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**Weekly Market Brief**  
*Week Ending September 15<sup>th</sup>, 2023*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's manufacturing activity surged 8.7 percent in July YoY, according to the General Authority for Statistics (GStat). However, the Industrial Production Index witnessed a 9.5 percent decline YoY when it posted a 17.7 percent gain.
- Saudi Arabia's inflation dropped to 2 percent in August compared to 2.3 percent in July, according to GStat. One of the key contributing factors to the decrease was the fall in prices of furnishings, household equipment and maintenance, which experienced a decline of 0.3 percent in August MoM.

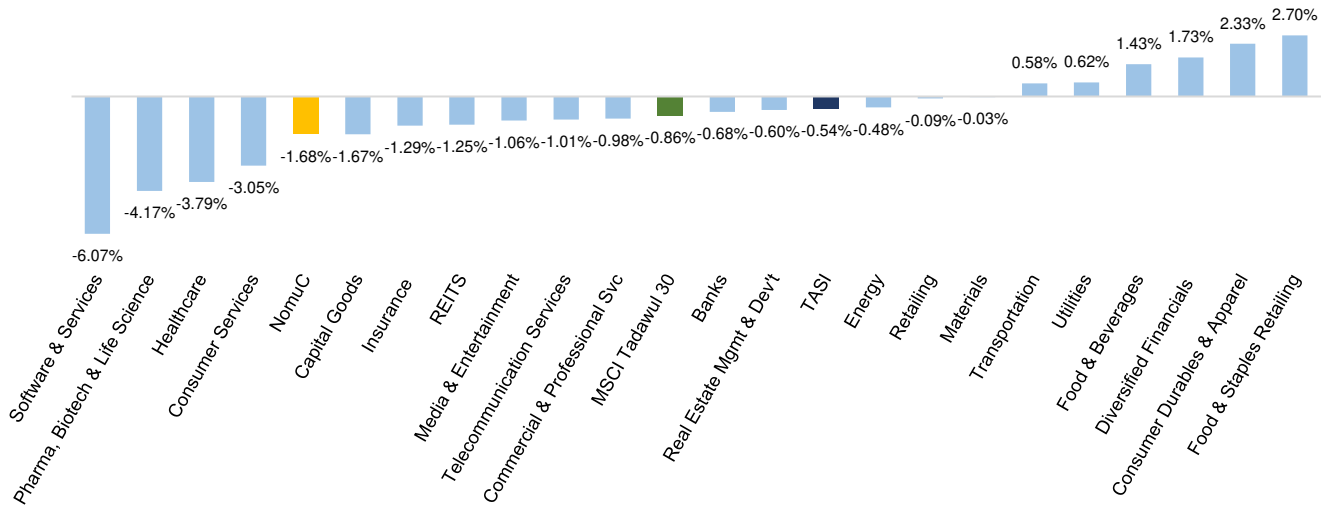


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**Tadawul**

The TASI decreased by 0.54 percent last week and closed at 11,154 points. Six of the 21 sectors finished the week in positive territory with 'Food & Staples Retailing' and 'Consumer Durables & Apparel' experiencing increases of 2.70 percent and 2.33 percent, respectively. 'Software & Services' led the declines as it dropped 6.07 percent. The NomuC parallel market index decreased by 1.68 percent and closed at 22,808 points, while the MSCI Tadawul 30 dropped 0.86 percent and closed the week at 1,435 points.

Tadawul Weekly Index Performance - September 15, 2023



Source: Tadawul, USSBC

- Cargo handler and logistics solutions provider SAL Saudi Logistics Services Company announced its intention to proceed with an IPO of 30 percent of its share capital and list its shares on the Saudi Tadawul Exchange.



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**Business, Trade, & Investment**

- Mighty Buildings, a 3D-printing construction technology firm, raised SAR195 million (\$52 million) in funding co-led by Saudi Aramco's venture capital arm Wa'ed Ventures and by BOLD Capital Partners.
- Roshn awarded over SAR9 billion (\$2.4 billion) worth of contracts linked to construction, primary and secondary infrastructure, and fittings work in its premium community development projects across the kingdom.
- The Royal Commission for Makkah City and Holy Sites launched a real estate fund worth SAR11 billion (\$2.93 billion) to develop the Al-Kidwa area. The project will develop 2,614 properties in Al-Kidwa, spanning 686,056 sq. meters.
- Saudi Entertainment Ventures (SEVEN), a wholly owned subsidiary of the Public Investment Fund (PIF), awarded a contract to a joint venture between Al Bawani Co. and UCC Saudi in the amount of SAR1.1 billion (\$290 million).
- Saudi Arabia's ports witnessed a surge of 4.79 percent YoY in cargo operations in August 2023, recording a total of 721,629 containers, according to the Saudi Ports Authority (Mawani). The number of exported containers climbed by 5.98 percent in August to 218,051 containers, up from 205,740 containers YoY.

**Banking**

Money supply M1 and M2 decreased by 0.58 percent and 0.06 percent, while M3 increased by 0.01 percent during the week ending September 14<sup>th</sup>.



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## **U.S. MARKETS**

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

- The Consumer Price Index rose 0.6 percent MoM in August, pushing the YoY rate of CPI up to 3.7 percent. Growth of prices for items excluding food and energy marginally increased in August, with the core index rising 0.3 percent.
- U.S. retail sales grew 0.6 percent MoM in August, posting higher than expected increases. After jumping at the start of the year, sales contracted for two consecutive months before beginning a five-month streak of gains.
- Industrial production grew in August, as mining output increases accounted for half of the 0.4 percent gain in overall production. Manufacturing activity was stronger than the 0.1 percent monthly gain would suggest, as autos held back activity.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 4.33 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 0.12 percent and finished the week at 34,618 points. The S&P 500 dropped 0.16 percent and finished at 4,450 points. The NASDAQ fell 0.39 percent and ended the week at 13,708 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased 4.76 percent and finished the week at \$97.84. Global benchmark Brent crude rose 3.62 percent to \$93.93 a barrel, while U.S. West Texas Intermediate (WTI) crude grew 3.73 percent and closed at \$90.77.
- Oil prices posted a third weekly gain as supply tightness spearheaded by Saudi Arabian production cuts combined with optimism around Chinese demand to lift crude.
- Saudi Arabia's decision to extend oil production cuts until the end of the year may lead to supply shortfalls for the remainder of 2023 and keep gasoline prices elevated, according to the International Energy Agency (IEA).

**THE WEEK AHEAD**

- U.S. releases Building Permits for August on September 19
- U.S. releases Federal Reserve's Interest Rate Decision on September 20
- Saudi Arabia releases Balance of Trade for July on September 21