



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

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Weekly Market Brief  
Week Ending February 17<sup>th</sup>, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's inflation was 3.4 percent higher in January 2023 YoY, primarily driven by the rising costs of housing, water, electricity, gas, and other fuels, which went up by 6.6 percent. Saudi Arabia's annual inflation rate in January 2023 is the highest since June 2021, when it hit 6.6 percent. The inflation rate rose 0.2 percent MoM.
- Saudi Arabia's National Debt Management Center has closed the issuance of SAR3.65 billion (\$980 million) riyal-denominated sukuk for February 2023. The sukuk were divided into two tranches, with the first at SAR3.22 billion (\$859 million), set to mature in 2031. The second tranche was SAR433 million (\$115.5 million), which will mature in 2037.

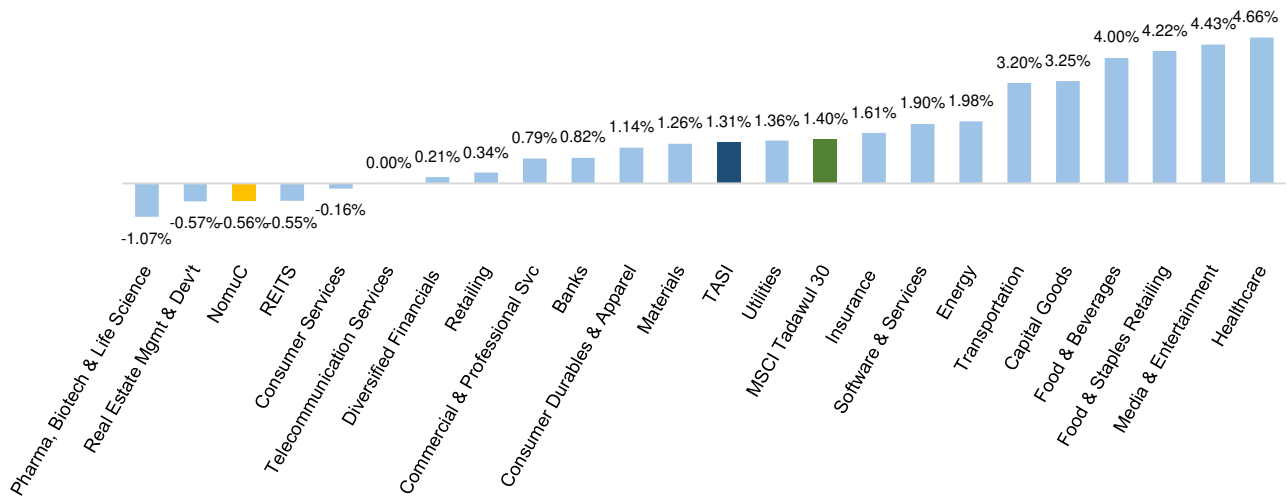


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### Tadawul

The TASI grew 1.31 percent last week and closed at 10,548 points. Seventeen of the 21 sectors finished the week in positive territory with 'Healthcare' and 'Media & Entertainment' experiencing the greatest increases at 4.66 percent and 4.43 percent, respectively. 'Pharma, Biotech & Life Science' had the steepest decline at 1.07 percent followed by 'Real Estate Management & Development' at 0.57 percent. The NomuC parallel market index declined by 0.56 percent and closed at 19,258 points, while the MSCI Tadawul 30 advanced 1.40 percent and closed the week at 1,444 points.

Tadawul Weekly Index Performance - February 17, 2023



Source: Tadawul, USSBC



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## Business, Trade, & Investment

- The Ministry of Industry and Mineral Resources issued 69 new mining licenses in December 2022, including 46 building materials and quarry licenses, 12 exploration licenses, four surplus mineral ore licenses, and an exploitation license, according to the National Industrial and Mining Information Center.
- The Public Investment Fund (PIF) invested a total of SAR4.9 billion (\$1.3 billion) in four local construction companies, as part of the fund's capital increase initiatives. It acquired stakes in Nesma & Partners Contracting Company, El Seif Engineering Contracting Company, AlBawani Holding Company, and Almagbani General Contractors Company.
- Saudi utility services company Keir International was awarded a SAR69 million (\$18.3 million) contract for the Qiddiya Water Theme Park. Keir will provide engineering, design, electrical and communications as well as civil and electromechanical works for the key leisure development.
- Cement sales in Saudi Arabia slipped by 2.3 percent in 2022 while exports to regional countries surged to a record high. Sales declined to 50.8 million tons in 2022 from 51 million in 2021. Meanwhile, cement production declined to 52.4 million tons from 53.7 million tons in 2021. Cement exports climbed to a record high of 8.94 million tons in 2022 from 8.18 million tons the prior year.
- The PIF reduced its holding of U.S. equities from SAR138 billion (\$36.8 billion) in Q3 2022 to SAR116 billion (\$30.94 billion) in Q4 2022, according to a Securities and Exchange Commission filing. It did not add new investments during the quarter but increased its stake in Lucid Group by 93.75 million shares. Its value fell from SAR53.2 billion (\$14.18 billion) in Q3 2022 to SAR28.4 billion (\$7.57 billion) Q4 2022.
- The Saudi Ports Authority (MAWANI) and Danish shipping company Maersk announced the establishment of the "largest logistics park" at a cost of SAR1.3 billion (\$346 million) at the Jeddah Islamic Port. The facility is scheduled to be completed by the first quarter of 2024 and will help create more than 2,500 direct and indirect job opportunities.
- H.R.H. Crown Prince Mohammed bin Salman announced the launch of the New Murabba Development Co. The New Murabba will offer more than 25 million sq. m of floor area, 104,000 residential units, 9,000 hotel rooms, 980,000 sq. m of retail space, 1.4 million sq. m of office space, 620,000 sq. m of leisure space, and 1.8 million sq. m of community facilities.



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## Banking

Money supply M1, M2, and M3 decreased by 0.65 percent, 0.31 percent, and 0.21 percent, respectively during the week ending February 9<sup>th</sup>.

## U.S. MARKETS

### U.S. Macroeconomic Developments

- Consumer prices increased 0.5 percent in January, the biggest monthly move since October. Firmer food inflation and a rebound in energy prices helped boost the headline number. Excluding food and energy, the core CPI increased 0.4 percent amid a slight pickup in core goods and a solid 0.5 percent rise in core services prices.
- Retail sales bounced back at the start of the year, rising 3 percent in January after declining in three of the prior four months. The data point to consumer resilience and upside risk to Q1 2023 spending.
- Industrial production was flat in January after having declined in six of the prior eight months. The details were favorable for manufacturing activity, but a record drop in utilities output held back overall production. Specifically, utilities output plunged 10 percent in January, which marked the largest monthly decline in data going back to 1939.

## Fixed Income

The yield on the ten-year U.S. Treasury increased to 3.82 percent.

## Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.12 percent and finished the week at 33,826 points. The S&P 500 declined 0.28 percent and finished at 4,079 points. Meanwhile, the NASDAQ grew 0.59 percent and ended the week at 11,787 points.



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## GLOBAL OIL MARKETS

- Arab light crude marginally increased 0.04 percent and finished the week at \$83.42. Global benchmark Brent crude declined 3.92 percent to \$83.00 a barrel, while U.S. West Texas Intermediate (WTI) crude tumbled 4.28 percent and closed at \$76.34.
- Global oil prices ended the week markedly lower, as traders worried that future U.S. interest rate hikes could weigh on demand and got nervous about mounting signs of ample crude and fuel supply.
- Crude oil production from all 13 OPEC members slid by 49,000 barrels per day (bpd) in January from December to average 28.88 million bpd as top producer Saudi Arabia slashed output by 156,000 bpd, according to OPEC's latest Monthly Oil Market Report (MOMR).

## THE WEEK AHEAD

- Saudi Arabia releases International Trade data for December on February 21
- U.S. releases Personal Income for January on February 24
- U.S. releases Core PCE Index for January on February 24