



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

---

**Weekly Market Brief**  
*Week Ending February 9<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- The Kingdom's Purchasing Managers' Index (PMI) stood at 55.4 points in January, indicating economic expansion, as it is above the 50-point threshold. However, the PMI declined MoM from 57.5 points and is attributed to softening expansion rates due to inflationary pressures and increasing purchasing costs.
- The total value of remittances during 2023 amounted to SAR124.9 billion (\$33.3 billion), with average daily transfers of SAR342.2 million (\$91.3 million). This figure shows a fall of 12.81 percent YoY from SAR143.24 billion (\$38.2 billion), according to data provided by the Saudi Central Bank (SAMA).
- Fitch Ratings affirmed Saudi Arabia at 'A+' reflecting the Kingdom's strong fiscal and external balance sheets, with government debt/GDP and sovereign net foreign assets (SNFA) considerably stronger than both the 'A' and 'AA' medians. The Kingdom also has significant fiscal buffers in the form of deposits and other public sector assets.
- Saudi Arabia's non-oil exports, including re-exports, rose by 2.5 percent to SAR22.6 billion (\$6.03 billion) MoM in November 2023. The Kingdom's overall merchandise exports experienced a 15.6 percent YoY decrease in November, amounting to SAR95 billion (\$25.3 billion).

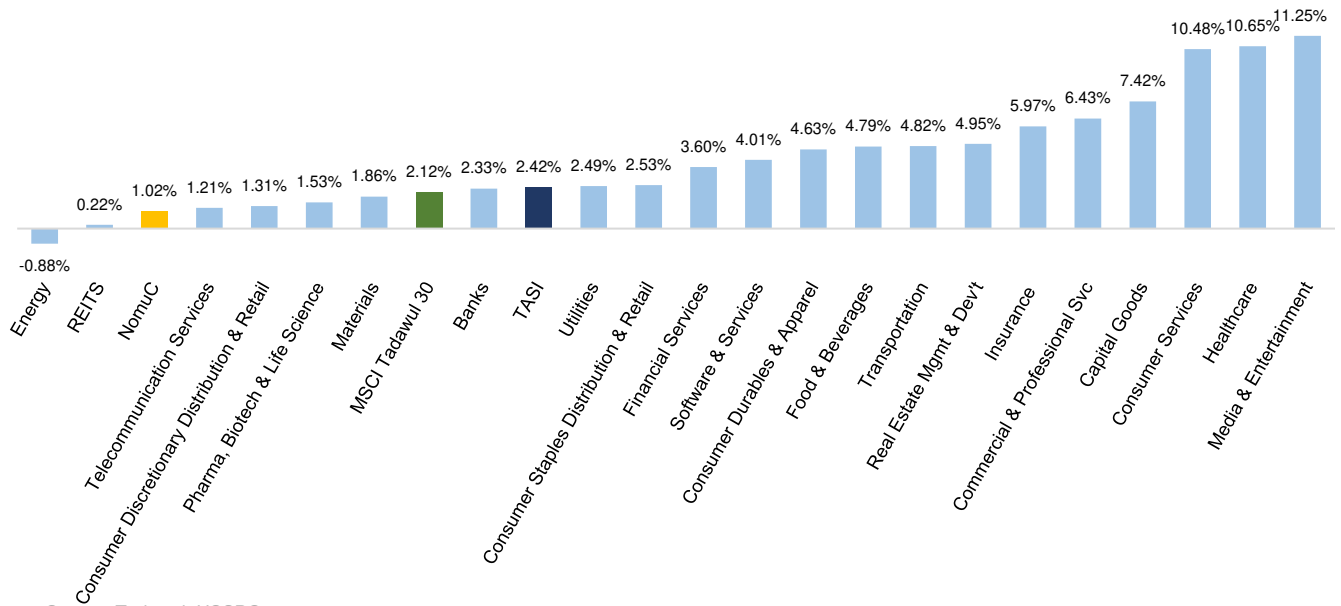


U.S.-Saudi Business Council  
 مجلس الأعمال السعودي الأمريكي

**Tadawul**

The TASI increased by 2.42 percent last week and closed at 12,202 points. All but one of the 21 sectors finished the week in positive territory with 'Media & Entertainment' growing by 11.25 percent. 'Energy' was the sole sector to decline as it dropped 0.88 percent. The NomuC parallel market index grew by 1.02 percent and closed at 25,449 points, while the MSCI Tadawul 30 jumped 2.12 percent and closed the week at 1,580 points.

Tadawul Weekly Index Performance - February 9<sup>th</sup>, 2024



Source: Tadawul, USSBC

- Saudi Arabia's Modern Mills for Food Products is planning an initial public offering of 30 percent of its shares, the second flour mills company in the Kingdom to seek a listing since the government privatized the industry. Modern Mills plans to sell 24.5 million shares on the Tadawul.



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

---

**Business, Trade, & Investment**

- Lockheed Martin awarded two contracts to localize the manufacturing of a Terminal High Altitude Area Defense (THAAD) system in Saudi Arabia.
- The Public Investment Fund (PIF) launched the Contractor Financing Program with the goal of easing the availability of financing for construction projects.
- The Jeddah Central Development Company agreed to develop three major architectural landmarks alongside the construction of infrastructure for the first phase of the Jeddah Central destination at a cost of SAR12 billion (\$3.2 billion).
- Boeing announced it will set up its regional headquarters in Saudi Arabia after submitting a license application for approval.

**Banking**

Money supply M1, M2, and M3 increased by 0.07 percent, 0.25 percent, and 1.49 percent, respectively during the week ending February 1<sup>st</sup>.



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

---

## **U.S. MARKETS**

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

- The overall ISM services index moved higher into expansion territory rising to 53.4 points. The prices paid component jumped to 64.0 points in January from 56.7 points in December in what marked the largest monthly percentage gain since August 2012.
- The U.S. trade balance declined by \$62.2 billion in December 2023, in line with expectations. The trade deficit was about \$1.3 billion smaller in November than previously reported.
- U.S. vehicle sales fell by 6.9 percent MoM to 15 million annualized units in January 2024, down from December's revised figure of 16.12 million, which was the highest level since May 2021.

### **Fixed Income**

The yield on the ten-year U.S. Treasury increased to 4.17 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 0.04 percent and finished the week at 38,671 points. The S&P 500 jumped 1.37 percent and finished at 5,026 points. The NASDAQ climbed by 2.31 percent and ended the week at 15,990 points.



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

---

**GLOBAL OIL MARKETS**

- Arab light crude grew 2.30 percent and finished the week at \$81.78. Global benchmark Brent crude jumped 6.28 percent to \$82.19 a barrel, while U.S. West Texas Intermediate (WTI) crude climbed 6.31 percent and closed at \$76.84.
- Oil prices posted weekly gains as worries about supply from the Middle East mounted and reigning outages in the U.S. tightened refined products markets.
- Saudi Arabia kept the March price for its flagship Arab Light crude to Asian customers unchanged from the previous month at a more than two-year low. Saudi Aramco set its March official selling price for Arab Light to Asia at \$1.50 a barrel over the Oman/Dubai average. The price is considered a barometer for how the Kingdom assesses future demand.

**THE WEEK AHEAD**

- U.S. releases Inflation Rate for January on February 13
- U.S. releases Retail Sales for January on February 15
- Saudi Arabia releases Inflation Rate for January on February 15