



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

Weekly Market Brief
Week Ending October 4th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's overall unemployment rate fell to 3.3 percent in the second quarter of 2024, a 0.2 percent drop QoQ. The unemployment rate also declined by 0.8 percent YoY. The jobless rate among Saudi nationals fell to 7.1 percent, a quarterly drop of 0.5 percent and an annual decline of 1.4 percent.
- Saudi Arabia experienced a 23.4 percent increase YoY in foreign direct investment in the second quarter of this year. Net FDI flow reached SAR11.7 billion (\$3.12 billion) in the second quarter of 2024, up from SAR9.5 billion (\$2.5 billion) QoQ.
- Saudi Arabia's leisure tourism sector surged by 656 percent since 2019, welcoming 17.5 million international visitors in 2024, according to the Ministry of Tourism. Between January and July of this year, Saudi Arabia saw 4.2 million visitors seeking entertainment and leisure experiences, a 25 percent increase YoY.
- Saudi Arabia's Ministry of Finance released its pre-budget statement for fiscal year 2025, projecting total revenues to reach approximately SAR1.18 trillion (\$315.73 billion), marking a 4 percent decrease from previous forecasts. Preliminary estimates for total expenditures are set at SAR1.28 trillion (\$341 billion), resulting in a projected budget deficit of SAR101 billion (\$27 billion).
- Saudi Arabia's point-of-sale (POS) transactions surged 11.9 percent in the last week of September, reaching SAR13.3 billion (\$3.4 billion), with the food and beverages sector leading.
- The Riyadh Bank Saudi Arabia PMI survey, compiled by S&P Global, showed the Kingdom's Purchasing Managers' Index reached 56.3 points in September, up from 54.8 points in August.
- Saudi Arabia's non-hydrocarbon real gross domestic product is set to grow between 5 and 5.5 percent from 2025 to 2027, driven by increased government spending, according to Moody's.



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- Saudi Arabia's official reserve assets reached SAR1.76 trillion (\$469.83 billion) in August, the highest in 21 months and a 10 percent increase YoY.

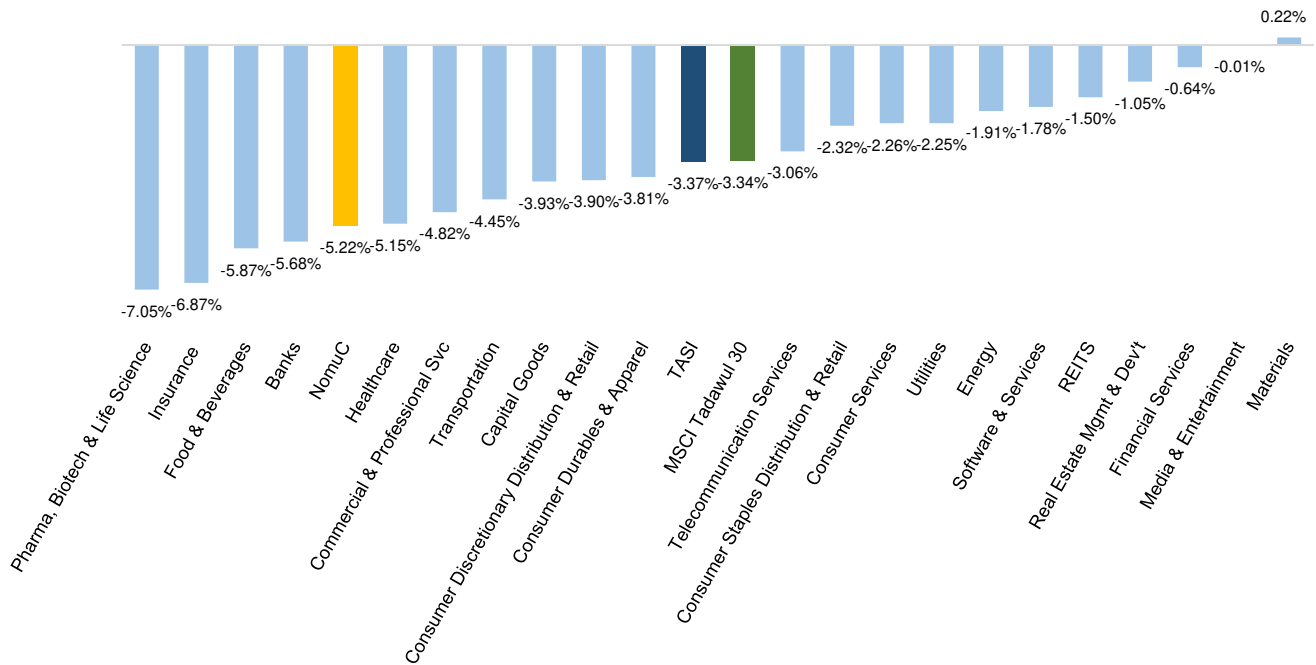


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Tadawul

The TASI decreased by 3.37 percent last week and closed at 11,957 points. All but one sector finished the week in negative territory. 'Materials' led as it gained 0.22 percent. 'Pharma, Biotech & Life Science' led the declines, dropping 7.05 percent. The NomuC parallel market index declined 5.22 percent and closed at 24,195 points, while the MSCI Tadawul 30 dropped by 3.34 percent and closed the week at 1,497 points.

Tadawul Weekly Index Performance - October 4th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Aramco has completed a \$3 billion international sukuk issuance, with demand exceeding expectations and reaching six times oversubscription. The issuance, consisting of two U.S. dollar-denominated tranches, includes a \$1.5 billion tranche maturing in 2029 with a 4.25 percent profit rate and another \$1.5 billion tranche maturing in 2034 at a 4.75 percent profit rate.
- Qiddiya Investment Company (QIC) awarded a Spanish consortium an SAR4 billion (\$1 billion) contract for the Prince Mohammed bin Salman Stadium initiative. The contract was awarded to FCC Construction and Nesma & Partners for building the sports facility on the outskirts of Riyadh.

Banking

Money supply M1, M2, and M3 grew by 2.95 percent, 0.99 percent, and 0.92, respectively during the week ending September 26th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Total construction spending fell 0.1 percent during August, the third straight monthly decline. Drops in the private residential and nonresidential categories drove the overall monthly pullback in outlays, while public expenditures rose modestly.
- Job openings partially rebounded to 8.04 million in August. However, openings are down 13.9 percent from a year ago and 8.8 percent from six months ago. The job opening rate in August rose to 4.8 percent, somewhat above the 4.5 percent averaged in 2019. U.S. personal income increased by 0.2 percent from the previous month to \$24.015 trillion in August of 2024, following a 0.3 percent rise in the previous month and below market forecasts of a 0.4 percent rise. Compensation of employees rose by 0.5 percent, up from 0.3 percent in July.
- The ISM Manufacturing index held steady at 47.2 points last month. The reading suggests business capex plans are on hold amid uncertainty over the path to lower interest rates and the presidential election outcome.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 3.98 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 0.15 percent and finished the week at 42,248 points. The S&P 500 grew by 0.22 percent and finished at 5,751 points. The NASDAQ climbed 0.10 percent and ended the week at 18,137 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 7.79 percent and finished the week at \$77.67. Global benchmark Brent crude climbed 8.47 percent to \$78.08 a barrel, while U.S. West Texas Intermediate (WTI) crude jumped by 9.09 percent and closed at \$74.38.
- Oil prices settled with their biggest weekly gains in over a year on the mounting threat of a region-wide war in the Middle East.
- Saudi Aramco raised its November pricing for Arab Light crude oil for Asian buyers. Saudi Aramco increased the official selling price of its Arab Light crude by 90 cents, bringing it to \$2.20 per barrel above the regional benchmark.

THE WEEK AHEAD

- U.S. releases Federal Reserve's meeting minutes on October 9
- U.S. releases Inflation Rate for September on October 10
- Saudi Arabia releases Industrial Production for August on October 10