



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

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Weekly Market Brief  
*Week Ending May 19<sup>th</sup>, 2023*

## SAUDI ARABIAN MARKET

### Saudi Arabia Macroeconomic Developments

- Saudi Arabia's balance of trade increased for the first time in nine months by SAR6 billion (\$1.6 billion) in February 2023 compared to a month earlier, according to the General Authority for Statistics (GASat).
- According to GASat, the Kingdom's inflation rate remained unchanged at 2.7 percent in April compared to March 2023 and above market expectations of 2.5 percent.
- Saudi Arabia's holding of U.S. Treasuries increased by SAR16.88 billion (\$4.5 billion) MoM in March to reach SAR435.76 billion (\$116.2 billion).

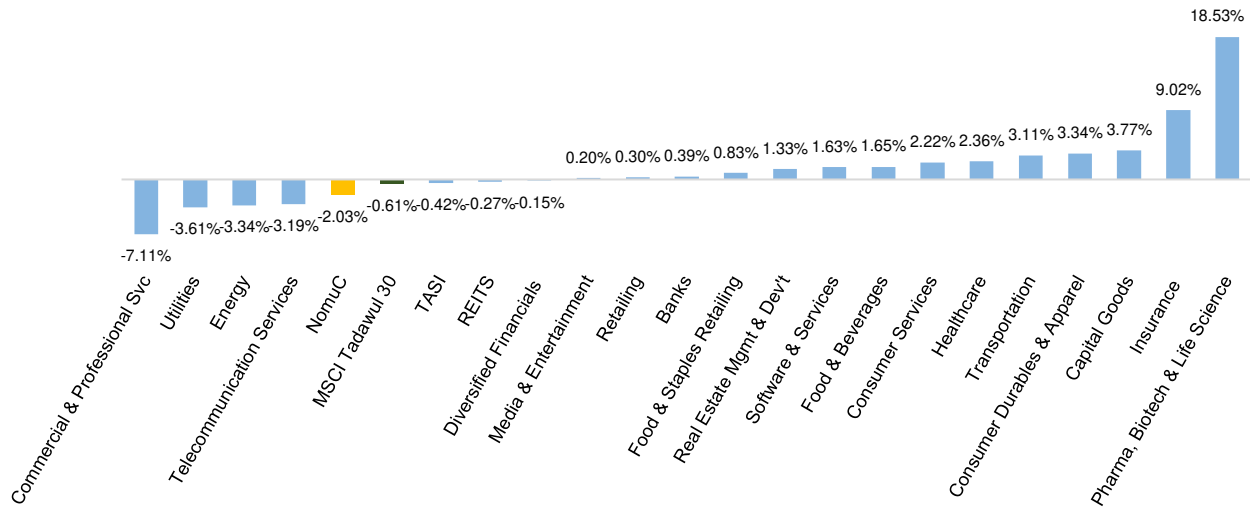


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## Tadawul

The TASI decreased 0.42 percent last week and closed at 11,344 points. Thirteen of the 21 sectors finished the week in positive territory with 'Pharma, Biotech & Life Science' and 'Insurance' experiencing the greatest increases at 18.53 percent and 9.02 percent, respectively. 'Commercial & Professional Services' had the steepest decline at 7.11 percent followed by 'Utilities' at 3.61 percent. The NomuC parallel market index decreased by 2.03 percent and closed at 20,833 points, while the MSCI Tadawul 30 dropped 0.61 percent and closed the week at 1,527 points.

Tadawul Weekly Index Performance - May 19, 2023



Source: Tadawul, USSBC



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### Business, Trade, & Investment

- Saudi Arabia's property rental transactions for April rose 48 percent to 176,000 deals YoY while commercial leasing deals fell 17 percent to 23,000 transactions in April YoY.
- The Ministry of Industry and Mineral Resources issued 27 new mining licenses in March, up nine from the previous month. Six licenses were for mineral exploration, 13 for building materials, five for surplus mineral ores, and the remaining for reconnaissance and exploration.
- Riyadh bank partnered with NEOM to provide SAR3 billion (\$800 million) in financing for Sindalah Island, which is estimated to generate 3,500 jobs in the tourism, hotel, and leisure sectors. Travelers are expected to begin visiting the island in early 2024.
- The Kingdom's Public Investment Fund (PIF) increased its stake in Electronic Arts, adding to its SAR142.50 billion (\$38 billion) already invested in the video game industry. It increased its shares by 55 percent, climbing from 16.01 million shares to 24.81 million shares.

### Banking

Money supply M1 and M3 decreased by 0.07 percent and 0.17 percent, respectively. M2 increased by 0.27 during the week ending May 11<sup>th</sup>.



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## U.S. MARKETS

### U.S. Macroeconomic Developments

- Building permits in the U.S. declined by 15 percent in April 2023, the second consecutive month of decline and fell short of market expectation due to a decrease in housing demand, higher interest rates, and increasing consumer prices.
- Retail sales for April increased 0.4 percent MoM, after two consecutive months of declines, but were still below market forecasts of a 0.8 percent increase.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances in the US jumped by 9bps to 6.57 percent, the highest in two months.

### Fixed Income

The yield on the ten-year U.S. Treasury increased to 3 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 0.38 percent and finished the week at 33,427 points. The S&P 500 increased 1.65 percent and finished at 4,192 points. The NASDAQ rose 3.04 percent and ended the week at 12,658 points.



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## GLOBAL OIL MARKETS

- Arab light crude increased 2.32 percent and finished the week at \$77.63. Global benchmark Brent crude increased 1.90 percent to \$75.58 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 2.16 percent and closed at \$71.55.
- Oil prices rose for the first time after four months of consecutive declines.
- According to Saudi Arabia's King Abdullah Petroleum Studies and Research Center (KAPSARC), global oil consumption is expected to record a YoY increase of 1.84 million barrels per day in 2023.

## THE WEEK AHEAD

- Saudi releases Balance of Trade for March on May 25
- U.S. releases Personal Income MoM for April on May 26
- U.S. releases Core PCE Price Index MoM for April on May 26