



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

Weekly Market Brief
Week Ending June 2nd, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The population of Saudi Arabia has reached 32.2 million, statistics from the 2022 census released by the General Authority for Statistics (GASat) revealed. Of the total number, Saudis made up 18.8 million people (58.4 percent), while non-Saudis accounted for 13.4 million, or 41.6 percent of the population.
- Saudi Arabia's merchandise exports increased 48.9 percent YoY in 2022 to hit SAR1.54 trillion (\$410 billion), driven by a rise in oil exports, according to the latest report released by GASat. The Kingdom's oil exports soared 61.8 percent in 2022 to SAR1.22 trillion (\$325 billion), compared to SAR758.1 billion (\$202 billion) in the previous year. Read more about the U.S.-Saudi trade relationship in our most recent [Economic Brief](#).
- According to a report released by the Small and Medium Enterprises General Authority (Monsha'at), the total number of small and medium enterprises exceeded 1.2 million in the first quarter of 2023. This figure reflects a 4.8 percent surge compared to the final quarter of 2022.

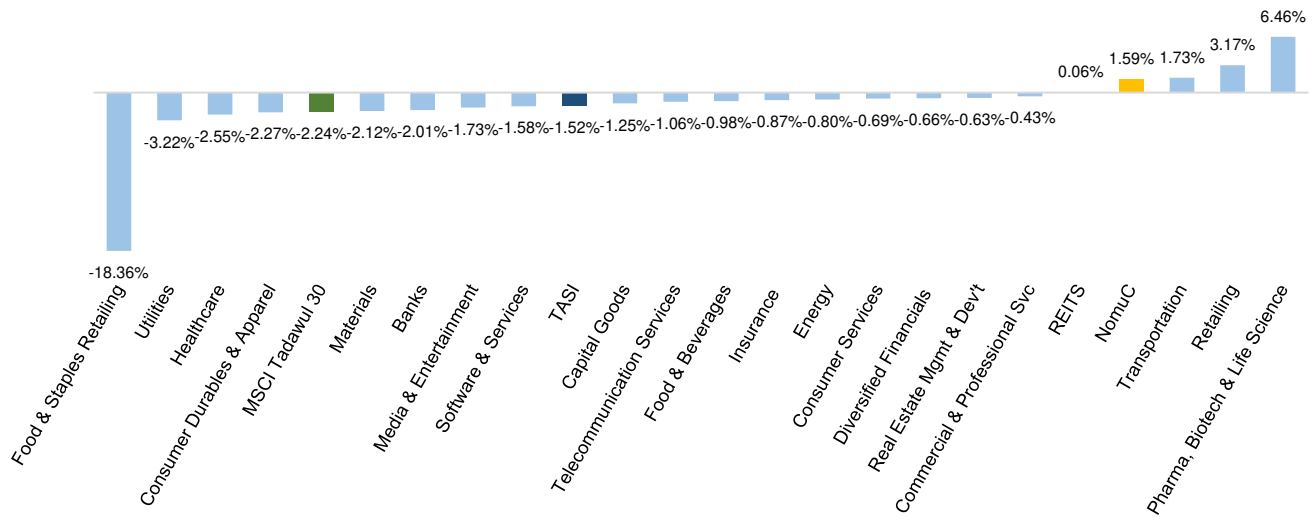


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Tadawul

The TASI decreased 1.52 percent last week and closed at 11,014 points. Four of the 21 sectors finished the week in positive territory with 'Pharma, Biotech & Life Science' and 'Retailing' experiencing the greatest increases at 6.46 percent and 3.17 percent, respectively. 'Food & Staples Retailing' had the steepest decline at 18.36 percent followed by 'Utilities' at 3.22 percent. The NomuC parallel market index increased by 1.59 percent and closed at 21,415 points, while the MSCI Tadawul 30 dropped 2.24 percent and closed the week at 1,458 points.

Tadawul Weekly Index Performance - June 2, 2023



Source: Tadawul, USSBC



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Business, Trade, & Investment

- The aggregate profit of banks operating in Saudi Arabia increased by 3.4 percent YoY in April to reach SAR5.8 billion (\$1.6 billion), according to the latest figures released by the Saudi Central Bank (SAMA). However, the aggregate profits of Saudi banks fell by SAR1.65 billion (\$440 million) MoM in April.
- Chevron Lummus Global (CLG) was awarded a contract by Saudi energy group Taqat Development for a new 75,000 TPA needle coke/synthetic graphite complex in Rabigh. CLG will provide pilot plant testing, licensing, basic design, and additional engineering and operations support. The feedstock will be supplied by Rabigh Refining & Petrochemical Company (Petro Rabigh).
- Saudi Arabia issued 55 new permits in April and grew for the third consecutive month. According to the Saudi Ministry of Industry and Mineral Resources, this number is up from the 27 in March and the 18 granted in February.
- The Saudi Real Estate Refinance Co. (SRC) announced SAR3.5 billion (\$933 million) in sukuk issuances that will provide the housing market with fresh liquidity. This marks the sixth tranche under SRC's sukuk program.

Banking

Money supply M1, M2 and M3 decreased by 1.14 percent, 0.51 percent, and 0.23, respectively during the week ending May 25th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Consumer confidence slipped to 102.3 points in May from an upwardly revised reading of 103.7 points the prior month, beating expectations of a larger drop.
- Total construction spending advanced 1.2 percent during April, translating to a 7.2 percent annual rise. Total outlays have now risen for three consecutive months. As an impending recession looms, the construction industry appears to be experiencing more favorable supply-side conditions at present, all while structural shifts spurred by the pandemic support demand.
- Nonfarm payroll growth surpassed expectations in May, increasing by 339K compared to a Bloomberg consensus forecast of 195K. Upward revisions to the previous two months further flattered the headline reading. The three-month average rate of job growth rose to 283K in a sign that, while the overall trend in job growth is slowing, it is doing so only gradually.

Fixed Income

The yield on the ten-year U.S. Treasury decreased to 3.69 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 2 percent and finished the week at 33,762 points. The S&P 500 increased 1.83 percent and finished at 4,282 points. The NASDAQ rose 2.04 percent and ended the week at 13,240 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased 1.82 percent and finished the week at \$76.00. Global benchmark Brent crude slipped 1.07 percent to \$76.13 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 1.28 percent and closed at \$71.74.
- Crude prices decreased last week partly on concerns over an unresolved U.S. debt ceiling agreement and worries that the Federal Reserve will hike rates again when the central bank's policymakers meet on June 14.
- Saudi Arabia may further decrease the official selling prices (OSPs) for all crude grades to Asia in July, a Reuters poll showed, despite the recent announcement by OPEC+ to further reduce output.

THE WEEK AHEAD

- Saudi Arabia releases Non-Oil PMI for May on June 5
- U.S. releases Balance of Trade for April on June 7
- Saudi Arabia releases GDP Growth Rate for Q1 on June 8