



Major Economic News

- PIF announced signing a share subscription agreement to invest in Tamimi Markets Co. LLC, one of Saudi Arabia's leading grocery store chains, by way of a capital increase and subscription for new shares. (Source: Argaam)
- Investment in Saudi Arabia's food production industry exceeded SAR 110.0bn, accounting for 7.6% of total in the industrial sector, as per the Ministry of Industry and Mineral Resources. (Source: Argaam)
- King Abdullah Economic City (KAEC) obtained the Special Economic Zone (SEZ) license, which will be directly overseen by the Economic Cities and Special Zones Authority. The strategically located KAEC SEZ spans 60 sq. km. It aims to facilitate the various logistics services and light industries. (Source: Argaam)

Major Corporate News

- National Housing Co. signed an agreement with Leejam Sports Co. to lease and operate the commercial center in The Murcia project (Zone 3) in Khuzam Suburb in Riyadh. The Murcia project (Zone 3) spans 4,000 sq. m. and will feature various facilities. (Source: Tadawul)
- Americana Restaurants International PLC was included in the MSCI UAE Index. Changes to MSCI EEMEA Index, of which the MSCI UAE Index is a core component, came into effect on June 01. (Source: Argaam)
- Saudi Arabia's Milling Company 3 (MC3) is planning an IPO in Q1-24, according to Reuters. The Khamis Mushait-headquartered MC3 invited banks to pitch for roles in the deal noting that Moelis & Co.

Market Analysis

- The Saudi Stock Exchange ended flat at 11,015.0 on Thursday. The value traded stood at SAR 5.0bn (down 57.3% over previous day), while the advance-decline ratio stood at 113/100. The parallel market index increased 0.6% to 21,415.3 points. The value traded stood at SAR 52.3mn (down 5.3% over previous day). Most sectors in the main market ended in the red. Insurance and Pharma & Bio Tech (up 2.4% and 1.8%, respectively) advanced the most; Telecom and Retailing (down 1.6% and 1.1%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
TAWUNIYA	121.00	6.3
ALKHALEEEJ TRNG	23.60	5.4
EIC	43.55	5.3
ALDAWAA	90.00	4.4
SAVOLA GROUP	37.20	3.6

Top Losers

Company	Price	Change%
ENAYA	12.42	-9.9
SHARQIYAH DEV	21.00	-8.3
ALSAGR INSURANCE	18.02	-5.2
YCC	39.20	-4.4
QACCO	70.20	-4.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,015	11,086	11,015	0.0	5.1
NomuC	21,415	21,650	21,304	0.6	10.3

TASI movement during session



TASI Ratios

P/E* (x)	20.7
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	5,917	0.5	9.0	13.4
Materials	6,427	-0.1	2.2	21.2
Capital Goods	7,008	0.5	34.1	19.6
Commercial Service	3,629	-0.8	17.9	26.6
Transportation	5,899	0.3	29.9	High
Consumer Durables	5,034	0.1	19.1	Neg
Consumer Services	4,954	0.8	34.2	47
Media	23,170	-0.5	7.8	23.8
Retailing	8,329	-1.1	16.1	24
Food & Staples	10,233	1.0	19.8	21.2
Food & Beverages	5,417	1.0	16.8	29.2
Healthcare	10,915	-0.7	19.8	48.2
Pharma & Bio Tech	5,112	1.8	77.9	Neg
Banks	10,994	0.0	-4.8	13.8
Diversified Financial	6,277	0.6	-1.3	30.1
Insurance	6,929	2.4	30.3	High
Telecom	7,584	-1.6	18.7	17.1
Utilities	7,079	-0.2	-1.3	13.1
REITs	3,872	-0.3	-2.6	30.6
Real Estate	3,227	-0.7	29.1	High
Software & Services	46,500	-1.0	29.6	33.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,089	11,181	11,236	5.91

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	-	-	-
Previous week	31.2	983.20	1,878.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	31.65	0.5
Al Rajhi	72.30	2.3
SNB	36.65	-0.7
SABIC	88.30	0.1
STC	42.25	-2.3



Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.6% and 0.4%, respectively. Qatar, Egypt and Oman rose 0.5%, 0.2% and 0.1%, respectively. Meanwhile, Bahrain and Kuwait declined 0.3% and 0.2%, respectively.
- US president Joe Biden signed the compromise debt ceiling bill into law, averting a the first ever default by the country. The bill was passed by both the Senate and the House. (Source: CNBC)
- According to Baker Hughes, North America's rig count decreased to 793 in the week ended June 02 from 798 earlier. The rig count fell to 696 in the US from 711 earlier, while remained unchanged at 20 in the Gulf of Mexico. The rig count in Canada increased to 97 from 87 earlier. (Source: Baker Hughes)
- According to EIA, oil inventories in the US rose 4.5mn barrels (prior: down 12.5mn) to 459.7mn in the week ended May 26. Gasoline inventories decreased 0.2mn barrels (prior: down 2.1mn) to 216.1mn, while distillate inventories rose 1.0mn barrels (prior: down 0.6mn) to 106.7mn. (Source: EIA, Econoday)
- Oil prices jumped 2.5% on Friday driven by the US debt ceiling deal and strong US job data.
- Gold prices fell 1.5%, as US treasury yields rose after US payroll data came better-than-expected.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.02	0.4	-0.3	0.5
Euro	1.07	-0.5	0.2	0.0
Japanese Yen	139.92	0.8	0.4	6.7
Sterling Pound	1.25	-0.6	0.1	3.1
Chinese Yuan	7.11	0.1	-0.1	2.7
Indian Rupee	82.31	-0.1	-0.5	-0.5
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	-0.1	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
04 th Jun	EPCCO	EGM
04 th Jun	SAIC	Eligibility for Cash Dividend
04 th Jun	ASTRA INDUSTRIAL	Cash Dividend Distribution
04 th Jun	Extra	Cash Dividend Distribution
04 th Jun	Mrna	Final allocation date
04 th Jun	OASIS	Cash Dividend Distribution

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,603	0.6	0.7	8.2	8.8
Abu Dhabi (ADX)	9,406	0.4	0.0	-8.4	15.6
Kuwait (KSE)	7,480	-0.2	-0.2	-7.8	11.1
Qatar (QE)	10,209	0.5	0.5	-4.4	11.7
Oman (MSM)	4,631	0.1	0.1	-4.7	10
Bahrain (BSE)	1,958	-0.3	-0.3	3.3	9
Egypt (EGX30)	17,533	0.2	0.2	20.1	6.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,763	2.1	2.6	1.9	19.5
Nasdaq	14,547	0.7	2.1	33.0	32.1
S&P 500	4,282	1.5	2.5	11.5	20.5
FTSE 100	7,607	1.6	2.2	2.1	10.8
Germany DAX 30	16,051	1.2	2.5	15.3	13.1
France CAC 40	7,271	1.9	2.4	12.3	12.5
Japan Nikkei 225	31,524	1.2	2.1	20.8	31.1
Russia MOEX	2,719	-0.1	0.1	26.2	3.5
Hong Kong Hang Seng	18,950	4.0	3.9	-4.2	10.2
South Korea KOSPI	2,601	1.3	0.9	16.3	15.2
China Shanghai Composite	3,230	0.8	0.8	4.6	14.5
Australia ASX 200	7,145	0.5	0.8	1.5	14.5
India Sensex	62,547	0.2	-0.1	2.8	23.3
MSCI EM	984	2.3	2.7	2.9	12.5
MSCI World	2,873	1.5	2.6	10.4	17.9

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.41	3.8	2.3	-9.3
Brent Crude (\$/bbl)	76.13	2.5	4.8	-11.4
Texas crude (\$/bbl)	71.74	2.3	5.4	-10.6
Natural Gas (\$/mmbtu)	2.17	0.6	-4.1	-47.8
Gold (\$/oz)	1,947.97	-1.5	-0.8	6.8
Silver (\$/oz)	23.61	-1.1	0.5	-1.5
Steel (\$/ton)	940.00	0.5	0.6	26.3
Iron Ore (CNY/MT)	818.50	3.0	5.1	-4.5
Wheat (\$/bu)	619.00	1.4	4.2	-22.9
Corn (\$/bu)	609.00	2.8	2.5	-9.3
Sugar (\$/lb)	24.73	-0.6	-1.3	37.5
SMP* (EUR/MT)	2,480.00	-1.2	2.4	-10.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.59	1.6	1.6	86.3
KSA (SAIBOR 3M)	5.92	1.5	1.5	57.8
KSA (SAIBOR 6M)	5.82	-0.7	-0.7	22.6
KSA (SAIBOR 12M)	5.82	0.3	0.3	-4.8
USD (LIBOR 3M)	5.50	-0.2	-2.0	72.9
UAE (EIBOR 3M)	5.31	5.8	8.9	100.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of June 2, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,015
Short-term view	Neutral
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,617.2
Value (SAR mn)	5,033.0
Volume (mn)	174.9
Number of Transactions	373,370
Market Breadth	113 : 100

Key statistics	
1D return %	0.01%
MTD return %	-2.59%
QTD return	4.01%
YTD return	5.12%
ADT vol. 3M* (mn)	189.3
ADT val. 3M (SARmn)	5,447.5

*ADT stands for Average Daily Traded

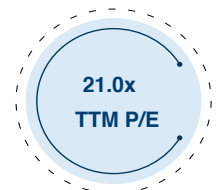
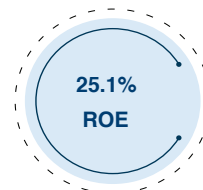
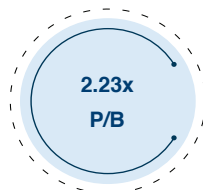
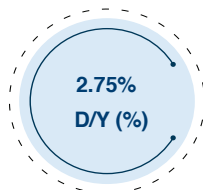
TASI market commentary

- TASI witnessed almost no change on Thursday which was led by contrast between index heavyweight Energy (0.53% D/D) and Telecommunication Services (-1.59% D/D) sectors. At close, the Saudi market ended the day with a change of 0.01% at 11,015. In terms of activity, total volumes and value traded were ~175mn and ~SAR 5.0bn respectively. The advance-decline ratio came in at 113/100.

Technical outlook

- TASI closed near 11,015 with only a one point differences from the previous session's close. The index formed an inverted hammer candlestick once reached the support level of the prior short-term trough which coincided with the lower boundary of a short-term declining channel near 11,000. A following positive candle is needed to confirm a possible upside rebound toward the upper boundary of the declining channel. TASI currently has immediate resistance around the level of the prior minor trough near 11,150. If penetrated, the next resistance is expected to lay near the upper boundary of the declining channel near 11,225. On the other hand, immediate support near the level of 11,000. If breached, the index would be expected to meet the next significant support is seen near the level of the prior medium-term peak near 10,850. Traders are advised to closely monitor the significant support zone between 11,000 – 10,850 and wait for a positive apparent reversal signal near it, as the bullish double bottom pattern will stay valid, as long as the index is maintained above the level of the prior medium-term peak near 10,850.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,525	10,700	10,850	11,000	11,150	11,225	11,360



Source: Bloomberg, Argaam

TASI daily chart

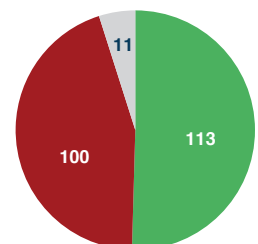


Our view



Market depth

Unchanged
Up
Down



Source: Tradingview, Aljazira Capital



SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
2170	Alujain Corp	41.20	41.20 – 41.10	41.60	40.80
2370	Middle East Specialized Cables Co.	16.20	16.20 – 16.15	16.35	16.05
4031	Saudi Ground Services Co.	33.30	33.30 – 33.20	33.60	32.95
2210	Nama Chemicals Co.	35.55	35.55 – 35.45	35.90	35.20
6010	National Agricultural Development Co.	34.05	34.05 – 33.95	34.40	33.70
2330	Advanced Petrochemical Co.	44.50	44.50 – 44.40	44.95	44.05
2281	Tanmiah Food Company	131.00	131.00 – 130.65	132.30	129.70

* As of 4th June 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

ALUJAIN is testing the support level of the prior peak as well as the 20-day SMA. Moreover, all the technical indicators show bullish structure.

Alujain Corp (ALUJAIN)



Source: Tradingview, AlJazira Capital

Technical observations

MESC bounced off the support level of the prior peak and penetrated the 10-day SMA. Moreover, all the technical indicators show bullish structure.

Middle East Specialized Cables Co. (MESC)



Source: Tradingview, AlJazira Capital

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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