

## Major Economic News

- Residential real estate finance provided by banks to individuals declined by 55.0% Y/Y to SAR 4.2bn in April. Compared to March 2023, residential real estate finance dropped by nearly SAR 3.1bn or 43.0%. Residential real estate finance in April is the lowest since December 2018, when it reached SAR 3.6bn. (Source: Argaam)
- The General Authority of Civil Aviation granted Altanfeethi Co. three operating licenses for the lounges of King Abdulaziz International Airport, King Fahd International Airport, and Prince Mohammed Bin Abdulaziz International Airport. (Source: Argaam)

## Major Corporate News

- Saudi Public Transport Co. signed a contract with Jazan Region Municipality for operating the public transport network in Jazan Governorate (Jazan-Sabya-Abu Arish). The project value is SAR 93.0mn, including 15% value-added tax. The contract term is five years, and the project is expected to have a positive impact on the company's revenues from H2-23. (Source: Tadawul)
- Middle East Paper Co. launched trial operations at Juthor Paper Manufacturing Co., which will be followed by commercial operations in Q2-23. The project is 95.0% complete, with the financial impact to be assessed after commercial start-up. (Source: Tadawul)
- Saudi Real Estate Refinance Co., wholly owned by PIF, completed its latest Sukuk issuance of SAR 3.5bn, which marks the sixth tranche under the upsized SAR 20.0bn Sukuk program, guaranteed by Saudi Arabia through the Ministry of Finance. (Source: Tadawul)

## Market Analysis

- The Saudi Stock Exchange ended flat at 11,140.0. The value traded stood at SAR 4.9bn (up 3.7% over previous day), while the advance-decline ratio stood at 74/130. The parallel market index decreased 0.3% to 20,943.0 points. The value traded stood at SAR 29.1mn (up 1.2% over previous day). Most sectors in the main market ended in the red. Food & Staples and Telecom (up 1.8% and 1.6%, respectively) advanced the most; Pharma & Bio Tech and Insurance (down 1.6% and 1.1%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
CARE	114.00	8.6
A.OTHAIM MARKET	137.00	5.2
SADAFSCO	306.00	4.4
FIPCO	44.60	4.2
NADEC	33.90	4.2

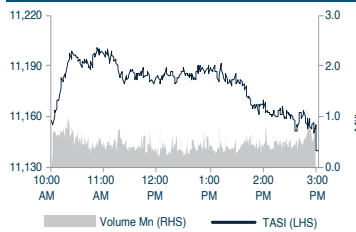
## Top Losers

Company	Price	Change%
BURUJ	20.24	-4.0
SAVOLA GROUP	36.70	-3.9
ALALAMIYA	17.30	-3.9
AMIANIT	42.20	-3.2
SHARQIYAH DEV	22.80	-2.7

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,140	11,203	11,140	0.0	6.3
NomuC	20,943	21,063	20,778	-0.3	7.9

## 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	5,954	0.4	9.7	13.4
Materials	6,533	-0.6	3.9	21.7
Capital Goods	6,970	-0.7	33.4	19.5
Commercial Service	3,629	-0.7	19.6	27.2
Transportation	5,899	-0.2	29.9	High
Consumer Durables	5,064	-0.8	19.9	Neg
Consumer Services	4,897	0.1	32.7	46.5
Media	23,116	0.6	7.5	23.6
Retailing	8,153	0.8	13.6	23.4
Food & Staples	10,220	1.8	19.7	20.9
Food & Beverages	5,452	-0.7	17.5	29.5
Healthcare	11,223	1.4	23.2	49.1
Pharma & Bio Tech	5,270	-1.6	83.4	Neg
Banks	11,152	-0.1	-3.4	14.0
Diversified Financial	6,371	0.6	0.2	30.6
Insurance	6,930	-1.1	30.3	High
Telecom	7,619	1.6	19.3	16.8
Utilities	7,215	-0.2	0.6	13.4
REITs	3,864	-0.4	-2.8	30.6
Real Estate	3,290	-0.6	31.6	High
Software & Services	47,204	1.3	31.5	33.7

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,167	11,240	11,244	5.65

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	14.4	466.60	1,051.30
Previous week	28.9	939.60	1,939.90

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.85	0.3
Al Rajhi	71.60	-0.7
SNB	37.20	-0.3
SABIC	90.10	0.3
STC	42.00	1.5



## Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.7% and 0.8%, respectively. Egypt gained 1.9%. Meanwhile, Qatar, Oman, Kuwait and Bahrain fell 0.6%, 0.5%, 0.2% and 0.1%, respectively.
- The US consumer confidence index fell to 102.3 in May (consensus: 100.0) from an upwardly revised 103.7 in April. (Source: Econoday, RTT News)
- The Eurozone economic sentiment index declined to 96.5 in May (consensus: 98.9) from 99.0 in April. This was the lowest reading since November 2022. (Source: Econoday, RTT News)
- China's manufacturing PMI decreased to 48.8 in May (consensus: 49.7) compared to 49.2 in April, indicating a deeper contraction of manufacturing activities. (Source: Econoday, RTT News)
- Japan's industrial production declined a seasonally adjusted 0.4% M/M in April (consensus: an increase of 0.5%) as against 1.1% increase in March. On a Y/Y basis, industrial output fell 0.3% after slipping 0.6% in the previous month. (Source: RTT News)
- Oil prices plunged 4.6% due to concerns over the US debt ceiling deal and different speculations on global supply ahead of OPEC+ meeting this week.
- Gold prices increased 0.8%, as weaker US dollar and treasury yields boosted the yellow metal demand.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.17	0.0	2.5	0.6
Euro	1.07	0.3	-2.6	0.3
Japanese Yen	139.79	-0.5	2.6	6.6
Sterling Pound	1.24	0.5	-1.2	2.7
Chinese Yuan	7.09	0.1	2.4	2.4
Indian Rupee	82.72	0.1	1.1	0.0
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	0.3	0.5
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
31 <sup>st</sup> May	Saudi Aramco	Cash Dividend Distribution
31 <sup>st</sup> May	Savola Group	Cash Dividend Distribution
31 <sup>st</sup> May	FITNESS TIME	Cash Dividend Distribution
31 <sup>st</sup> May	NAHDI	EGM
31 <sup>st</sup> May	Ladun	EGM
01 <sup>st</sup> Jun	Etihad Etisalat	EGM

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,567	0.7	0.6	7.2	8.7
Abu Dhabi (ADX)	9,484	0.8	-3.1	-7.6	15.8
Kuwait (KSE)	5,424	-0.2	-3.2	-3.1	11.0
Qatar (QE)	10,339	-0.6	1.5	-3.2	11.9
Oman (MSM)	4,619	-0.5	-2.1	-4.9	9.9
Bahrain (BSE)	1,963	-0.1	3.1	3.6	9.0
Egypt (EGX30)	17,535	1.9	-0.8	20.1	6.6

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,043	-0.2	-3.1	-0.3	19.1
Nasdaq	14,355	0.4	8.4	31.2	31.6
S&P 500	4,206	0.0	0.9	9.5	20.1
FTSE 100	7,522	-1.4	-4.4	0.9	10.6
Germany DAX 30	15,909	-0.3	-0.1	14.3	13.0
France CAC 40	7,210	-1.3	-3.8	11.4	12.4
Japan Nikkei 225	31,328	0.3	8.6	20.1	30.9
Russia MOEX	2,699	-1.2	2.4	25.3	3.5
Hong Kong Hang Seng	18,596	0.2	-6.5	-6.0	10.0
South Korea KOSPI	2,586	1.0	3.4	15.6	15.1
China Shanghai Composite	3,224	0.1	-3.0	4.4	14.5
Australia ASX 200	7,209	-0.1	-1.4	2.4	14.6
India Sensex	62,969	0.2	3.0	3.5	23.5
MSCI EM	970	-0.1	-0.7	1.5	12.6
MSCI World	2,826	-0.2	-0.4	8.6	17.9

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	77.08	-1.6	-4.7	-8.5
Brent Crude (\$/bbl)	73.54	-4.6	-7.5	-14.4
Texas crude (\$/bbl)	69.46	-4.4	-9.5	-13.5
Natural Gas (\$/mmbtu)	2.33	-3.7	-9.7	-44.0
Gold (\$/oz)	1,959.33	0.8	-1.5	7.4
Silver (\$/oz)	23.17	0.0	-7.5	-3.3
Steel (\$/ton)	1,099.00	0.0	2.8	47.7
Iron Ore (CNY/MT)	796.00	0.4	-6.4	-7.1
Wheat (\$/bu)	591.00	-4.1	-6.7	-26.4
Corn (\$/bu)	594.00	-1.7	1.5	-11.6
Sugar (\$/lb)	25.33	-0.2	-3.9	40.9
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)	5.50	-2.7	28.5	76.8
KSA (SAIBOR 3M)	5.89	0.3	30.3	55.0
KSA (SAIBOR 6M)	5.84	0.5	15.0	24.6
KSA (SAIBOR 12M)	5.80	-0.2	-4.7	-6.8
USD (LIBOR 3M)	5.48	0.0	51.3	70.8
UAE (EIBOR 3M)	5.22	-1.7	23.3	91.4

Data Sources: Tadawul, Bloomberg, Reuters

Closes as of May 30, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,140
Short-term view	Profit Booking
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,709.2
Value (SAR mn)	4,940.8
Volume (mn)	150.9
Number of Transactions	371,026
Market Breadth	74 : 130

Key statistics	
1D return %	0.04%
MTD return %	-1.48%
QTD return	5.19%
YTD return	6.31%
ADT vol. 3M* (mn)	187.5
ADT val. 3M (SARmn)	5,349.0

\*ADT stands for Average Daily Traded

### TASI market commentary

- TASI witnessed a marginal rise on Tuesday which was led by contrast between index heavyweight Telecommunication services (1.63% D/D) and Materials (-0.55% D/D) sectors. At close, the Saudi market ended the day with a change of 0.04% at 11,140. In terms of activity, total volumes and value traded were ~151mn and ~SAR 4.9bn respectively. The advance-decline ratio came in at 74/130.

### Technical outlook

- TASI closed near 11,140 after gaining only 4 points. The index is still moving within the predominant profit-booking action; it has just formed an inverted hammer candlestick which needs a following bullish candle to provide a positive sign in the near term. Moreover, the 10&20-day SMAs showed a negative crossover. The RSI indicator is still 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 11,245 followed by the prior minor peak near 11,360. If penetrated, the next resistance is expected to lay near the prior short-term 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	11,245	11,360	11,450



Source: Bloomberg, Argaam

### TASI daily chart



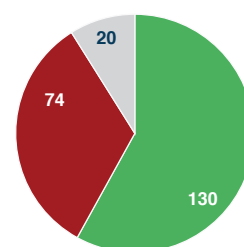
Source: Tradingview, Aljazeera Capital

### Our view



### Market depth

Unchanged  
Up  
Down



## SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
2180	Filing and Packing Materials Manufacturing Co.	44.60	44.60 – 44.15	45.30	46.50	4.26%	43.75

\* As of 30<sup>th</sup> May 2023

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

## CHARTS OF THE WEEK

## Technical observations

**FIPCO** has just finished a continuation 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 SAR44.15 – 44.60, for a target of SAR45.30 followed by SAR46.50, with a stop loss below SAR43.75 on a closing basis.

## Filing and Packing Materials Manufacturing Co. (FIPCO)



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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