



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

---

**Weekly Market Brief**  
*Week Ending July 21<sup>st</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's GDP witnessed an annual growth of 3.4 percent in the first quarter of 2023. This growth was driven by a substantial increase in non-oil activities, which grew 5.4 percent during the same period.
- The number of residential rental deals surged 137 percent YoY in June. More than 240,000 deals were recorded, reflecting 190,000 more agreements than those posted in the same month a year earlier.
- Saudi Arabia raised SAR1.7 billion (\$446 million) in venture capital during the first half of 2023, the highest in the Middle East and North Africa region. The Kingdom ranked second in deal counts, facilitating 54 transactions against the UAE's 60.
- Saudi Arabia's holdings of U.S. treasury bonds decreased by 1.76 percent, or SAR7.5 billion (\$2 billion), MoM to reach SAR417 billion (\$111.3 billion) in May. This comes after the Kingdom's holdings of U.S. financial instruments stood at \$113.3 billion during the month of April.

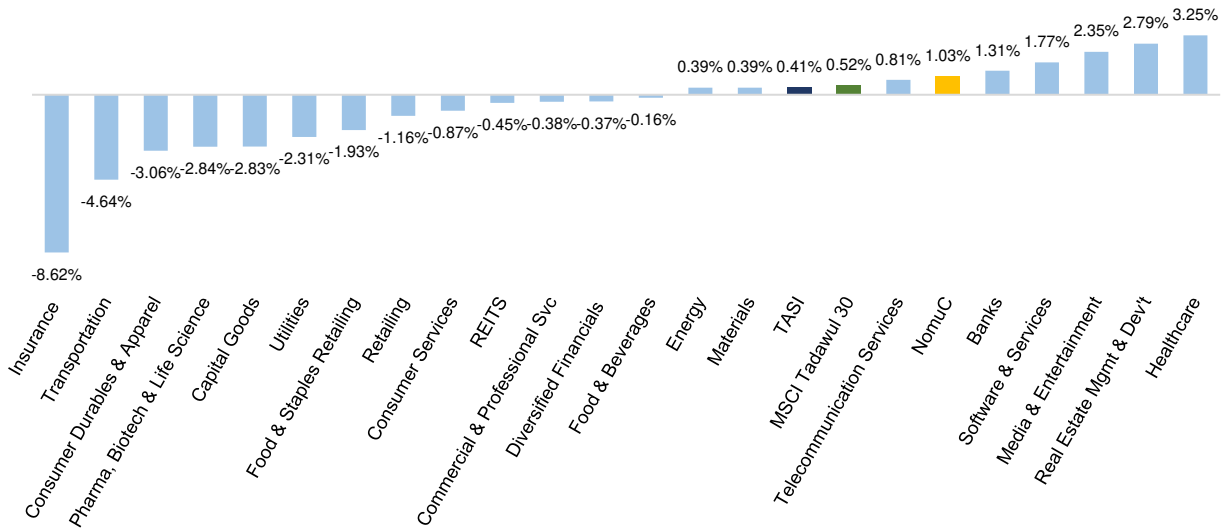


U.S.-Saudi Business Council  
 مجلس الأعمال السعودي الأمريكي

**Tadawul**

The TASI increased by 0.41 percent last week and closed at 11,755 points. Eight of the 21 sectors finished the week in positive territory with ‘Healthcare’ and ‘Real Estate Mgmt & Dev’t’ experiencing the greatest increases at 3.25 percent and 2.79 percent, respectively. ‘Insurance’ led the declines as it dropped 8.62 percent. The NomuC parallel market index grew by 1.03 percent and closed at 23,277 points, while the MSCI Tadawul 30 increased 0.52 percent and closed the week at 1,548 points.

Tadawul Weekly Index Performance - July 21, 2023



Source: Tadawul, USSBC



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

---

**Business, Trade, & Investment**

- Saudi Aramco completed its purchase of a 10 percent stake in China-based firm Rongsheng Petrochemical Co. for SAR12.8 billion (\$3.4 billion). The agreement includes the supply of 480,000 barrels per day of Arabian crude to the Chinese integrated refining and chemicals complex, which is owned by Rongsheng affiliate Zhejiang Petroleum and Chemical Co.
- According to the Ministry of Environment, Water and Agriculture (MEWA), the Kingdom witnessed a 5.4 percent increase in the export of dates and its derivatives in 2022, compared to 2021. The increase was 121 percent compared to 2016 when the exports amounted to SAR578 million (\$154 million), or 134,000 tons.
- Saudi Agricultural and Livestock Investment Co. (SALIC) will be acquiring 180 million shares, or a 10.7 percent stake of Brazilian firm BRF SA for SAR1.27 billion (\$339 million).

**Banking**

Money supply M1, M2, and M3 decreased by 2.14 percent, 0.86 percent, and 0.87 percent, respectively during the week ending July 13<sup>th</sup>.



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

---

## **U.S. MARKETS**

### **U.S. Macroeconomic Developments**

- Headline retail sales rose just 0.2 percent in June, well short of the 0.5 percent that had been expected. This may reflect a smaller than expected lift from motor vehicle sales, which rose only 0.3 percent in June.
- June's Industrial Production dropped 0.5 percent, which would have been the steepest decline of the year except that last month's initially reported decline of 0.2 percent was revised lower to match June.
- Total existing home sales declined 3.3 percent to a 4.16 million-unit pace in June. After averaging 6.3 percent in April, the average 30-year mortgage rate rose to 6.4 percent in May and 6.7 percent in June.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 3.84 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 2.08 percent and finished the week at 35,227 points. The S&P 500 rose 0.69 percent and finished at 4,536 points. The NASDAQ slipped 0.57 percent and ended the week at 14,032 points.



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

---

**GLOBAL OIL MARKETS**

- Arab light crude increased 0.01 percent and finished the week at \$83.95. Global benchmark Brent crude gained 1.50 percent to \$81.07 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 2.19 percent and closed at \$77.07.
- Oil prices rose to record a fourth consecutive weekly gain, buoyed by growing evidence of supply shortages in the coming months and rising tensions between Russia and Ukraine that could further hit supplies.
- According to the IEA, world oil supply rose 480 kb/d to 101.8 mb/d in June but is set to fall sharply in July as Saudi Arabia makes a sharp 1 mb/d voluntary output cut. For 2023, global production is forecast to increase by 1.6 mb/d to 101.5 mb/d, as non-OPEC+ expands by 1.9 mb/d. In 2024, global supply is set to rise by 1.2 mb/d to a new record of 102.8 mb/d, with non-OPEC+ accounting for all the increase.

**THE WEEK AHEAD**

- Saudi Arabia releases Balance of Trade for May on July 25
- U.S. releases Federal Reserve's Interest Rate Decision on July 26
- U.S. releases GDP Growth Rate for Q2 on July 27