



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

---

**Weekly Market Brief**  
*Week Ending August 16<sup>th</sup>, 2024*

**SAUDI ARABIAN MARKET**

**Saudi Arabia Macroeconomic Developments**

- Saudi Arabia announced a significant overhaul of its investment law, aiming to strengthen its appeal to international investors. The updated law features enhanced protections for investors, including adherence to the rule of law, fair treatment, and property rights, while ensuring robust safeguards for intellectual property and facilitating smooth fund transfers.
- Saudi Arabia's Industrial Production Index (IPI) declined by four percent YoY in June. Data issued by the General Authority for Statistics (GASStat) showed that Saudi IPI fell to 105.73 points in June 2024 compared to 110.08 points in June 2023.
- Saudi Arabia's point-of-sales (POS) spending reached around SAR52.76 billion (\$14.1 billion) in June, registering a 1.75 percent rise YoY. Around 30 percent of POS spending, SAR15.73 billion (\$4.2 billion), was allocated to beverages, food, restaurants, and cafes, reflecting a 0.32 percent increase.
- Saudi Arabia's annual inflation rate climbed to 1.5 percent in July YoY, driven largely by a surge in housing costs. According to GASStat, the 9.3 percent increase in the prices of housing, water, electricity, gas, and other fuels was the primary contributor to the inflation rate.
- Saudi Arabia's official reserve assets increased to SAR1.7 trillion (\$452.8 billion) in July, marking a 6.06 percent YoY rise international currency holdings, comprising currency and deposits abroad and investments in foreign securities. These accounted for 94.53 percent of the total, amounting to SAR1.61 trillion (\$429 billion) in July. This category saw a 6.54 percent increase during the period.

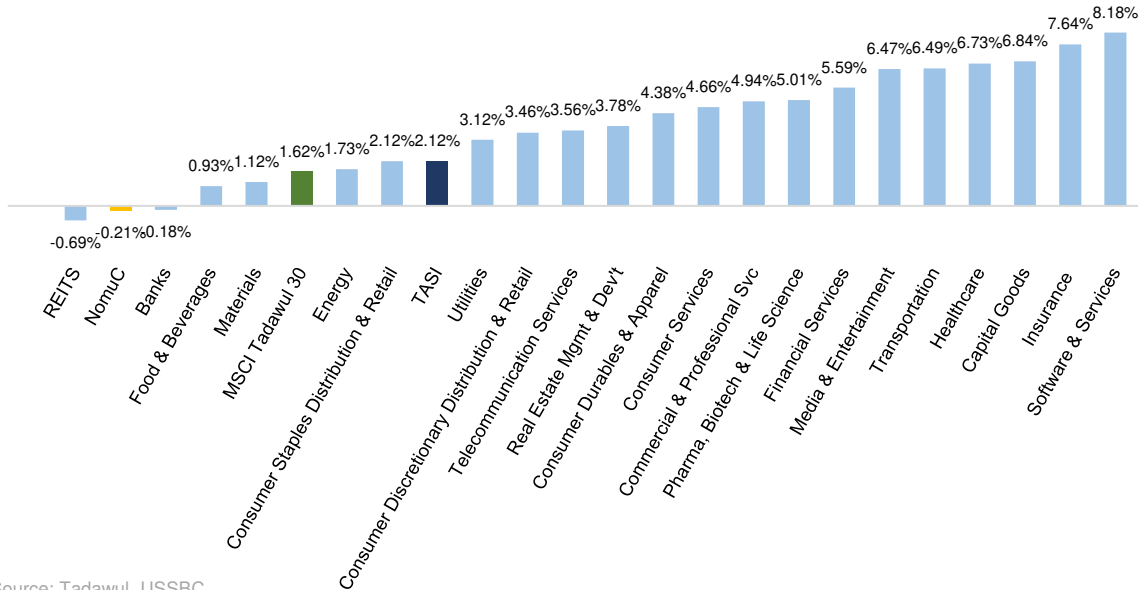


U.S.-Saudi Business Council  
 مجلس الأعمال السعودي الأمريكي

**Tadawul**

The TASI increased by 2.12 percent last week and closed at 11,915 points. All but one sector finished the week in positive territory. 'Software & Services' led as it gained 8.18 percent. 'REITS' led the declines, dropping 0.69 percent. The NomuC parallel market index decreased 0.21 percent and closed at 25,760 points, while the MSCI Tadawul 30 grew by 1.62 percent and closed the week at 1,486 points.

Tadawul Weekly Index Performance - August 16<sup>th</sup>, 2024



Source: Tadawul, USSBC



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

---

**Business, Trade, & Investment**

- Saudi Arabia's Public Investment Fund (PIF) witnessed a modest rise in its U.S. stock investments, reaching SAR77.1 billion (\$20.66 billion) in the second quarter, up from SAR77 (\$20.55 billion) in the previous quarter.
- The Royal Commission for Riyadh City (RCRC) awarded four road development contracts worth SAR13 billion (\$3.46 billion) as part of the first phase of the program to enhance the capital city's transport network.

**Banking**

Money supply M1, M2, M3 decreased by 0.16 percent, 0.34 percent, and 0.06 percent respectively, during the week ending August 8<sup>th</sup>.



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

---

## **U.S. MARKETS**

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

- The NFIB Small Business Optimism Index rose to 93.7 points in July, its highest reading since February 2022. Although the index remains below its 50-year average of 98, the outlook for business conditions shot up 18 points in July, driven by brighter sales expectations.
- Headline CPI fell below 3 percent YoY for the first time since March 2021. Core CPI declined to 3.2 percent YoY, the slowest pace since April 2021 and roughly half the 6.6 percent peak hit in September 2022.
- In July retailers saw a sales increase of \$6.8 billion, or 25 percent, of the total gain from the prior two years in a single month. Retailers increased sales more than twice as fast as the consensus had estimated in July.

### **Fixed Income**

The yield on the ten-year U.S. Treasury declined to 3.89 percent.

### **Equity Markets**

The Dow Jones Industrial Average (DJIA) increased by 2.94 percent and finished the week at 40,659 points. The S&P 500 climbed by 3.93 percent and finished at 5,554 points. The NASDAQ jumped by 5.29 percent and ended the week at 17,631 points.



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

---

**GLOBAL OIL MARKETS**

- Arab light crude increased by 2.29 percent and finished the week at \$81.17. Global benchmark Brent crude rose 0.03 percent to \$79.68 a barrel, while U.S. West Texas Intermediate (WTI) crude declined by 1.69 percent and closed at \$75.54.
- Global oil prices remained turbulent as investors tempered expectations of demand growth from top oil importer China.
- Saudi crude oil exports to China are set to fall in September to about 43 million barrels, according to Reuters. September exports from the world's top exporter to China are estimated to slip by about 3 million barrels from a revised volume of about 46 million barrels in August.

**THE WEEK AHEAD**

- U.S. releases the Federal Reserve's rate decision on August 21
- Saudi Arabia releases Balance of Trade for June on August 22
- U.S. releases New Home Sales for July on August 23