



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

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**Weekly Market Brief**  
*Week Ending August 4<sup>th</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- The Kingdom's real gross domestic product grew by 1.1 percent in the second quarter of this year compared to the same period of 2022, according to the General Authority for Statistics. Economic growth was driven by non-oil activities, which increased by 5.5 percent.
- Saudi Arabia's Real Estate Price Index edged up by 0.8 percent in the second quarter of this year compared to the same period a year ago. The annual increase in the index was attributed to residential property prices rising by 1.1 percent and commercial by 0.2 percent in the second quarter.
- The Kingdom's Purchasing Managers' Index hit 57.7 points in July. Continued optimism resulted in a rise in employment numbers for the 16th month in a row, although the pace of hiring was the weakest since November 2022.

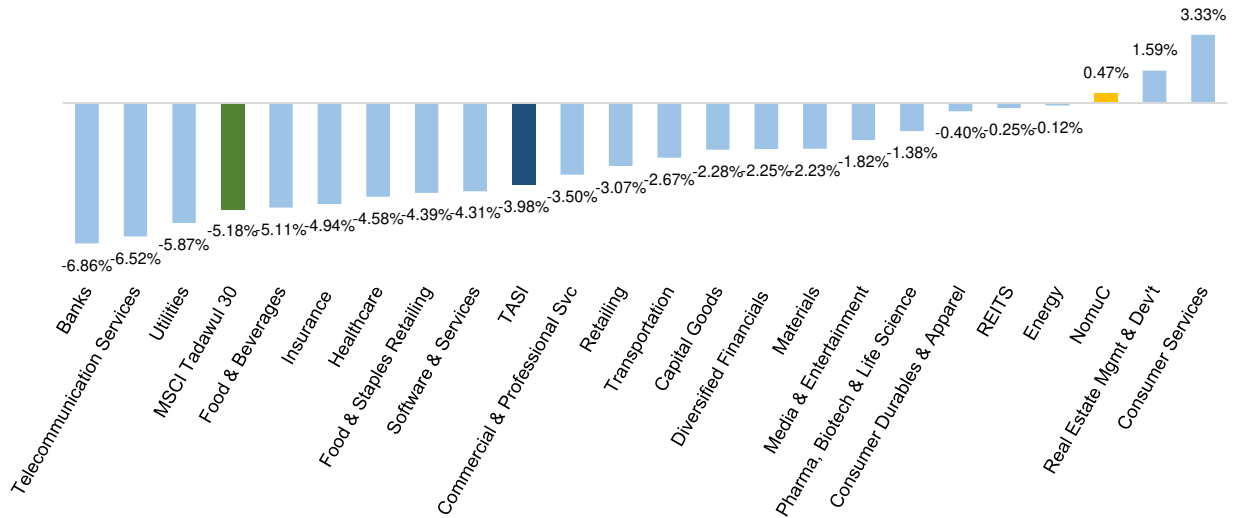


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**Tadawul**

The TASI decreased by 3.98 percent last week and closed at 11,375 points. Only two of the 21 sectors finished the week in positive territory with 'Consumer Services' and 'Real Estate Mgmt & Dev't' experiencing increases of 3.33 percent and 1.59 percent, respectively. 'Banks' led the declines as it dropped 6.86 percent. The NomuC parallel market index grew by 0.47 percent and closed at 24,634 points, while the MSCI Tadawul 30 declined 5.18 percent and closed the week at 1,484 points.

Tadawul Weekly Index Performance - August 4, 2023



Source: Tadawul, USSBC



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**Business, Trade, & Investment**

- Ship traffic in the Kingdom's ports rose by 8.06 percent to 14,266 vessels in 2022 compared to the year before. Jeddah Islamic Port had the largest share in ship traffic with 3,907 vessels, followed by the King Fahd Industrial Port in Yanbu with 2,228 carriers and King Abdul Aziz Port in Dammam with 2,167 freighters.
- Approximately 22.7 million visitors attended the General Entertainment Authority's events in the first half of 2023, in 120 cities and governorates across the Kingdom.

**Banking**

Money supply M1, M2, and M3 increased by 1.66 percent, 0.82 percent, and 0.57 percent, respectively during the week ending July 27<sup>th</sup>.



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## **U.S. MARKETS**

### **U.S. Macroeconomic Developments**

- The ISM manufacturing index came in at 46.4 points in July, marking the ninth consecutive month of contraction, the low point of which was last month when it registered at 46.0 points.
- Job openings slipped to 9.58 million in June, more than a two-year low. Turnover was also lower, with the quit rate ticking back to 2.4 percent and layoffs still near historic lows.
- Construction outlays increased 0.5 percent over the month, the sixth consecutive bump. June's improvement translated to a 3.5 percent annual gain. Robust manufacturing investment continues to lift nonresidential spending as firms expand their capacity for semiconductor and electric vehicle production.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 4.05 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) decreased by 1.11 percent and finished the week at 35,065 points. The S&P 500 declined 2.27 percent and finished at 4,478 points. The NASDAQ slipped 2.85 percent and ended the week at 13,909 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased 1.46 percent and finished the week at \$88.55. Global benchmark Brent crude gained 1.47 percent to \$86.24 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 2.78 percent and closed at \$82.82.
- Oil prices rose to record a sixth consecutive week of gains, after top producers Saudi Arabia and Russia extended supply cuts through September, adding to undersupply concerns. Saudi Arabia will extend a voluntary oil output cut of one million barrels per day through September, adding it could be further extended.
- Saudi Aramco raised the price for Arab Light crude for sale to Asia by 30 cents to \$3.50 a barrel above the benchmark, according to Bloomberg Financial.

**THE WEEK AHEAD**

- Saudi Arabia releases Industrial Production for June on August 10
- U.S. releases Inflation Rate for July on August 10
- U.S. releases Producer Price Inflation for July on August 11