



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

Weekly Market Brief
Week Ending June 30th, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- According to the General Authority for Statistics, the labor force participation of Saudis increased annually by 2.3 percentage points in the first quarter. The employment-to-population ratio also increased by 2.9 percentage points. Labor force participation among Saudi females rose by 2.4 percentage points YoY in the first quarter of 2023 to 36 percent, remaining unchanged compared to the last quarter of 2022.

Tadawul

There was no trading on the Tadawul last week in observance of the Eid holidays.

Business, Trade, & Investment

- Saudi Aramco and TotalEnergies awarded engineering, procurement, and construction contracts for the \$11 billion Amiral complex. Integrated with the existing SATORP refinery in Jubail, the new complex aims to house one of the largest mixed-load steam crackers in the Gulf, with a capacity to produce 1,650 kilotons per annum of ethylene and other industrial gases.
- Saudi Arabia's Public Investment Fund (PIF) became the largest outside shareholder of Nintendo Co. The sovereign wealth fund now owns 8.6 percent of the Kyoto-based games company, building up a position that stood just above 6 percent at the start of the year.
- The King Abdulaziz Port set a new container throughput record of handling 206,145 twenty-foot equivalent units in May 2023, according to the Saudi Ports Authority (Mawani). The Dammam port also surpassed its previous record of 199,609 TEUs in August 2022.



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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. MARKETS

U.S. Macroeconomic Developments

- New home sales soared 12.2 percent to a 763,000 annual rate in May. This lifted the annual pace of new home sales to its highest level since February 2022. Steady buyer demand and scarce existing home supply continue to bolster the new home market across all regions.
- Core PCE inflation remained elevated but edged slightly lower to 4.6 percent in May. Revisions to prior data reveal that after a hot start to the year, personal spending is stalling in the second quarter.
- Orders for durable goods notched a third straight monthly gain in May. While the 1.7 percent outturn was better than expected, there were some mixed signals. Core capital goods shipments came in a little soft and orders for the same category exceeded expectations for May but did so after a downward revision to April data. Aircraft provided a lift to capital goods and helped shore up Q2 equipment spending.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 3.81 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 2.02 percent and finished the week at 34,407 points. The S&P 500 gained 2.35 percent and finished at 4,450 points. The NASDAQ dropped 2.19 percent and ended the week at 13,787 points.



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GLOBAL OIL MARKETS

- Arab light crude increased 1.77 percent and finished the week at \$78.11. Global benchmark Brent crude gained 1.42 percent to \$74.90 a barrel, while U.S. West Texas Intermediate (WTI) crude jumped 2.14 percent and closed at \$70.64.
- Oil has faced worries about a potential global economic slowdown as well as a lackluster recovery in China. Robust crude exports from Russia and Iran have kept supplies ample, outweighing a potential pickup in summer demand and production cuts from OPEC producers.
- OPEC oil output has fallen only slightly in June as increases in Iraq and Nigeria limited the impact of cutbacks by others, despite a wider OPEC+ deal and voluntary cuts by several members to support the market.

THE WEEK AHEAD

- Saudi releases Riyadh Bank PMI for June on July 5
- U.S. releases ISM Services PMI for June on July 6
- U.S. releases Unemployment Rate for June on July 7