



Major Economic News

- The Saudi Central Bank's assets fell by SAR 28.9bn M/M to about SAR 1.82tn in April. SAMA's assets have decreased by approximately SAR 22.8bn since April 2022. SAMA's investments in foreign securities, which account for around 56% of total assets, fell by more than 9% Y/Y to SAR 1.01tn last month. (Source: Argaam)
- Banks in Saudi Arabia reported a 3.4% Y/Y increase in aggregate net profit before Zakat and tax to roughly SAR 5.78bn in April, up from SAR 5.59bn in the previous year. In April, total bank assets climbed by 11% Y/Y to around SAR 3.75tn. In the same month, combined deposits increased 10% Y/Y to SAR 2.40tn. (Source: Argaam)

Major Corporate News

- Retail investors began subscribing to about 450,000 shares of Al Mawarid Manpower Co. on May 28, at a price of SAR 64 per share, as set by the book-building procedure. The retail tranche subscription period will last three days, through May 30. (Source: Tadawul)
- Retail investors began subscribing to about 2.14mn shares of Morabaha Marina Financing Co. (MMFC), or 10% of the total offered shares, at the book-building price of SAR 14.60 per share. The retail tranche subscription period started on 28th May and will end on 29th May. (Source: Tadawul)
- The board of directors of Tihama Advertising and Public Relations Co. approved the allocation of SAR 75mn to invest in government funds specialized in the media industry on May 28. Tihama stated that this move is in line with the company's growth and expansion strategy, given the enormous and rapid growth of the media industry in line with the Kingdom's Vision 2030. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange decreased 0.4% to 11,138.1 on Sunday. The value traded stood at SAR 4.7bn (down 7.7% over previous day), while the advance-decline ratio stood at 98/113. The parallel market index decreased 0.1% to 21,053.5 points. The value traded stood at SAR 29.1mn (up 26.1% over previous day). Most sectors in the main market ended in the red. Pharma & Bio Tech and Transportation (up 5.8% and 1.8%, respectively) advanced the most; Telecom and Consumer Service (down 2.2% and 1.4%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALALAMIYA	17.50	9.8
SPIMACO	38.50	5.8
ENAYA	13.60	5.6
SISCO	30.60	5.5
SFICO	31.40	5.2

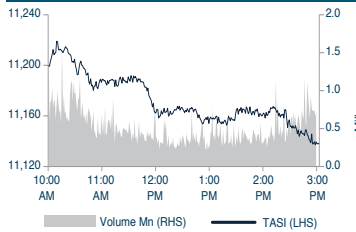
Top Losers

Company	Price	Change%
EAST PIPES	63.40	-5.4
ALKHALEEL TRNG	22.50	-5.1
AYYAN	17.88	-3.7
ALHOKAIR GROUP	26.65	-2.9
FITNESS TIME	118.60	-2.8

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,138	11,223	11,134	-0.4	6.3
NomuC	21,054	21,281	21,029	-0.1	8.4

TASI movement during session



TASI Ratios

P/E* (x)	21
Price-to-Book (x)	2.2
Dividend Yield (%)	2.7
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	5,971	0.1	10.0	12.9
Materials	6,554	-0.2	4.2	15.8
Capital Goods	7,069	-0.4	35.3	20.6
Commercial Service	3,629	0.0	18.4	28.9
Transportation	5,902	1.8	30.0	High
Consumer Durables	5,117	-0.6	21.1	Neg
Consumer Services	4,919	-1.4	33.3	High
Media	23,414	-0.7	8.9	24.9
Retailing	8,048	-0.3	12.2	22.1
Food & Staples	10,145	-0.6	18.8	21
Food & Beverages	5,470	0.0	17.9	33.1
Healthcare	11,137	-0.6	22.2	High
Pharma & Bio Tech	5,079	5.8	76.8	Neg
Banks	11,131	-0.8	-3.6	14.7
Diversified Financial	6,313	-0.1	-0.8	7.2
Insurance	7,002	0.2	31.7	High
Telecom	7,496	-2.2	17.3	18.1
Utilities	7,281	-0.5	1.5	12.9
REITs	3,868	0.0	-2.7	30.6
Real Estate	3,299	1.6	31.9	High
Software & Services	46,920	-0.7	30.7	36.3

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,233	11,256	11,256	5.72

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.7	158.60	332.10
Previous week	28.9	939.60	1,939.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.95	-0.2
Al Rajhi	72.10	-1.0
SNB	37.30	-0.7
SABIC	90.20	0.1
STC	41.50	-2.7



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Egypt and Kuwait increased 0.5% and 0.1%, while Qatar, Oman Bahrain declined 0.3%, 0.2% and 0.1%, respectively.
- US initial jobless claims increased to 229,000 (consensus: 245,000) in the week ended May 20, representing an increase of 4,000 from the previous week's level of 225,000. (Source: Econoday)
- US GDP climbed by 1.3% Y/Y in Q1 as compared to the previously estimated 1.1% Y/Y increase. The GDP growth in the first quarter still reflects a slowdown from the 2.6 Y/Y jump seen in the Q4-22. The personal consumption expenditures price index in Q1 was unrevised at 4.2% Y/Y. PCE price index which excludes food and energy was upwardly revised to 5.0% Y/Y from 4.9% Y/Y. (Source: Econoday)
- UK retail sales volume increased 0.5% M/M in contrast to the revised 1.2% M/M fall in March. Non-food stores sales advanced 1.0% M/M, following a 1.8% M/M fall in March, when poor weather conditions throughout most of March affected sales. Despite falling fuel prices, automotive fuel sales decreased 2.2% M/M. (Source: Econoday)
- UK car production climbed 9.9% Y/Y to 66,527 units in April, driven by a 14.7% surge in exports, with more than 8 in 10 UK-made cars heading overseas. Exports claimed 82.4% of total production, and the home market gained 17.6%. The European Union remained by far the most important global market, taking 58.4% of all exports. (Source: Econoday)

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	0.0	3.2	7.2
Sterling Pound	1.23	0.0	-1.8	2.2
Chinese Yuan	7.07	0.0	2.1	2.2
Indian Rupee	82.57	0.0	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	0.0	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
29 th May	SHARQIYAH DEV	Rump offering closes
29 th May	Alinma	Eligibility for Cash Dividend
29 th May	SHAKER	EGM
29 th May	A.Othaim Market	Conference call with analysts and investors
29 th May	SULAIMAN ALHABIB	Cash Dividend Distribution
29 th May	Mrna	Close of offering

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,541	0.0	-0.1	6.2	8.6
Abu Dhabi (ADX)	9,453	0.0	-3.4	-7.4	28.9
Kuwait (KSE)	7,508	0.6	-5.1	-7.5	17.8
Qatar (QE)	10,426	-0.3	2.4	-2.4	12.4
Oman (MSM)	4,630	-0.2	-1.9	-4.7	15.1
Bahrain (BSE)	1,961	-0.1	3.0	3.5	6.8
Egypt (EGX30)	17,131	0.5	-3.0	17.4	9.3

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,093	0.0	-2.9	-0.2	19.1
Nasdaq	14,298	0.0	7.9	30.7	31.5
S&P 500	4,205	0.0	0.9	9.5	20.1
FTSE 100	7,627	0.0	-3.1	2.4	10.8
Germany DAX 30	15,984	0.0	0.4	14.8	13.0
France CAC 40	7,319	0.0	-2.3	13.1	12.5
Japan Nikkei 225	30,916	0.0	7.1	18.5	30.5
Russia MOEX	2,682	0.0	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	0.0	2.3	14.4	14.9
China Shanghai Composite	3,213	0.0	-3.3	4.0	14.5
Australia ASX 200	7,155	0.0	-2.1	1.6	14.5
India Sensex	62,502	0.0	2.3	2.7	23.3
MSCI EM	973	0.0	-0.4	1.7	12.7
MSCI World	2,828	0.0	-0.3	8.7	17.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	78.07	0.0	-3.4	-7.3
Brent Crude (\$/bbl)	76.95	0.0	-3.3	-10.4
Texas crude (\$/bbl)	72.67	0.0	-5.4	-9.5
Natural Gas (\$/mmbtu)	2.42	0.0	-6.2	-41.9
Gold (\$/oz)	1,946.46	0.0	-2.2	6.7
Silver (\$/oz)	23.30	0.0	-7.0	-2.7
Steel (\$/ton)	1,099.00	0.0	2.8	47.7
Iron Ore (CNY/MT)	771.00	0.0	-9.3	-10.0
Wheat (\$/bu)	616.00	0.0	-2.8	-23.3
Corn (\$/bu)	604.00	0.0	3.2	-10.1
Sugar (\$/lb)	25.37	0.0	-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)	5.55	-3.5	33.2	81.5
KSA (SAIBOR 3M)	5.88	0.1	29.4	54.0
KSA (SAIBOR 6M)	5.82	-0.2	13.1	22.7
KSA (SAIBOR 12M)	5.80	2.2	-5.1	-7.3
USD (LIBOR 3M)	5.48	0.0	51.3	70.8
UAE (EIBOR 3M)	5.14	0.0	14.9	83.0

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of May 28, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,138
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,732.7
Value (SAR mn)	4,660.1
Volume (mn)	158.6
Number of Transactions	332,059
Market Breadth	98 : 113

Key statistics	
1D return %	-0.42%
MTD return %	-1.50%
QTD return	5.17%
YTD return	6.29%
ADT vol. 3M* (mn)	186.8
ADT val. 3M (SARmn)	5,306.9

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a decline on Sunday which was led by index heavyweight Telecommunication services (-2.22% D/D) and Banks (-0.79% D/D) sectors. At close, the Saudi market ended the day with a change of -0.42% at 11,138. In terms of activity, total volumes and value traded were ~159mn and ~SAR 4.7bn respectively. The advance-decline ratio came in at 98/113.

Technical outlook

- TASI closed near 11,138 after losing 47 points. The index continued moving down within the profit-taking action which started after reaching the level of 161.8% Fibonacci's external retracement of the prior medium-term downside swing. TASI has just closed below the support level of the prior minor trough at 11,150 after breaching the lower boundary of a small rising channel paving the way for a further decline. The RSI indicator started to move below its 50 level indicating a weakness in the index in the near term. TASI currently has immediate support near 11,090 followed by the level of the prior short-term trough near 11,000. If breached, the index would be expected to meet the next support near the level of 10,850. On the other hand, immediate resistance is seen around the level of the prior minor trough near 11,150 followed by the 20-day SMA near 11,255 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 within the current profit-taking action in the index, and also closely monitor the crucial support level of 11,000 points which would keep the medium-term upside intact as long as the index maintaining above it.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,850	11,000	11,090	11,150	11,255	11,360	11,450



Source: Bloomberg, Argaam

TASI daily chart

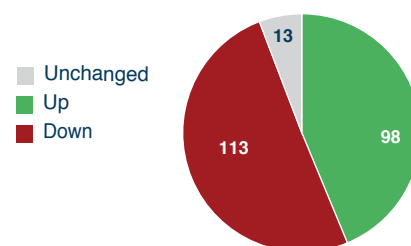


Source: Tradingview, Aljazeera Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
6010	National Agricultural Development Co.	32.80	32.50 – 32.80	33.50	34.40	4.88%	32.10

* As of 28th May 2023

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

CHARTS OF THE WEEK

Technical observations

NADEC has just finished a continuation pennant 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 SAR32.50 – 32.80, for a target of SAR33.50 followed by SAR34.40, with a stop loss below SAR32.10 on a closing basis.

National Agricultural Development Co. (NADEC)



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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