



Summary

Real Economy: The non-oil PMI rose again in November, up to 58.5, the highest level in 14 months, with strong new orders and business conditions. In addition, latest available data for October showed non-oil exports rising by 4.2 percent year-on-year.

Consumer Spending: Consumer spending was up in November by 8.7 percent year-on-year, but declined slightly by around 2 percent month-on-month. POS transactions rose 13.5 percent year-on-year, while cash withdrawals declined by 1.8 percent. Looking at POS transactions by sector, 'hotels' saw the largest yearly rise in November.

Industrial Sector: The index of non-oil manufacturing rose by 23 percent year-on-year in October, with the monthly value of licensed investments in new factories totaling SR3.1 billion, and 78 new factories licensed during the month.

SAMA Foreign Reserve Assets: SAMA FX reserves increased by \$7.9 billion month-on-month in November, to stand at \$472 billion. The majority of the monthly rise came from bank deposits (+\$6.8 billion).

Money Supply, Bank Deposits and Credit: The broad measure of money supply (M3) rose by 9.3 percent year-on-year, and by 0.6 percent month-on-month in November. Meanwhile, total bank claims rose by 13 percent year-on-year during the month.

Inflation: Consumer prices rose by 2.9 percent year-on-year and by 0.1 percent month-on-month in November. Within the CPI basket, 'food and beverages' rose by 3.5 percent year-on-year, but declined by 0.7 percent month-on-month, down for the second month in a row.

Labor Market Q3 2022: The latest labor market release from GaStat showed that the unemployment rate for citizens rose slightly to 9.9 percent in Q3 2022, compared to 9.7 percent in Q2. Meanwhile, the participation rate continued rising, reaching 52.5 percent during Q3 (versus 51.8 percent in Q2).

Oil: Global economic uncertainties resulted in both Brent and US WTI oil benchmarks declining by 10 percent and 9 percent on a monthly basis in December, respectively. As a result, Brent averaged \$103.7 per barrel (pb) in full year 2022 (broadly in line with our forecast of \$102).

Stock Market: TASI declined in December on a month-on-month basis, down by 3.8 percent, which was in line with most regional and global markets' performance during the month. The monthly decline was also mirrored in TASI's annual performance, which posted an annual decline of 7.1 percent.

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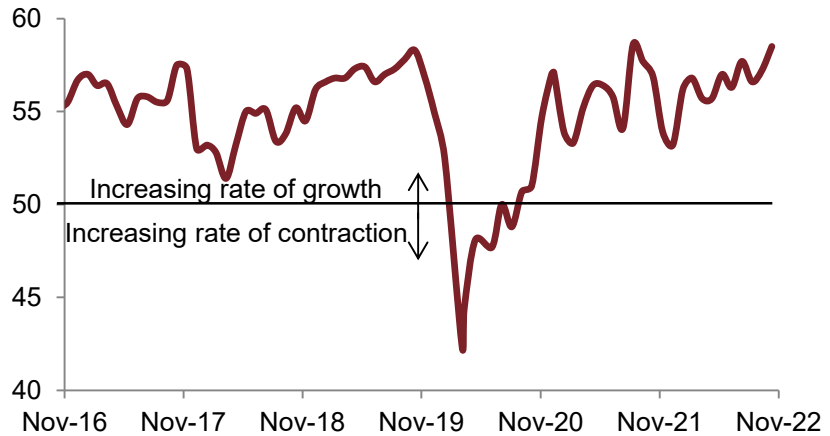


Real Economy

The non-oil PMI rose again in November, up to 58.5, the highest level in 14 months, with strong new orders and business conditions. Meanwhile, cement sales declined slightly during November by 2 percent, whilst cement production was up 4 percent year-on-year. In addition, latest available data for October showed non-oil exports rising by 4.2 percent year-on-year.

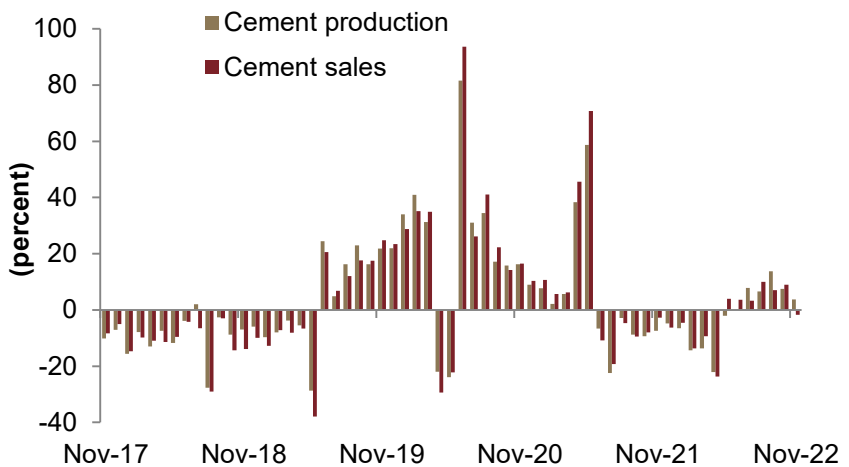
The non-oil PMI rose again in November, up to 58.5, the highest level in 14 months.

Non-oil Purchasing Managers' Index



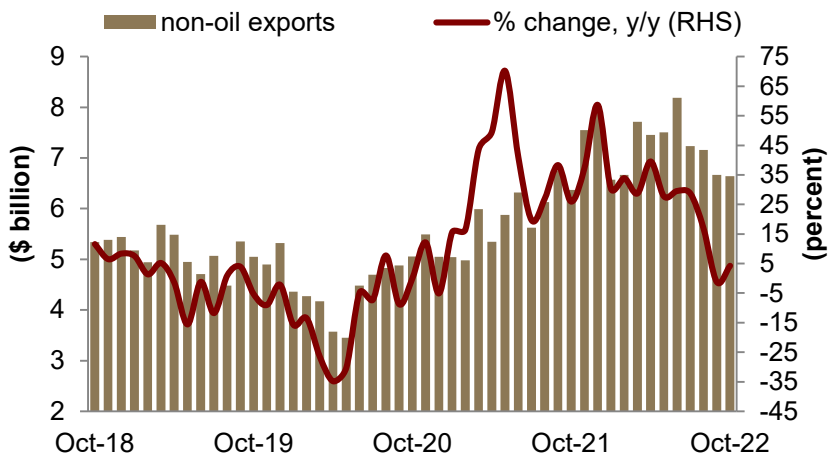
Meanwhile, cement sales declined slightly during November, by 2 percent, whilst cement production was up 4 percent year-on-year.

Cement Sales & Production
(yearly change)



In addition, latest available data for October showed non-oil exports up by 4.2 percent year-on-year.

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

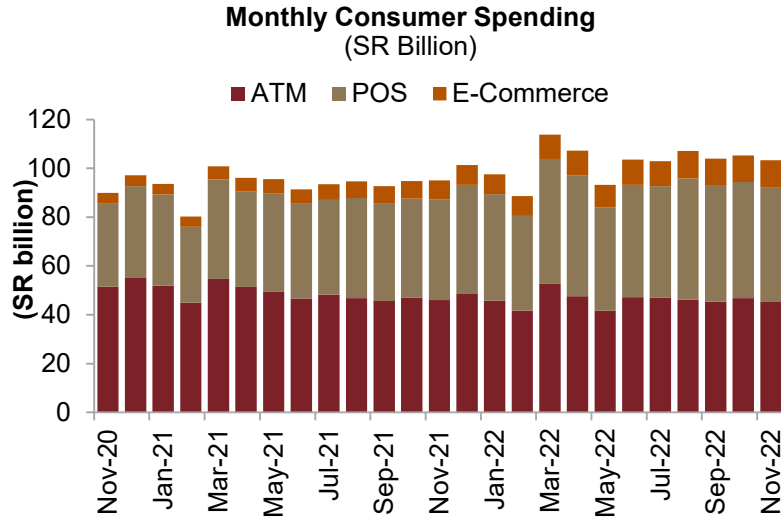




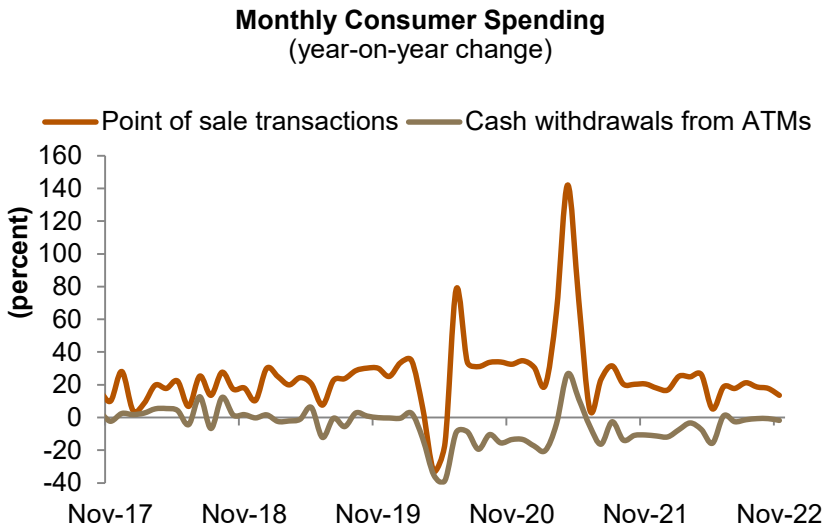
Consumer Spending

Consumer spending was up in November by 8.7 percent year-on-year, but declined slightly by around 2 percent month-on-month. POS transactions rose 13.5 percent year-on-year, while cash withdrawals declined by 1.8 percent, year-on-year. Looking at POS transactions by sector, 'hotels' saw the largest yearly rise in November. Meanwhile, 'furniture' and 'electronics' saw the largest declines during the month.

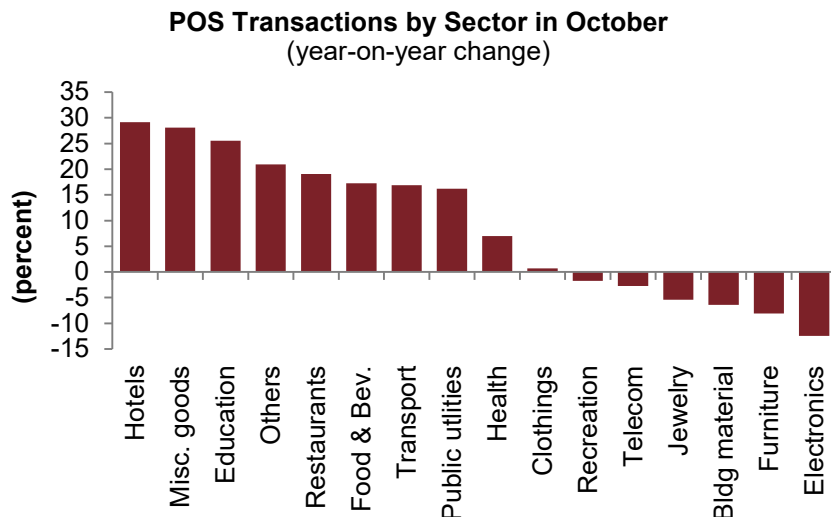
Consumer spending was up in November by 8.7 percent year-on-year, but declined slightly by almost 2 percent month-on-month.



POS transactions rose 13.5 percent year-on-year, while cash withdrawals declined by 1.8 percent, year-on-year.



Looking at POS transactions by sector, 'hotels' saw the largest yearly rise in November. Meanwhile, 'furniture' and 'electronics' saw the largest declines during the month.

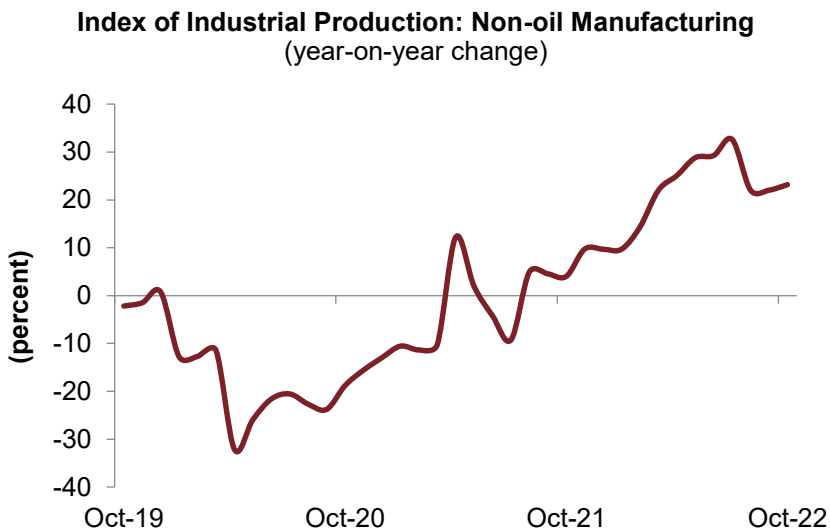




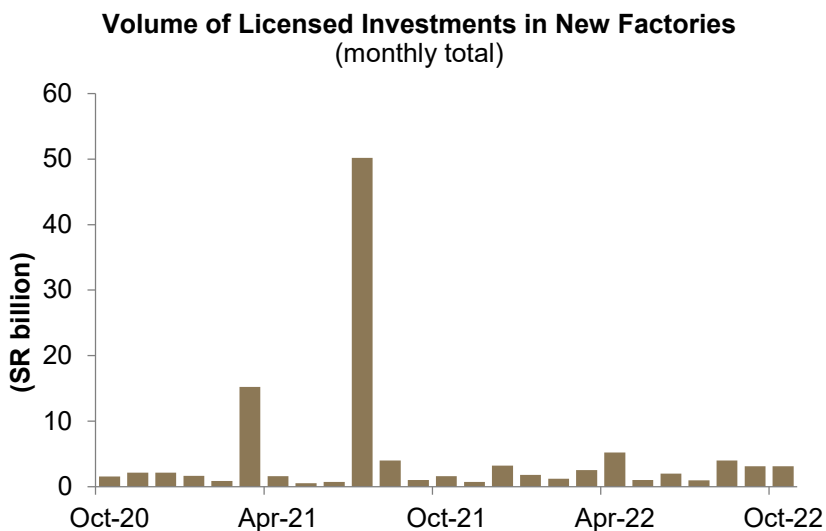
Industrial Sector

The index of non-oil manufacturing rose by 23 percent year-on-year in October, with the monthly value of licensed investments in new factories totaling SR3.1 billion, and 78 new factories licensed during the month. Moreover, October saw a total of 60 new factories starting production, creating a total of 2.3 thousand jobs during the month.

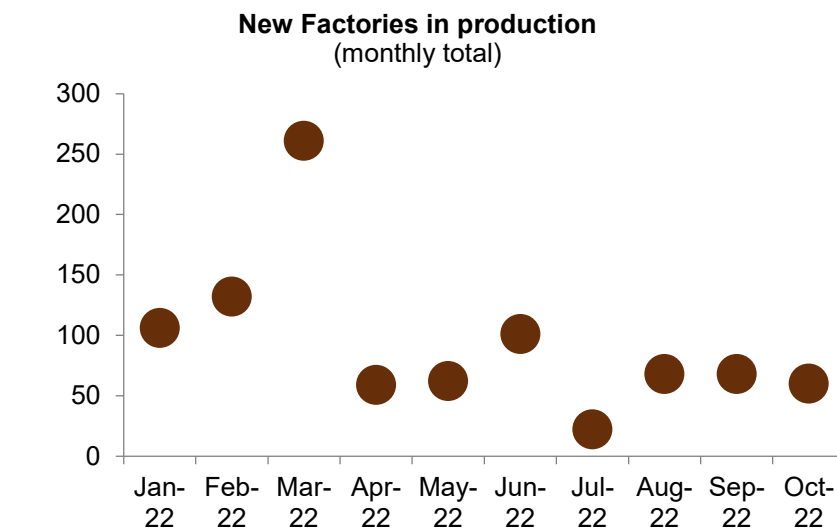
The index of non-oil manufacturing rose by 23 percent year-on-year in October...



...with the monthly value of licensed investments in new factories totaling SR3.1 billion.



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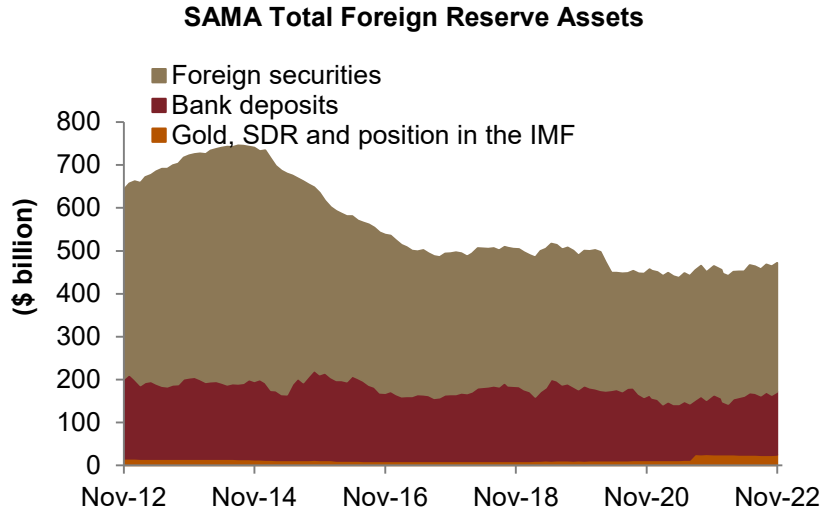




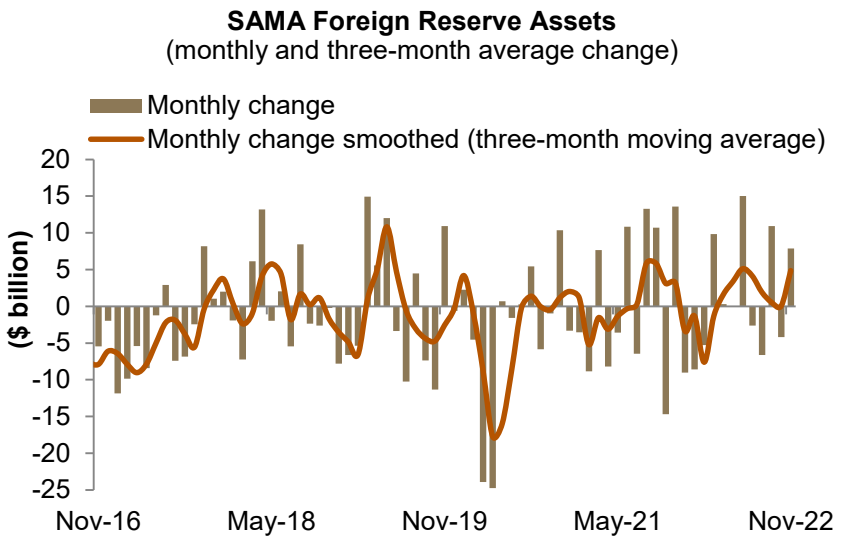
SAMA Foreign Reserve Assets

SAMA FX reserves increased by \$7.9 billion month-on-month in November, to stand at \$472 billion. The majority of the monthly rise came from bank deposits (+\$6.8 billion) with \$0.5 billion coming from foreign securities.

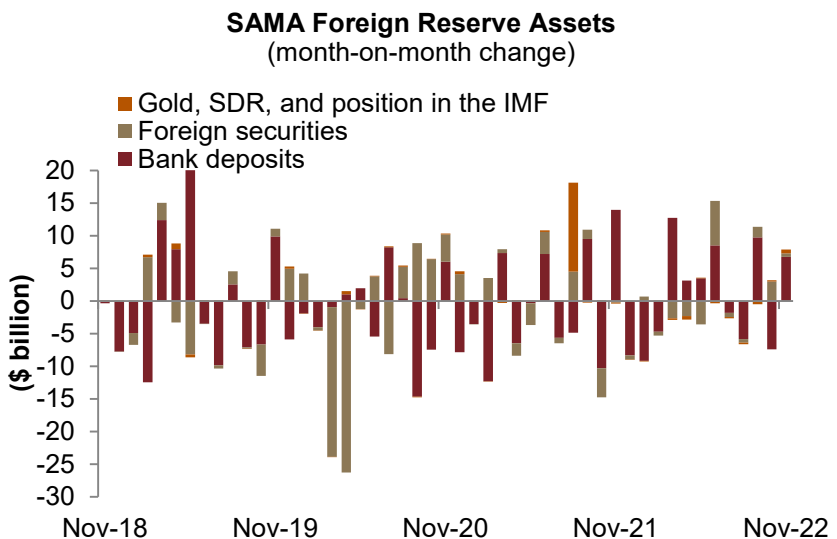
SAMA FX reserves increased by \$7.9 billion month-on-month in November...



...to stand at \$472 billion.



The majority of the monthly rise came from bank deposits, with a small increase coming from foreign securities.

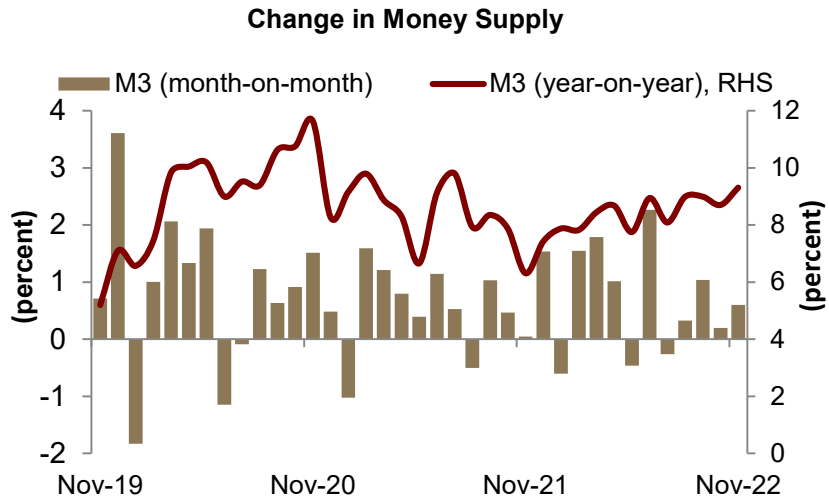




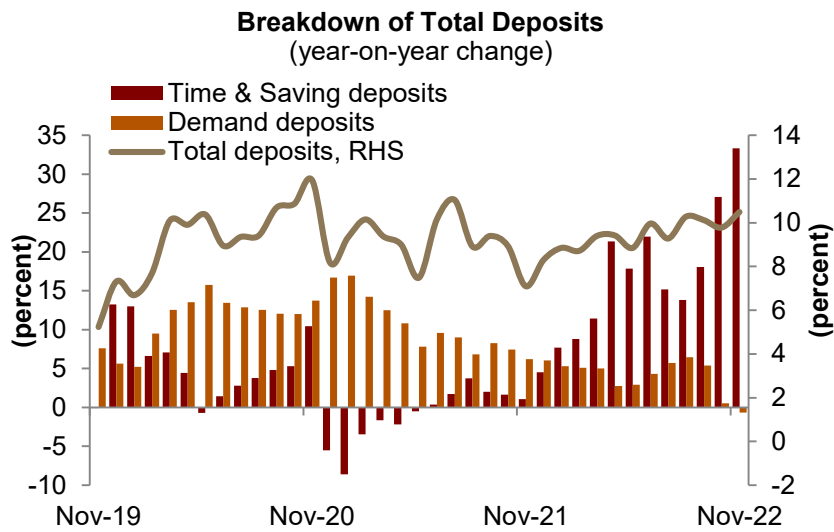
Money Supply, Bank Deposits and Credit

The broad measure of money supply (M3) rose by 9.3 percent year-on-year, and by 0.6 percent month-on-month in November. Total deposits rose by 10.5 percent year-on-year, mainly affected by an upward trend in 'time and saving deposits', rising by 33 percent in November, year-on-year. Meanwhile, total bank claims rose by 13 percent year-on-year during the month.

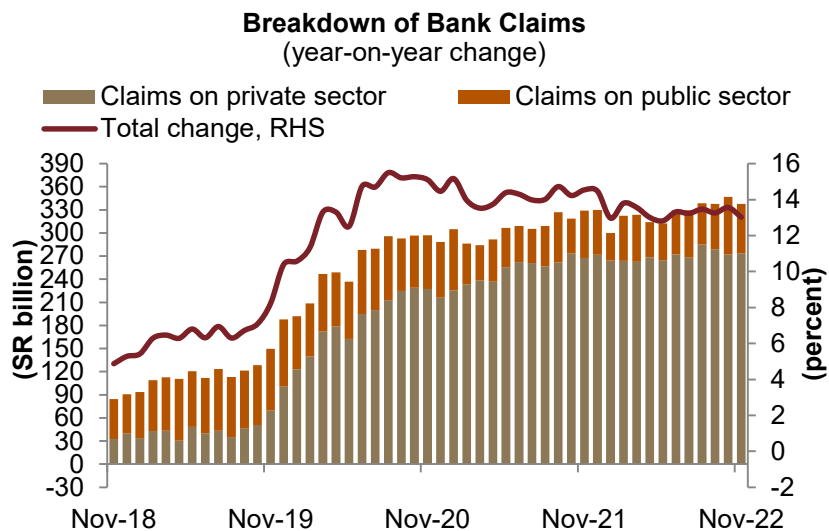
M3 rose by 9.3 percent year-on-year, and by 0.6 percent month-on-month in November.



Total deposits rose by 10.5 percent year-on-year.



Meanwhile, total bank claims rose by 13 percent year-on-year in November, with claims on the private sector rising by 13.5 percent year-on-year.

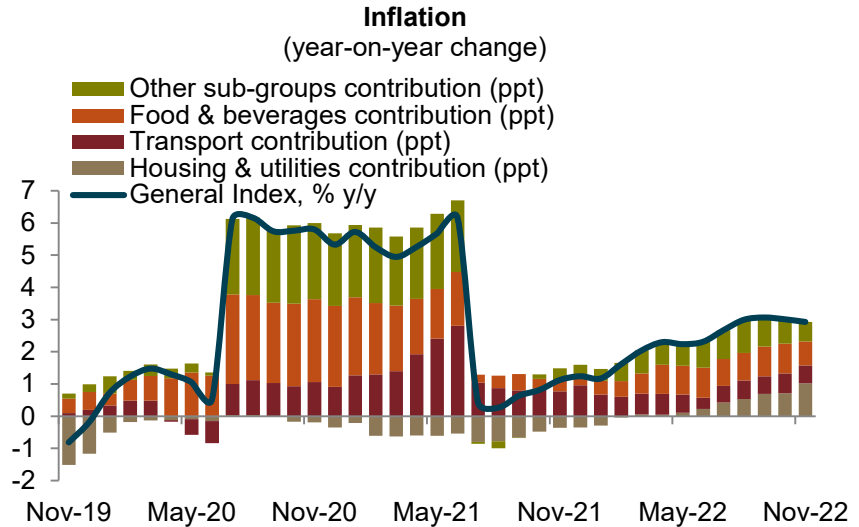




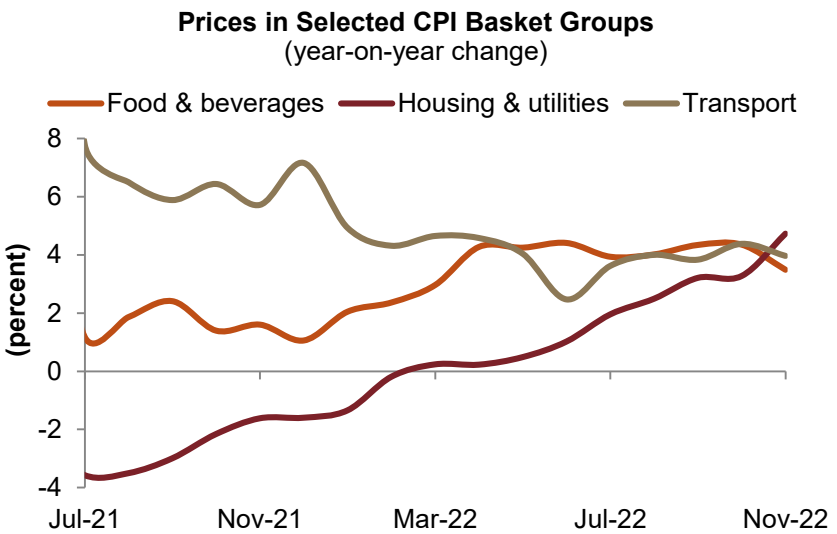
Inflation

Consumer prices rose by 2.9 percent year-on-year and by 0.1 percent month-on-month in November. Within the CPI basket, 'food and beverages' rose by 3.5 percent year-on-year, but declined by 0.7 percent month-on-month, down for the second month in a row. Meanwhile, wholesale prices continued trending lower in recent months.

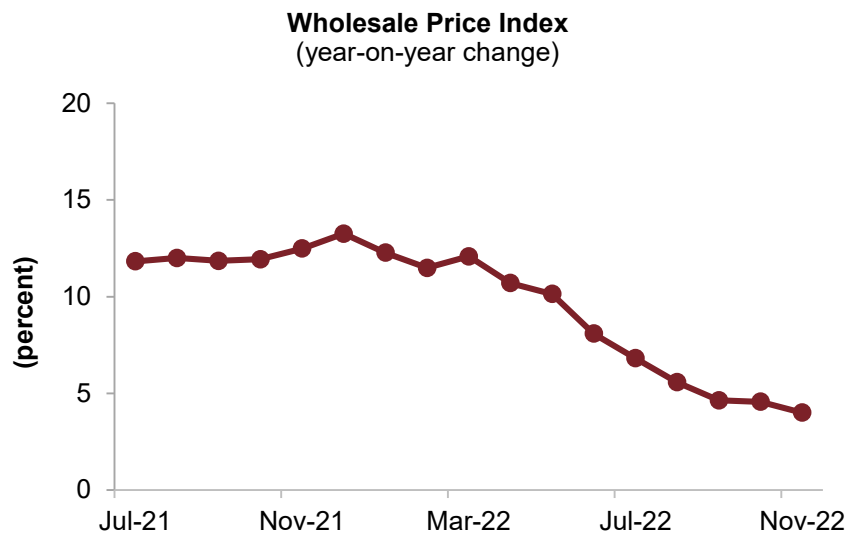
Consumer prices rose by 2.9 percent year-on-year in November, slowing for the second successive month.



Within the CPI basket, 'food & beverages' rose by 3.5 percent year-on-year. Meanwhile, 'housing & utilities' continued rising by 4.7 percent year-on-year in November.



Wholesale prices continued trending lower in recent months, with the index rising by 4 percent in November, significantly down from 12 percent in March, year-on-year.

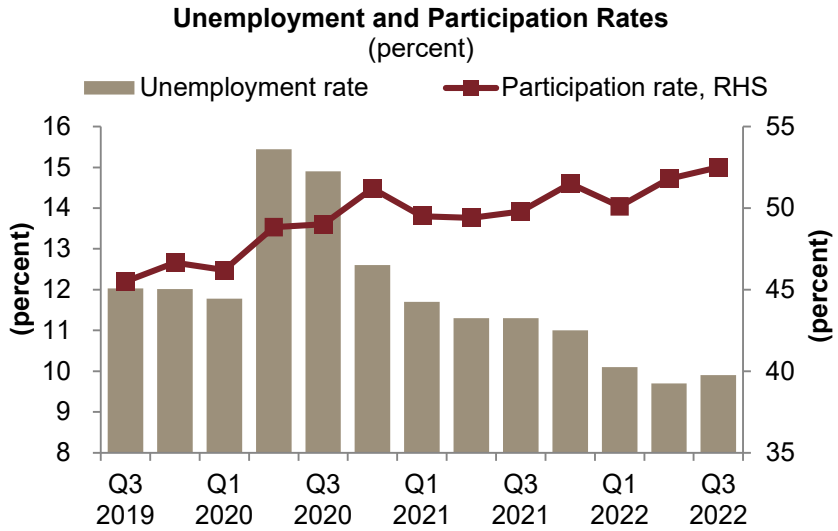




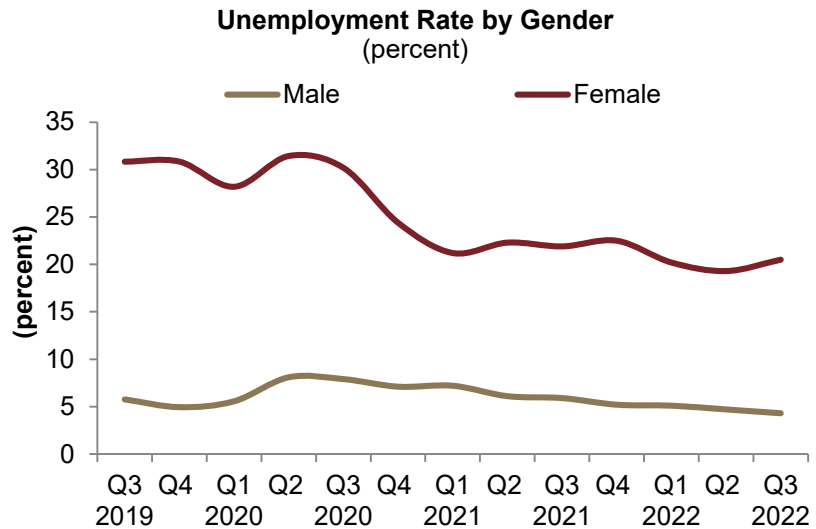
Labor Market Q3 2022

The latest labor market release from GaStat showed that the unemployment rate for citizens rose slightly to 9.9 percent in Q3 2022, compared to 9.7 percent in Q2. While the unemployment rate for females rose to 20.5 percent in Q3 (versus 19.3 percent in Q2), the rate for males dropped to 4.3 percent (versus 4.7 percent in Q2). Meanwhile, the participation rate continued rising, reaching 52.5 percent during Q3 (versus 51.8 percent in Q2).

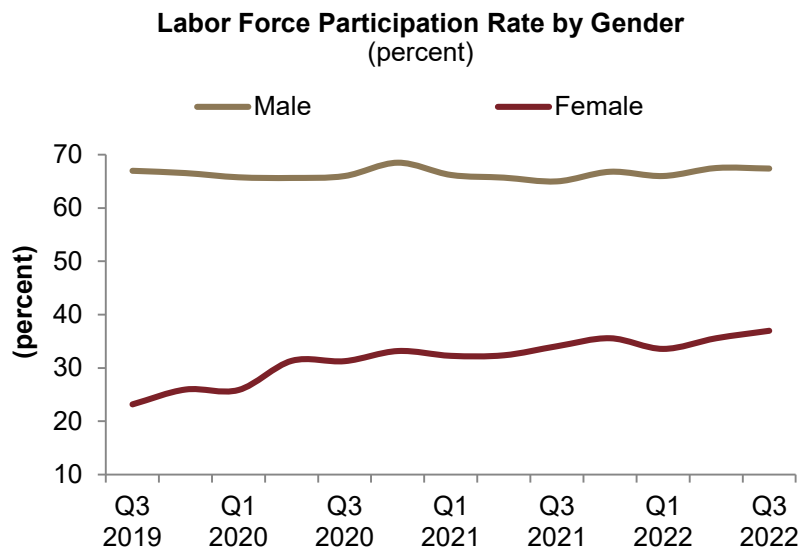
The latest labor market release from GaStat showed that the unemployment rate for citizens rose slightly to 9.9 percent in Q3.



While the unemployment rate for females rose in Q3, the rate for males continued declining.



Meanwhile, the participation rate continued rising, reaching 52.5 percent during Q3 (versus 51.8 percent in Q2).

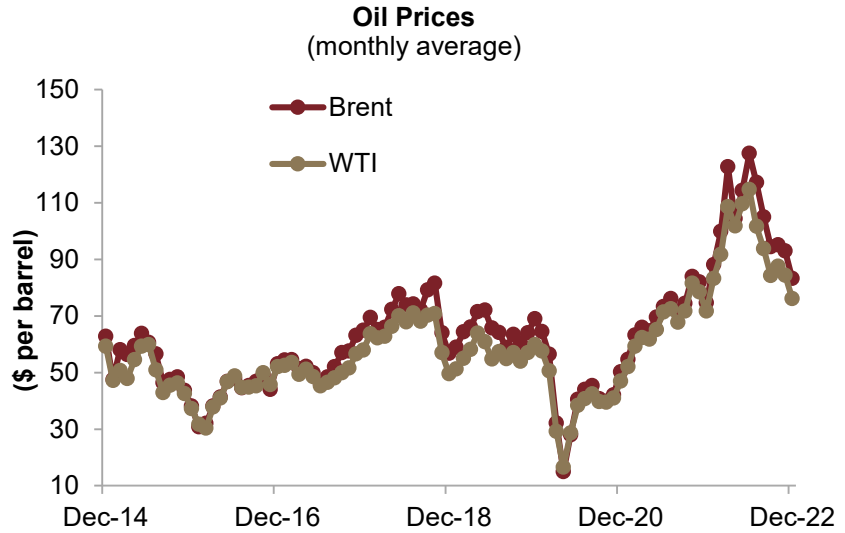




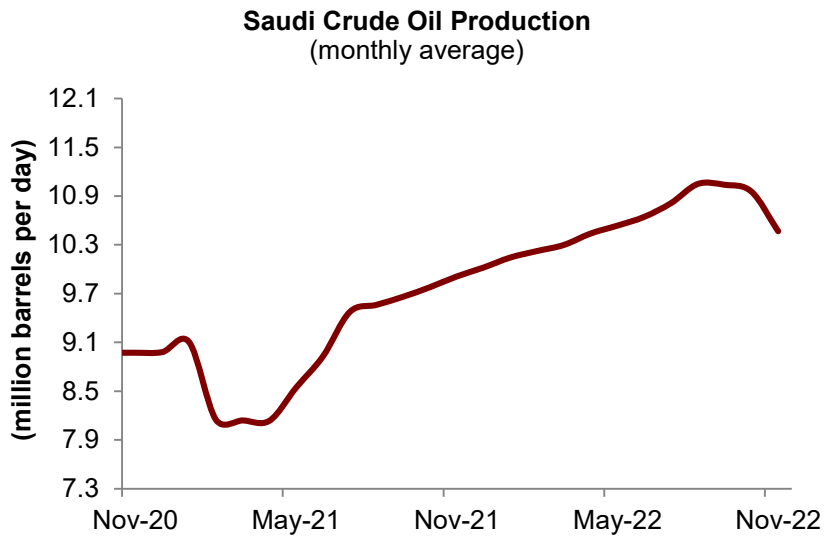
Oil

Global economic uncertainties resulted in both Brent and US WTI oil benchmarks declining by 10 percent and 9 percent on a monthly basis in December, respectively. As a result, Brent averaged \$103.7 per barrel (pb) in full year 2022 (broadly in line with our forecast of \$102), whilst WTI oil averaged \$94.8 pb. Locally, Saudi crude oil production averaged 10.5 million barrels per day (mbpd) in November, in line with the latest OPEC+ agreed levels.

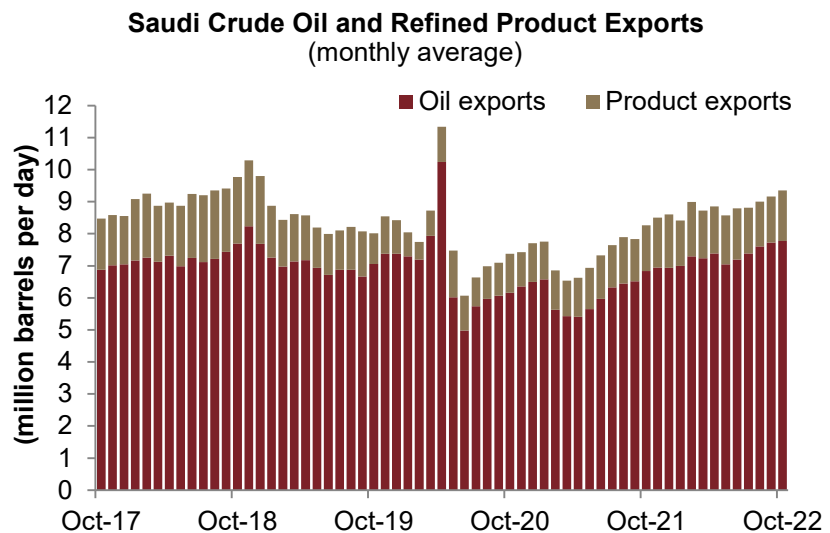
Both Brent and US WTI oil benchmarks declined on a monthly basis in December.



Saudi crude oil production averaged 10.5 million barrels per day (mbpd) in November, in line with the latest OPEC+ agreed levels.



Meanwhile, latest available official data for October showed that Saudi crude oil and refined products exports increased to 9.3 mbpd.



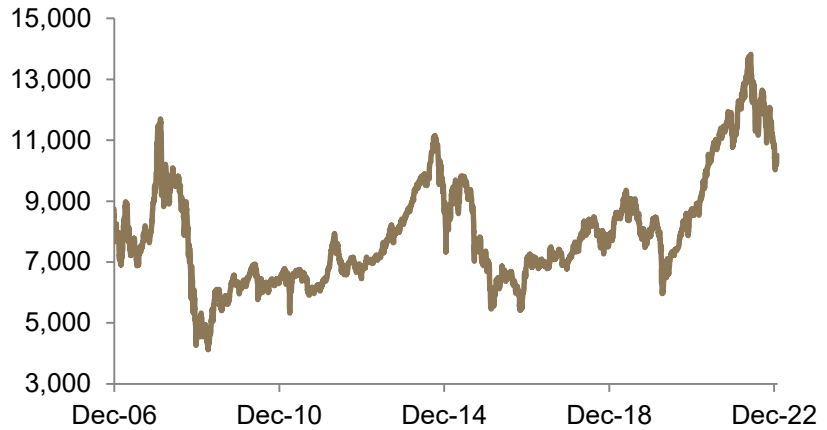


Stock Market

TASI declined in December on a month-on-month basis, down by 3.8 percent, which was in line with most regional and global markets' performance during the month. The monthly decline was also mirrored in TASI's annual performance, which posted an annual decline of 7.1 percent. Moreover, average traded volumes trended downwards during December, compared with November.

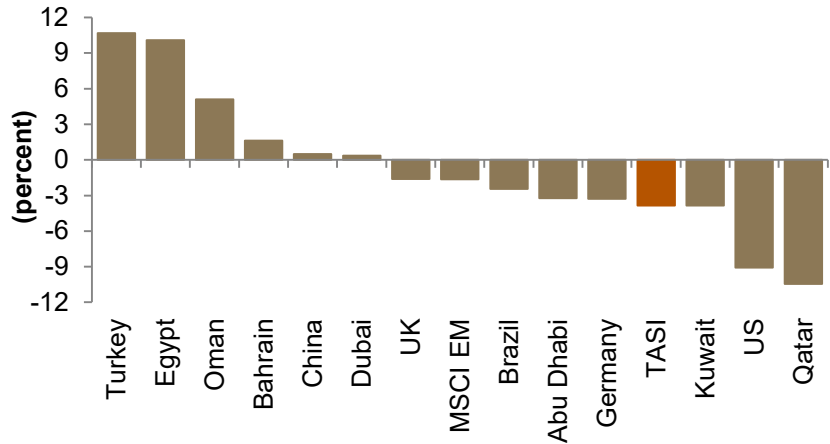
TASI declined in December on a month-on-month basis...

TASI Performance



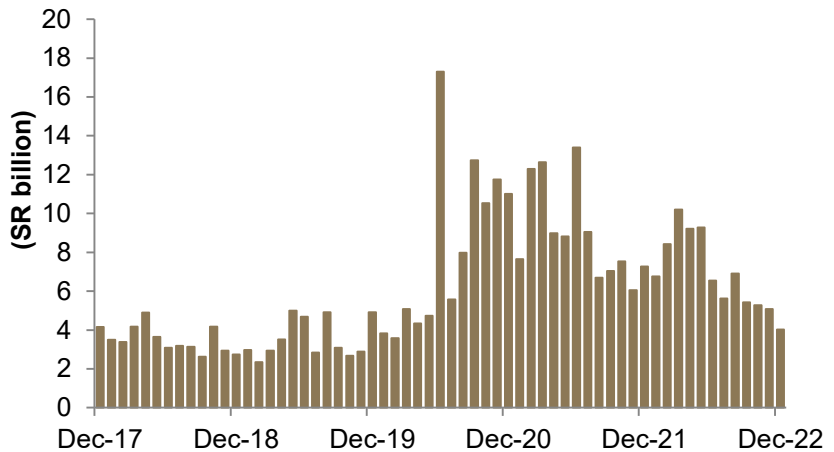
...which was in line with most regional and global markets' performance during the month.

Comparative Stock Market Performance (December)



Moreover, average traded volumes trended downwards during December, compared with November.

Average Daily Traded Volumes (December)





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