



U.S.-Saudi Business Council  
مجلس الأعمال السعودي الأمريكي

---

Weekly Market Brief  
*Week Ending April 1, 2022*

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's unemployment rate rose slightly to 6.9 percent in Q4 2021, according to the General Authority for Statistics (GStat). However, unemployment of Saudi nationals fell to 11 percent, down from 11.3 percent in Q3. Male and female labor force participation rose to 66.8 percent and 35.6 percent, respectively.
- Total bank claims on the private sector rose 14.5 percent YoY to SAR2.09 trillion (\$555 billion) in February, according to the Saudi Central Bank (SAMA). Compared to January, private lending rose 1.7 percent, or SAR35 billion (\$9.3 billion).
- Point-of-sale (POS) transactions in Saudi Arabia rose 25 percent YoY in February to reach SAR38.9 billion (\$10.4 billion). The number of POS transactions rose 58 percent YoY and the number of POS terminals in the Kingdom rose 43 percent YoY. Compared to January, the value of POS transactions fell 11 percent though the number of operating terminals rose 3 percent.
- Saudi Arabia licensed 52 new factories worth over SAR1.2 billion (\$320 million) in February, according to the Ministry of Industry & Mineral Resources (MIMR). The licensed factories are estimated to support 2,340 employees.

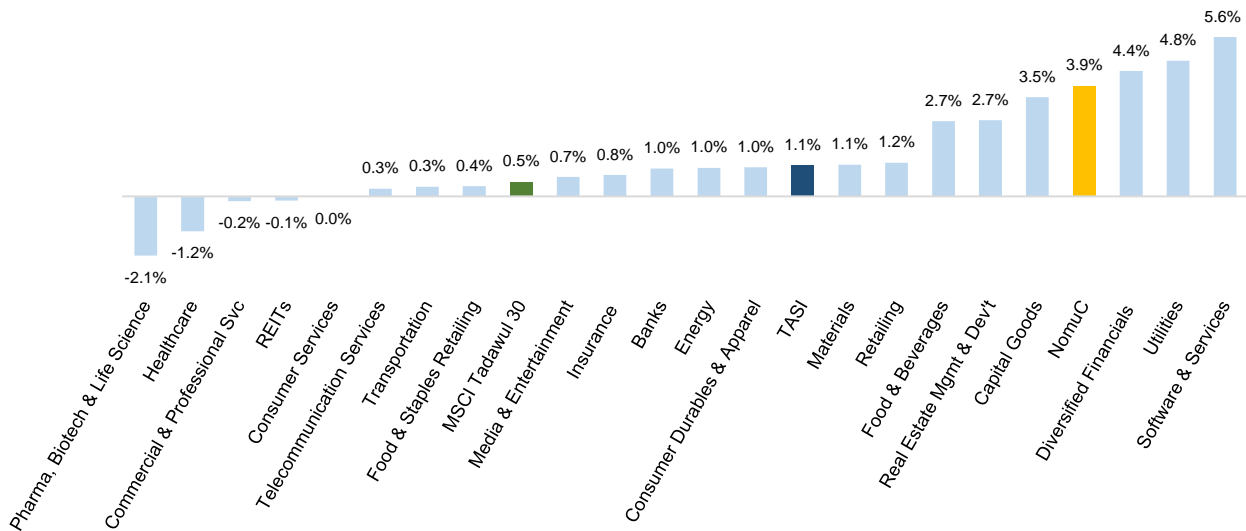


U.S.-Saudi Business Council  
 مجلس الأعمال السعودي الأمريكي

Tadawul

The TASI rose 1.1 percent last week and closed at 13,090 points. During the week, the TASI hit its highest level since June 2006. ‘Software & Services’ led other sectors with a 5.6 percent gain followed by ‘Utilities’ and ‘Diversified Financials,’ which rose 4.8 percent and 4.4 percent, respectively. ‘Pharma, Biotech, & Life Science’ was one of four sectors to post a decline, slipping 2.1 percent. The NomuC parallel market index meanwhile rose 3.9 percent while the MSCI Tadawul 30 gained 0.5 percent and closed the week at 1,840 points.

Tadawul Weekly Index Performance - April 1, 2022



Source: Tadawul, USSBC

- IPO activity in Saudi Arabia increased 250 percent in Q1 2022 with the value of initial share sales reaching SAR12.8 billion (\$3.4 billion) from SAR1.05 billion (\$280 million) during Q1 2021. The Nomu parallel market meanwhile recorded seven IPOs and raised a collective SAR2.28 billion (\$608 million) in proceeds this year.



U.S.-Saudi Business Council  
مجلس الأعمال السعودي الأمريكي

---

Business, Trade, & Investment

- SAMA issued permits to three new fintech firms to operate under its regulatory sandbox. The participation of Bwatech, Rabet, and Malaa in the central bank's sandbox brings the total to 35 companies.
- Nextacker announced its selection as a key technology supplier for phase one of the Sudair Solar PV plant. The 450 MW plant will be the Kingdom's largest solar installation when completed. Nextacker will provide smart solar tracker and TrueCapture technologies for the project.
- Saudi Aramco, Hyundai, and King Abdullah University of Science & Technology (KAUST) signed an agreement to jointly research and develop advanced fuel products for an "ultra-lean-burn, spark-ignition engine." The two-year partnership is aimed at developing optimal fuel formulation with a novel combustion engine that would couple with an electrified hybrid vehicle.
- Baker Hughes and Dussur signed a joint venture agreement focused on providing oilfield services and industrial chemicals. Texas-based Baker Hughes will hold a 51 percent ownership stake in the joint venture and operate a manufacturing facility in Jubail for domestic chemical demand in Saudi Arabia.
- Disney+ announced a launch date of June 8 and monthly price of SAR29.99 (\$7.99) for Saudi Arabia. The streaming service will launch in the Kingdom, along with other Arab countries on the same date.
- The Global Entrepreneurship Congress held in Riyadh last week saw a total of SAR25.2bn (\$6.7 billion) worth of agreements and MoUs signed. These included the messaging platform Unifonic raising SAR469 million (\$125 million) in the largest funding round closed by a Saudi startup. Saudi Arabia's Kafalah Fund also signed ten agreements worth SAR6.3 billion (\$1.7 billion) to finance SMEs.
- SABIC announced the launch of Nusaned Fund II, an industrial startup investment fund with SNB Capital at a value of SAR750 million (\$200 million).
- Saudi Aramco announced a partnership with the newly established NEOM subsidiary ENOWA. Aramco will help produce decarbonized and synthetic fuel in partnership with the Hydrogen Innovation and Development Centre (HIDC).



U.S.-Saudi Business Council  
مجلس الأعمال السعودي الأمريكي

---

## Banking

Weekly money supply M1, M2, and M3 fell 0.5 percent, 0.1 percent, and 0.04 percent, respectively, during the week ending March 24.

## U.S. MARKETS

### U.S. Macroeconomic Developments

- The U.S. unemployment rate fell to 3.6 percent in March, the lowest since February 2020. The number of unemployed fell by 318K to reach 5.952 million. Labor force participation edged up to 62.4 percent in March, the highest level since March 2020. The U.S. economy netted 431K jobs in March with job gains led by 'leisure & hospitality,' 'food services,' and 'professional & business services.'
- Personal income in the U.S. increased 0.5 percent MoM in February following a revised 0.1 percent growth in January. The increase in compensation reflected gains in private and government wages and offset a decrease in government social benefits.
- The S&P Case Shiller home price index rose by 19.1 percent YoY in January as strong demand and constrained supply are outweighing rising mortgage rates. Mortgage rates began to increase in January and now stand close to 5 percent, up from 3.25 percent at the end of 2021.

## Fixed Income

The yield on the ten-year U.S. Treasury fell to 2.38 percent.

## Equity Markets

The Dow Jones Industrial Average (DJIA) slipped 0.12 percent and finished the week at 34,818 points. The S&P 500 and NASDAQ meanwhile both inched up 0.06 percent and finished the week at 4,546 points and 14,262 points, respectively. During March, the DJIA rose 2.3 percent, the S&P rose 3.6 percent, and the NASDAQ rose 3.4 percent.



U.S.-Saudi Business Council  
مجلس الأعمال السعودي الأمريكي

---

## GLOBAL MARKETS

- Arab Light crude fell 12.2 percent and finished the week at \$103.22. Global benchmark Brent crude also fell sharply by 13.5 percent and finished the week at \$104.39 and West Texas Intermediate (WTI) dropped 12.8 percent and closed at \$99.27. OPEC+ met last Thursday and agreed to adhere to the existing supply agreement for April. The U.S. announced it would release 180 million barrels from the Strategic Petroleum Reserve over the next six months, accounting for roughly one third of U.S. state-owned reserves. Recent COVID lockdowns in China stemming from soaring cases in some regions applied downward pressure on demand forecasts. During the month of March, Arab Light rose 10.8 percent while Brent and WTI rose 6.9 percent and 4.8 percent, respectively.
- Eurozone annual inflation surged to an all-time high of 7.5 percent in March, up from 5.9 percent in February. Market forecasts anticipated a 6.6 percent annual rate. The annual inflation rate rose for the ninth consecutive month as the war in Ukraine and sanctions on Russia pushed fuel prices to record highs. Energy posted a 44.7 percent annual inflation rate, but prices of other items such as food (+5 percent) and non-energy industrial goods (+3.4 percent) also increased.
- Turkey's annual inflation rate rose to 61 percent in March, the highest in two decades. The Turkish lira remains weak compared to international benchmarks and energy prices have surged due to the war in Ukraine. 'Transportation' (+99.1 percent), 'food & beverage' (+70.3 percent), and 'restaurants & hotels' (+60.4 percent) all saw significant price increases.

## THE WEEK AHEAD

- Saudi Arabia PMI for March releases on April 5
- U.S. releases balance of trade figures for February on April 5
- U.S. Fed releases FOMC meeting minutes on April 6
- Saudi Arabia releases industrial production index for February on April 10