



## Summary

**Real Economy:** The non-oil PMI declined slightly month-on-month in September, standing at 56.6 compared with 57.7 in August. Elevated levels of business activity and new orders kept the headline survey in expansion mode. Meanwhile, cement sales and production were up during September. In addition, latest available data for August showed non-oil exports rose by 16.6 percent year-on-year.

**Consumer Spending:** Consumer spending was up 12.2 percent year-on-year in September, but declined by 3 percent month-on-month. POS transactions rose 18.6 percent year-on-year, while cash withdrawals declined by 0.7 percent, year-on-year.

**The National Industrial Strategy:** In October, the Kingdom launched the National Industrial Strategy, which focuses on 12 main sectors, and aims to enhance growth in the industrial sector by 2035. Also, the strategy plans to raise the number of factories to more than 36,000, and place the Kingdom amongst the top 15 countries worldwide within the Competitive Industrial Performance (CIP) Index, by 2035.

**SAMA Foreign Reserve Assets:** SAMA FX reserves increased by \$10.9 billion month-on-month in September, to stand at \$468.3 billion. During the month, rises were seen in both bank deposits and foreign securities, which were up by \$9.7 billion and \$1.6 billion month-on-month, respectively.

**Money Supply, Bank Deposits and Credit:** The broad measure of money supply (M3) rose by almost 9 percent year-on-year in September, and by 1 percent month-on-month. Total private deposits rose by 6.7 percent year-on-year, with rises seen in both demand and time and saving deposits during the month.

**Inflation:** Consumer prices rose by 3.1 percent year-on-year, and by 0.3 percent month-on-month in September. Within the CPI basket, 'restaurants and hotels' rose by 7.5 percent year-on-year, and 0.2 percent month-on-month. Meanwhile, 'rentals for housing' continued rising in September, up by 3.6 percent year-on-year, and 1.3 percent month-on-month.

**Real Estate Q3 2022:** Real estate prices rose by 1.5 percent, year-on-year in Q3 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 yearly basis.

**Oil:** Oil prices inched up in October, with Brent oil prices up by 1 percent (to an average of \$95 per barrel), and WTI oil prices up by 4 percent (to an average of \$88 per barrel), month-on-month. Meanwhile, latest available official data for August showed that Saudi crude oil and refined products exports increased to reach 9 mbpd.

**Stock Market:** TASI rebounded in October on a month-on-month basis, up by 1.6 percent, lifting the year-to-date performance to 3.4 percent. Moreover, most major regional and global indices rose during the month. Meanwhile, average traded volumes saw a marginal decline during October, compared with September.

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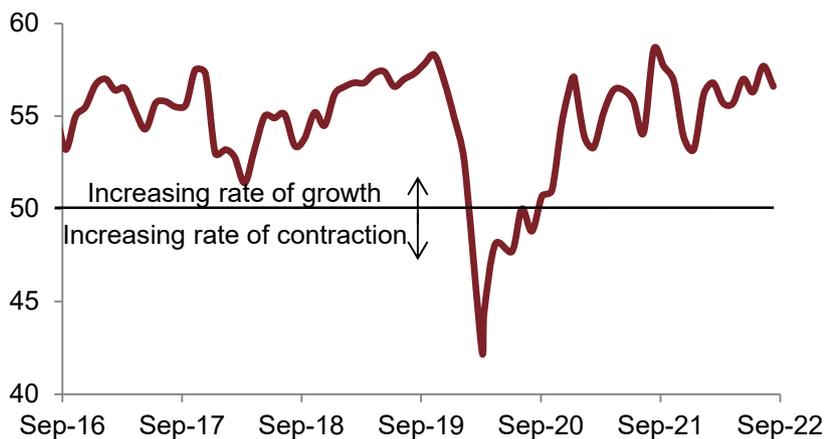


## Real Economy

The non-oil PMI declined slightly month-on-month in September, standing at 56.6 compared with 57.7 in August. Elevated levels of business activity and new orders kept the headline survey in expansion mode. Meanwhile, cement sales and production were up during September, by 7.1 percent and 13.8 percent year-on-year, respectively. In addition, latest available data for August showed non-oil exports rose by 16.6 percent year-on-year.

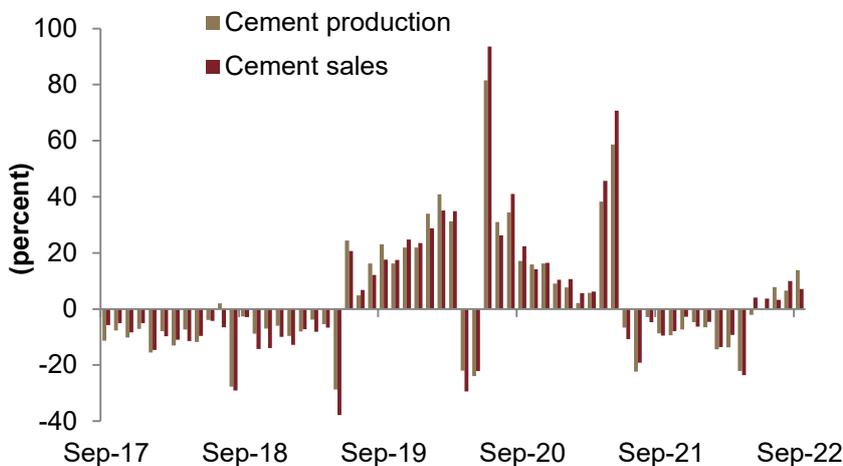
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**Non-oil Purchasing Managers' Index**



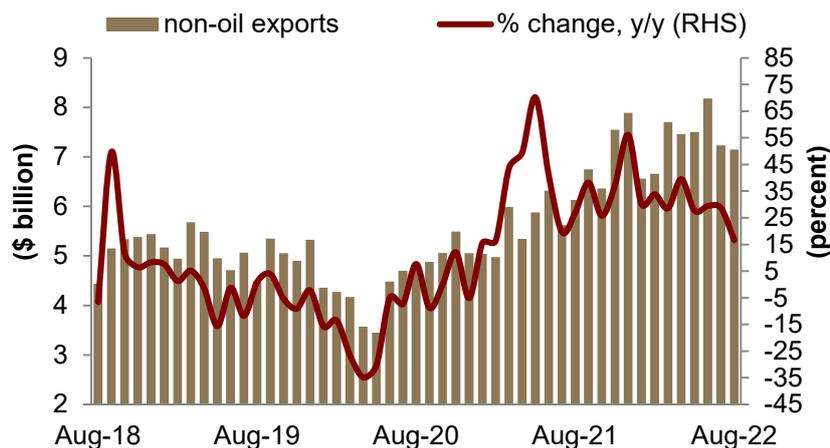
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**Cement Sales & Production**  
(yearly change)



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

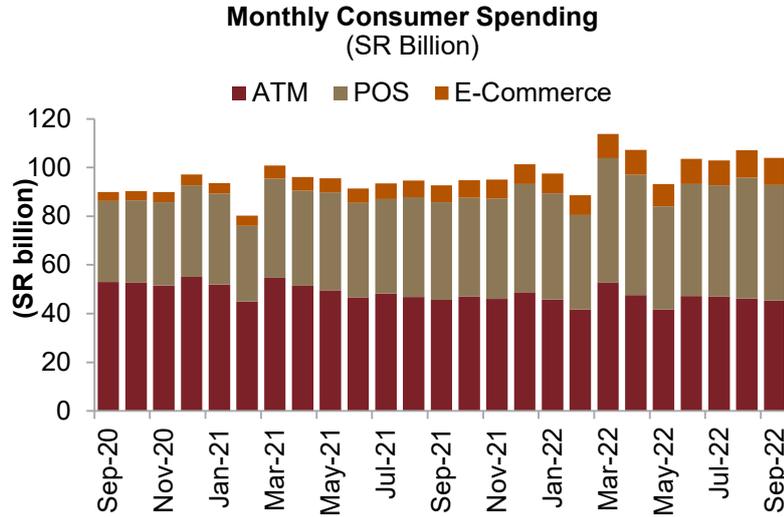




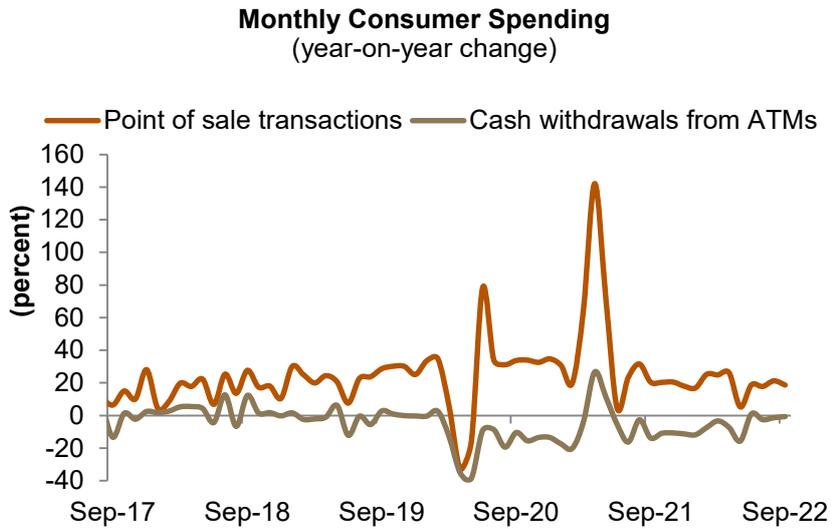
## Consumer Spending

Consumer spending was up 12.2 percent year-on-year in September, but declined by 3 percent month-on-month. POS transactions rose 18.6 percent year-on-year, while cash withdrawals declined by 0.7 percent, year-on-year. Looking at POS transactions by sector, 'education' showed the largest yearly rise in September. Meanwhile, 'furniture', 'telecommunications', and 'electronics' declined during the month.

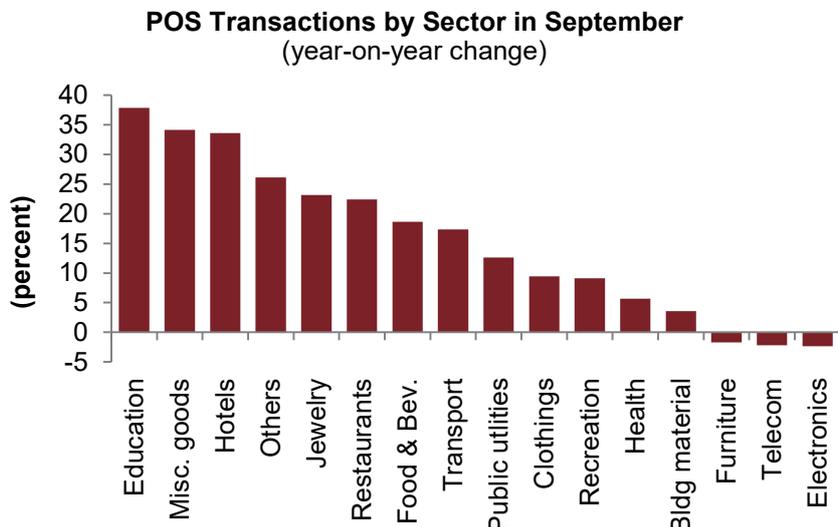
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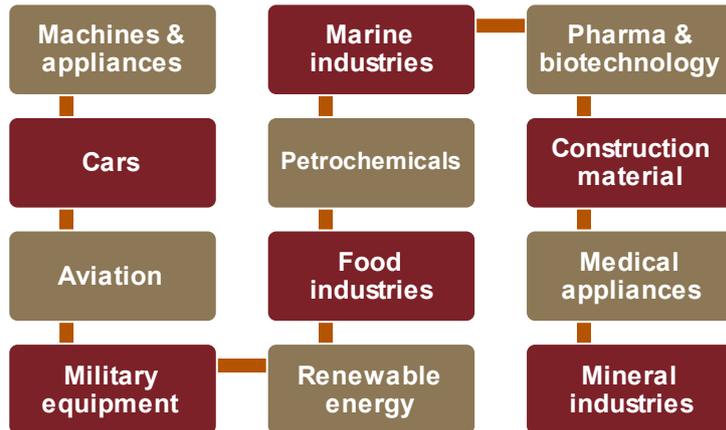


## The National Industrial Strategy

In October, the Kingdom launched the National Industrial Strategy, which focuses on 12 main sectors, and aims to enhance growth in the industrial sector by 2035. Also, the strategy plans to raise the number of factories to more than 36,000, and place the Kingdom amongst the top 15 countries worldwide within the Competitive Industrial Performance (CIP) Index, by 2035.

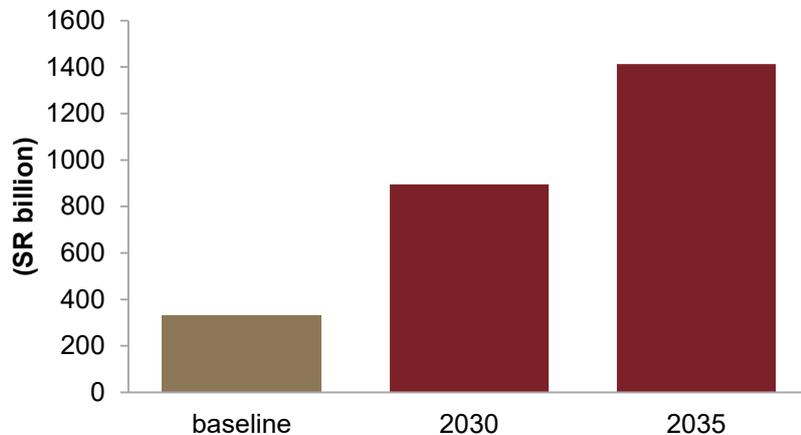
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### The National Industrial Strategy's Main 12 Sectors



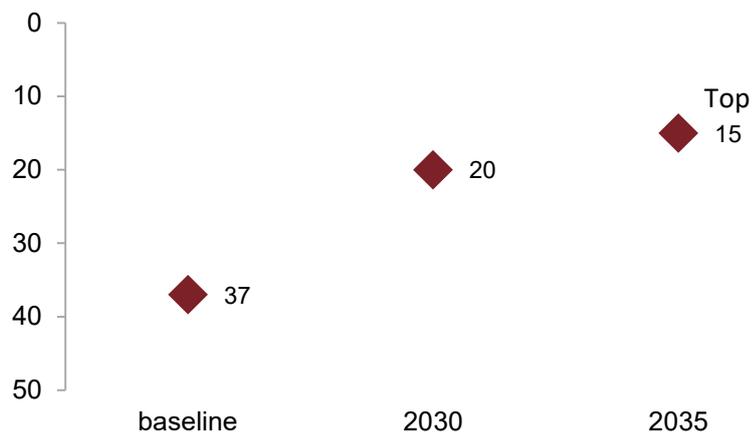
*...and aims to enhance growth in the industrial sector by 2035.*

### Manufacturing GDP Targets (SR billion)



*Also, the strategy plans to place the Kingdom amongst the top 15 countries worldwide within the Competitive Industrial Performance (CIP) Index, by 2035.*

### The Competitive Industrial Performance (CIP) Index Targets

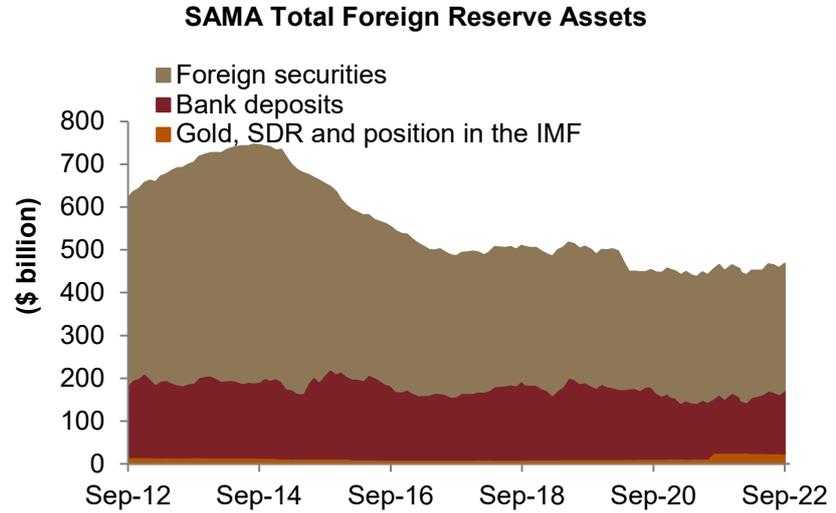




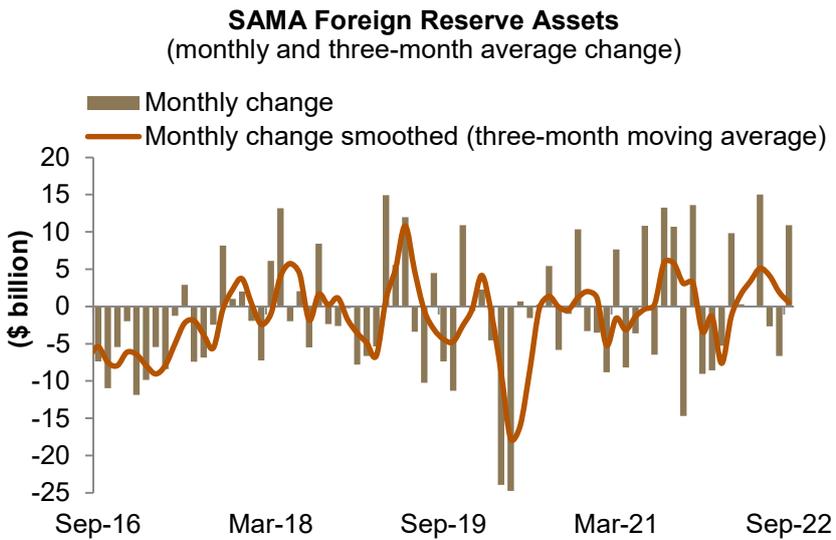
## SAMA Foreign Reserve Assets

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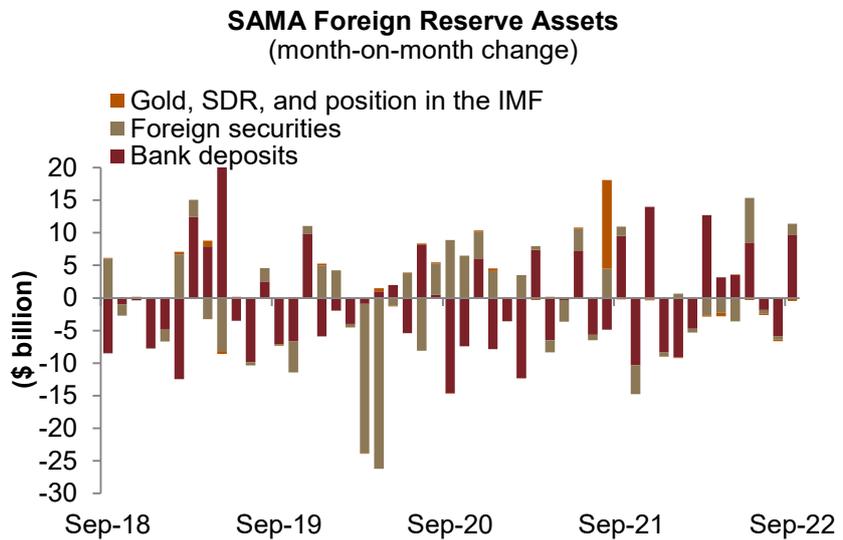
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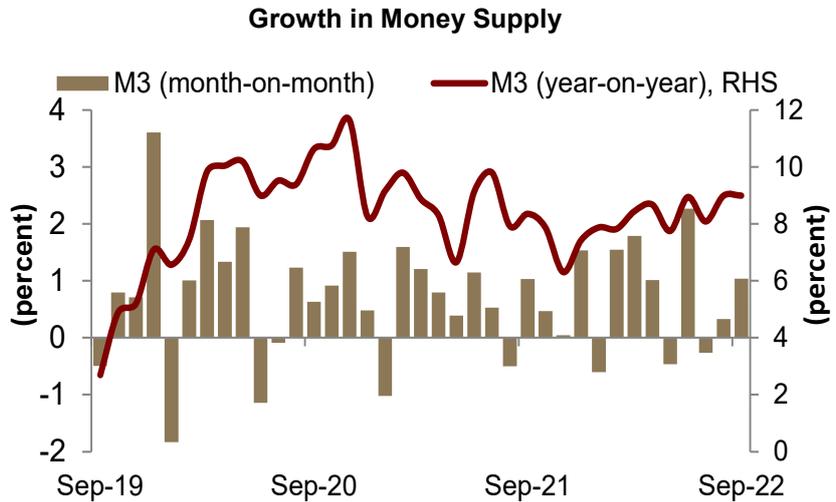




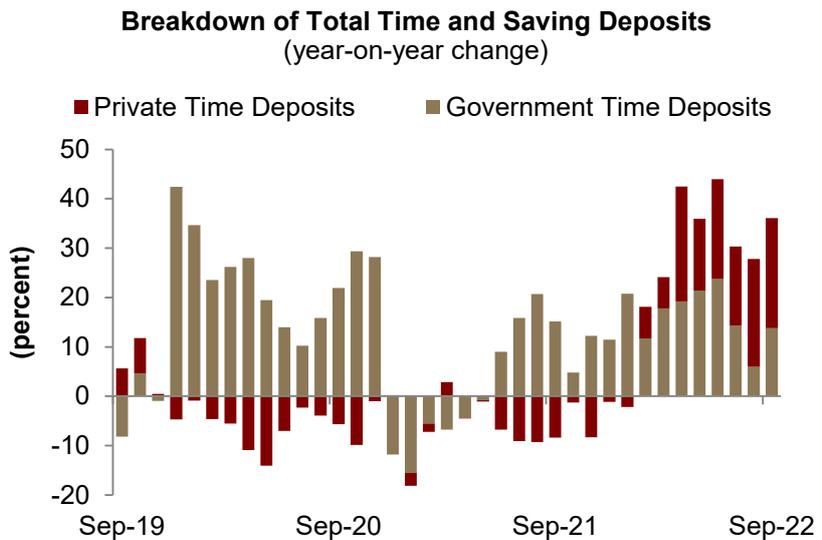
## Money Supply, Bank Deposits and Credit

The broad measure of money supply (M3) rose by almost 9 percent year-on-year in September, and by 1 percent month-on-month. Total private deposits rose by 6.7 percent year-on-year, with rises seen in both demand and time and saving deposits during the month. Meanwhile, total new residential mortgages for individuals declined in September, by 17 percent year-on-year.

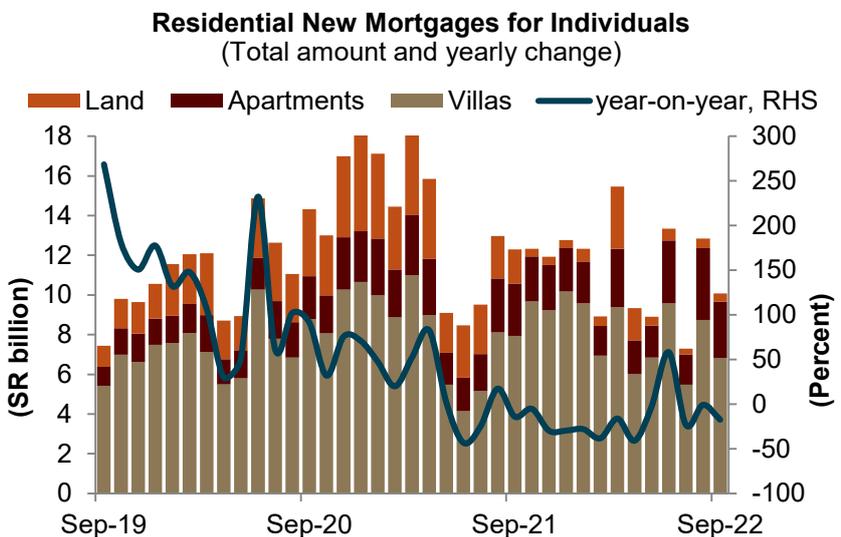
*M3 rose by almost 9 percent year-on-year in September, and by 1 percent month-on-month.*



*Total time & saving deposits rose by 18.1 percent year-on-year in September, with rises seen in both private and government deposits in recent months.*



*Meanwhile, total new residential mortgages for individuals declined in September, by 17 percent year-on-year. While mortgages for land and villas declined during the month, mortgages for apartments rose by 9 percent, year-on-year.*

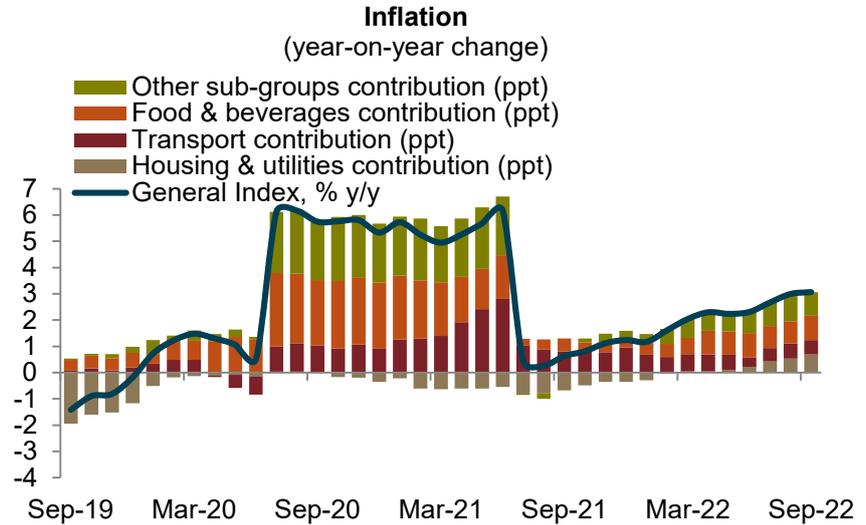




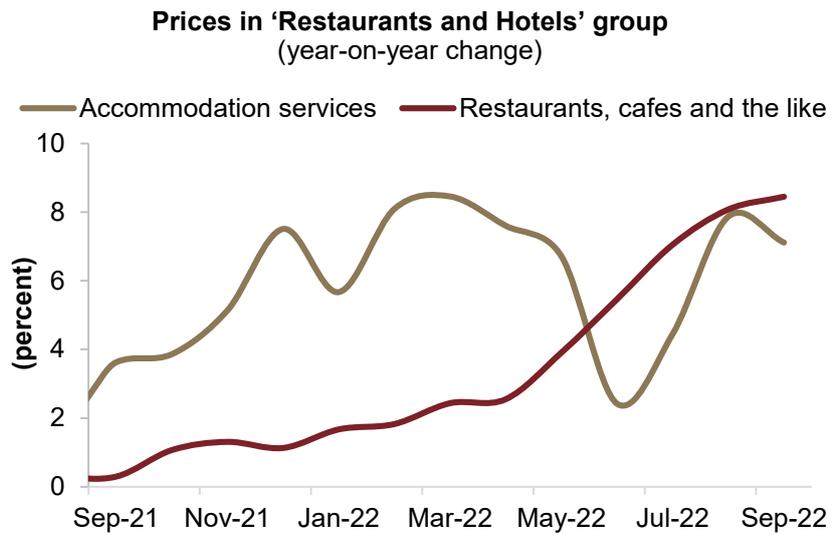
## Inflation

Consumer prices rose by 3.1 percent year-on-year, and by 0.3 percent month-on-month in September. Within the CPI basket, 'restaurants and hotels' rose by 7.5 percent year-on-year, and 0.2 percent month-on-month. Meanwhile, 'rentals for housing' continued rising in September, up by 3.6 percent year-on-year, and 1.3 percent month-on-month.

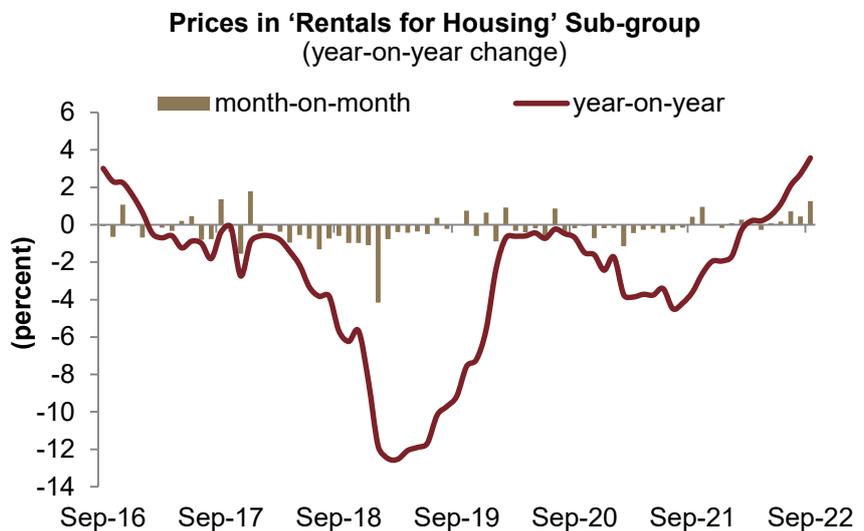
Consumer prices rose by 3.1 percent year-on-year, and by 0.3 percent month-on-month in September.



'Restaurants & hotels' rose by 7.5 percent year-on-year. Within this group, 'restaurants, cafes and the like' rose by 8.5 percent, year-on-year.



Meanwhile, 'rentals for housing' continued rising in September, up by 3.6 percent year-on-year, and 1.3 percent month-on-month.

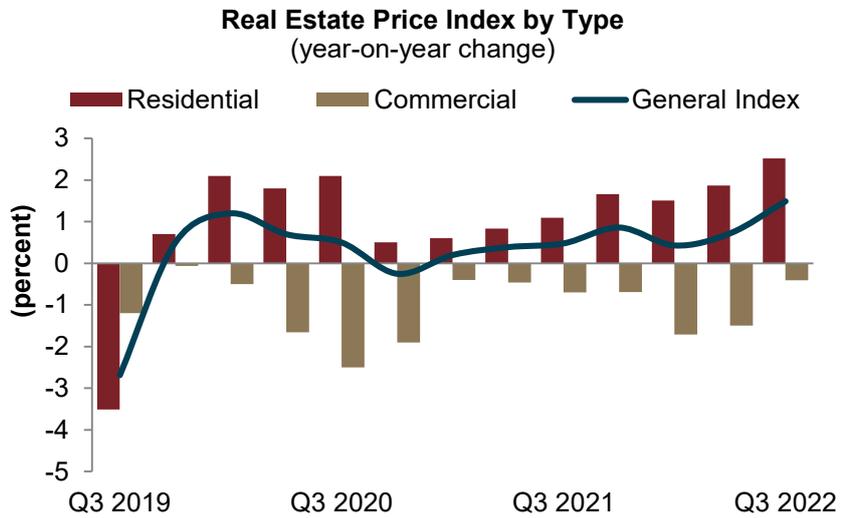




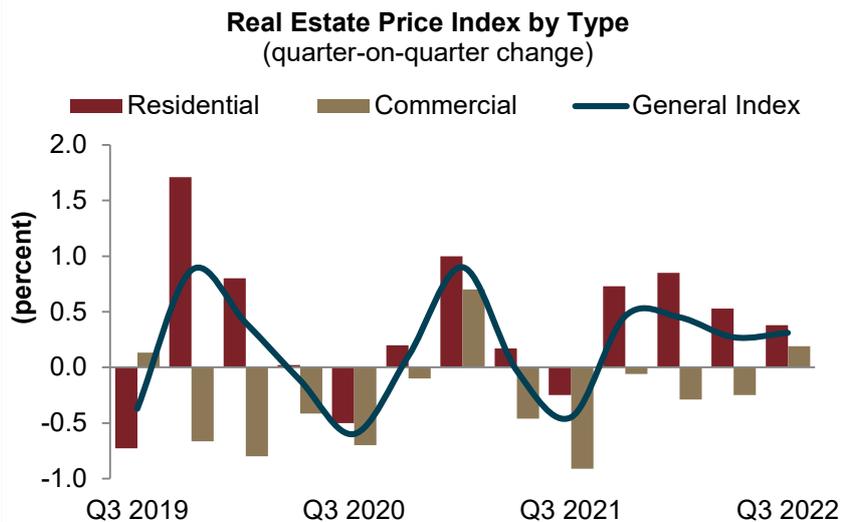
## Real Estate Q3 2022

Real estate prices rose by 1.5 percent, year-on-year in Q3 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 yearly basis. On a regional level, residential prices in the Riyadh region saw the largest rise amongst the main regions, at 4.6 percent during Q3 2022, year-on-year.

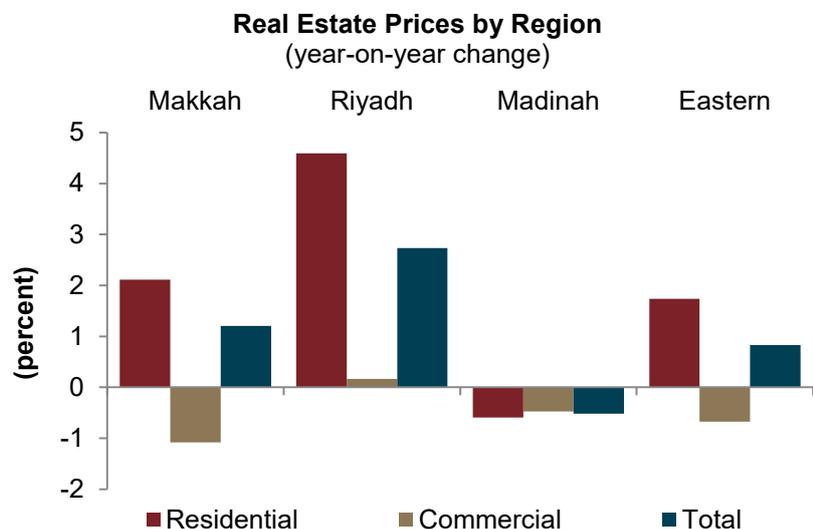
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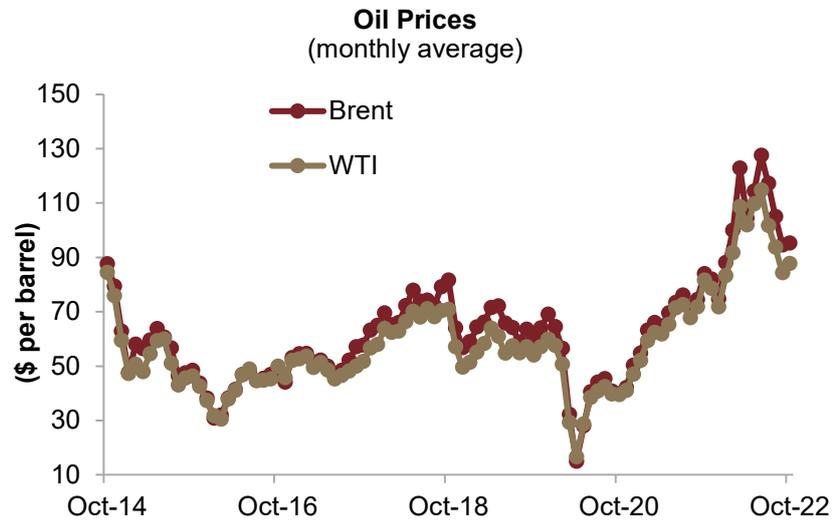




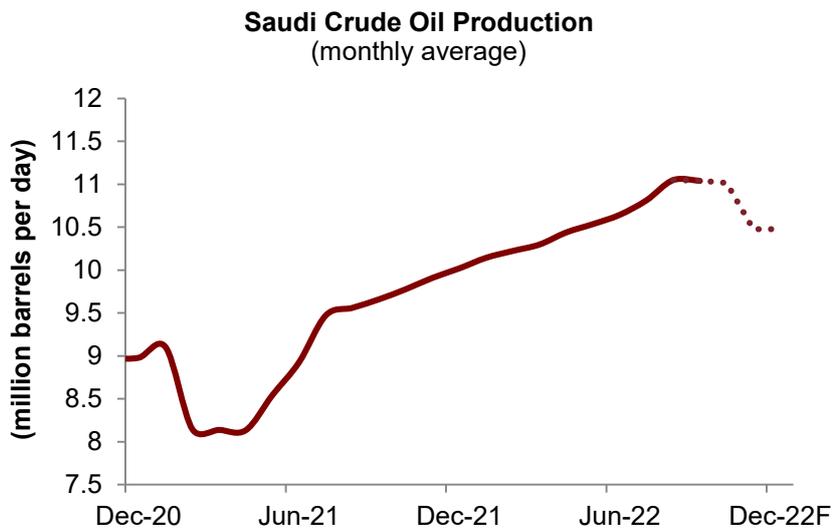
## Oil

Oil prices inched up in October, with Brent oil prices up by 1 percent (to an average of \$95 per barrel), and WTI oil prices up by 4 percent (to an average of \$88 per barrel), month-on-month. Locally, Saudi crude oil production averaged 11 million barrels per day (mbpd) in September, in line with OPEC+ agreed levels. Meanwhile, latest available official data for August showed that Saudi crude oil and refined products exports increased to 9 mbpd.

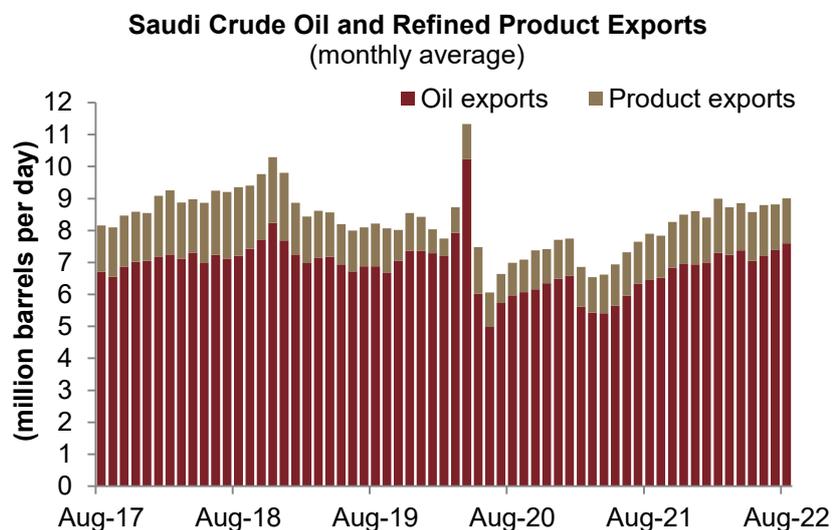
*Brent oil prices climbed by 1 percent (to an average of \$95 per barrel), and WTI oil prices gained 4 percent (to an average of \$88 per barrel), month-on-month.*



*Saudi crude oil production averaged 11 million barrels per day (mbpd) in September, in line with OPEC+ agreed levels. Moving forward, we expect oil output to stay in-line with OPEC+'s latest agreed levels, and thus decline to an average of 10,478 mbpd in both November and December.*



*Meanwhile, latest available official data for August showed that Saudi crude oil and refined products exports reached 9 mbpd, the highest level since April 2020.*



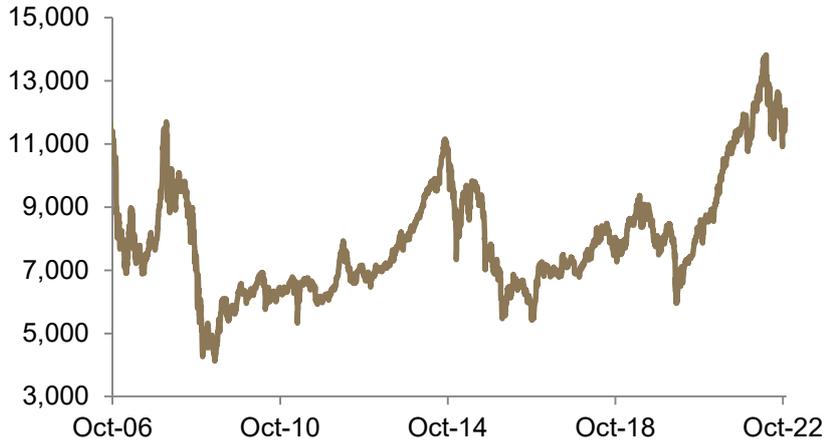


## Stock Market

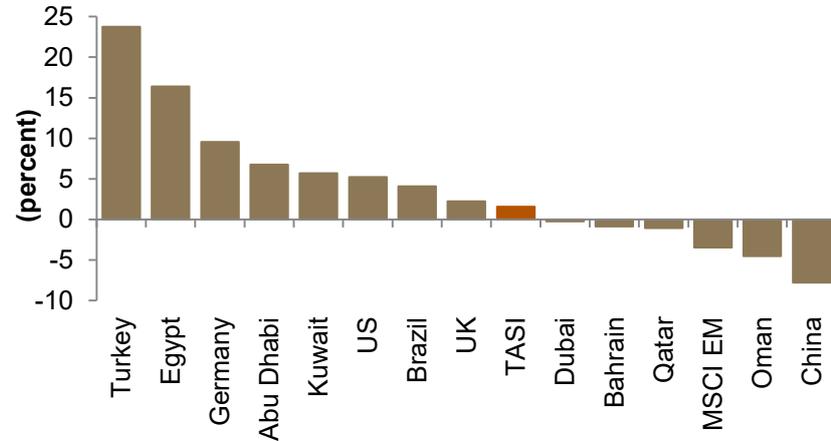
TASI rebounded in October on a month-on-month basis, up by 1.6 percent, lifting the year-to-date performance to 3.4 percent. Moreover, most major regional and global indices rose during the month. Meanwhile, average traded volumes saw a marginal decline during October, compared with September.

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**TASI Performance**

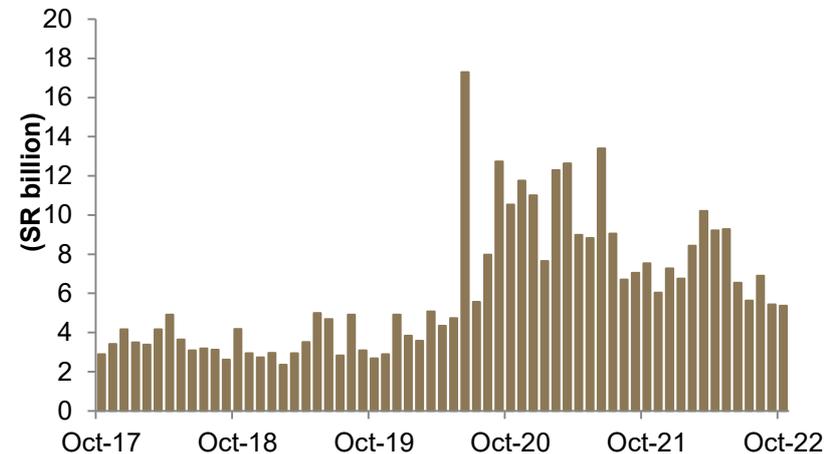


**Comparative Stock Market Performance (October)**



*Moreover, most major regional and global indices rose during the month.*

**Average Daily Traded Volumes (October)**



*Meanwhile, average traded volumes saw a marginal decline during October, compared with September.*



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## Key Data

	2016	2017	2018	2019	2020	2021	2022F	2023F
<b>Nominal GDP</b>								
(SR billion)	2,419	2,582	2,949	2,974	2,638	3,126	3,867	3,882
(\$ billion)	645	689	787	793	703	834	1,031	1,035
(% change)	-1.4	6.8	14.2	0.8	-12.5	18.5	23.7	0.4
<b>Real GDP (% change)</b>								
Oil	3.6	-3.1	3.1	-3.6	-6.7	0.2	16.6	3.4
Non-oil private sector	0.1	1.5	1.9	3.8	-3.4	6.1	4.4	3.5
Non-oil government	0.6	0.7	2.9	2.2	0.2	1.5	2.1	2.1
Total	1.7	-0.7	2.4	0.3	-4.1	3.2	8.7	3.3
<b>Oil indicators (average)</b>								
Brent (\$/b)	43	54	71	66	42	71	102	95
Production (million b/d)	10.4	10.0	10.3	9.8	9.2	9.1	10.6	11.0
<b>Budgetary indicators (SR billion)</b>								
Government revenue	519	692	906	926	782	965	1338	1282
Government expenditure*	936	930	1,079	1,059	1,076	1,039	1003	941
Budget balance	-417	-238	-173	-133	-294	-74	335	341
(% GDP)	-17.2	-9.2	-5.9	-4.5	-11.1	-2.4	8.7	8.8
Gross public debt	317	443	560	678	854	937	938	938
(% GDP)	13.1	17.1	19.0	22.8	32.4	30.0	24.3	24.2
<b>Monetary indicators (average)</b>								
Inflation (% change)	2.1	-0.8	2.5	-2.1	3.4	3.1	2.4	2.1
SAMA base lending rate (% , end year)	2.0	2.0	3.0	2.25	1.0	1.0	4.0	4.0
<b>External trade indicators (\$ billion)</b>								
Oil export revenues	137	171	232	201	120	206	343	331
Total export revenues	184	222	294	262	174	280	420	412
Imports	128	123	126	140	126	142	159	153
Trade balance	56	98	169	121	48	138	261	259
Current account balance	-24	10	72	38	-23	56	144	145
(% GDP)	-3.7	1.5	9.2	4.8	-3.2	6.7	14.0	14.0
Official reserve assets	536	496	497	500	454	455	575	690
<b>Social and demographic indicators</b>								
Population (million)	31.7	32.6	33.4	34.2	35.0	34.1	35.3	35.9
Saudi Unemployment (15+, %)	12.5	12.8	12.7	12.0	12.6	11.0	9.8	9.4
GDP per capita (\$)	20,318	21,114	23,539	23,174	20,089	24,436	29,231	28,869

Sources: Jadwa Investment forecasts for 2022 and 2023. General Authority for Statistics for GDP and demographic indicators, Saudi Arabian Monetary Agency 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.