



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

Weekly Market Brief
Week Ending September 29th, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The Kingdom's overall unemployment rate declined to 4.9 percent in the second quarter of this year, a dip of 0.2 percent QoQ. The rate of joblessness among Saudi nationals reached 8.3 percent in the second quarter while the overall unemployment rate decreased by 1.4 percent YoY.
- According to the IMF, Saudi Arabia's non-oil growth will remain close to 5 percent in 2023, spurred by strong domestic demand despite lower overall growth due to oil production cuts.
- The Ministry of Finance released its pre-budget statement for the fiscal year 2024, projecting total expenditures of SAR1,251 billion (\$333.6 billion) and total revenues of SAR1,172 billion (\$312.5 billion). The pre-budget calls for a modest deficit at about 1.9 percent of GDP, emphasizing ongoing efforts to enhance spending efficiency, fiscal consolidation, and economic reforms.

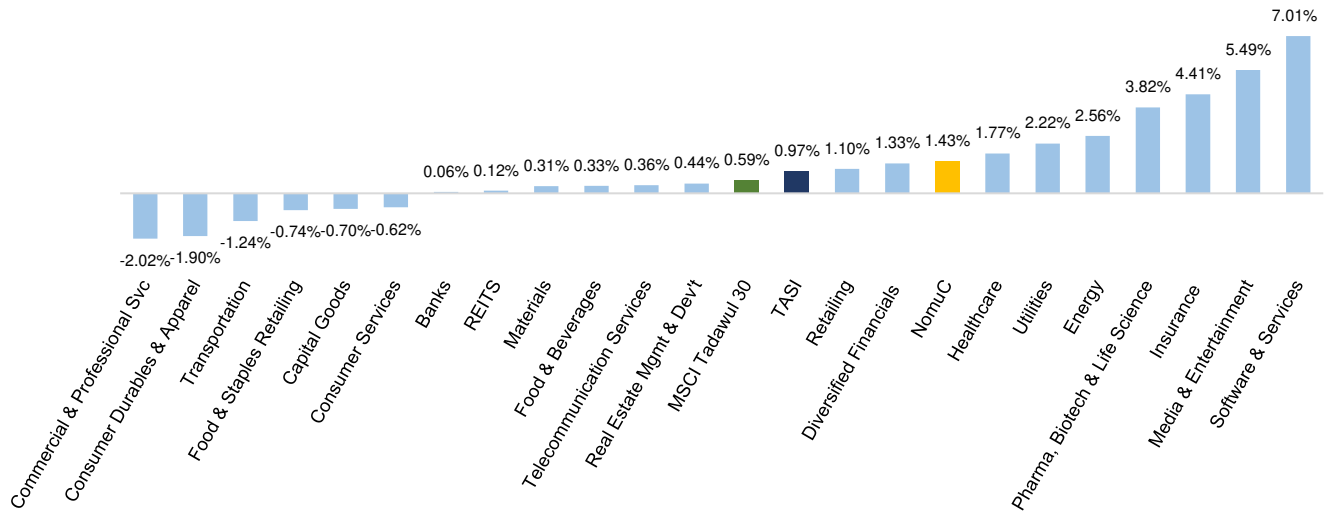


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Tadawul

The TASI increased by 0.97 percent last week and closed at 11,055 points. Fifteen of the 21 sectors finished the week in positive territory with 'Software & Services' and 'Media & Entertainment' experiencing increases of 7.01 percent and 5.49 percent, respectively. 'Commercial & Professional SVC' led the declines as it dropped 2.02 percent. The NomuC parallel market index increased by 1.43 percent and closed at 22,690 points, while the MSCI Tadawul 30 climbed 0.59 percent and closed the week at 1,415 points.

Tadawul Weekly Index Performance - September 29, 2023



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Aramco agreed to acquire a strategic minority stake in MidOcean Energy for SAR1.9 billion (\$500 million). Saudi Aramco will be eligible to choose to raise its shareholding and associated rights in MidOcean Energy in the future.

Banking

Money supply M1, M2, and M3 increased by 0.42 percent, 0.15 percent, and 0.07 percent, respectively, during the week ending September 21st.



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U.S. MARKETS

U.S. Macroeconomic Developments

- New home sales dipped 8.7 percent to a 675K-unit pace during August. Although the monthly drop was below consensus estimates, upward revisions show a slightly stronger pace of sales during July. Despite the monthly decline, new home sales have trended higher over the past year, with the pace of sales up 5.8 percent YoY in August.
- New orders for manufactured durable goods climbed in August to \$500 million or 0.2 percent. Furthermore, defense orders for capital goods in August increased a sizeable \$2.3 billion.
- Real personal income edged slightly higher in August by 0.05 percent as inflation grew almost as fast as spending did. Benchmark revisions still put Q3 on pace for a good quarter, but higher oil prices heading into Q4 may spur dwindling savings, costlier credit, and resumed loan payments.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.59 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 1.34 percent and finished the week at 33,507 points. The S&P 500 dropped 0.74 percent and finished at 4,288 points. The NASDAQ jumped 0.06 percent and ended the week at 13,219 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased 0.08 percent and finished the week at \$96.86. Global benchmark Brent crude increased 2.19 percent to \$95.31 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 0.18 percent and closed at \$90.79.
- Oil prices have risen approximately 30 percent in the third quarter as OPEC+ production cuts squeezed global crude supply.
- OPEC's crude oil production rose by 120,000 barrels per day (bpd) in September from August, the second monthly increase in a row, as higher output in Iran and Nigeria offset the Saudi cuts, according to a monthly Reuters survey.

THE WEEK AHEAD

- U.S. releases ISM Manufacturing PMI for September on October 2
- Saudi Arabia releases Riyadh Bank PMI for September on October 3
- U.S. releases Unemployment Rate for September on October 6