



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

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**Weekly Market Brief**  
*Week Ending February 1<sup>st</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's Public Investment Fund (PIF) set the yield for its seven-year dollar-denominated sukuk at 85 basis points above U.S. Treasuries. The PIF adjusted the yield from its initial guidance of 115 basis points following strong demand that led to orders surpassing SAR63.8 billion (\$17 billion).
- Saudi Arabia's small and medium enterprises (SMEs) totaled 1.3 million in the fourth quarter of 2023, marking a 3.1 percent increase QoQ. Approximately seven percent of Saudi Arabia's SMEs, totaling 570,000, are based in Riyadh.
- Saudi Arabia's digital economy contributed 14 percent to the Kingdom's 2023 gross domestic product, according to the General Authority for Statistics (GASat). Around 48 percent of establishments invested in cloud computing services, encompassing various offerings like postal services, security software applications, file storage, and database hosting.

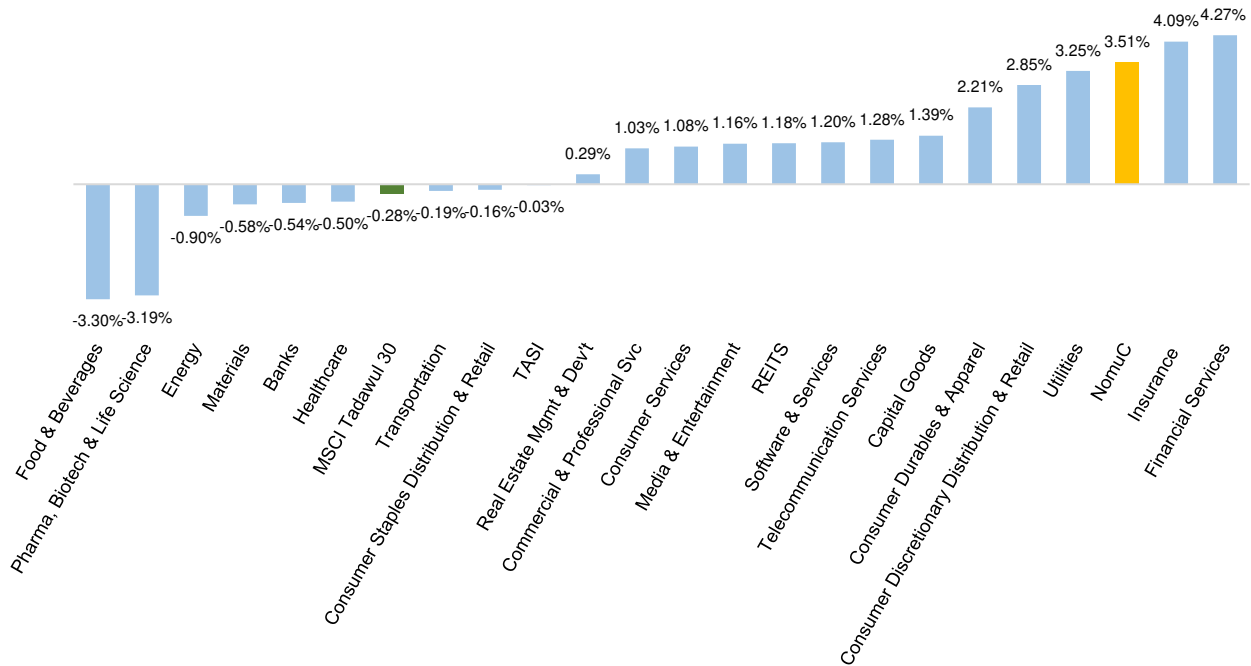


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**Tadawul**

The TASI decreased by 0.03 percent last week and closed at 12,630 points. Twelve of the 21 sectors finished the week in positive territory with 'Financial Services' growing by 4.27 percent. 'Food & Beverages' led the declines as it dropped 3.30 percent. The NomuC parallel market index gained 3.51 percent and closed at 26,402 points, while the MSCI Tadawul 30 slipped 0.28 percent and closed the week at 1,623 points.

Tadawul Weekly Index Performance - March 1<sup>st</sup>, 2024



Source: Tadawul, USSBC



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**Business, Trade, & Investment**

- According to the Ministry of Industry and Mineral Resources, the Kingdom recorded a 10 percent increase YoY in industrial factories in 2023. The number of factories rose to 11,459 worth approximately SAR1.54 trillion (\$411 billion).
- Saudi Aramco successfully completed the acquisition of a 100 percent equity stake in Esmax Distribución SpA (Esmax), a leading diversified downstream fuels and lubricants retailer in Chile. The transaction represents Aramco's first Downstream retail investment in South America.

**Banking**

Money supply M1, M2, and M3 increased by 0.78 percent, 0.03 percent, and 0.24 percent, respectively during the week ending February 22<sup>nd</sup>.



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## **U.S. MARKETS**

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

- Consumer spending rose 0.2 percent in nominal terms in January, but after adjusting for the largest monthly increase in prices since September, real spending actually fell 0.1 percent.
- Durable good orders dropped 6.1 percent MoM. The decrease was driven by a drop of \$19.7 billion or 59 percent in aircraft orders. Motor vehicle & parts declined by 0.4 percent MoM.
- The ISM manufacturing index slipped 1.3 points to 47.8 points in February. The drop comes after the index hit a 15-month high at the start of the year. The largest decline was in new orders as a 3.3 point drop pushed the component below 50 for the 17th time in the past 18 months.

### **Fixed Income**

The yield on the ten-year U.S. Treasury decreased to 4.19 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) decreased by 0.11 percent and finished the week at 39,087 points. The S&P 500 gained by 0.95 percent and finished at 5,137 points. The NASDAQ rose by 1.74 percent and ended the week at 16,274 points.



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**GLOBAL OIL MARKETS**

- Arab light crude declined by 0.91 percent and finished the week at \$82.77. Global benchmark Brent crude jumped 2.36 percent to \$83.55 a barrel, while U.S. West Texas Intermediate (WTI) crude increased 4.55 percent and closed at \$79.97.
- Oil prices grew last week as traders awaited an OPEC+ decision on supply agreements for the second quarter while also weighing fresh U.S., European and Chinese economic data.
- OPEC+ producers will extend their voluntary crude supply cuts until the end of the second quarter of 2024. Saudi Arabia's crude production will be approximately 9 million barrels per day until the end of June.

**THE WEEK AHEAD**

- Saudi Arabia releases Riyad Bank PMI for February on March 4
- U.S. releases ISM Services PMI for February on March 5
- U.S. releases Non-Farm Payrolls for February on March 8