



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

Weekly Market Brief
Week Ending January 10th, 2024

SAUDI ARABIAN MARKET

Saudi Arabia Macroeconomic Developments

- Saudi Arabia's non-oil private sector ended 2024 on a strong footing, driven by the fastest sales growth in a year, which pushed the Kingdom's Purchasing Managers' Index to 58.4 points in December.
- According to the General Authority for Statistics' (GASat) latest Water Accounts report, non-renewable groundwater consumption by the agricultural sector dropped by 7 percent to 9,356 million cubic meters in 2023, compared to 10,044 million m³ in 2022. Moreover, there was a 31 percent increase in desalinated seawater production, now comprising 50 percent of the country's distributed water supply, up from 44 percent in 2022.
- Saudi Arabia issued a \$12 billion triple-tranche bond under its Global Medium-Term Note Issuance Program, attracting strong investor demand with a total order book of \$37 billion. The offering, issued by the National Debt Management Center, was oversubscribed threefold and included three tranches: a \$5 billion three-year bond maturing in 2028, a \$3 billion six-year bond maturing in 2031, and a \$4 billion 10-year bond maturing in 2035.
- Saudi Arabia's Industrial Production Index climbed 3.4 percent YoY in November to reach 103.8 points, driven by an uptick in mining and quarrying activities. The mining and quarrying sub-index recorded a 1.2 percent annual rise, underpinned by a modest increase in the Kingdom's oil output, which grew to 8.93 million barrels per day in November from 8.82 million bpd in the same month of the previous year.

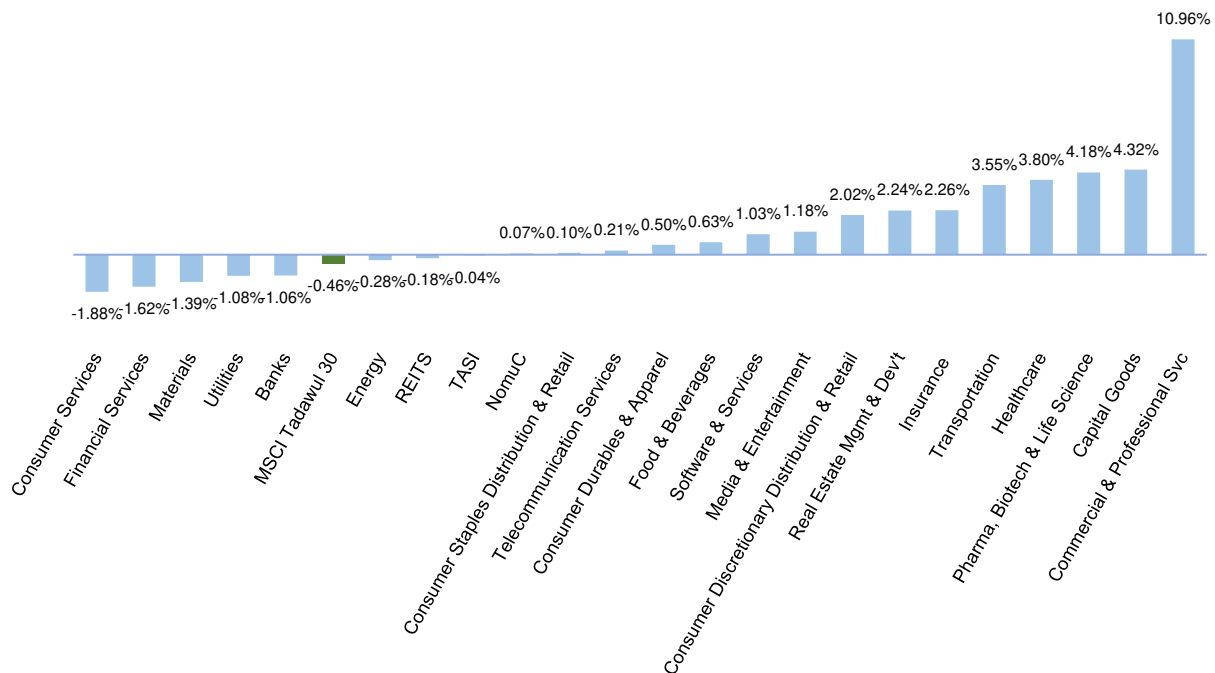


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Tadawul

The TASI decreased by 0.04 percent compared to last week and closed at 12,097 points. Fourteen sectors ended the week in positive territory. 'Commercial & Professional Svc' led as it gained 10.96 percent. 'Consumer Services' led the declines, as it slipped 1.88 percent. The NomuC parallel market index grew 0.07 percent and closed at 31,027 points, while the MSCI Tadawul 30 fell by 0.46 percent and closed the week at 1,510 points.

Tadawul Weekly Index Performance - January 10th, 2025



Source: Tadawul, USSBC



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Business, Trade, & Investment

- Saudi Arabia's Public Investment Fund has invested \$200 million in the newly launched SPDR J.P. Morgan Saudi Arabia Aggregate Bond UCITS exchange-traded fund.
- The aggregate sales volumes of 17 Saudi cement producers jumped 19 percent to 5.23 million tons in December 2024, from 4.39 million tons a year earlier.
- Tourism spending in Saudi Arabia saw an annual increase of 27.25 percent during the third quarter, hitting SAR25.05 billion (\$6.68 billion) spending by residents traveling abroad increased by 21.79 percent to reach SAR26.33 billion.

Banking

Money supply M1, M2, and M3 declined by 2.84 percent, 1.97 percent, and 1.35, respectively during the week ending January 2nd.



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U.S. MARKETS

U.S. Macroeconomic Developments

- The U.S. international trade deficit widened to \$78.2 billion in November. While exports increased a solid 2.7 percent MoM, it was not enough to outpace imports, which rose 3.4 percent. In dollar terms, imports rose \$11.6 billion, or the most in two and a half years.
- Total job openings climbed to 8.10 million on the last business day of November, an increase from October's upwardly revised reading of 7.84 million and the highest count of openings since May. However, even with gains over three of the past four months, total job openings are down by 833K, or 9.3 percent YoY.
- Service sector activity snapped and rebounded in December as ISM services climbed to 54.1 points. Most sub-components notched gains, including a 6.2 point jump in the prices paid component, which signaled the broadest increase in service sector costs since February 2023.

Fixed Income

The yield on the ten-year U.S. Treasury increased to 4.77 percent.

Equity Markets

The Dow Jones Industrial Average (DJIA) decreased by 1.86 percent and finished the week at 41,938. The S&P 500 fell by 1.94 percent and finished at 5,827 points. The NASDAQ declined by 2.34 percent and ended the week at 19,161 points.



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GLOBAL OIL MARKETS

- Arab light crude increased by 6.81 percent and finished the week at \$77.97. Global benchmark Brent crude grew by 4.25 percent to \$79.76 a barrel, while U.S. West Texas Intermediate (WTI) crude climbed by 2.42 percent and closed at \$75.75.
- Oil prices rose last week as traders braced for supply disruptions from the broadest U.S. sanctions package targeting Russian oil and gas revenue.
- The official selling price for the benchmark Arab Light crude has been raised by 60 cents per barrel, following a significant drop to a four-year low in January. For February, the price of Arab Light crude for Asian buyers has been set at \$1.50 per barrel above the regional benchmark.

THE WEEK AHEAD

- U.S. releases Inflation Rate for December on January 15
 - Saudi Arabia releases Inflation Rate for December on January 15
 - U.S. releases Housing Starts for December on January 17
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