



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

Weekly Market Brief
Week Ending November 24th, 2023

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The Saudi Central Bank (SAMA) and the People's Bank of China signed a local currency swap agreement worth SAR26 billion (\$6.93 billion). According to SAMA, the three-year agreement was established in the context of financial cooperation between the Saudi Central Bank and the People's Bank of China.
- Saudi holdings of U.S. Treasury bonds reached SAR439 billion (\$117.1 billion) in September, up from SAR420 billion (\$112 billion) in August. This marks a nine-month high for the Kingdom and has propelled it to the 17th spot among the largest holders of U.S. Treasury bonds. Approximately SAR383 billion (\$102.1 billion) or 87 percent of the total was allocated to long-term bonds.

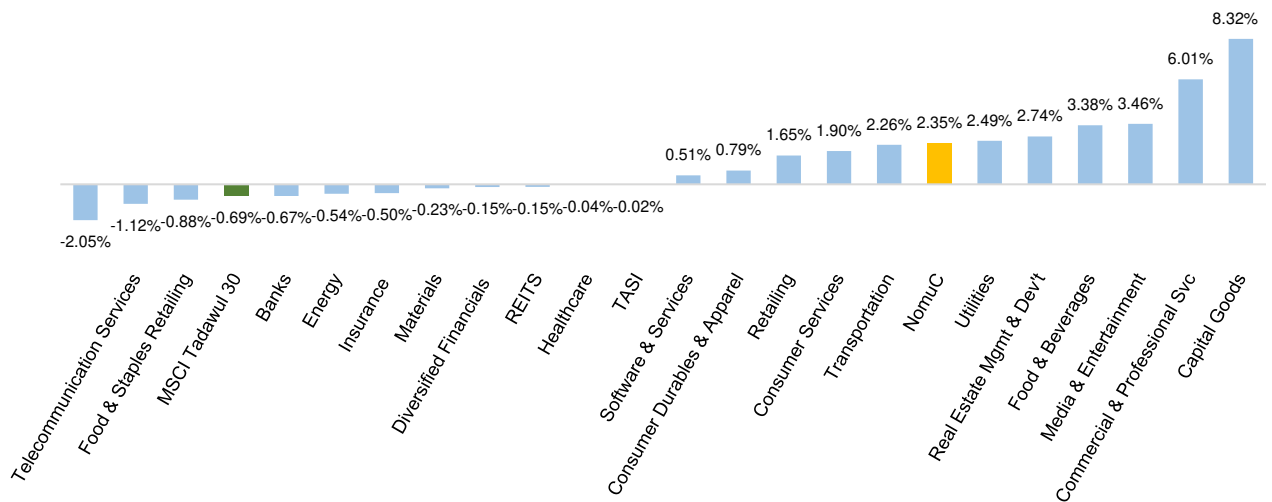


U.S.-Saudi Business Council
 مجلس الأعمال السعودي الأمريكي

Tadawul

The TASI decreased by 0.04 percent last week and closed at 11,078 points. Eleven of the 21 sectors finished the week in positive territory with 'Capital Goods,' Commercial & Professional Svc,' and 'Media & Entertainment' leading the gains, with increases of 8.32, 6.01, and 3.46 percent, respectively. 'Telecommunication Services' and 'Food & Staples Retailing' led the decreases with 2.05 and 1.12 percent respectively. The NomuC parallel market index increased by 2.35 percent and closed at 24,139 points, while the MSCI Tadawul 30 fell 0.88 percent and closed the week at 1,430 points.

Tadawul Weekly Index Performance - November 24th, 2023



Source: Tadawul, USSBC

- Foreign investments in Saudi Arabia's capital market surged 300 percent to SAR347 billion (\$92.53 billion) in 2022 from SAR86.86 billion (\$23.2 billion) in 2018. According to the Capital Markets Authority (CMA), the foreign investment attracted in 2022 constituted 14.2 percent of the total free float value in the primary market.



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

Business, Trade, & Investment

- Saudi Aramco discovered two new gas fields in the Eastern Province and the Empty Quarter. The first discovery was made at the Hanifa reservoir in the Al-Hiran-1 well. The field was discovered after gas flowed at a rate of 30 million standard cubic feet per day, along with 1,600 barrels of condensate and gas that flowed at a rate of 3.1 million standard cubic feet (scf) per day. The second discovery was made at the Al-Mahakek-2 well where natural gas flowed at 0.85 million scf per day.
- The General Authority of Foreign Trade launched an anti-dumping investigation into the Kingdom's imports of Sulphonated Naphthalene Formaldehyde (SNF), commonly used as concrete enhancers. The investigation specifically targets imports originating from the People's Republic of China and the Russian Federation.

Banking

Money supply M1 increased by 0.04 percent, while M2 and M3 decreased by 0.12 percent and 0.32 percent, respectively, during the week ending November 17th.



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

U.S. MARKETS

U.S. Macroeconomic Developments

- The Leading Economic Index (LEI) fell 0.8 percent in October, marking 19 consecutive months of declines. The LEI ended October at 103.9 points.
- New orders for manufactured durable goods in the United States plummeted by 5.4 percent MoM in October 2023, reversing a 4.0 percent surge seen in September and significantly surpassing market expectations of a 3.1 percent drop. It was the second-largest fall in durable goods orders since April 2020, mainly driven by reduced demand for transportation equipment.
- The S&P Global US Manufacturing PMI fell to 49.4 points in November from 50 points in October and below forecasts of 49.8 points, preliminary estimates showed. The reading pointed to the biggest decline in operating conditions at manufacturing firms in three months and restarted the period of contraction seen for much of the past year.

Fixed Income

The yield on the ten-year U.S. Treasury decreased to 4.47 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 1.27 percent and finished the week at 35,390 points. The S&P 500 increased by 1 percent and finished at 4,559 points. The NASDAQ increased by 0.89 percent and ended the week at 14,250 points.



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

GLOBAL OIL MARKETS

- Arab light crude increased 4.49 percent and finished the week at \$85.86. Global benchmark Brent crude declined 0.02 percent to \$80.48 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 0.46 percent and closed at \$75.54.
- Global benchmark oil prices decreased as China's deepening property crisis and slowing industrial growth weighed on demand.
- OPEC+ delayed its meeting from November 26 to November 30 as traders weigh prospects for further production cuts by OPEC+ countries and its allies.

THE WEEK AHEAD

- Saudi Arabia releases Unemployment Rate for Q3 on November 28
- Saudi Arabia releases Private Bank Lending for October 2023 on November 28
- U.S. releases GDP Growth Rate for Q3 on November 29