



Major Economic News

- The Real Estate Development Fund, Bank Albilad and Saudi British Bank signed two framework agreements which are aimed at diversifying housing support options for Sakani beneficiaries enabling them to obtain immediate, non-refundable grants of up to 150,000 on off-plan, ready to move or self-construction housing units. (Source: Argaam)
- Prices of 64 goods and services in Saudi Arabia dropped on annual basis in April 2023, while prices of 99 out of 169 goods and services rose. Out of the 91 food products, yogurt recorded the biggest rise of 33.3% Y/Y, followed by frozen chicken with a rise of 20.0% Y/Y. (Source: Argaam)

Major Corporate News

- Leejam Sports Co. announced opening three new centers, a low-cost, 24-hour men's Xpress fitness in Riyadh, another men's fitness center in Jeddah and a new Ladies Fitness center in Jeddah. This brings the company's total number of fitness centers operating inside and outside the Kingdom to 163. (Source: Tadawul)
- ACWA Power signed power purchase agreements for three large-scale photovoltaic solar plants, namely Ar Rass 2, Saad 2, and Alkahfah. The aggregate value of this 35-year contract stands at SAR 12.2bn (USD 3.3bn), expecting the relevant financial impact to show in H1-26 after commercial operation. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
FARM SUPERSTORES	7.5	6.2	20.6	6.8	10.3
Dallah Health	94.7	82.6	14.6	78.4	20.8
Obeikan Glass	29.8	49.1	-39.2	23.2	28.4
Equipment House	6.8	16.7	-59.4	-25.3	NM

Market Analysis

- The Saudi Stock Exchange remained flat at 11,341.8 on Sunday. The value traded stood at SAR 4.8bn (down 29.3% over previous day), while the advance-decline ratio stood at 92/111. The parallel market index decreased 0.2% to 20,787.8 points. The value traded stood at SAR 20.5mn (down 48.6% over previous day). Most sectors in the main market ended in the red. Pharma & Bio Tech and Healthcare (up 9.9% and 1.4%, respectively) advanced the most; Insurance and Media (down 1.5% and 1.0%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SAUDI GERMAN HEALT	58.50	10.0
SPIMACO	33.75	9.9
CARE	115.40	9.9
ALDREES	122.40	7.4
ACIG	16.02	6.1

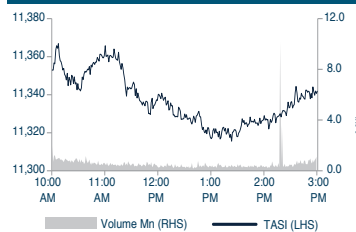
Top Losers

Company	Price	Change%
MEPCO	33.95	-5.3
FARM SUPERSTORES	27.00	-4.3
2P	224.20	-3.9
ADVANCED	44.90	-2.9
BUPA ARABIA	179.80	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,342	11,368	11,315	0.0	8.2
NomuC	20,788	20,843	20,704	-0.2	7.1

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	6,063	0.2	11.7	13.1
Materials	6,645	-0.2	5.7	16.1
Capital Goods	7,017	1.3	34.3	20.3
Commercial Service	3,629	1.3	17.2	28.6
Transportation	5,669	-1.0	24.8	High
Consumer Durables	5,065	-0.7	19.9	Neg
Consumer Services	4,952	-0.1	34.2	49.9
Media	23,884	-1.0	11.1	25.0
Retailing	8,118	0.0	13.2	22.2
Food & Staples	10,348	-0.4	21.2	21.3
Food & Beverages	5,492	0.3	18.4	33.2
Healthcare	11,586	1.4	27.2	High
Pharma & Bio Tech	4,453	9.9	55.0	Neg
Banks	11,426	-0.1	-1.0	14.9
Diversified Financial	6,458	-0.4	1.5	7.3
Insurance	7,079	-1.5	33.1	High
Telecom	7,916	-0.2	23.9	18.7
Utilities	7,391	0.2	3.0	13.0
REITs	3,886	-0.1	-2.3	30.7
Real Estate	3,172	0.4	26.9	High
Software & Services	47,908	-1.0	33.5	36.8

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,280	11,300	11,263	5.71

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.8	167.40	332.90
Previous week	30.4	1,037.80	1,970.10

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.40	0.0
Al Rajhi	74.70	-0.3
SNB	37.85	-0.4
SABIC	91.00	-0.2
STC	44.25	0.0



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Egypt, Oman, Bahrain and Qatar increased 0.7%, 0.4%, 0.2% and 0.1%, respectively while Kuwait declined 0.5%.
- The chairman of the Federal Reserve, Jerome Powell stated that it is still unclear if US interest rates would need to increase further as central bank officials weigh the difficulty in containing inflation against uncertainty about the effects of previous increases in borrowing costs and recent tightening of bank credit. (Source: Reuters)
- US leading economic index slid by 0.6 % in April after declining by 1.2% in March. The coincident economic index rose by 0.3% in April after inching up by 0.2% in March. (Source RTT news)
- UK consumer confidence continued to strengthen in May to -27 as compared to -30 in April. Expectations regarding the general economic situation gained four points and the outlook for personal finances climbed five points (Source: RTT news)
- The value of core machine orders in Japan was down a seasonally adjusted 3.9% M/M in March (consensus: rise of 0.7% M/M) at JPY 852.9bn versus a 4.5% M/M in February. Core machinery orders fell 3.5% Y/Y (consensus: rise of 1.4% Y/Y) following a jump of 9.8% Y/Y in February. (Source: RTT news)
- Japan's tertiary activity index tertiary activity index rose at a slower pace of 1.7% in March, after a 4.4% gain in the prior month. (Source: RTT news)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.20	0.0	1.5	-0.3
Euro	1.08	0.0	-1.9	0.9
Japanese Yen	137.98	0.0	1.2	5.2
Sterling Pound	1.24	0.0	-1.0	3.0
Chinese Yuan	7.02	0.0	1.4	1.5
Indian Rupee	82.67	0.0	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
22 nd May	Jamjoom Pharma	End of IPO book-building process
23 rd May	SHARQIYAH DEV	End of subscription to new shares
23 rd May	Alamar	Eligibility for Cash Dividend
23 rd May	AlMuneef	Final allocation date
24 th May	BSFR	EGM
24 th May	JARIR	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,545	0.0	0.0	6.5	8.6
Abu Dhabi (ADX)	9,479	0.0	-3.2	-7.7	15.8
Kuwait (KSE)	5,420	-0.5	-3.3	-3.2	11.0
Qatar (QE)	10,651	0.1	4.6	-0.3	12.3
Oman (MSM)	4,714	0.4	-0.1	-3.0	10.2
Bahrain (BSE)	1,948	0.2	2.3	2.8	8.9
Egypt (EGX30)	16,861	0.7	-4.6	15.5	6.5

International Markets

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

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	77.72	0.0	-3.9	-7.7
Brent Crude (\$/bbl)	75.58	0.0	-5.0	-12.0
Texas crude (\$/bbl)	71.55	0.0	-6.8	-10.9
Natural Gas (\$/mmbtu)	2.59	0.0	7.3	-36.1
Gold (\$/oz)	1,977.81	0.0	-0.6	8.4
Silver (\$/oz)	23.85	0.0	-4.8	-0.4
Steel (\$/ton)	1,094.00	0.0	2.3	47.0
Iron Ore (CNY/MT)	814.00	0.0	-4.2	-5.0
Wheat (\$/bu)	605.00	0.0	-4.5	-24.7
Corn (\$/bu)	554.50	0.0	-5.2	-17.5
Sugar (\$/lb)	25.78	0.0	-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)	5.46	-0.4	25.1	73.4
KSA (SAIBOR 3M)	5.83	1.5	24.4	49.0
KSA (SAIBOR 6M)	5.79	0.2	9.3	18.9
KSA (SAIBOR 12M)	5.76	-0.6	-9.1	-11.3
USD (LIBOR 3M)	5.39	0.0	43.0	62.5
UAE (EIBOR 3M)	5.10	0.0	11.2	79.3

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 21, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,342
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,906.6
Value (SAR mn)	4,753.3
Volume (mn)	167.4
Number of Transactions	332,883
Market Breadth	92 : 111

Key statistics	
1D return %	-0.02%
MTD return %	0.30%
QTD return	7.10%
YTD return	8.24%
ADT vol. 3M* (mn)	182.5
ADT val. 3M (SARmn)	5,127.2

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a marginal decline on Sunday which was led by index heavyweight Materials (-0.23% D/D) and Telecommunication Services (-0.20% D/D) sectors. At close, the Saudi market ended the day with a change of -0.02% at 11,342. In terms of activity, total volumes and value traded were ~167mn and ~SAR 4.8bn respectively. The advance-decline ratio came in at 92/111.

Technical outlook

- TASI closed near 11,342 after losing only 3 points. The index is still traded above its 10 & 20-day SMAs after bouncing off the 20-day EMA. Moreover, TASI maintained above the penetrated level of the 50% Fibonacci retracement of the prior long-term downside move which started in August 2022 near 11,330 suggesting to resume the way toward the level of 61.80% near 11,650. The RSI indicator still moving up above its rising trendline 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 11,300 followed by the level of the 20-day SMA near 11,260 followed by 11,200. 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	11,200	11,260	11,300	11,450	11,570	11,650



Source: Bloomberg, Argaam

TASI daily chart

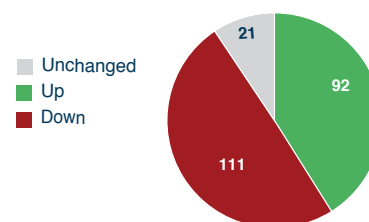


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
1304	Al Yamamah Steel Industries Co.	26.00	25.75 – 26.00	26.55	27.45	5.58%	25.40
4240	Fawaz Abdulaziz Alhokair Co.	17.40	17.25 – 17.40	17.85	18.30	5.17%	17.00
2282	Naqi Water Company	86.90	86.00 – 86.90	89.00	91.00	4.72%	85.00

* As of 21st May 2023

* Note – Stop loss is based on a closing basis and not an intraday basis

CHARTS OF THE WEEK

Technical observations

ALYAMAMAH STEEL has just penetrated the upper boundary of a declining channel after finishing a saucer price pattern. Moreover, the RSI indicator started to bounce off its mid-level confirming the uptrend of the price. We recommend buying the stock in a range of SAR25.75 – 26.00, for a target of SAR26.55 followed by SAR27.45, with a stop loss below SAR25.40 on a closing basis.

Al Yamamah Steel Industries Co. (ALYAMAMAH STEEL)



Source: Tradingview, AlJazira Capital

Technical observations

CENOMI RETAIL 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 SAR17.25 – 17.40, for a target of SAR17.85 followed by SAR18.30, with a stop loss below SAR17.00 on a closing basis.

Fawaz Abdulaziz Alhokair Co. (CENOMI RETAIL)



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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