



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

Weekly Market Brief
Week Ending August 30th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's point-of-sale (POS) transactions dipped to SAR11.6 billion (\$3.1 billion) between Aug. 18 and 24, reflecting a 14.1 percent decrease from the previous week. Spending on clothing and footwear declined, recording the highest decrease at 35.7 percent, with total transactions reaching SAR599.4 million (\$160 million).
- The PIF secured a SAR56.3 billion (\$15 billion) revolving credit facility to support general corporate purposes. The credit facilities were obtained from a diverse global syndicate of 23 financial institutions spanning Europe, the U.S., the Middle East, and Asia.
- Saudi banks recorded a 21 percent annual surge in credit card loans in the second quarter of 2024, reaching SAR30.04 billion (\$8.01 billion). According to SAMA, this is the highest quarterly figure reported, and the most substantial annual growth seen in a year.

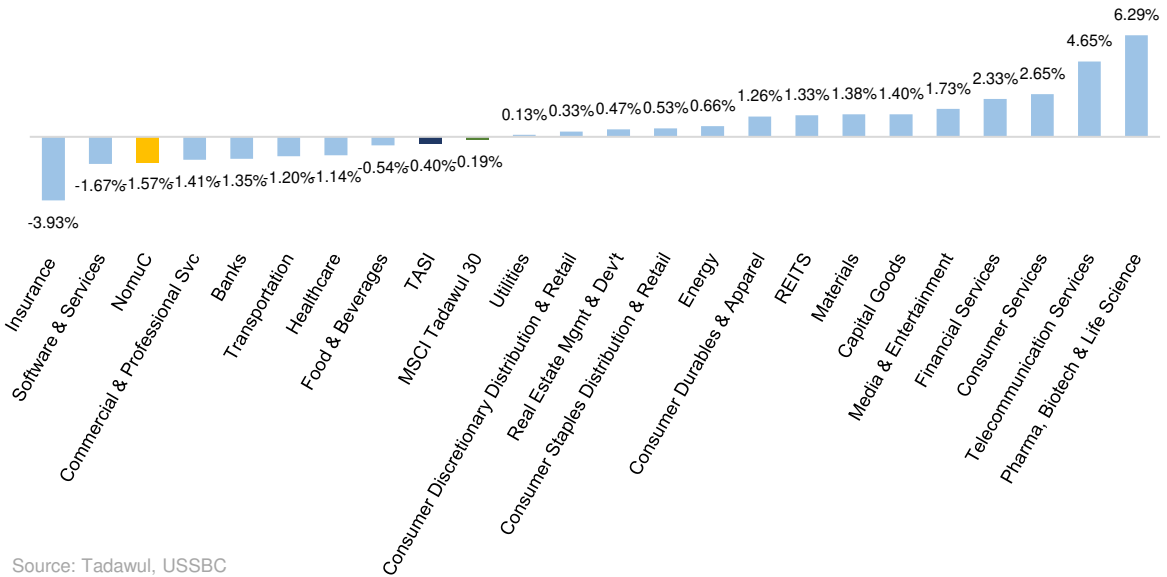


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Tadawul

The TASI decreased by 0.40 percent last week and closed at 12,145 points. Fourteen sectors finished the week in positive territory. 'Pharma, Biotech & Life Science' led as it gained 6.29 percent. 'Insurance' led the declines, dropping 3.93 percent. The NomuC parallel market index declined 1.57 percent and closed at 26,161 points, while the MSCI Tadawul 30 dropped by 0.19 percent and closed the week at 1,521 points.

Tadawul Weekly Index Performance - August 30th, 2024





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Business, Trade, & Investment

- More than 57 international firms received licenses to relocate their regional headquarters to Saudi Arabia during the second quarter of this year, representing an 84 percent YoY increase.
- Saudi Arabia rose to 15th place in a global container handling ranking by Lloyd's List for 2024, reflecting its growing role as a logistics hub. Jeddah Islamic Port made notable progress, advancing to 32nd position from 41st in 2023. The port handled 5.58 million standard containers in 2023, marking a 12.6 percent increase YoY.
- Saudi Arabia's e-commerce sector witnessed venture capital investments in startups hitting SAR1.6 billion (\$426.7 million) in 2023. According to the Small and Medium Enterprises General Authority (Monsha'at), e-commerce platform users in the Kingdom are projected to reach 34.5 million by 2025, reflecting a 42 percent increase from 2019 to 2024.

Banking

Money supply M1, M2, and M3 increased by 0.07 percent, 0.47 percent, and 0.91 percent, respectively, during the week ending August 22nd.



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U.S. MARKETS

U.S. Macroeconomic Developments

- New orders of durable goods surged 9.9 percent in July, coming on the heels of a 6.9 percent contraction the prior month. The month-to-month volatility has been driven primarily by aircraft. Excluding transportation goods, orders slipped 0.2 percent in July.
- Consumer spending propelled the economy to a 3 percent annualized growth rate in Q2, an upward revision that exceeded expectations. A rebound in profits growth recouped all the prior quarter's decline to restore profits to a record high.
- Spending still outpaced income in July, reflecting a positive outlook for Q3, and inflation continued to cool. With the 3-month annualized rate of core PCE inflation back below the Fed's 2.0 percent target, reducing the federal funds rate becomes more likely.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 3.91 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 0.94 percent and finished the week at 41,563 points. The S&P 500 climbed by 0.24 percent and finished at 5,648 points. The NASDAQ declined by 0.92 percent and ended the week at 17,713 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 4.70 percent and finished the week at \$80.56. Global benchmark Brent crude fell 3.42 percent to \$76.32 a barrel, while U.S. West Texas Intermediate (WTI) crude declined by 1.40 percent and closed at \$73.78.
- Global oil prices declined as investors weighed expectations of a rise in OPEC+ supply starting in October, alongside dwindling hopes of a hefty U.S. interest rate cut next month, following data showing strong consumer spending.
- Saudi Aramco raised the official selling prices for propane in September by \$15 per ton from the previous month. The company also increased butane prices by \$25 per ton from August. Aramco's September OSP for propane is now \$605 per ton, while butane is priced at \$595 per ton.

THE WEEK AHEAD

- Saudi Arabia releases RIYAD Bank PMI for August on September 3
- U.S. releases ISM Manufacturing PMI for August for July on September 3
- U.S. releases Unemployment Rate for August on September 6