



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

---

Weekly Market Brief  
*Week Ending September 30rd, 2022*

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's Ministry of Finance announced its 2023 preliminary budget and stated it expects a surplus of SAR9 billion (\$2.4 billion), or 0.2 percent of gross domestic product. Spending is projected at SAR1.11 trillion (\$296 billion) with revenue of SAR1.12 trillion (\$299 billion). The economy is forecast to grow by 3.1 percent.
- The Saudi unemployment rate decreased to 9.7 percent in the second quarter of 2022, from 10.1 percent in the first quarter of 2022. The unemployment rate for Saudi females also decreased, reaching 19.3 percent compared to 20.2 percent, and the unemployment rate for Saudi males declined to 4.7 percent from 5.1 percent in the previous quarter.
- Saudi Arabia's Point of Sale (POS) transactions increased by SAR181.6 million (\$48.4 million) last week to a total of SAR10.4 billion, according to data from the Saudi Central Bank. Growth was led by 'Hotels' (+23.2 percent), 'Electronic Devices' (+21.5 percent), 'Furniture' (+18.7 percent), and 'Clothing and Footwear' (+15.6 percent).

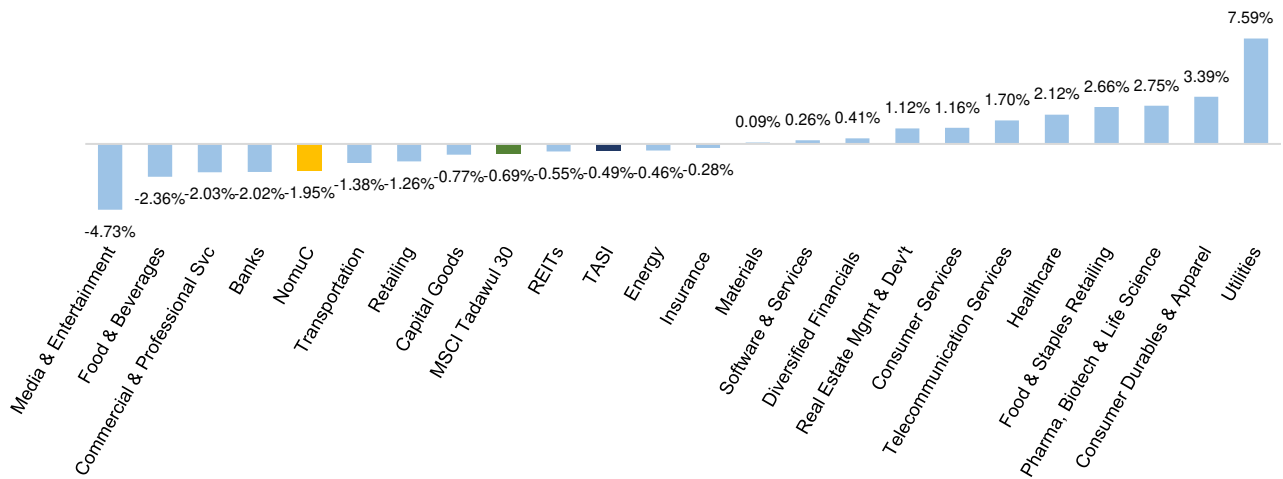


U.S.-Saudi Business Council  
 مجلس الأعمال السعودي الأمريكي

### Tadawul

The TASI declined 0.49 percent last week and closed at 11,405 points. Eleven of the 21 sectors finished in positive territory. 'Utilities' led all sectors with an increase of 7.59 percent. 'Media & Entertainment' dropped the most with a 4.7 percent fall. The NomuC parallel market index slipped by 1.95 percent while the MSCI Tadawul 30 fell by 0.69 percent and closed the week at 1,577 points.

Tadawul Weekly Index Performance - September 30, 2022



Source: Tadawul, USSBC



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

---

## Business, Trade, & Investment

- Saudi Power Procurement Co. launched five projects to produce electricity using renewable energy, with a total capacity of 3,300 megawatts, according to the Saudi Press Agency. The launch of the projects is part of the fourth phase of the Ministry of Energy's National Renewable Energy Program.
- The Ministry of Industry and Mineral Resources announced the issuance of 115 new industrial licenses last August, at a total value of SAR4.1 billion (\$1.1 billion). Small-sized enterprises dominated most of the newly issued licenses in August with 85.2 percent, followed by medium-sized enterprises with 11.3 percent.
- The Ministry of Municipal and Rural Affairs and Housing (MOMRA) signed an agreement worth more than SAR40 billion (\$10.7 billion) to develop the infrastructure of 11 cities around Saudi Arabia. The agreement also included financing and developing a project portfolio between MOMRA and the largest real estate developer, the National Housing Company.
- Saudi Arabia's Savvy Games Group, owned by the Public Investment Fund, plans to invest SAR142 billion (\$38 billion) on its new investment strategy. Under the strategy, 250 games companies will be established in the Kingdom, which will create 39,000 jobs, and raise the sector's GDP contribution to SAR50 billion (\$13.3 billion) by 2030.
- The Saudi Ports Authority (MAWANI) signed seven contracts and memorandums of understanding (MoUs) with public and private sector partners worth more than SAR900 million (\$239 million). The deals include projects such as the establishment of a logistics park at Jeddah Islamic Port.
- The National Housing Co. (NHC) signed nine agreements totaling SAR2 billion (\$533 million) with a number of national strategic partners. The agreements aim to provide project management services, engineering supervision, design work implementation, housing unit construction, and evaluation services.



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

---

## Banking

Money supply M1 and M2 declined by 0.12 percent and 0.36 percent. M3 increased by 0.79 percent during the week ending September 23.

## U.S. MARKETS

### U.S. Macroeconomic Developments

- New orders for durable goods came in slightly better than expected in August slipping just 0.2 percent during the month. A rebound in defense aircraft orders specifically helped prevent a steeper decline in orders.
- New home sales jumped 28.8 percent to a 685K unit pace in August, ending two months of consecutive declines. Mortgage rates trended lower in the second half of July and first weeks of August, which likely spurred buyers to move forward with a purchase.
- The Consumer Confidence Index rose to its highest level since April, and now sits over 12 points higher than where it was just two months ago. Falling gasoline prices and a still-tight labor market are the main reasons for a rebound in confidence. However, as inflation persists and the Fed lifts rates to combat it, confidence is unlikely to approach pre-pandemic levels.

### Fixed Income

The yield on the ten-year U.S. Treasury rose to 3.83 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) declined 2.9 percent and finished the week at 28,725 points. The S&P 500 dropped 2.9 percent and finished at 3,585 points while the NASDAQ dipped 2.7 percent and finished the week at 10,575 points. For the month of September, all three indices declined with the DJIA, S&P 500, and NASDAQ falling by 9.3 percent, 9.6 percent, and 10.3 percent, respectively.



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

---

## GLOBAL MARKETS

- Arab Light crude decreased 1.76 percent and finished the week at \$92.56. Global benchmark Brent crude gained 2.1 percent to reach \$87.96 while West Texas Intermediate (WTI) grew by 0.95 percent and closed at \$79.49. Global oil prices increased due to soaring supply-side concerns fueled by Russia-Ukraine tension and anticipated supply cuts by OPEC+ producers.
- The annual inflation rate in the Euro Area jumped to 10 percent in September from 9.1 percent in August, reaching double-digits for the first time ever, preliminary estimates showed. Figures compare with market forecasts of 9.7 percent. It marks the fifth consecutive month of rising inflation, with prices showing no signs of peaking. Faster increases were seen for food, alcohol and tobacco, energy, non-energy industrial goods, and services.
- The official NBS Manufacturing PMI for China increased to 50.1 points in September 2022 from 49.4 points in the previous month, surpassing market forecasts of 49.6 points. This was the first expansion in factory activity in three months, amid a series of stimulus packages from the government and an easing of COVID restrictions in some cities.

## THE WEEK AHEAD

- U.S. releases ISM manufacturing PMI for September on October 3
- Saudi Arabia releases S&P Global PMI for September on October 4
- U.S. releases the unemployment rate for September on October 7