



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

Weekly Market Brief
Week Ending July 26th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil exports hit a two-year high in May, reaching SAR28.89 billion (\$7.70 billion), an 8.2 percent increase MoM. This also represents a 26.93 percent growth from April.
- Saudi Arabia's point-of-sale (POS) spending reached SAR10.9 billion (\$2.9 billion) in the week ending July 20, with the education sector recording the steepest rise. According to SAMA, the education sector rose 10.4 percent increase over the week, with the total value of transactions hitting SAR94.1 million (\$25.1 million).
- According to the National Debt Management Center, Saudi Arabia completed its July riyal-denominated sukuk issuance at SAR3.21 billion (\$855.7 million), maintaining levels above SAR3 billion (\$800 million) for the fifth consecutive month.
- Saudi Arabia's foreign direct investment stock reached SAR817.7 billion (\$218 billion) in the first quarter of 2024, marking a 6.1 percent rise QoQ.

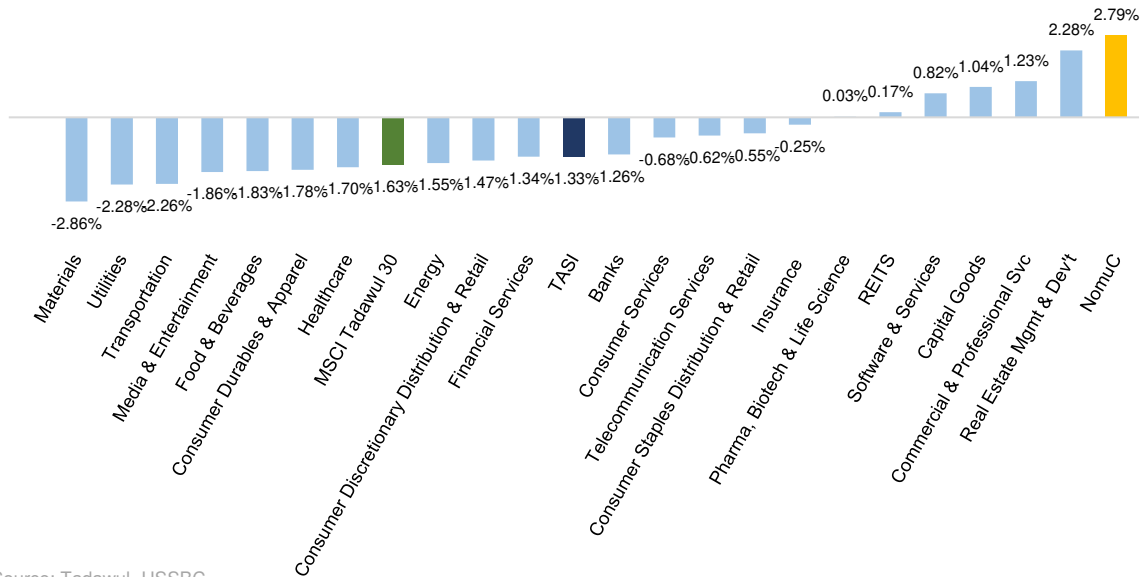


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Tadawul

The TASI decreased by 1.33 percent last week and closed at 12,026 points. Six sectors finished the week in positive territory. 'Real Estate Mgmt & Devt' led as it gained 2.79 percent. 'Materials' led the declines, dropping 2.86 percent. The NomuC parallel market index increased 2.79 percent and closed at 26,420 points, while the MSCI Tadawul 30 decreased 1.63 percent and closed the week at 1,502 points.

Tadawul Weekly Index Performance - July 26th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- The U.S. State Department approved a potential SAR10.5 billion (\$2.8 billion) sale to Saudi Arabia for system logistics and sustainment support, including Joint Mission Planning Software (JMPS) and KIV-77/78 cryptographic devices, to enhance the capabilities of its air force's platforms and aircraft fleets, such as KC-130J, C-130, E-3, RE-3, KE-3, KA 350, Bell 212, and Bell 412 aircraft.
- Saudi Arabian Military Industries (SAMI) signed agreements with Lockheed Martin and Airbus Helicopters to become an authorized center for C-130 Hercules aircraft and Airbus rotorcraft platforms, expanding its maintenance, repair, and overhaul (MRO) capabilities.
- Saudi Arabia's King Abdulaziz Port in Dammam reported a notable 37.4 percent YoY increase in container handling during the first half of 2024. The port managed 1.53 million standard units, up from 1.11 million units last year. Transshipment containers also surged by 87.87 percent to 37,806 units from 20,124 in 2023.

Banking

Money supply M1, M2, and M3 decreased by 0.71 percent, 0.60 percent, and 0.36 percent respectively, during the week ending July 18th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Export prices in the U.S. fell 0.5 percent MoM in June 2024, easing from a downwardly revised 0.7 percent decline in the previous month. Import prices in the U.S. were unchanged from the previous month, missing expectations of a 0.2 percent increase and after a 0.2 percent fall.
- New home sales fell 0.6 percent in June to an annual rate of 617K, the lowest since November 2023, with prices softening and inventories rising. High financing costs and persistent mortgage rates around 7 percent are dampening buyer interest. Builders report that buyers are waiting for expected lower mortgage rates later this year, which, if realized, could revive market activity.
- The economy grew at a 2.8 percent annualized rate in Q2, doubling the 1.4 percent rate in Q1, with broadly based domestic demand, though this may be the fastest growth rate expected for the foreseeable future.

Fixed Income

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

Equity Markets

The Dow Jones Industrial Average (DJIA) increased by 0.75 percent and finished the week at 40,589 points. The S&P 500 decreased by 0.83 percent and finished at 5,459 points. The NASDAQ declined by 2.08 percent and ended the week at 17,358 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 2.78 percent and finished the week at \$82.53. Global benchmark Brent crude decreased 1.82 percent to \$81.13 a barrel, while U.S. West Texas Intermediate (WTI) crude declined 1.88 percent and closed at \$77.16.
- Oil prices fell to their lowest in over a month as investors focused on rising stockpiles and weak demand.
- Oil futures declined for the week ending July 26, with U.S. and global benchmark prices reaching their lowest levels in over six weeks, following a further interest rate cut by China's central bank. This action heightened concerns about demand from the world's second-largest crude consumer.

THE WEEK AHEAD

- Saudi Arabia releases GDP Growth Rate on July 31
- U.S. releases ISM Manufacturing PMI for July on August 1
- U.S. releases Unemployment Rate for July on August 2