



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

Weekly Market Brief
Week Ending December 20th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- According to the General Authority for Statistics (GStat), Saudi Arabia's annual inflation rate remained stable at 2 percent in November YoY, driven primarily by higher housing costs. Housing rents increased by 10.8 percent YoY in November, while apartment rental prices surged 12.5 percent during the same period.
- Spending in Saudi hotels saw a weekly rise of 10.4 percent between Dec. 8 and 14, reaching SAR349.2 million (\$92.9 million), according to the latest Point of Sales (POS) figures. The surge is attributed to the ongoing festivities of Riyadh Season in the Saudi capital.
- Saudi Arabia's central bank (SAMA) lowered its benchmark interest rate to 5 percent, its third cut this year, aligning with the U.S. Federal Reserve's decision to reduce rates by 25 basis points. SAMA cut its repurchase agreement rate to 5 percent and the reverse repurchase agreement rate to 4.5 percent

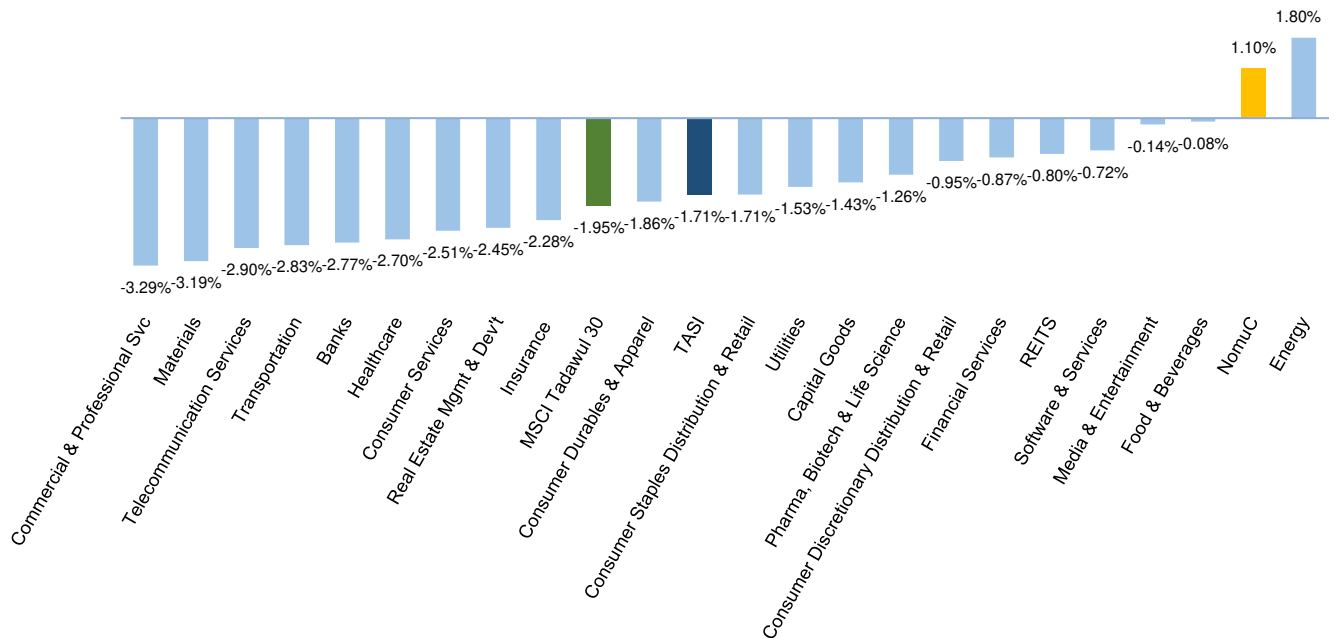


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Tadawul

The TASI decreased by 1.71 percent compared to last week and closed at 11,892 points. All but one sector ended the week in positive territory. 'Energy' led as it gained 1.8 percent. 'Commercial & Professional Svc' led the declines, as it slipped 3.29 percent. The NomuC parallel market index rose 1.10 percent and closed at 31,444 points, while the MSCI Tadawul 30 fell by 1.95 percent and closed the week at 1,489 points.

Tadawul Weekly Index Performance - December 20th, 2024



Source: Tadawul, USSBC



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Business, Trade, & Investment

- The Saudi Export Development Authority, in cooperation with the Ministry of Industry and Mineral Resources, launched “Exemption for Export” service aimed at achieving sustainable growth in the Kingdom’s non-oil exports and enhancing industrial competitiveness.
- The General Authority of Foreign Trade (GAFT) announced the imposition of definitive anti-dumping measures on imports of PVC-coated textiles and fabrics originating from China and South Korea. The measures will take effect for a period of five years starting from December 17, 2024.

Banking

Money supply M1, M2, and M3 declined by 1.30 percent, 0.90 percent, and 0.83, respectively during the week ending December 12th.



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U.S. MARKETS

U.S. Macroeconomic Developments

- Retail sales climbed 3.8 percent YoY in November. Auto sales lead the gains as it grew 2.6 percent, followed by e-commerce, which increased by 1.8 percent YoY.
- Total housing starts declined 1.8 percent in November. The unexpected drop was mostly owed to a sharp fall in multifamily starts. Meanwhile, single-family starts rose 6.4 percent, bouncing back from October's hurricane-related decline. Permits remain weak overall, however, and the trend in residential construction continues to be lackluster as high interest rates discourage new projects and home builders contend with elevated inventory levels.
- As widely expected by market participants, the Federal Open Market Committee (FOMC) reduced its target range for the federal funds rate by 25 bps at its policy meeting last Wednesday. The FOMC has now cut its target range by 100 bps from its peak of 5.25 percent-5.50 percent through moves of 50 bps in September, 25 bps in November, and 25 bps in December.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.52 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 2.25 percent and finished the week at 42,840. The S&P 500 declined by 1.99 percent and finished at 5,930 points. The NASDAQ fell by 1.78 percent and ended the week at 19,572 points.



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GLOBAL OIL MARKETS

- Arab light crude decreased by 0.95 percent and finished the week at \$73.00. Global benchmark Brent crude declined by 2.08 percent to \$72.94 a barrel, while U.S. West Texas Intermediate (WTI) crude slipped by 2.57 percent and closed at \$69.46.
- Oil prices experienced a weekly loss and was pressured by a stronger dollar and continued demand concerns, especially in top crude importer China.
- Saudi Arabia's crude oil production rose to 8.97 million barrels per day in October, a 0.36 percent increase YoY, according to the latest data from the Joint Organizations Data Initiative (JODI). The report noted a 5.91 percent drop in crude exports, which fell to 5.92 million bpd. Domestic petroleum demand also declined by 96,000 bpd YoY, reaching 2.49 million bpd.

THE WEEK AHEAD

- U.S. releases Durable Goods Orders for November on December 23
 - Saudi Arabia releases Balance of Trade for October on December 26
 - U.S. releases Goods Trade balance for November on December 27
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