



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

Weekly Market Brief
Week Ending October 18th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- According to the General Authority for Statistics (GASat), Saudi Arabia's annual inflation rate hit 1.7 percent in September, largely driven by a 9.3 percent increase in housing, utilities, and fuel prices. Housing rents rose by 11.2 percent, with apartment rentals up 10 percent, reflecting limited supply and population growth.
- The World Bank revised Saudi Arabia's 2024 GDP growth forecast to 1.6 percent, with a rebound to 4.9 percent in 2025. The rise is expected as oil production increases, driving a 6.6 percent oil GDP growth in 2025 and 5.1 percent in 2026, alongside steady non-oil sector growth.
- Saudi Arabia's pension system rating improved from C to C+, with its Global Pension Index score increasing to 60.5 points in 2024, up from 59.5 last year, driven by ongoing reforms. This upgrade places Saudi Arabia alongside the U.S. according to the Mercer CFA Institute Global Pension Index.
- Saudi hotel spending increased by 2.4 percent to SAR 270.7 million (\$72.1 million) for the week of October 6th to 12th, despite an overall 10.6 percent drop in point-of-sale (POS) transactions to SAR12.2 billion, according to The Saudi Central Bank (SAMA). The largest declines were in education spending, down 36 percent, and furniture and electronics, which decreased by 21.4 percent and 16 percent, respectively.

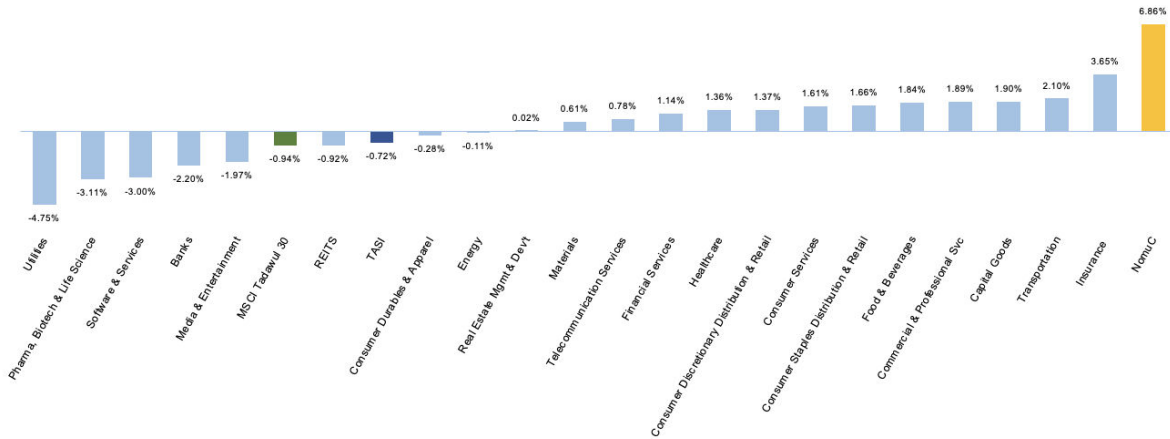


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Tadawul

The TASI decreased by 0.72 percent compared to last week and closed at 11,907 points. 'Insurance' led as it gained 3.65 percent and closed at 10,371 points. 'Utilities' fell by 4.75 percent and closed at 15,130 points. The NomuC parallel market index grew 6.86 percent and closed at 26,205 points, while the MSCI Tadawul 30 fell by 0.94 percent and closed the week at 1,490 points.

Tadawul Weekly Index Performance - October 18th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Arabia aims to invest over SAR1 trillion (\$267 billion) in its logistics sector to position itself as a global hub by 2030, according to Minister of Transport and Logistic Services, Saleh bin Nasser Al-Jasser. At the Global Logistics Forum 2024, the Minister revealed that SAR200 billion (\$53.3 billion) has already been invested.
- Saudi Arabia's container transshipment volume surged 55 percent between 2017 and 2023, with a 31 percent rise in container import and export volumes during the same period, according to the Saudi Ports Authority (Mawani) at the Global Logistics Forum.

Banking

Money supply M1 declined by 1.21 percent, while M2 and M3 also decreased by 0.03 percent and 0.17 percent, respectively during the week ending October 10th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Retail sales in the U.S. increased by 1.7 percent YoY in September 2024, the smallest annual gain since January. Sales from July to September 2024 period increased by 2.3 percent YoY, according to the U.S. Census Bureau.
- The U.S. Bureau of Labor Statistics reported U.S. import prices fell 0.4 percent in September 2024, after a 0.2 percent decline in August, marking the largest one-month drop since December 2023. Import fuel prices dropped 7.0 percent, the biggest decrease since December 2023, while export prices fell 0.7 percent. Over the past year, import prices have fallen by 0.1 percent, the first annual decline since February 2024.
- U.S. industrial production decreased by 0.3 percent in September 2024, following a 0.3 percent increase in August, according to the Federal Reserve. Total production was 0.6 percent lower than the previous year, and capacity utilization fell to 77.5 percent, below the long-run average.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.08 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 0.96 percent and finished the week at 43,275. The S&P 500 grew by 0.85 percent and finished at 5,864 points. The NASDAQ jumped by 0.80 percent and ended the week at 18,489 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 3 percent and finished the week at \$75.63. Global benchmark Brent crude decreased by 7.4 percent to \$73.06 a barrel, while U.S. West Texas Intermediate (WTI) crude decreased by 9.1 percent and closed at \$68.69.
- Oil prices fell this week due to concerns over slower economic growth in China and uncertainty surrounding the Middle East, leading to their largest weekly decline since early September.
- Saudi Arabia's crude oil output reached 8.99 million barrels per day in August, reflecting a 0.83 percent rise compared to the same period last year. Exports also saw an annual growth of 1.56 percent, reaching 5.67 million bpd, while domestic petroleum demand grew YoY by 117,000 bpd, totaling 2.89 million bpd, according to Joint Organizations Data Initiative (JODI).

THE WEEK AHEAD

- U.S. releases Existing Home Sales for September on October 23
- U.S. releases Jobless Claims for the week of October 12 on October 24
- U.S. releases Durable Goods Orders for September on October 25