



## Major Economic News

- The seasonally adjusted Riyadh Bank Saudi Arabia PMI rose to 59.6 points in June from 58.5 in May. The non-oil private sector expanded sharply during the month, as both output and new orders rose at accelerated, multi-year record rates. (Source: Argaam)
- Residential real estate finance provided by banks to individuals fell by 23.0% Y/Y to SAR 6.8bn in May. Compared to April, residential real estate finance grew by nearly SAR 2.7bn or 64.0%. (Source: Argaam)
- The number of employees at capital market institutions rose by 169 Q/Q to 5,421 by the end of Q1-23. The Saudization rate at these institutions reached 77.0%. (Source: Argaam)
- Saudi Arabia plans to launch an investment company to expand its sports interests. The company's launch will fall under PIF. The new company will focus on new opportunities. Neither LIV Golf nor Newcastle United will fall under the new company. (Source: Argaam)

## Major Corporate News

- The Saudi Industrial Investment Group (SIIG) completed the remaining value of its investment to buy a 24.0% stake in Unibio International after obtaining the Danish Government's approval for a foreign direct investment. Under the second phase, SIIG acquired 14.1% of Unibio International. (Source: Tadawul)
- Professional Medical Expertise Co. set the share offering price range at SAR 63-68. It also announced that the book-building process for qualified investors will run between July 9-16, 2023. (Source: Tadawul)
- Shareholders of Knowledge Tower Trading Co. approved reducing the stock's nominal value from SAR 10 to SAR 1. (Source: Tadawul)

## Market Analysis

- The Saudi Stock Exchange decreased 0.2% to 11,591.6. The value traded stood at SAR 8.5bn (up 17.0% over previous day), while the advance-decline ratio stood at 87/128. The parallel market index decreased 2.1% to 24,630.0 points. The value traded stood at SAR 32.7mn (down 50.1% over previous day). Most sectors in the main market ended in the red. Diversified Financials and Materials (up 2.4% and 0.4%, respectively) advanced the most; Pharma & Bio Tech and Media (down 4.6% and 2.2%, respectively) led the laggards.

## Top Gainers

Company	Price	Change%
MEDGULF	12.32	10.0
SAIC	31.90	6.0
CHEMICAL	4.17	5.8
EIC	37.05	5.7
SHAKER	27.95	5.3

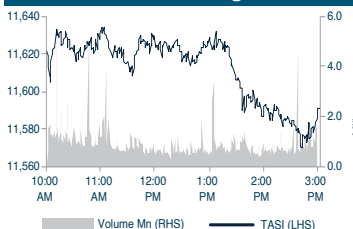
## Top Losers

Company	Price	Change%
ALARABIA	175.00	-5.9
SPIMACO	41.15	-4.6
SGS	36.65	-4.6
CARE	127.00	-4.5
ALDREES	125.00	-4.3

## Saudi Stock Exchange

Index	Closing	High	Low	Daily Change%	YTD %
TASI	11,592	11,637	11,568	-0.2	10.6
NomuC	24,630	25,273	24,358	-2.1	26.8

## TASI movement during session



## TASI Ratios

P/E* (x)	21.8
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	6,069	0.1	11.8	13.7
Materials	6,715	0.4	6.8	22.1
Capital Goods	7,788	-0.2	49.0	22.1
Commercial Service	4,799	-0.7	39.7	35.8
Transportation	6,317	-1.2	39.1	High
Consumer Durables	5,713	-0.2	35.2	Neg
Consumer Services	5,098	-1.0	38.1	48.1
Media	23,912	-2.2	11.2	25.3
Retailing	8,414	0.1	17.3	24.2
Food & Staples	10,603	-0.4	24.1	21.8
Food & Beverages	6,066	-0.6	30.8	34.0
Healthcare	11,840	-1.3	30.0	High
Pharma & Bio Tech	5,429	-4.6	88.9	Neg
Banks	11,340	-0.4	-1.8	14.2
Diversified Financial	7,364	2.4	15.8	33.6
Insurance	7,847	-0.6	47.6	High
Telecom	8,120	-0.7	27.1	18.1
Utilities	8,348	0.1	16.4	15.2
REITs	3,867	-0.3	-2.7	32.2
Real Estate	3,326	0.1	33.0	High
Software & Services	55,534	-1.0	54.7	40.1

## Average Index Value

Average days 5	Average days 10	Average days 20	Average value traded for the month (bn)
11,542	11,503	11,421	6.26

## Market Statistics

	Value Traded (SAR bn)	Volumes (mn shares)	No. of Trades ('000)
Current Week	27.4	987.10	1,837.30
Previous week	28.9	1,415.50	2,076.70

## Top Weighted Companies

Company	Price	Change%
Saudi Aramco	32.35	0.2
Al Rajhi	72.80	-0.1
SNB	37.10	-0.4
SABIC	88.70	-0.7
STC	44.80	0.2



## Regional and International Markets

- Among other regional markets, Dubai decreased 0.2%, while Abu Dhabi increased 0.4%. Kuwait, Qatar and Bahrain rose 0.5%, 0.2% and 0.1%, respectively. Meanwhile, Egypt and Oman declined 0.5% and 0.2%, respectively.
- The minutes of the US Federal Reserve's June meeting indicated that a further tightening is likely but at a slower pace. Although the central bank decided against a rate rise amid concerns over economic growth, most members think further hikes are on the way. (Source: CNBC)
- US factory orders increased 0.3% in May (consensus: a rise of 0.8%) compared to a downwardly revised 0.3% in April. The weaker than expected growth came as a 1.8% increase in orders for durable goods was partly offset by a 1.2% slump in orders for non-durable goods. (Source: RTT News)
- Eurozone's producer prices declined 1.5% Y/Y in May (consensus: a decrease of 1.3%) as against the 0.9% increase in April. Excluding energy, producer price inflation eased to 3.4% from 5.1% in the previous month. (Source: RTT News)
- Oil prices gained 0.5% on expectations of holiday demand in the US and more demand from Asia for US crude amid supply cuts by Saudi Arabia and Russia.
- Gold prices fell 0.5%, as US dollar and treasury yields rose as a response to minutes of the US Federal Reserve's meeting in June that suggested more rate hikes are expected this year.

## Forex / Currency

Currency / USD	Close	Daily Change%	MTD %	YTD %
Dollar Index	103.37	0.3	0.4	-0.1
Euro	1.09	-0.2	-0.5	1.4
Japanese Yen	144.66	0.1	0.2	10.3
Sterling Pound	1.27	-0.1	0.0	5.1
Chinese Yuan	7.26	0.5	-0.1	4.9
Indian Rupee	82.22	0.2	0.2	-0.6
UAE Dirham	3.67	0.0	0.0	0.0
Qatari Rial	3.64	0.0	-0.1	-0.8
Kuwaiti Dinar	0.31	0.0	-0.1	0.4
Omani Rial	0.38	0.0	-0.1	-0.1
Bahraini Dinar	0.38	0.0	0.0	0.0
Egyptian Pound	30.90	0.2	0.0	24.8

## Corporate Calendar

Date	Company	Event
6 <sup>th</sup> Jul	ANAAM HOLDING	EGM
6 <sup>th</sup> Jul	Sipchem	Eligibility for Cash Dividend
6 <sup>th</sup> Jul	Dallah Health	Eligibility for Cash Dividend
6 <sup>th</sup> Jul	Alinma Hospitality REIT	Eligibility for Cash Dividend
9 <sup>th</sup> Jul	ProMedEx	Start of offering
10 <sup>th</sup> Jul	Care	Cash Dividend Distribution

\*EGM: Extra Ordinary Meeting

\*OGM: Ordinary General Meeting

## Regional Markets

Market	Close	Daily Change%	MTD %	YTD %	P/E
Dubai (DFM)	3,924	-0.2	3.5	17.9	9.5
Abu Dhabi (ADX)	9,619	0.4	0.7	-6.3	16.1
Kuwait (KSE)	7,993	0.5	2.4	-1.5	11.1
Qatar (QE)	10,273	0.2	2.0	-3.8	11.8
Oman (MSM)	4,786	-0.2	0.4	-1.5	10.1
Bahrain (BSE)	1,961	0.1	0.1	3.4	7.4
Egypt (EGX30)	17,380	-0.5	-1.6	19.1	6.3

## International Markets

Index	Close	Daily Change%	MTD %	YTD %	P/E
Dow Jones	34,289	-0.4	-0.3	3.4	19.8
Nasdaq	15,204	0.0	0.2	39.0	33.5
S&P 500	4,447	-0.2	-0.1	15.8	21.3
FTSE 100	7,442	-1.0	-1.2	-0.1	10.3
Germany DAX 30	15,938	-0.6	-1.3	14.5	13.0
France CAC 40	7,311	-0.8	-1.2	12.9	12.6
Japan Nikkei 225	33,339	-0.3	0.5	27.8	32.5
Russia MOEX	2,805	-0.1	0.3	30.2	2.2
Hong Kong Hang Seng	19,110	-1.6	1.0	-3.4	9.8
South Korea KOSPI	2,579	-0.6	0.6	15.3	15.2
China Shanghai Composite	3,223	-0.7	0.7	4.3	14.5
Australia ASX 200	7,253	-0.4	0.7	3.0	14.8
India Sensex	65,446	-0.1	1.1	7.6	24.4
MSCI EM	1,001	-0.7	1.2	4.7	13.1
MSCI World	2,961	-0.4	-0.2	13.8	18.8

## Commodity Markets

Commodity	Price	Daily Change%	MTD %	YTD %
Arab Light Crude (\$/bbl)	78.90	0.5	0.7	-6.3
Brent Crude (\$/bbl)	76.65	0.5	2.3	-10.8
Texas crude (\$/bbl)	71.79	2.9	1.6	-10.6
Natural Gas (\$/mmbtu)	2.66	-1.9	-5.0	-36.2
Gold (\$/oz)	1,915.30	-0.5	-0.2	5.0
Silver (\$/oz)	23.11	0.6	1.5	-3.5
Steel (\$/ton)	874.00	1.0	-0.8	17.5
Iron Ore (CNY/MT)	874.50	-0.3	-1.2	2.0
Wheat (\$/bu)	674.25	5.1	3.6	-16.7
Corn (\$/bu)	493.50	0.0	-0.3	-19.2
Sugar (\$/lb)	23.53	0.9	3.2	32.0
SMP* (EUR/MT)	2,362.00	-0.8	-3.3	-14.9

\*SMP: Skimmed Milk Powder

## Interbank Rates

Region	Rate*	Daily Change(bps)	MTD (bps)	YTD (bps)
KSA (SAIBOR 1M)	5.66	-2.2	0.3	92.8
KSA (SAIBOR 3M)	5.93	-1.4	-2.3	58.7
KSA (SAIBOR 6M)	5.90	0.5	-4.2	30.5
KSA (SAIBOR 12M)	5.94	2.8	2.2	7.3
USA (SOFR 3M)	5.28	0.8	0.8	68.9
UAE (EIBOR 3M)	5.30	11.3	13.4	99.1

Data Sources: Tadawul, Bloomberg, Reuters  
Closes as of July 5, 2023



Technical observations	
Index	TASI
Ticker	SASEIDX Index
Last Close	11,592
Short-term view	Buy
52 weeks high/low	13,949 – 9,931

Market data	
Exchange Market Cap. (SAR bn)	10,981.9
Value (SAR mn)	8,489.3
Volume (mn)	292.7
Number of Transactions	528,784
Market Breadth	87 : 128

Key statistics	
1D return %	-0.23%
MTD return %	1.16%
QTD return	1.16%
YTD return	10.62%
ADT vol. 3M* (mn)	216.6
ADT val. 3M (SARmn)	5,987.3

\*ADT stands for Average Daily Traded

### TASI market commentary

- TASI witnessed a decline on Wednesday which was led by index heavyweight Telecommunication services (-0.67% D/D) and Banks (-0.38% D/D) sectors. At close, the Saudi market ended the day with a change of -0.23% at 11,592. In terms of activity, total volumes and value traded were ~293mn and ~SAR 8.5bn respectively. The advance-decline ratio came in at 87/128.

### Technical outlook

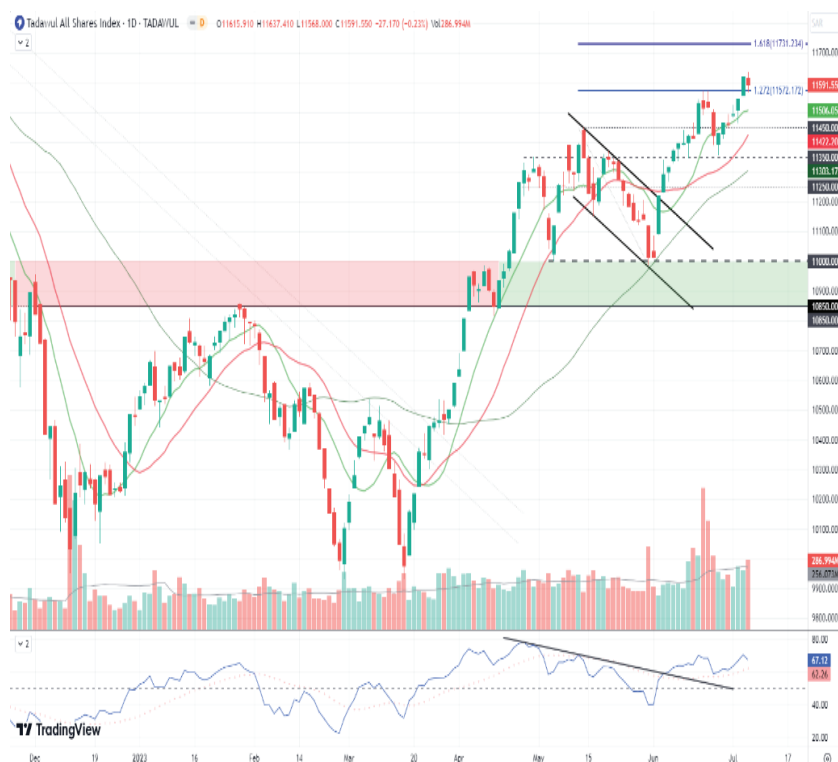
- TASI closed near 11,592 after losing 27 points. The index experienced some profit-booking attitude in the last session and developed a spinning top candlestick which needs to be confirmed by a following bearish candle to indicate a further profit-booking attitude. Meanwhile, TASI has penetrated the level of the prior minor peak as well as the level of 127.2% Fibonacci retracement level near 11,570, which paved the way for a further rise toward the level of 161.8% near 11,730. Moreover, the RSI indicator is still hovering inside the bullish territory above its 50 level. TASI currently has immediate resistance near 11,730, near the 161.8% Fibonacci retracement level, followed by 11,800. If penetrated, the next one is expected to lay near 11,900. On the other hand, immediate support is seen at around 11,570 near the level of 127.2% Fibonacci retracement and the prior minor peak, followed by the level of 11,450. If breached, the index would be expected to meet the next support near the prior trough at 11,350. Traders are advised to buy as long as the index respects the significant support level of 11,350.

Key price levels						
S3	S2	S1	Pivot	R1	R2	R3
11,250	11,350	11,450	11,570	11,730	11,800	11,900



Source: Bloomberg, Argaam

### TASI daily chart



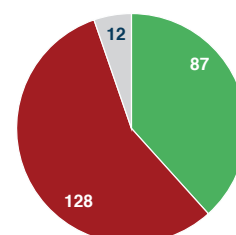
Source: Tradingview, Aljazira Capital

### 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
1214	Al Hassan Ghazi Ibrahim Shaker Co.	27.95	27.95 - 27.65	28.70	30.00	7.33%	27.00
6090	Jazan Energy and Development Co.	15.46	15.46 - 15.30	15.80	16.30	5.43%	15.10

\* As of 05<sup>th</sup> July 2023

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

## CHARTS OF THE WEEK

## Technical observations

**SHAKER** has just finished a bullish continuation symmetrical triangle price pattern. Moreover, the volume and the RSI indicator are showing bullish signals confirming the price action. We recommend buying the stock in a range of SAR27.95 - 27.65, for a target of SAR28.70 followed by SAR30.00, with a stop loss below SAR27.00 on a closing basis.

## Al Hassan Ghazi Ibrahim Shaker Co. (SHAKER)



Source: Tradingview, AlJazira Capital

## Technical observations

**JAZADCO** has just finished a bullish continuation symmetrical triangle price pattern. Moreover, the volume and the RSI indicator are showing a bullish signal confirming the price action. We recommend buying the stock in a range of SAR15.46 - 15.30, for a target of SAR15.80 followed by SAR16.30, with a stop loss below SAR15.10 on a closing basis.

## Jazan Energy and Development Co. (JAZADCO)



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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