



## Summary

**Real Economy:** The non-oil PMI rose month-on-month in June, to 57, the highest in 8 months, with stronger output and new order growth. Moreover, cement sales increased by 3.7 percent year-on-year. Meanwhile, latest available data for May showed non-oil exports continued rising, by almost 27 percent year-on-year.

**Consumer Spending:** Consumer spending increased by 13.4 percent year-on-year in June, and by 11.1 percent month-on-month, with both cash withdrawals and POS transactions rising during the month. Looking at POS transactions by sector, most sectors saw annual rises during the month.

**SAMA Foreign Reserve Assets:** SAMA FX reserves increased by \$15 billion month-on-month in June, rising to \$466.7 billion. During the month, rises were seen in both bank deposits and foreign securities, which increased by \$8.5 billion and \$6.8 billion month-on-month, respectively.

**Money Supply, Bank Deposits and Credit:** The broad measure of money supply (M3) rose by 8.9 percent year-on-year in June, and by 2.3 percent month-on-month. Moreover, total new residential mortgages for individuals rose by 58 percent year-on-year in June, the highest annual rise in 14 months.

**Inflation:** Prices rose by 2.3 percent year-on-year, and by 0.2 percent month-on-month in June. Within the CPI basket, 'food and beverages' rose by 4.4 percent year-on-year, and 0.4 percent month-on-month. Also, 'restaurants and hotels' prices were up 5 percent year-on-year, and 1.1 percent month-on-month.

**Real Estate Q2 2022:** Real estate prices rose by 0.7 percent, year-on-year in Q2 2022, and by 0.3 percent quarter-on-quarter. Whilst residential real estate prices continued to push total prices up, commercial real estate prices continued to decline.

**Balance of Payments Q1 2022:** Saudi Arabia registered a current account surplus of \$37.4 billion or 20 percent of GDP in Q1 2022 (vs. a marginal deficit of \$0.2 billion in Q1 2021). The surplus was due to a positive trade balance as exports recovered by 78 percent year-on-year.

**Oil-Global:** July saw a decline in average global oil prices, with Brent oil prices down 8 percent (to an average of \$117 per barrel) and WTI oil prices down 11 percent (to an average of \$102 per barrel) month-on-month.

**Oil-Regional:** Saudi crude oil production edged up 1 percent month-on-month in June, to reach an average of 10.6 million barrels per day (mbpd), in line with OPEC+ agreed levels. Meanwhile, latest available official data for May showed that Saudi crude oil and refined products exports was at 8.5 mbpd.

**Stock Market:** TASI rebounded by 5.9 percent month-on-month in July, ranking amongst the best performers when compared to major global and regional indices.

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## Real Economy

The non-oil PMI rose month-on-month in June, to 57, the highest in 8 months, with stronger output and new order growth. Moreover, cement sales increased by 3.7 percent year-on-year, whilst cement production was unchanged year-on-year, in June. Meanwhile, latest available data for May showed non-oil exports continued rising, by almost 27 percent year-on-year.

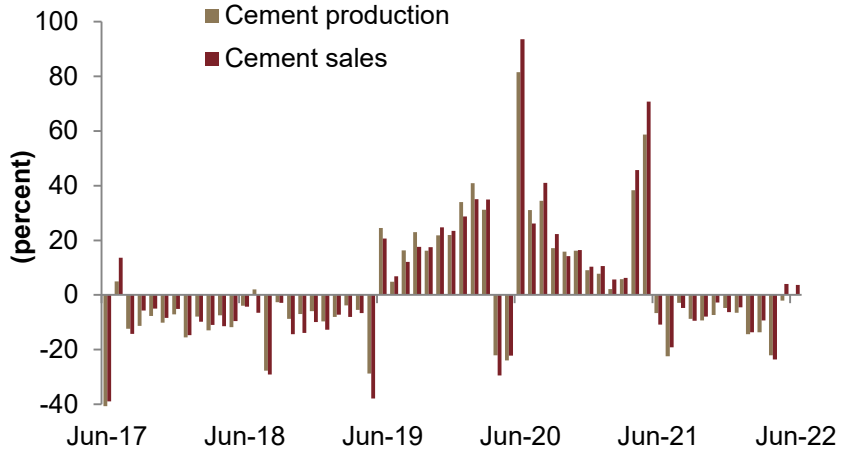
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**Non-oil Purchasing Managers' Index**



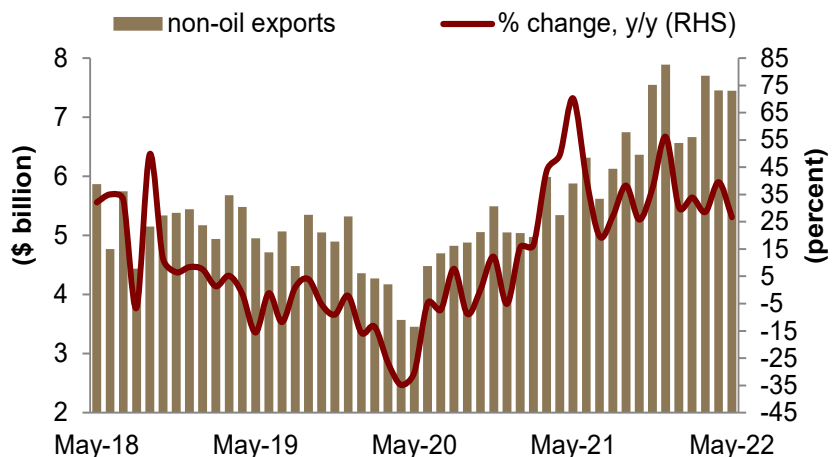
*Moreover, cement sales increased by 3.7 percent year-on-year, whilst cement production was unchanged year-on-year, in June. However, both cement sales and production showed significant rises month-on-month, at 23 percent and 26 percent, respectively.*

**Cement Sales & Production**  
(yearly change)



*Meanwhile, latest available data for May showed non-oil exports continued rising, by almost 27 percent year-on-year.*

**Non-oil Exports**  
(USD monthly total and yearly change)

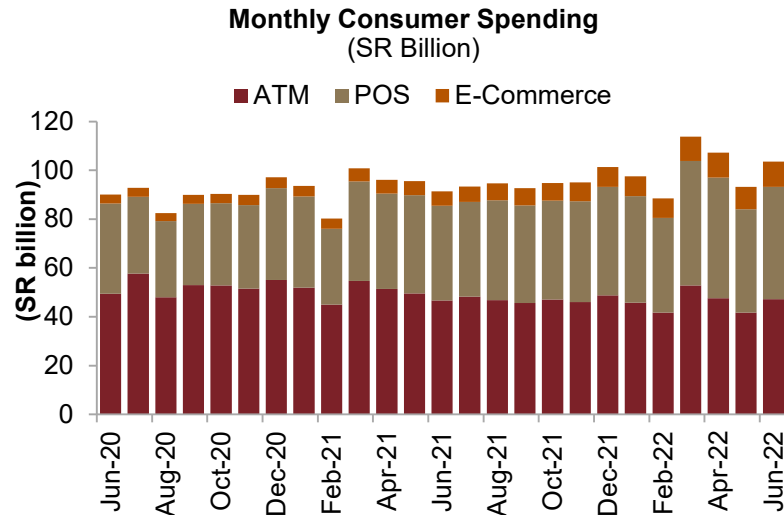




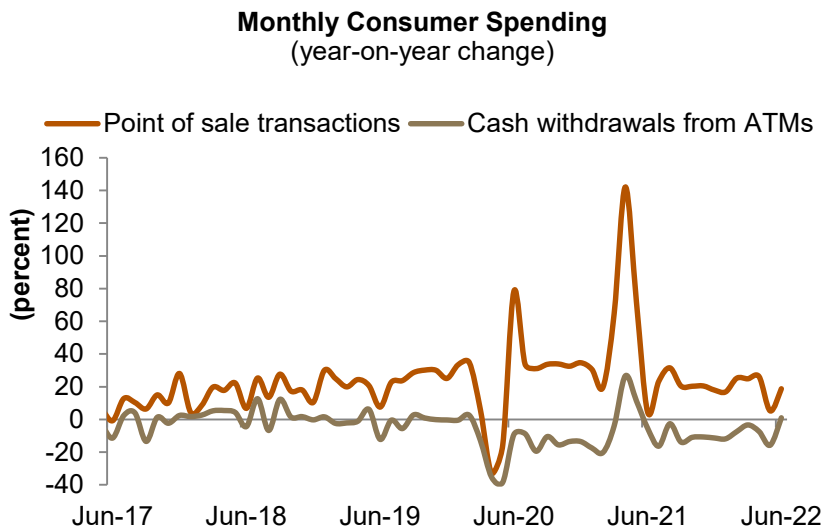
## Consumer Spending

Consumer spending increased by 13.4 percent year-on-year in June, and by 11.1 percent month-on-month, with both POS transactions and cash withdrawals rising during the month, by 19 percent and 1 percent, respectively. Looking at POS transactions by sector, most sectors saw annual rises, whilst 'jewelry', 'furniture', and 'hotels' recorded annual declines in June, at 2.3 percent, 5.9 percent, and 7.9 percent, respectively.

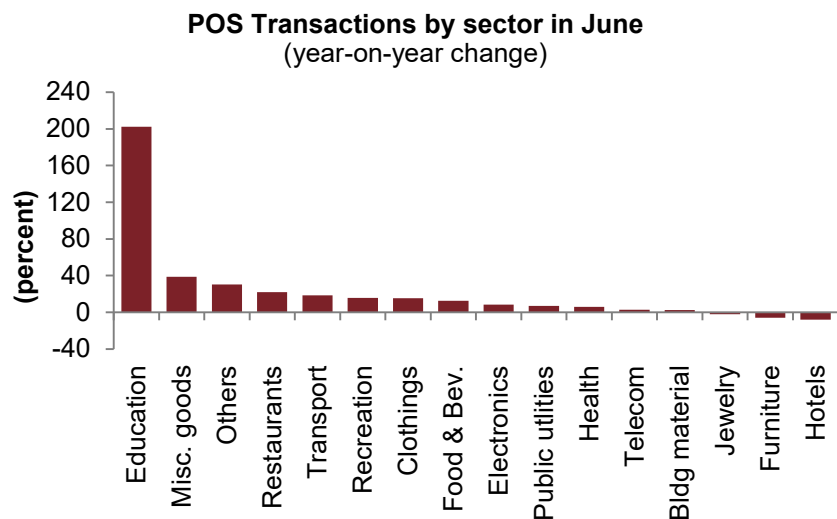
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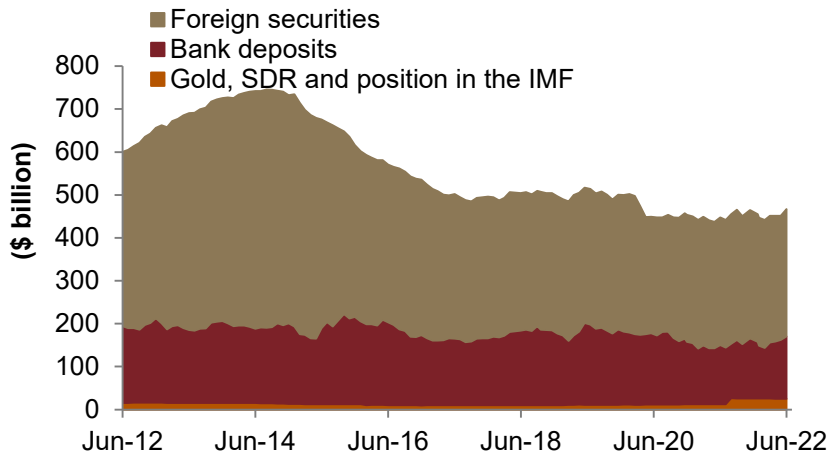


## SAMA Foreign Reserve Assets

SAMA FX reserves increased by \$15 billion month-on-month in June, rising to \$466.7 billion. During the month, rises were seen in both bank deposits and foreign securities, which increased by \$8.5 billion and \$6.8 billion month-on-month, respectively.

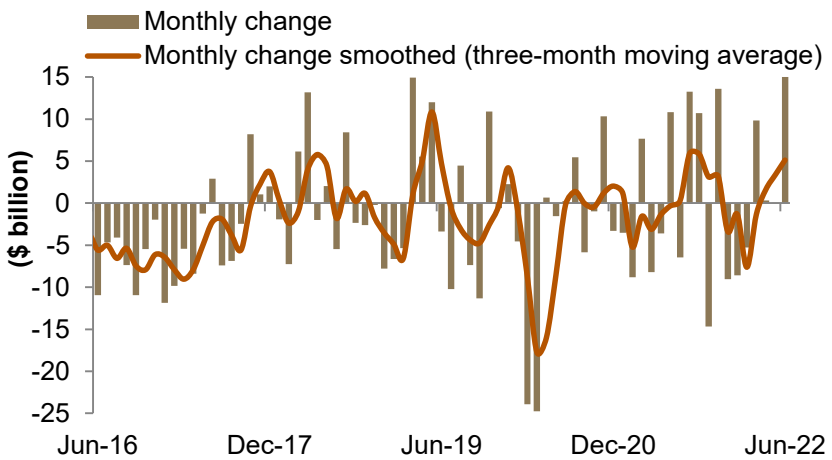
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**SAMA Total Foreign Reserve Assets**



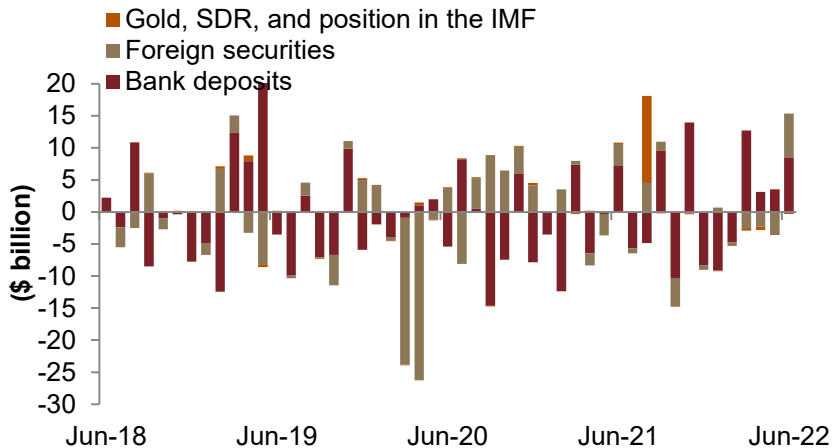
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**SAMA Foreign Reserve Assets**  
(monthly and three month average change)



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**SAMA Foreign Reserve Assets**  
(month-on-month change)



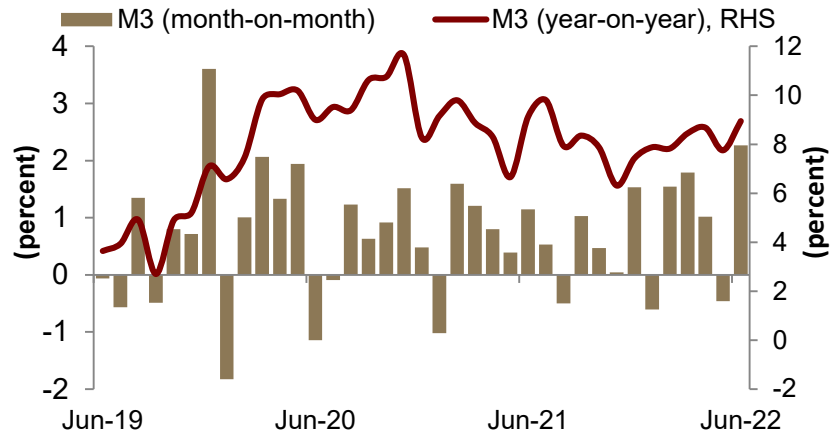


## Money Supply, Bank Deposits and Credit

The broad measure of money supply (M3) rose by 8.9 percent year-on-year in June, and by 2.3 percent month-on-month. Total demand deposits rose by 4.3 percent year-on-year, with both private and government demand deposits picking up during the month. Moreover, total new residential mortgages for individuals rose by 58 percent year-on-year in June, the highest annual rise in 14 months.

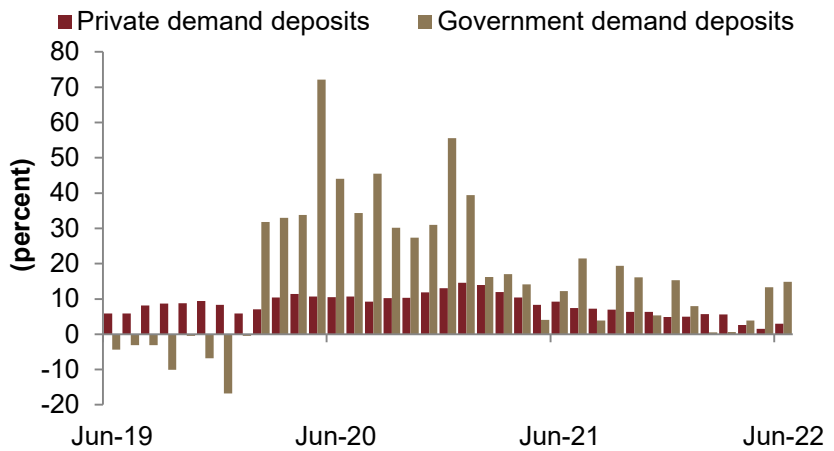
*M3 rose by 8.9 percent year-on-year in June, and by 2.3 percent month-on-month.*

**Growth in Money Supply**



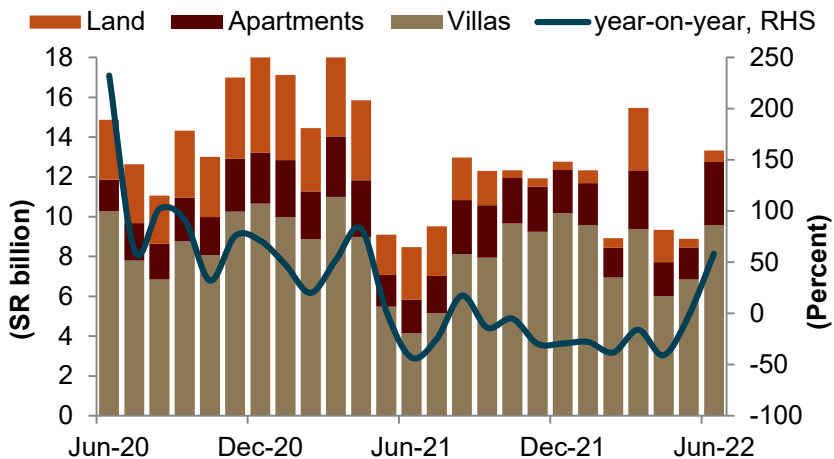
*Total demand deposits rose by 4.3 percent year-on-year, with both private and government demand deposits picking up during the month.*

**Breakdown of Total Demand Deposits**  
(year-on-year change)



*Moreover, total new residential mortgages for individuals rose by 58 percent year-on-year in June, the highest annual rise in 14 months.*

**Residential New Mortgages for Individuals**  
(Total amount and yearly change)

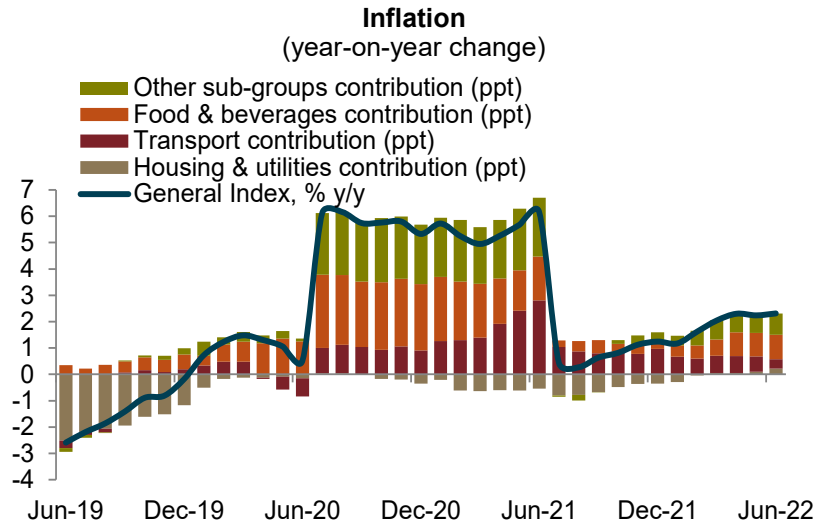




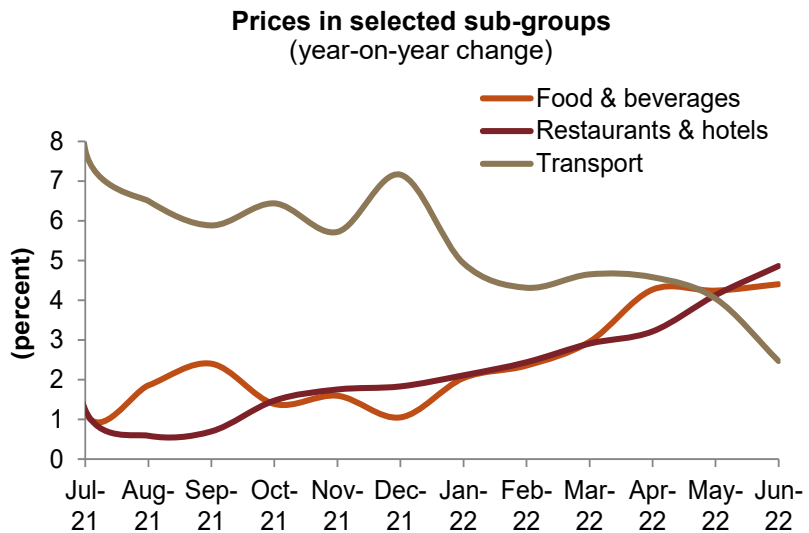
## Inflation

Prices rose by 2.3 percent year-on-year, and by 0.2 percent month-on-month in June. Within the CPI basket, 'food and beverages' rose by 4.4 percent year-on-year, and 0.4 percent month-on-month. Also, 'restaurants and hotels' prices were up 5 percent year-on-year, and 1.1 percent month-on-month. Meanwhile, 'rentals for housing' rose by 1.1 percent year-on-year, and 0.2 percent month-on-month.

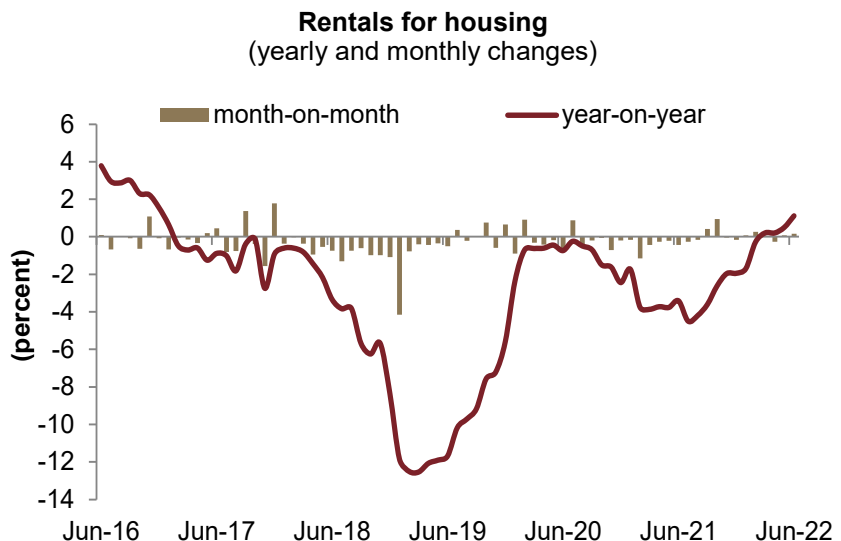
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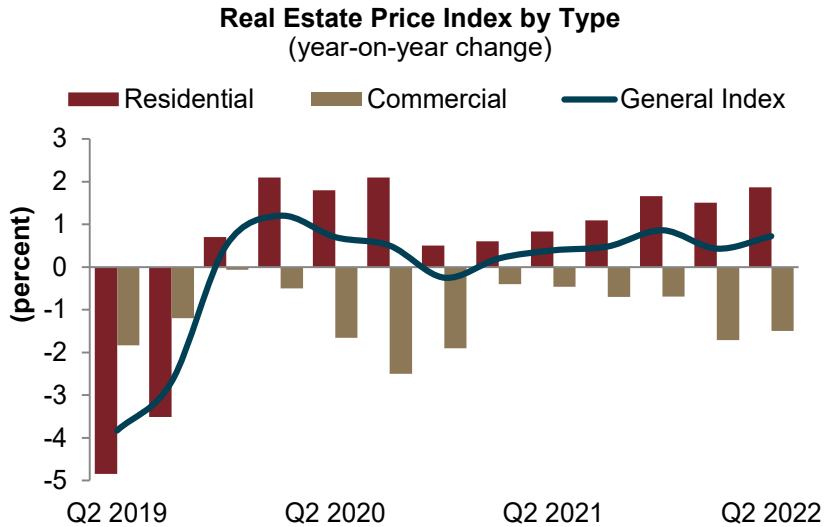




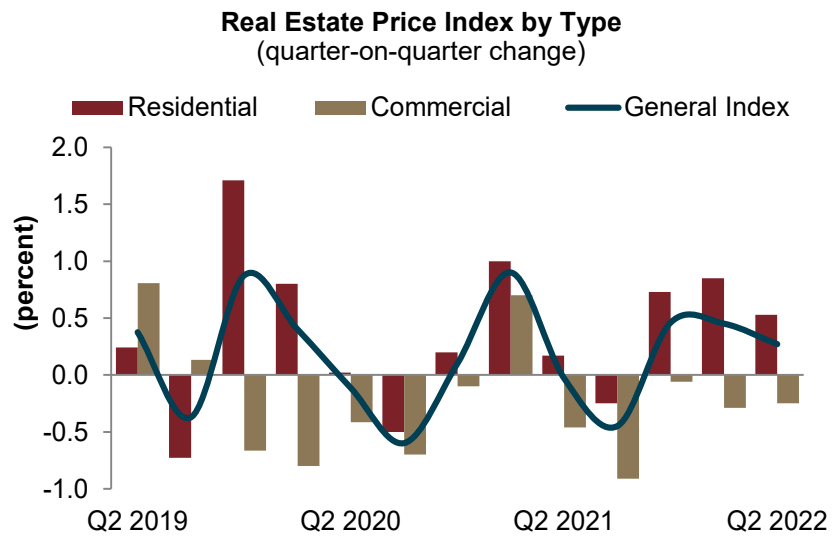
## Real Estate Q2 2022

Real estate prices rose by 0.7 percent, year-on-year in Q2 2022, and by 0.3 percent quarter-on-quarter. Whilst residential real estate prices continued to push total prices up, commercial real estate prices continued to decline. On a regional level, residential prices in the Riyadh region saw the largest rise amongst main regions, at 4.4 percent during Q2 2022, year-on-year.

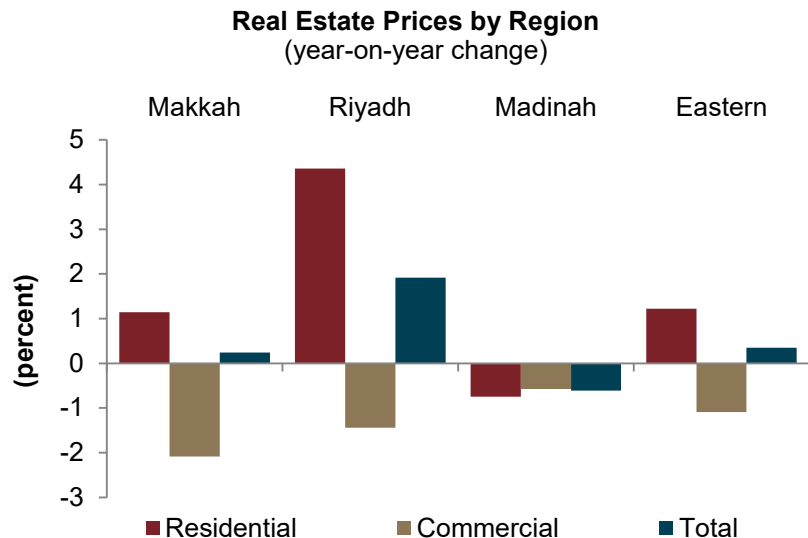
*Real estate prices rose by 0.7 percent, year-on-year in Q2 2022, and by 0.3 percent quarter-on-quarter.*



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## Balance of Payments Q1 2022

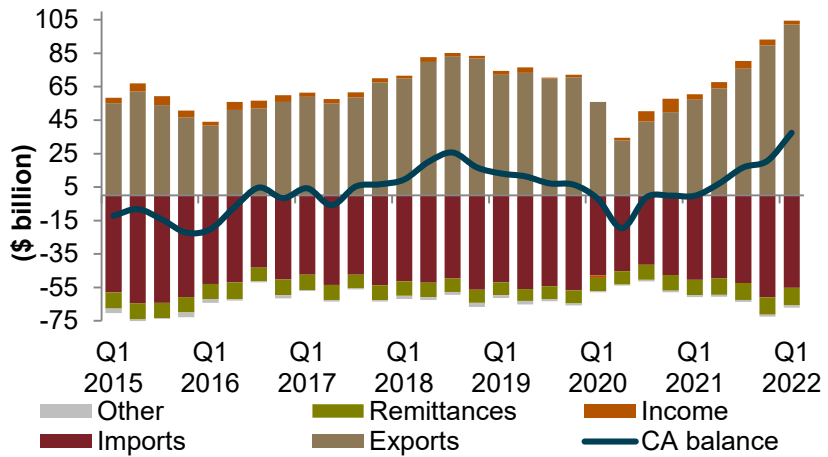
Saudi Arabia registered a current account surplus of \$37.4 billion or 20 percent of GDP in Q1 2022 (vs. a marginal deficit of \$0.2 billion in Q1 2021). The surplus was due to a positive trade balance as exports recovered by 78 percent year-on-year. The current account was also lifted by a rise in primary income, which hit \$2.4 billion during the quarter.

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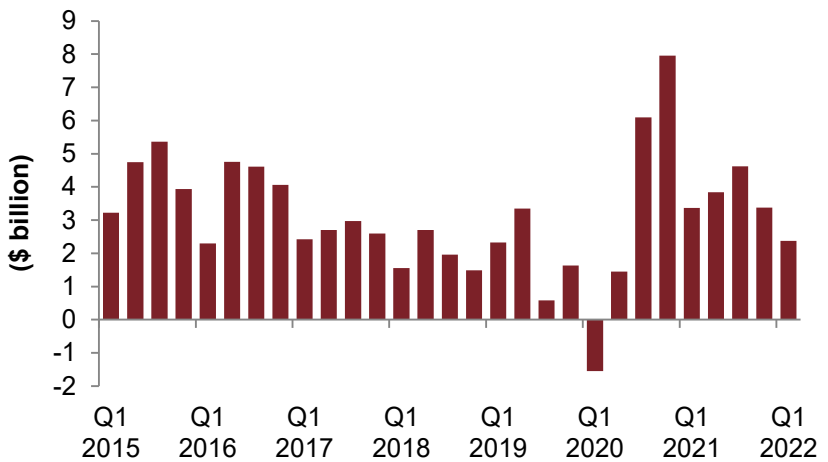
*The current account was also lifted by a rise in primary income, which hit \$2.4 billion during the quarter.*

*At the same time, remittances continued to rise, up 15 percent year-on-year, and 3 percent quarter-on-quarter.*

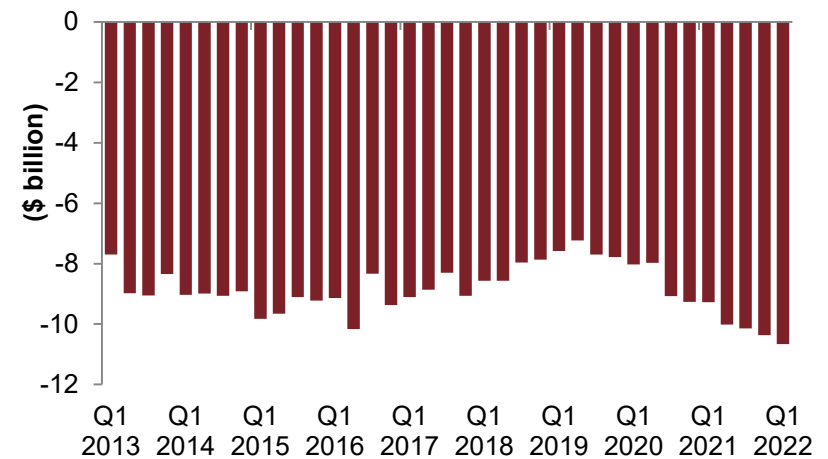
**Current Account Balance**  
(quarterly actual)



**Primary Income**  
(quarterly actual)



**Remittances**  
(quarterly actual)



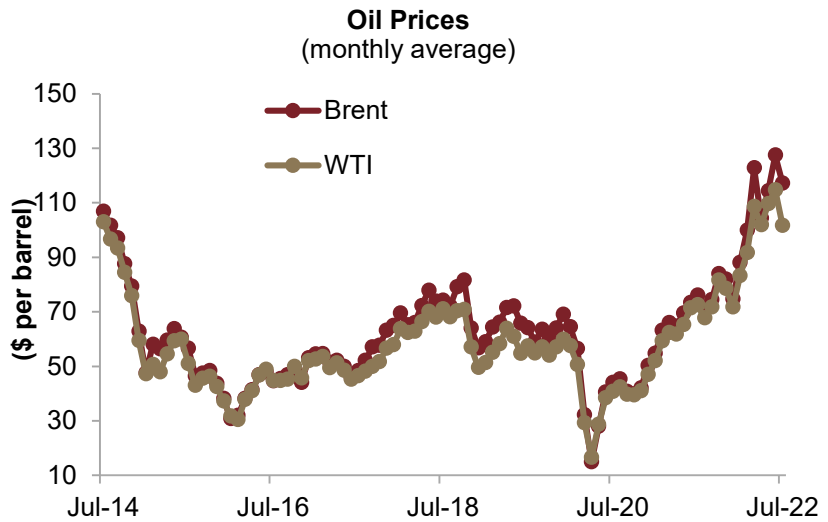




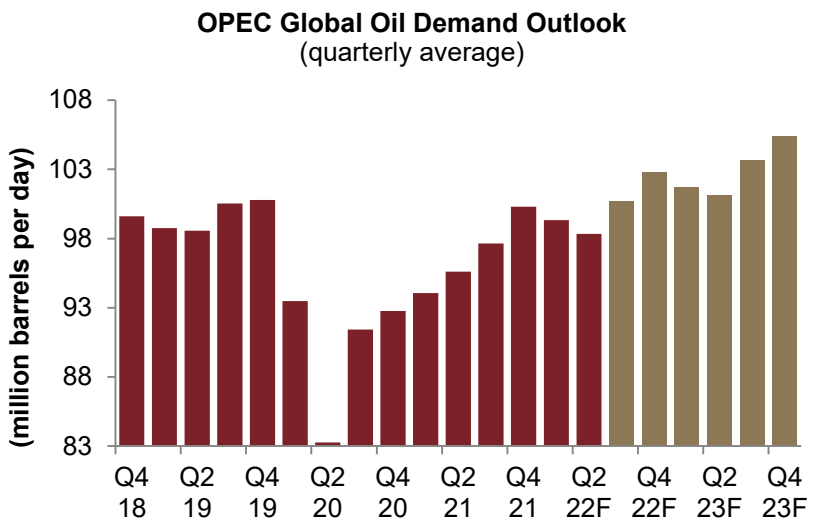
## Oil - Global

July saw a decline in average global oil prices, with Brent oil prices down 8 percent (to an average of \$117 per barrel) and WTI oil prices down 11 percent (to an average of \$102 per barrel) month-on-month in July, with a notably large spread between the two leading benchmarks. Prices are negatively affected by the amounting fears of a global recession and rising inflation in the months ahead.

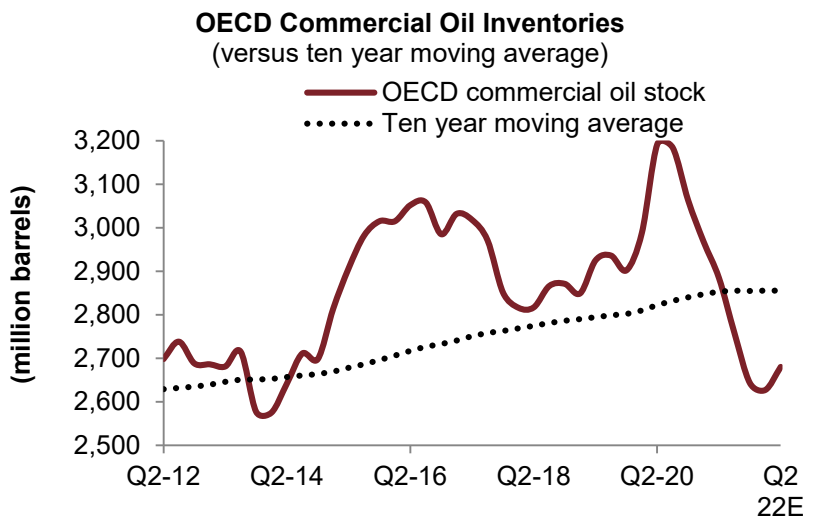
*Brent oil prices declined by 8 percent and WTI oil prices were down 11 percent month-on-month in July.*



*Meanwhile, in its latest forecasts, OPEC expects demand on oil to rise in 2023, driven by increased economic activity.*



*Following a downward trend in levels of commercial oil inventories, recent data showed a marginal rebound in Q2 2022.*



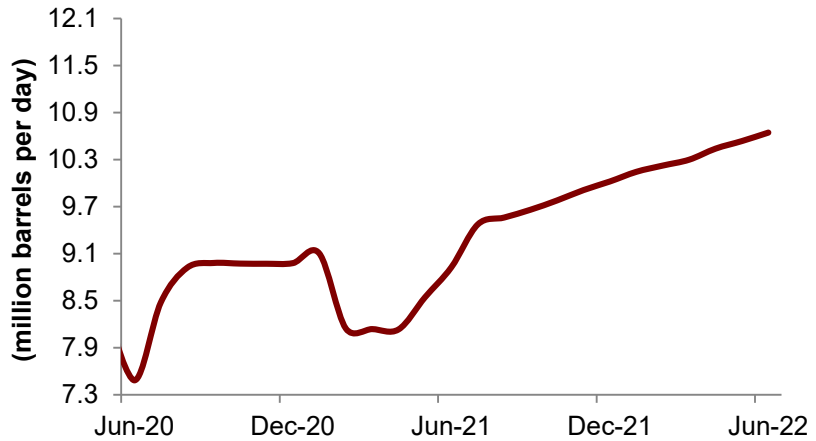


## Oil - Regional

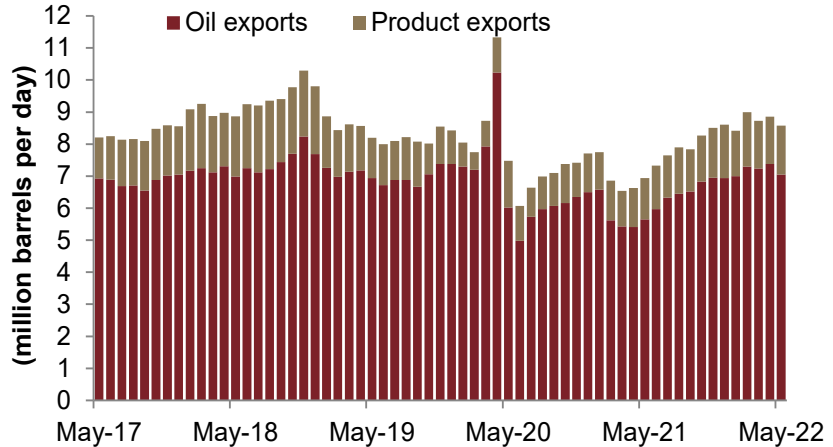
Saudi crude oil production edged up 1 percent month-on-month in June, to reach an average of 10.6 million barrels per day (mbpd), in line with OPEC+ agreed levels. Meanwhile, latest available official data for May showed that Saudi crude oil and refined products exports was at 8.5 mbpd. Looking ahead, we expect exports to continue rising in the near term.

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**Saudi Crude Oil Production**  
(monthly average)

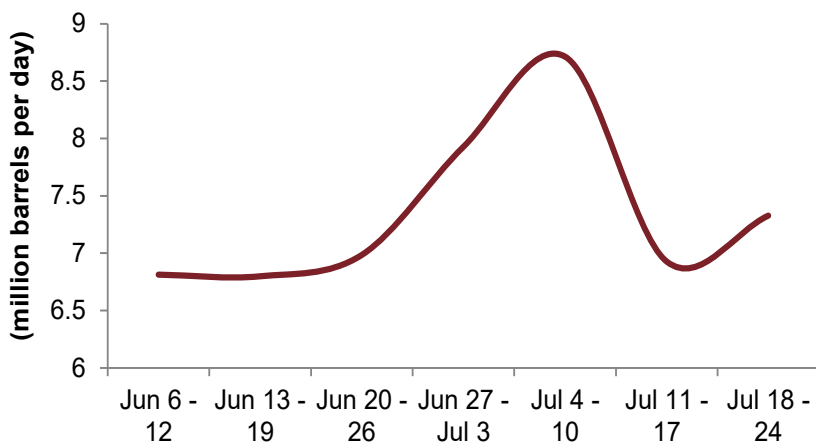


**Saudi Crude Oil and Refined Product Exports**  
(monthly average)



*Meanwhile, latest available official data for May showed that Saudi crude oil and refined products exports was at 8.5 mbpd.*

**Saudi Crude Oil Exports**  
(weekly average)



*Looking ahead, we expect exports to continue rising in the near term, with unofficial data indicating higher crude oil exports in June and July.*

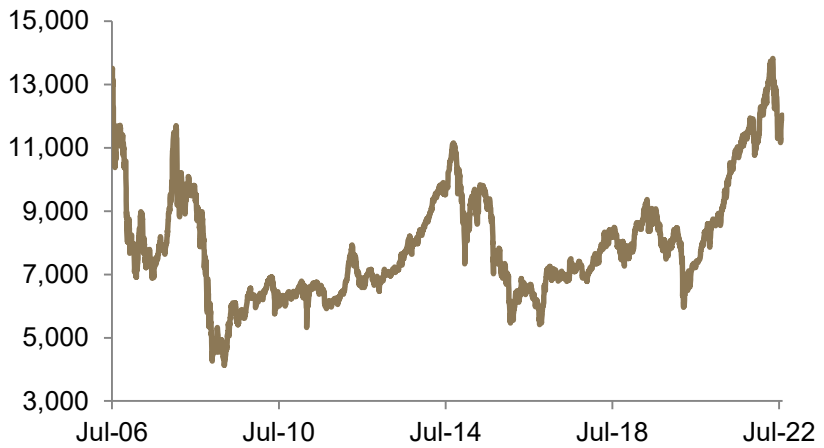


## Stock Market

TASI rebounded by 5.9 percent month-on-month in July, ranking amongst the best performers when compared to major global and regional indices, with sentiments lifted by better performance seen in global markets. Meanwhile, average daily traded volumes trended downwards during the month, at an average of SR5.6 billion.

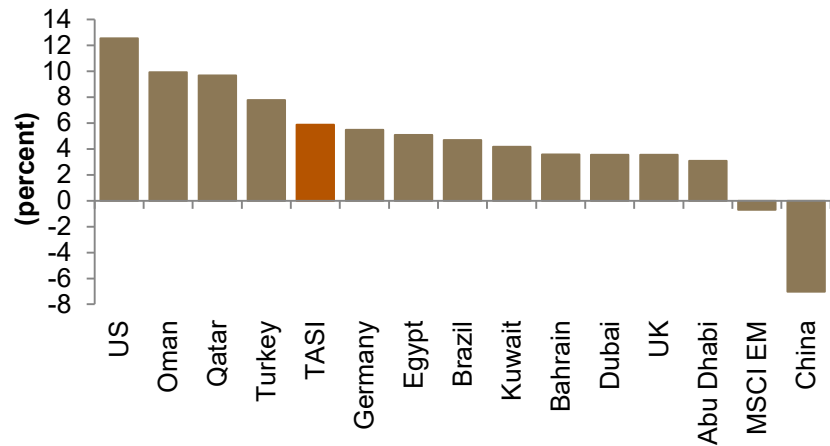
*TASI rebounded by 5.9 percent month-on-month in July...*

**TASI Performance**



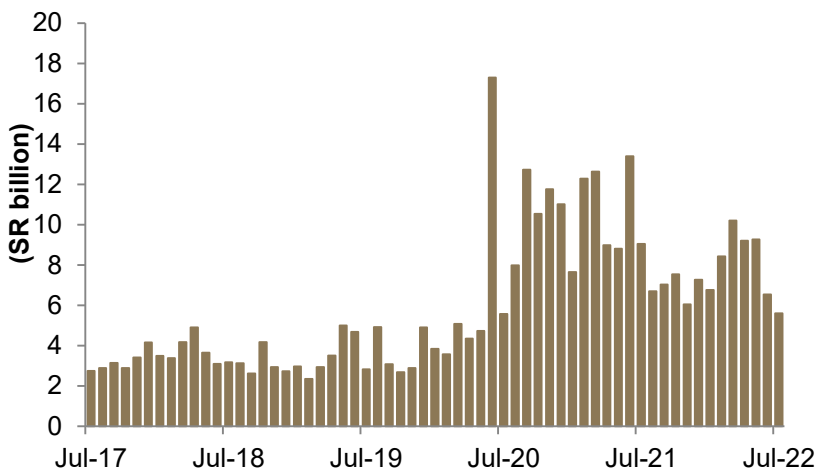
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**Comparative Stock Market Performance (July)**



*Meanwhile, average traded volumes trended downwards during July.*

**Average Daily Traded Volumes (July)**





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## Key Data

	2015	2016	2017	2018	2019	2020	2021	2022F	2023F
<b>Nominal GDP</b>									
(SR billion)	2,454	2,419	2,582	3,062	3,014	2,638	3,126	3,839	3,694
(\$ billion)	654	645	689	817	804	703	834	1,024	985
(% change)	-13.5	-1.4	6.8	18.6	-1.6	-12.5	18.5	22.8	-3.8
<b>Real GDP (% change)</b>									
Oil	5.3	3.6	-3.1	2.3	-3.3	-6.7	0.2	15.5	2.0
Non-oil activities	3.5	0.3	1.6	-3.2	3.2	-3.4	6.1	3.4	4.8
Government activities	2.3	0.2	0.3	3.5	1.5	0.2	1.5	1.0	1.0
Total	4.1	1.7	-0.7	2.5	0.3	-4.1	3.2	7.7	3.1
<b>Oil indicators (average)</b>									
Brent (\$/b)	52	43	54	71	66	42	71	102	85
Production (million b/d)	10.2	10.4	10.0	10.3	9.8	9.2	9.1	10.5	10.7
<b>Budgetary indicators (SR billion)</b>									
Government revenue	616	519	692	906	926	782	965	1300	1151
Government expenditure*	1,001	936	930	1,079	1,059	1,076	1,039	1003	941
Budget balance	-385	-417	-238	-173	-133	-294	-74	298	210
(% GDP)	-15.7	-17.2	-9.2	-5.7	-4.4	-11.1	-2.4	7.8	5.7
Gross public debt	142	317	443	560	678	854	937	938	938
(% GDP)	5.8	13.1	17.1	18.3	22.5	32.4	30.0	24.4	25.4
<b>Monetary indicators (average)</b>									
Inflation (% change)	1.2	2.1	-0.8	2.5	-2.1	3.4	3.1	2.4	2.0
SAMA base lending rate (% end year)	2.0	2.0	2.0	3.0	2.25	0.75	0.75	2.00	2.75
<b>External trade indicators (\$ billion)</b>									
Oil export revenues	153	137	171	232	201	120	206	342	295
Total export revenues	204	184	222	294	262	174	280	419	376
Imports	159	128	123	126	140	126	142	157	153
Trade balance	44	56	98	169	121	48	138	262	223
Current account balance	-57	-24	10	72	38	-23	56	146	117
(% GDP)	-8.7	-3.7	1.5	8.8	4.8	-3.2	6.7	14.3	11.9
Official reserve assets	616	536	496	497	500	454	455	581	664
<b>Social and demographic indicators</b>									
Population (million)	31.0	31.7	32.6	33.4	34.2	35.0	35.4	35.8	36.3
Saudi Unemployment (15+, %)	11.5	12.5	12.8	12.7	12.0	12.6	11.0	10.7	10.4
GDP per capita (\$)	21,095	20,318	21,114	24,438	23,485	20,089	23,557	28,597	27,158

Sources: Jadwa Investment forecasts for 2022 and 2023. General Authority for Statistics for GDP and demographic indicators, Saudi Central for monetary and external trade indicators, Ministry of Finance for budgetary indicators. Note: \*2016 government expenditure includes SR105 billion in due payment from previous years.