



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

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**Weekly Market Brief**  
*Week Ending December 1<sup>st</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Riyadh will host the World Expo 2030 after defeating challenges from South Korea and Italy for the prestigious event. The Saudi capital was picked by a majority of 119 out of 165 votes by the member states of the Paris-based Bureau International des Expositions. The secret ballot was carried out using electronic voting, and Riyadh was confirmed as the successor host to Osaka in 2025.
- Saudi Arabia's trade surplus recorded an increase for the second month in a row, reaching SAR44 billion (\$11.7 billion) in September 2023. This marked an increase of 27.5 percent, compared to the surplus in August, when it reached SAR34.3 billion (\$9 billion), but it showed a decline of 31.5 percent on an annual basis.
- Saudi Arabia raised a syndicated loan of SAR41.25 billion (\$11 billion) to fund a budget deficit. The loan has a margin of 100 basis points above the secured overnight financing rate (SOFR).
- Saudi banks experienced a 10 percent increase in lending in October 2023, maintaining a consistent YoY growth rate for the fifth consecutive month. Bank lending reached a total of SAR2.6 trillion (\$680 billion) in October, up from SAR2.3 trillion (\$621 billion) YoY, according to the Saudi Central Bank (SAMA).
- Saudi Arabia experienced a decrease in inflation to 1.6 percent in October 2023 compared to the preceding month, according to the General Authority for Statistics (GASat). The rise in the consumer price index (CPI) during this period was predominantly driven by a 9.3 percent surge in real estate rental expenses, which was notably influenced by a 14.9 percent upswing in apartment rental rates.
- Saudi banks experienced a 10 percent increase in lending in October 2023, maintaining a consistent year-on-year growth rate for the fifth consecutive month.

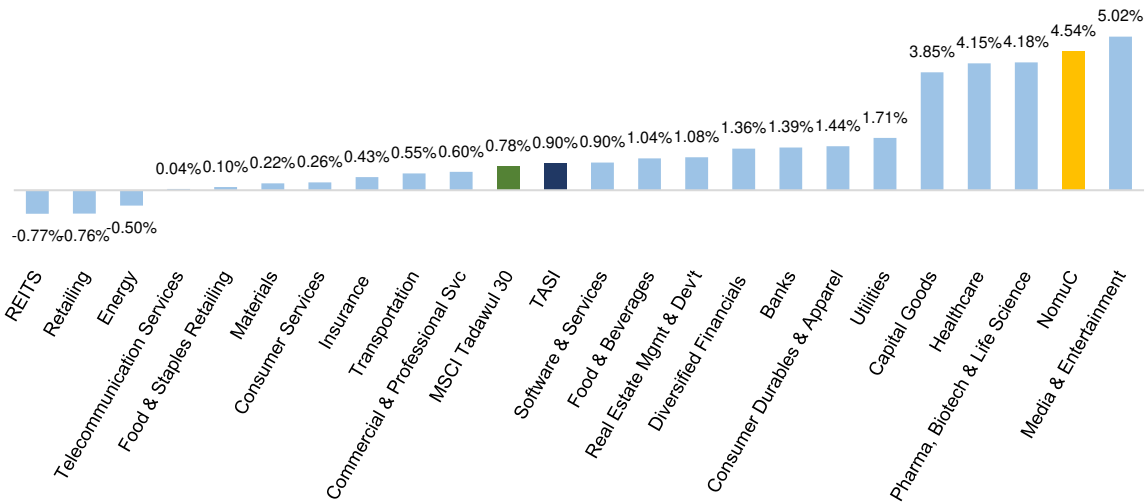


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**Tadawul**

The TASI increased by 0.90 percent last week and closed at 11,177 points. Eighteen of the 21 sectors finished the week in positive territory with 'Media & Entertainment', Pharma, Biotech and Life Sciences,' and 'Healthcare' leading the gains with increases of 5.02 percent, 4.18 percent, and 4.15 percent, respectively. 'REITS' led the declines as it dropped 0.77 percent. The NomuC parallel market index increased by 4.54 percent and closed at 25,236 points, while the MSCI Tadawul 30 increased 0.78 percent and closed the week at 1,442 points.

Tadawul Weekly Index Performance - December 1st, 2023



Source: Tadawul, USSBC

- Saudi Exchange officially launched single stock options, the newest offering in its derivatives market, with trading beginning November 27.



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**Business, Trade, & Investment**

- Saudi Entertainment Ventures (Seven), a wholly owned subsidiary of the Public Investment Fund, has launched a SAR1.3 billion (\$346.6 million) entertainment destination in the Aseer region as part of the Kingdom's diversification efforts.
- The Public Investment Fund (PIF) entered into a share purchase agreement to acquire a 10 percent stake in London's Heathrow Airport from Spanish infrastructure giant Ferrovial. Ferrovial announced that the deal was worth SAR11.3 billion (\$3 billion).
- Saudi Arabian Prince Alwaleed Bin Talal's investment company Kingdom Holding said it raised its ownership in Citigroup to 2.2 percent after acquiring a stake in the bank worth about SAR1.7 billion (\$450 million).

**Banking**

Money supply M1, M2, and M3 all decreased by 0.39, 0.29, and 0.22 percent, respectively during the week ending November 23<sup>rd</sup>.



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## **U.S. MARKETS**

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

- Consumer confidence jumped in November 2023, rising 2.9 points to a reading of 102 points. The gain came after three consecutive monthly declines.
- Real GDP grew at an annualized rate of 5.2 percent in Q3 2023 relative to the previous quarter, which surpassed the initial estimate of 4.9 percent.
- Total construction spending advanced solidly during October. The 0.6 percent gain in overall outlays was driven by a 1.2 percent rise in residential spending. A trend improvement in single-family building continues to propel residential construction.

### **Fixed Income**

The yield on the ten-year U.S. Treasury decreased to 4.22 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 2.42 percent and finished the week at 36,093 points. The S&P 500 increased 0.77 percent and finished at 4,552 points. The NASDAQ increased by 0.38 percent and ended the week at 14,075 points.



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**GLOBAL OIL MARKETS**

- Arab light crude decreased 2.53 percent and finished the week at \$82.44. Global benchmark Brent crude slipped 2.11 percent to \$78.88 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped by 1.95 percent and closed at \$74.07.
- Saudi Arabia may trim the price for its flagship Arab Light crude to Asia for the first time in seven months, despite an extension of its voluntary supply cut, as the market deals with ample supply and tepid demand. Saudi Aramco may cut the January official selling price (OSP) for Arab Light by about \$1 to around \$3 a barrel over the Oman/Dubai average, according to six respondents surveyed by Reuters.
- Saudi Arabia is set to cut output by 1 million barrels per day (bpd) in early 2024 under the terms of an OPEC+ agreement, with Russia contributing a 500,000 bpd cut.

**THE WEEK AHEAD**

- Saudi Arabia releases Riyadh Bank PMI on December 5
- U.S. releases October 2023 Exports and Imports on December 6
- U.S. releases November 2023 Unemployment Rate on December 7