



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

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**Weekly Market Brief**  
*Week Ending February 2<sup>nd</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- The International Monetary Fund lowered its 2024 forecast for economic growth in Saudi Arabia to 2.7 percent, projecting a slower recovery amid lower oil production, but said non-oil growth this year was expected to remain "robust."
- Saudi Arabia's sukuk and bond issuances rose 2.8 percent YoY in value by the end of the fourth quarter of 2023, reaching about SAR758.8 billion (\$202.3 billion), data issued by Tadawul showed. Saudi investors held approximately 99 percent of the listed holdings, with a traded value of SAR5.44 billion (\$1.45 billion) in the fourth quarter of 2023, while Gulf Cooperation Council investors contributed 0.2 percent with a traded value of SAR3.96 billion (\$1.1 billion).
- Saudi Arabia's non-oil activities experienced a growth of 4.6 percent in 2023. However, the country's real gross domestic product saw a decline of 0.9 percent in 2023 YoY, according to the General Authority for Statistics (GASat).
- According to the Saudi Central Bank's (SAMA) latest monthly bulletin, credit extended to individuals, constituting 48 percent of bank loans, grew by 7 percent in 2023, while corporates and other activities experienced a 13 percent rise YoY.
- SAMA's net foreign assets fell by SAR4.1 billion (\$1.1 billion) in December. Total net foreign assets fell to SAR1.564 trillion (\$417.1 billion) in December from SAR1.568 trillion (\$418 billion) MoM. Net foreign assets were down 5.3 percent YoY in December.

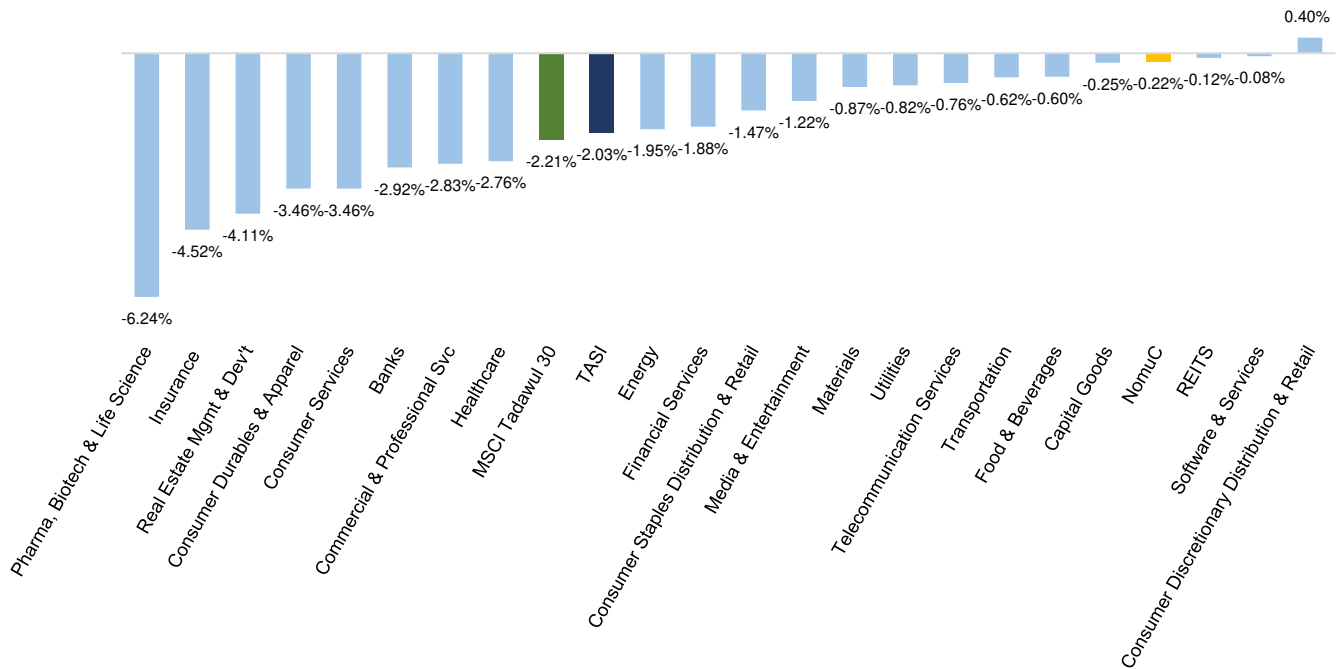


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**Tadawul**

The TASI decreased by 2.03 percent last week and closed at 11,914 points. Only one of the 21 sectors finished the week in positive territory with 'Consumer Discretionary Distribution & Retail' growing by 0.40 percent. 'Pharma, Biotech, & Life Science' led the declines as it dropped 6.24 percent. The NomuC parallel market index fell by 0.22 percent and closed at 25,192 points, while the MSCI Tadawul 30 slipped 2.21 percent and closed the week at 1,548 points.

Tadawul Weekly Index Performance - February 2<sup>nd</sup>, 2024



Source: Tadawul, USSBC



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**Business, Trade, & Investment**

- Foreign direct investment inflows to Saudi Arabia rose SAR17 billion (\$4.53 billion) in the third quarter of 2023, according to GStat.
- Saudi Crown H.R.H. Prince Mohammed bin Salman announced the launch of a Public Investment Fund company called “Alat.” The company will contribute to making Saudi Arabia a global hub for sustainable technology manufacturing that focuses on advanced technologies and electronics.

**Banking**

Money supply M1, M2, and M3 increased by 1.49 percent, 0.18 percent, and 0.27 percent, respectively during the week ending January 25<sup>th</sup>.



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## **U.S. MARKETS**

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

- Job openings rose in December to 9 million, slightly above the upwardly-revised 8.9 million openings in November. The number of job openings per unemployed person, an indicator cited by various Federal Reserve officials when assessing labor market supply and demand imbalances, rose slightly to 1.44.
- The ISM manufacturing index notched a two point gain to start 2024 with a 49.1 point reading in January. It was better than expected, and while the index is still below the break-even 50, it signals the slowest pace of contraction in over a year.
- Construction spending gained momentum in the final month of 2023. Total outlays picked up 0.9 percent in December, besting expectations for a softer improvement. The monthly rise was largely the result of another strong increase in residential outlays and a rise in public sector expenditures.

### **Fixed Income**

The yield on the ten-year U.S. Treasury decreased to 4.03 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 1.43 percent and finished the week at 38,654 points. The S&P 500 jumped 1.38 percent and finished at 4,958 points. The NASDAQ climbed by 1.12 percent and ended the week at 15,628 points.



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**GLOBAL OIL MARKETS**

- Arab light crude slipped 3.20 percent and finished the week at \$79.94. Global benchmark Brent crude dropped 7.44 percent to \$77.33 a barrel, while U.S. West Texas Intermediate (WTI) crude decreased 7.35 percent and closed at \$72.28.
- Oil prices posted weekly losses after U.S. jobs data shrank the odds of imminent interest rate cuts, which could dampen crude demand. Faltering growth in China and the possibility of some easing of tensions in the Middle East also reduced prices.
- Saudi Aramco shelved plans to expand its oil production capacity to 13 million barrels per day (mbpd) by 2027 to remain at 12 mbpd. Saudi Arabia is currently producing 9 mbpd as short-term demand is expected to wane.

**THE WEEK AHEAD**

- U.S. releases ISM Services PMI for January on February 5
- U.S. releases Balance of Trade for December on February 7
- Saudi Arabia releases Industrial Production for December on February 11