



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

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Weekly Market Brief  
*Week Ending January 13<sup>th</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's Industrial Production Index rose 8.6 percent YoY in November 2022, driven by high production in mining and quarrying and manufacturing activities, according to the General Authority for Statistics (GASat).
- The World Bank forecasts Saudi Arabia's GDP will grow 3.7 percent in 2023 and 2.3 percent in 2024. In October 2022, it raised estimates for the Kingdom's economic growth from 7 percent to 7.3 percent in 2022.
- The value of Saudi Arabia's real estate transactions grew 6 percent or SAR12.5 billion (\$3.3 billion) YoY to nearly SAR223.5 billion (\$60 billion) in 2022, Ministry of Justice data showed. This marks the highest value of real estate deals since 2016, when it amounted to about SAR264.1 billion (\$70.4 billion).

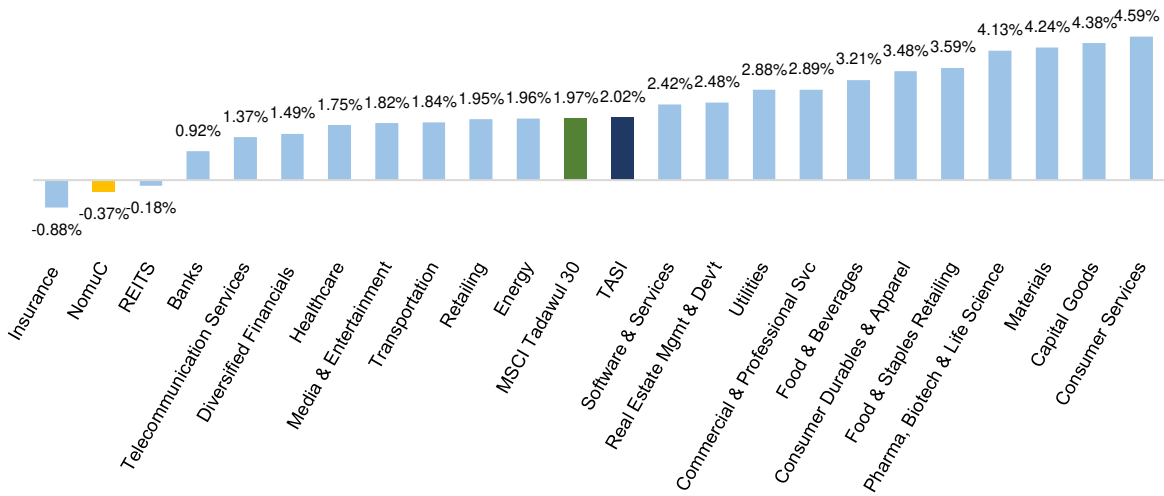


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### Tadawul

The TASI rose 2.02 percent last week and closed at 10,744 points. Nineteen of the 21 sectors finished the week in positive territory with 'Consumer Goods' and 'Capital Goods' experiencing the greatest increase at 4.59 percent and 4.38 percent, respectively. 'Insurance' had the steepest decline at 0.88 percent followed by 'REITS' at 0.18 percent, respectively. The NomuC parallel market index decreased by 0.37 percent and closed at 19,232 points, while the MSCI Tadawul 30 jumped 1.97 percent and closed the week at 1,494 points.

Tadawul Weekly Index Performance - January 13, 2023



Source: Tadawul, USSBC



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## Business, Trade, & Investment

- The Public Investment Fund (PIF) added the SAR190 billion (\$50 billion) Diriyah development project to its investment portfolio as the sovereign wealth fund's fifth giga-project alongside NEOM, Red Sea Global, Qiddiya, and ROSHN. The Diriyah Gate Development Authority is expected to maintain its supervisory and regulatory oversight of Diriyah's heritage and history.
- Saudi Arabia's maritime trade hubs have seen a yearly increase of 13 percent in cargo throughput during the year 2022, handling an estimated 237 million tons compared to 210 million tons in the preceding year. The year-end statistics for 2022 highlight a 3.2 percent surge in container volumes at 10.355 billion TEUs in contrast to 10.035 billion TEUs a year earlier.
- Saudi Arabian startups grew by 72 percent to a record high of SAR3.7 billion (\$987 million) YoY in 2022. Saudi Arabia achieved the highest growth of VC funding among top MENA countries while maintaining its position as the second-most funded market in MENA in 2022, accounting for 31 percent of the total capital deployed, increasing from 21 percent in 2021.
- Saudi Aramco awarded a consortium of local companies Lamar Holding and Asyad Group the contract to develop public-private partnership (PPP) accommodation complexes at Haradh and Wudayhi in the Eastern Province of Saudi Arabia. The value of the contract is SAR1.7 billion (\$450 million).
- According to the Ministry of Investment, visitors to Saudi Arabia spent SAR27 billion (\$7.2 billion) during the first six months of 2022. A reported 3.6 million foreign tourists visited the Kingdom during the second quarter of the year.
- Ma'aden awarded a contract worth SAR1.04 billion (\$278 million) to WorleyParsons Arabia and Jesa International to construct Phase One of its Phosphate 3 complex project. The integrated production complex will be built in the industrial cities of Wa'ad Al Shamal and Ras Al-Khair.
- The PIF increased its stake in Japan's Nintendo Co. Ltd to six percent from the previous five percent. The investment is in line with the Kingdom's plans to become a global leader in the video game industry.



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## Banking

Money supply M1 increased by 0.67 percent while M2 decreased by 0.20 percent and M3 slipped by 0.15 percent during the week ending January 6<sup>th</sup>.

## U.S. MARKETS

### U.S. Macroeconomic Developments

- Inflation continued to ease in December. The headline CPI fell 0.1 percent, and excluding food and energy, prices advanced 0.3 percent. While inflation has clearly slowed from its pace earlier in 2022, interest rates are expected to continue to increase through 2023.
- The number of Americans filing new claims for unemployment benefits fell by 1,000 to 205,000 on the week ending January 7<sup>th</sup>, well below expectations of 215,000. It was the lowest value in over three months, adding to recent evidence of a tight labor market despite the Federal Reserve's aggressive tightening path last year.
- The U.S. government budget deficit nearly quadrupled to \$85 billion in December of 2022 from \$21.3 billion the previous year, compared to market expectations of a \$70 billion shortfall. Outlays rose 6 percent to \$540 billion, as interest on the public debt grew by \$9 billion from a year earlier and Social Security outlays rose because of cost-of-living adjustments.

### Fixed Income

The yield on the ten-year U.S. Treasury decreased to 3.49 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 2 percent and finished the week at 34,302 points. The S&P 500 jumped 2.67 percent and finished at 3,999 points, and the NASDAQ gained 4.82 percent and ended the week at 11,079 points.



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## GLOBAL OIL MARKETS

- Arab light crude increased 6.49 percent and finished the week at \$82.09. Global benchmark Brent crude jumped 8.54 percent to \$85.28 a barrel, while U.S. West Texas Intermediate (WTI) crude increased 8.67 percent and closed at \$80.08.
- Oil prices notched their biggest weekly gains since October, as the U.S. dollar dropped to a seven-month low, and more indicators pointed toward growing demand from top oil importer China.
- The total active U.S. rig count, which includes those drilling for natural gas, increased by three to 775 this week, according to Baker Hughes. The number of active U.S. rigs drilling for oil increased by five to 623 this week, following a decline of three in the previous week.

## THE WEEK AHEAD

- U.S. releases Producer Price Index for December on January 18
- U.S. releases the Retail Sales for December on January 18
- Saudi Arabia releases Real Estate Prices for the fourth quarter on January 19