



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

Weekly Market Brief
Week Ending May 3rd, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The balance of Saudi Arabia's foreign direct investment (FDI) recorded an annual growth of six percent, reaching SAR808 billion (\$215.5 billion) in 2023, according to the Ministry of Investment. FDI flows amounted to about SAR72 billion (\$19.2 billion) in 2023.
- Saudi Arabia's GDP grew 1.3 percent YoY during the first quarter of 2024. According to the General Authority for Statistics (GASat), this rise in real GDP was propelled by oil and non-oil activities, which increased by 2.4 percent and 0.5 percent.

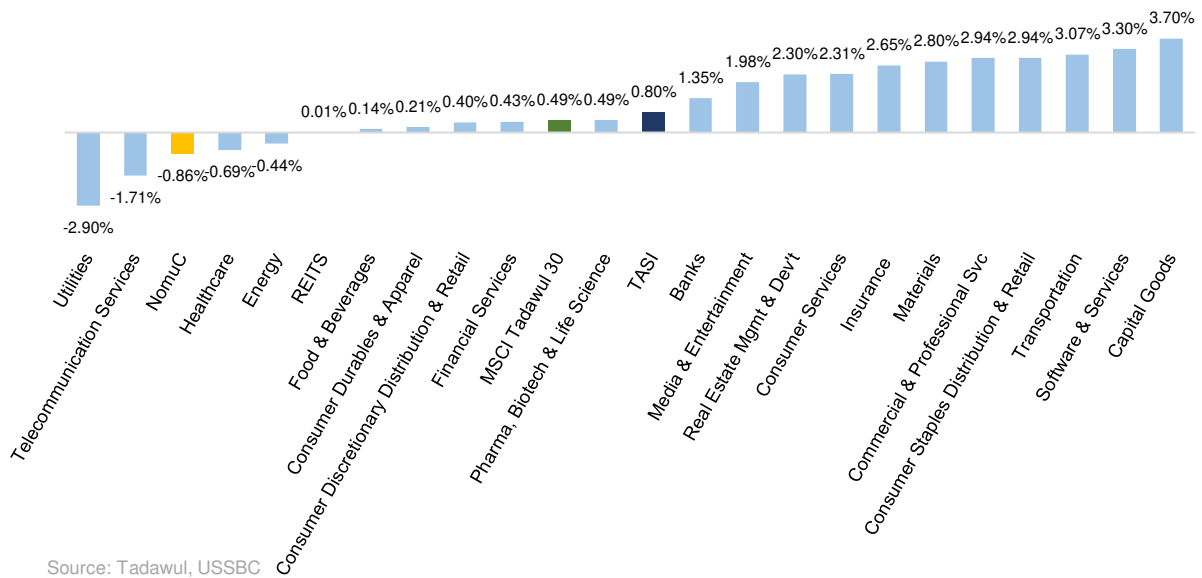


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Tadawul

The TASI increased by 0.80 percent last week and closed at 12,352 points. All but four sectors finished the week in positive territory with 'Capital Goods' growing by 3.70 percent. 'Utilities' led the decline as it dropped 2.90 percent. The NomuC parallel market index fell 0.86 percent and closed at 26,457 points, while the MSCI Tadawul 30 grew 0.49 percent and closed the week at 1,547 points.

Tadawul Weekly Index Performance - May 3rd, 2024





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Business, Trade, & Investment

- U.S. fertilizer company Mosaic is selling its 25 percent stake in an SAR\$8 billion (\$2.13 billion) Saudi Arabian phosphate production joint venture to Ma'aden, in a stock deal worth about SAR5.6 billion (\$1.5 billion).
- Startups in Saudi Arabia significantly grew during the last decade, accumulating SAR12.4 billion (\$3.3 billion) in venture capital funding, according to a report issued by MAGNiTT.

Banking

Money supply M1, M2, and M3 decreased by 0.76 percent, 0.61 percent, and 0.37 percent, respectively during the week ending April 25th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Consumer confidence dropped in April to 97.0 points, the second-lowest level in the past three years. The assessment of the present situation dipped only modestly from 146.8 points to 142.9 points; the larger drop was in the forward-looking expectation component which slipped to 66.4 points from 74.0 points last month. There have only been two other months in the past decade when expectations were lower.
- The ISM index slipped back into contraction territory at 49.2 points. The biggest development was that the prices paid index shot up more than 5 points to 60.9.
- As was widely expected, the FOMC left the fed funds target range unchanged at 5.25-5.50 percent at the conclusion of its May meeting. It was evident, however, that the Committee believes inflation's return to its 2 percent objective likely has a somewhat longer and uncertain journey ahead.

Fixed Income

The yield on the ten-year U.S. Treasury decreased to 4.50 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.04 percent and finished the week at 38,225 points. The S&P 500 declined by 0.70 percent and finished at 5,064 points. The NASDAQ slipped by 0.55 percent and ended the week at 15,840 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased 0.53 percent and finished the week at \$85.44. Global benchmark Brent crude declined 7.45 percent to \$82.83 a barrel, while U.S. West Texas Intermediate (WTI) crude slipped 6.85 percent and closed at \$78.11.
- Oil prices posted their steepest weekly loss in three months as investors weighed weak U.S. jobs data and possible timing of a Federal Reserve interest rate cut. Investors were concerned that higher-for-longer borrowing costs would curb economic growth in the U.S., the world's leading oil consumer, after the Federal Reserve decided last week to hold interest rates steady.
- Saudi Arabia may raise prices for most of the crude grades it sells to Asia in June to their highest levels in five months after Middle East benchmarks strengthened this month. The June official selling price (OSP) of flagship Arab Light crude may rise by 70 to 90 cents to close to a \$3 per barrel premium to the average of Dubai and Oman quotes, seven refining sources said in a Reuters survey, which would be the highest level since January.

THE WEEK AHEAD

- Saudi Arabia releases Industrial Production for March on May 9
- U.S. releases Jobless Rate for April on May 9
- U.S. releases Monthly Budget Statement for April on May 10