



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

Weekly Market Brief
Week Ending July 5th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil private sector stabilized at 55 points in June from 56.4 points in May, marking the lowest reading since January 2022. Despite the slowdown in new orders, which saw the slowest growth in nearly two and a half years, non-oil businesses reported a substantial rise in output.
- Tourism spending in Saudi Arabia saw an annual increase of 23 percent in Q1, hitting SAR45 billion (\$12 billion), according to new figures from SAMA. The balance of payments for travel posted a surplus of SAR24 billion (\$6.4 billion). This is a 46 percent increase YoY.
- Saudi Arabia's point-of-sale (POS) spending increased by 48 percent to reach SAR12.34 billion (\$3.29 billion) from June 23 to 29, with the education sector registering the largest surge.

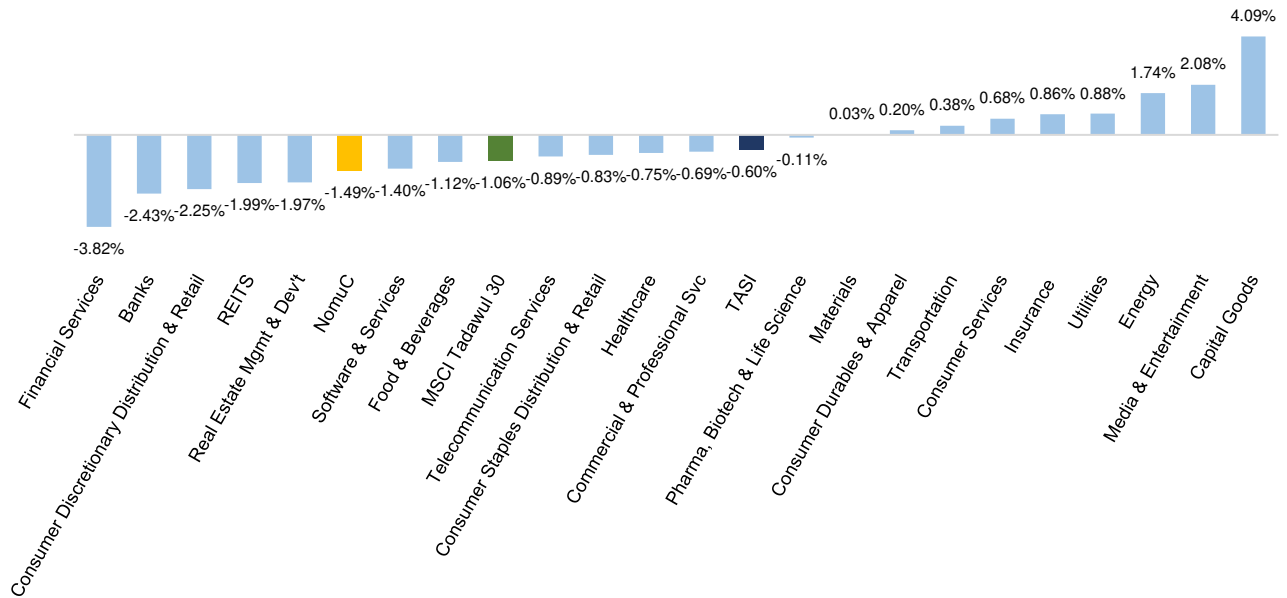


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Tadawul

The TASI decreased by 0.60 percent last week and closed at 11,659 points. Nine sectors finished the week in positive territory. 'Capital Goods' led as it gained 4.09 percent. 'Financial Services' led the declines, dropping 3.82 percent. The NomuC parallel market index decreased 1.49 percent and closed at 25,909 points, while the MSCI Tadawul 30 decreased 1.06 percent and closed the week at 1,454 points.

Tadawul Weekly Index Performance - July 05th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- According to the latest figures from the General Authority for Statistics (GASat), the net flow of FDI reached SAR9.5 billion (\$2.53 billion) during Q1 2024. It showed a 5.6 percent increase in the first quarter of 2024 compared to the previous year.
- Saudi Aramco finalized agreements for the second phase of its Jafurah gas field development and the third stage of the expansion of its master gas system, awarding contracts exceeding \$25 billion (SAR93.75 billion).

Banking

Money supply M1, M2, and M3 increased by 1.73 percent, 1.18 percent, and 1.18 percent respectively, during the week ending June 27th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Job openings partially rebounded from the three-year low hit in April, but the number of job openings per unemployed worker remained unchanged at 1.22, in line with its 2019 average. Job openings rebounded to 8.14 million in May but are down 12.6 percent from a year-ago and have fallen by more than four million since their peak in 2022.
- U.S. exports and imports both slipped by over \$1 billion in May, but the drop in exports was about 1.5 times as large as that in imports, which caused the deficit to widen. Specifically, the trade balance worsened to a deficit of \$75.1 billion in May, leaving the deficit nearly 16 percent larger than when the year started.
- The ISM Services Index slipped 5.0 points to a contractionary reading of 48.8 points in June. This marks the second time in three months that the index is flashing signs of contraction and makes the April reading below 50 points look less like an outlier.

Fixed Income

The yield on the ten-year U.S. Treasury declined to 4.28 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 0.66 percent and finished the week at 39,376 points. The S&P 500 increased by 1.95 percent and finished at 5,567 points. The NASDAQ jumped by 3.50 percent and ended the week at 18,353 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 0.35 percent and finished the week at \$88.20. Global benchmark Brent crude rose 0.15 percent to \$86.54 a barrel, while U.S. West Texas Intermediate (WTI) crude jumped 1.99 percent and closed at \$83.16.
- Saudi Arabia's energy minister announced the discovery of seven oil and gas deposits in the Kingdom. Two unconventional oil fields and one reservoir were discovered in the Kingdom's Eastern Province, as well as two natural gas fields and two reservoirs in the Empty Quarter.
- OPEC oil output rose in June for a second consecutive month, as higher supply from Nigeria and Iran offset the impact of voluntary supply cuts by other members and the wider OPEC+ alliance.

THE WEEK AHEAD

- Saudi Arabia releases Industrial Production for May on July 10
- U.S. releases Inflation Rate for June on July 11
- U.S. releases Production Prices Index for June on July 12