



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

Weekly Market Brief
Week Ending June 14th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's gross fixed capital formation surged to SAR317.5 billion (\$84.7 billion) in the first quarter of 2024, marking a significant 7.9 percent increase YoY.
- Saudi Arabia reported a 1.7 percent decrease in its real gross domestic product (GDP) for the first quarter of 2024, primarily attributed to an 11.2 percent decline in oil activities. The data, released by the Saudi General Authority for Statistics (GASat), also showed a 1.4 percent increase in seasonally adjusted real GDP QoQ.
- Manufacturing activities pushed Saudi Arabia's Industrial Production Index to 105.6 points in April, a 1.1 percent rise compared to the previous month. According to GASat, manufacturing operations in the Kingdom rose by 2.4 percent MoM to reach 119.1 points, due to a surge in chemical product production, which went up by 3.1 percent.
- Saudi Arabia's point of sales (POS) spending reached around SAR53 billion (\$14 billion) in April, registering a 3 percent rise YoY. Approximately 30 percent of POS spending, totaling SAR15.83 billion (\$4.22 billion), was allocated to beverages, food, restaurants, and cafes.

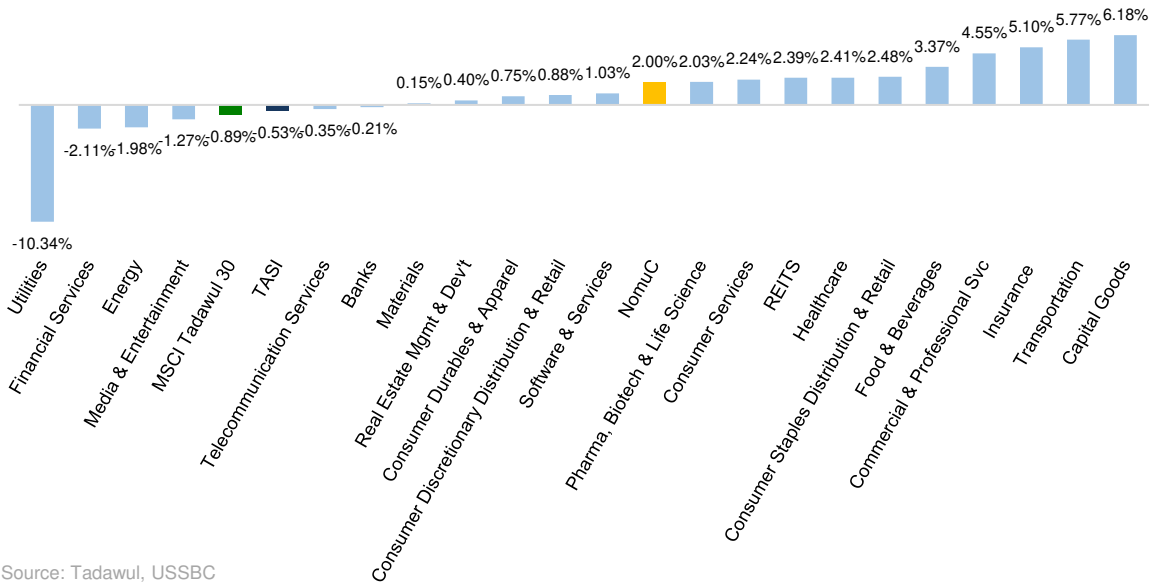


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Tadawul

The TASI decreased by 0.53 percent last week and closed at 11,498 points. Fifteen sectors finished the week in positive territory. 'Capital Goods' led as it gained 6.18 percent. 'Utilities' led the declines, dropping 10.34 percent. The NomuC parallel market index increased 2.00 percent and closed at 26,753 points, while the MSCI Tadawul 30 decreased 0.89 percent and closed the week at 1,437 points.

Tadawul Weekly Index Performance - June 14th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi seaports witnessed an 8.09 percent increase YoY in the volume of cargo handled during May, reaching over 27.63 million tons. Exported containers saw a 13.61 percent annual increase, reaching 255,297 twenty-foot-equivalent units in May. The authority further noted that imported containers increased by 5.30 percent, reaching 260,065 TEUs.
- Saudi Aramco has signed a non-binding agreement with U.S.-based NextDecade to supply 1.2 million tons per annum of liquefied natural gas for 20 years.
- Luna Space Telecommunications Co. Ltd., a leading Saudi Arabian service provider under the Skyband Holding company, purchased a JUPITER™ System Gateway as well as 1,200 Hughes JUPITER Terminals to transform its VSAT network.

Banking

Last week's data not available due to Eid holiday.



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U.S. MARKETS

U.S. Macroeconomic Developments

- The May CPI data revealed consumer prices were unchanged in the month, the first flat reading for the CPI since July 2022. Excluding food and energy, core CPI increased by a "low" 0.2 percent, the smallest monthly increase since August 2021.
- The Federal Reserve left the fed funds target range steady at 5.25-5.50 percent for a 7th consecutive meeting in June 2024, in line with forecasts. Policymakers do not expect it will be appropriate to reduce rates until they gain greater confidence that inflation is moving sustainably toward 2 percent.
- Factory gate prices in the U.S. went down 0.2 percent MoM in May 2024, compared with market expectations of a 0.1 percent increase and after a 0.5 percent rise in April. Prices for goods fell 0.8 percent, the most since October 2023.

Fixed Income

The yield on the ten-year U.S. Treasury declined to 4.20 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.54 percent and finished the week at 38,589 points. The S&P 500 grew by 1.58 percent and finished at 5,431 points. The NASDAQ jumped by 3.24 percent and ended the week at 17,688 points.



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GLOBAL OIL MARKETS

- Arab light crude increased 2.52 percent and finished the week at \$84.32. Global benchmark Brent crude rose 3.77 percent to \$82.62 a barrel, and U.S. West Texas Intermediate (WTI) crude increased 3.34 percent and closed at \$78.05.
- 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 crude oil exports to China will fall in July for a third straight month to about 36 million barrels amid plant maintenance and as some refiners opted for other sources of cheaper oil. July exports are expected to be down from about 39 million barrels in June, possibly the lowest levels for the year.

THE WEEK AHEAD

- U.S. releases Retail Sales for May on June 18
- U.S. releases Building Permits for May on June 20
- U.S. releases Existing Home Sales for May on June 21