



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

Weekly Market Brief
Week Ending September 22nd, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The Kingdom's overall merchandise exports were steady in July, hitting SAR91.3 billion (\$24.34 billion), down just 0.4 percent MoM. Saudi Arabia's overall merchandise exports dipped by 34.9 percent in July YoY.
- S&P Global Ratings has affirmed Saudi Arabia's rating at "A-/A-1" with a stable outlook and said the Kingdom would return to fiscal surpluses in 2024 on higher crude production as well as growth in its non-oil economy.

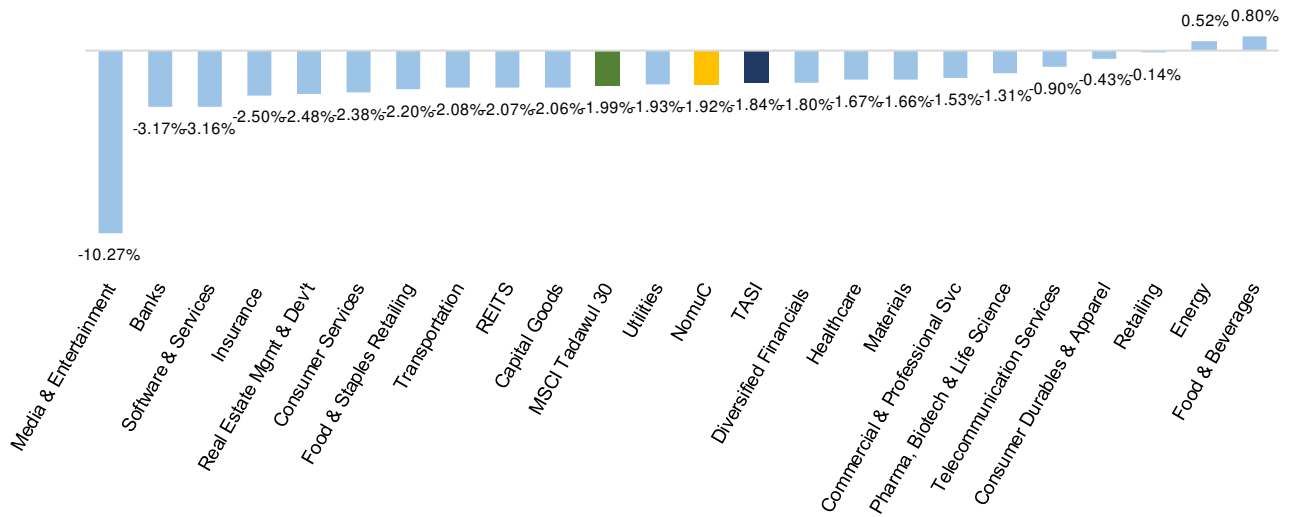


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Tadawul

The TASI decreased by 1.84 percent last week and closed at 10,949 points. Two of the 21 sectors finished the week in positive territory with 'Food & Beverages' and 'Energy' experiencing increases of 0.80 percent and 0.52 percent, respectively. 'Media & Entertainment' led the declines as it dropped 10.27 percent. The NomuC parallel market index decreased by 1.92 percent and closed at 22,371 points, while the MSCI Tadawul 30 dropped 1.99 percent and closed the week at 1,407 points.

Tadawul Weekly Index Performance - September 22, 2023



Source: Tadawul, USSBC

- Saudi oil and gas driller ADES Holding announced it set the final price for its initial public offering (IPO), implying a valuation of SAR15.242 billion (\$4.06 billion). ADES confirmed the pricing for the IPO, saying it drew nearly SAR287 billion (\$76.5 billion) in orders from institutional investors.



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Business, Trade, & Investment

- H.R.H. Saudi Crown Prince Mohammed bin Salman launched the masterplan to develop a new project in the mountainous region of Soudah to present a new face of luxury mountain tourism. The project called “Soudah Peaks” will see a luxury mountain tourism destination set at 3,015 meters being created above sea level on Saudi Arabia's highest peak. It will extend from the region of Souda and parts of Rijal Almaa.

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 14th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Total housing starts dropped 11.3 percent to a 1.28 million-unit pace in August. The monthly decline was broad-based, with single-family and multifamily starts falling by 4.3 percent and 26.3 percent, respectively. The surprising pull-back in starts stands in contrast to a strong gain in both single-family and multifamily building permits.
- As widely expected, the Federal Reserve kept its target range for the federal funds rate unchanged at 5.25 percent-5.50 percent. The decision to keep rates unchanged was unanimously supported by all twelve voting members of the Committee.
- Existing home sales decreased 0.7 percent in August as resales continue to be constrained by low inventory and rising borrowing costs. The 4.04 million-unit sales pace is the slowest since January and the second slowest pace since October 2010, when the housing market was still in recovery from the housing market crash.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.44 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 1.89 percent and finished the week at 33,963 points. The S&P 500 dropped 2.93 percent and finished at 4,320 points. The NASDAQ fell 3.62 percent and ended the week at 13,211 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased 0.92 percent and finished the week at \$96.94. Global benchmark Brent crude declined 0.70 percent to \$93.27 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 0.15 percent and closed at \$90.63.
- Oil prices closed the week lower on profit-taking and as markets weighed supply concerns stemming from Russia's fuel export ban against demand woes from future rate hikes.
- Saudi Arabia's crude oil exports in July fell to their lowest in more than two years, according to data from the Joint Organizations Data Initiative (JODI). Crude exports from the world's largest oil exporter fell to 6.01 million barrels per day (bpd) in July, down about 11.6 percent from the previous month's 6.8 million bpd and the lowest since June 2021.

THE WEEK AHEAD

- U.S. releases Durable Goods Orders for August on September 27
- U.S. releases GDP Growth Rate for Q2 on September 28
- Saudi Arabia releases Private Bank Lending for August on September 28