



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

Weekly Market Brief
Week Ending May 24th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia completed its riyal-denominated sukuk issuance for May at SAR3.23 billion (\$860 million), according to the National Debt Management Center. The first tranche valued at SAR71 million (\$19 million) is set to mature in 2029, while the second one amounting to SAR3.16 billion (\$843 million) is due in 2036.

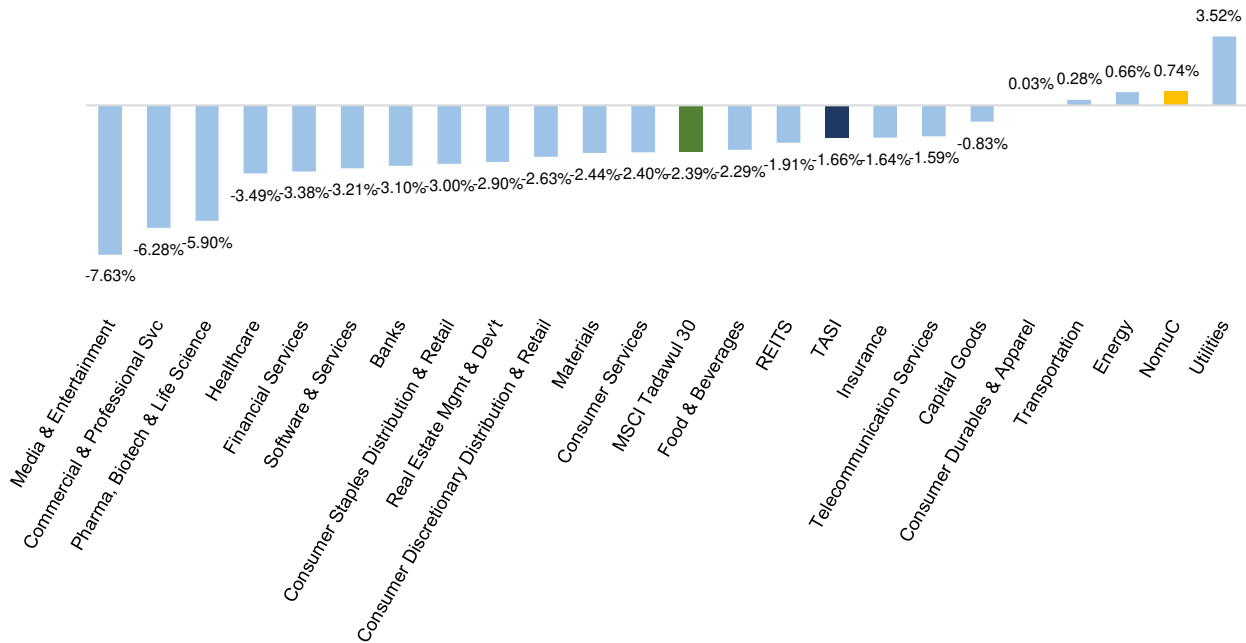


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Tadawul

The TASI decreased by 1.64 percent last week and closed at 11,995 points. Four sectors finished the week in positive territory with 'Utilities' growing by 3.52 percent. 'Media & Entertainment' led the decline as it dropped 7.63 percent. The NomuC parallel market index grew 0.74 percent and closed at 26,679 points, while the MSCI Tadawul 30 declined 2.39 percent and closed the week at 1,493 points.

Tadawul Weekly Index Performance - May 24th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudia Group signed a SAR71.3 billion (\$19 billion) order for an additional 105 A320neo family planes, marking the largest aircraft deal with Airbus in the Kingdom's history. The aircraft will be distributed between Saudia and flyadeal, the group's low-cost carrier.
- Saudi Arabia's non-oil exports rose 3.3 percent YoY in the first quarter of 2024, fueled by an increase in the value of re-exports. According to the General Authority for Statistics (GASat), while national non-oil exports experienced a slight dip of 5.2 percent, the value of re-exported goods surged by 31.5 percent during the same period.
- Saudi Arabia's point-of-sales (POS) spending reached SAR11.65 billion (\$3.11 billion) in the third week of May. Spending on beverages and food, which accounts for the largest share at 15 percent, saw a 9.3 percent decline, reaching SAR1.77 billion (\$472 million).
- According to the Kingdom's Ministry of Industry and Mineral Resources, 324 industrial permits were issued in the first three months of the year, with 54 approvals issued in March alone. The report further showed that the volume of investments in March amounted to SAR1.047 billion (\$279 million).

Banking

Money supply M1 decreased by 0.36 percent while M2 and M3 increased by 0.35 percent and 0.30 percent, respectively, during the week ending May 16th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Existing home sales unexpectedly notched their second consecutive decline in April, falling 1.9 percent to a 4.14-million unit pace. A 2.1 percent slump in single-family resales drove the decline. Condo and co-op sales were unchanged over the month.
- New home sales dropped 4.7 percent during April. Although a pullback was expected, the drop was a bit sharper than anticipated. The weakness in new home sales can largely be explained by early April's jump in mortgage rates.
- Headline durable goods orders defied expectations for a dip and posted a 0.7 percent monthly gain. Every major category of durables other than nondefense aircraft saw an increase in orders.

Fixed Income

The yield on the ten-year U.S. Treasury grew to 4.46 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.98 percent and finished the week at 39,609 points. The S&P 500 grew by 0.03 percent and finished at 5,304 points. The NASDAQ jumped by 1.41 percent and ended the week at 16,920 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased 2.34 percent and finished the week at \$84.75. Global benchmark Brent crude slipped 2.19 percent to \$82.12 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 2.34 percent and closed at \$77.72.
- Oil prices fell for the week on worries that strong U.S. economic data would keep interest rates elevated for a longer period, curbing fuel demand.
- Saudi Arabia's crude oil exports rose for the second straight month in March, reaching their highest in nine months, data from the Joint Organizations Data Initiative (JODI) showed. Crude exports from the world's largest oil exporter increased 1.5 percent to 6.413 million barrels per day (bpd) in March, up from 6.317 million bpd in February.

THE WEEK AHEAD

- Saudi Arabia releases Private Bank Lending for April on May 28
- U.S. releases Estimated GDP Growth Rate for Q2 on May 30
- U.S. releases Personal Spending for April on May 31