



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

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

## SAUDI ARABIAN MARKET

### Saudi Arabia Macroeconomic Developments

- Saudi Arabia's inflation rate dropped 0.4 percent in February, driven by a slight decrease in food and beverage prices, according to the General Authority for Statistics (GStat).
- The consumer price index (CPI) increased by 3 percent in February YoY. The main drivers were higher housing prices, water, electricity, gas, and other fuels, which increased 7 percent. Food and beverage costs jumped 3.1 percent.

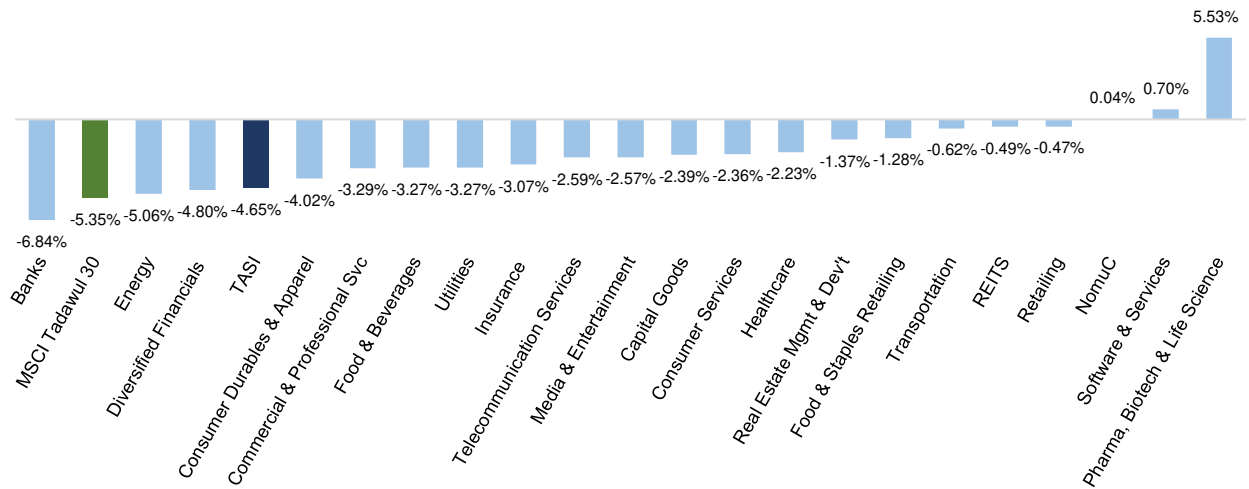
### Tadawul

The TASI decreased 4.65 percent last week and closed at 9,977 points. Eighteen of the 21 sectors finished the week in negative territory with 'Banks' and 'Energy' experiencing the greatest decrease at 6.84 percent and 5.1 percent respectively. 'Pharma, Biotech & Life Science' experienced the highest increase at 5 percent followed by 'Software & Services' at 0.70 percent. The NomuC parallel market index increased by 0.04 percent and closed at 19,011 points, while the MSCI Tadawul 30 dipped 5.35 percent and closed the week at 1,347 points.



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Tadawul Weekly Index Performance - March 17, 2023



Source: Tadawul, USSBC



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## Business, Trade, & Investment

- The National Water Company (NWC) awarded several contracts to improve sewage treatments plants in Dammam and the Eastern Region. Approximately SAR163 million (\$43 million) in sewage treatment plans were awarded, while SAR270.6 million (\$71.3 million) in water improvement projects in the Eastern Region and SAR782 million (\$206 million) in Dammam were also awarded. Another SAR439 million (\$115.6 million) in distribution networks contracts were also awarded.
- Saudi Arabia's Ministry of Industry and Mineral Resources plans to invest SAR4 billion (\$1.1 billion) in specialized local supply chains for small and medium enterprises as part of the National Industrial Strategy.
- Saudi Arabia's ports witnessed a 7.76 percent increase in container traffic YoY in February 2023, handling 622,837 twenty-foot equivalent units, according to the latest data released by the Saudi Ports Authority (Mawani).
- Saudi Crown Prince H.R.H. Mohammed bin Salman announced the creation of a new national airline Riyadh Air, wholly owned by the Public Investment Fund (PIF). Along with Saudia Airlines, the two national carriers will help the Kingdom reach its goal of serving 300 million passengers by 2030.
- King Saud University Medical City signed an MoU with the Houston Methodist Hospital to collaborate on the development and implementation of projects related to quality and patient safety and the provision of clinical, administrative, and educational services.
- Saudi Arabia signed a SAR140 billion (\$37 billion) deal with Boeing to manufacture up to 121 planes that will supply the PIFs new national airline, Riyadh Air.

## Banking

Money supply M1 decreased 0.34 percent, while M2 and M3 increased by 0.40 percent and 0.41 percent, respectively during the week ending March 9<sup>th</sup>.



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## U.S. MARKETS

### U.S. Macroeconomic Developments

- The Consumer price Index increased 0.4 percent in February. Grocery store prices rose 0.3 percent and prices for food consumed away from home rose 0.6 percent. The core CPI inflation increased 0.5 percent last month.
- February retail sales dropped by 0.4 percent. Department store sales experienced the biggest plunge at 4 percent while furniture sales decreased by 2.5 percent. Clothing decreased 0.8 percent, gasoline stations dropped 0.6 percent, and sporting goods retailers dipped 0.5 percent. Non-store retailers were one of the few that saw an increase of 1.6 percent.
- Industrial production remained unchanged in February. The indexes for durable manufacturing and nondurable manufacturing moved up 0.1 percent and 0.2 percent, respectively, while the index for other manufacturing fell 1.5 percent. Meanwhile, mining output fell 0.6 percent while the output of utilities rose 0.5 percent.

### Fixed Income

The yield on the ten-year U.S. Treasury decreased to 3.39 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.15 percent and finished the week at 31,862 points. The S&P 500 increased 1.43 percent and finished at 3,917 points. The NASDAQ jumped 4.41 percent and ended the week at 11,631 points.



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## GLOBAL OIL MARKETS

- Arab light crude decreased 6.68 percent and finished the week at \$76.33. Global benchmark Brent crude dropped 11.85 percent to \$72.97 a barrel, while U.S. West Texas Intermediate (WTI) crude slipped 12.96 percent and closed at \$66.74.
- Global oil prices hit the lowest levels in 15 months due to banking liquidity fears and a decrease in investor confidence following the Silicon Valley Bank collapse.
- Saudi Arabia's crude oil exports rose nearly 3 percent in January to a three-month high, data from the Joint Organizations Data Initiative (JODI) revealed. The country's crude exports rose to 7.66 million barrels per day (bpd) in January from 7.44 million bpd in December.

## THE WEEK AHEAD

- U.S. Fed releases Interest Rate Decision on March 22
- Saudi Arabia releases Interest Rate Decision on March 22
- U.S. releases Durable Goods Order for February on March 24



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