



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

Weekly Market Brief
Week Ending October 25th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The IMF revised Saudi Arabia's economic growth forecast to 1.5 percent for 2024 and 4.6 percent for 2025, reflecting reductions of 0.2 and 0.1 percentage points, respectively, from July's estimates.
- Saudi Arabia's 2023 foreign direct investment (FDI) report, based on the IMF's updated Balance of Payments Manual (BPM6) methodology, shows FDI inflows at SAR96 billion (\$25.5 billion), exceeding the National Investment Strategy (NIS) goal of SAR83 billion (\$22 billion) by 16 percent, reflecting strong progress beyond set targets.
- According to the General Authority for Statistics (GASat), non-oil exports, including re-exports, increased by 7.5 percent compared to August 2023. National non-oil exports rose by 3.0 percent, while re-exports surged by 18.9 percent. The ratio of non-oil exports to imports grew to 42.5 percent in August 2024, up from 38.0 percent a year earlier, reflecting the rise in non-oil exports alongside a 3.9 percent decrease in imports.

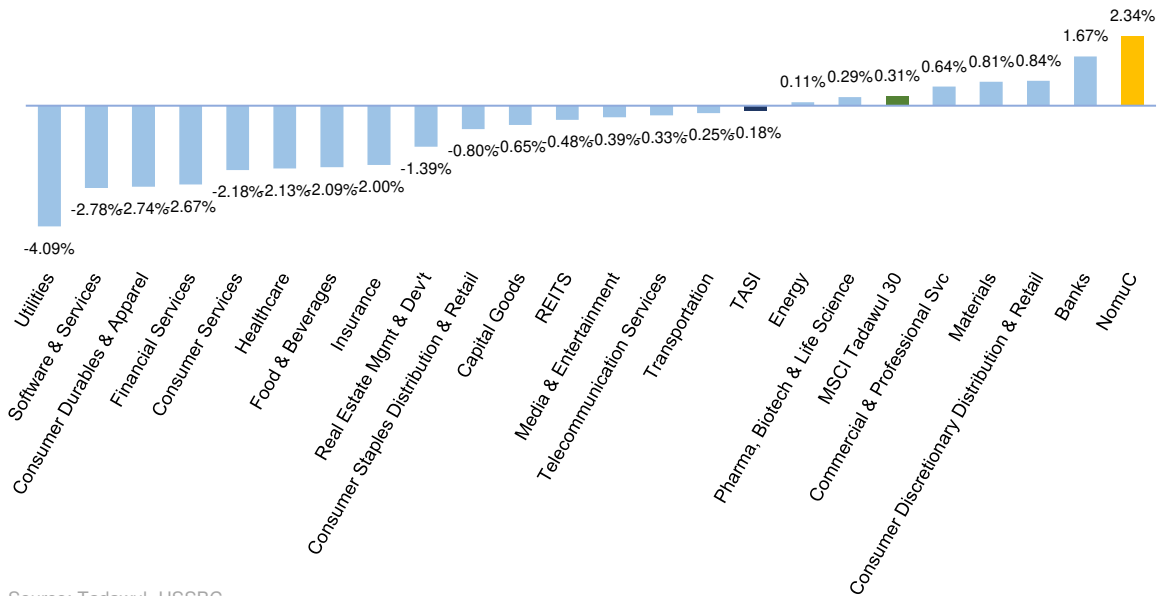


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Tadawul

The TASI declined by 0.18 percent compared to last week and closed at 11,886 points. 'Banks' led as it gained 1.67 percent. 'Utilities' fell by 4.09 percent. The NomuC parallel market index grew by 2.34 percent and closed at 26,818 points, while the MSCI Tadawul 30 fell increased 0.31 percent and closed the week at 1,494 points.

Tadawul Weekly Index Performance - October 25th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Arabia's Ministry of Environment, Water, and Agriculture reported a substantial increase in private sector investments in the agriculture and food sector, totaling over SAR37 billion (\$9.8 billion). These investments span projects in crop production, livestock, fisheries, agricultural processing, manufacturing, and infrastructure, all supporting the goals of Vision 2030.
- Saudi Health Minister Fahd Al-Jalajel reported over SAR50 billion (\$13.3 billion) in investments unveiled at Riyadh's Global Health Exhibition. The pharmaceutical market and private health insurance are projected to hit SAR72 billion (\$19.2 billion) and SAR40 billion (\$10.6 billion) by 2030, respectively.
- Saudi Arabia has opened bidding for seven mining licenses across Makkah and Riyadh, covering 1,070 sq. km with deposits of gold, copper, zinc, lead, and silver. This initiative supports Vision 2030's goal to establish mining as the Kingdom's third economic pillar.

Banking

Money supply M1 declined by 0.48 percent, while M2 and M3 also decreased by 0.36 percent and 0.30 percent, respectively during the week ending October 17th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- U.S. existing home sales fell by 1.0 percent in September to an annualized rate of 3.84 million units, down 3.5 percent from a year ago and reaching the lowest level since October 2010. Rising mortgage rates, now near 7 percent, and disruptions from Hurricanes Milton and Helene are expected to further dampen residential activity in the near term.
- According to the U.S. Census Bureau, new orders for manufactured durable goods fell 0.8 percent (\$2.2 billion) to \$284.8 billion in September, marking the third decline in four months. Excluding transportation, orders rose 0.4 percent, while excluding defense, orders fell 1.1 percent. The primary cause of the decline was transportation equipment, which dropped 3.1 percent to \$95.4 billion.
- The Conference Board Leading Economic Index (LEI) for the U.S. decreased by 0.5 percent to 99.7 points in September, building on a 0.3 percent drop in August. From March to September 2024, the LEI recorded a 2.6 percent decline, exceeding the 2.2 percent decrease noted in the previous six months.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.25 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 2.68 percent and finished the week at 42,114. The S&P 500 fell by 0.96 percent and finished at 5,808 points. The NASDAQ jumped by 0.16 percent and ended the week at 18,518 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 0.24 percent and finished the week at \$75.45. Global benchmark Brent crude increased by 3.52 percent to \$75.63 a barrel, while U.S. West Texas Intermediate (WTI) crude increased by 3.87 percent and closed at \$71.35.
- Oil prices were supported by fluctuating Middle East tensions and anticipated ceasefire discussions in Gaza.

THE WEEK AHEAD

- U.S. releases GDP Growth Rate for Q3 on October 30
- Saudi Arabia releases Private Bank Lending for September on October 30
- U.S. releases Personal Income & Spending for September on October 31