



Summary

Real Economy: The non-oil PMI rebounded in April, to 59.6, comfortably higher than the Q1 2023 average of 58.9. Cement sales and production continued to slow, down by 14 and 17 percent year-on-year, respectively.

Consumer Spending: Consumer spending rose in April by 4 percent year-on-year, but eased by 7.5 percent month-on-month. POS transactions were up 4 percent, year-on-year, while cash withdrawals saw a minor decline of 0.6 percent year-on-year.

Industrial Sector: The non-oil manufacturing index rose by 10.5 percent year-on-year in March. The monthly value of investments in new licensed factories was SR3.9 billion, with 56 new factories starting production during the month.

SAMA Foreign Reserve Assets: SAMA FX reserves declined by \$8.8 billion month-on-month in April, to \$430 billion. The monthly decrease came from both foreign securities (down \$4.7 billion) and bank deposits (\$4.1 billion).

Money Supply, Bank Deposits and Credit: The broad measure of money supply (M3) rose by 9.5 percent year-on-year in April, and by a marginal 0.6 percent month-on-month. Total deposits rose by 10.4 percent year-on-year, with time deposits growing by a third.

Inflation: Consumer prices rose by 2.7 percent year-on-year in April, and by 0.4 percent month-on-month, the highest monthly rise in eight months. Within the CPI basket, 'housing and utilities' saw the largest annual rise, by 8.1 percent year-on-year, while 'food and beverages' continued to soften, growing by just 1 percent year-on-year.

International Trade 2022: Total export earnings rose by 49 percent in 2022, driven by a 62 percent gain in oil exports. Non-oil export earnings (including re-exports) grew by 14 percent.

Population Census 2022: Gastat statistics from the 2022 census show that the population of Saudi Arabia reached 32.2 million, with Saudis at 18.8 million and expatriates at 13.4 million.

Oil: Brent has come under renewed pressure in the face of financial market stresses and concerns about the strength of China's recovery. Nevertheless, the International Energy Agency (IEA) is still warning of an oil shortage in the second half of the year.

Stock Market: TASI declined in May following a mixture of seasonal profit taking along with global investor risk-off sentiment as US debt ceiling tensions mounted. As a result TASI was down by 2.6 percent in May, inline with many regional and global markets.

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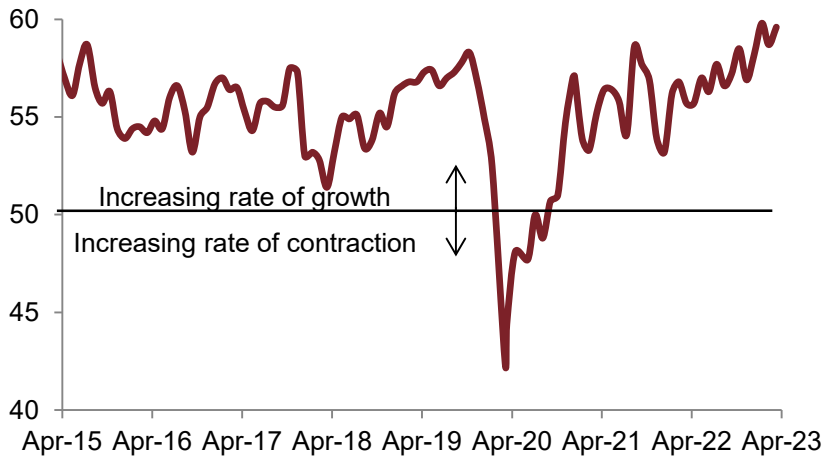


Real Economy

The non-oil PMI rebounded in April, to 59.6, comfortably higher than the Q1 2023 average of 58.9. Cement sales and production continued to slow, down by 14 and 17 percent year-on-year, respectively. Latest available data also show non-oil exports continuing to decline in March compared with last year, despite a 7.2 percent gain in month-on-month volumes.

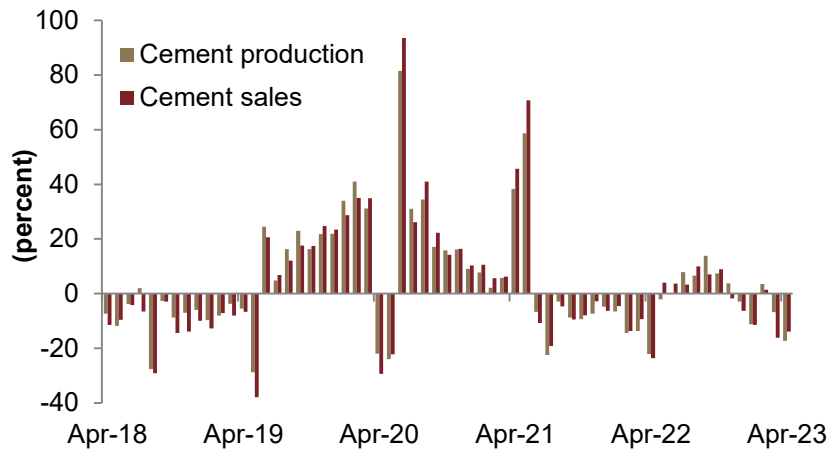
The non-oil PMI rebounded in April, to 59.6, comfortably higher than the Q1 2023 average of 58.9.

Non-oil Purchasing Managers' Index



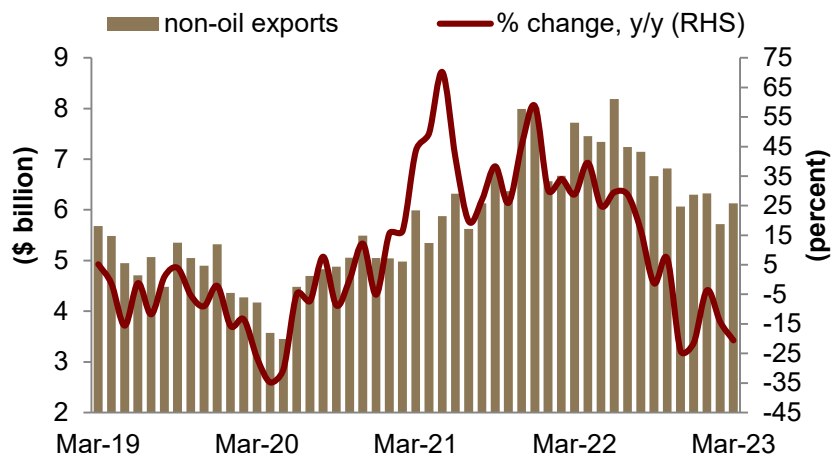
Cement sales and production continued to slow in April. Looking ahead, we expect to see a rebound in cement activity during H2 2023.

Cement Sales and Production
(year-on-year change)



Latest available data show non-oil exports continuing to decline in March compared with last year, despite a 7.2 percent month-on-month gain.

Non-oil Exports
(USD monthly total and year-on-year change)

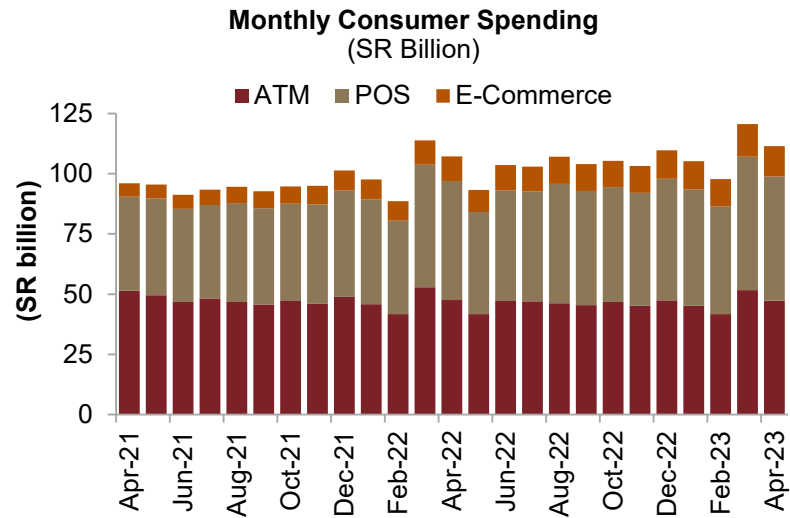




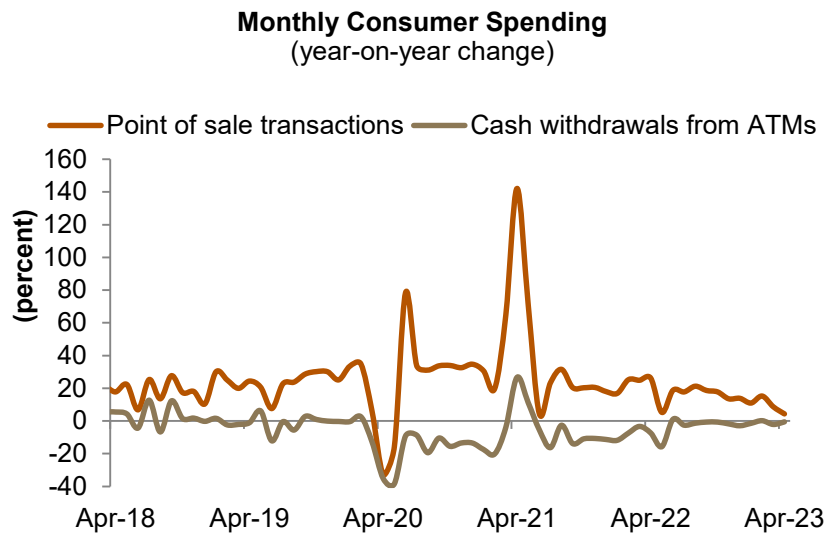
Consumer Spending

Consumer spending rose in April by 4 percent year-on-year, but eased by 7.5 percent month-on-month. POS transactions were up 4 percent, year-on-year, while cash withdrawals saw a minor decline of 0.6 percent year-on-year. Looking at POS transactions by sector, 'restaurants and coffee shops', 'education', and 'hotels' saw large rises during the month.

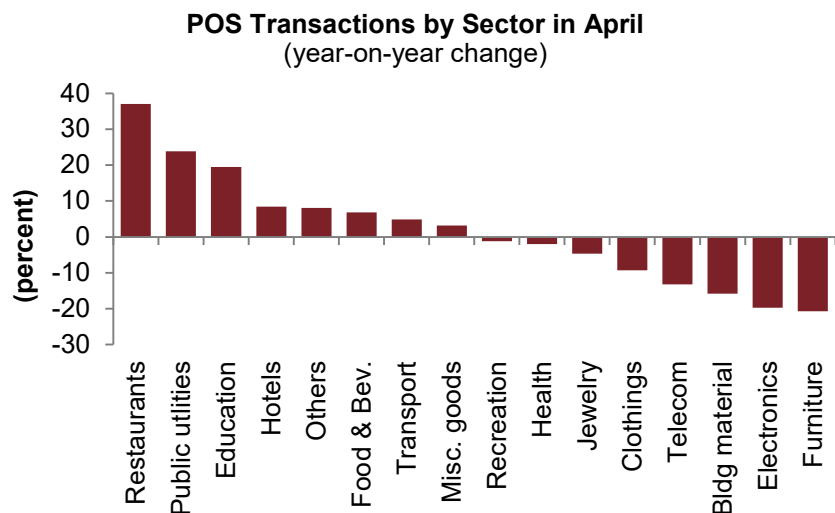
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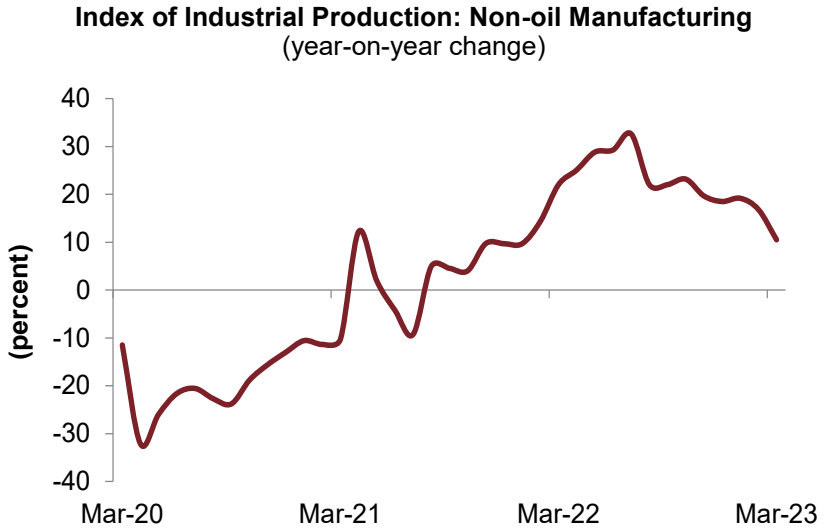




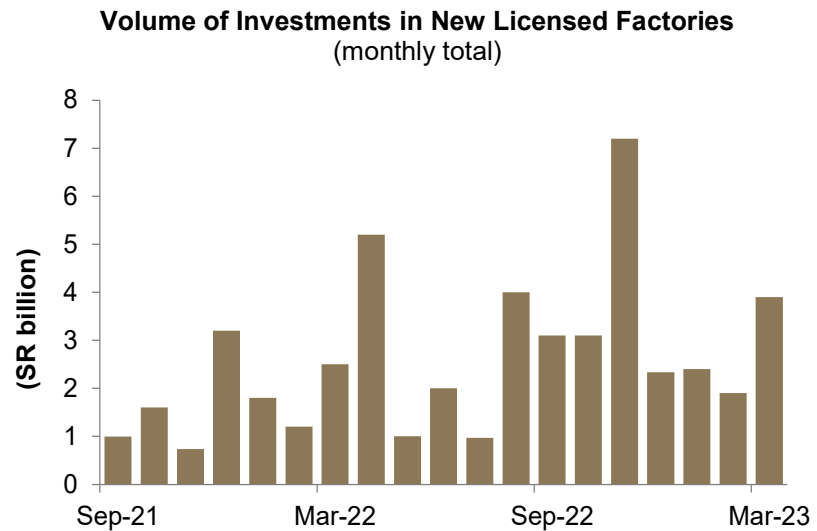
Industrial Sector

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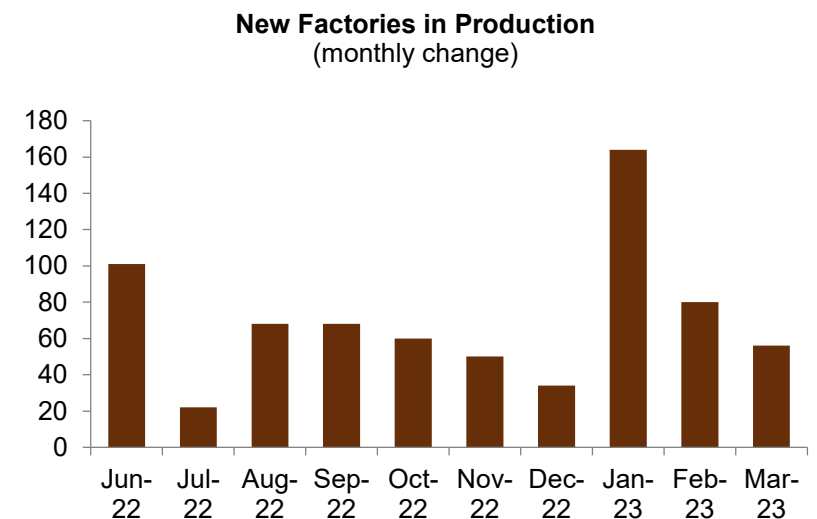
The non-oil manufacturing index rose by 10.5 percent year-on-year in March, though the declining annual trend continued.



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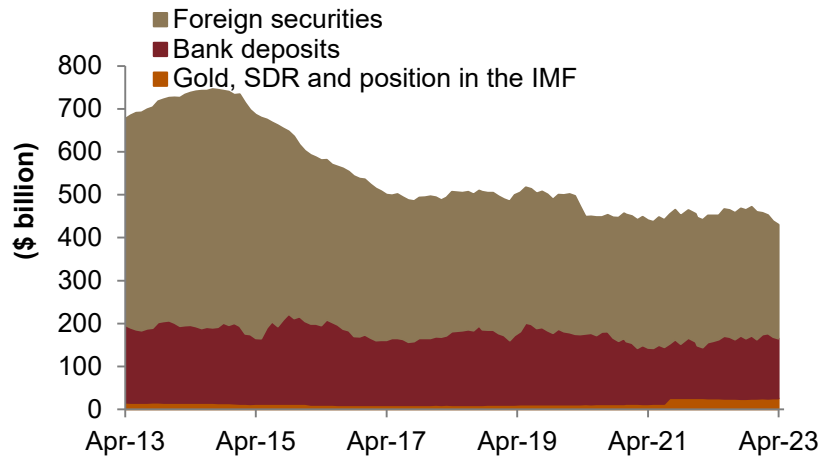


SAMA Foreign Reserve Assets

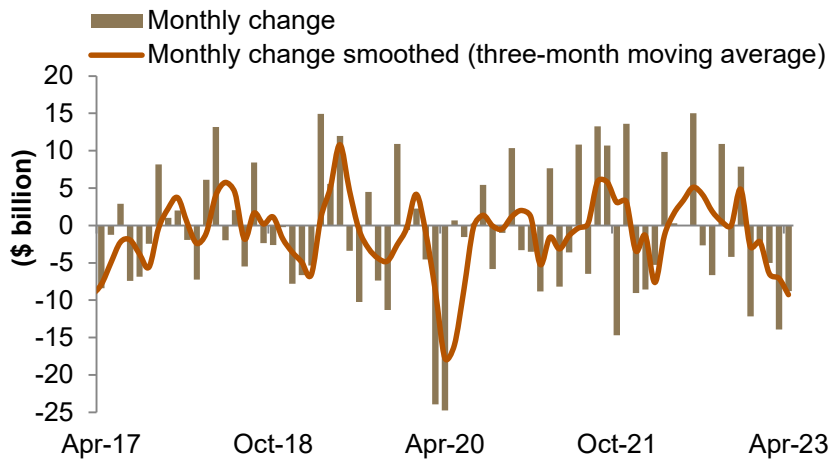
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SAMA Total Foreign Reserve Assets

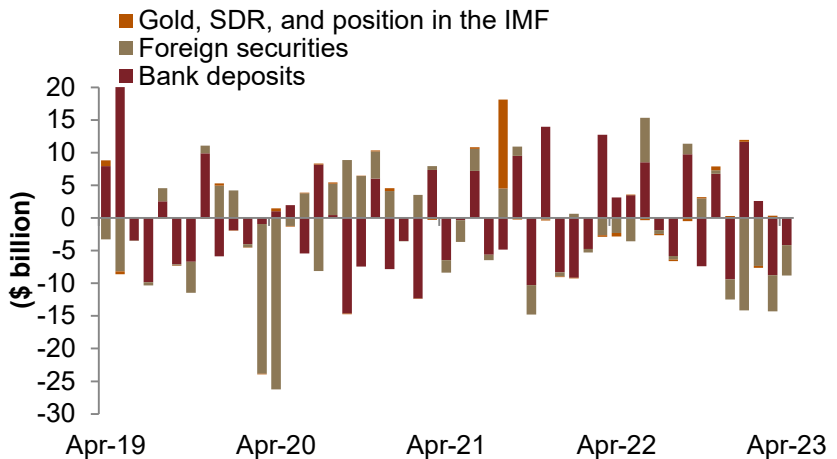


SAMA Foreign Reserve Assets
(monthly and three-month average change)



...to stand at \$430 billion.

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



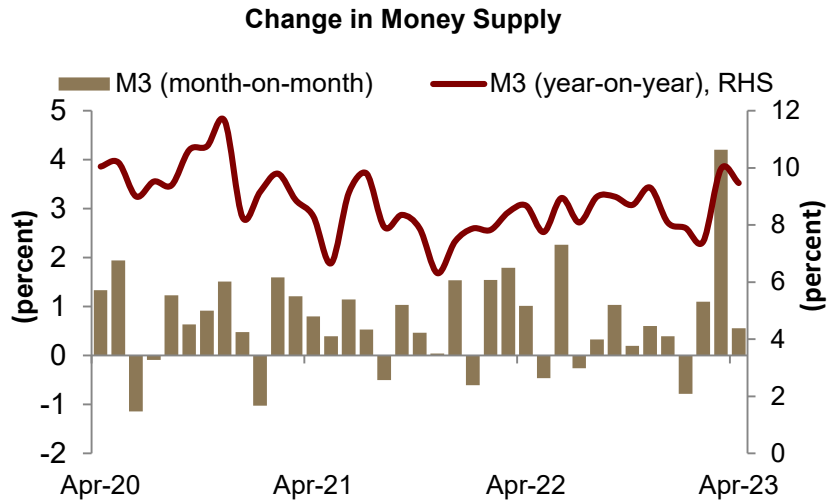
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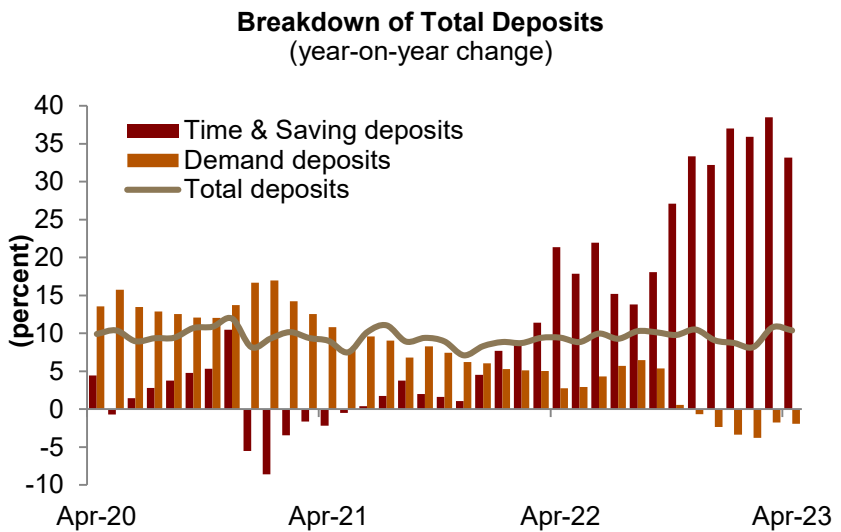
Money Supply, Bank Deposits and Credit

The broad measure of money supply (M3) rose by 9.5 percent year-on-year in April, and by a marginal 0.6 percent month-on-month. Total deposits rose by 10.4 percent year-on-year, with time deposits up by a third compared to last year. Lending to the private sector continued to grow, by 10 percent year-on-year, and by 0.3 percent month-on-month. However, the annual rate of growth continued to soften.

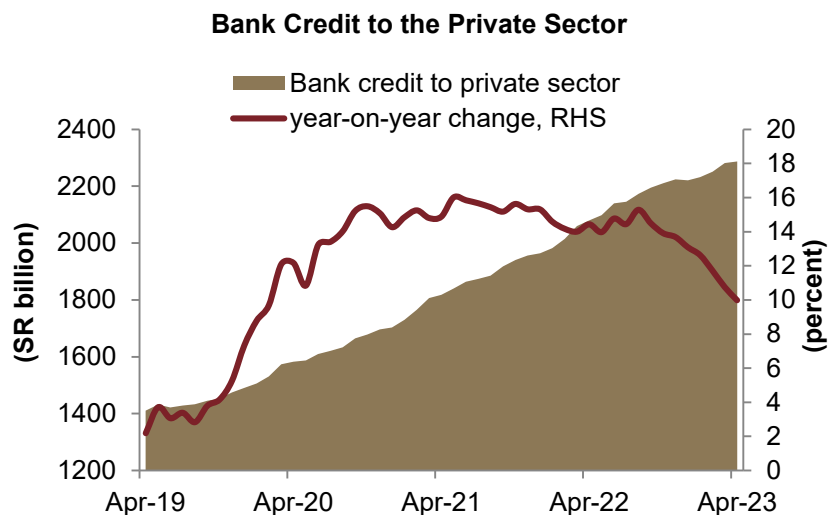
M3 rose by 9.5 percent year-on-year in April, and by a marginal 0.6 percent month-on-month.



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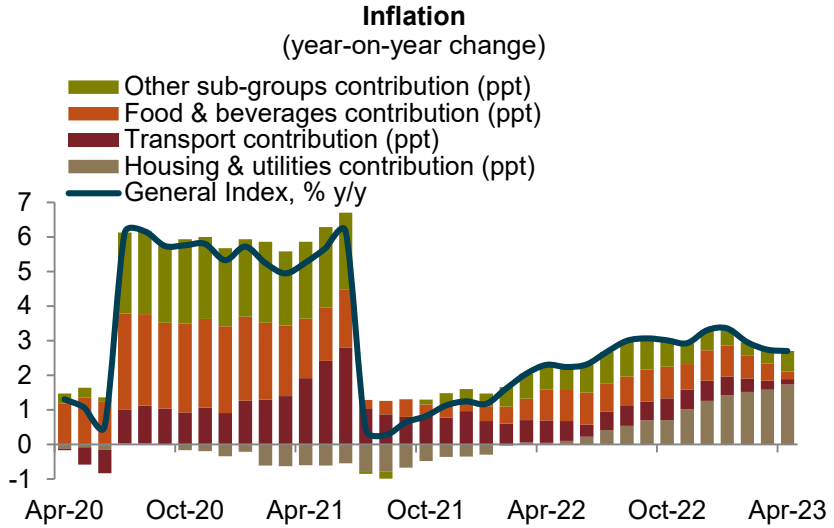




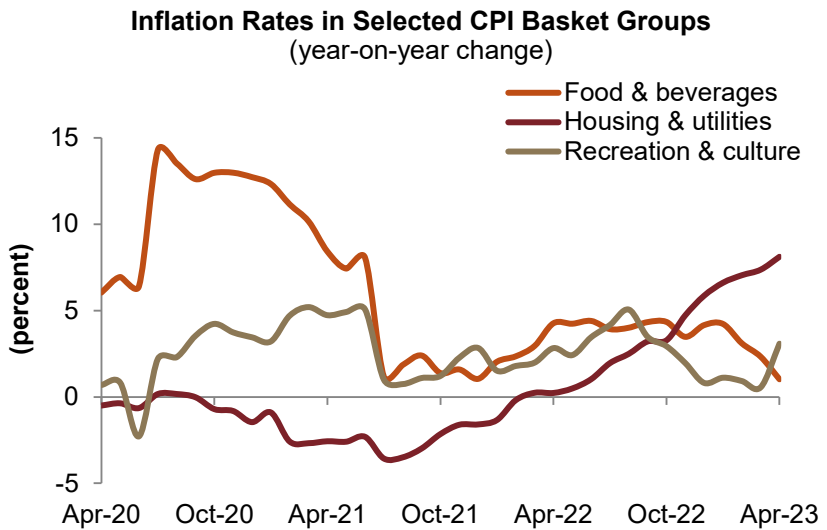
Inflation

Consumer prices rose by 2.7 percent year-on-year in April, and by 0.4 percent month-on-month. This was the highest monthly rise in eight months, although the annual rate was stable. Within the CPI basket, 'housing and utilities' saw the largest annual rise, by 8.1 percent year-on-year, while 'food and beverages' eased to just 1 percent annual growth. Meanwhile, 'recreation and culture' prices saw a surge during the month.

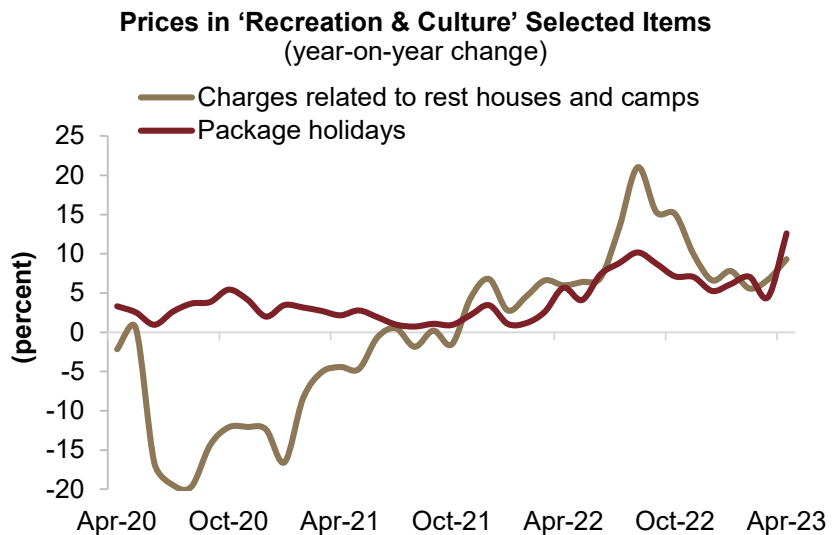
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...with some of its main sub-group items impacted by higher spending during the Eid Al-Fitr holiday.





International Trade 2022

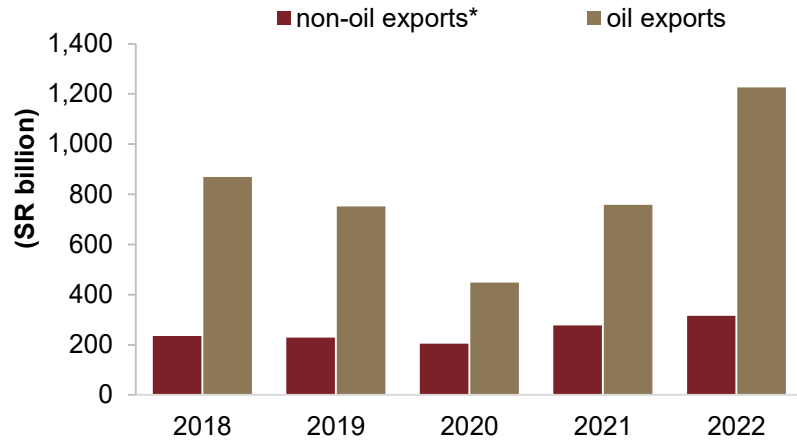
Total export earnings rose by 49 percent in 2022, driven by a 62 percent gain in oil exports. Non-oil exports (including re-exports) also showed decent growth of 14 percent. Most of the Kingdom's non-oil exports were carried through seaports, which saw a 14 percent gain over 2021. China remained the main source of import demand.

Total exports rose in 2022 by 49 percent and total imports rose by 24 percent. Accordingly, the 2022 visible trade surplus rose to SR830 billion.

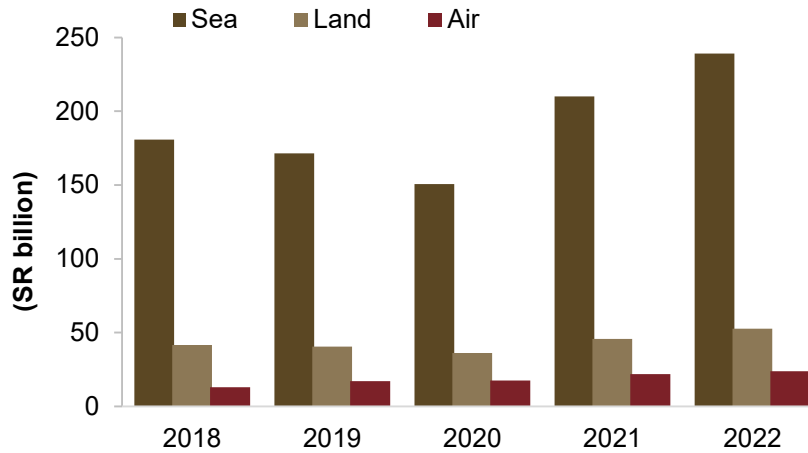
In 2022, most of the Kingdom's non-oil exports (75 percent) were carried through seaports.

Imports from China accounted for 21 percent of total imports in 2022, up from an average of 18 percent during 2018-2021.

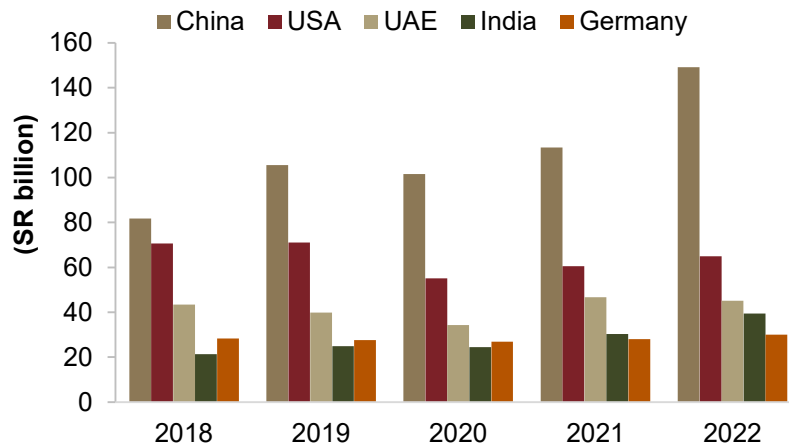
Total Annual Exports
(SR Billion)



Non-oil Exports* by Port
(SR Billion)



Total Annual Imports by Country
(SR Billion)



*Non-oil exports include re-exports



Population Census 2022

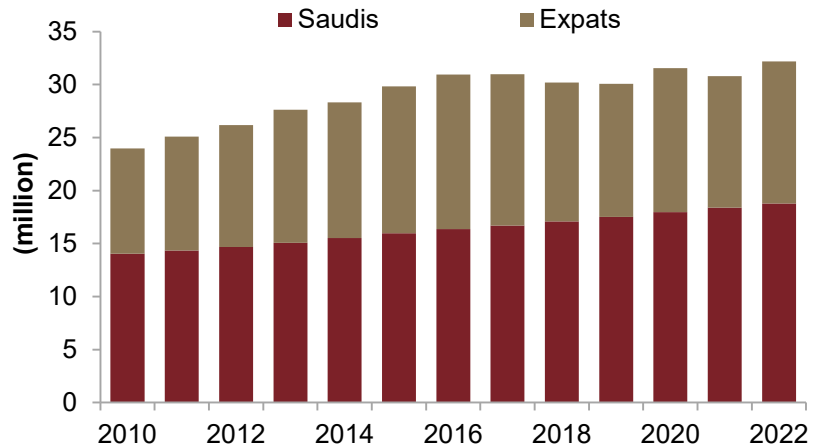
Gastat statistics from the 2022 census showed that the population of Saudi Arabia reached 32.2 million, with Saudis at 18.8 million and expatriates at 13.4 million. Among expatriates, males accounted for 77 percent of the total. Latest data by age group for Saudis showed that 63 percent of citizens are below the age of 30.

Gastat statistics from the 2022 census showed that the population of Saudi Arabia reached 32.2 million, with annual population growth rate of 2.5 percent.

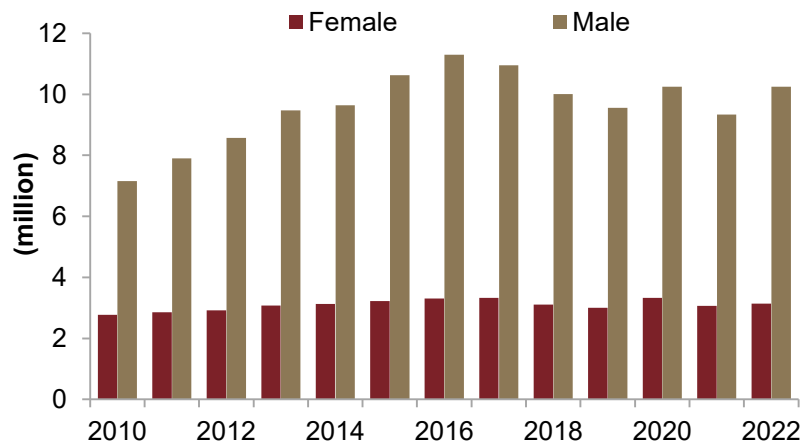
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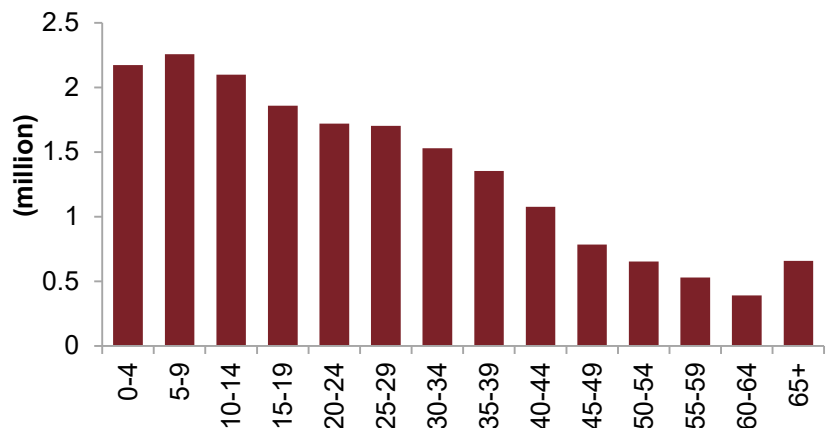
Total Population



Expatriates Population, by Gender



Saudi Population in 2022, by Age Group

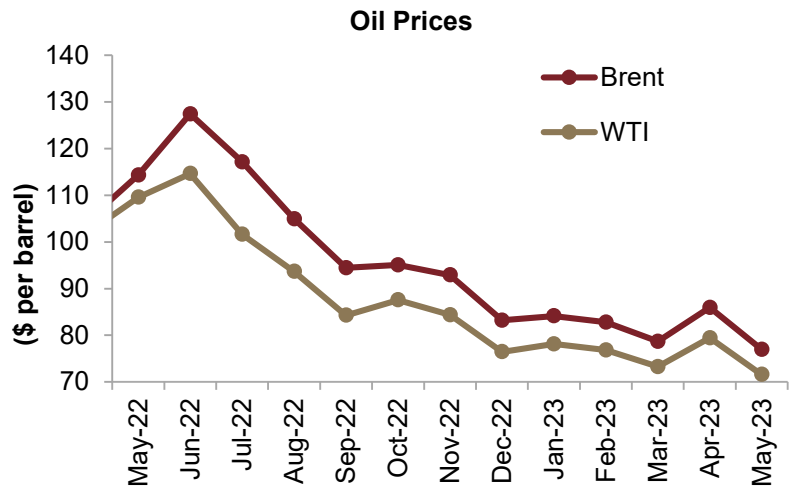




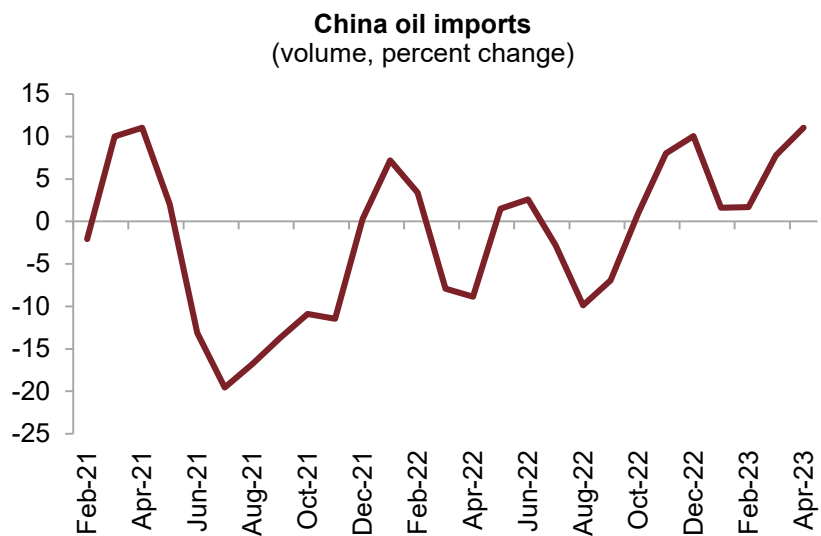
Oil

Brent has come under renewed pressure, with prices falling to \$71 per barrel in the last few days of May, before recovering somewhat. Financial market tensions around US debt ceiling negotiations have contributed to this weakness, though the main headwind has been China's underwhelming post-Covid rebound. The recovery has been focused largely on consumer services, with manufacturing (and property) struggling to gain upward momentum. Nevertheless, the International Energy Agency (IEA) is still warning of a looming oil shortage in the second half of the year. The IEA sees demand—largely from the wider Asia region—eclipsing supply by almost 2 million bpd as US shale output in particular begins to soften.

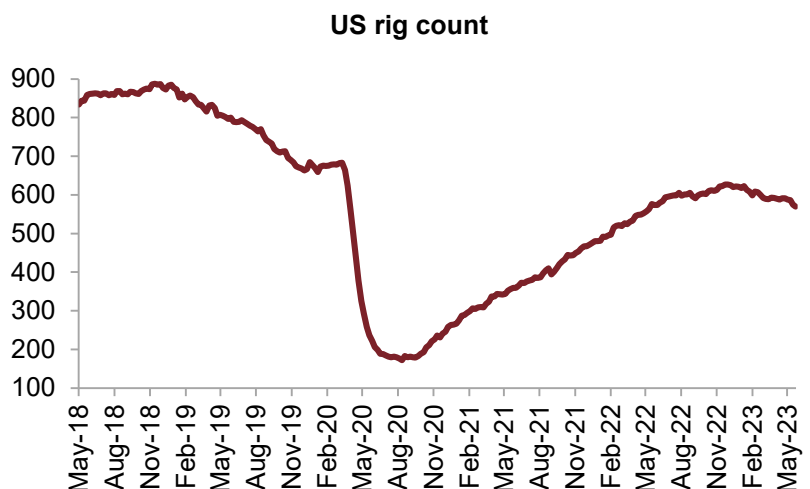
While the apparent resolution of US debt negotiations has lifted some of the gloom from the oil demand outlook, China's underwhelming economic recovery has kept prices under pressure.



Data to end-April show a reasonably strong recovery in China's crude oil imports, but much of this has been put into storage, suggesting that imports in the next few months are likely to weaken.



While the demand outlook is fragile, the non-OPEC supply story is also weakening. Judged by the number of rigs in operation, US shale investment is softening. Thus, the IEA (and other forecasters) continues to see the market moving into deficit in the second half of this year.



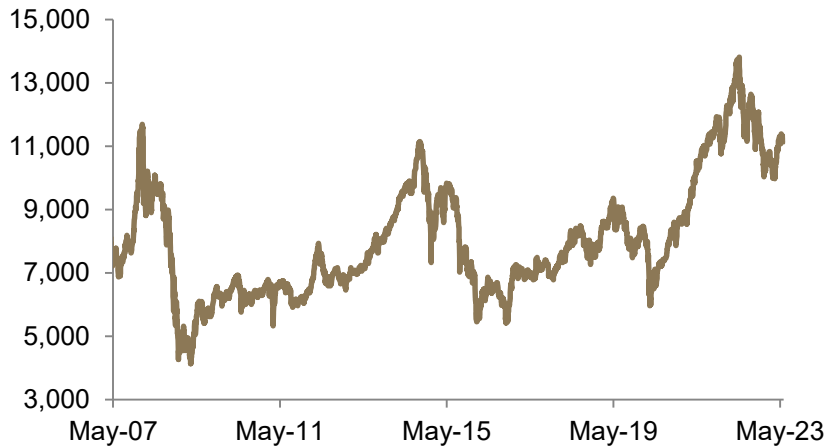


Stock Market

TASI declined in May following a mixture of seasonal profit taking along with global investor risk-off sentiment as US debt ceiling tensions mounted. As a result TASI was down by 2.6 percent in May, inline with many regional and global markets. Meanwhile, average daily traded volumes reached the highest level in nine months.

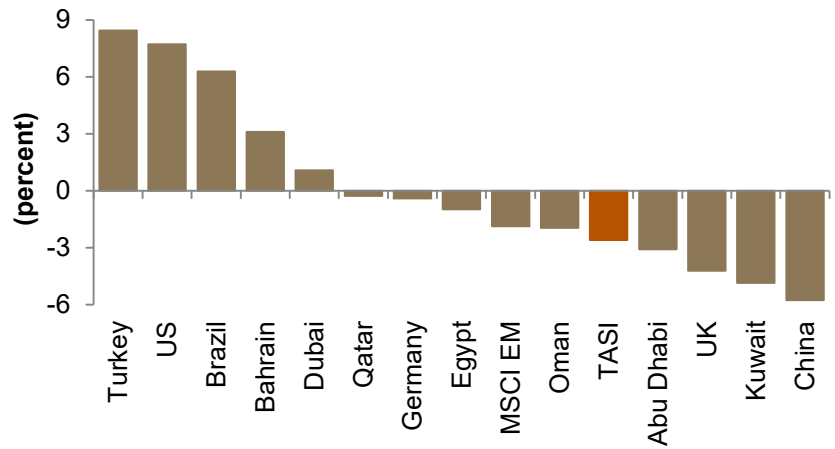
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TASI Performance



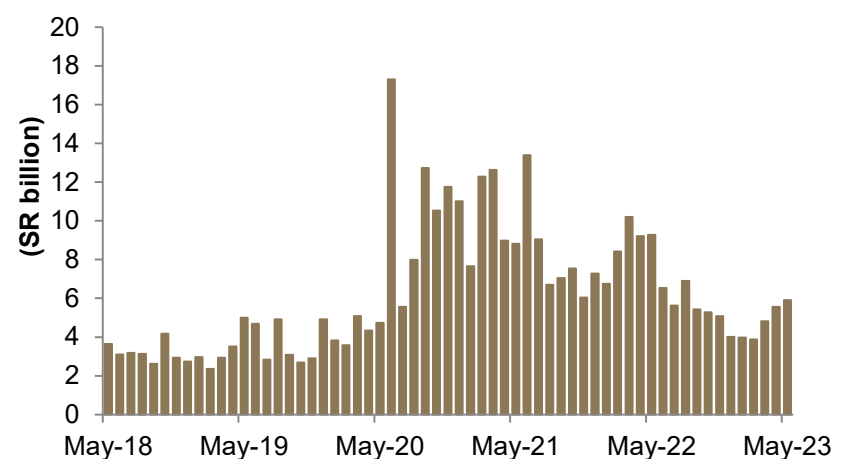
As a result TASI was down by 2.6 percent in May, inline with many regional and global markets.

Comparative Stock Market Performance (May)



Meanwhile, average daily traded volumes reached the highest level in nine months.

Average Daily Traded Volumes (May)





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