



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

Weekly Market Brief
Week Ending April 14th, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- According to the General Authority for Statistics (GASTAT) Saudi Arabia's inflation eased to 2.7 percent in March from 3 percent in February due to a slight decrease in food and beverage prices.
- Industrial production in Saudi Arabia rose to 6 percent YoY in February easing from a 6.8 percent gain in January driven by high production in mining and quarrying, and manufacturing activities, according to GASTAT.
- The annual wholesale price inflation in Saudi eased to 1.1 percent in March after a 2.7 percent growth in February, the lowest it has been since June 2020.

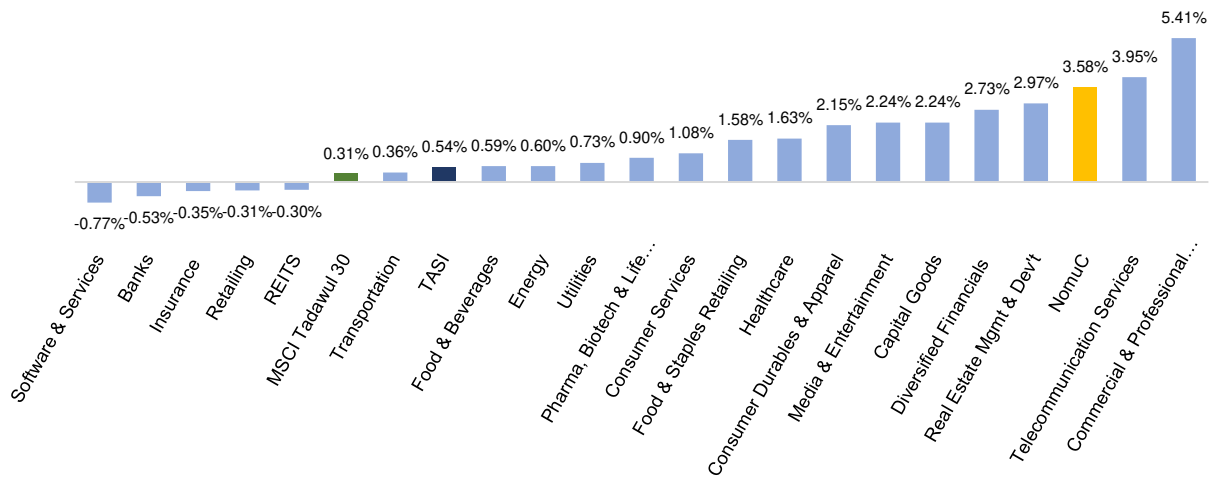


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Tadawul

The TASI increased 0.54 percent last week and closed at 10,965 points. Sixteen of the 21 sectors finished the week in positive territory with 'Commercial & Professional Services' and 'Telecommunication services' experiencing the greatest increase at 5.41 percent and 3.95 percent, respectively. 'Software & Services' had the steepest decline at 0.77 percent followed by 'Banks' at 0.53. The NomuC parallel market index increased by 3.58 percent and closed at 20,730 points, while the MSCI Tadawul 30 grew 0.31 percent and closed the week at 1,487 points.

Tadawul Weekly Index Performance - April 14, 2023



Source: Tadawul, USSBC



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Business, Trade, & Investment

- According to the Saudi Central Bank (SAMA), foreign investment in Saudi grew by 2 percent in 2022 to SAR2.4 trillion (\$640 billion) compared to SAR2.36 trillion (630 billion) in 2021.
- Saudi Arabia's Monsha'at joined hands with Silicon Valley Innovation Center to launch a specialized program for fast growing enterprises with the aim to speed up the growth journey by developing leadership skills and knowledge.
- Saudi real estate prices increased by 1 percent YoY in Q1 of 2023, due to the rise in prices of residential properties by 1.6 percent and commercial real estate by 0.1 percent, according to GASTAT.
- Saudi energy firm ACWA power has signed a water purchase agreement for Rabigh-4 independent water plant, with potable water production capacity of 600,000 cubic meter per day, worth SAR2.54 billion (\$677 million) which involves developing associated infrastructure and facilities of the plant.
- Crystal Lagoons partnered with A'amal Group to develop real estate, hospitality, and Public Access Lagoons (PAL) consisting of several luxury complexes around the kingdom.
- Saudi's Investment Ministry has signed a memorandum of understanding (MOU) with Haichang Ocean Park to develop theme parks, water parks, wildlife parks and family entertainment centers in the country.

Banking

Money supply M2 increased by 1.27 while M1 and M3 decreased by 0.44 percent and 0.60 percent, respectively during the week ending April 6th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- The annual inflation rate in the United States slowed MoM to 5 percent in March, from 6 percent in February, the lowest it's been since May of 2021, and below market forecasts of 5.2 percent.
- The core inflation rate in the U.S. rose to 5.6 percent in March after a 14-month low of 5.5 percent matching market estimates as the cost of rent increased further.
- Retails sales dropped 1 percent MoM in March more than market forecasts of 0.4 percent following cost pressures and rising interest rates weighing consumers' willingness to spend.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 3.52 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 1.20 percent and finished the week at 33,886 points. The S&P 500 increased 0.79 percent and finished at 4,138 points. The NASDAQ rose 0.29 percent and ended the week at 12,123 points.



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GLOBAL OIL MARKETS

- Arab light crude increased 2.17 percent and finished the week at \$88.58. Global benchmark Brent crude increased 1.40 percent to \$86.31 a barrel, while U.S. West Texas Intermediate (WTI) crude jumped 2.21 percent and closed at \$82.48.
- Oil prices increased for the fourth straight week as supplies tightened in some parts of the world.
- Saudi Aramco will supply full crude contracts to several North Asian buyers in May, despite its pledge to cut output by 500,00 barrels per day.

THE WEEK AHEAD

- U.S. releases Building Permits Prel for March on April 18
- U.S. releases MBA Mortgage Rate on April 19
- U.S. releases Initial Jobless Claims on April 20