



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

Weekly Market Brief
Week Ending February 16th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil revenues jumped 11 percent YoY in 2023 to reach SAR457.7 billion (\$122 billion), according to figures issued by the Finance Ministry. The rise in non-oil revenues was attributed primarily to a notable 48 percent increase in taxes on income, profits, and capital gains. Taxes on goods and services accounted for the majority of non-oil revenues, representing 57 percent or SAR262.47 billion (\$70 billion).
- Saudi Arabia's international reserve assets climbed 0.5 percent MoM to SAR1.64 trillion (\$437 billion) in January 2024, according to SAMA. On a yearly basis, the Kingdom's foreign reserve assets fell by 4 percent, or SAR70 billion (\$18.7 billion).
- Saudi Arabia added nearly SAR15 billion (\$4 billion) to its U.S. Treasury holdings by the end of 2023, taking its stockpile to the highest level since early 2021. The amount stood at nearly SAR495 (\$132 billion) in December, according to the latest figures from the Treasury Department.
- Saudi Arabia concluded its riyal-denominated sukuk issuance above the \$2 billion mark for the third consecutive month in February. According to the National Debt Management Center, the Kingdom closed its issuance for February at SAR7.87 billion (\$2.10 billion). The first tranche, valued at SAR1.18 billion (\$315 million) is set to mature in 2029, while the second allotment worth SAR2.70 billion (\$720 million) is due in 2034. The third tranche was valued at SAR3.97 billion (\$1.1 billion) and is set to mature in 2039.
- Saudi Arabia's inflation remained stable at 1.6 percent in January, compared to 1.5 percent in December 2023, official data showed. According to GASat, the monthly consumer price index was primarily influenced by a 1.1 percent increase in prices for housing, water, electricity, gas, and other fuels.

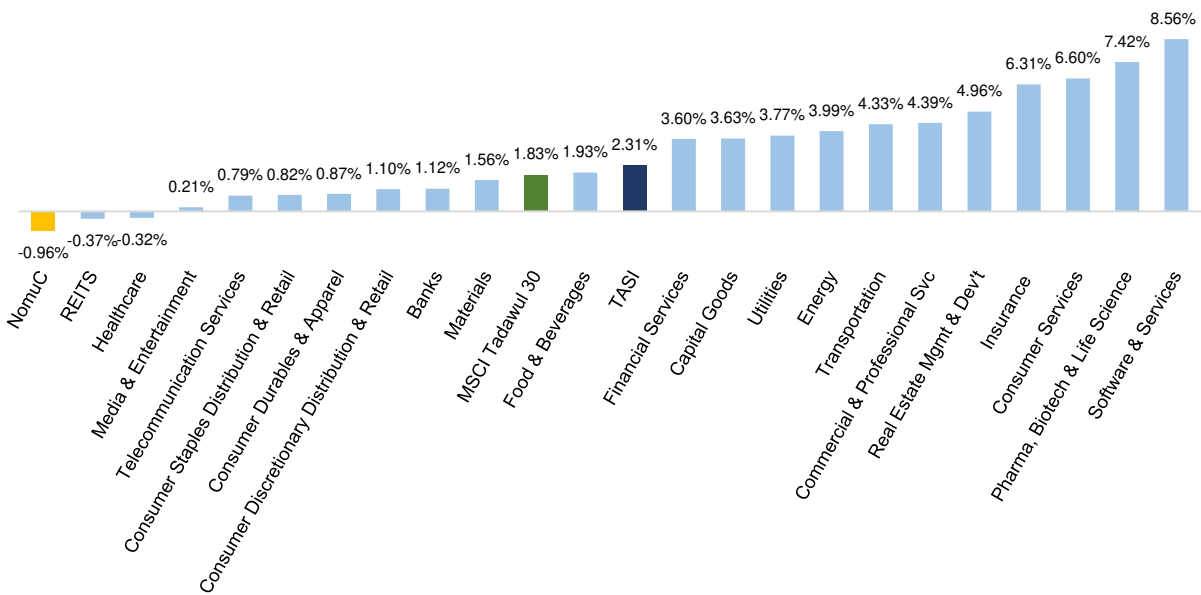


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Tadawul

The TASI increased by 2.31 percent last week and closed at 12,484 points. All but two of the 21 sectors finished the week in positive territory with 'Software & Services' growing by 8.56 percent. 'REITS' and 'Healthcare' were the sole sectors to decline as they dropped 0.37 percent and 0.32 percent. The NomuC parallel market index slipped by 0.96 percent and closed at 25,204 points, while the MSCI Tadawul 30 jumped 1.83 percent and closed the week at 1,609 points.

Tadawul Weekly Index Performance - February 16th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- The total value of e-commerce sales using Mada cards and point-of-sale (POS) transactions amounted to SAR770.87 billion (\$205.55 billion), representing a 13 percent annual growth rate, according to SAMA.
- Saudi Arabia's real estate price index witnessed a 0.7 percent increase in 2023, primarily attributed to a surge in residential sector prices, according to the General Authority for Statistics (GASat).
- Helmerich & Payne, Inc., a global drilling contractor, finalized contracts with Saudi Aramco for the provision of seven high-performance drilling rigs. The rigs are slated to begin operations after delivery in the fourth quarter of 2024, with each rig carrying a five-year contract and an additional one-year option.

Banking

Money supply M1, M2, and M3 increased by 0.57 percent, 0.43 percent, and 0.69 percent, respectively during the week ending February 8th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- The CPI rose 0.3 percent in January, topping expectations for a 0.2 percent increase. On a YoY basis, prices are up 3.1 percent, an improvement over the 6.4 percent rise this time last year.
- Overall sales slipped 0.8 percent in January, and even when excluding the typically volatile components or the expected weakness from autos, all categories were down. Excluding autos, sales slipped 0.6 percent.
- Total industrial production declined 0.1 percent during January. The weakness was primarily due to a 0.5 percent drop in manufacturing output.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.30 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.11 percent and finished the week at 38,627 points. The S&P 500 declined 0.42 percent and finished at 5,005 points. The NASDAQ dropped by 1.34 percent and ended the week at 15,775 points.



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GLOBAL OIL MARKETS

- Arab light crude grew 1.57 percent and finished the week at \$83.06. Global benchmark Brent crude jumped 1.56 percent to \$83.47 a barrel, while U.S. West Texas Intermediate (WTI) crude climbed 3.06 percent and closed at \$79.19.
- Oil prices benefited from geopolitical tensions in the Middle East, which more than offset a forecast from the International Energy Agency for slowing demand.
- Saudi Aramco started trading a U.S. crude oil grade that underpins the global Brent benchmark in a process run by S&P Global Commodity Insights. Saudi Aramco sold a cargo of U.S. WTI Midland crude to Total in the Platts Market on Close process, known as the Platts window.

THE WEEK AHEAD

- Saudi Arabia releases Balance of Trade for December on February 21
- U.S. releases Federal Reserve Minutes on February 21
- U.S. releases Existing Home Sales for January on February 22