



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

---

Weekly Market Brief  
*Week Ending November 4th, 2022*

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's real gross domestic product grew by 8.6 percent in the third quarter of 2022 compared to the same period last year, according to official data released by the General Authority for Statistics (GASTAT). The Kingdom's GDP growth is driven by a 14.5 percent increase in oil activities in the third quarter.
- The Ministry of Finance posted revenues of SAR950.2 billion (\$252.8 billion) and expenditures of SAR800.7 billion (\$213.1 billion) in the first nine months of 2022. Revenues stood at SAR301.9 billion (\$80.3 billion) in the third quarter, while expenditures reached SAR287.7 billion (\$76.6 billion).
- Saudi Arabia's Purchasing Managers' Index hit 57.2 points in October, the strongest since January 2021. This marks the Kingdom's 26<sup>th</sup> successive month of growth, according to the Riyadh Bank Saudi Arabia Purchasing Managers' Index.
- Saudi Arabia's air traffic grew 43 percent in 2021 compared to the previous year, reaching 497,000 flights, according to GASTAT. The report noted that 49 million passengers were transported in 2021, which marks a 30 percent increase. Saudi Airlines alone transported 40 million passengers in 2021.

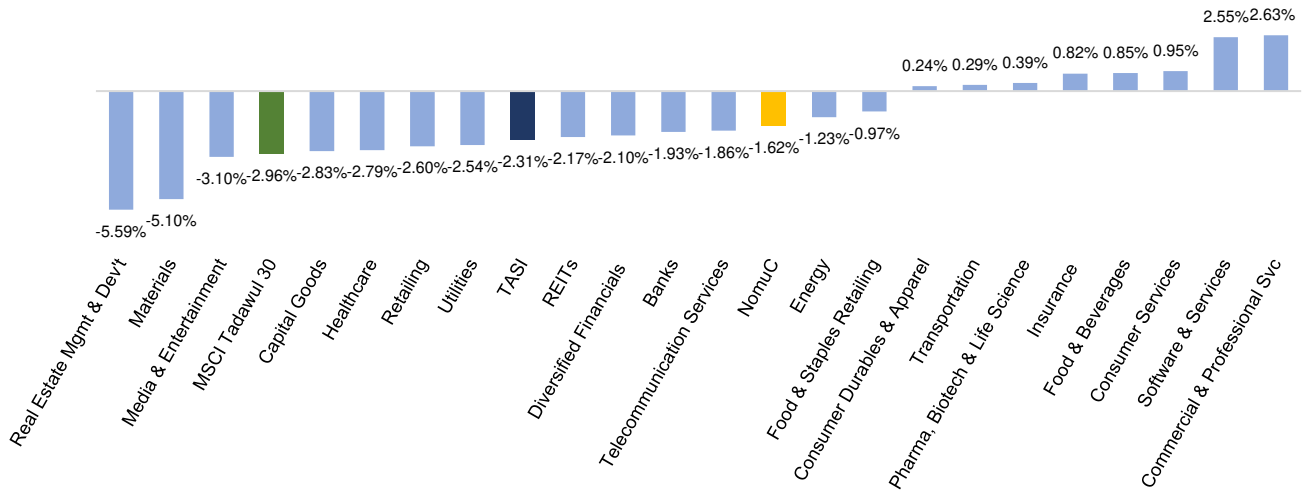


U.S.-Saudi Business Council  
 مجلس الأعمال السعودي الأمريكي

## Tadawul

The TASI saw a 2.31 percent decline in the past week and closed at 11,439 points. Most of the sectors finished in negative territory with 'Real Estate Management & Development' experiencing the greatest decline at 5.59 percent, followed by 'Materials' and 'Media & Entertainment', which declined by 5.10 percent and 3.10 percent, respectively. 'Commercial & Professional Services' had the greatest increase at 2.63 percent, followed by 'Software & Services' at 2.55 percent. The NomuC parallel market index fell by 1.62 percent and closed at 19,528 points, while the MSCI Tadawul 30 declined by 2.96 percent and closed the week at 1,585 points.

Tadawul Weekly Index Performance - November 4, 2022



Source: Tadawul, USSBC

- The Capital Market Authority (CMA) announced that the value of non-Gulf foreign investors' ownership in TASI had increased by 28 percent to SAR354 billion (\$94.2 billion) by the end of the second quarter of 2022. Ownership value of foreign investors in the financial market increased by 28 percent to SAR276 billion (\$73.4 billion).
- The CMA has approved Americana Restaurants International Company's application for the concurrent and dual listing of 2.5 billion shares, or 30 percent of capital, on Saudi Arabia and UAE stock exchanges. This would be the first dual offering on the Saudi Exchange (Tadawul).



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

---

### Business, Trade, & Investment

- Saudi Arabia's Ministry of Industry and Mineral Resources announced that a consortium consisting of Saudi Arabian Mining Co. (Maaden) and Barrick Gold T7 Ltd won the Umm Al-Damar exploration license.
- Saudi Aramco has awarded Egypt-headquartered Engineering for the Petroleum & Process Industries (ENPPI) the main engineering, procurement and construction (EPC) contract for a project to build refrigeration units and storage tanks at its Juaymah natural gas liquids (NGL) fractionation plant. The value of the contract is estimated to be SAR1.1 billion (\$300 million).
- The Qiddiya Investment Co. awarded a SAR2.8 billion (\$750 million) contract to build Saudi Arabia's first, and the region's largest, water theme park. The contract was awarded to ALEC Saudi Arabia Engineering & Contracting and El Seif Engineering Contracting in a joint venture.
- The Saudi Agricultural and Livestock Investment Company (SALIC), owned by the Saudi Public Investment Fund (PIF), and Brazilian meatpacker Minerva has acquired the Australian Lamb Company (ALC) for SAR970 million (\$258 million). The acquisition was done through Minerva Foods Australia, a joint venture established last year between SALIC and Minerva Foods.
- Saudi Arabia topped the highest rate of Near-Field Communication (NFC) payments adoption by 94 percent, surpassing EU, Middle East and North Africa countries, in addition to Hong Kong and Canada.

### Banking

Money supply M1 increased by 1.03 percent, while M2 and M3 also increased by 1.11 percent and 1.17 percent, respectively, during the week ending October 27.



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

---

## U.S. MARKETS

### U.S. Macroeconomic Developments

- The Federal Reserve raised the federal funds rate by 75bps to 4 percent during its November 2022 meeting, which marks a sixth consecutive rate hike and the fourth straight three-quarter point increase, pushing borrowing costs to a new high since 2008.
- Private businesses in the U.S. unexpectedly created 239K jobs in October 2022, the most in three months. The services sector led with an estimated 247K jobs created, followed by leisure/hospitality (210K) and trade/transportation/utilities (84K). However, jobs were lost in information (-17K), professional/business (-14K), financial activities (-10K), and education/health (-5K).
- The ISM Manufacturing PMI fell to 50.2 points in October of 2022 from 50.9 in September, pointing to the slowest growth in factory activity since the contraction during mid-2020. Figures came slightly higher than market forecasts of 50 points.
- Personal spending in the US went up 0.6 percent MoM in September of 2022, the same as an upwardly revised 0.6 percent rise in August. The leading contributors were housing, international travel, and air transportation.

### Fixed Income

The yield on the ten-year U.S. Treasury rose to 4.17 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) decreased 1.40 percent and finished the week at 32,403 points. The S&P 500 fell 3.35 percent and finished at 3,771 points while the NASDAQ also saw a decline of 5.65 percent and ended the week at 10,475 points. For the month of October, the DJIA saw an overall 13.95 percent rise as it closed at 32,732 points, The S&P 500 increased by 7.98 percent and closed at 3,872 points, while the NASDAQ rose 3.90 percent and closed at 10,988 points.



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

---

## GLOBAL MARKETS

- Arab light crude declined 0.58 percent and finished the week at \$96.02. Global benchmark Brent crude jumped by 5.12 percent to reach \$98.57 a barrel, while U.S. West Texas Intermediate (WTI) crude jumped 5.36 percent and closed at \$92.61. Oil prices are projected to trend upwards as OPEC follows through on reducing oil production this month. For the month of October, Arab light rose 3.66 percent and closed at \$95.95, Brent crude increased by 4.30 percent and closed at \$98.91, while WTI crude rose 7.88 percent and closed at \$92.98.
- The Caixin China General Manufacturing PMI rose to 49.2 points in October 2022 from September's 4-month low of 48.1 points. The latest result was above market consensus of 49 points while marking the 3rd straight month of declines in the sector, amid the impact of COVID controls. Both output and new orders fell at softer paces, while buying levels grew for the first time since July.
- The annual inflation rate in the Euro Area continued to break record high levels and jumped to 10.7 percent in October of 2022 from 9.9 percent in September. Energy prices continue to have the biggest impact (up 41.9 percent vs 40.7 percent in September. Consumer prices were up 1.5 percent, the highest increase in seven months.

## THE WEEK AHEAD

- U.S. releases wholesale inventories MoM for September on November 9
- Saudi Arabia releases industrial production YoY for September on November 10
- U.S. releases its monthly budget statement for October on November 10