



Major Economic News

- Saudi Arabia's oil exports fell by 3% M/M to 7.32mn bpd in April 2023. Compared to April 2022, oil exports edged down 1% Y/Y from 7.38mn bpd. Local crude consumption grew by 7% to nearly 3.14mn bpd in the same month, from nearly 2.94mn bpd in March. (Source: Argaam)
- The Agricultural Development Fund's (ADF) board approved the provision of a number of loans and credit facilities at a total value of SAR 1.5bn. (Source: Argaam)
- Saudi Arabia-based flynas which is a 37%-owned affiliate of Kingdom Holding Co., signed an agreement with Airbus to purchase 30 A320neo family aircraft for more than SAR 14.0bn. (Source: Argaam)

Major Corporate News

- The newest Lumi showroom in Jeddah's Al Jawhara neighbourhood spans 2,960 sq.m.. It has space for 120 used cars to be displayed. To keep up with rising customer and market demand, the company opened a second used automobile sales showroom in the Kingdom. (Source: Tadawul)
- Bank AlJazira completed the issuance of SAR 2bn Additional Tier 1 sukuk, to be settled on June 21. (Source: Tadawul)
- Saudia Dairy and Foodstuff Co.'s (SADAFSCO) board of directors recommended a cash dividend at 30% of capital, or SAR 3 a share, for the second half of the fiscal year ending March 31, 2023. (Source: Tadawul)
- Arabian Shield Cooperative Insurance Co. and Alinma Tokio Marine Co. received a non-objection certificate to complete the binding merger agreement from General Authority of Competition (GAC). (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange decreased 0.8% to 11,422. The value traded stood at SAR 6.1bn (up 13.3% over previous day), while the advance-decline ratio stood at 32/188. The parallel market index decreased 2.8% to 28,174.8 points. The value traded stood at SAR 62.2mn (up 21.7% over previous day). Most sectors in the main market ended in the red. Utilities (up 1.6%) was the only gainer; Diversified Financials and Healthcare (down 3.1% and 2.8%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
ALMAWARID	83.20	30.0
ALBAHA	21.00	5.1
ACWA POWER	163.60	4.3
NADEC	40.25	4.1
ALASEEL	53.00	2.5

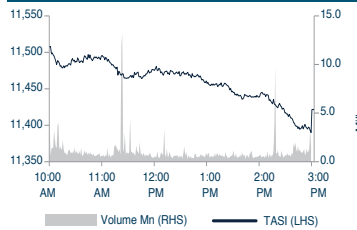
Top Losers

Company	Price	Change%
SADR	4.44	-9.9
SAICO	13.24	-9.9
MOUWASAT	252.00	-7.0
CHUBB	20.20	-5.3
UCA	9.20	-5.3

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,422	11,510	11,388	(0.8)	8.7
NomuC	28,175	29,027	29,027	(2.8)	45.1

TASI movement during session



TASI Ratios

P/E* (x)	21.5
Price-to-Book (x)	2.3
Dividend Yield (%)	2.6
Return on Equity (%)	25.1

*Source: Argaam (Excluding Aramco)

Index	Close	Daily Change%	YTD %	PE (TTM)
Energy	6,027	-0.7	11.1	13.6
Materials	6,593	-0.8	4.8	21.6
Capital Goods	7,664	-0.6	46.6	21.7
Commercial Service	4,339	-1.9	26.3	31.4
Transportation	6,100	-1.4	34.3	High
Consumer Durables	5,388	-0.6	27.5	Neg
Consumer Services	5,138	-1.5	39.2	49.2
Media	24,746	-1.4	15.1	25.9
Retailing	8,136	-1.5	13.4	23.5
Food & Staples	10,421	-2.0	22.0	21.5
Food & Beverages	6,097	-2.8	31.4	32.8
Healthcare	11,911	-2.8	30.7	High
Pharma & Bio Tech	5,726	-2.5	99.3	Neg
Banks	11,277	-0.6	-2.3	14.1
Diversified Financial	7,070	-3.1	11.1	32.3
Insurance	7,253	-1.6	36.4	High
Telecom	7,968	0.0	24.7	17.8
Utilities	7,639	1.6	6.5	14.1
REITs	3,879	-0.7	-2.4	31.1
Real Estate	3,290	-1.2	31.6	High
Software & Services	54,142	-2.6	50.9	39.2

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,474	11,427	11,296	6.47

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	11.4	753.00	819.60
Previous week	34.7	1,475.60	2,196.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.10	-0.6
Al Rajhi	72.80	-1.4
SNB	37.00	-0.5
SABIC	88.10	-0.7
STC	43.70	-0.7



Regional and International Markets

- Among other regional markets, Dubai decreased 0.1%, while Abu Dhabi increased 0.1%. Qatar increased 0.2%, while Egypt and Oman declined 0.2% and 0.1%, respectively. Meanwhile, Kuwait and Bahrain remained flat.
- US housing market index increased to 55 in June (consensus: 50) from 50 in May. (Source: Econoday)
- Eurozone consumer prices rose 6.1% Y/Y in May, weaker than 7.0% rise in April. Core inflation that excludes energy, food, alcohol and tobacco prices, fell to 5.3% Y/Y in May from 5.6% Y/Y in the previous month (Source: RTT news)
- China cut benchmark rates in 10 months to boost slowing economic recovery. The 1-year LPR was lowered by 10bps to 3.55% while 5-year LPR was cut to 4.20%. (Source: Reuters)
- The Bank of Japan kept on its ultra-loose monetary policy, in contrast to its hawkish counterparts. Policymakers unanimously agreed to keep a negative interest rate of 0.1% on current accounts that financial institutions maintain with the central bank. (Source: RTT news)
- Oil prices declined 0.7%, OPEC+ output cutbacks and the seventh consecutive decline in the number of oil and gas rigs operating in the US were overshadowed by concerns about China's economy.
- Gold prices fell 0.4%, as the US dollar bounced back from the previous session's lows, with markets looking ahead to US Federal Reserve Chair Jerome Powell's testimony on Capitol Hill later in the week.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.52	0.3	-1.7	-1.0
Euro	1.09	-0.1	2.2	2.0
Japanese Yen	141.98	0.1	1.9	8.3
Sterling Pound	1.28	-0.2	2.8	5.9
Chinese Yuan	7.16	0.5	0.6	3.5
Indian Rupee	81.94	0.0	-1.0	-1.0
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.6
Kuwaiti Dinar	0.31	0.1	-0.2	0.3
Omani Rial	0.38	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
20 th Jun	Saudi Cement	Cash Dividend Distribution
20 th Jun	YCC	Cash Dividend Distribution
20 th Jun	MCDC	Cash Dividend Distribution
20 th Jun	RIYADH CABLES	EGM
20 th Jun	RAYDAN	EGM
20 th Jun	ALASEEL	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,787	-0.1	5.9	13.8	9.2
Abu Dhabi (ADX)	9,453	0.1	0.5	-7.9	15.7
Kuwait (KSE)	7,823	0.0	4.4	-3.6	11.1
Qatar (QE)	10,282	0.2	1.3	-3.7	11.8
Oman (MSM)	4,680	-0.1	1.2	-3.7	10.1
Bahrain (BSE)	1,958	0.0	-0.3	3.3	9.0
Egypt (EGX30)	17,989	-0.2	2.8	23.2	6.4

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,299	0.0	4.2	3.5	19.8
Nasdaq	15,084	0.0	5.8	37.9	33.3
S&P 500	4,410	0.0	5.5	14.8	21.1
FTSE 100	7,588	-0.7	1.9	1.8	10.8
Germany DAX 30	16,201	-1.0	3.4	16.4	13.2
France CAC 40	7,314	-1.0	3.0	13.0	12.6
Japan Nikkei 225	33,370	-1.0	8.0	27.9	32.9
Russia MOEX	2,815	0.5	3.6	30.7	3.7
Hong Kong Hang Seng	19,913	-0.6	9.2	0.7	10.2
South Korea KOSPI	2,610	-0.6	1.3	16.7	15.4
China Shanghai Composite	3,256	-0.5	1.6	5.4	14.5
Australia ASX 200	7,295	0.6	2.9	3.6	14.8
India Sensex	63,168	-0.3	0.9	3.8	23.5
MSCI EM	1,023	-0.6	6.8	7.0	13.4
MSCI World	2,955	-0.2	5.5	13.5	18.7

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	78.74	1.6	5.4	-6.5
Brent Crude (\$/bbl)	76.09	-0.7	4.7	-11.4
Texas crude (\$/bbl)	71.78	0.0	5.4	-10.6
Natural Gas (\$/mmbtu)	2.63	0.0	16.2	-36.7
Gold (\$/oz)	1,950.48	-0.4	-0.6	6.9
Silver (\$/oz)	23.95	-1.0	2.0	0.0
Steel (\$/ton)	927.00	0.0	-0.7	24.6
Iron Ore (CNY/MT)	877.00	0.4	12.7	2.3
Wheat (\$/bu)	701.50	0.0	18.0	-12.6
Corn (\$/bu)	597.50	0.0	0.6	-11.1
Sugar (\$/lb)	26.09	0.0	5.5	46.4
SMP* (EUR/MT)	2,497.00	0.4	3.1	-10.1

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.61	-6.8	3.1	87.8
KSA (SAIBOR 3M)	5.94	-1.9	3.2	59.5
KSA (SAIBOR 6M)	5.86	-0.0	2.9	26.2
KSA (SAIBOR 12M)	5.87	-0.1	5.0	-0.2
USD (LIBOR 3M)	5.51	0.0	-0.7	74.3
UAE (EIBOR 3M)	5.27	13.4	4.8	96.2

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of June 19, 2023

Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,422
Short-term view	Cautious Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,855.2
Value (SAR mn)	6,071.5
Volume (mn)	303.1
Number of Transactions	440,213
Market Breadth	32 : 188

Key statistics	
1D return %	-0.83%
MTD return %	3.70%
QTD return	7.85%
YTD return	9.00%
ADT vol. 3M* (mn)	209.2
ADT val. 3M (SARmn)	5,834.6

*ADT stands for Average Daily Traded

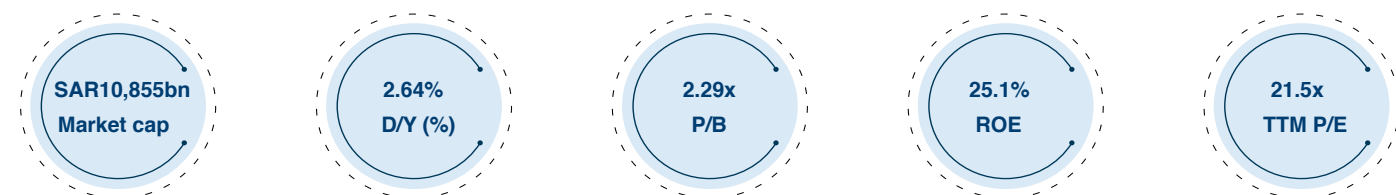
TASI market commentary

- TASI witnessed a decline on Monday which was led by index heavyweight Materials (-0.79% D/D) and Energy (-0.65% D/D) sectors. At close, the Saudi market ended the day with a change of -0.83% at 11,422. In terms of activity, total volumes and value traded were ~303mn and ~SAR 6.1bn respectively. The advance-decline ratio came in at 32/188.

Technical outlook

- TASI closed near 11,422 after losing 95 points. As expected, the index experienced a heavy profit-taking action which pressured the index after testing the level of 127.2% Fibonacci retracement at 11,570 for two consecutive sessions. TASI has just reached the zone of the prior peak between 11,450 - 11,390 where a possible buying power may appear. Besides, the near-term uptrend stays intact as long as the index is maintained above the support level of 11,390. Otherwise, a close below the level of the prior minor trough near 11,340 would change the current near-term uptrend. Moreover, the RSI indicator is still hovering inside the bullish territory above its 50 level. TASI currently has immediate support near 11,390 followed by the level of 11,340. If breached, the index would be expected to meet the next support near 11,250. On the other hand, immediate resistance is seen at around 11,450 followed by 11,570 near the level of 127.2% Fibonacci retracement. If penetrated, the next one is expected to lay near 11,730 near the 161.8% Fibonacci retracement followed by 11,800. Traders are advised to closely monitor the significant support of 11,340 where a possible buying power may appear.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,250	11,340	11,390	11,450	11,570	11,730	11,800



Source: Bloomberg, Argaam

TASI daily chart



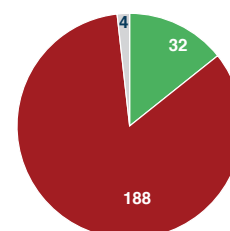
Source: Tradingview, Aljazira Capital

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
7010	Saudi Telecom Co.	43.70	43.70 - 43.25	44.50	45.45	4.00%	42.90

* As of 19th June 2023

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

CHARTS OF THE WEEK

Technical observations

STC finished a continuation broadening wedge price pattern and started to bounce off its 10-day SMA. Moreover, the RSI indicator is showing a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR43.70 - 43.25, for a target of SAR44.50 followed by SAR45.45, with a stop loss below SAR42.90 on a closing basis.

Saudi Telecom Co. (STC)



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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