



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

Weekly Market Brief
Week Ending July 14th, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- According to the Organization for Economic Co-operation and Development (OECD), Saudi Arabia's economy is projected to grow at a higher rate than the global average to 2.9 percent in 2023.
- Saudi Arabia's finance companies' collective portfolios surged 10.8 percent to reach SAR75 billion (\$20 billion), according to the latest figures released by the Saudi Central Bank (SAMA).
- The annual inflation rate in Saudi Arabia eased to 2.7 percent in June 2023 from 2.8 percent in the previous month, slightly below market expectations of 2.8 percent, driven by cost reductions in clothing & footwear (-2.9 percent), communication (-0.7 percent), and miscellaneous goods & services (-0.1 percent). In contrast, inflation accelerated for housing & utilities (9.1 percent), restaurants & hotels (4.3 percent), and education (3 percent).

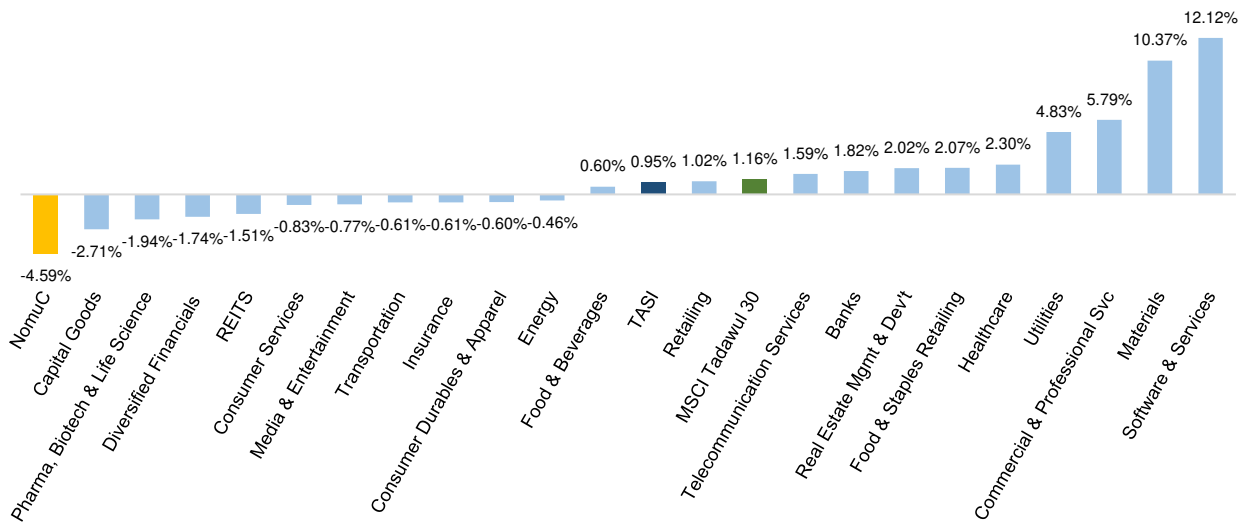


U.S.-Saudi Business Council
 مجلس الأعمال السعودي الأمريكي

Tadawul

The TASI increased by 0.95 percent last week and closed at 11,707 points. Eleven of the 21 sectors finished the week in positive territory with 'Software & Services' and 'Materials' experiencing the greatest increases at 12.12 percent and 10.37 percent, respectively. 'Capital Goods' led the declines as it dropped 2.71 percent. The NomuC parallel market index slipped by 4.59 percent and closed at 23,040 points, while the MSCI Tadawul 30 increased 1.16 percent and closed the week at 1,540 points.

Tadawul Weekly Index Performance - July 14, 2023



Source: Tadawul, USSBC



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

Business, Trade, & Investment

- A total of 56,363 licenses were issued during Q2 2023, raising registers currently active in the Kingdom to more than 1.35 million, the Saudi Ministry of Commerce revealed in its Q2 summary bulletin.
- The Kingdom's Agricultural Development Fund signed financing contracts worth SAR926 million (\$246.8 million) in the feed, animal production, and dairy sectors. These contracts aim to support the import of key agricultural products, including maize, soybeans, and barley.
- Manufacturing activity in Saudi Arabia increased by 10 percent MoM in May despite a slight fall in the Kingdom's Industrial Production Index (IPI). According to the latest report released by the General Authority for Statistics (GASat), the Kingdom's IPI in May 2023 decreased by 1.2 percent compared to April.
- According to figures released by Saudi Ports Authority (Mawani), the number of containers going through the Kingdom's ports stood at 685,645 twenty-foot equivalent units in June, up from 642,024 TEUs YoY.
- The number of cybersecurity firms registered in Saudi Arabia grew by 52 percent YoY to reach 2,229 in Q2 from 1,462. Riyadh led in issuing 1,424 registrations, followed by Makkah at 373, the Eastern Province at 278, Madinah at 56, and Qassim at 23.
- Approximately 1,700 commercial registers were issued in the Saudi film production sector, compared to 1,300 in the second quarter of the previous year, according to the Ministry of Commerce. Riyadh issued 953 commercial registers, followed by Makkah with 501, and the Eastern Province with 155.

Banking

Money supply M1 decreased by 0.20 percent, while M2 and M3 grew 0.58 percent and 0.01 percent, respectively during the week ending June 15th.



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

U.S. MARKETS

U.S. Macroeconomic Developments

- Headline consumer price inflation increased 0.2 percent in June and 3 percent over the past year. Excluding food and energy prices, the core CPI increased 0.2 percent in June, the smallest monthly increase in core inflation since February 2021.
- The NFIB Small Business Optimism Index jumped 1.6 points to 91 points in June, the largest upswing since August 2022. The net proportion of owners that believe the next three months would be a good time to expand also improved three points to 6 percent.
- U.S. consumer sentiment rose 8.2 points, the most in a single month since December 2005, and at 72.6 points, reached the highest level since September 2021.

Fixed Income

The yield on the ten-year U.S. Treasury decreased to 3.83 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 2.29 percent and finished the week at 34,509 points. The S&P 500 rose 2.42 percent and finished at 4,505 points. The NASDAQ jumped 3.32 percent and ended the week at 14,133 points.



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

GLOBAL OIL MARKETS

- Arab light crude jumped 4.85 percent and finished the week at \$83.94. Global benchmark Brent crude gained 1.78 percent to \$79.87 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 2.11 percent and closed at \$75.42.
- Oil price increases were partly contributed to supply disruptions in Libya and Nigeria, as heightened concerns will cause markets to tighten in coming months.
- Saudi Arabia's oil exports decreased below 7 million barrels per day (bpd) in May for the first time in 2023 as the world's biggest crude exporter and several other large OPEC+ producers began a collective cut of 1.6 million bpd.

THE WEEK AHEAD

- U.S. releases Retail Sales for June on July 18
- U.S. releases Building Permits for June on July 19
- U.S. releases Initial Jobless Claims for June on July 20