



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

Weekly Market Brief
Week Ending November 29th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia approved the state budget for fiscal year 2025 with revenues projected at SAR1.18 trillion (\$315.73 billion) and expenditure at SAR1.28 trillion (\$341.33 billion), leading to a deficit of SAR101 billion (\$26.93).
- The Ministry of Finance forecasted Saudi Arabia's Real GDP growth at 4.6 percent in 2025, up from the 0.8 percent estimate for 2024. This growth will be driven by a rise in non-oil sector activities.
- The Kingdom's total debt is projected to reach SAR1.3 trillion (\$347 billion) in 2025, equivalent to 29.9 percent of GDP, reflecting a sustainable level to meet financing needs.

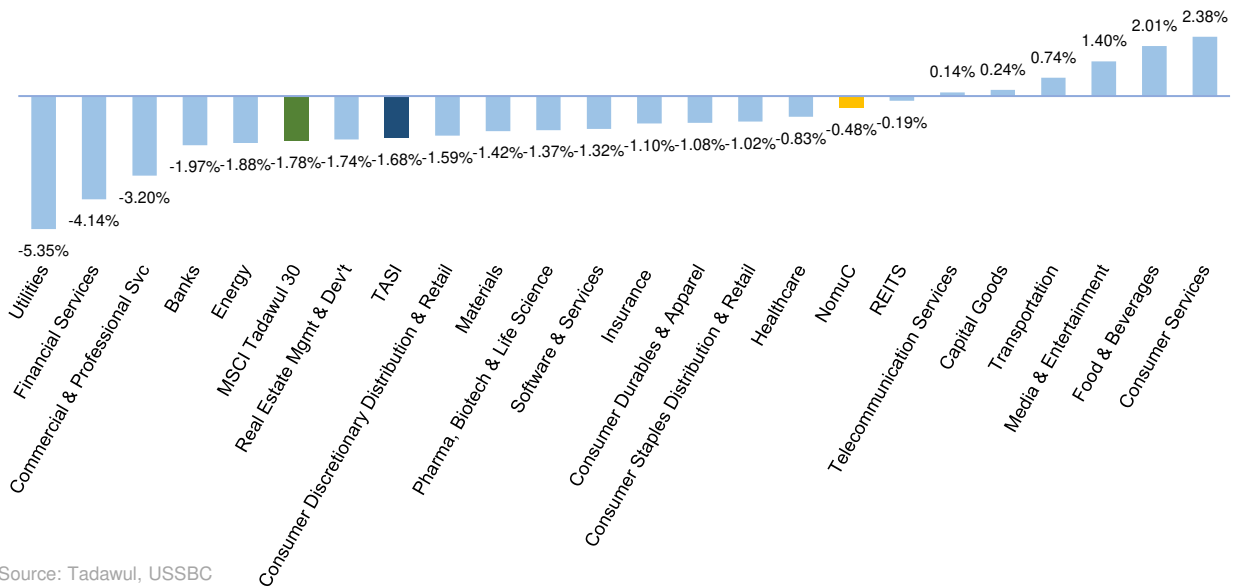


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Tadawul

The TASI declined by 1.68 percent compared to last week and closed at 11,641 points. ‘Consumer Services’ led the gains as it grew 2.38 percent. ‘Utilities’ fell the most as it dropped by 5.35 percent. The NomuC parallel market index declined 0.48 percent and closed at 30,394 points, while the MSCI Tadawul 30 fell by 1.78 percent and closed the week at 1,460 points.

Tadawul Weekly Index Performance - November 29th 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Arabia witnessed an 866 percent surge in franchise registrations over the past three years, reaching 1,788 by the end of the third quarter of 2024. This marks a significant increase from just 185 in the fourth quarter of 2021.
- Global credit ratings agency Moody's Ratings upgraded Saudi Arabia's long-term local and foreign currency issuer and senior unsecured ratings to Aa3 from A1. Saudi Arabia's local and foreign currency medium-term note program ratings was also upgraded to (P)Aa3 from (P)A1.
- Saudi Arabia launched the Jeddah Food Cluster, a major project aimed at transforming the city into a global business hub with an investment target of SAR20 billion (\$5.3 billion). Spanning 11 million sq. meters, the cluster is recognized by Guinness World Records as the largest food park in the world by area. The development is expected to create over 43,000 jobs, driving both local and national economic growth.
- Incoming tourist numbers surged by 27 percent in the first nine months of 2024 compared to a 14 percent increase during the same period last year, according to Minister of Tourism, Ahmed Al Khateeb.

Banking

Money supply M1 declined by 0.49 percent, while M2 and M3 increased by 0.07 percent and 0.59 percent, respectively during the week ending November 21st.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Consumers' confidence ticked up in November with the Consumer Confidence Index rising to 111.7 points from an upwardly revised print of 109.6 points a month earlier. Confidence leaped over ten points in October and is now sitting at the highest level in nearly three years.
- New home sales dropped 17.3 percent to a 610K unit pace during October. A sharp pullback in sales in the South region suggests recent hurricanes negatively impacted home buying during the month.
- Existing home sales strengthened 3.4 percent during October, ending a two-month streak of declines. The improvement mostly reflects the decline in mortgage rates that occurred in August and September in anticipation of a reduction in the federal funds rate from the Federal Reserve.

Fixed Income

The yield on the ten-year U.S. Treasury decreased to 4.18 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 1.39 percent and finished the week at 44,910. The S&P 500 grew by 1.06 percent and finished at 6,032 points. The NASDAQ jumped by 1.13 percent and ended the week at 19,218 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 0.84 percent and finished the week at \$74.31. Global benchmark Brent crude decreased by 2.26 percent to \$72.94 a barrel, while U.S. West Texas Intermediate (WTI) crude decreased by 4.55 percent and closed at \$68.00.
- Oil prices fell as concern eased over supply risks from the Israel-Hezbollah conflict and the prospect of increased supply in 2025 even as OPEC+ is expected to extend output cuts.
- OPEC+ nations are discussing a further delay to a planned oil output hike that was due to start in January. OPEC+, which pumps about half the world's oil, had planned to gradually roll back oil production cuts with small increases over many months in 2024 and 2025. But a slowdown in Chinese and global demand, and rising output outside the group, have put a dampener on that plan.

THE WEEK AHEAD

- U.S. releases ISM Manufacturing PMI for November on December 2
 - Saudi Arabia releases Riyadh Bank PMI for November on December 3
 - U.S. releases Non-Farm Payrolls for November on December 6
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