

Major Economic News

- The seasonally adjusted Riyadh Bank Saudi Arabia Purchasing Managers' Index (PMI), formerly the S&P Global Saudi Arabia PMI, dropped to 58.5 points in May 2023. (Source: Argaam)

Major Corporate News

- Abdullah Al-Othaim Markets Co.'s shareholders approved a 10:1 share split, accordingly number of shares will increase to 900mn from 90 mn. Separately, Al Othaim. announced the opening of a new branch in Riyadh, bringing the total number of its outlets in Saudi Arabia to 316. (Source: Tadawul)
- The Capital Market Authority has approved listing of four companies on Nomu-Parallel Market, namely Fad International Co., Atlas Elevators General Trading & Contracting Co., Clean Life Co., and Riyal Investment & Development Co. (Source: Tadawul)
- Al Mawarid Manpower Co. closed its retail initial public offering, which was oversubscribed by 1644.9%. A minimum of one share was allocated per individual subscriber. The remaining shares will be allocated pro rata, with an allocation factor of 2.85%. (Source: Tadawul)
- SABIC Agri-Nutrients Co.'s board of directors declared a 30% cash dividend, or SAR 3 per share for H1-23. (Source: Tadawul)
- Academy of Learning Co. signed a contract with Abdullah Ali Al-Qarni, to rent office space to establish headquarters for its e-learning training and English language centers, in Dammam for SAR 7mn for 10 years. (Source: Tadawul)
- Saudi Automotive Services Co. opened two new stations during the last week which are located at Dammam Station in Al-Forsan District, and Bisha Station at Sabt Al Alaya Road. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.6% to 11,293.6. The value traded stood at SAR 6.4bn (up 45.8% over previous day), while the advance-decline ratio stood at 125/75. The parallel market index decreased 0.6% to 21,316 points. The value traded stood at SAR 28.6mn (down 13.2% over previous day). Most sectors in the main market ended in the green. Software and Services and Insurance (up 7.1% and 3.2%, respectively) advanced the most; Real Estate and Transportation (down 0.4% and 0.2%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ELM	500.40	10.0
SOLUTIONS	314.00	5.8
ATHEEB TELECOM	73.90	5.3
ALDAWAA	96.70	5.0
BUPA ARABIA	187.00	4.9

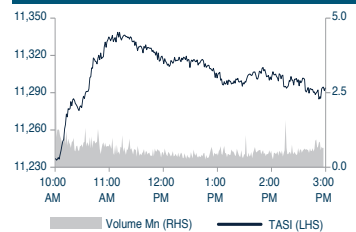
Top Losers

Company	Price	Change%
FARM SUPERSTORES	29.05	-2.2
ALOMRAN	77.70	-1.7
JABAL OMAR	25.45	-1.6
ALHAMMADI	52.70	-1.5
NAQI	86.80	-1.5

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,294	11,340	11,230	0.6	7.8
NomuC	21,316	21,483	21,226	-0.6	9.8

TASI movement during session



TASI Ratios

P/E* (x)	21.2
Price-to-Book (x)	2.3
Dividend Yield (%)	2.7
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,090	1.2	12.2	13.8
Materials	6,577	0.2	4.6	21.7
Capital Goods	7,114	0.3	36.1	19.9
Commercial Service	3,629	2.0	21.2	27.4
Transportation	6,002	-0.2	32.2	High
Consumer Durables	5,108	0.5	20.9	Neg
Consumer Services	5,011	0.8	35.8	47.4
Media	23,883	2.5	11.1	24.4
Retailing	8,338	1.4	16.2	24.1
Food & Staples	10,442	1.0	22.3	21.6
Food & Beverages	5,620	3.0	21.1	30.2
Healthcare	11,294	1.7	24.0	50.0
Pharma & Bio Tech	5,132	-0.1	78.6	Neg
Banks	11,227	-0.1	-2.7	14.1
Diversified Financial	6,390	0.1	0.5	30.4
Insurance	7,242	3.2	36.2	High
Telecom	7,720	0.9	20.8	17.3
Utilities	7,432	1.3	3.6	13.7
REITs	3,863	-0.1	-2.8	30.5
Real Estate	3,277	-0.4	31.1	High
Software & Services	50,909	7.1	41.9	36.9

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,137	11,165	11,236	5.88

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	10.8	322.60	725.70
Previous week	31.2	983.20	1,878.70

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.60	1.2
Al Rajhi	73.30	-1.1
SNB	37.15	-0.4
SABIC	89.70	-0.4
STC	42.95	0.6

Regional and International Markets

- Among other regional markets, Dubai increased 1.4%, while Abu Dhabi decreased 0.3%. Kuwait and Qatar increased 1.2% and 0.4%, respectively, while Egypt and Oman declined 0.6% and 0.2%, respectively. Meanwhile, Bahrain remained flat.
- US factory orders increased 0.4% M/M in April (consensus: 0.8% M/M) as compared to decline of 0.6% M/M in March. (Source: Econoday)
- US PMI composite PMI increased to 54.3 in May (consensus: 54.5) from 53.4 in April, while the services PMI improved to 54.9 in May (consensus: 55.1) from 53.6 in April. (Source: Econoday)
- Japan household spending declined 4.4% Y/Y in April (consensus: -2.3% Y/Y) as compared to decline of 1.9% Y/Y in March. (Source: Econoday)
- UK composite PMI edged lower to 54.0 in May (consensus: 53.9) from 54.9 in April while the services index also edged lower to 55.2 in May (consensus: 55.1) to 55.9 in April. (Source: Econoday)
- Oil prices increased 0.8%, after Saudi Arabia, the world's biggest exporter, promised to reduce output by an additional 1mn bpd starting in July to combat macroeconomic headwinds that have weakened markets.
- Gold prices rose 0.7%, as weaker services sector growth in the United States supported predictions that the Federal Reserve will leave interest rates unchanged next week.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	104.00	0.0	-0.3	0.5
Euro	1.07	0.0	0.2	0.1
Japanese Yen	139.58	-0.2	0.2	6.5
Sterling Pound	1.24	-0.1	0.0	2.9
Chinese Yuan	7.12	0.1	0.0	2.8
Indian Rupee	82.68	0.4	-0.1	-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	0.0	0.6
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
06 th Jun	MCDC	Eligibility for Cash Dividend
06 th Jun	HCC	Eligibility for Cash Dividend
06 th Jun	ALDAWAA	Extraordinary general meeting
06 th Jun	WATANI STEEL	Ex-bonus Date and EGM
06 th Jun	Mawarid Manpower	Surplus refund date
06 th Jun	First Mills	Start of offering

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,653	1.4	2.1	9.7	8.9
Abu Dhabi (ADX)	9,376	-0.3	-0.3	-8.7	15.7
Kuwait (KSE)	7,649	1.0	-3.3	-5.8	11.0
Qatar (QE)	10,435	0.4	2.8	-2.3	12.0
Oman (MSM)	4,655	-0.2	0.6	-4.2	10.1
Bahrain (BSE)	1,955	0.0	-0.4	3.2	9.0
Egypt (EGX30)	17,346	-0.6	-0.9	18.8	6.1

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,563	-0.6	2.0	1.3	19.4
Nasdaq	14,557	0.1	2.1	33.1	32.1
S&P 500	4,274	-0.2	2.2	11.3	20.5
FTSE 100	7,600	-0.1	2.1	2.0	10.7
Germany DAX 30	15,964	-0.5	1.9	14.7	13.0
France CAC 40	7,201	-1.0	1.4	11.2	12.4
Japan Nikkei 225	32,217	2.2	4.3	23.5	31.7
Russia MOEX	2,694	-0.9	-0.9	25.1	3.5
Hong Kong Hang Seng	19,109	0.8	4.8	-3.4	10.3
South Korea KOSPI	2,615	0.5	1.5	16.9	15.3
China Shanghai Composite	3,232	0.1	0.9	4.6	14.5
Australia ASX 200	7,216	1.0	1.8	2.5	14.7
India Sensex	62,787	0.4	0.3	3.2	23.4
MSCI EM	987	0.2	2.9	3.2	12.8
MSCI World	2,870	-0.1	2.5	10.3	18.2

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	78.60	2.9	5.2	-6.7
Brent Crude (\$/bbl)	76.71	0.8	5.6	-10.7
Texas crude (\$/bbl)	72.15	0.6	6.0	-10.1
Natural Gas (\$/mmbtu)	2.25	3.4	-0.9	-46.0
Gold (\$/oz)	1,961.86	0.7	0.0	7.6
Silver (\$/oz)	23.55	-0.3	0.3	-1.7
Steel (\$/ton)	945.00	0.5	1.2	27.0
Iron Ore (CNY/MT)	833.00	1.8	7.0	-2.8
Wheat (\$/bu)	624.00	0.8	5.0	-22.3
Corn (\$/bu)	597.50	-1.9	0.6	-11.1
Sugar (\$/lb)	24.40	-1.3	-2.6	35.7
SMP* (EUR/MT)	2,469.00	-0.4	2.0	-11.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.62	11.7	3.9	88.6
KSA (SAIBOR 3M)	5.89	0.1	-1.1	55.2
KSA (SAIBOR 6M)	5.78	-1.5	-5.2	18.1
KSA (SAIBOR 12M)	5.83	0.0	1.0	-4.1
USD (LIBOR 3M)	5.50	0.0	-2.0	72.9
UAE (EIBOR 3M)	5.34	2.4	11.3	102.7

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of June 6, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,294
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,924.5
Value (SAR mn)	6,389.2
Volume (mn)	182.0
Number of Transactions	428,468
Market Breadth	125 : 75

Key statistics	
1D return %	0.64%
MTD return %	2.54%
QTD return	6.64%
YTD return	7.78%
ADT vol. 3M* (mn)	189.9
ADT val. 3M (SARmn)	5,486.1

*ADT stands for Average Daily Traded

TASI market commentary

- TASI witnessed a rise on Monday which was led by index heavyweight Energy (1.19% D/D) and Telecommunication services (0.88% D/D) sectors. At close, the Saudi market ended the day with a change of 0.64% at 11,294. In terms of activity, total volumes and value traded were ~182mn and ~SAR 6.4bn respectively. The advance-decline ratio came in at 125/75.

Technical outlook

- TASI closed near 11,294 after gaining 72 points. The buying power continued and led the index to penetrate the upper boundary of the short-term declining channel as well as the 20-day SMA paving the way for a further rise toward the prior minor peaks near 11,360 followed by 11,450 in the near term. Besides, the RSI indicator continued moving upward after penetrating its 50 level as well as a declining trendline confirming the penetration in the price action. TASI currently has immediate resistance near 11,360 followed by the level of the prior short-term peak near 11,450. If penetrated, the next resistance is expected to lay near the level of 11,600 points. On the other hand, immediate support is seen around the level of the 20-day SMA near 11,235 followed by 11,150. If breached, the index would be expected to meet the next significant support near 11,000 followed by the level of the prior medium-term peak near 10,850 which keeps the medium-term upside target of the completed double-bottom pattern between the zone of 11,600 – 11,800 valid, as long as the index is maintained above it. Traders are advised to buy as long as the index is maintained above the support level of 11,150 points in the short term.

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

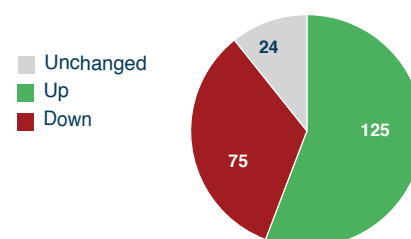


Source: Tradingview, Aljazira Capital

Our view



Market depth



SAUDI MARKET - TOP PICKS FOR THE WEEK

Code	Company	Close*	Buy range	Target 1	Target 2	Reward %	Stop loss
4260	United International Transportation Co.	68.40	67.70 - 68.40	70.00	71.70	4.82%	66.90
1214	Al Hassan Ghazi Ibrahim Shaker Co.	26.60	26.35 - 26.60	27.50	28.85	8.46%	25.60

* As of 05th June 2023

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

CHARTS OF THE WEEK

Technical observations

Budget finished a continuation ascending triangle price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR68.40 - 67.70, for a target of SAR70.00 followed by SAR71.70, with a stop loss below SAR66.90 on a closing basis.

United International Transportation Co. (Budget Saudi)



Source: Tradingview, AlJazira Capital

Technical observations

SHAKER has just finished a bullish continuation wedge price pattern. Moreover, the RSI indicator is showing a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR26.60 - 26.35, for a target of SAR27.50 followed by SAR28.85, with a stop loss below SAR25.60 on a closing basis.

Al Hassan Ghazi Ibrahim Shaker Co. (SHAKER)



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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