



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

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**Weekly Market Brief**  
*Week Ending September 13<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's GDP declined 0.3 percent YoY during Q2, largely due to an 8.9 percent drop in oil activities following the Kingdom's decision to cut crude output in line with OPEC+ agreements. Saudi Arabia's non-oil GDP expanded 4.9 percent YoY in the second quarter of 2024, driven by gains in the financial and insurance sectors. Non-oil GDP also rose 2.1 percent QoQ.
- Saudi banks granted SAR7.07 billion (\$1.9 billion) in new residential mortgage loans in July, marking a 33 percent increase QoQ. The number of loan contracts surged to 9,605, up from 7,274 in the previous month.
- Saudi Arabia's Industrial Production Index rose 1.6 percent YoY in July, driven by a surge in manufacturing activity. According to data from the General Authority for Statistics (GASat), manufacturing activities grew 4.6 percent, lifting the Kingdom's IPI to 106.2 points for the month.
- Saudi banks' aggregate profit before zakat and tax reached an all-time high of SAR7.83 billion (\$2.1 billion) in July, marking an annual 23 percent rise.

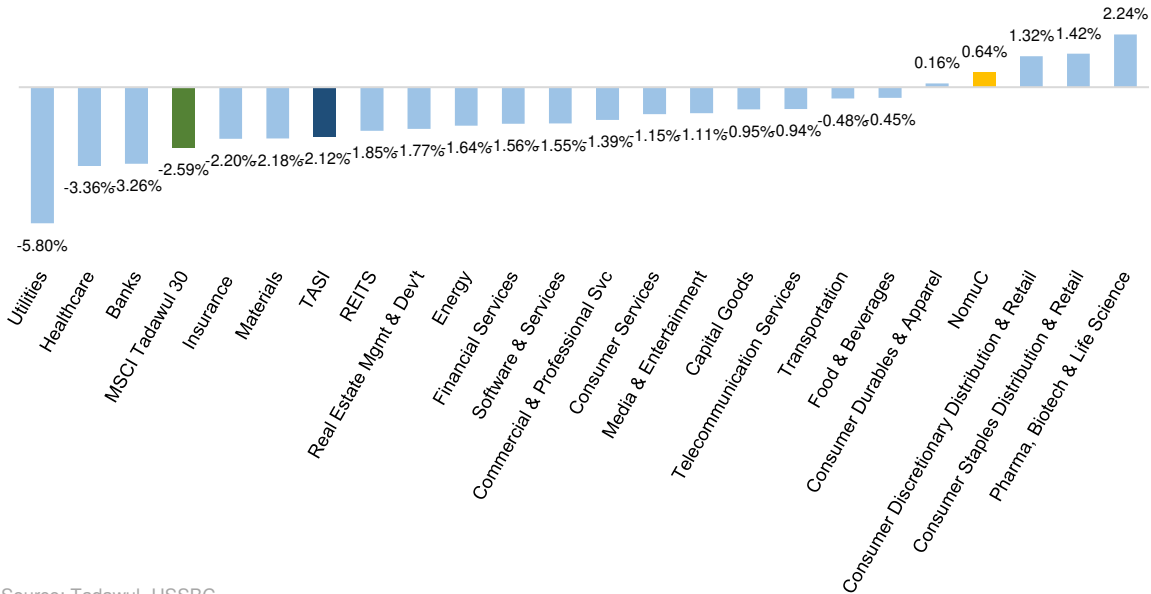


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**Tadawul**

The TASI decreased by 2.12 percent last week and closed at 11,842 points. Four sectors finished the week in positive territory. 'Pharma, Biotech & Life Sciences' led as it gained 2.24 percent. 'Utilities' led the declines, dropping 5.80 percent. The NomuC parallel market index grew 0.64 percent and closed at 25,934 points, while the MSCI Tadawul 30 dropped by 2.59 percent and closed the week at 1,471 points.

Tadawul Weekly Index Performance - September 13<sup>th</sup>, 2024



Source: Tadawul, USSBC



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### **Business, Trade, & Investment**

- Saudi Arabia will eliminate fees for all customs services related to exports and cut import service fees to 0.15 percent of the goods' value starting Oct. 6, 2024. The new fee structure introduces an SAR15 (\$4) charge for customs declaration processing on individual shipments from online stores valued up to SAR1,000 (\$267).
- Saudi Arabia's point-of-sale (POS) transactions dipped in the first week of September, dropping by 4.9 percent from the previous week to reach SAR13.3 billion (\$3.5 billion), with the education sector leading the decline.
- The Saudi Zakat, Tax and Customs Authority (ZATCA) announced it will begin waiving fees for all customs services for exports. The authority also reduced customs service fees for imports through a new mechanism for calculating import service fees, which involves a fee of 0.15 percent of the value of the incoming goods for customs declaration. The new fee structure will take effect on Oct. 6, 2024.

### **Banking**

Money supply M1 declined by 0.77 percent, while M2 and M3 increased by 0.73 percent and 1.32 percent, respectively during the week ending September 5<sup>th</sup>.



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## **U.S. MARKETS**

### **U.S. Macroeconomic Developments**

- The preliminary read of Consumer Sentiment ticked up to 69.0 points, which marks the second consecutive monthly gain. Both views on current conditions and expectations about the future improved and propelled sentiment higher in September.
- The NFIB Small Business Optimism Index dropped to 91.2 points in August, erasing July's gain and dropping for the first time over the last four months. As nonfarm payrolls continue to show a moderation in hiring, hiring plans trended lower and the net share of small businesses actually adding headcounts reached its lowest reading in two years.
- The CPI in the U.S. edged up 0.2 percent MoM in August 2024, the same as in July, and in line with expectations. Shelter cost rose 0.5 percent, above 0.4 percent in July and made the largest upward contribution.

### **Fixed Income**

The yield on the ten-year U.S. Treasury decreased to 3.66 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 2.60 percent and finished the week at 41,393 points. The S&P 500 grew by 4.02 percent and finished at 5,626 points. The NASDAQ jumped by 5.95 percent and ended the week at 17,683 points.



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**GLOBAL OIL MARKETS**

- Arab light crude decreased by 2.05 percent and finished the week at \$72.67. Global benchmark Brent crude grew 0.77 percent to \$71.61 a barrel, while U.S. West Texas Intermediate (WTI) crude increased by 0.12 percent and closed at \$67.75.
- Oil prices finished higher following sharp storm-related increases early in the week, breaking a streak of declines.
- Saudi Arabia's crude oil supply to China is set to rise to 46 million barrels in October. China's top refiners Sinopec and PetroChina sought more crude for loading in October while demand from private refiners Rongsheng Petrochemical and Hengli Petrochemical held steady.

**THE WEEK AHEAD**

- U.S. releases Retail Sales for August on September 17
- U.S. releases Federal Reserve's Interest Rate Decision on September 18
- U.S. releases Building Permits for August on September 18