



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

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**Weekly Market Brief**  
*Week Ending May 31<sup>st</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Financing provided to small and medium enterprises in Saudi Arabia surged by 20.4 percent YoY to SAR276 billion (\$73.5 billion) in the fourth quarter of 2023. According to the Kingdom's Small and Medium Enterprises General Authority, credit facilities provided to micro and SMEs amounted to SAR25 billion (\$6.7 billion) and SAR92.3 billion (\$24.6 billion), respectively, in the last three months of 2023.
- Saudi banking sector's loans increased to SAR2.68 trillion (\$715.56 billion) in April, marking an 11 percent increase YoY, according to SAMA. Personal loans constituted 47 percent of banks' total lending, with corporate loans making up the remaining 53 percent.
- Saudi Arabia's real gross domestic product is expected to grow by 2.5 percent in 2024, driven primarily by robust non-oil private activities, which are predicted to grow by 4.8 percent according to the World Bank.
- Saudi Arabia has issued new sukuk worth SAR64.1 billion (\$17.09 billion) after it completed an early purchase of more than SAR63.1 billion (\$16.8 billion) of outstanding debt. The first tranche valued at SAR16 billion (\$4.3 billion) is set to mature in 2031, while the second one amounting to SAR29.3 billion (\$7.8 billion) will be due in 2034. The third tranche is worth SAR18.8 billion (\$5 billion) and is set to mature in 2039.

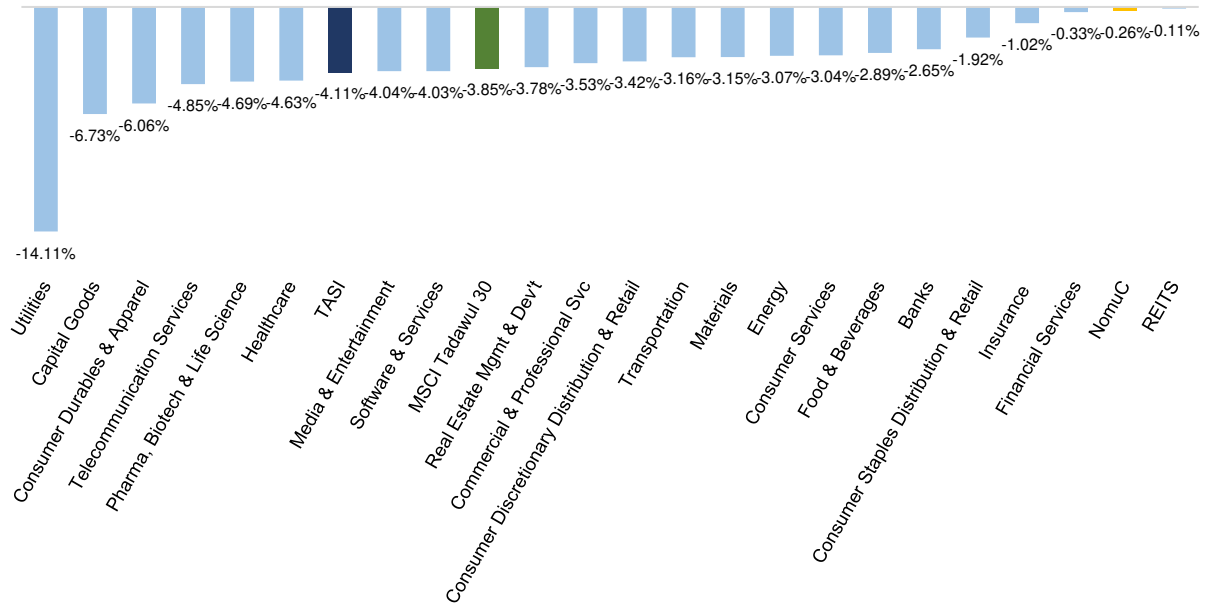


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**Tadawul**

The TASI decreased by 4.11 percent last week and closed at 11,503 points. All 21 sectors finished the week in negative territory. 'Utilities' led the decline as it dropped 14.11 percent. The NomuC parallel market index slipped 0.26 percent and closed at 26,610 points, while the MSCI Tadawul 30 declined 3.85 percent and closed the week at 1,436 points.

Tadawul Weekly Index Performance - May 31<sup>st</sup>, 2024



Source: Tadawul, USSBC



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**Business, Trade, & Investment**

- Alat (a PIF owned company) partnered with Lenovo Group to establish a facility and invest SAR7.5 billion (\$2 billion) through zero-coupon convertible bonds. As part of the agreement, the Chinese firm will set up a regional headquarters in Riyadh for the Middle East and Africa region, along with a new manufacturing hub in the Kingdom, to supplement its existing 30-plus production sites worldwide.
- According to the Ministry of Investment, a total of 64 deals were established, with sports deals accounting for a 19 percent share. Investors from the U.S. and U.K. led with 11 and five deals, respectively.

**Banking**

Money supply M1, M2, and M3 increased by 0.02 percent, 0.20 percent, and 0.02 percent, respectively, during the week ending May 23<sup>rd</sup>.



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## **U.S. MARKETS**

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

- Revisions to first quarter GDP took the headline growth rate down to 1.3 percent from 1.6 percent previously, with a sharply lower profile for consumer goods spending accounting for most of the adjustment.
- U.S. personal income rose by 0.3 percent MoM to \$23.23 trillion in April of 2024, slowing from a 0.5 percent increase in the prior month, in line with market forecasts. Compensation of employees rose by 0.2 percent, a slight ease from the 0.6 percent gain the previous month, driven by slower increases in both wages and salaries.
- The U.S. trade deficit in goods widened to \$99.41 billion in April 2024, the largest in almost two years, after an upwardly revised \$92.29 billion in the prior month, an advance estimate showed. Imports rose by 3.1 percent, largely due to higher purchases of automotive vehicles. Meanwhile, exports rose by 0.5 percent, as higher shipments of consumer goods, other goods, automotive vehicles, and capital goods were partly offset by a decline in foods, feeds, beverages, and industrial supplies.

### **Fixed Income**

The yield on the ten-year U.S. Treasury grew to 4.51 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) decreased by 2.33 percent and finished the week at 38,686 points. The S&P 500 declined by 0.51 percent and finished at 5,277 points. The NASDAQ dropped by 1.10 percent and ended the week at 16,735 points.



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**GLOBAL OIL MARKETS**

- Arab light crude increased 0.45 percent and finished the week at \$85.13. Global benchmark Brent crude slipped 0.61 percent to \$81.62 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 0.94 percent and closed at \$76.99.
- Oil prices fell for the week on worries that strong U.S. economic data would keep interest rates elevated for a longer period, curbing fuel demand.
- Saudi Arabia may cut prices for most crude grades it sells to Asia in July, the first cut in five months, as Middle East benchmarks and margins for Asian refiners have weakened, refining sources said. The July official selling price (OSP) for flagship Arab Light crude is expected to fall by 30 to 50 cents a barrel, a Reuters survey of five refiners showed, after hitting a five-month high in June.

**THE WEEK AHEAD**

- Saudi Arabia releases Riyadh Bank PMI for May on June 4
- U.S. releases Job Openings for April on June 4
- U.S. releases ISM Services PMI for May on June 5