



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

Weekly Market Brief
Week Ending November 1st, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's liquidity levels rose by 8.7 percent YoY to SAR2.9 trillion (\$773 billion) as of August 2024, marking an increase of SAR232.2 billion (\$62 billion) and setting a new high compared to August 2023's SAR2.67 trillion (\$712 billion). Monthly liquidity also grew by 1.3 percent, or SAR36.85 billion (\$9.8 billion).
- Saudi Arabia's real GDP grew by 2.8 percent YoY in Q3 2024, driven by a 4.2 percent expansion in the non-oil sector, according to the General Authority for Statistics (GStat). Government activities rose by 3.1 percent, while oil sector growth was modest at 0.3 percent. Seasonally adjusted GDP increased by 0.8 percent from Q2 2024.
- Saudi Arabia's real estate price index increased by 2.6 percent YoY in Q3 2024, driven by rising residential sector costs, according to GStat. Residential property prices rose 1.6 percent, with commercial and agricultural property prices seeing larger gains of 6.4 percent and 8.7 percent each.

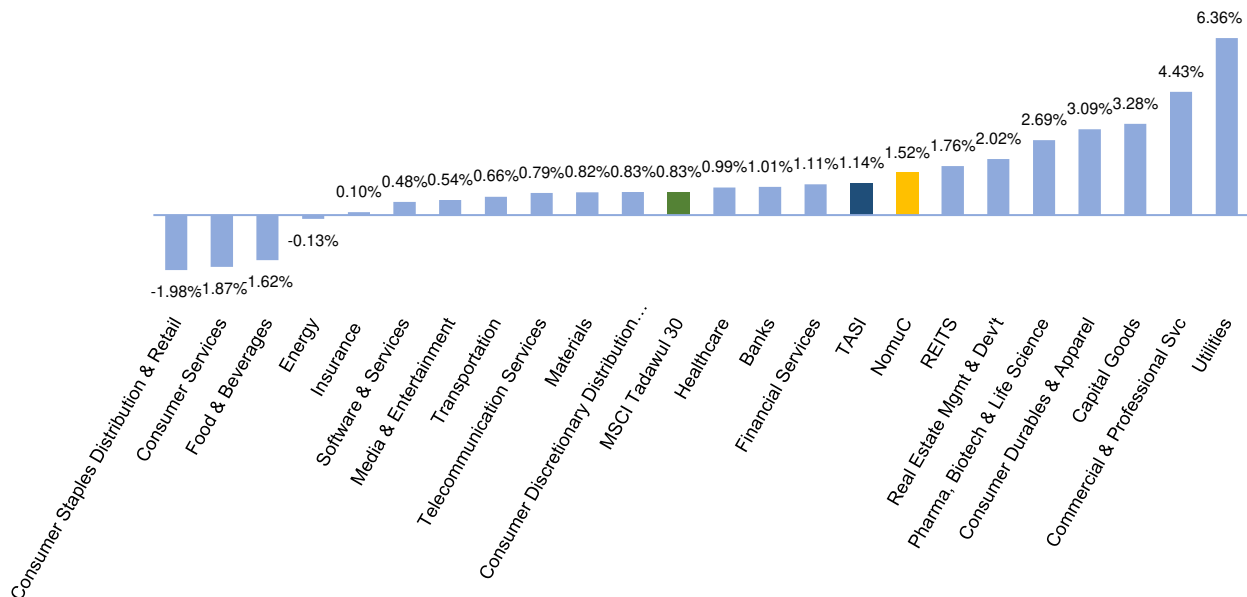


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Tadawul

The TASI rose by 1.14 percent compared to last week and closed at 12,022 points. ‘Utilities’ led as it gained 6.36 percent. ‘Consumer Staples Distribution and Retail’ fell by 1.98 percent. The NomuC parallel market index increased 1.52 percent and closed at 27,225 points, while the MSCI Tadawul 30 rose by 0.83 percent and closed the week at 1,507 points.

Tadawul Weekly Index Performance - November 1st, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Investment Minister Khalid Al-Falih announced that 540 international companies have set up regional headquarters in Riyadh, surpassing the Kingdom's 2030 goal of 500. Speaking at the Future Investment Initiative (FII8), Al-Falih highlighted Saudi Arabia's strong economic growth and resilient investment environment, despite regional geopolitical challenges.
- The PIF formed a strategic partnership with Google Cloud to establish an advanced artificial intelligence hub near Dammam in the Eastern Province. Reportedly, the AI center will create thousands of jobs and contribute \$71 billion to Saudi Arabia's gross domestic product over the next eight years.

Banking

Money supply M1 declined by 0.10 percent, while M2 and M3 increased by 0.20 percent each during the week ending October 24th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- The U.S. Bureau of Economic Analysis reported a 2.8 percent annual increase in real GDP for Q3 2024, following a 3.0 percent rise in Q2. The growth was primarily driven by consumer spending, exports, and federal government expenditure, despite an increase in imports.
- Personal income in the U.S. rose by \$71.6 billion (0.3 percent) in September, with disposable personal income up by \$57.4 billion (0.3 percent) and personal consumption expenditures (PCE) increasing by \$105.8 billion (0.5 percent).
- Construction spending reached a seasonally adjusted annual rate of \$2.15 trillion in September, up 0.1 percent from August and 4.6 percent YoY. YTD spending totaled \$1.62 trillion, a 7.3 percent increase YoY.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.37 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.15 percent and finished the week at 42,052. The S&P 500 fell by 1.37 percent and finished at 5,728 points. The NASDAQ fell by 1.50 percent and ended the week at 18,239 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 0.49 percent and finished the week at \$75.08. Global benchmark Brent crude decreased by 3.35 percent to \$73.10 a barrel, while U.S. West Texas Intermediate (WTI) crude decreased by 2.61 percent and closed at \$69.49.
- U.S. imports of crude oil from Saudi Arabia hit a near four-year low last week, U.S. government data showed, as Canada's Trans Mountain pipeline sent more oil to the U.S. West Coast. U.S. imports of Saudi crude fell to 13,000 bpd in the week to Oct. 25, according to the U.S. Energy Information Administration. The imports were set to finish October at 160,000 bpd, the second lowest month on record.
- Saudi Arabia stated that it remains committed to a crude oil capacity of 12.3 million barrels per day, even as it transitions to renewables, aiming for 50 percent of power from renewable sources by 2030.

THE WEEK AHEAD

- The U.S. releases the ISM Services PMI for October on November 5
- Saudi Arabia releases the Riyadh Bank PMI for October on November 5
- The U.S. releases the Federal Interest Rate Decision on November 7