



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

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**Weekly Market Brief**  
*Week Ending August 11<sup>th</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Manufacturing activity in Saudi Arabia climbed 10.1 percent YoY in June, according to the General Authority for Statistics (GASat). The Kingdom's overall industrial production index increased by 0.5 percent in June from the previous month in 2023, despite a slight fall of 1.6 percent YoY.

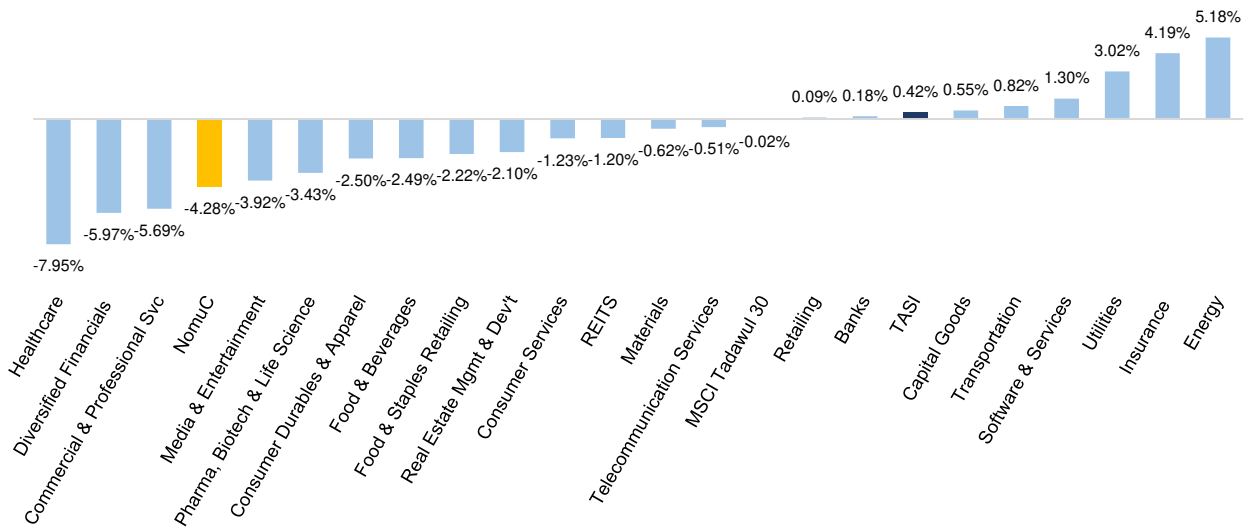


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**Tadawul**

The TASI increased by 0.42 percent last week and closed at 11,424 points. Eight of the 21 sectors finished the week in positive territory with 'Energy' and 'Insurance' experiencing increases of 5.18 percent and 4.19 percent, respectively. 'Healthcare' led the declines as it dropped 7.95 percent. The NomuC parallel market index decreased by 4.28 percent and closed at 23,580 points, while the MSCI Tadawul 30 declined 0.02 percent and closed the week at 1,483 points.

Tadawul Weekly Index Performance - August 11, 2023



Source: Tadawul, USSBC

- Saudi Aramco declared a base dividend of SAR73.2 (\$19.5 billion) for the second quarter, in line with its payout for the first three months of the year. It will begin paying performance-linked dividends for six quarters, starting with a SAR37 billion (\$9.9 billion) payout in the third quarter of 2023.



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**Business, Trade, & Investment**

- The Public Investment Fund (PIF) released its annual report for 2022, which stated its assets under management (AUM) surpassed SAR2.2 trillion (\$594.4 billion).
- SRJ Sports Investments Co., a newly created company by the PIF, will focus on acquiring and developing new events, intellectual property, commercializing notable competitions, and organizing major global events in Saudi Arabia.
- Saudi Arabia granted 34,926 certificates of origin in July for exports, up from 32,250 in June, per the Ministry of Industry and Mineral Resources.
- The Ministry of Industry and Mineral Resources awarded 73 new licenses to production units in different sectors in June. June saw the issuance of 19 new licenses in the food production sector, seven in base metals, five in manufacturing industries, and six permits each were issued for chemical production and manufacturing of non-metallic mineral products.
- The PIF announced the launch of a new facilities management company. The Saudi Facility Management Co., also known as FMTECH, will offer services including utilities management, waste management, and housekeeping, as well as security and landscaping services.

**Banking**

Money supply M1, M2, and M3 decreased by 2.05 percent, 0.95 percent, and 0.72 percent, respectively during the week ending August 3<sup>rd</sup>.



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## **U.S. MARKETS**

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

- The U.S. trade balance narrowed as expected in June as a plunge in imports outpaced a more modest decline in exports. Overall exports slipped by \$300 million, compared to the \$3.1 billion plunge in imports. Together this caused the U.S. trade deficit to narrow to -\$65.5 billion in June from an upwardly revised deficit of -\$68.3 billion a month earlier.
- The consumer price index rose a temperate 0.2 percent in July, matching consensus expectations. Excluding food and energy, the core CPI also increased 0.2 percent. Continued deflation for pandemic-disrupted categories such as used autos, household furnishings and travel services such as airfares contributed to the modest reading for core inflation.
- Small business optimism bested expectations in July, notching its third consecutive improvement to reach 91.9 points. However, the Small Business Optimism Index has now spent 19 straight months below its historical average of 98 points.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 4.16 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 0.62 percent and finished the week at 35,281 points. The S&P 500 declined 0.31 percent and finished at 4,464 points. The NASDAQ slipped 1.90 percent and ended the week at 13,644 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased 3.33 percent and finished the week at \$91.50. Global benchmark Brent crude gained 0.66 percent to \$86.81 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 0.45 percent and closed at \$83.19.
- Oil prices edged higher after the International Energy Agency forecast record global demand and tightening supplies, propelling prices to the seventh straight week of gains, the longest streak since 2022.
- Saudi Arabia raised the prices for most of its crude to Asia in September after announcing an extension of its voluntary production cut for another month. Saudi Arabia increased the official selling price (OSP) for September Arab light crude to Asia by 30 cents a barrel from August to \$3.50 a barrel over the Oman/Dubai average.

**THE WEEK AHEAD**

- Saudi Arabia releases Inflation Rate for July on August 15
- U.S. releases Retail Sales for July on August 15
- U.S. releases Building Permits for July on August 16