



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

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Weekly Market Brief  
*Week Ending June 23<sup>rd</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Overall merchandise exports decreased by 25.2 percent YoY in April 2023. The value of exports amounted to SAR103 billion (\$27.5 billion) in April 2023, down from SAR137.7 billion (\$36.7 billion) in April 2022. This decrease was attributed to oil exports, which fell by SAR25.9 billion (\$6.9 billion) or 23.6 percent in the same period, decreasing to SAR83.8 billion (\$22.3 billion) from SAR109.7 billion (\$29.3 billion) in April 2022.
- Saudi Arabia's merchandise imports decreased 16.1 percent to SAR57.9 billion (\$15.4 billion) in April 2023 compared to SAR69 billion (\$18.4 billion) in the previous month. However, it increased by 1 percent in April 2023 compared to SAR57.3 million (\$15.3 million) in April 2022.
- Saudi Arabia's financial market advanced seven places to the third position in the competitiveness indicators among G20 nations this year, according to the International Institute for Management Development.

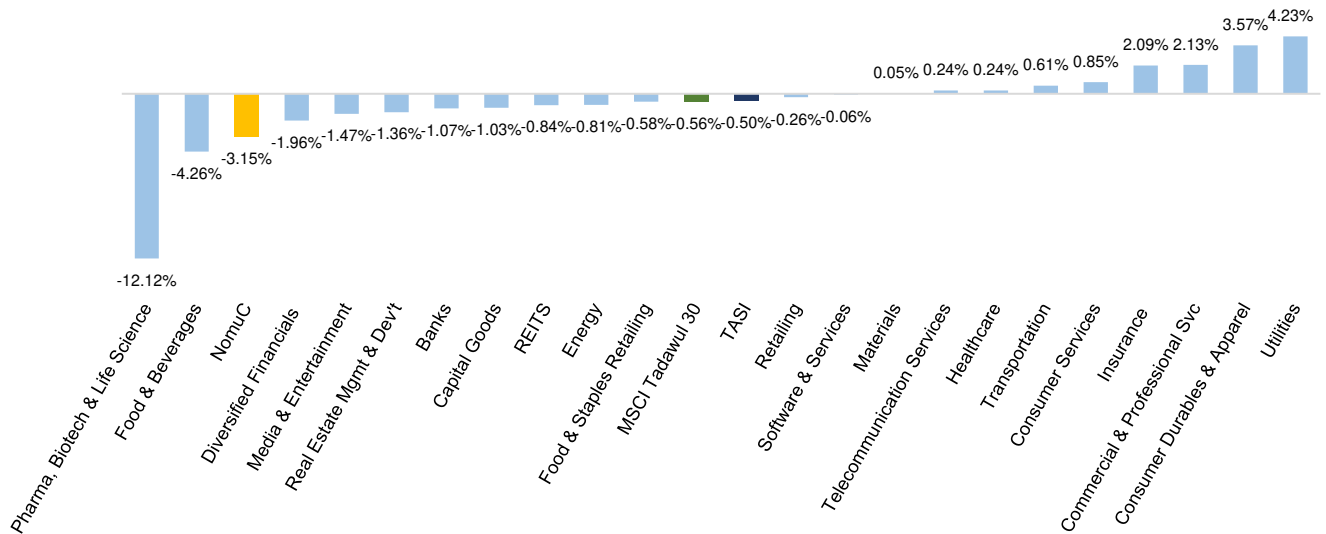


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Tadawul

The TASI decreased by 0.50 percent last week and closed at 11,458 points. Nine of the 21 sectors finished the week in positive territory with 'Utilities' and 'Durables and Apparel' experiencing the greatest increases at 4.23 percent and 3.57 percent, respectively. 'Pharma, Biotech & Life Science' led the declines as it dropped 12.12 percent. The NomuC parallel market index slipped by 3.15 percent and closed at 26,147 points, while the MSCI Tadawul 30 decreased 0.56 percent and closed the week at 1,510 points.

Tadawul Weekly Index Performance - June 23, 2023



Source: Tadawul, USSBC



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## Business, Trade, & Investment

- Saudi Arabia's foreign direct investment (FDI) stocks increased 0.7 percent, recording more than SAR1 trillion (\$266 billion) during the fourth quarter of 2022 on a quarterly basis, according to the Ministry of Investment. The ministry reported that the Saudi government has completed 104 investment deals during the first quarter of this year YoY, recording an increase of three percent.
- The Saudi Venture Capital (SVC) announced the doubling of its investment in the global specialty lending fund managed by Partners for Growth (PFG). This brings the total investment by SVC in the fund to SAR120 million (\$32 million).
- Saudi Arabia's Ministry of Industry and Mineral Resources granted an industrial license to Ceer, a joint venture between the Public Investment Fund and Taiwan's Foxconn, to start manufacturing electric vehicles in the kingdom. The company will build its new manufacturing unit in an area covering more than one million square meters in King Abdullah Economic City's Industrial Valley.

## Banking

Money supply M1, M2, and M3 increased by 0.01 percent, 0.49 percent, and 0.83 percent, respectively during the week ending June 8<sup>th</sup>.



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## U.S. MARKETS

### U.S. Macroeconomic Developments

- Total housing starts soared 21.7 percent MoM to a 1.63-million-unit annual pace during May. While total starts are still down 15.5 percent YoY, May's surprising upturn was the strongest since October 2016 and the eighth largest monthly gain since at least 1959.
- Existing home sales rose 0.2 percent during the month, beating expectations for a slight decline. The modest upturn is the latest sign that housing activity has steadied following the dramatic downturn experienced for most of last year.
- Continuing jobless claims in the U.S., which measure unemployed people who have been receiving unemployment benefits, fell to 1.76 million in the week ending June 10th, from a revised 1.77 million a week before and below market expectations of 1.78 million.

### Fixed Income

The yield on the ten-year U.S. Treasury decreased to 3.74 percent.

### Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 1.67 percent and finished the week at 33,727 points. The S&P 500 slipped 1.39 percent and finished at 4,348 points. The NASDAQ dropped 1.44 percent and ended the week at 13,492 points.



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## GLOBAL OIL MARKETS

- Arab light crude decreased 1.64 percent and finished the week at \$76.75. Global benchmark Brent crude slipped 3.60 percent to \$73.85 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 3.65 percent and closed at \$69.16.
- Oil traded lower last week as traders worried interest rate hikes could sap demand despite signs of tighter supplies including lower U.S. crude stocks.
- Saudi Aramco believes market fundamentals remain "sound" for the second half of 2023 as demand from emerging markets led by China and India will offset recession risk in developed markets.

## THE WEEK AHEAD

- U.S. releases Durable Goods Orders for May on June 27
- U.S. releases Personal Income and Spending for May on June 30
- Saudi Arabia releases Personal Spending for May on July 2