



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

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Weekly Market Brief  
*Week Ending April 15, 2022*

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's annual inflation rate rose to 2 percent in March as consumer prices for transportation and food continued to rise. Compared to the previous month, consumer prices rose 0.3 percent. Producer (wholesale) inflation meanwhile rose to 12.1 percent YoY amid higher crude oil, refined petroleum, chemical, and machinery prices.
- Fitch affirmed Saudi Arabia's credit rating at 'A' and revised its outlook from 'stable' to 'positive.' The revised rating reflects improvements in the Kingdom's balance sheet due to higher oil revenues and a commitment to fiscal consolidation. Fitch projects Saudi Arabia's debt-to-GDP ratio will remain below 30 percent through 2025.
- Saudi Arabia's ports cargo throughput increased 7.2 percent YoY in Q1 2022, according to the Saudi Ports Authority (Mawani). Saudi ports saw higher numbers of passengers (+62 percent) and car imports (+13 percent) while imported livestock declined significantly (-58 percent).

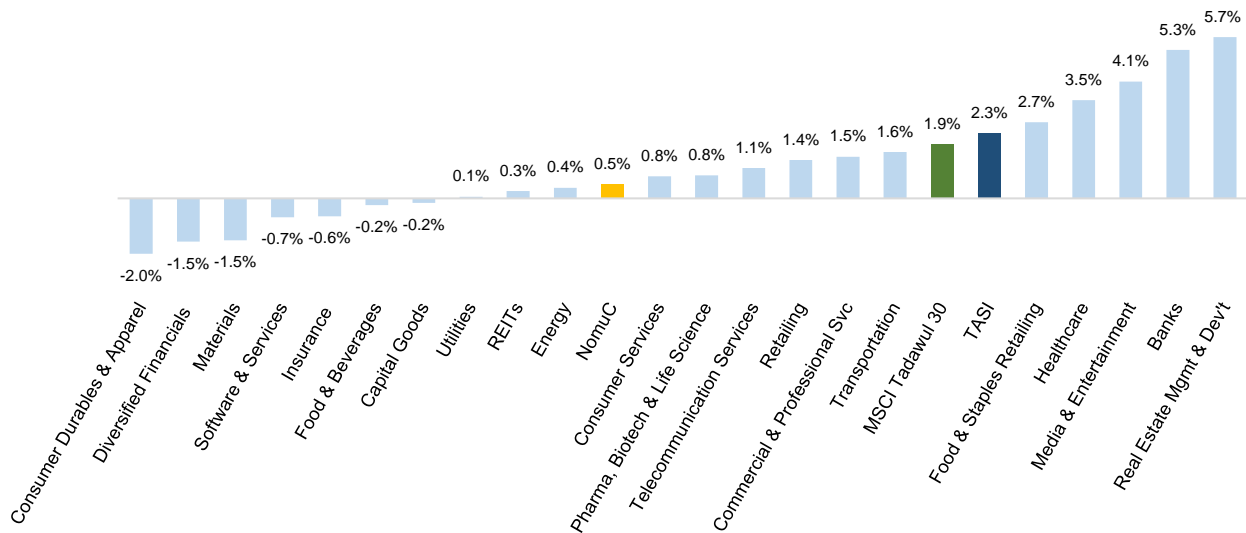


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Tadawul

The TASI rose 2.3 percent last week and closed at 13,621 points. ‘Real Estate Management & Development’ led other sectors with a 5.7 percent gain followed by ‘Banks’ and ‘Media & Entertainment,’ which rose 5.3 percent and 4.1 percent, respectively. ‘Consumer Durables & Apparel’ led losses again last week, declining by 2 percent. The NomuC parallel market index gained 0.5 percent while the MSCI Tadawul 30 rose 1.9 percent and closed the week at 1,924 points.

Tadawul Weekly Index Performance - April 15, 2022



Source: Tadawul, USSBC

- Foreign ownership in Saudi companies rose to SAR404.3 billion (\$108 billion) by the end of the first quarter, equivalent to 3.4 percent of the total market value of listed companies, according to the Capital Market Authority (CMA). The highest value of shares owned by foreign investors was in Al-Rajhi Bank, Saudi National Bank, SABB, Saudi Aramco, and SABIC.



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### Business, Trade, & Investment

- The U.S. Embassy in Riyadh and King Abdulaziz City for Science and Technology (KACST) signed an agreement for scientific and technological cooperation between the U.S. and Saudi Arabia. The 10-year cooperation pact amends and extends a previous bilateral agreement aimed at realizing joint goals in science and technology research.
- Keller Williams, a Texas-based real estate technology company, announced its expansion into Saudi Arabia with a master franchise, KW Saudi Arabia. The new franchise is expected to open its first Saudi market center in Q2 2022.
- Spoilz Games, a Saudi mobile gaming studio, raised SAR2.6 million (\$693K) in a pre-seed investment round to develop new games and expand its global presence. In recent months, the PIF and MBC Group have separately launched game development studios amid a push to tap the economic potential of the video game industry in the GCC.
- The Ministry of Industry and Mineral Resources (MIMR) announced an auction for 13 mining licenses in the limestone blocks complex in Hufairat Nisah, Riyadh.
- MIMR launched the Saudi Advanced Manufacturing Hub in partnership with the World Economic Forum to drive 24 core national companies towards adopting advanced manufacturing technologies.

### Banking

Weekly money supply M1 and M2 fell 0.2 percent and .01 percent, respectively, while M3 rose 0.2 percent during the week ending April 7.



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## U.S. MARKETS

### U.S. Macroeconomic Developments

- U.S. annual inflation accelerated to 8.5 percent in March, the highest since December 1981. Energy prices were up 32 percent and food prices increased 8.8 percent from the same month last year. Core inflation, which excludes food and energy, rose 6.5 percent YoY in March and set a 39-year high.
- U.S. retail sales rose 0.5 percent in March, though inflation-adjusted figures showed a 1.6 percent decline. Gas stations posted an 8.9 percent sales increase amid elevated prices. Supply chain constraints still weighed on sales in the auto industry (-1.9 percent) while e-commerce saw a steep decline (-6.4 percent).
- Consumer sentiment in the U.S. unexpectedly rose in April amid a reprieve in gas prices. The index rose 5 points from March to reach 65.7 points. Inflation remained the top concern for consumers though future economic expectations rose almost 10 points. Assessment of current economic conditions remained near historic lows.

### Fixed Income

The yield on the ten-year U.S. Treasury rose to 2.83 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) fell 0.8 percent and finished the week at 34,451 points. The S&P 500 fell 2.3 percent and finished at 4,393 points while the NASDAQ dropped 2.6 percent and finished the week at 13,351 points.



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## GLOBAL MARKETS

- Arab Light crude rose 10.5 percent and finished the week at \$116.64. Global benchmark Brent crude rose 8.7 percent and finished the week at \$111.70 and West Texas Intermediate (WTI) gained 8.8 percent and closed at \$106.95. The International Energy Agency (IEA) cut its forecast for global fuel consumption in 2022 by 260K barrels per day (bpd) due to the impact of sanctions on Russia and reimposed lockdowns in China. IEA warned that from May onwards up to 3 million bpd of Russian oil could be taken “offline.” Global oil consumption is expected to grow 1.9 million bpd YoY to 99.4 million bpd in 2022, according to IEA.
- China’s trade surplus jumped to \$47.4 billion in March, more than doubling market expectations. Exports extended double-digit growth (+14.7 percent YoY) while imports ticked down 0.1 percent YoY, the first drop since August 2020.
- The European Central Bank (ECB) kept interest rates at zero and stated net asset purchases would be concluded by Q3 2022. The central bank noted intensifying inflationary pressures but provided no clear guidance on a timeline for potential rate increases.

## THE WEEK AHEAD

- U.S. releases home sales for March on April 20
- Saudi Arabia releases real estate prices for March on April 21
- Saudi Arabia releases international trade figures for February on April 24