> May	Tam	Start of IPO
21 <sup>st</sup> May	OASIS	EGM
21 <sup>st</sup> May	DERAYAH REIT	Cash Dividend Distribution
21 <sup>st</sup> May	TADAWUL GROUP	Cash Dividend Distribution
21 <sup>st</sup> May	FITNESS TIME	Eligibility for Cash Dividend
21 <sup>st</sup> May	OASIS	Eligibility for Cash Dividend

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,545	-0.3	0.0	6.5	8.6
Abu Dhabi (ADX)	9,479	-0.3	-3.2	-7.7	15.8
Kuwait (KSE)	5,445	-0.4	-2.9	-2.7	11
Qatar (QE)	10,644	-0.4	4.5	-0.3	12.3
Oman (MSM)	4,697	0.0	-0.5	-3.3	10.2
Bahrain (BSE)	1,943	0.1	2.0	2.5	8.9
Egypt (EGX30)	16,746	-0.6	-5.2	14.7	6.5

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,427	-0.3	-2.0	0.8	19.3
Nasdaq	13,803	-0.2	4.2	26.2	30.3
S&P 500	4,192	-0.1	0.5	9.2	20.0
FTSE 100	7,757	0.2	-1.4	4.1	10.9
Germany DAX 30	16,275	0.7	2.2	16.9	13.3
France CAC 40	7,492	0.6	0.0	15.7	12.7
Japan Nikkei 225	30,808	0.8	6.8	18.1	30.4
Russia MOEX	2,626	-0.3	-0.3	21.9	3.5
Hong Kong Hang Seng	19,451	-1.4	-2.2	-1.7	10.5
South Korea KOSPI	2,538	0.9	1.4	13.5	14.7
China Shanghai Composite	3,284	-0.4	-1.2	6.3	14.9
Australia ASX 200	7,280	0.6	-0.4	3.4	14.8
India Sensex	61,730	0.5	1.0	1.5	23.1
MSCI EM	977	-0.1	0.0	2.2	12.8
MSCI World	2,843	0.1	0.2	9.2	17.9

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	77.72	-0.3	-3.9	-7.7
Brent Crude (\$/bbl)	75.58	-0.4	-5.0	-12.0
Texas crude (\$/bbl)	71.55	-0.4	-6.8	-10.9
Natural Gas (\$/mmbtu)	2.59	-0.3	7.3	-36.1
Gold (\$/oz)	1,977.81	1.0	-0.6	8.4
Silver (\$/oz)	23.85	1.5	-4.8	-0.4
Steel (\$/ton)	1,094.00	-0.2	2.3	47.0
Iron Ore (CNY/MT)	814.00	-1.3	-4.2	-5.0
Wheat (\$/bu)	605.00	-1.1	-4.5	-24.7
Corn (\$/bu)	554.50	-0.1	-5.2	-17.5
Sugar (\$/lb)	25.78	0.7	-2.2	43.4
SMP* (EUR/MT)	2,405.00	0.0	0.6	-13.4

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.47	-6.1	25.5	73.9
KSA (SAIBOR 3M)	5.82	-4.2	22.9	47.6
KSA (SAIBOR 6M)	5.79	-0.0	9.1	18.8
KSA (SAIBOR 12M)	5.76	-0.3	-8.6	-10.8
USD (LIBOR 3M)	5.39	1.4	43.0	62.5
UAE (EIBOR 3M)	5.10	-4.0	11.2	79.3

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of May 18, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,344
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,907.3
Value (SAR mn)	6,719.0
Volume (mn)	216.9
Number of Transactions	424,586
Market Breadth	132: 72

Key statistics	
1D return %	0.59%
MTD return %	0.32%
QTD return	7.12%
YTD return	8.26%
ADT vol. 3M* (mn)	182.3
ADT val. 3M (SARmn)	5,116.8

\*ADT stands for Average Daily Traded

### TASI market commentary

- TASI witnessed a rise on Thursday which was led by index heavyweight Banks (0.96% D/D) and Energy (0.88% D/D) sectors. At close, the Saudi market ended the day with a change of 0.59% at 11,344. In terms of activity, total volumes and value traded were ~217mn and ~SAR 6.7bn respectively. The advance-decline ratio came in at 132/72.

### Technical outlook

- TASI closed near 11,344 after gaining 67 points. After bouncing off the 20-day EMA, the buying power continued to push the index up and above its most important daily moving averages. TASI started to penetrate the resistance level of the 50% Fibonacci retracement of the prior long-term downside move which started in August 2022 near 11,330 paving the way toward the level of 61.80% near 11,650. Moreover, the 10 & 20-day SMAs started to diverge positively, which adds to the bullish evidence. The RSI indicator still moving up after approaching its 50 level which represents a short-term positive sign. TASI currently has immediate resistance at the prior minor peak near 11,450. If penetrated, the next resistance is expected to lay near 11,570 followed by 11,650. Immediate support is seen around the 10-day SMA near 11,290 followed by the level of the 20-day SMA near 11,250 followed by 11,190. If breached, the index would be expected to meet the next support near the level of 11,160. Traders are advised to buy and keep track of a protective stop loss below 11,160.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,160	11,190	11,250	11,290	11,450	11,570	11,650



### TASI daily chart



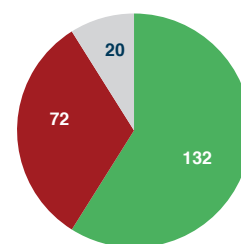
Source: Tradingview, Aljazira Capital

### 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
2170	Alujain Corp	41.95	41.55 – 41.95	42.65	43.75	4.29%	41.15
1302	Bawan Company	31.70	31.40 - 31.70	32.05	33.00	4.10%	31.10

\* As of 18<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

**ALUJAIN** has just finished a cup and handle price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR41.55 – 41.95, for a target of SAR42.65 followed by SAR43.75, with a stop loss below SAR41.15 on a closing basis.

## Alujain Corp (ALUJAIN)



Source: Tradingview, Aljazira Capital

## Technical observations

**Bawan** is heading toward upside targets of a completed inverted head and shoulders price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR31.40 - 31.70, for a target of SAR32.05 followed by SAR33.00, with a stop loss below SAR31.10 on a closing basis.

## Bawan Company (Bawan)



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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