



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

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**Weekly Market Brief**  
*Week Ending March 8<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- The Kingdom's Purchasing Managers' Index rose to 57.2 points in February, marking a notable improvement from a two-year low in January. This uptick signals a significant improvement in the operating conditions of the non-oil private sector.
- Saudi Arabia received recognition as "the most improved country overall" in the 12th edition of the U.S. Chamber of Commerce International Intellectual Property Index.

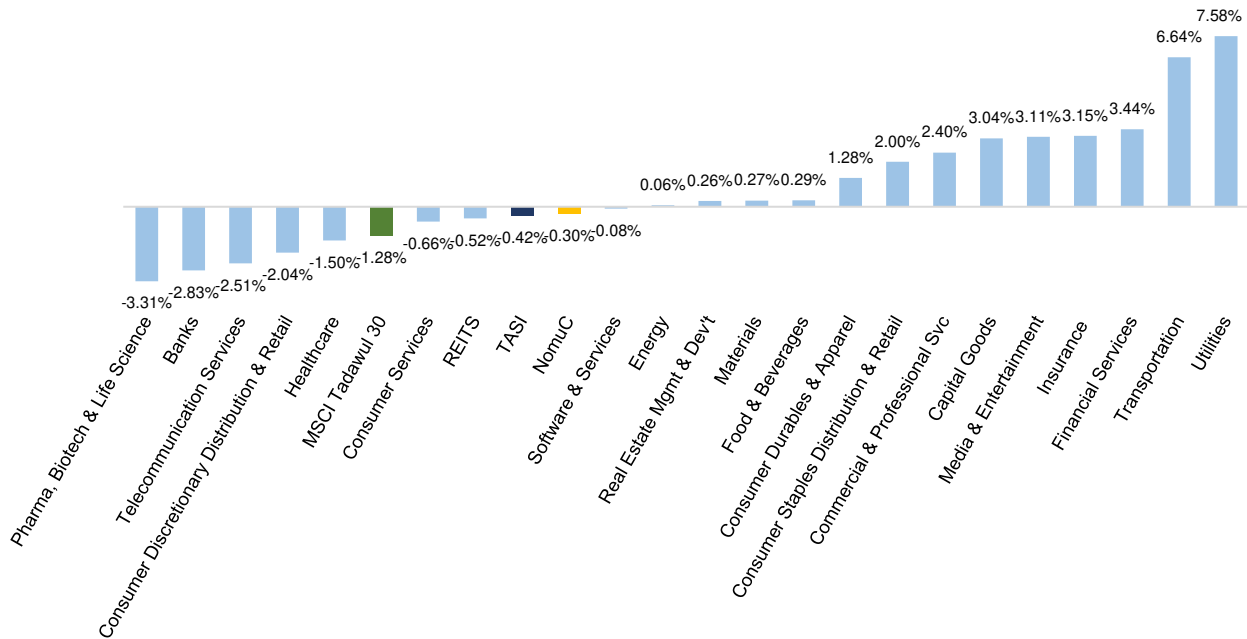


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**Tadawul**

The TASI decreased by 0.42 percent last week and closed at 12,577 points. Thirteen of the 21 sectors finished the week in positive territory with 'Utilities' growing by 7.58 percent. 'Pharma, Biotech & Life Science' led the declines as it dropped 3.31 percent. The NomuC parallel market index dropped 0.30 percent and closed at 26,324 points, while the MSCI Tadawul 30 slipped 1.28 percent and closed the week at 1,602 points.

Tadawul Weekly Index Performance - March 8<sup>th</sup>, 2024



Source: Tadawul, USSBC



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

- Amazon Web Services (AWS) announced it will launch an AWS infrastructure Region in Saudi Arabia in 2026. The new AWS Region will support developers, startups, entrepreneurs, and enterprises, as well as healthcare, education, gaming, and nonprofit organizations. AWS is planning to invest more than SAR20 billion (\$5.3 billion) in the Kingdom.
- IBM announced plans to invest over SAR750 million (\$200 million) in talent and infrastructure in a new IBM Software lab in Riyadh. The lab will be designed to focus on accelerating digital innovation and product development, management and design, with solutions in the areas of data and AI, and sustainability software.
- Microsoft announced a new Center of Excellence in coordination with the Ministry of Communication and Information Technology. The Center of Excellence, powered by Spectrum Networks, will offer a wide range of globally recognized, industry-endorsed, and role-based skilling tracks.
- U.S. multinational computer software company Adobe plans to establish a new regional headquarters in Riyadh by early 2025.
- H.R.H. Crown Prince Mohammed bin Salman announced the completion of the transfer of an additional 8 percent of the total issued shares of Saudi Aramco to portfolio companies wholly owned by the Public Investment Fund. This brings the state's ownership to 82.186 percent of Aramco shares, according to SPA, with a cumulative 16 percent transferred to PIF and its subsidiaries.
- Customs duties on certain manufacturing products will be waived from April 1. The Ministry of Industry and Mineral Resources confirmed that the expansion of the industrial customs exemption includes raw materials, semi-processed goods, and fully manufactured products, as well as packaging materials, machinery, equipment, and spare parts.

### **Banking**

Money supply M1 and M2 increased by 0.41 percent and 0.11 percent, while M3 decreased by 0.28 during the week ending February 29<sup>th</sup>.



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## **U.S. MARKETS**

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

- The ISM services index slipped to 52.6 points in February as prices paid cooled more than five points. For the second time in three months, the employment component was in contraction territory.
- Job openings fell slightly in January to 8.86 million, and the number of job openings per unemployed worker was little changed at 1.45. The data signals that the jobs market is slowly settling down.
- The U.S. international trade balance widened to \$67.4 billion in January from a downwardly revised \$64.2 billion a month prior. The steep widening came amid a jump in imports and only a modest increase in exports. Specifically, imports rose \$3.6 billion, or by 1.1 percent, while exports rose only \$0.3 billion or 0.1 percent.

### **Fixed Income**

The yield on the ten-year U.S. Treasury decreased to 4.09 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) decreased by 0.93 percent and finished the week at 38,722 points. The S&P 500 fell by 0.26 percent and finished at 5,123 points. The NASDAQ slipped by 1.17 percent and ended the week at 16,085 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased by 1.81 percent and finished the week at \$84.27. Global benchmark Brent crude declined 1.76 percent to \$82.08 a barrel, while U.S. West Texas Intermediate (WTI) crude increased 2.45 percent and closed at \$78.01.
- Oil prices declined for the week as markets remained wary of soft Chinese demand even as producer group OPEC+ extended supply cuts.
- OPEC+ members led by Saudi Arabia and Russia agreed to extend voluntary oil output cuts of 2.2 million barrels per day into the second quarter, giving extra support to the market amid concerns over global growth and rising output outside the group.

**THE WEEK AHEAD**

- U.S. releases Inflation Rate for February on March 12
- Saudi Arabia releases Inflation Rate for February on March 14
- U.S. releases Retail Sales for February on March 14