

U.S. Market Weekly

22nd January 2024



Please see penultimate page for additional important disclosures. Al Rajhi Capital (Al Rajhi) is a foreign broker-dealer unregistered in the USA. Al Rajhi research is prepared by research analysts who are not registered in the USA.

U.S. Markets

Monday, January 22, 2024

- US stock markets ended higher last week propelled by a surge in chipmakers and prominent technology stocks with a positive outlook on artificial intelligence. The enthusiasm for AI played a significant role in the upward movement of stocks such as Nvidia and other chip stocks. Nasdaq, S&P 500, and Dow Jones rose 2.3%, 1.2%, and 0.7%, respectively. On contrary, European markets closed lower. US Futures are trading up, while Asian market are trading mix today.
- During the holiday-shortened week, stock markets generally saw an upward trend, albeit with a narrow advance. IT and semiconductor stocks, outperformed, with AI chip giant NVIDIA and rival Advanced Micro Devices (AMD) showing notable strength. Boeing experienced a sharp decline on Tuesday following earnings release and an analyst

downgrade, citing potential delivery delays related to safety concerns with the 737 MAX airliners. However, the stock recovered later in the week. Economic data presented mixed signals, with a significant drop in a New York manufacturing activity index on Tuesday contrasting with Wednesday's strong December retail sales, indicating varying signals on the overall health of the economy.

In terms of economic data, investors will focus on S&P Global PMI data for Composite, Services and Manufacturing on Wednesday. Thursday shall witness the release of Initial Jobs claim data for Jan. 19, Durable goods orders data for December coupled with GDP data and Core PCE data. Friday will see the release of PCE and Core PCE data along with Pending home sales data for December.

Upcoming U.S. Economic Events		Actual	Consensus	Previous
Wednesday	S&P Global Composite PMI Jan.	-	-	50.9
	S&P Global Services PMI Jan.	-	51.0	51.4
	S&P Global Manufacturing PMI Jan.	-	-	47.9
Thursday	Initial jobless claims Jan. 19	-	200,000	187,000
	Durable Goods Orders Dec.	-	-	5.4%
	Gross Domestic Product Annualized Q4	-	2.0%	4.9%
	Core PCE Q4 (q-o-q)	-	2.0%	2.0%
Friday	PCE Dec. (y-o-y)	-	2.6%	2.6%
	Core PCE Dec. (y-o-y)	-	3.0%	3.2%
	Pending Home Sales Dec. (m-o-m)	-	-	0.0%

Source: FXStreet, AI Rajhi Capital, PCE: Personal Consumption Expenditure.

S&P 500: 4,839.8 Weekly Chg: 1.2% YTD Chg: 1.5%



DJIA: 37,863.8 Weekly Chg: 0.7% YTD Chg: 0.5%



Nasdaq: 15,311.0 Weekly Chg: 2.3% YTD Chg: 2.0%



Performance

Index	Last close	Change (%)	
		Weekly	YTD
DJIA	37,863.8	0.7%	0.5%
S&P 500	4,839.8	1.2%	1.5%
Nasdaq	15,311.0	2.3%	2.0%
STOXX 600	469.2	-1.6%	-2.0%
CAC 40	7,371.6	-1.3%	-2.3%
DAX	16,555.1	-0.9%	-1.2%
FTSE 100	7,461.9	-2.1%	-3.5%
Nikkei 225	35,963.3	1.1%	7.5%
Hang Seng	15,308.7	-5.8%	-10.2%
U.S. Treasury bond yields	Last close	Change (bps)	
		Weekly	YTD
2 Yr	4.38	24	13
5 Yr	4.05	22	20
10 Yr	4.12	18	24
30 Yr	4.33	15	30
Commodities	Last close	Change (%)	
		Weekly	YTD
Gold Spot \$/Oz	2,029.5	-1.0%	-1.6%
Silver Spot \$/Oz	22.6	-2.5%	-4.9%
Crude Oil (Brent)	78.6	0.3%	2.0%
OPEC Basket	79.4	-1.0%	1.2%

Source: Bloomberg, Al Rajhi Capital
Closing figures as of 19th Jan. 2024.

Earnings Calendar

Monday			Previous Close Price	Current P/E	Earning Estimate/Share
UAL	United Airlines Holdings Inc	After the Close	\$38.82	3.9x	\$1.70
BRO	Brown & Brown Inc	After the Close	\$74.83	28.2x	\$0.53
AGNC	AGNC Investment Corp	After the Close	\$9.79	26.5x	\$0.59
Tuesday			Previous Close Price	Current P/E	Earning Estimate/Share
GE	General Electric Co	Before Open	\$129.81	60.3x	\$0.91
PG	Procter & Gamble Co/The	Before Open	\$147.57	24.0x	\$1.70
HAL	Halliburton Co	Before Open	\$33.97	11.3x	\$0.80
DHI	DR Horton Inc	Before Open	\$155.30	11.1x	\$2.89
RTX	RTX Corp	Before Open	\$85.53	17.1x	\$1.24
LMT	Lockheed Martin Corp	Before Open	\$457.76	15.0x	\$7.29
VZ	Verizon Communications Inc	After the Close	\$39.33	8.4x	\$1.08
NFLX	Netflix Inc	After the Close	\$482.95	45.6x	\$2.24
TXN	Texas Instruments Inc	After the Close	\$173.65	22.7x	\$1.48
Wednesday			Previous Close Price	Current P/E	Earning Estimate/Share
T	AT&T Inc	Before Open	\$16.67	7.2x	\$0.56
PGR	Progressive Corp/The	Before Open	\$170.14	36.5x	\$2.43
ABT	Abbott Laboratories	Before Open	\$114.69	35.1x	\$1.19
ELV	Elevance Health Inc	After the Close	\$464.61	15.5x	\$5.60
IBM	International Business Machine	After the Close	\$171.48	18.6x	\$3.75
TSLA	Tesla Inc	After the Close	\$212.19	68.1x	\$0.73
NOW	ServiceNow Inc	After the Close	\$749.11	219.2x	\$2.79
Thursday			Previous Close Price	Current P/E	Earning Estimate/Share
CMCSA	Comcast Corp	Before Open	\$43.35	12.2x	\$0.79
MMC	Marsh & McLennan Cos Inc	Before Open	\$199.10	25.6x	\$1.63
NEE	NextEra Energy Inc	Before Open	\$57.26	16.5x	\$0.48
UNP	Union Pacific Corp	After the Close	\$239.27	23.0x	\$2.56
INTC	Intel Corp	After the Close	\$48.15	NA	\$0.45
V	Visa Inc	After the Close	\$270.90	31.1x	\$2.34
TMUS	T-Mobile US Inc	After the Close	\$165.16	21.2x	\$1.91
Friday			Previous Close Price	Current P/E	Earning Estimate/Share
AXP	American Express Co	Before Open	\$183.17	17.2x	\$2.65
CL	Colgate-Palmolive Co	Before Open	\$80.38	26.5x	\$0.85

Source: Bloomberg, Al Rajhi Capital
Closing figures as of 19th Jan. 2024.



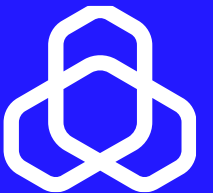
thank you

capitalize



on capital

الراجحي المالية
alrajhi capital



IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Al Rajhi Capital (Al Rajhi), a company authorized to engage in securities activities in Saudi Arabia. Al Rajhi is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Al Rajhi.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority (“FINRA”) and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports, or developments referred to in this research report. Neither Al Rajhi nor any of its directors, officers, employees, or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report’s preparation or publication, or any losses or damages which may arise from the use of this research report.

Al Rajhi may rely on information barriers, such as “Chinese Walls” to control the flow of information within the areas, units, divisions, groups, or affiliates of Al Rajhi.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by Al Rajhi with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded, or duplicated in any form or by any means without the prior consent of Al Rajhi and Al Rajhi accepts no liability whatsoever for the actions of third parties in this respect. This research document has been prepared by Al Rajhi Capital Company (“Al Rajhi Capital”) of Riyadh, Saudi Arabia. It has been prepared for the general use of Al Rajhi Capital’s clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Al Rajhi Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by Al Rajhi Capital. The information contained was obtained from various public sources believed to be reliable but we do not guarantee its accuracy. Al Rajhi Capital makes no representations or warranties (express or implied) regarding the data and information provided and Al Rajhi Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. Al Rajhi Capital or its officers or one or more of its affiliates (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. Al Rajhi Capital or its affiliates may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. Al Rajhi Capital, together with its affiliates and employees, shall not be liable for any direct, indirect, or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document.

This research document and any recommendations contained are subject to change without prior notice. Al Rajhi Capital assumes no responsibility to update the information in this research document. Neither the whole nor any part of this research document may be altered, duplicated, transmitted, or distributed in any form or by any means. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or which would subject Al Rajhi Capital or any of its affiliates to any registration or licensing requirement within such jurisdiction.



Disclaimer and additional disclosures for Equity Research

Disclaimer

This research document has been prepared by Al Rajhi Capital Company (“Al Rajhi Capital”) of Riyadh, Saudi Arabia. It has been prepared for the general use of Al Rajhi Capital’s clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Al Rajhi Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by Al Rajhi Capital. The information contained was obtained from various public sources believed to be reliable but we do not guarantee its accuracy. Al Rajhi Capital makes no representations or warranties (express or implied) regarding the data and information provided and Al Rajhi Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. Al Rajhi Capital or its officers or one or more of its affiliates (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. Al Rajhi Capital or its affiliates may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. Al Rajhi Capital, together with its affiliates and employees, shall not be liable for any direct, indirect or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document.

This research document and any recommendations contained are subject to change without prior notice. Al Rajhi Capital assumes no responsibility to update the information in this research document. Neither the whole nor any part of this research document may be altered, duplicated, transmitted or distributed in any form or by any means. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or which would subject Al Rajhi Capital or any of its affiliates to any registration or licensing requirement within such jurisdiction.



Disclaimer and additional disclosures for Equity Research

Explanation of Al Rajhi Capital's rating system

Al Rajhi Capital uses a three-tier rating system based on absolute upside or downside potential for all stocks under its coverage except financial stocks and those few other companies not compliant with Islamic Shariah law:

"Overweight": Our target price is more than 10% above the current share price, and we expect the share price to reach the target on a 12 month time horizon.

"Neutral": We expect the share price to settle at a level between 10% below the current share price and 10% above the current share price on a 12 month time horizon.

"Underweight": Our target price is more than 10% below the current share price, and we expect the share price to reach the target on a 12 month time horizon.

"Target price": We estimate target value per share for every stock we cover. This is normally based on widely accepted methods appropriate to the stock or sector under consideration, e.g. DCF (discounted cash flow) or SoTP (sum of the parts) analysis.

Please note that the achievement of any price target may be impeded by general market and economic trends and other external factors, or if a company's profits or operating performance exceed or fall short of our expectations.

Contact us

Mazen AlSudairi, CFA, CMT

Head of Research

Tel : +966 11 836 5468

Email: alsudairim@alrajhi-capital.com

Al Rajhi Capital

Research Department

Head Office, King Fahad Road

P.O. Box 5561, Riyadh 11432

Kingdom of Saudi Arabia

Email: research@alrajhi-capital.com

Al Rajhi Capital is licensed by the Saudi Arabian Capital Market Authority, License No. 07068/37.

