



## Major Economic News

- Saudi Arabia's special economic zones, which were launched last month, attracted investments exceeding SAR 47.0bn. These investments were various across vital sectors, including maritime, mining, industry, logistics and modern technologies. The total volume of additional investments being implemented has reached more than SAR 116.0bn. (Source: Argaam)
- Saudi Arabia's Communications, Space and Technology Commission signed two MoUs with Microsoft Corp. and Oracle Corp. to discuss aspects of cooperation and opportunities in cloud computing the Kingdom's Special Economic Zone. (Source: Argaam)

## Major Corporate News

- United Electronics Co. (eXtra) is evaluating strategic options for its consumer finance business, United Company for Financial Services (Tasheel Finance), including the possibility of an IPO to create further value for shareholders. (Source: Tadawul)
- Savola Group announced it completed the shares buy-back to allocate them for the employees' long-term incentive program. The total number of the bought-back shares amounted to 2.2mn shares, which is less than the quantity cap of 2.5mn shares that was approved as the maximum quantity. The value of the repurchased shares amounted to SAR 80.0mn, while the average price reached SAR 36.34 per share. (Source: Tadawul)
- Saudi Top for Trading Co. obtained short-term Murabaha facilities of SAR 10.0mn from the Saudi Export-Import Bank to finance working capital. The 120-day facilities, ending September 30, 2023, are guaranteed by a promissory note. (Source: Tadawul)

## Market Analysis

- The Saudi Stock Exchange ended flat at 11,135.7. The value traded stood at SAR 4.8bn (up 2.2% over previous day), while the advance-decline ratio stood at 111/95. The parallel market index decreased 0.2% to 21,007.8 points. The value traded stood at SAR 28.8mn (down 1.3% over previous day). Most sectors in the main market ended in the green. Pharma & Bio Tech and Commercial Service (up 5.5% and 1.7%, respectively) advanced the most; Media and Food & Staples (down 1.9% and 1.0%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
YCC	40.95	8.1
AYYAN	19.08	6.7
SPIMACO	40.60	5.5
SACO	35.20	4.1
AMIAITIT	43.60	3.9

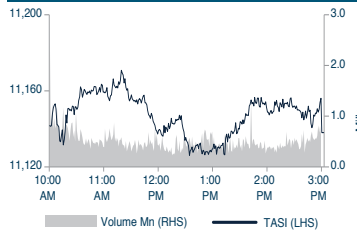
## Top Losers

Company	Price	Change%
ASTRA INDUSTRIAL	72.20	-3.2
FITNESS TIME	114.80	-3.2
NASEEJ	48.00	-3.0
SRMG	185.40	-2.9
MIS	130.20	-2.8

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,136	11,171	11,122	0.0	6.3
NomuC	21,008	21,213	20,994	-0.2	8.2

## 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	5,933	-0.6	9.3	13.5
Materials	6,569	0.2	4.4	21.7
Capital Goods	7,019	-0.7	34.3	19.5
Commercial Service	3,629	1.7	20.4	27.2
Transportation	5,909	0.1	30.1	High
Consumer Durables	5,104	-0.3	20.8	Neg
Consumer Services	4,895	-0.5	32.6	46.5
Media	22,973	-1.9	6.9	23.6
Retailing	8,085	0.5	12.7	23.4
Food & Staples	10,042	-1.0	17.6	20.9
Food & Beverages	5,489	0.4	18.3	29.5
Healthcare	11,064	-0.7	21.4	49.1
Pharma & Bio Tech	5,356	5.5	86.4	Neg
Banks	11,161	0.3	-3.3	14.0
Diversified Financial	6,333	0.3	-0.4	30.6
Insurance	7,007	0.1	31.8	High
Telecom	7,497	0.0	17.3	16.8
Utilities	7,229	-0.7	0.8	13.4
REITs	3,878	0.3	-2.4	30.6
Real Estate	3,309	0.3	32.3	High
Software & Services	46,578	-0.7	29.8	33.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,194	11,251	11,248	5.68

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	9.4	315.70	680.20
Previous week	28.9	939.60	1,939.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.75	-0.6
Al Rajhi	72.10	0.0
SNB	37.30	0.0
SABIC	89.80	-0.4
STC	41.40	-0.2



## Regional and International Markets

- Among other regional markets, Dubai increased 0.1%, while Abu Dhabi decreased 0.4%. Egypt and Kuwait gained 0.5% each, while Oman and Bahrain rose 0.3% and 0.2%, respectively. Meanwhile, Qatar fell 0.2%.
- US President Joe Biden and House Speaker Kevin McCarthy reached final agreement on a deal to raise the nation's debt ceiling that is likely to avert a potential first-ever government default. (Source: CNBC)
- The US consumer sentiment index for May was upwardly revised to 59.2 (consensus: 57.7) from the preliminary estimate of 57.7. The consumer sentiment index is still down from 63.5 in April and at its lowest level since hitting 59.7 in December 2022. (Source: RTT News)
- US durable goods orders increased 1.1% in April (consensus: a decline of 1.0%) compared to a growth of 3.3% in March. Orders for transportation equipment spiked 3.7% in April. (Source: RTT News)
- Bank of Japan Governor Kazuo Ueda said that the central bank will patiently maintain its ultra-loose monetary as there is some time to reach sustainable 2.0% inflation target, suggesting a policy change in the near-term is not likely. (Source: Reuters)
- Oil prices rose 0.2% driven by optimism over a tentative US debt ceiling deal that would avoid a default by the country.
- Gold prices decreased 0.2%, as hopes for a pause by the US Federal Reserve in upcoming policy meeting diminished.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.21	0.0	2.5	0.7
Euro	1.07	-0.1	-2.8	0.0
Japanese Yen	140.45	-0.1	3.0	7.1
Sterling Pound	1.24	0.1	-1.7	2.3
Chinese Yuan	7.09	0.2	2.3	2.4
Indian Rupee	82.63	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	0.1	0.3	0.5
Omani Rial	0.39	-0.1	0.0	0.0
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.90	0.0	0.0	24.8

## Corporate Calendar

Date	Company	Event
30 <sup>th</sup> May	Mawarid Manpower	End of IPO
30 <sup>th</sup> May	Jamjoom Pharma	Start of IPO
30 <sup>th</sup> May	Al Rajhi REIT	End of IPO
30 <sup>th</sup> May	JARIR	EGM
30 <sup>th</sup> May	SASCO	EGM
30 <sup>th</sup> May	Tam	Final allocation date

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,544	0.1	0.0	6.5	8.6
Abu Dhabi (ADX)	9,412	-0.4	-3.9	-8.3	15.7
Kuwait (KSE)	5,435	0.5	-3.1	-2.9	11
Qatar (QE)	10,403	-0.2	2.2	-2.6	12
Oman (MSM)	4,642	0.3	-1.6	-4.4	10
Bahrain (BSE)	1,964	0.2	3.1	3.6	9
Egypt (EGX30)	17,212	0.5	-2.6	17.9	6.5

## 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	15,953	-0.2	0.2	14.6	13.0
France CAC 40	7,304	-0.2	-2.5	12.8	12.5
Japan Nikkei 225	31,234	1.0	8.2	19.7	30.8
Russia MOEX	2,732	1.9	3.7	26.8	3.6
Hong Kong Hang Seng	18,551	-1.0	-6.8	-6.2	10.0
South Korea KOSPI	2,559	0.0	2.3	14.4	14.9
China Shanghai Composite	3,221	0.3	-3.1	4.3	14.6
Australia ASX 200	7,217	0.9	-1.3	2.5	14.7
India Sensex	62,846	0.6	2.8	3.3	23.4
MSCI EM	972	-0.1	-0.5	1.6	12.7
MSCI World	2,830	0.1	-0.2	8.8	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)	77.07	0.2	-3.1	-10.3
Texas crude (\$/bbl)	72.67	0.0	-5.4	-9.5
Natural Gas (\$/mmbtu)	2.42	0.0	-6.2	-41.9
Gold (\$/oz)	1,943.19	-0.2	-2.4	6.5
Silver (\$/oz)	23.18	-0.5	-7.5	-3.2
Steel (\$/ton)	1,099.00	0.0	2.8	47.7
Iron Ore (CNY/MT)	792.50	2.8	-6.8	-7.5
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)	5.53	-2.0	31.1	79.5
KSA (SAIBOR 3M)	5.89	0.6	30.0	54.6
KSA (SAIBOR 6M)	5.84	1.4	14.5	24.1
KSA (SAIBOR 12M)	5.80	0.7	-4.4	-6.6
USD (LIBOR 3M)	5.48	0.0	51.3	70.8
UAE (EIBOR 3M)	5.24	10.1	24.9	93.1

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of May 29, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,136
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,682.8
Value (SAR mn)	4,763.1
Volume (mn)	157.2
Number of Transactions	348,187
Market Breadth	111 : 95

Key statistics	
1D return %	-0.02%
MTD return %	-1.52%
QTD return	5.15%
YTD return	6.27%
ADT vol. 3M* (mn)	187.6
ADT val. 3M (SARmn)	5,340.1

\*ADT stands for Average Daily Traded

## TASI market commentary

- TASI witnessed a marginal decline on Monday which was led by contrast between index heavyweight Energy (-0.64% D/D) and Banks (0.27% D/D) sectors. At close, the Saudi market ended the day with a change of -0.02% at 11,136. In terms of activity, total volumes and value traded were ~157mn and ~SAR 4.8bn respectively. The advance-decline ratio came in at 111/95.

## Technical outlook

- TASI closed near 11,136 after losing only 2 points. The index witnessed a pause within the predominant profit-booking action forming a gravestone Doji candlestick, however, a following bullish candle is still needed to witness a pullback toward its short-term SMAs. Moreover, the 10&20-day SMAs started to show a negative crossover. The RSI indicator is hovering below its 50 level reflecting the weakness of 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 exercise caution 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 maintains above it.

## Key price levels

S3	S2	S1	Pivot	R1	R2	R3
10,850	11,000	11,090	11,150	11,250	11,360	11,450



Source: Bloomberg, Argaam

## TASI daily chart



Source: Tradingview, Aljazira Capital

## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
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No stocks recommendations due to market volatility

\* As of 29<sup>th</sup> May 2023

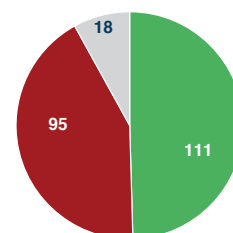
\* Note – Stop loss is based on a closing basis and not an intraday basis

## Our view



## Market depth

Unchanged  
Up  
Down



Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa

**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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