



Major Economic News

- Saudi Arabia will extend its voluntary output cut of 500,000 bpd as a precautionary measure until December 31, 2024, in coordination with some other OPEC and non-OPEC participating countries. Saudi Arabia will make an additional voluntary output cut of 1.0mn bpd from July for a renewable month. The Kingdom's output will be 9mn bpd with a total voluntary cut of 1.5mn bpd (Source: Argaam)
- OPEC and its allies agreed to set a new production target at 40.5mn bpd from January-December 2024. OPEC+ agreed to slash its production target for FY24 by around 1.4mn bpd compared to current production targets. (Source: Argaam)
- Saudi bank loans granted to public and private sectors rose 11% by the end of April to SAR 2.5tn, compared to nearly SAR 2.2tn a year earlier. (Source: Argaam)
- The Ministry of Health revealed that the number of insured persons in the Kingdom increased from 3.0mn in FY11 to 11.5mn in FY22, including 9.0mn visitors. (Source: Argaam)
- Saudi Arabia's imports from GCC countries rose 6% Y/Y to SAR 6.7bn in March 2023. The UAE accounted for 58%, or SAR 3.84bn, of the total Saudi imports. (Source: Argaam)

Major Corporate News

- Theeb Rent a Car Co. opened a new branch in Al Hamdaniyah District in Jeddah, bringing the total branches in Jeddah to 8. (Source: Tadawul)
- Al Moammar Information Systems Co. (MIS) was awarded a project to renew a software license and technical support agreement - FY23 by the General Authority of Civil Aviation at SAR 29.89mn. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 1.9% to 11,222.0 on Sunday. The value traded stood at SAR 4.4bn (down 12.9% over previous day), while the advance-decline ratio stood at 179/34. The parallel market index increased 0.1% to 21,440.5 points. The value traded stood at SAR 33.0mn (down 37.1% over previous day). Most sectors in the main market ended in the green. Utilities and Banks (up 3.6% and 2.3%, respectively) advanced the most; Retailing and REITs (down 1.3% and 0.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
GASCO	68.20	10.0
ATHEEB TELECOM	70.20	9.9
MAADEN	64.40	5.2
FARM SUPERSTORES	29.70	5.1
BUDGET SAUDI	68.90	4.2

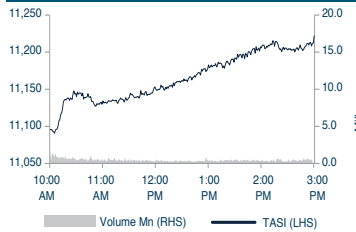
Top Losers

Company	Price	Change%
ENAYA	11.78	-5.2
JARIR	16.72	-2.8
JADWA REIT SAUDI	13.30	-1.6
AMANA INSURANCE	12.08	-1.5
MESC	15.98	-1.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,222	11,222	11,087	1.9	7.1
NomuC	21,440	21,533	21,287	0.1	10.4

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: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,019	1.7	10.9	13.7
Materials	6,566	2.2	4.4	21.7
Capital Goods	7,093	1.2	35.7	19.7
Commercial Service	3,629	0.8	18.8	26.8
Transportation	6,014	1.9	32.4	High
Consumer Durables	5,082	1.0	20.3	Neg
Consumer Services	4,973	0.4	34.8	47.2
Media	23,303	0.6	8.4	23.9
Retailing	8,219	-1.3	14.6	23.8
Food & Staples	10,344	1.1	21.1	21.4
Food & Beverages	5,456	0.7	17.6	29.4
Healthcare	11,108	1.8	21.9	49.1
Pharma & Bio Tech	5,139	0.5	78.8	Neg
Banks	11,243	2.3	-2.6	14.1
Diversified Financial	6,381	1.6	0.3	30.5
Insurance	7,020	1.3	32.0	High
Telecom	7,652	0.9	19.8	17.2
Utilities	7,337	3.6	2.3	13.5
REITs	3,865	-0.2	-2.8	30.6
Real Estate	3,290	1.9	31.6	High
Software & Services	47,555	2.3	32.5	34.4

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,105	11,169	11,234	5.88

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	4.4	140.60	297.20
Previous week	31.2	983.20	1,878.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.20	1.7
Al Rajhi	74.10	2.5
SNB	37.30	1.8
SABIC	90.10	2.0
STC	42.70	1.1

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi remained closed. Qatar, Kuwait and Oman increased 1.8%, 1.2% and 0.7%, respectively, while Egypt and Bahrain declined 0.4% and 0.2%, respectively.
- US non-farm employment soared by 339,000 jobs in May after an upwardly revised 294,000 jobs in April (consensus: 190,000). Unemployment rate rose to 3.7% in May (consensus: 3.5%) from 3.4% in April. The stronger than expected job growth reflected increases in employment in the professional and business services, government, healthcare, construction, transportation and warehousing, and social assistance sectors. (Source: RTT news)
- US construction spending surged by 1.2% to an annual rate of USD 1.908tn in April (consensus: 0.2% Y/Y) after rising by 0.3% percent to a revised rate of USD 1.885tn in March. Spending on residential construction rose by 0.5% to a rate of USD 845.4bn, while spending on non-residential construction soared by 2.4% to a rate of USD 655.3bn. (Source: RTT news)
- US initial jobless claims increased to 232,000 (consensus: 235,000) in the week ended May 27, representing an increase of 2,000 from the previous week's level of 230,000. (Source: RTT news)
- US manufacturing PMI slipped to 46.9 in May (consensus: 47.0) from 47.1 in April. The modest decrease by the headline index partly reflected an accelerated contraction in new orders, as the new orders index slid to 42.6 in May from 45.7 in April. (Source: RTT news)

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.02	0.0	-0.3	0.5
Euro	1.07	0.0	0.2	0.0
Japanese Yen	139.92	0.0	0.4	6.7
Sterling Pound	1.25	0.0	0.1	3.1
Chinese Yuan	7.11	0.0	-0.1	2.7
Indian Rupee	82.31	0.0	-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
05 th Jun	A.Othaim Market	EGM
05 th Jun	FARM SUPERSTORES	Cash Dividend Distribution
05 th Jun	Alamar	Cash Dividend Distribution
05 th Jun	AMAK	Eligibility for Cash Dividend
05 th Jun	NETWORKERS	Eligibility for Cash Dividend
05 th Jun	Mawarid Manpower	Final allocation date

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,603	0.0	0.7	8.2	8.8
Abu Dhabi (ADX)	9,406	0.0	0.0	-8.4	15.7
Kuwait (KSE)	7,572	1.2	-4.3	-6.7	11.1
Qatar (QE)	10,397	1.8	2.4	-2.7	12.0
Oman (MSM)	4,662	0.7	0.8	-4.0	10.1
Bahrain (BSE)	1,955	-0.2	-0.4	3.1	9.0
Egypt (EGX30)	17,455	-0.4	-0.2	19.6	6.2

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,763	0.0	2.6	1.9	19.5
Nasdaq	14,547	0.0	2.1	33.0	32.1
S&P 500	4,282	0.0	2.5	11.5	20.5
FTSE 100	7,607	0.0	2.2	2.1	10.8
Germany DAX 30	16,051	0.0	2.5	15.3	13.1
France CAC 40	7,271	0.0	2.4	12.3	12.5
Japan Nikkei 225	31,524	0.0	2.1	20.8	31.1
Russia MOEX	2,719	0.0	0.1	26.2	3.5
Hong Kong Hang Seng	18,950	0.0	3.9	-4.2	10.2
South Korea KOSPI	2,601	0.0	0.9	16.3	15.2
China Shanghai Composite	3,230	0.0	0.8	4.6	14.5
Australia ASX 200	7,145	0.0	0.8	1.5	14.5
India Sensex	62,547	0.0	-0.1	2.8	23.3
MSCI EM	984	0.0	2.7	2.9	12.8
MSCI World	2,873	0.0	2.6	10.4	18.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	76.41	0.0	2.3	-9.3
Brent Crude (\$/bbl)	76.13	0.0	4.8	-11.4
Texas crude (\$/bbl)	71.74	0.0	5.4	-10.6
Natural Gas (\$/mmbtu)	2.17	0.0	-4.1	-47.8
Gold (\$/oz)	1,947.97	0.0	-0.8	6.8
Silver (\$/oz)	23.61	0.0	0.5	-1.5
Steel (\$/ton)	940.00	0.0	0.6	26.3
Iron Ore (CNY/MT)	818.50	0.0	5.1	-4.5
Wheat (\$/bu)	619.00	0.0	4.2	-22.9
Corn (\$/bu)	609.00	0.0	2.5	-9.3
Sugar (\$/lb)	24.73	0.0	-1.3	37.5
SMP* (EUR/MT)	2,480.00	0.0	2.4	-10.7

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.50	-9.4	-7.8	76.9
KSA (SAIBOR 3M)	5.89	-2.8	-1.2	55.1
KSA (SAIBOR 6M)	5.79	-3.1	-3.8	19.5
KSA (SAIBOR 12M)	5.83	0.7	1.0	-4.2
USD (LIBOR 3M)	5.50	0.0	-2.0	72.9
UAE (EIBOR 3M)	5.31	0.0	8.9	100.3

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of June 4, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,222
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,808.5
Value (SAR mn)	4,382.0
Volume (mn)	140.6
Number of Transactions	297,182
Market Breadth	179 : 34

Key statistics	
1D return %	1.88%
MTD return %	1.89%
QTD return	5.97%
YTD return	7.10%
ADT vol. 3M* (mn)	188.8
ADT val. 3M (SARmn)	5,435.1

*ADT stands for Average Daily Traded

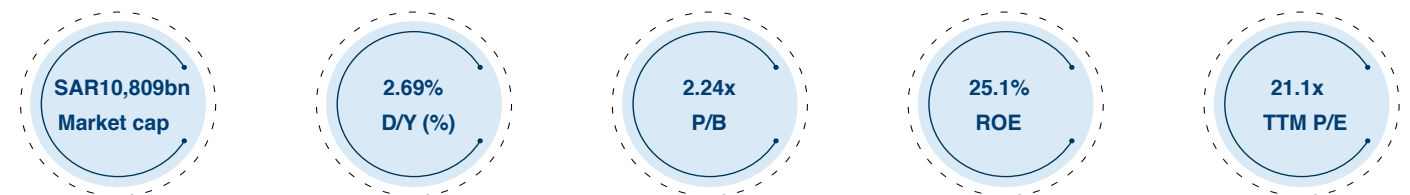
TASI market commentary

- TASI witnessed a rise on Sunday which was led by index heavyweight Banks (2.27% D/D) and Materials (2.16% D/D) sectors. At close, the Saudi market ended the day with a change of 1.88% at 11,222. In terms of activity, total volumes and value traded were ~141mn and ~SAR 4.4bn respectively. The advance-decline ratio came in at 179/34.

Technical outlook

- TASI closed near 11,222 after gaining 207 points. The index witnessed a powerful positive rebound forming a bullish Marubozu candlestick and currently tests the upper boundary of a short-term declining channel near the 20-day SMA at 11,235. A decisive close above the 20-day SMA as well as the declining channel paves the way for a further rise toward prior minor peaks near 11,360 followed by 11,450. Besides, the RSI indicator started to penetrate its 50 level and a declining trendline which suggests a possible similar penetration in the price action. On the other hand, TASI has immediate support near the level of 11,150 followed by the level of 11,000. If breached, the index would be expected to meet the next significant support near the level of the prior medium-term peak near 11,850 which also will keep the bullish double-bottom pattern valid, as long as the index is maintained above it. Traders are advised to cautiously buy and add to their long positions with the decisive breakout above the upper boundary of the aforementioned short-term declining channel.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
10,850	11,000	11,150	11,235	11,360	11,450	11,600



Source: Bloomberg, Argam

TASI daily chart

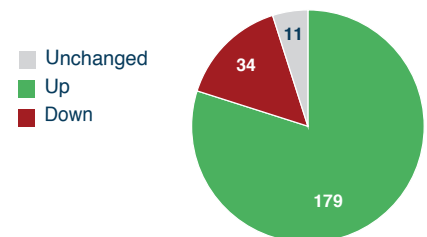


Source: Tradingview, Aljazira Capital

Our view



Market depth





SAUDI MARKET - TOP PICKS FOR THE DAY

Code	Company	Close*	Buy range	Target	Stop loss
4040	Saudi Public Transport Co.	18.14	18.14 - 18.10	18.30	17.95
3020	Yamama Cement Company	34.40	34.40 - 34.30	34.75	34.05
1322	Al Masane Al Kobra Mining Co.	78.70	78.70 - 78.50	79.50	77.90
1303	Electrical Industries Company	44.00	44.00 - 43.90	44.45	43.55
2170	Alujain Corp	42.65	42.65 - 42.55	43.10	42.20
1304	Al Yamamah Steel Industries Co.	26.55	26.55 - 26.50	26.80	26.30

* As of 4th June 2023

* Note – Stop loss is based on an intraday basis

CHARTS OF THE DAY

Technical observations

SAPTCO started to bounce off a penetrated declining trendline. Moreover, all the technical indicators show bullish structure.

Saudi Public Transport Co. (SAPTCO)



Source: Tradingview, AlJazira Capital

Technical observations

YSCC bounced off the support level of the prior peak as well as the 20-day SMA. Moreover, all the technical indicators show bullish structure.

Yamama Cement Company (YSCC)



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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