



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

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**Weekly Market Brief**  
*Week Ending August 18<sup>th</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

Saudi Arabia's inflation rate fell to 2.3 percent in July compared to 2.7 percent in June, driven by relatively stable prices across all sectors. The General Authority for Statistics (GASat) attributed the fall to a decrease in prices of furnishings, household equipment, and maintenance, which dropped by 0.3 percent in July.

The Public Investment Fund recorded SAR146 billion (\$38.9 billion) in U.S. equity holdings during the second quarter of 2023, up from SAR133 billion (\$35.5 billion) in the first quarter. The most notable contributor to the quarterly surge was a SAR6.8 billion (\$1.8 billion) investment facilitated through PIF's Ayar Third Investment Co.

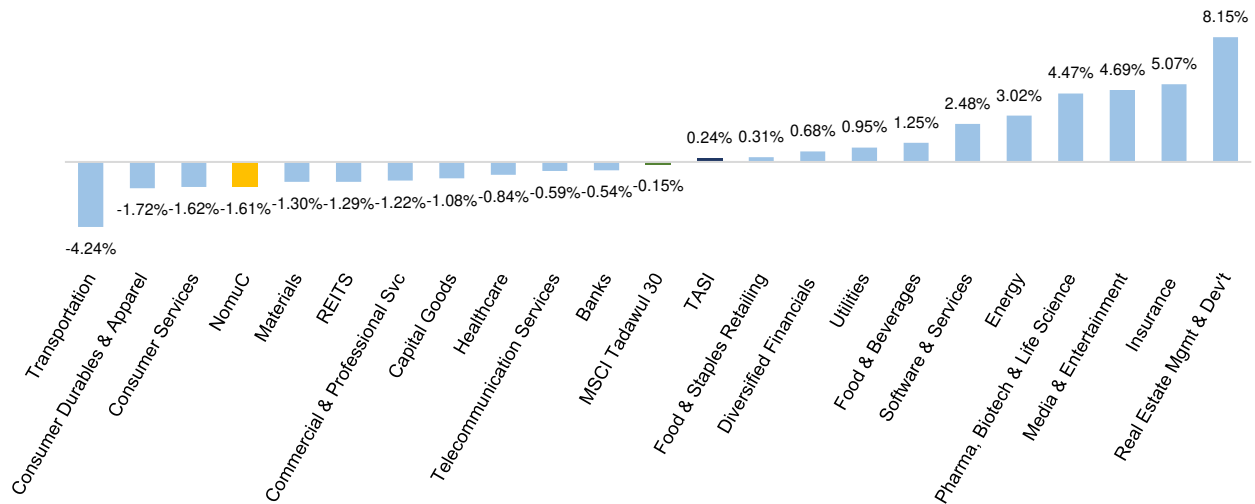


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**Tadawul**

The TASI increased by 0.24 percent last week and closed at 11,451 points. Ten of the 21 sectors finished the week in positive territory with 'Real Estate Mgmt & Dev't' and 'Insurance' experiencing increases of 8.15 percent and 2.07 percent, respectively. 'Transportation' led the declines as it dropped 4.24 percent. The NomuC parallel market index decreased by 1.61 percent and closed at 23,201 points, while the MSCI Tadawul 30 declined 0.15 percent and closed the week at 1,481 points.

Tadawul Weekly Index Performance - August 18, 2023



Source: Tadawul, USSBC

- The total ownership of foreign investors in the Saudi stock market, including strategic partners, increased from 12.11 percent to 12.22 percent, with a value of SAR374.3 billion (\$100 billion) in 2023. Saudi Aramco's stocks are not included, according to data issued by the Capital Market Authority.



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**Business, Trade, & Investment**

- The total number of the electric vehicles (EV) Saudi Arabia has imported thus far in 2023 reached 71,209. The Kingdom imported 13,958 EV's in 2022.
- The Saudi Ports Authority (MAWANI) added 20 new shipping services in the first half of 2023. The new shipping services were established across Jeddah Islamic Port, King Abdulaziz Port in Dammam and Jubail Commercial Port to link the Kingdom with other global ports while facilitating trade and export.
- Saudi Arabia's ports witnessed an annual growth of 18.8 percent in cargo operations in July 2023 as they registered 753,469 containers. Transshipment containers increased 0.41 percent yearly to 268,901 standard containers in July 2023, up from 267,802 YoY.
- According to the Ministry of Industry and Mineral Resources, the Kingdom issued 71 new licenses in July, compared to 32 the month before. The new permits included 45 for exploration, 21 for quarrying building materials, and five licenses for surplus mineral ores.
- Saudi Arabia's rental index rose by 12.5 points YoY during July 2023. The rental index revealed that over 275,000 residential and commercial rental transactions were recorded during July, compared to 240,000 deals in June.
- Saudi Arabia Railways (SAR) experienced an annual increase of 84 percent in passenger traffic during the first half of the current year, with 4.4 million passengers using the rail network. Train trips also saw an annual uptick of 46 percent in the first half, totaling 16,404 trips collectively on the East Train, North Train, and Haramain High-Speed Railway networks.

**Banking**

Money supply M1, M2, and M3 decreased by 0.25 percent, 0.02 percent, and 0.13 percent, respectively during the week ending August 10<sup>th</sup>.



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## **U.S. MARKETS**

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

- Retail sales rose 0.7 percent in July after modest upward revisions to June. Sources of strength came from sporting goods (1.5 percent), clothing (1.1 percent), grocery stores (0.8 percent), general merchandise (0.8 percent) and building materials (0.7 percent), all of which bounced back after weakness in June.
- Total housing starts rose 3.9 percent to a 1.45 million-unit pace during July. The diverging trend between single-family and multifamily activity was once again evident, with single-family starts improving and multifamily starts declining during the month.
- Industrial production jumped 1 percent in July, but downward revisions to June and concentrated strength in utilities and auto manufacturing lowered the headline growth rate. Despite representing just 10 percent of overall output, utilities was the largest contributor to the overall gain in production last month.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 4.26 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) decreased by 2.21 percent and finished the week at 34,500 points. The S&P 500 declined 2.11 percent and finished at 4,369 points. The NASDAQ slipped 2.59 percent and ended the week at 13,290 points.



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**GLOBAL OIL MARKETS**

- Arab light crude decreased 3.76 percent and finished the week at \$88.06. Global benchmark Brent crude slipped 2.32 percent to \$84.80 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 2.33 percent and closed at \$81.25.
- Oil prices edged lower as a worsening property crisis in China added to concerns about the country's sluggish economic recovery and reduced investor appetite for risk across markets.
- Saudi Arabia's crude oil exports fell for a third straight month in June to their lowest since September 2021, according to the Joint Organizations Data Initiative (JODI). The Kingdom's crude exports totaled 6.8 million barrels per day (bpd) in June, down 1.8 percent from May's 6.93 million bpd.

**THE WEEK AHEAD**

- Saudi Arabia releases Balance of Trade for June on August 24
- U.S. releases Durable Goods Orders for July on August 24
- U.S. Federal Reserve meeting on August 24