



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

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**Weekly Market Brief**  
*Week Ending January 12<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's merchandise exports reached a seven-month high in October totaling SAR104.31 billion (\$27.8 billion). Representing a marginal increase of 0.014 percent compared to September, the change is attributed to a rise in non-oil shipments from the Kingdom.
- Saudi Arabia's gross domestic product is projected to achieve a 4.1 percent increase in 2024, driven by growing non-oil activities, per the latest World Bank report. The bank raised its 2024 economic growth expectations for the Kingdom by 0.8 percent, from the June 2023 forecast of 3.3 percent.
- As many as 2.3 million Saudi nationals joined the private sector in December. A report issued by the National Labor Observatory showed that of the total number of citizens, 40.82 percent were females.
- Saudi Arabia recorded a 29.13 percent surge in foreign direct investment inflows QoQ in the third quarter of 2023. FDI inflows totaled SAR7.99 billion (\$2.13 billion), a rise from SAR6.2 billion (\$1.65 billion) QoQ, according to data from the Saudi Central Bank (SAMA).

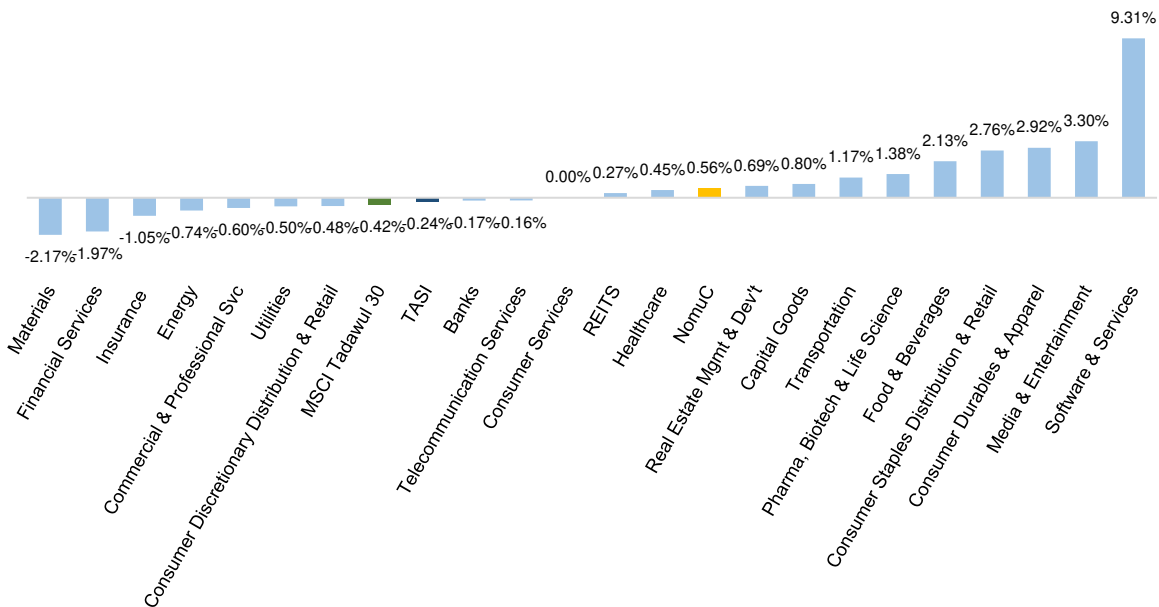


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**Tadawul**

The TASI decreased by 0.24 percent last week and closed at 12,116 points. Twelve of the 21 sectors finished the week in positive territory with 'Software & Services,' 'Media & Entertainment,' and 'Consumer Durables & Apparel' leading the gains with increases of 9.31 percent, 3.30 percent, and 2.92 percent, respectively. 'Materials' led the declines as it dropped 2.17 percent. The NomuC parallel market index increased by 0.56 percent and closed at 24,832 points, while the MSCI Tadawul 30 dropped 0.42 percent and closed the week at 1,572 points.

Tadawul Weekly Index Performance - January 12<sup>th</sup>, 2024



- The Tadawul launched a new index that tracks the top 50 companies ranked by their market value. The TASI 50 index comprises companies that cover 90 percent of Tadawul's free float market cap with a minimum annual traded value ratio of 5 percent.



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### **Business, Trade, & Investment**

- Saudi Arabia's cloud computing registrations saw a 40 percent YoY increase in the fourth quarter of 2023. The government reported the issuance of 1,759 cloud computing permits between October and December 2023.
- Saudi Arabia issued SAR45 billion (\$12 billion) in debt, marking its most significant foreign borrowing since 2017. The borrowing accounts for more than half the fiscal deficit projected by the government for this year. This move comes as many borrowers look to benefit from lower financing costs following a significant drop in U.S. Treasury yields since October 2023.
- The Ministry of Industry and Mineral Resources issued 130 industrial licenses in November 2023, compared to 82 YoY. The food manufacturing sector took the lead with 20 permits, followed by nonferrous metal manufacturing with 16.
- The Public Investment Fund (PIF) raised its stake in Japan-based Koei Tecmo video game company to 6.60 percent from 5.56 percent.
- The Kingdom secured a dominant 52 percent of total VC funding in the MENA region, a substantial increase from the 31 percent share it held in 2022. The period witnessed a 33 percent growth in funding deployed into regional startups compared to the previous year.

### **Banking**

Money supply M1, M2, and M3 decreased by 2.43 percent, 0.92 percent, and 0.82 percent, respectively during the week ending January 4<sup>th</sup>.



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## **U.S. MARKETS**

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

- The U.S. trade deficit narrowed modestly in November at -\$63.2 billion. Exports and imports both slipped by nearly 2 percent during the month, but the dollar decline was larger in terms of imports (-\$6.1 billion) than exports (-\$4.8 billion).
- Total consumer credit outstanding rose \$23.8 billion and surpassed \$5 trillion for the first time. The main driver of this increase was revolving consumer credit, a category primarily composed of credit cards, which accounted for \$19.1 billion of the overall increase.
- The Consumer Price Index for December rose 0.3 percent, higher than consensus expectations for a 0.2 percent increase. Prices excluding food and energy also rose 0.3 percent, which was in line with expectations.

### **Fixed Income**

The yield on the ten-year U.S. Treasury decreased to 3.96 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 0.34 percent and finished the week at 37,592 points. The S&P 500 jumped 1.84 percent and finished at 4,783 points. The NASDAQ climbed by 3.09 percent and ended the week at 14,972 points.



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**GLOBAL OIL MARKETS**

- Arab light crude decreased 1.28 percent and finished the week at \$80.13. Global benchmark Brent crude dropped 0.60 percent to \$78.29 a barrel, while U.S. West Texas Intermediate (WTI) crude slipped 1.53 percent and closed at \$72.68.
- Oil prices declined for the week despite oil tankers diverting course from the Red Sea after strikes on Friday by the U.S. and Britain on military targets.
- OPEC oil output rose in December as increases in Iraq, Angola, and Nigeria offset continuing cuts by Saudi Arabia and other members of the wider OPEC+ alliance.

**THE WEEK AHEAD**

- U.S. releases Retail Sales for December on January 17
- U.S. releases Building Permits for December on January 18
- U.S. releases Housing Starts for December on January 18