



Major Economic News

- Saudi Arabia's non-oil exports retreated by 21% Y/Y, or SAR 5.96bn to around SAR 22.98 billion in March 2023. On a M/M basis, non-oil exports rose by SAR 1.54bn. Non-oil exports accounted for 21.7% of the Kingdom's total merchandise exports in March, amounting to SAR 106.1bn (Source: Argam)
- Saudi listed producers reported a 70% leap in aggregate profit to SAR 642.3mn in Q1-23, from SAR 378.0mn in the prior-year period, owing to higher sales revenue and volume for most market players. (Source: Argam)
- The Public Investment Fund set up a wholly owned unit at USD 3.0bn for Iraq. Saudi Arabia allocated USD 1.5bn for the Saudi Development Fund to finance development projects, in addition to imports and exports between both countries. (Source: Argam)

Major Corporate News

- Jamjoom Pharmaceuticals Factory Co set the IPO final price at SAR 60 per share, after successfully completing the book-building process. The recorded orders during the institutional book-building stood at around SAR 84.6bn (USD 22.6bn), representing an oversubscription rate of 67.2 times (88.8 times excluding the shares that were allocated to cornerstone investors. (Source: Tadawul)
- Canadian Medical Center Co.'s (CMCER) shareholders will vote on a stock split from SAR 10 to SAR 1 during EGM scheduled for June 20. (Source: Tadawul)
- Rawasi Albina Investment Co. signed a contract with Shabakkat Cellular Co., at a total value of SAR 10.2mn to replace existing electrical conventional ring main unit (RMU) with smart RMU equipment. (Source: Tadawul)

Earnings update (Net Profit) (SAR mn)

Company	Q1-23	Q1-22	Y/Y %	Q4-22	Q/Q %
BUPA ARABIA	188.60	60.28	212.9	191.32	-1.42

Market Analysis

- The Saudi Stock Exchange decreased 0.5% to 11,184.6 on Thursday. The value traded stood at SAR 5.0bn (down 11.2% over previous day), while the advance-decline ratio stood at 106/103. The parallel market index increased 0.5% to 21,079.8 points. The value traded stood at SAR 23.1mn (up 1.2% over previous day). Most sectors in the main market ended in the red. Commercial services and Real Estate (up 1.5% each) advanced the most; Telecom and Insurance (down 2.0% and 1.9%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
SGS	31.45	8.5
QACCO	72.40	5.4
JABAL OMAR	25.00	4.1
ACIG	17.24	3.9
ALAMAR	130.80	3.5

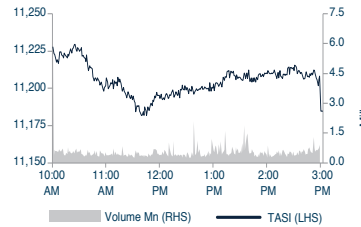
Top Losers

Company	Price	Change%
SAUDI RE	18.94	-4.8
BUPA ARABIA	177.00	-4.2
STC	42.65	-2.4
RIBL	33.65	-2.2
SAIB	17.28	-2.0

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,185	11,231	11,181	-0.5	6.7
NomuC	21,080	21,159	20,733	0.5	8.6

TASI movement during session



TASI Ratios

P/E* (x)	21.1
Price-to-Book (x)	2.2
Dividend Yield (%)	2.7
Return on Equity (%)	25.1

*Source: Argam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,965	-0.3	9.9	12.9
Materials	6,567	-0.1	4.4	15.8
Capital Goods	7,097	0.3	35.8	20.6
Commercial Service	3,629	-1.6	18.4	28.9
Transportation	5,799	1.5	27.7	High
Consumer Durables	5,151	0.0	21.9	Neg
Consumer Services	4,989	0.5	35.2	High
Media	23,579	-0.6	9.7	24.9
Retailing	8,073	-0.3	12.5	22.1
Food & Staples	10,203	0.1	19.5	21
Food & Beverages	5,471	-0.9	17.9	33.1
Healthcare	11,200	-0.3	22.9	High
Pharma & Bio Tech	4,802	1.5	67.1	Neg
Banks	11,219	-0.8	-2.8	14.7
Diversified Financial	6,319	-0.6	-0.7	7.2
Insurance	6,989	-1.9	31.4	High
Telecom	7,665	-2.0	20.0	18.1
Utilities	7,315	0.1	2.0	12.9
REITs	3,869	0.0	-2.7	30.6
Real Estate	3,247	1.5	29.9	High
Software & Services	47,248	0.1	31.7	36.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,274	11,277	11,264	5.78

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	28.9	939.60	1,939.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.90	-0.3
Al Rajhi	72.80	-0.7
SNB	37.55	0.1
SABIC	90.10	-0.8
STC	42.65	-2.4



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.4% and 0.6%, respectively. Kuwait increased 0.1% while Oman, Qatar and Egypt declined 1.0%, 0.6% and 0.3%, respectively. Meanwhile, Bahrain remained flat.
- According to Baker Hughes, North America's rig count decreased to 798 from 805 earlier in the week ended May 26. The rig count in the US decreased to 711 from 720 a week ago and decreased to 20 from 21 in the Gulf of Mexico. The rig count in Canada increased to 87 from 85 in the week earlier. (Source: Baker Hughes)
- US consumer sentiment index for May slid to 59.2 (consensus: 63.5) from 63.5 in April amid worries about the path of the economy. Current economic conditions index fell to 64.9 in May from 68.2 in April, while the index of consumer expectations slid to 55.4 from 60.5. (Source: Econoday)
- US pending home sales index came in unchanged at 78.9 in April (consensus: 1.0%) after plunging by 5.2% in March. New home sales jumped by 4.1% to an annual rate of 683,000 (consensus: 670,000) in April after surging by 4.0% to a revised rate of 656,000 in March. (Source: Econoday)
- Oil prices increased 0.9%, as US authorities appeared to be close to reaching a debt-ceiling agreement prior to the upcoming OPEC+ policy meeting, the market was weighing conflicting supply messages from Russia and Saudi Arabia.
- Gold prices increased 0.3%, helped by a dip in the US dollar as traders assessed the progress of US debt ceiling negotiations and the Federal Reserve's rate hike path.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.21	-0.0	2.5	0.7
Euro	1.07	-0.0	-2.7	0.2
Japanese Yen	140.60	0.4	3.2	7.2
Sterling Pound	1.23	0.2	-1.8	2.2
Chinese Yuan	7.07	-0.3	2.1	2.2
Indian Rupee	82.57	-0.2	0.9	-0.2
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	0.5
Omani Rial	0.39	0.1	0.1	0.1
Bahraini Dinar	0.38	0.0	-0.0	-0.0
Egyptian Pound	30.90	-0.2	-0.0	24.8

Corporate Calendar

Date	Company	Event
28 th May	SHARQIYAH DEV	Start of offering
28 th May	QACCO	Eligibility for Cash Dividend
28 th May	Advanced	Cash Dividend Distribution
28 th May	SOLUTIONS	Cash Dividend Distribution
28 th May	Morabaha Marina	Start of offering
28 th May	NASEEJ TECH	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,541	0.4	-0.1	6.4	8.6
Abu Dhabi (ADX)	9,453	0.6	-3.4	-7.9	15.8
Kuwait (KSE)	5,405	0.1	-3.6	-3.4	11
Qatar (QE)	10,456	-0.6	2.7	-2.1	12.2
Oman (MSM)	4,642	-1.0	-1.6	-4.4	10.1
Bahrain (BSE)	1,962	0.0	3.0	3.5	9
Egypt (EGX30)	17,044	-0.3	-3.5	16.7	6.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,093	1.0	-2.9	-0.2	19.1
Nasdaq	14,298	2.6	7.9	30.7	31.5
S&P 500	4,205	1.3	0.9	9.5	20.1
FTSE 100	7,627	0.7	-3.1	2.4	10.7
Germany DAX 30	15,984	1.2	0.4	14.8	13.0
France CAC 40	7,319	1.2	-2.3	13.1	12.5
Japan Nikkei 225	30,916	0.4	7.1	18.5	30.5
Russia MOEX	2,682	1.2	1.8	24.5	3.5
Hong Kong Hang Seng	18,747	0.0	-5.8	-5.2	10.1
South Korea KOSPI	2,559	0.2	2.3	14.4	14.9
China Shanghai Composite	3,213	0.4	-3.3	4.0	14.5
Australia ASX 200	7,155	0.2	-2.1	1.6	14.5
India Sensex	62,502	1.0	2.3	2.7	23.4
MSCI EM	973	0.9	-0.4	1.7	12.5
MSCI World	2,828	1.1	-0.3	8.7	17.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	78.07	-1.4	-3.4	-7.3
Brent Crude (\$/bbl)	76.95	0.9	-3.3	-10.4
Texas crude (\$/bbl)	72.67	1.2	-5.4	-9.5
Natural Gas (\$/mmbtu)	2.42	-2.4	-6.2	-41.9
Gold (\$/oz)	1,946.46	0.3	-2.2	6.7
Silver (\$/oz)	23.30	2.5	-7.0	-2.7
Steel (\$/ton)	1,099.00	0.0	2.8	47.7
Iron Ore (CNY/MT)	771.00	0.5	-9.3	-10.0
Wheat (\$/bu)	616.00	1.9	-2.8	-23.3
Corn (\$/bu)	604.00	2.2	3.2	-10.1
Sugar (\$/lb)	25.37	2.2	-3.7	41.1
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)	5.58	4.6	36.7	85.1
KSA (SAIBOR 3M)	5.88	4.5	29.3	53.9
KSA (SAIBOR 6M)	5.83	2.2	13.3	22.9
KSA (SAIBOR 12M)	5.77	0.7	-7.4	-9.5
USD (LIBOR 3M)	5.48	1.3	51.3	70.8
UAE (EIBOR 3M)	5.14	-8.5	14.9	83.0

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 26, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,185
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,736.9
Value (SAR mn)	5,046.8
Volume (mn)	168.5
Number of Transactions	351,634
Market Breadth	106 : 103

Key statistics	
1D return %	-0.46%
MTD return %	-1.09%
QTD return	5.61%
YTD return	6.74%
ADT vol. 3M* (mn)	186.4
ADT val. 3M (SARmn)	5,296.3

*ADT stands for Average Daily Traded

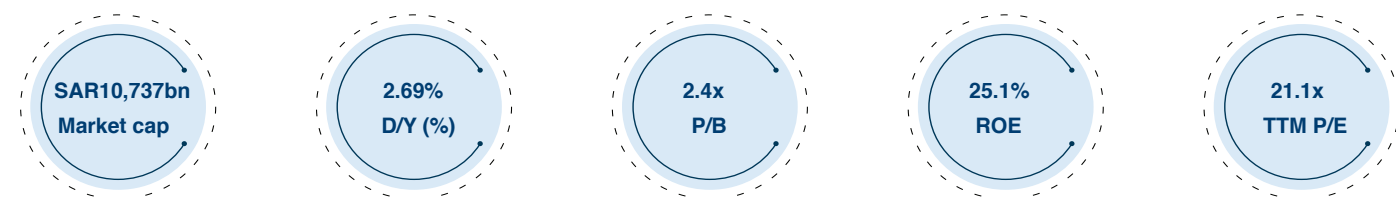
TASI market commentary

- TASI witnessed a decline on Thursday which was led by index heavyweight Telecommunication services (-1.95% D/D) and Banks (-0.76% D/D) sectors. At close, the Saudi market ended the day with a change of -0.46% at 11,185. In terms of activity, total volumes and value traded were ~169mn and ~SAR 5.1bn respectively. The advance-decline ratio came in at 106/103.

Technical outlook

- TASI closed near 11,185 after losing 52 points. The index is currently moving down within a profit-taking action after reaching 161.8% Fibonacci's external retracement level of the prior medium-term downside swing, which started in late January 2023. Currently after breaching its 20 SMA; TASI is heading toward the level of the prior minor trough near 11,150 where some buying power may appear. The RSI indicator is approaching its 50 level suggesting a possible near-term positive rebound in the index. TASI currently has immediate support near the level of the prior minor trough near 11,150. If breached, the index would be expected to meet the next support near the level of 11,000. On the other hand, immediate resistance is seen around the 20-day SMA near 11,260 followed by 11,360. If penetrated, the next resistance is expected to lay near the prior peak near 11,450. Traders are advised to cautiously buy during any further profit taking, as there is a potential for the index to reach the upside target of 11,650 - 11,800 in the medium term, as long as it maintains above the 11,000 point level.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,850	11,000	11,150	11,260	11,360	11,450	11,565



Source: Bloomberg, Argaam

TASI daily chart

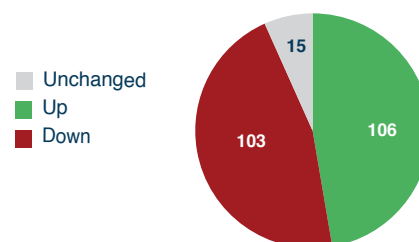


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
2081	Alkhorayef Water and Power Technologies Co.	153.60	152.00 – 153.60	155.80	161.20	4.95%	150.20

* As of 25th May 2023

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

CHARTS OF THE WEEK

Technical observations

AWPT finished a continuation cup and handle price pattern. Moreover, the RSI indicator shows a positive structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR152.00 – 153.60, for a target of SAR155.80 followed by SAR161.20, with a stop loss below SAR150.20 on a closing basis.

Alkhorayef Water and Power Technologies Co. (AWPT)



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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