



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

Weekly Market Brief
Week Ending May 10th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- The Kingdom's Purchasing Managers' Index in April remained unchanged at 57 points compared to March, according to the Riyadh Bank Saudi Arabia PMI report by S&P Global. In February, PMI hit a five-month high of 57.2 points, while it was 55.4 points in January.
- Saudi Arabia's private sector provided 11.27 million jobs during April, according to the Saudi National Labor Observatory report. There was a net increase in citizen employment for April, with 18,535 individuals newly joining the private sector workforce.
- S&P Global Ratings expects Saudi Arabia's real GDP to grow by 2.2 percent in 2024, before rising by 5 percent in 2025. The rating agency said that the surge in the non-oil sector will contribute an increasing share of this growth. This was attributed to government-led investments in Vision 2030 projects.

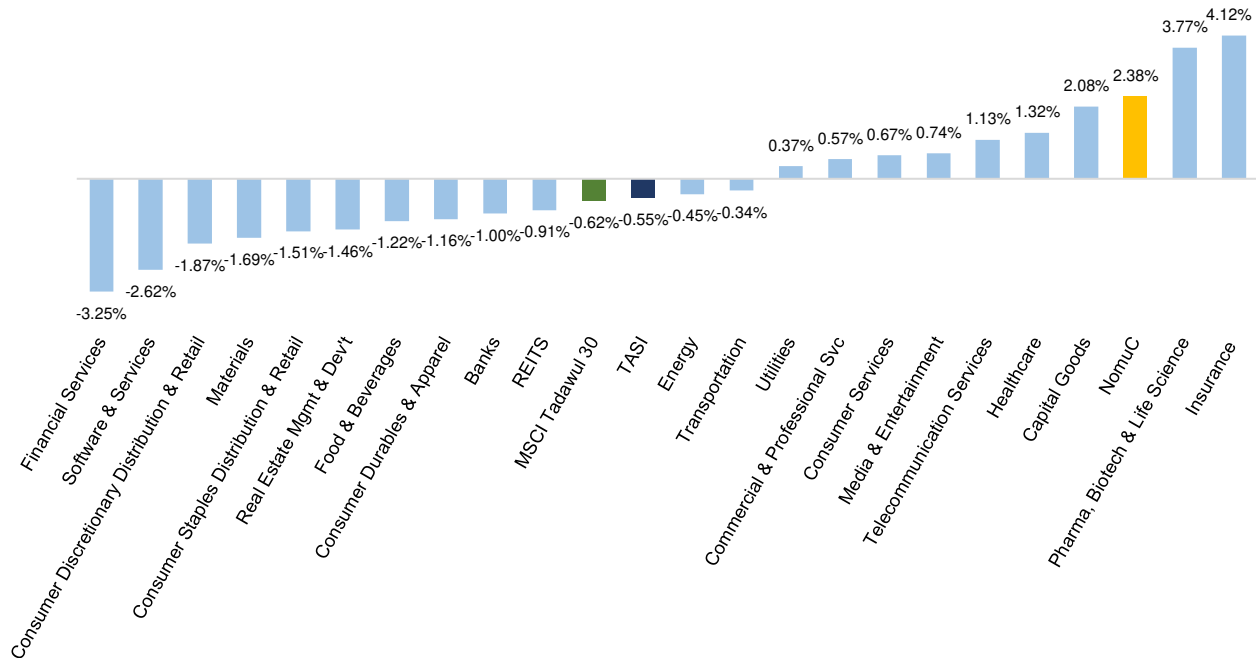


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Tadawul

The TASI decreased by 0.55 percent last week and closed at 12,284 points. Nine sectors finished the week in positive territory with 'Insurance' growing by 4.12 percent. 'Financial Services' led the decline as it dropped 3.25 percent. The NomuC parallel market index grew 2.38 percent and closed at 27,086 points, while the MSCI Tadawul 30 slipped 0.62 percent and closed the week at 1,537 points.

Tadawul Weekly Index Performance - May 10th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- NEOM announced the largest cosmopolitan luxury community in the Kingdom, called Jaumur. The development is expected to attract 6,000 residents and will feature 500 marina apartments and approximately 700 luxury villas.
- A surge in the production of paper and related products within manufacturing activities in Saudi Arabia saw a MoM increase of 0.2 percent in March. However, the Kingdom's overall Industrial Production Index still posted a marginal slip of 0.2 percent MoM.
- Saudi Arabia recorded a 16 percent annual surge in credit card loans in the first quarter of 2024 to reach SAR27.25 billion (\$7.3 billion). GlobalData's payment card analytics revealed that card payments' value in Saudi Arabia registered a growth of 17.8 percent in 2022, followed by 9.7 percent in 2023 to reach SAR511.5 billion (\$136.4 billion).

Banking

Money supply M1, M2, and M3 decreased by 0.46 percent, 0.20 percent, and 0.60 percent, respectively during the week ending May 2nd.



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U.S. MARKETS

U.S. Macroeconomic Developments

- U.S. wholesale inventories decreased by 0.4 percent MoM in March 2024, matching the advance estimate and following a downwardly revised 0.2 percent rise in the prior month. Nondurables stocks saw a decrease of 1.1 percent, following a previous fall of 0.5 percent, mainly on account of farm products (-2.3 percent).
- The number of people claiming unemployment benefits in the U.S. surged by 22,000 to 231,000 on the week ending May 4th, the highest since August 2023, and sharply above market expectations of 210,000.
- The U.S. government's budget surplus in April 2024 expanded to \$210 billion from \$176.2 billion YoY, driven by higher tax receipts that outpaced increased spending. April's surplus was up 19 percent from the same period in 2023. Outlays increased by 23 percent to \$567 billion, while receipts rose by 22 percent to \$776 billion, boosted by higher tax revenue from individuals and businesses.

Fixed Income

The yield on the ten-year U.S. Treasury remained unchanged at 4.50 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 3.37 percent and finished the week at 39,512 points. The S&P 500 grew by 3.18 percent and finished at 5,225 points. The NASDAQ jumped by 3.46 percent and ended the week at 16,389 points.



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GLOBAL OIL MARKETS

- Arab light crude increased 2.10 percent and finished the week at \$87.23. Global benchmark Brent crude declined 0.05 percent to \$82.79 a barrel, while U.S. West Texas Intermediate (WTI) crude grew 0.19 percent and closed at \$78.26.
- Brent oil prices fell as comments from U.S. central bank officials indicated higher-for-longer interest rates, which could hinder demand from the world's largest crude consumers.
- Saudi Aramco reported a net income of \$27.3 billion for the first quarter of 2024, down from \$31.9 billion for the same period of 2023, due to lower crude oil volumes sold, weakening refining and chemicals margins, and lower finance and other income. This was partially offset by lower production royalties and an increase in crude oil prices compared to the same period last year.

THE WEEK AHEAD

- U.S. releases Producer Price Inflation for March on May 14
- Saudi Arabia releases Inflation Rate for April on May 15
- U.S. releases Building Permits for April on May 16