



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

Weekly Market Brief
Week Ending December 13th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil activities expanded by 4.3 percent YoY in the third quarter of 2024, fueled by growth in the wholesale and retail trade, and restaurant and hotel sectors. According to the General Authority for Statistics (GASat), wholesale and retail trade, along with restaurant and hotel activities, grew by 5.8 percent in the third quarter YoY.
- According to GASat, Saudi Arabia's industrial production index edged up 0.4 percent MoM, reaching 106.9 points. The mining and quarrying sub-index, which includes oil production, recorded a slight 0.4 percent annual increase, with oil output ticking up to 8.97 million barrels per day from 8.94 million a year earlier.
- Saudi Arabia's official reserve assets saw a 2.22 percent YoY increase to SAR1.63 trillion (\$435.41 billion) in October. These holdings include monetary gold, special drawing rights, the International Monetary Fund's reserve position, and foreign reserves.

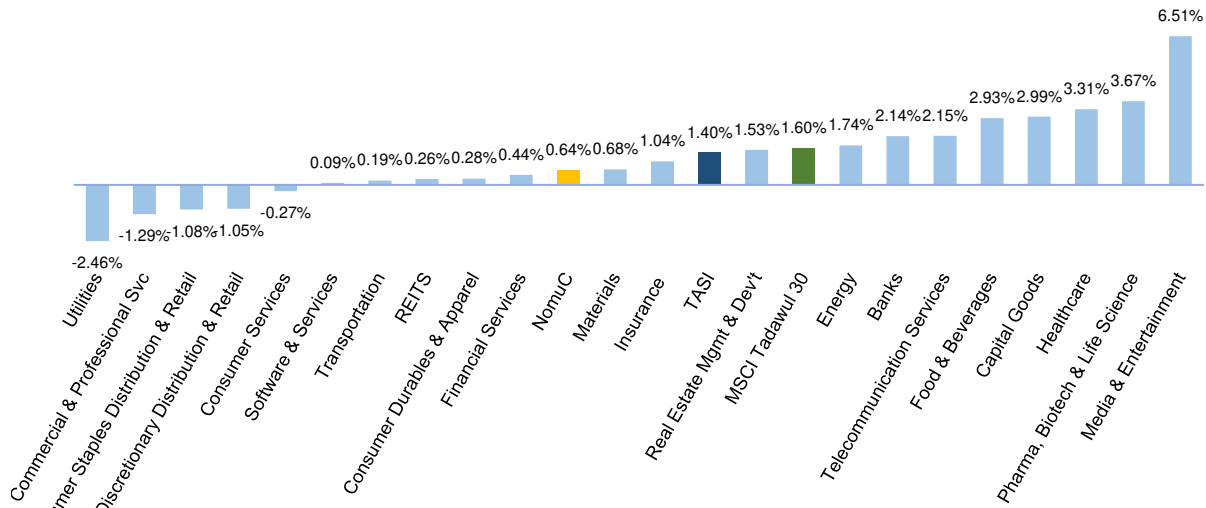


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Tadawul

The TASI increased by 1.40 percent compared to last week and closed at 12,099 points. 'Media & Entertainment' led as it gained 6.51 percent. 'Utilities' decreased the most, as it slipped 2.46 percent. The NomuC parallel market index rose 0.64 percent and closed at 31,100 points, while the MSCI Tadawul 30 rose by 1.60 percent and closed the week at 1,519 points.

Tadawul Weekly Index Performance - December 13th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Parsons Corporation was awarded a SAR199 million (\$53 million), three-year contract by the Royal Commission for Riyadh City (RCRC) for program management office (PMO) services on its Main and Ring Roads Program. Under the contract, Parsons will be the PMO for all new major road development programs in Riyadh, providing overall management and control of construction activities.
- Expatriate remittances from Saudi Arabia surged to SAR13.43 billion (\$3.58 billion) in October, marking the highest monthly total in two and a half years. This sum reflects a 23 percent increase YoY, underscoring robust growth in outbound transfers.
- The Saudi Ports Authority (Mawani) revealed that the Kingdom's ports processed 24.73 million tons of cargo last month, up from 23.74 million tons in November 2023. The data also showed significant growth in container traffic, with the number of exported containers surging by 23 percent to 261,030 containers. The number of imported containers also rose by 15.62 percent, reaching 259,355 containers during the same period.
- Fitch Ratings reaffirmed Saudi Aramco's long-term issuer default ratings at "A+" for both foreign- and local-currency ratings, with a stable outlook, reflecting the company's strong financial standing and its crucial role in the Saudi economy.
- Apple announced plans to expand in Saudi Arabia, starting with the launch of the Apple Store online in summer 2025. Starting in 2026, Apple will begin opening the first of several flagship Apple Store locations in Saudi Arabia.

Banking

Money supply M1, M2, and M3 declined by 1.26 percent, 0.85 percent, and 0.39, respectively during the week ending December 5th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Small business optimism surged in November alongside the outcome of the presidential election. The headline index soared eight points to 101.7, its highest reading since June 2021. While the election outcome likely bolstered confidence, back-to-back rate cuts from the Federal Reserve also improved lending conditions for small businesses.
- November's CPI report revealed that progress in lowering inflation has stalled. Both headline and core CPI inflation registered 0.3 percent over November, leading to YoY growth rates of 2.7 percent and 3.3 percent, respectively.
- Producer prices in the US increased 3 percent YoY in November 2024, the biggest rise since February 2023, compared to an upwardly revised 2.6 percent gain in October and above forecasts of 2.6 percent.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.40 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 1.82 percent and finished the week at 43,828. The S&P 500 declined by 0.64 percent and finished at 6,051 points. The NASDAQ rose by 0.34 percent and ended the week at 19,926 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 1.00 percent and finished the week at \$73.70. Global benchmark Brent crude climbed by 4.74 percent to \$74.49 a barrel, while U.S. West Texas Intermediate (WTI) crude decreased by 6.09 percent and closed at \$71.29.
- Oil prices settled at a three-week high, on expectations that additional sanctions on Russia and Iran could tighten supplies and that lower interest rates in Europe and the U.S. could boost fuel demand.
- Saudi Aramco reduced its January 2025 pricing for Arab Light crude oil for Asian buyers, according to the latest price list. The official selling price for Arab Light crude was cut by 80 cents, bringing it to \$0.90 per barrel above the regional benchmark.

THE WEEK AHEAD

- U.S. releases Retail Sales for November on December 17
 - U.S. releases Federal Reserve's Interest Rate Decision on December 18
 - U.S. releases GDP Growth Rate for Q3 on December 19
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