



Major Economic News

- The point-of-sale transactions reached nearly SAR 10.1bn in the week ended May 20, compared to SAR 10.9bn in the week before. Data showed that about 160.9mn transactions were processed during the week (Source: Argaam)
- Mortgage financing in Saudi Arabia exceeded USD 194.0bn until the end of Q1-23 and contributed 8% to the real estate and construction sectors, as well as 8.9% to the non-oil GDP. (Source: Argaam)
- In total, 200 foreign and domestic companies expressed interest in the three projects that the Ministry of Health announced in collaboration with the National Centre for Privatization & PPP in the first health cluster in the eastern region of Dammam and the second health cluster in Riyadh. The project entails operating 200 beds long term care hospitals and 100-bed nursing care centers for each cluster. (Source: Argaam)

Major Corporate News

- Ash-Sharqiyah Development Co. announced that its rights issue was 86.28% covered, with 19.4mn out of 22.5mn offered shares subscribed, while the offering proceeds reached SAR 194.1mn. (Source: Tadawul)
- Banque Saudi Fransi issued its US dollar denominated Sukuk at a value of USD 900.0mn. The par value of the Sukuk is USD 200,000 with a maturity of five years and annual rate of return at 4.75%. (Source: Tadawul)
- Aldrees Petroleum and Transport Services Co. opened a new integrated station in Buraydah, Al-Qassim. (Source: Tadawul)
- AlMuneef Co. for Trade, Industry, Agriculture and Contracting set the final offer price for its Nomu-Parallel Market offering at SAR 70 per share. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange decreased 0.4% to 11,236.3. The value traded stood at SAR 5.7bn (down 14.4% over previous day), while the advance-decline ratio stood at 63/146. The parallel market index increased 0.6% to 20,967.0 points. The value traded stood at SAR 22.8mn (down 39.5% over previous day). Most sectors in the main market ended in the red. Insurance and Consumer Durables (up 1.2% and 0.8%, respectively) advanced the most; Pharma & Bio Tech and Healthcare (down 2.7% and 1.5%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ACIG	16.60	7.2
MALATH INSURANCE	18.54	3.9
ALRAJHI TAKAFUL	125.00	3.5
GIG	29.80	3.5
MAHARAH	66.80	2.9

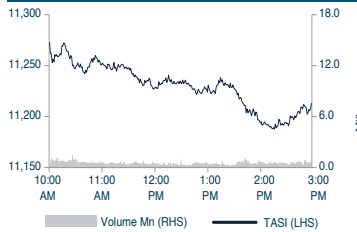
Top Losers

Company	Price	Change%
ANAAM HOLDING	25.95	-6.0
CENOMI RETAIL	16.20	-5.2
THIMAR	34.75	-4.9
MOUWASAT	226.20	-4.3
TADCO	18.54	-3.6

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,236	11,275	11,185	-0.4	7.2
NomuC	20,967	21,213	20,698	0.6	8.0

TASI movement during session



TASI Ratios

P/E* (x)	21.2
Price-to-Book (x)	2.3
Dividend Yield (%)	2.7
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,983	-0.4	10.2	12.9
Materials	6,575	-0.3	4.5	15.9
Capital Goods	7,079	-0.2	35.4	20.6
Commercial Service	3,629	0.1	20.3	29.4
Transportation	5,713	-0.5	25.8	High
Consumer Durables	5,152	0.8	22.0	Neg
Consumer Services	4,965	-0.4	34.5	50.0
Media	23,716	-0.1	10.3	25.0
Retailing	8,101	-0.8	12.9	22.1
Food & Staples	10,195	-1.0	19.4	20.9
Food & Beverages	5,519	0.1	19.0	33.3
Healthcare	11,229	-1.5	23.3	High
Pharma & Bio Tech	4,730	-2.7	64.6	Neg
Banks	11,305	-0.3	-2.1	14.8
Diversified Financial	6,356	-1.1	-0.1	7.2
Insurance	7,128	1.2	34.1	High
Telecom	7,818	-0.9	22.4	18.5
Utilities	7,310	-0.8	1.9	12.9
REITs	3,869	-0.5	-2.7	30.6
Real Estate	3,198	0.0	27.9	High
Software & Services	47,220	0.0	31.6	36.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,305	11,298	11,268	5.82

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	23.9	771.10	1,588.30
Previous week	30.4	1,037.80	1,970.10

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.00	-0.3
Al Rajhi	73.30	-1.1
SNB	37.50	-0.4
SABIC	90.80	0.8
STC	43.70	-0.8

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi decreased 0.1% and 0.3%, respectively. Egypt and Kuwait increased 1.8% and 0.1%, respectively, while Qatar declined 0.8%. Meanwhile, Oman and Bahrain remained flat.
- According to the minutes of the May 2-3 meeting, Federal Reserve officials 'generally agreed' last month that the need for further interest rate hikes 'had become less certain', with some suggesting that the 25bps increase they approved would be the final one. (Source: Reuters)
- According to EIA, oil inventories in the US decreased 12.5barrels (prior: up 5.0mn) to 455.2mn in the week ended May 19. Gasoline inventories down 2.1mn barrels (prior: down 1.4mn) to 216.3mn, while distillate inventories fell 0.6mn barrels (prior: up 0.1mn) to 105.7. (Source: EIA, Econoday)
- UK output prices increased by 5.4% Y/Y in April slower than 8.5% rise in March, while input prices rose 3.9% Y/Y slower than 7.6% Y/Y increase in March. (Source: Econoday)
- UK consumer prices rose by 8.7% Y/Y in April (consensus: 8.2% Y/Y) down from 10.1% in March. On M/M basis, consumer prices rose by 1.2% (consensus: 1.2% M/M) up from 0.8% M/M in March. (Source: Econoday)
- Oil prices increased 2.0%, after US government data revealed the largest weekly crude depletion in six months.
- Gold prices declined 0.9%, as the US dollar strengthened, and the possibility of a US debt default increased eliminating some safe- haven flows into bullion.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.89	0.4	2.2	0.4
Euro	1.08	-0.2	-2.4	0.4
Japanese Yen	139.47	0.6	2.3	6.4
Sterling Pound	1.24	-0.4	-1.6	2.3
Chinese Yuan	7.07	0.0	2.0	2.1
Indian Rupee	82.67	-0.2	1.0	-0.1
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	-0.1	-0.6
Kuwaiti Dinar	0.31	0.0	0.3	0.4
Omani Rial	0.39	-0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.90	-0.1	0.0	24.8

Corporate Calendar

Date	Company	Event
25 th May	SAUDI ELECTRICITY	Cash Dividend Distribution
25 th May	ALBABTAIN	EGM
25 th May	AlMuneef	Surplus refund date
25 th May	Tam	Close of offering
25 th May	First Mills	End of IPO book-building process
28 th May	SHARQIYAH DEV	Start of offering

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,530	-0.1	-0.4	6.0	8.6
Abu Dhabi (ADX)	9,464	-0.3	-3.3	-7.8	15.8
Kuwait (KSE)	5,400	0.1	-3.7	-3.5	11.0
Qatar (QE)	10,524	-0.8	3.4	-1.5	12.2
Oman (MSM)	4,687	0.0	-0.7	-3.5	10.1
Bahrain (BSE)	1,962	0.0	3.0	3.5	9.0
Egypt (EGX30)	17,091	1.8	-3.3	17.1	6.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	32,800	-0.8	-3.8	-1.0	18.9
Nasdaq	13,604	-0.5	2.7	24.4	29.9
S&P 500	4,115	-0.7	-1.3	7.2	19.7
FTSE 100	7,627	-1.7	-3.1	2.4	10.7
Germany DAX 30	15,842	-1.9	-0.5	13.8	12.9
France CAC 40	7,253	-1.7	-3.2	12.0	12.4
Japan Nikkei 225	30,683	-0.9	6.3	17.6	30.3
Russia MOEX	2,655	0.5	0.8	23.3	3.5
Hong Kong Hang Seng	19,116	-1.6	-3.9	-3.4	10.3
South Korea KOSPI	2,567	-0.0	2.6	14.8	15.0
China Shanghai Composite	3,205	-1.3	-3.6	3.7	14.5
Australia ASX 200	7,214	-0.6	-1.3	2.5	14.7
India Sensex	61,774	-0.3	1.1	1.5	23.2
MSCI EM	971	-0.8	-0.6	1.5	12.8
MSCI World	2,789	-1.0	-1.7	7.2	17.8

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	79.77	2.9	-1.3	-5.3
Brent Crude (\$/bbl)	78.36	2.0	-1.5	-8.8
Texas crude (\$/bbl)	74.34	2.0	-3.2	-7.4
Natural Gas (\$/mmbtu)	2.40	3.3	-0.5	-40.7
Gold (\$/oz)	1,957.16	-0.9	-1.7	7.3
Silver (\$/oz)	23.06	-1.7	-8.0	-3.8
Steel (\$/ton)	1,099.00	0.8	2.8	47.7
Iron Ore (CNY/MT)	777.00	-2.2	-8.6	-9.3
Wheat (\$/bu)	606.25	-2.6	-4.3	-24.5
Corn (\$/bu)	587.25	1.7	0.4	-12.6
Sugar (\$/lb)	25.49	-1.2	-3.3	41.8
SMP* (EUR/MT)	2,405.00	-0.3	0.6	-13.4

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.53	2.0	32.1	80.4
KSA (SAIBOR 3M)	5.83	1.9	24.8	49.4
KSA (SAIBOR 6M)	5.80	2.7	11.0	20.7
KSA (SAIBOR 12M)	5.77	-0.4	-8.0	-10.2
USD (LIBOR 3M)	5.40	0.0	43.3	62.9
UAE (EIBOR 3M)	5.09	-12.8	10.4	78.5

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of May 24, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,236
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,778.6
Value (SAR mn)	5,684.1
Volume (mn)	176.2
Number of Transactions	389,596
Market Breadth	63 : 146

Key statistics	
1D return %	-0.35%
MTD return %	-0.63%
QTD return	6.10%
YTD return	7.23%
ADT vol. 3M* (mn)	185.6
ADT val. 3M (SARmn)	5,268.2

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a decline on Wednesday which was led by index heavyweight Telecommunication services (-0.87% D/D) and Energy (-0.36% D/D) sectors. At close, the Saudi market ended the day with a change of -0.35% at 11,236. In terms of activity, total volumes and value traded were ~176mn and ~SAR 5.7bn respectively. The advance-decline ratio came in at 63/146.

Technical outlook

- TASI closed near 11,236 after losing 40 points. The index is testing its 20-day EMA and a rising trendline within a short-term sideways trend. Moreover, there is potential for it to reach 61.80% Fibonacci retracement at 11,650 points if it remains above the trendline and EMA. On the other hand, a close below the 20-day EMA will throw the index near the 50-day EMA and the 38.2% Fibonacci retracement near 11,000 before resuming the way toward the aforementioned upside target. The RSI indicator is approaching its 50 level keeping the potential of a positive rebound existing. TASI currently has immediate support near the level of the 20-day EMA near 11,225. If breached, the index would be expected to meet the next support near the level of 11,160 followed by 11,100. Immediate resistance is seen around the 20-day SMA near 11,270 followed by 11,330. If penetrated, the next resistance is expected to lay near the prior minor peak near 11,450. Traders are advised to cautiously buy and keep track of a protective stop loss below 11,225.

Key price levels

S3	S2	S1	Pivot	R1	R2	R3
11,000	11,100	11,160	11,225	11,270	11,330	11,450



Source: Bloomberg, Argaam

TASI daily chart

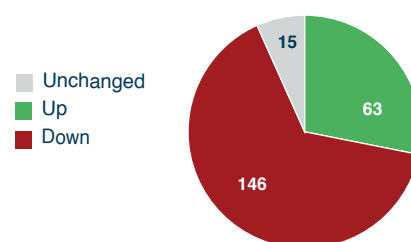


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
3050	Southern Province Cement Co.	52.40	51.90 – 52.40	53.40	54.50	4.01%	51.45
7202	Arabian Internet and Communications Services Co.	297.60	294.60 – 297.60	305.00	313.40	5.31%	290.50

* As of 24th May 2023

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

CHARTS OF THE WEEK

Technical observations

SPCC has just finished a continuation wedge 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 SAR51.90 – 52.40, for a target of SAR53.40 followed by SAR54.50, with a stop loss below SAR51.45 on a closing basis.

Southern Province Cement Co. (SPCC)



Source: Tradingview, AlJazira Capital

Technical observations

SOLUTIONS started to bounce off the level of the neckline of a completed cup and handle price pattern. Moreover, the RSI indicator penetrated a declining trendline confirming the uptrend of the price. We recommend buying the stock in a range of SAR294.60 – 297.60, for a target of SAR305.00 followed by SAR313.40, with a stop loss below SAR290.50 on a closing basis.

Arabian Internet and Communications Services Co. (SOLUTIONS)



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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