



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

Weekly Market Brief
Week Ending April 26th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil exports, including re-exports, grew 4.4 percent in February YoY. According to the General Authority for Statistics (GStat), the total value of this sector reached SAR21.86 billion (\$5.83 billion), a rise from SAR20.93 billion (\$5.6 billion) YoY.
- Saudi Arabia completed its riyal-denominated sukuk issuance for April at SAR7.39 billion (\$1.97 billion), representing a rise of 66.4 percent MoM. The first tranche, valued at SAR2.35 billion (\$627 million), is set to mature in 2029, while the second one amounting to SAR1.64 billion (\$437 million) is due in 2031. The third tranche totaled SAR3.51 billion (\$936 million) and will mature in 2036.

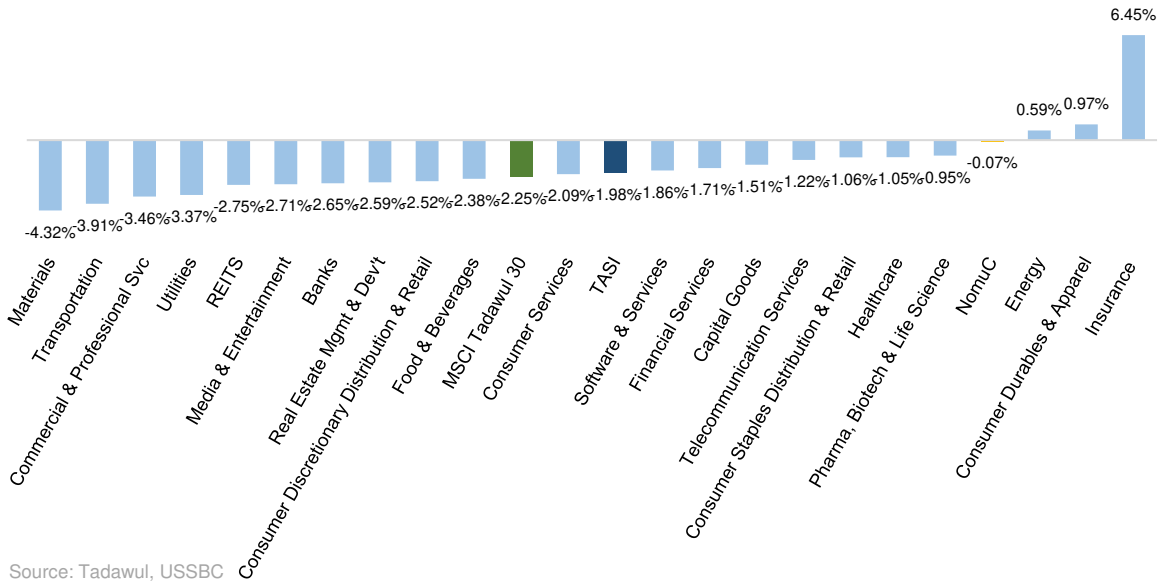


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Tadawul

The TASI decreased by 1.98 percent last week and closed at 12,254 points. Three of the 21 sectors finished the week in positive territory with 'Insurance' growing by 6.45 percent. 'Materials' led the decline as it dropped 4.32 percent. The NomuC parallel market index fell 0.07 percent and closed at 26,688 points, while the MSCI Tadawul 30 dropped 2.25 percent and closed the week at 1,539 points.

Tadawul Weekly Index Performance - April 26th, 2024





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Business, Trade, & Investment

- The PIF will merge Telecommunication Towers Co., also known as TAWAL, with Golden Lattice Investment Company (majority owned by the PIF) into a new entity. With an estimated 30,000 mobile tower sites and projected annual revenues nearing SAR4.9 billion (\$1.3 billion), the new body aims to become a global telecommunication leader.
- U.S. based GameChange Solar, a supplier of solar tracking solutions for ground-mounted PV plants, is teaming up with China-based PV manufacturer Jiangsu Zhenjiang New Energy Equipment (JZNEE) to build a 3 GW tracker factory in Dammam.

Banking

Money supply M1, M2, and M3 decreased by 0.06 percent, 0.83 percent, and 0.78 percent, respectively during the week ending April 18th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- New home sales jumped 8.8 percent to a 693K-unit pace in March, the strongest leap since September 2023. New home sales are likely to continue to improve with a strong macroeconomic backdrop and structural affordability and availability constraints in the resale market remaining as tailwinds.
- Orders for new durable goods ticked up 2.6 percent in March. However, the majority of the headline change can be attributed to orders for aircraft specifically. Aircraft orders leapt 30 percent in March for nondefense orders. By omitting the broader transportation category from the estimate, orders were up a more modest 0.2 percent last month, which is roughly in line with a typical monthly gain.
- Real GDP grew at a 1.6 percent annualized pace in Q1, held back by trade and inventories. Consumer spending in the service sector continues to escalate, ramping up at a rate seldom seen in the past 20 years.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.67 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 0.67 percent and finished the week at 38,239 points. The S&P 500 grew by 2.67 percent and finished at 5,099 points. The NASDAQ jumped by 4.23 percent and ended the week at 15,927 points.



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GLOBAL OIL MARKETS

- Arab light crude increased 0.43 percent and finished the week at \$90.22. Global benchmark Brent crude jumped 2.53 percent to \$89.50 a barrel, while U.S. West Texas Intermediate (WTI) crude grew 0.85 percent and closed at \$83.85.
- Oil prices settled higher last week, garnering support from tensions in the Middle East, but a strong dollar and U.S. inflation data reduced hopes that the Federal Reserve would cut interest rates soon, giving prices a ceiling.
- According to the IMF, Saudi Arabia will require an average oil price of \$96.20 a barrel to balance its budget, assuming it holds crude output steady near 9.3 million barrels a day in 2024.

THE WEEK AHEAD

- Saudi Arabia releases Private Bank Lending for March on April 30
- Saudi Arabia releases GDP Growth Rate for Q1 on May 1
- U.S. releases Federal Reserve Interest Rate decision on May 1