



Major Economic News

- Saudi Arabia's merchandise imports grew by 18% Y/Y to almost SAR 186.4bn in Q1-23. On Q/Q basis, merchandise imports fell by 5%, or nearly SAR 9.56bn. China topped the Kingdom's list of exporting countries with SAR 40.0bn, accounting for 21% of the total value of imports in Q1-23, while US and UAE accounted for 9.0% and 7.0%, respectively. (Source: Argaam)
- The Ministry of Industry and Mineral Resources issued an industrial license for Ceer, the first Saudi electric vehicle brand, to establish an EV manufacturing facility. The project is expected to attract foreign direct investments of SAR 562.0mn and create 30,000 direct and indirect job opportunities and contribute SAR 30.0bn to the country's GDP by FY34. (Source: Argaam)

Major Corporate News

- The Capital Market Authority approved Arabian Centres Co.'s application for the registration and public offering of debt instruments as part of a program at a maximum value of SAR 4.5bn. (Source: Tadawul)
- The Capital Market Authority approved ADES International Holding Co.'s request to register and offer 338.7mn shares, or 30% of its share capital. (Source: Tadawul)
- Ladun Investment Co.'s subsidiary Built Industrial Co. received an award letter from the General Authority for Statistics to implement a project valued at SAR 57.5mn. (Source: Tadawul)
- Bena Steel Industries Co. signed, a non-binding memorandum of understanding with Alderley PLC to acquire its 40% stake in the Alderley FZE M24 branch, located in Saudi Arabia. (Source: Tadawul)

Market Analysis

- The Saudi Stock Exchange increased 0.3% to 11,466.2. The value traded stood at SAR 5.4bn (down 5.2% over previous day), while the advance-decline ratio stood at 122/90. The parallel market index increased 1.1% to 27,266.3 points. The value traded stood at SAR 27.9mn (down 47.1% over previous day). Most sectors in the main market ended in the green. Consumer Durables and Commercial service (up 3.4% and 2.3%, respectively) advanced the most; Food & Beverages and Pharma & Bio Tech (down 1.3% and 0.6%, respectively) led the laggards.

Top Gainers

Company	Price	Change%
JAMJOOM PHARMA	90.30	15.8
MALATH INSURANCE	21.52	9.9
ALASEEL	5.77	9.9
SALAMA	24.50	7.7
CARE	133.00	6.8

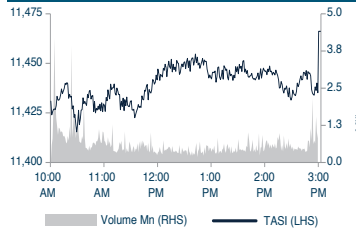
Top Losers

Company	Price	Change%
SAUDI RE	18.10	-3.2
BURUJ	19.52	-3.2
ALSAIF GALLERY	95.30	-2.5
SADR	4.07	-2.4
NAYIFAT	17.32	-2.4

Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,466	11,466	11,412	0.3	9.4
NomuC	27,266	27,266	26,322	1.1	40.4

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	6,044	0.1	11.4	13.7
Materials	6,613	0.3	5.1	21.7
Capital Goods	7,727	0.3	47.8	21.8
Commercial Service	4,472	2.3	30.1	32.5
Transportation	6,127	0.4	34.9	High
Consumer Durables	5,547	3.4	31.3	Neg
Consumer Services	5,196	0.3	40.8	49.5
Media	25,379	1.0	18.1	27.1
Retailing	8,254	0.2	15.1	23.8
Food & Staples	10,555	0.9	23.6	21.9
Food & Beverages	6,002	-1.3	29.4	32.3
Healthcare	12,003	1.4	31.7	High
Pharma & Bio Tech	5,462	-0.6	90.1	Neg
Banks	11,282	0.3	-2.3	14.2
Diversified Financial	7,071	-0.2	11.2	32.9
Insurance	7,491	1.9	40.9	High
Telecom	8,036	0.4	25.8	17.9
Utilities	7,743	1.0	7.9	14.3
REITs	3,887	0.4	-2.2	31.2
Real Estate	3,305	-0.1	32.2	High
Software & Services	54,870	0.7	52.9	39.7

Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,464	11,448	11,316	6.34

Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	22.5	1,180.40	1,646.80
Previous week	34.7	1,475.60	2,196.90

Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.20	0.2
Al Rajhi	72.90	0.1
SNB	36.70	0.1
SABIC	88.30	0.3
STC	43.85	0.5

Regional and International Markets

- Among other regional markets, Dubai and Abu Dhabi increased 0.2% and 0.3%, respectively. Oman and Kuwait increased 0.9% and 0.2%, respectively, while Egypt and Qatar declined 1.2% and 0.2%, respectively. Meanwhile, Bahrain remained flat.
- UK public sector net borrowing declined to GBP 19.22bn as compared to GBP 24.74bn. Excluding public sector banks net borrowing declined to GBP 20.05bn as compared to GBP 25.56bn. (Source: Econoday)
- UK consumer prices increased by 8.7% Y/Y in May (consensus: 8.4% Y/Y) same as the 8.7% increase in April. (Source: Econoday)
- UK producer output prices rose 2.9% Y/Y in May slower than rise of 5.2% Y/Y in April. On M/M basis, prices declined 0.5% in May. UK input prices rose 0.5% Y/Y in May, slower than 3.9% Y/Y rise in April. (Source: Econoday)
- UK house price index climbed 3.5% Y/Y in April, slower than the 4.1% Y/Y increase in the previous month. (Source: RTT news)
- Oil prices increased 1.6%, as US corn and soybean prices shot to multi-month highs, fuelling hopes that crop shortages elsewhere could reduce the number of biofuels blended and boost oil demand.
- Gold prices slid 0.2%, as bond yields rose followed by remarks from Jerome Powell that interest rate hike is still an option.

Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	102.07	-0.5	-2.2	-1.4
Euro	1.10	0.6	2.8	2.6
Japanese Yen	141.88	0.3	1.8	8.2
Sterling Pound	1.28	0.0	2.6	5.7
Chinese Yuan	7.18	-0.1	0.8	3.7
Indian Rupee	82.04	-0.1	-0.8	-0.8
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.65	0.0	0.0	-0.7
Kuwaiti Dinar	0.31	0.1	-0.1	0.4
Omani Rial	0.38	-0.1	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.91	0.2	0.0	24.8

Corporate Calendar

Date	Company	Event
22 nd Jun	SABIC	EGM
22 nd Jun	HCC	Cash Dividend Distribution
22 nd Jun	BUPA ARABIA	EGM
22 nd Jun	ACWA Power	EGM
22 nd Jun	BINDAWOOD	EGM
22 nd Jun	FESH FASH	EGM

*EGM: Extra Ordinary Meeting

*OGM: Ordinary General Meeting

Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,782	0.2	5.7	13.6	9.2
Abu Dhabi (ADX)	9,490	0.3	0.9	-7.6	15.8
Kuwait (KSE)	7,833	0.2	4.5	-3.5	11.1
Qatar (QE)	10,243	-0.2	0.9	-4.1	11.8
Oman (MSM)	4,722	0.9	2.1	-2.8	10.3
Bahrain (BSE)	1,957	0.0	-0.3	3.3	9.0
Egypt (EGX30)	17,706	-1.2	1.2	21.3	6.5

International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	33,952	-1.0	3.2	2.4	19.6
Nasdaq	14,867	-1.4	4.3	35.9	32.8
S&P 500	4,366	-1.0	4.4	13.7	20.9
FTSE 100	7,559	-1.1	1.5	1.4	10.8
Germany DAX 30	16,023	-2.0	2.3	15.1	13.1
France CAC 40	7,261	-1.7	2.3	12.2	12.5
Japan Nikkei 225	33,575	-0.4	8.7	28.7	33.1
Russia MOEX	2,819	0.7	3.7	30.9	3.7
Hong Kong Hang Seng	19,218	-4.1	5.4	-2.8	9.8
South Korea KOSPI	2,583	-1.6	0.2	15.5	15.2
China Shanghai Composite	3,198	-2.3	-0.2	3.5	14.3
Australia ASX 200	7,315	0.9	3.2	3.9	14.9
India Sensex	63,523	0.2	1.4	4.4	23.7
MSCI EM	1,004	-2.5	4.8	5.0	13.2
MSCI World	2,928	-1.2	4.5	12.5	18.6

Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	79.05	-0.8	5.8	-6.2
Brent Crude (\$/bbl)	77.12	1.6	6.1	-10.2
Texas crude (\$/bbl)	72.53	2.9	6.5	-9.6
Natural Gas (\$/mmbtu)	2.60	4.2	14.6	-37.5
Gold (\$/oz)	1,932.55	-0.2	-1.5	6.0
Silver (\$/oz)	22.64	-2.2	-3.6	-5.5
Steel (\$/ton)	912.00	-1.6	-2.4	22.6
Iron Ore (CNY/MT)	867.00	-0.3	11.4	1.2
Wheat (\$/bu)	748.25	5.6	25.9	-6.8
Corn (\$/bu)	628.75	5.2	5.9	-6.4
Sugar (\$/lb)	25.85	-0.7	4.5	45.1
SMP* (EUR/MT)	2,500.00	0.4	3.3	-9.9

*SMP: Skimmed Milk Powder

Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.64	-0.4	6.6	91.2
KSA (SAIBOR 3M)	5.95	0.5	4.8	61.1
KSA (SAIBOR 6M)	5.91	6.1	7.8	31.1
KSA (SAIBOR 12M)	5.89	6.2	7.4	2.2
USD (LIBOR 3M)	5.52	0.6	0.4	75.3
UAE (EIBOR 3M)	5.14	-19.1	-8.6	82.7

Data Sources: Tadawul, Bloomberg, Reuters
Closes as of June 21, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,466
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,893.2
Value (SAR mn)	5,398.3
Volume (mn)	193.6
Number of Transactions	417,567
Market Breadth	122 : 90

Key statistics	
1D return %	0.30%
MTD return %	4.10%
QTD return	8.27%
YTD return	9.43%
ADT vol. 3M* (mn)	210.7
ADT val. 3M (SARmn)	5,860.5

*ADT stands for Average Daily Traded

TASI market commentary

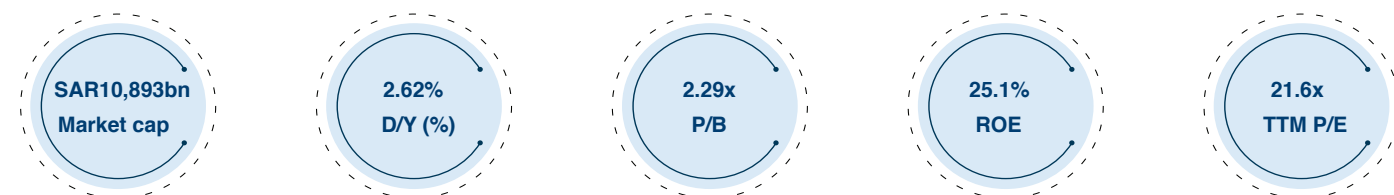
- TASI witnessed a rise on Wednesday which was led by index heavyweight Telecommunication services (0.37% D/D) and Materials (0.28% D/D) sectors. At close, the Saudi market ended the day with a change of 0.30% at 11,466. In terms of activity, total volumes and value traded were ~194mn and ~SAR 5.4bn respectively. The advance-decline ratio came in at 120/90.

Technical outlook

- TASI closed near 11,466 after gaining 35 points. The buying power continued to push the index higher after bouncing off the support level of the prior short-term peak near 11,340. TASI formed a morning star candlesticks pattern during the last three sessions indicating a possible near-term upside movement within the upcoming sessions. Moreover, TASI re-penetrated its 10-day SMA near 11,450, paving the way for a further rise toward the prior minor peak near 11,570. Meanwhile, the RSI indicator still hovers inside the bullish territory above its 50 level. TASI currently has immediate resistance near 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. On the other hand, immediate support is seen at around 11,450 near the 10-day SMA followed by 11,390 followed by the level of 11,340. If breached, the index would be expected to meet the next support near 11,250. Traders are advised to buy as long as the index respects the significant support level of 11,340.

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



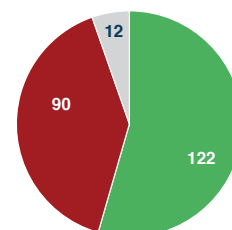
Source: Tradingview, Aljazira Capital

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
4100	Makkah Construction and Development Co.	73.50	73.50 - 72.75	75.00	76.60	4.22%	72.10
4292	Ataa Educational Co.	76.30	76.30 - 75.55	78.00	79.70	4.46%	74.80

* As of 21st June 2023

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

CHARTS OF THE WEEK

Technical observations

MCDC finished a continuation wedge price pattern and started to bounce off its 10&20-day SMAs. Moreover, the RSI indicator is showing a bullish structure confirming the uptrend of the price. We recommend buying the stock in a range of SAR73.50 - 72.75, for a target of SAR75.00 followed by SAR76.60, with a stop loss below SAR72.10 on a closing basis.

Makkah Construction and Development Co. (MCDC)



Source: Tradingview, AlJazira Capital

Technical observations

ATAA finished a continuation symmetrical triangle price pattern and re-penetrated 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 SAR76.30 - 75.55, for a target of SAR78.00 followed by SAR79.70, with a stop loss below SAR74.80 on a closing basis.

Ataa Educational Co. (ATAA)



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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