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**Weekly Market Brief**  
*Week Ending October 19th, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's inflation rate dropped to 1.7 percent in September, down from 2 percent in August, due to stable prices in all sectors, according to the General Authority for Statistics (GASStat). September's inflation rate is the lowest since February 2022 when it was 1.6 percent.
- Saudi Arabia's rental index rose by 22 percent in September 2023, compared to the same period last year, according to GASStat.
- Saudi Arabia's real estate price index rose by 0.7 percent in the third quarter YoY, fueled by an increase in residential property values, according to the Ministry of Justice.
- Saudi Arabia's economy is projected to expand at an average rate of 3.2 percent annually over the next three years, with significant growth expected in the non-oil sector, according to the global credit agency Moody's.

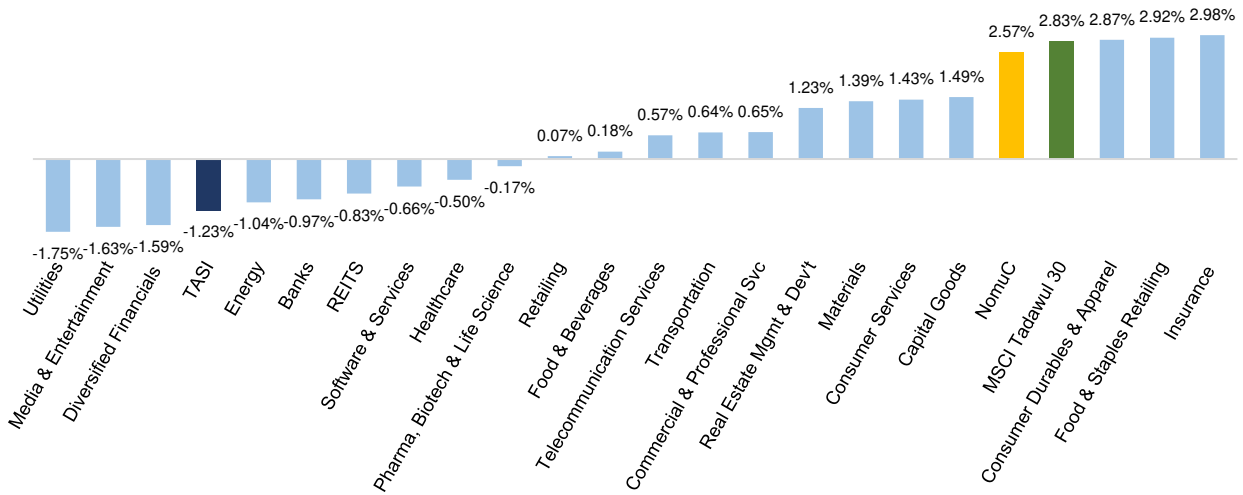


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**Tadawul**

The TASI decreased by 4.31 percent last week and closed at 10,765 points. Twelve of the 21 sectors finished the week in positive territory with 'Insurance,' 'Food & Staples Retailing,' and 'Consumer Durables & Apparel' leading the gains with increases of 2.98 percent, 2.92 percent, and 2.87 percent, respectively. 'Utilities' led the declines as it dropped 1.75 percent. The NomuC parallel market index increased by 2.57 percent and closed at 23,837 points, while the MSCI Tadawul 30 increased 2.83 percent and closed the week at 1,366 points.

Tadawul Weekly Index Performance - October 19, 2023



Source: Tadawul, USSBC



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**Business, Trade, & Investment**

- Saudi Arabia's NEOM unveiled the latest addition to its portfolio of ecotourism developments, Leyja, which starts along the Gulf of Aqaba coast and stretches inland through a valley surrounded by a 400-meter-high mountain.
- Saudi Arabia's Crown Prince H.R.H. Mohammed bin Salman launched a company for the development of the Abha Valley project in the Kingdom's Asir region. The newly formed Ardara company will develop the "Al Wadi" project that will feature luxury hotels, commercial areas, business districts, and a variety of residential options, from high-end apartments to villas.
- Saudi Arabia dominated the regional venture capital landscape with 39 percent of total deals recorded in the Middle East and North Africa between January and September.
- Saudi Arabia's Public Investment Fund is set to raise \$3.5 billion in its first sale of dollar-denominated Shariah-compliant sukuk, said an official statement issued on Thursday.
- Saudi Arabia's cement exports shot above 11 million tonnes in 2022 and the first nine months of 2023 after most domestic producers ramped up output.

**Banking**

Money supply M1, M2, and M3 all decreased by 1.19 percent, 0.63 percent, and 0.86 percent, respectively, during the week ending October 12<sup>th</sup>.



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## **U.S. MARKETS**

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

- Retail sales saw a 0.7 percent increase in September 2023. This was more than double the consensus expectation for a mere 0.3 percent uptick.
- Total housing starts moved in line with expectations in September, improving 7.8 percent to a 1.4 million-unit pace.
- U.S. industrial production rose 0.3 percent and output rose 0.4 percent in September 2023. The gains are primarily from higher manufacturing activity.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 4.91 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 1.50 percent and finished the week at 33,127 points. The S&P 500 increased 2.39 percent and finished at 4,224 points. The NASDAQ decreased by 3.16 percent and ended the week at 13,407 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased 8.21 percent and finished the week at \$96.17. Global benchmark Brent crude increased 1.39 percent to \$92.16 a barrel, while U.S. West Texas Intermediate (WTI) crude increased by 5.76 percent and closed at \$88.30.
- Saudi Arabia's crude oil exports in August hit their lowest level in 28 months as they fell for a fifth straight month, data from the Joint Organizations Data Initiative (JODI) showed. Crude exports fell to 5.58 million barrels per day (bpd), down 7.1 percent from 6.01 million bpd in July and the lowest since April 2021.
- Saudi oil giant Aramco's Chief Executive Amin Nasser anticipates global demand for oil at 103 million barrels a day (bpd) in the second half of this year while the company's spare capacity is now at 3 million bpd.

**THE WEEK AHEAD**

- Saudi Arabia releases Balance of Trade for August on October 25
- U.S. releases Q3 GDP growth on October 26
- U.S. releases Price Index for September on October 27