



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

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**Weekly Market Brief**  
*Week Ending January 26<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia launched its first administrative enforcement court with jurisdiction over government entities and officials in a bid to boost investor confidence. The move follows the enactment of a civil transactions law last month.
- Crown Prince H.R.H. Mohammed bin Salman announced the National Biotechnology Strategy. The strategy aims to contribute three percent, amounting to SAR130 billion, to the non-oil gross domestic product (GDP), in addition to generating thousands of jobs by 2040. This strategy marks a significant milestone for Saudi Arabia in becoming a major player in the regional and global biotechnology sector.

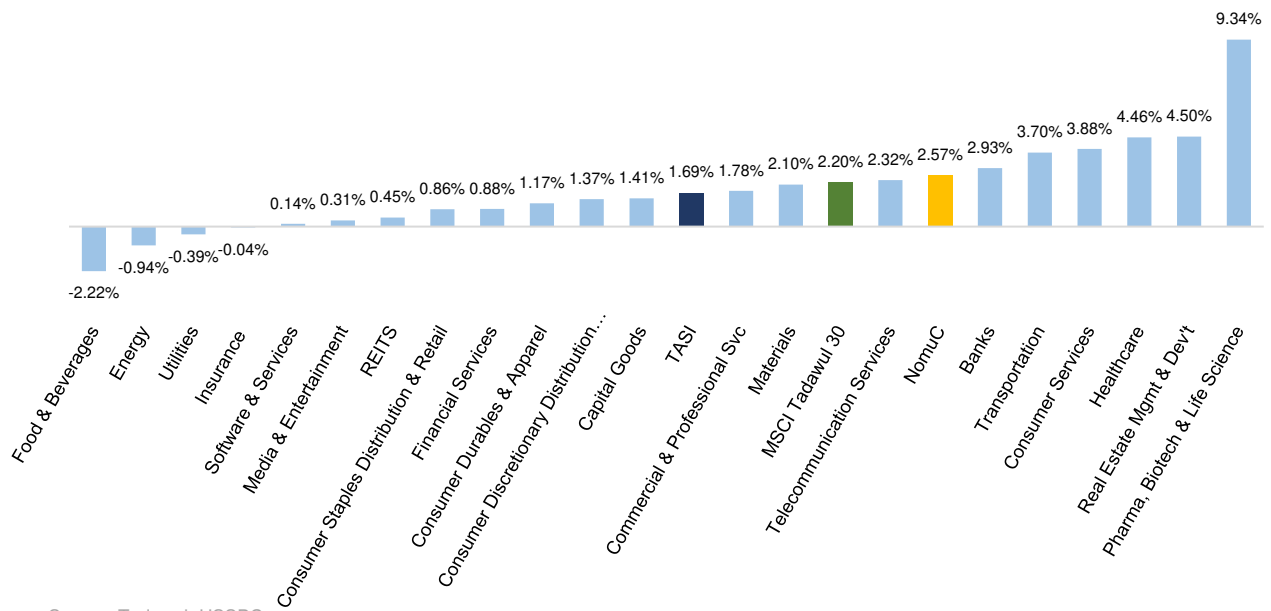


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**Tadawul**

The TASI increased by 1.69 percent last week and closed at 12,161 points. Seventeen of the 21 sectors finished the week in positive territory with 'Pharma, Biotech & Life Science,' 'Real Estate Mgmt & Dev't,' and 'Healthcare' leading the gains with increases of 9.34 percent, 4.50 percent, and 4.46 percent, respectively. 'Food & Beverages' led the declines as it dropped 2.22 percent. The NomuC parallel market index jumped by 2.57 percent and closed at 25,248 points, while the MSCI Tadawul 30 grew 2.20 percent and closed the week at 1,583 points.

Tadawul Weekly Index Performance - January 26<sup>th</sup>, 2024



- Saudi-based Middle East Pharmaceutical Industries Company, known as Avalon Pharma, priced its initial public offering (IPO) at the top of its range, selling the shares at SAR82 (\$21.87).



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- The Public Investment Fund (PIF) issued U.S. dollar-denominated bonds worth SAR18.8 billion (\$5 billion). The triple-tranche bond sale generated strong demand, with orders worth over SAR101 billion (\$27 billion). Final spreads narrowed from the initial guidance to reach 115 basis points (bps) over U.S. Treasuries for the five-year bonds, 145 bps over US Treasuries for the 10-year bonds, and 205 bps for the 30-year portion.

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

- Saudi Aramco awarded contracts worth more than SAR12.4 billion (\$3.3 billion) to Chinese company Sinopec and Spain's Tecnicas Reunidas to build a gas facility at the Jafurah unconventional gas production project in Saudi Arabia. Sinopec will own 65 percent of the project and Tecnicas Reunidas will have a 35 percent share.
- NEOM unveiled its latest development, called Zardun. Zardun is designed to integrate modern luxury with the natural environment, representing the latest addition to NEOM's coastal assets. The resort will include three boutique hotels, totaling 100 rooms and suites.

### **Banking**

Money supply M1, M2, and M3 increased by 0.09 percent, 0.33 percent, and 0.18 percent, respectively during the week ending January 18<sup>th</sup>.



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## **U.S. MARKETS**

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

- Headline durable goods orders remained unchanged, coming in at 0.0 percent in December. Excluding the volatile transportation sector, the 0.6 percent gain in durable goods orders was much better than expected.
- Real GDP grew at an annualized rate of 3.3 percent QoQ, which was significantly stronger than the 2.0 percent rate that the consensus forecast had anticipated. Real GDP grew 3.1 percent YoY. Despite 525 bps of Fed rate hikes since March 2022, the U.S. economy continues to perform well.
- New home sales jumped 8.0 percent in December, rebounding from November's 9.0 percent slump. A step-down in mortgage rates, plentiful inventory, and falling prices all contributed to the upswing in sales as the new home market continued to show resilience in the face of the broader housing market slump.

### **Fixed Income**

The yield on the ten-year U.S. Treasury remained unchanged at 4.15 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 0.65 percent and finished the week at 38,109 points. The S&P 500 jumped 1.06 percent and finished at 4,890 points. The NASDAQ climbed by 0.94 percent and ended the week at 15,455 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased 4.03 percent and finished the week at \$85.58. Global benchmark Brent crude jumped 6.35 percent to \$83.55 a barrel, while U.S. West Texas Intermediate (WTI) crude grew 6.50 percent and closed at \$78.01.
- Oil prices rose for a second week in a row and settled at their highest in nearly two months as positive U.S. economic growth and signs of Chinese stimulus boosted demand expectations, while Middle East supply concerns added support.
- Saudi Arabia's crude oil exports in November climbed to their highest level in five months and marked a third straight rise, according to data from the Joint Organizations Data Initiative (JODI). Crude exports rose 0.6 percent to 6.336 million barrels per day (bpd) from 6.297 million bpd in October. Production fell 1.4 percent to 8.818 million bpd.

**THE WEEK AHEAD**

- Saudi Arabia releases Balance of Trade for November on January 30
- U.S. releases Fed Interest Rate Decision on January 31
- Saudi Arabia releases Riyadh Bank PMI on February 4