



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

Weekly Market Brief
Week Ending March 15th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil activities grew by 4.4 percent YoY in 2023. Additionally, government activities in the Kingdom experienced a rise of 2.1 percent in 2023 compared to the preceding year, according to the General Authority for Statistics (GASStat).
- Non-oil economic activity in Saudi Arabia contributed 50 percent to the Kingdom's GDP in 2023, the highest level ever. The total non-oil economy was worth SAR1.699 trillion (\$453 billion) at constant prices, driven by continued growth in investment, consumption, and exports.
- Saudi Arabia's Industrial Production Index recorded a 0.3 percent increase MoM in January, propelled by a marginal rise in mining and quarrying activity. The increase in manufacturing activities in January was fueled by a 1.7 percent surge in the production of coke and refined petroleum products.
- Saudi Arabia's international reserve assets retreated by SAR26.98 billion (\$7.2 billion) or 2 percent MoM to SAR1.619 trillion (\$699 billion) in February, according to the Saudi Central Bank (SAMA). On a yearly basis, the Kingdom's foreign reserve assets fell 5 percent or SAR78.2 billion (\$20.9 billion).
- Saudi banks extended loans totaling SAR2.62 trillion (\$700 billion) in January, marking an 11 percent rise YoY. Figures released by the SAMA showed an increase in personal loans accounted for 33 percent of this growth, while the remaining 67 percent was attributed to the expansion of corporate lending.
- Saudi Arabia's inflation stood at 1.8 percent in February, compared to 1.6 percent in January. This uptick was attributed to a 1.4 percent rise in actual rents for housing.
- The PIF's assets reached SAR3.57 trillion (\$952.2 billion) as it climbed to the fifth spot compared to other sovereign wealth funds globally. The significant rise in the PIF's



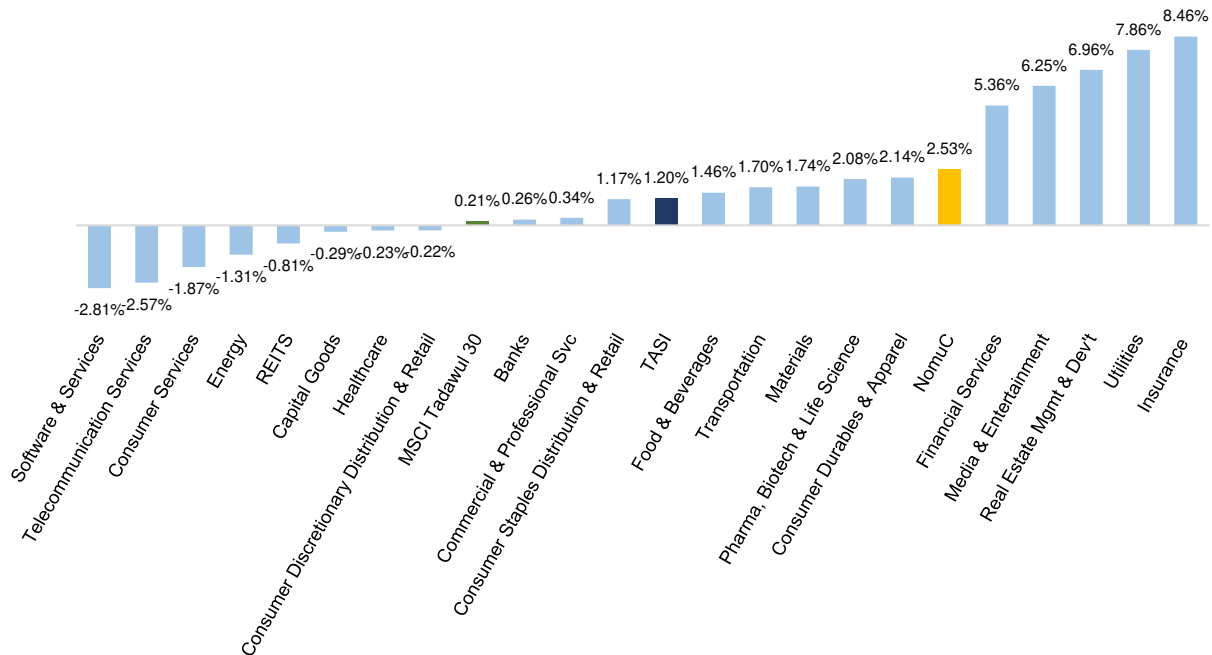
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standing follows its procurement of an additional 8 percent stake in Saudi Aramco, boosting its shareholding’s estimated value to SAR1.23 trillion (\$328 billion).

Tadawul

The TASI increased by 1.20 percent last week and closed at 12,728 points. Thirteen of the 21 sectors finished the week in positive territory with ‘Insurance’ growing by 8.46 percent. ‘Software & Services’ led the declines as it dropped 2.81 percent. The NomuC parallel market index jumped 2.53 percent and closed at 26,989 points, while the MSCI Tadawul 30 grew 0.21 percent and closed the week at 1,606 points.

Tadawul Weekly Index Performance - March 15th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Seaports in Saudi Arabia recorded a 16.88 percent increase in the number of containers handled in February YoY. The Saudi Ports Authority (MAWANI) disclosed that docks in the Kingdom received 226,672 standard containers in February 2024, marking an increase from 193,937 MoM.
- Saudi Arabia secured SAR48.8 billion (\$13 billion) in private sector investments for its tourism industry, aiming to distribute the costs involved in becoming a top destination. Saudi Arabia aims to raise tourism revenue to SAR318.8 billion (\$85 billion) this year, up from approximately SAR247.5 billion (\$66 billion) in 2023.

Banking

Money supply M1, M2, and M3 increased by 0.52 percent, 0.84 percent, and 0.67 percent, respectively, during the week ending March 7th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Retail sales grew 0.6 percent in February but downward revisions for January reveal sales declined 1.1 percent, rather than by the 0.8 percent drop reported previously.
- NFIB's Small Business Optimism Index fell to the lowest level since May 2023 during February. Firms reported improvements in terms of labor availability, while a lower share of firms raised selling prices during the month. Expectations for real sales and better credit conditions also notched improvements during the month.
- The annual inflation rate in the U.S. unexpectedly edged up to 3.2 percent in February, compared to 3.1 percent in January and above forecasts of 3.1 percent. Energy costs dropped much less than expected, with gasoline declining 3.9 percent, utility gas service falling 8.8 percent, and fuel oil going down 5.4 percent.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.31 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.02 percent and finished the week at 38,714 points. The S&P 500 fell by 0.13 percent and finished at 5,117 points. The NASDAQ slipped by 0.70 percent and ended the week at 15,973 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 2.41 percent and finished the week at \$86.30. Global benchmark Brent crude jumped 3.97 percent to \$85.34 a barrel, while U.S. West Texas Intermediate (WTI) crude increased 3.88 percent and closed at \$81.04.
- Oil prices increased for the week on rising demand from U.S. refiners completing planned overhauls.
- The IEA forecasts growth this year at 1.3 million barrels per day, down a full million bpd from 2023, but up by 110,000 bpd from its previous month's forecast as the ongoing conflict in the Red Sea lengthened supply routes.

THE WEEK AHEAD

- U.S. releases Building Permits for February on March 19
- U.S. releases Federal Reserve's Interest Rate Decision on March 20
- U.S. releases Existing Home Sales for February on March 21