



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

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**Weekly Market Brief**  
*Week Ending June 7<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia's private sector non-oil growth remained steady in May, with the Kingdom's Purchasing Managers' Index reaching 56.4 points, a slight decline from 57 points in April.
- Saudi Arabia's point-of-sale (POS) spending reached SAR15.22 billion (\$4.05 billion) from May 26 to June 1. According to SAMA, spending on food and beverages, which accounts for the largest share at 15.7 percent, saw a 43.8 percent surge, reaching SAR2.40 billion (\$640 million).
- The total number of Saudi nationals working in the private sector during May reached 2,358,227, with 1,386,904 males and 971,323 females. In contrast, the number of non-Saudi workers totaled 9,012,569, with 8,641,249 males and 371,320 females. Net growth in Saudi jobs for May rose with 30,881 Saudis joining the private sector for the first time.

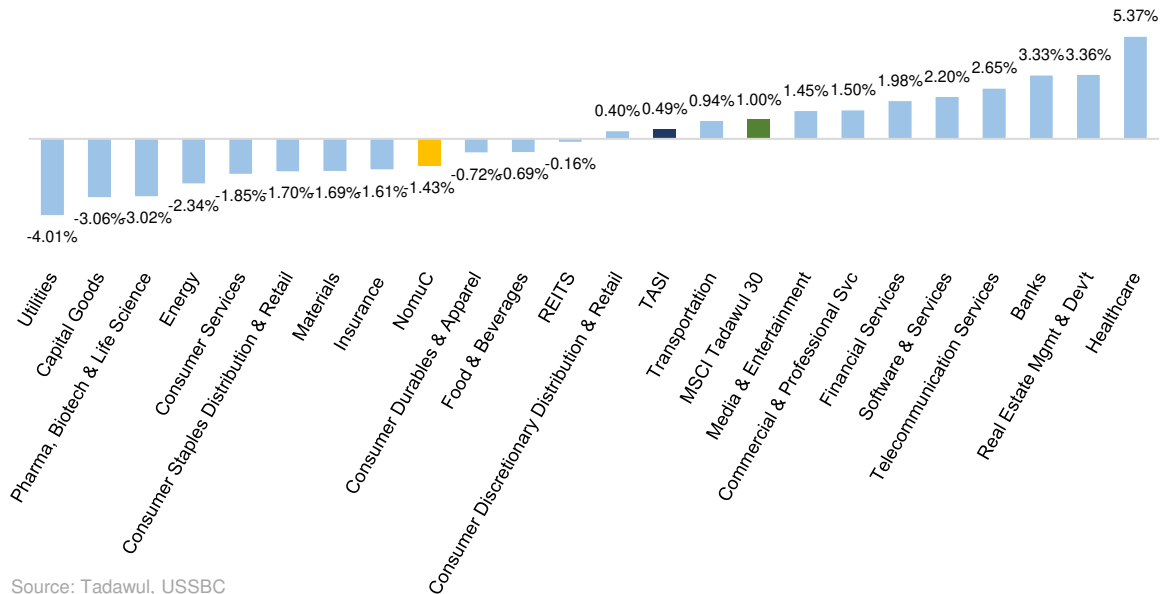


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**Tadawul**

The TASI increased by 0.49 percent last week and closed at 11,560 points. Ten sectors finished the week in positive territory. 'Healthcare' led the increases as it gained 5.37 percent. 'Utilities' led the declines, dropping 4.01 percent. The NomuC parallel market index slipped 1.43 percent and closed at 26,230 points, while the MSCI Tadawul 30 grew 1 percent and closed the week at 1,450 points.

Tadawul Weekly Index Performance - June 7<sup>th</sup>, 2024



Source: Tadawul, USSBC

- Saudi Aramco is set to raise over \$11.2 billion to fund its spending plans, after pricing its stock at SAR27.25 (\$7.27), the company announced. The secondary public offering will entail 1.545 billion shares, representing approximately 0.64 percent of the company's issued shares. The final offer price for both institutional and retail investors was set at SAR27.25 (\$7.27) per share, based on the book-building process results.



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**Business, Trade, & Investment**

- According to the Ministry of Investment, 127 international firms received licenses to relocate their regional headquarters to Saudi Arabia during the first quarter of 2024, representing a 477 percent YoY increase.
- Saudi banks' real estate loan portfolios reached SAR800.5 billion (\$213.5 billion) in the first quarter of 2024, a 13 percent increase YoY. Approximately 78 percent of these loans were retail, while the remaining 22 percent were corporate.
- Saudi Arabia has launched a 'National Semiconductor Hub' to establish at least 50 semiconductor design companies by 2030. The initiative, supported by a deep tech venture capital fund exceeding SAR1 billion (\$266 million), aims to attract 25 world-class experts and train 5,000 engineers in semiconductor design.

**Banking**

Money supply M1, M2, and M3 increased by 1.62 percent, 0.69 percent, and 0.32 percent, respectively, during the week ending May 30<sup>th</sup>.



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## **U.S. MARKETS**

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

- Total construction spending declined 0.1 percent in April, the second straight monthly drop. The pullback largely was the result of a retreat in nonresidential outlays, notably within the commercial and healthcare categories.
- The U.S. international trade deficit widened sharply in April. The balance declined by nearly \$6 billion, marking the largest one-month contraction in a year and pushing the overall balance to a deficit of \$74.6 billion. U.S. exports rose \$2.1 billion in April, led higher by goods exports specifically, but that gain paled in comparison to imports, which rose four times as fast as exports, surging by \$8.0 billion.
- Nonfarm payroll growth rebounded strongly in May, rising 272K in the month relative to the 165K pace that was registered in April. Job growth over the past year has been concentrated in industries that are less cyclically sensitive. May's growth was led by health care (+84K), government (+43K), and leisure & hospitality (+42K). Average hourly earnings also topped expectations, rising 0.4 percent in the month and 4.1 percent over the past year.

### **Fixed Income**

The yield on the ten-year U.S. Treasury declined to 4.43 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 0.29 percent and finished the week at 38,798 points. The S&P 500 grew by 1.32 percent and finished at 5,346 points. The NASDAQ jumped by 2.38 percent and ended the week at 17,133 points.



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**GLOBAL OIL MARKETS**

- Arab light crude decreased 3.38 percent and finished the week at \$82.25. Global benchmark Brent crude slipped 2.45 percent to \$79.62 a barrel, while U.S. West Texas Intermediate (WTI) crude dropped 1.90 percent and closed at \$75.53.
- Oil prices fell for the week as investors weighed OPEC+ reassurances against the latest U.S. jobs data that lowered expectations that the Federal Reserve will cut interest rates soon.
- Saudi Aramco slashed July's official selling price for the flagship Arab Light crude it sells to Asia, according to an official statement. Differentials for the flagship Arab Light grade were priced at Platts Dubai/DME Oman \$2.40 per barrel, down from \$2.90 a barrel in June. This is the first price cut in five months.

**THE WEEK AHEAD**

- Saudi Arabia releases Industrial Production for April on June 10
- U.S. releases Inflation Rate for May on June 12
- U.S. releases Federal Reserve Interest Rate Decision on June 12