



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

Weekly Market Brief
Week Ending March 22nd, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- S&P Global Rating has reaffirmed Saudi Arabia's foreign and local currency sovereign credit ratings at 'A/A-1', maintaining a Stable Outlook.
- Saudi banks issued residential mortgage loans worth SAR7.54 billion (\$2 billion) to individuals in January 2024, marking an 11-month high according to data issued by SAMA.
- The total value of credit facilities extended by the Saudi Export-Import Bank in 2023 reached SAR16.5 billion (\$4.39 billion), exceeding the annual target by 33 percent.
- Saudi Arabia concluded its riyal-denominated sukuk issuance above the SAR3.75 billion (\$1 billion) mark for the fourth consecutive month in March. The Kingdom's National Debt Management Center revealed three tranches of the Shariah-compliant debt product were closed at SAR4.44 billion (\$1.18 billion).

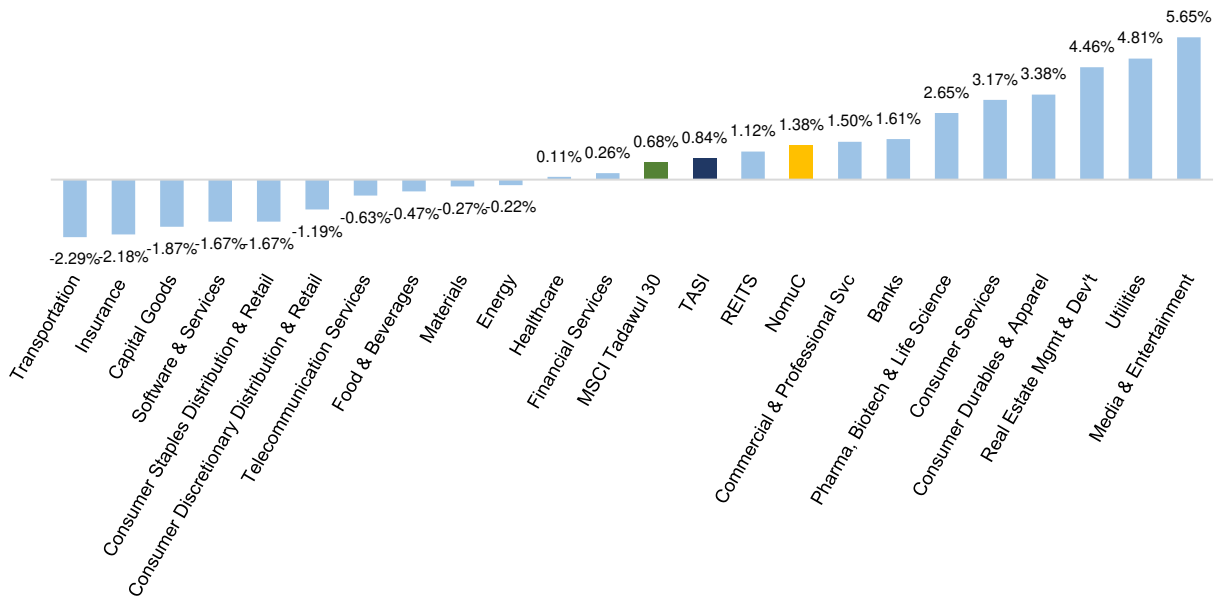


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Tadawul

The TASI increased by 0.84 percent last week and closed at 12,835 points. Eleven of the 21 sectors finished the week in positive territory with 'Media & Entertainment' growing by 5.65 percent. 'Transportation' led the declines as it dropped 2.29 percent. The NomuC parallel market index jumped 1.38 percent and closed at 27,362 points, while the MSCI Tadawul 30 grew 0.68 percent and closed the week at 1,617 points.

Tadawul Weekly Index Performance - March 22nd, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Arabia's mining sector recorded a 138 percent increase in the issuance of exploitation licenses since 2021. The number of permits rose from eight in 2021 to 19 last year as the Saudi Ministry of Industry and Mineral Resources actively works to boost mineral production and investment.
- Jeddah is set to become a significant hub for copper and zinc metals as the London Metal Exchange plans to establish a new warehouse in the city.
- Saudi Arabia scored above 240 points on a U.N. index measuring maritime connectivity for the fifth quarter in a row, reflecting improved shipping services. The Kingdom was awarded 248 points by the international body for the first three months of the year, maintaining the levels that started in the same period of 2023.

Banking

Money supply M1 increased by 0.66 percent while M2 and M3 decreased by 0.52 percent and 0.32 percent, during the week ending March 14th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Housing starts jumped 10.7 percent during February, rebounding after a sharp weather-induced drop registered in January. Both single-family and multifamily starts rebounded during the month.
- The Federal Reserve left the target range for the federal funds rate unchanged at 5.25-5.50 percent. The Summary of Economic Projections (SEP) signaled that all but two of the Committee members expect to start cutting rates this year, with the median participant projecting 75 bps of easing by year-end 2024.
- Existing home sales beat expectations and rose 9.5 percent during February. Although still relatively slow, the 4.38 million-unit pace marks the strongest uptick since February 2023. The surprising strength is likely explained by the dip in mortgage rates which occurred at the start of the year.

Fixed Income

The yield on the ten-year U.S. Treasury decreased to 4.22 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 1.97 percent and finished the week at 39,475 points. The S&P 500 grew by 2.43 percent and finished at 5,241 points. The NASDAQ jumped by 2.68 percent and ended the week at 16,401 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 0.09 percent and finished the week at \$86.38. Global benchmark Brent crude grew 0.11 percent to \$85.43 a barrel, while U.S. West Texas Intermediate (WTI) crude slipped 0.51 percent and closed at \$80.63.
- Oil prices remained flat during the week as the possibility of a ceasefire in Gaza weakened crude benchmarks, while the war in Europe and shrinking U.S. rig count cushioned the fall.
- Saudi Arabia's crude production increased by 12,000 barrels per day in January to 8.96 million bpd, representing a monthly rise of 0.22 percent. According to the latest report by the Joint Organizations Data Initiative (JODI), the Kingdom's crude exports in January declined by 11,000 bpd to 6.29 mbpd, signifying a 0.17 percent dip compared to December.

THE WEEK AHEAD

- Saudi Arabia releases Balance of Trade for January on March 26
- U.S. releases Durable Goods Orders for February on March 26
- U.S. releases GDP Growth Rate for Q4 on March 28