



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

Weekly Market Brief
Week Ending April 5th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil private sector continued its improvement during March, with output accelerating to a six-month high, as reflected by the Kingdom's Purchasing Managers' Index. The index reached 57 points in March, showing a slight decrease from 57.2 points in February, according to a report by the Riyadh Bank Saudi Arabia PMI by S&P Global.

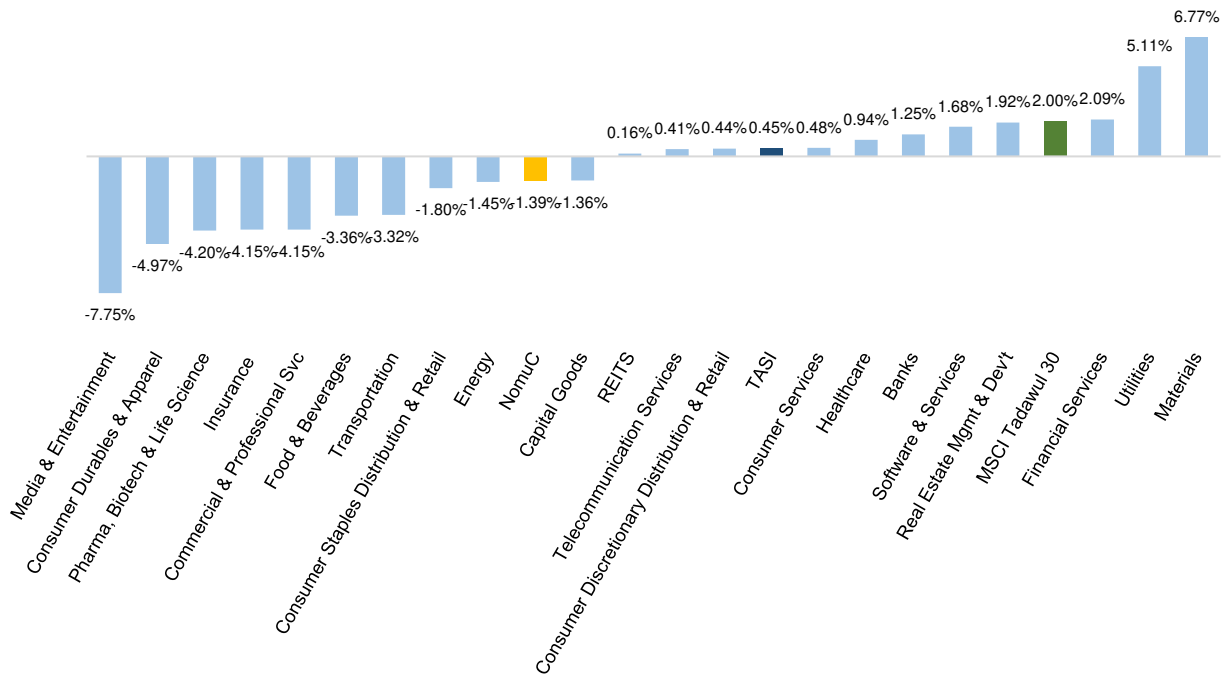


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Tadawul

The TASI increased by 0.45 percent last week and closed at 12,622 points. Eleven sectors finished the week in positive territory with 'Materials' growing by 6.77 percent. 'Media & Entertainment' led the declines as it dropped 7.75 percent. The NomuC parallel market index slipped 1.39 percent and closed at 26,252 points, while the MSCI Tadawul 30 jumped 2 percent and closed the week at 1,631 points.

Tadawul Weekly Index Performance - April 5th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Aramco was awarded a SAR28.9 billion (\$7.7 billion) contract for a major expansion of its Fadhili Gas Plant in the Eastern Province. The initiative is expected to increase the plant's processing capacity from 2.5 billion standard cubic feet per day to up to 4 billion.
- Saudi Arabia issued 118 new industrial licenses in February, a 72 percent increase YoY. The permits were distributed across five sectors, with food production securing 23 licenses from the Ministry of Industry and Mineral Resources.
- Saudi Arabia's trade industry witnessed 104,000 commercial registrations in the first quarter of 2024, marking a 59 percent growth YoY. The spike in numbers brings the total number of registrations to over 1.45 million across all regions of the Kingdom.
- New maritime connectivity between Saudi and African ports is being established with the introduction of a new shipping service by German container transportation firm Hapag-Lloyd. The new route, called JDX, will connect the Jeddah Islamic Port to African harbors including Tangier in Morocco and Damietta in Egypt.

Banking

Money supply M1 and M2 increased by 2.50 percent and 1.25 percent, while M3 decreased by 0.41 percent during the week ending March 28th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- The ISM manufacturing index surprised to the upside in March. It surpassed expectations from 55 forecasters who submitted to the Bloomberg Consensus and rose by the most in three years (up 2.5 points) to an expansionary-reading of 50.3 points for the first time in 16 months.
- Total construction spending declined 0.3 percent during February, the second straight monthly drop. A solid increase in residential outlays was not enough to offset a fall in nonresidential spending.
- International trade flows rose higher in February with exports registering the largest gain in a year and imports seeing the second largest pickup in two years. U.S. exports advanced \$5.8 billion in February, while imports climbed \$7.1 billion higher. The larger gain in imports caused the U.S. trade deficit to widen by \$1.3 billion to a balance of -\$68.9 billion.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.39 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 2.30 percent and finished the week at 38,904 points. The S&P 500 dropped by 2.0 percent and finished at 5,204 points. The NASDAQ declined by 0.8 percent and ended the week at 16,248 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 3.59 percent and finished the week at \$91.97. Global benchmark Brent crude grew 4.22 percent to \$91.17 a barrel, while U.S. West Texas Intermediate (WTI) crude jumped 4.50 percent and closed at \$86.91.
- Oil prices climbed as the increase was driven by ongoing escalations in the Middle East.
- Saudi Arabia raised the official selling price (OSP) for its flagship Arab Light crude oil for customers in Asia and the Mediterranean in May. Saudi Aramco set the OSP for Asian buyers at a \$2.00 premium to the Oman/Dubai average, up by 30 cents from the April price.

THE WEEK AHEAD

- Saudi Arabia releases Industrial Production for February on April 9
- U.S. releases Inflation Rate for March on April 10
- U.S. releases Producer Price Index for March on April 11