



Summary

Real Economy: The non-oil PMI started the third quarter indicating strong, but slower growth in the private sector. At 54.4, the reading continues to indicate healthy expansion. Cement sales saw a healthy rebound in July by 7.4 percent year-on-year and by 22 percent month-on-month. Latest available data show non-oil exports rising by 7 percent in June.

Consumer Spending: Total consumer spending rebounded in July by 11.4 percent year-on-year, with a monthly gain of 3.4 percent. Rises were seen in both cash withdrawals and POS transactions. Looking at POS transactions by sector, spending on 'education' saw the largest increase during the month.

SAMA Foreign Reserve Assets: SAMA's FX reserves were down in July by almost \$15 billion, to stand at \$452 billion, although remained higher year to date. The monthly decline came from bank deposits, which fell by \$16.6 billion, meanwhile, foreign securities rose by \$1.5 billion.

Money Supply, Bank Deposits and Credit: The broad measure of money supply (M3) rose by almost 8 percent year-on-year in July, despite a monthly decline of 1 percent. Total deposits were up 8 percent year-on-year. Meanwhile, residential new mortgages for individuals rebounded in July, up by 29 percent year-on-year, and by 33 percent month-on-month.

Inflation: Consumer prices rose by 1.5 percent year-on-year in July, and by 0.1 percent month-on-month. 'Housing and utilities' continued trending upwards, up by 9.3 percent year-on-year, supported by further gains in 'rentals for housing' sub-group item.

Real Estate Q2 2024: Real estate prices rose by 1.7 percent, year-on-year in Q2 2024, and by 1.1 percent quarter-on-quarter. While the rate of price decline for commercial real estate was lower in Q2, the main driver behind the price rise was residential real estate prices, which saw a significant increase of 2.8 percent.

Oil-Global: Oil prices softened in August due to concerns over demand, with data pointing to slowing economic activity in the US and subdued growth in China. Geopolitical risk and greater confidence over US Fed interest rates cuts provided a cushion for prices.

Oil-Saudi Arabia: Saudi crude oil production averaged 8.9 mbpd in July, in line with the OPEC+ agreement. Saudi exports of crude oil and refined products averaged 7.4 mbpd, according to latest official data.

Stock Market: TASI dipped and recovered during August and ended the month 0.3 percent up from end-July. TASI's performance was less volatile than key global markets and broadly in line with other regional markets.

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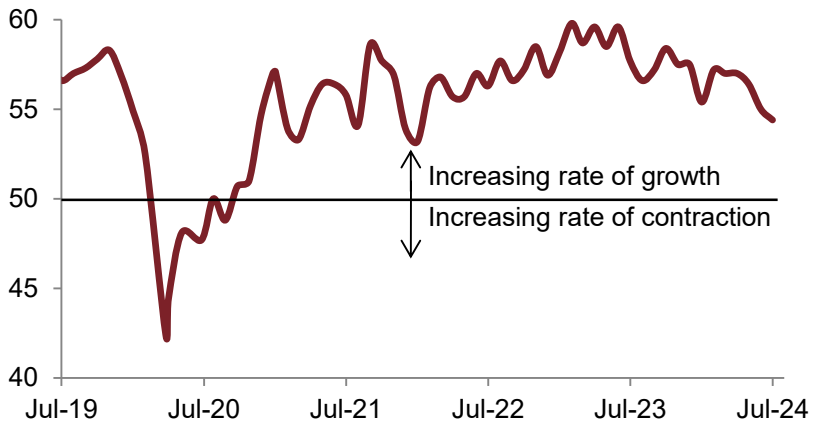


Real Economy

The non-oil PMI started the third quarter indicating strong, but slower growth in the private sector. The headline PMI declined further in July, with slower growth in output and new orders. Nonetheless, at 54.4, the reading continues to indicate healthy expansion. Meanwhile, cement sales saw a healthy rebound in July by 7.4 percent year-on-year and by 22 percent month-on-month. Latest available data show non-oil exports rising by 7 percent in June.

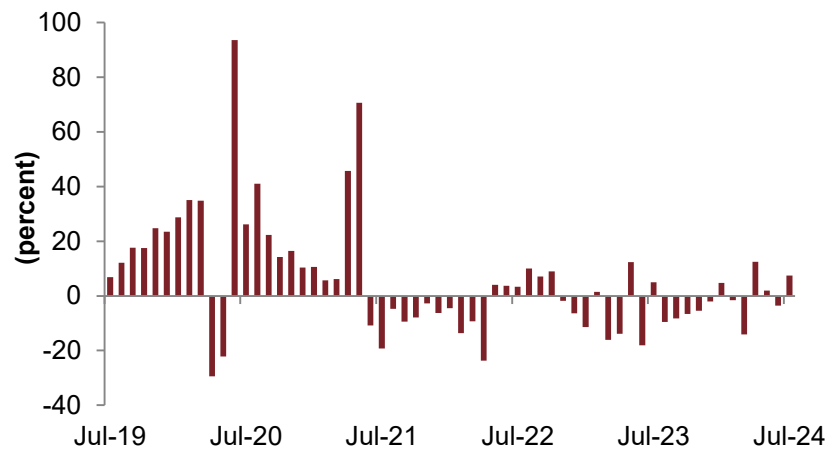
The non-oil PMI started the third quarter indicating robust business activity, although new orders rose at a slower pace.

Non-oil Purchasing Managers' Index



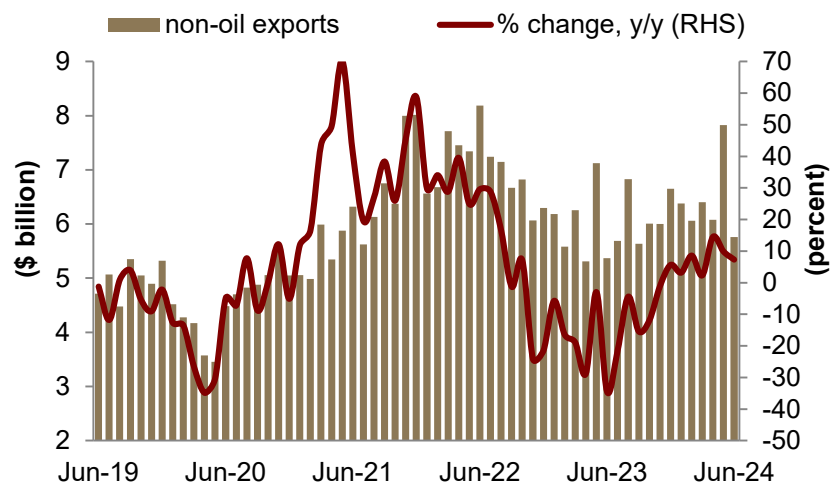
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Cement Sales
(year-on-year change)



Latest available data show non-oil exports rising by 7 percent in June.

Non-oil Exports

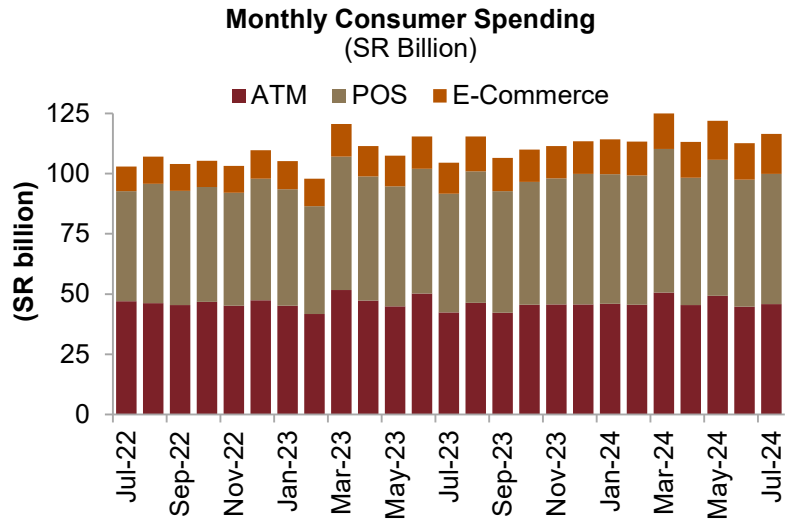




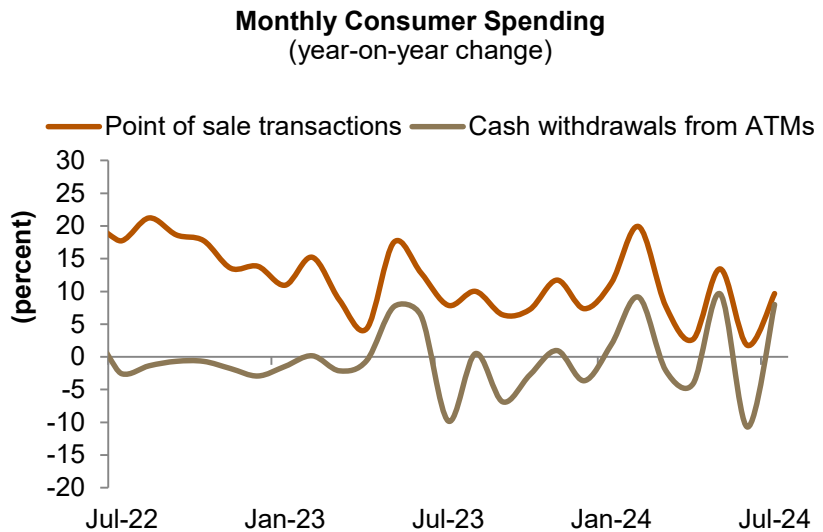
Consumer Spending

Total consumer spending rebounded in July by 11.4 percent year-on-year, with a monthly gain of 3.4 percent. Rises were seen in both cash withdrawals and POS transactions, up by 8 and 10 percent respectively. Looking at POS transactions by sector, spending on 'education' saw the largest increase during the month.

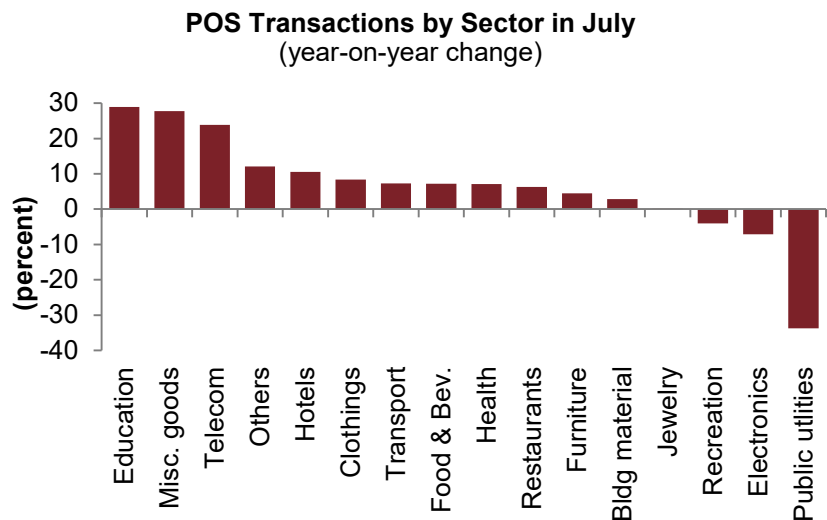
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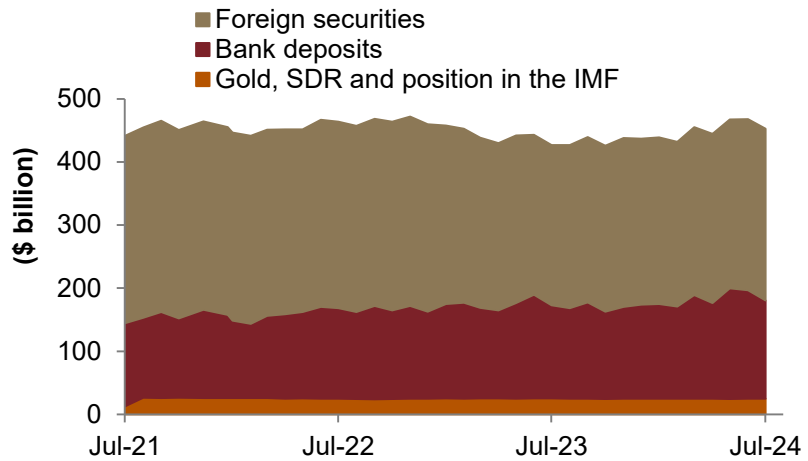


SAMA Foreign Reserve Assets

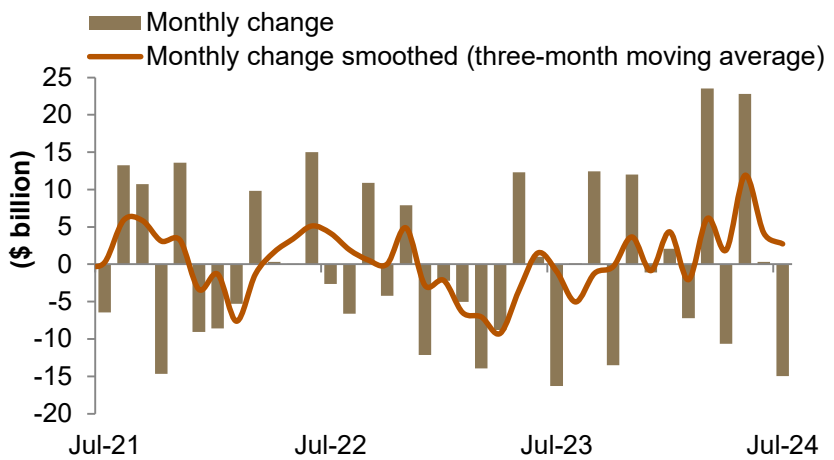
SAMA's FX reserves were down in July by almost \$15 billion, to stand at \$452 billion, although remained higher year to date. The monthly decline came from bank deposits, which fell by \$16.6 billion, meanwhile, foreign securities rose by \$1.5 billion.

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SAMA Total Foreign Reserve Assets

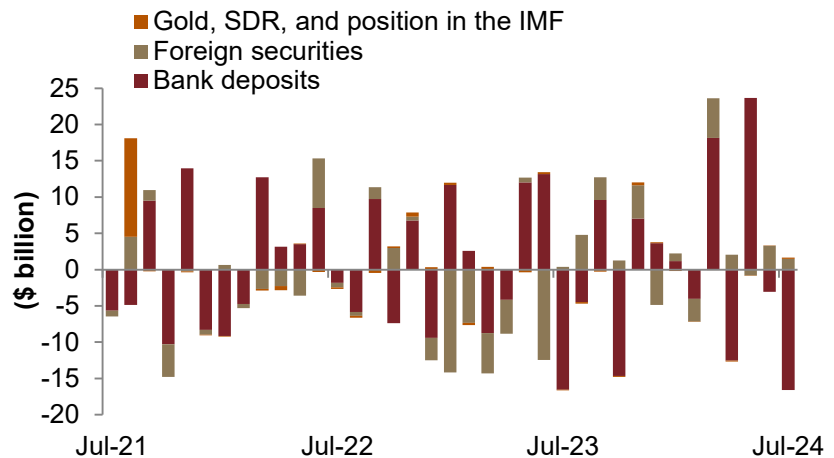


SAMA Foreign Reserve Assets
(monthly and three-month average change)



...to stand at \$452 billion.

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



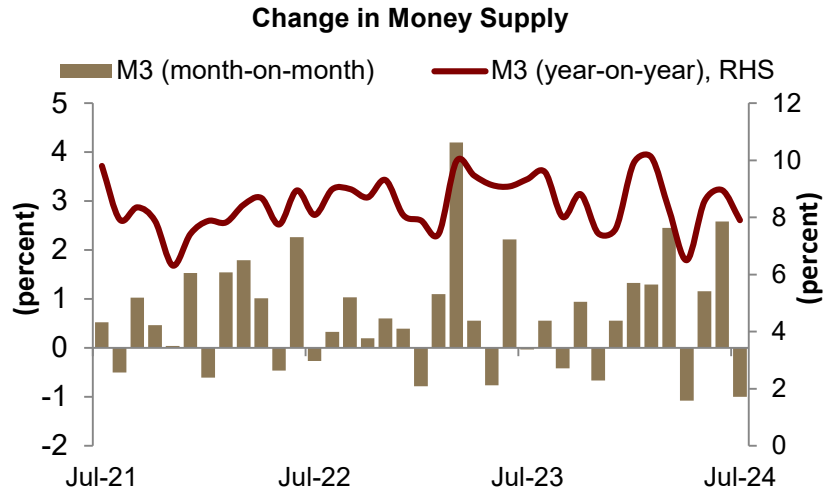
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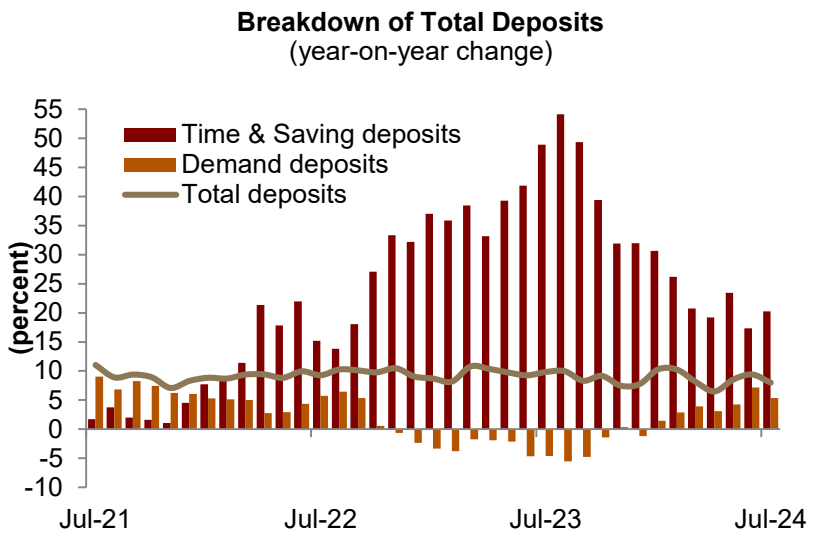
Money Supply, Bank Deposits and Credit

The broad measure of money supply (M3) rose by almost 8 percent year-on-year in July, despite a monthly decline of 1 percent. Total deposits were up 8 percent year-on-year, as time and saving deposits climbed up by 20 percent. Meanwhile, residential new mortgages for individuals rebounded in July, up by 29 percent year-on-year, and by 33 percent month-on-month.

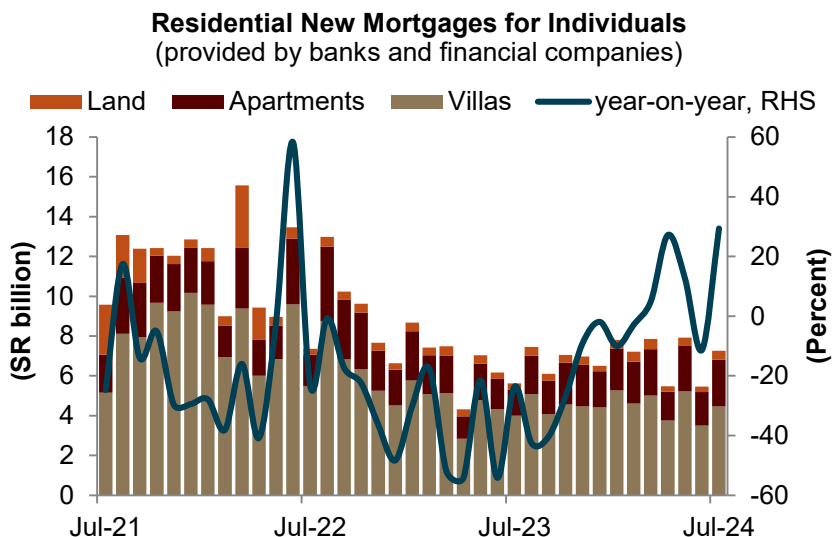
M3 rose by almost 8 percent year-on-year in July, despite a monthly decline of 1 percent.



Total deposits were up 8 percent year-on-year, as time & saving deposits climbed up by 20 percent, and demand deposits continued the upward trend rising by 5.4 percent, year-on-year.



Meanwhile, residential new mortgages for individuals rebounded in July, up by 29 percent year-on-year, and by 33 percent month-on-month.

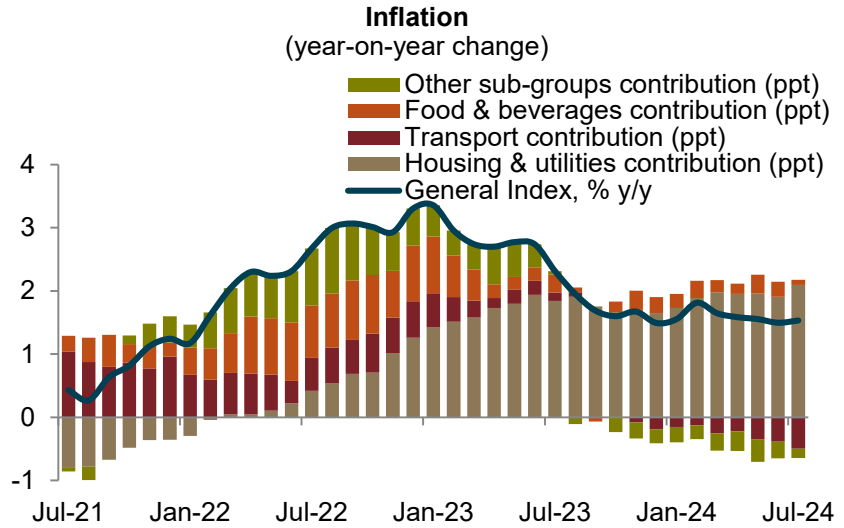




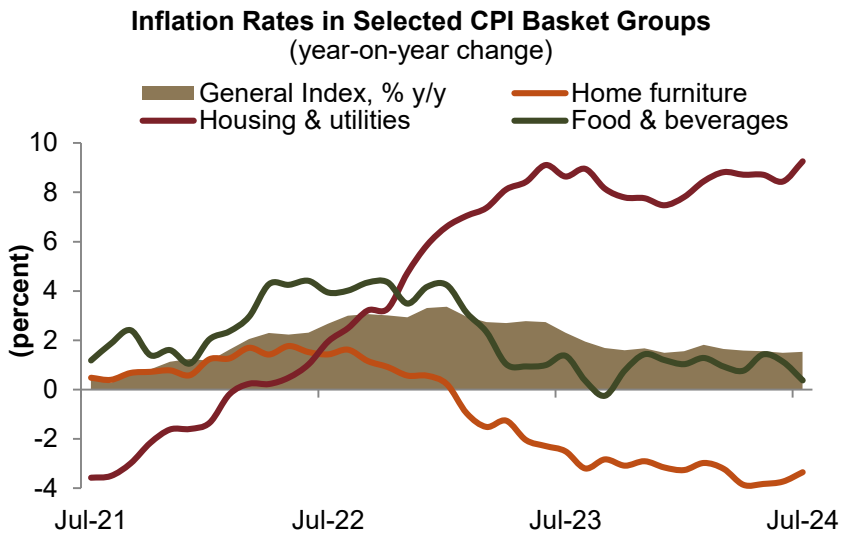
Inflation

Consumer prices rose by 1.5 percent year-on-year in July, and by 0.1 percent month-on-month. Within the CPI basket, 'Food and beverages' prices were up by 0.4 percent year-on-year. Meanwhile, 'Housing and utilities' continued trending upwards, up by 9.3 percent year-on-year, supported by further gains in 'rentals for housing' sub-group item.

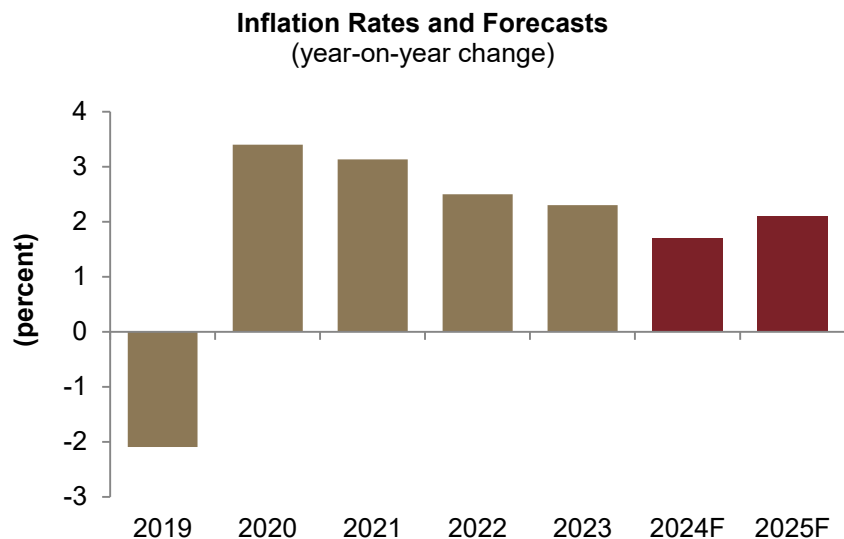
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In our latest ["Macroeconomic update"](#), we lowered our inflation forecast for full year 2024 to 1.7 percent vs. 2 percent earlier, as prices in H1 were lower than we earlier expected.

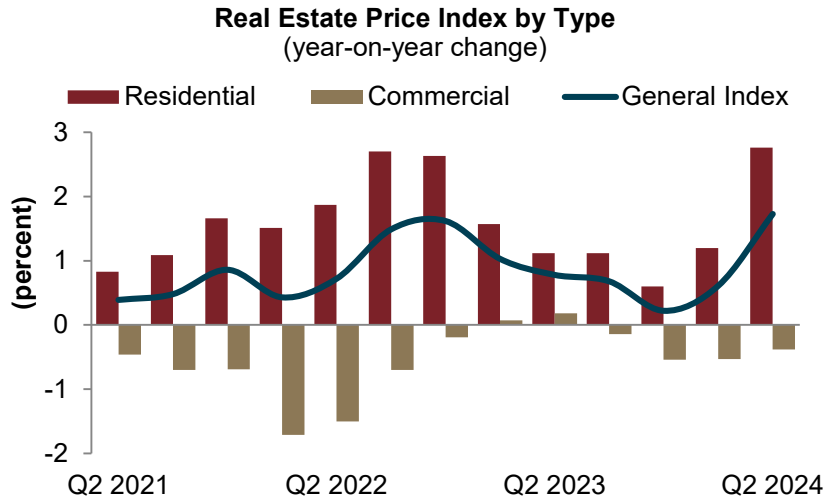




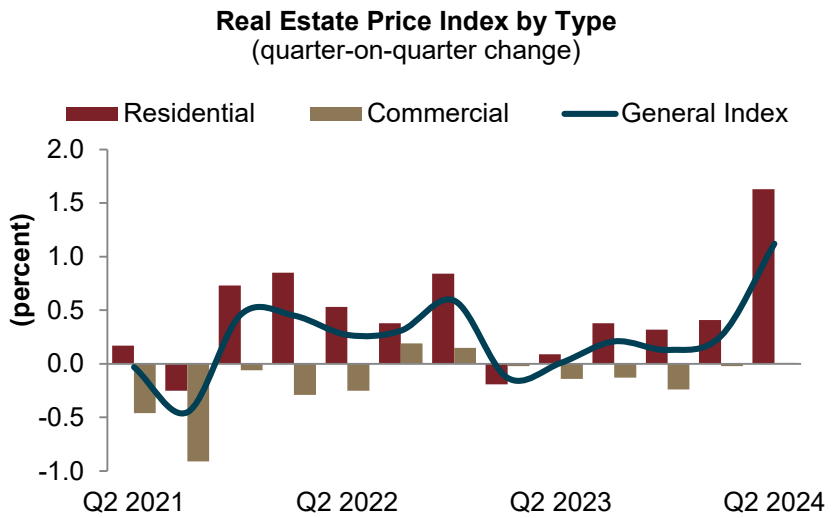
Real Estate Q2 2024

Real estate prices rose by 1.7 percent, year-on-year in Q2 2024, and by 1.1 percent quarter-on-quarter. While the rate of price decline for commercial real estate was lower in Q2, the main driver behind the price rise was residential real estate prices, which saw a significant increase of 2.8 percent. Of the main regions, residential real estate prices in Makkah saw the highest rise during Q2, year-on-year.

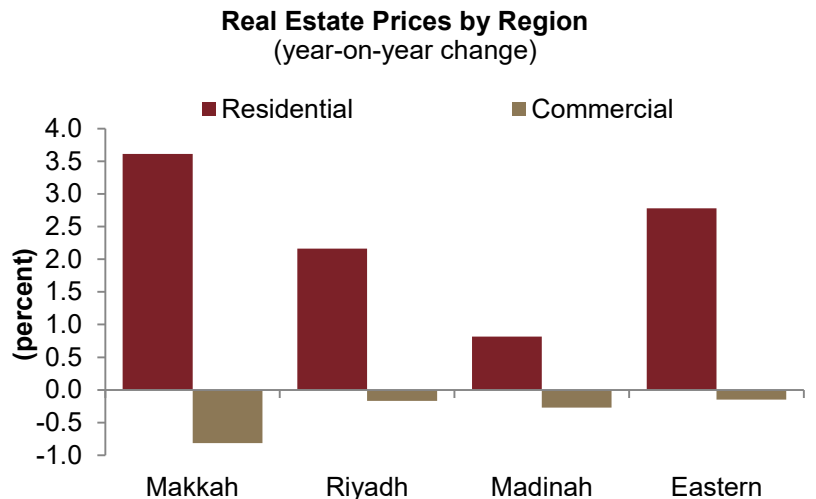
Real estate prices rose by 1.7 percent, year-on-year in Q2 2024...



...and by 1.1 percent quarter-on-quarter.



Of the main regions, residential real estate prices in Makkah saw the highest rise during Q2, year-on-year, for the second quarter consecutively.

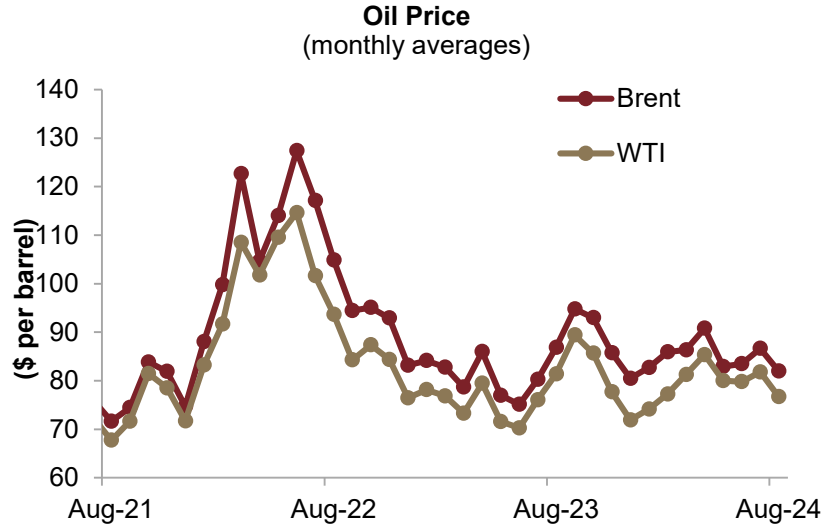




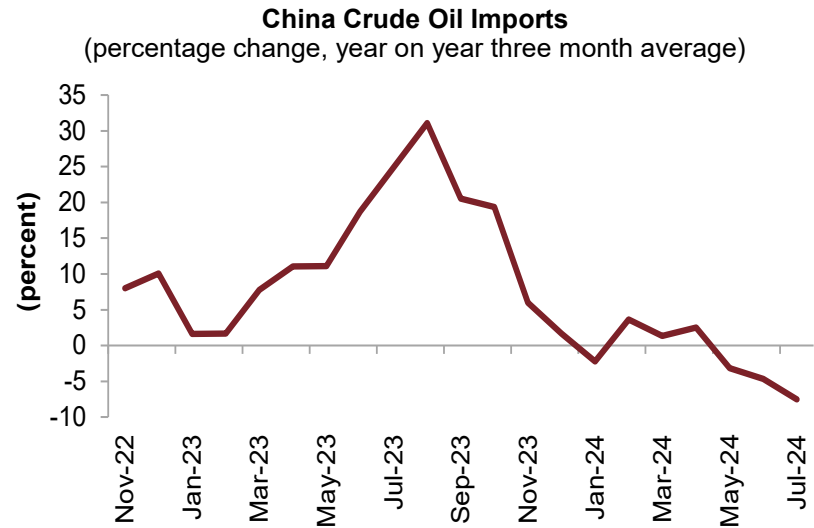
Oil - Global

Oil prices declined on average in August, with Brent dipping on concerns over oil demand and hopes of a ceasefire in Gaza. The ceasefire did not materialize and other geopolitical developments, including disruptions to Libyan oil supply and a brief escalation between Israel and Hizbollah provided a cushion for oil prices. Greater confidence over impending Fed rate cuts may also have supported oil prices.

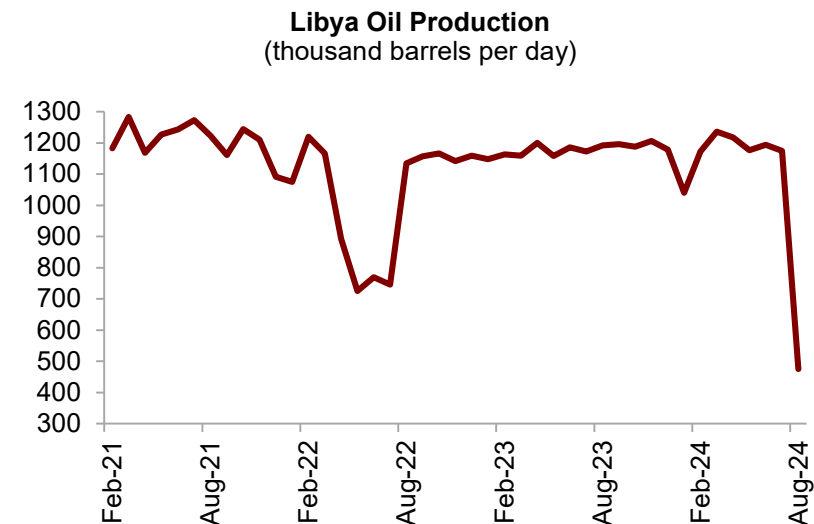
Oil prices softened due to demand fears, with data pointing to slower US growth and subdued growth in China.



China's crude oil imports declined in July, continuing the trend of weaker oil demand in 2024 after strong growth in 2023. Part of the weakness is cyclical, but higher EV penetration and LNG trucking are also weighing on diesel and gasoline demand.



Libya's oil production (1.18 mbpd in July), fell by around 0.7 mbpd during August as tensions flared between rival factions in Libya. It is unclear how long the disruptions will persist.



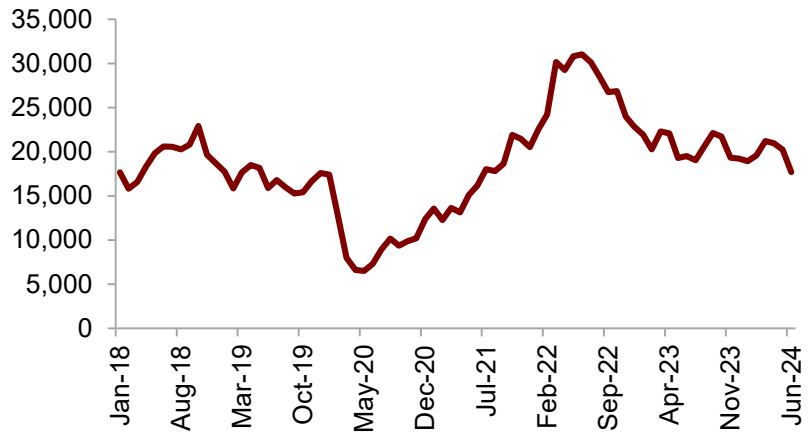


Oil - Saudi Arabia

Saudi crude oil production averaged 8.9 mbpd in July, in line with the OPEC+ agreement. Saudi exports of crude oil and refined products averaged 7.4 mbpd, according to latest official data.

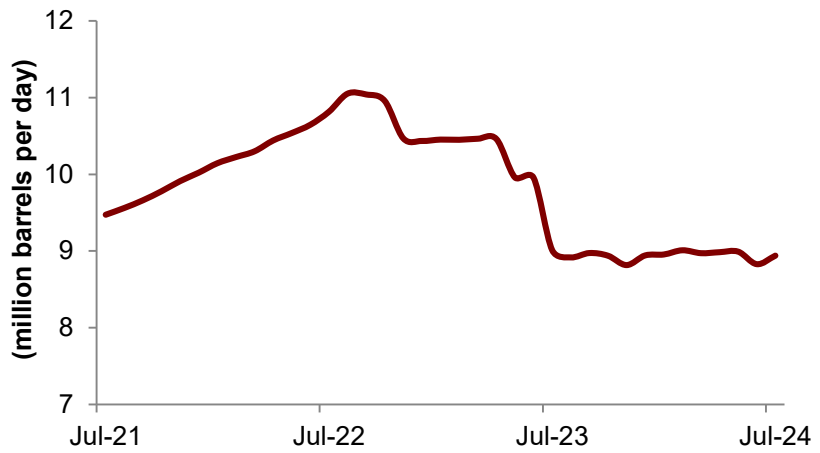
Oil export revenue, the total for crude and refined products, fell in June. Overall Q2 performance was similar to Q1, with export volumes slightly lower and prices a bit higher.

Saudi Oil Export Revenue
(\$ Million; total of crude and refined exports)



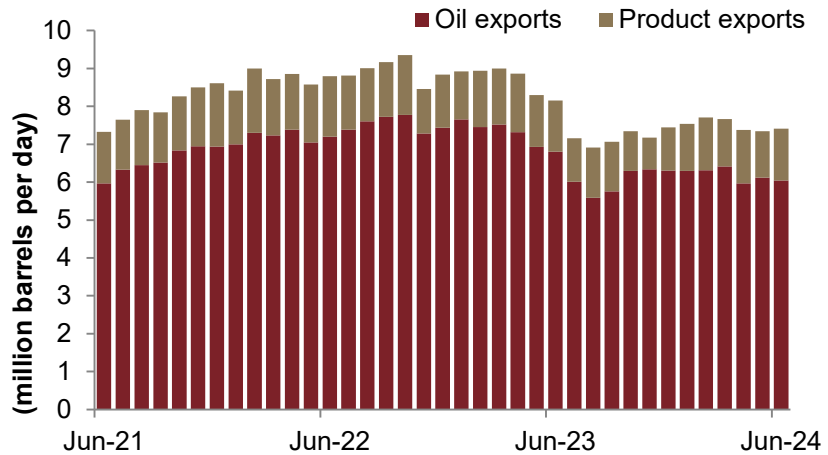
Saudi crude production averaged 8.9 mbpd in July in line with the OPEC+ agreement, which pencils in small increases starting in October.

Saudi Crude Oil Production
(monthly average)



Overall volumes of crude and refined exports edged up marginally in June to 7.4 mbpd, according to latest official data.

Saudi Crude Oil and Refined Product Exports
(monthly average)



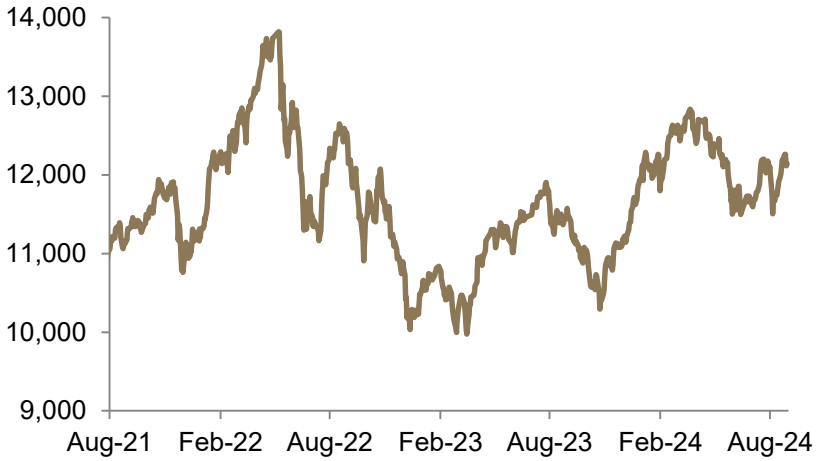


Stock Market

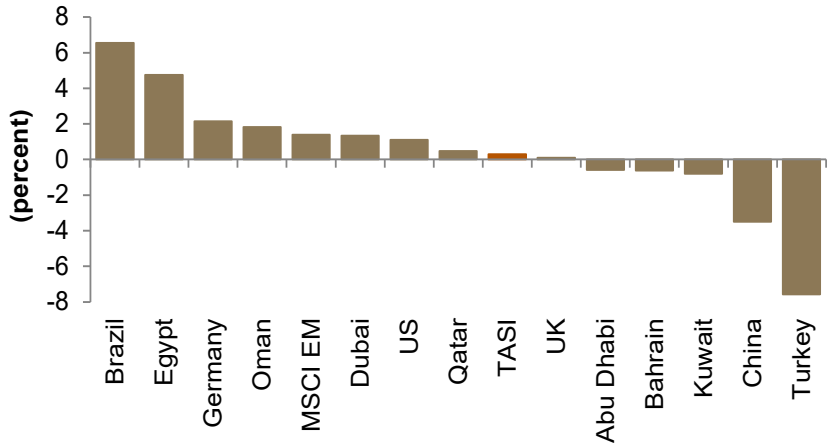
TASI dipped and recovered during August and ended the month 0.3 percent up from end-July. August saw significant volatility in key global markets. TASI's performance was less volatile and broadly in line with other regional markets. Average daily traded turnover picked up from July, although was slightly less than the average for January-July.

TASI dipped and recovered during August and ended the month 0.3 percent up from the end of July. TASI's performance was less volatile than key global markets.

TASI Performance

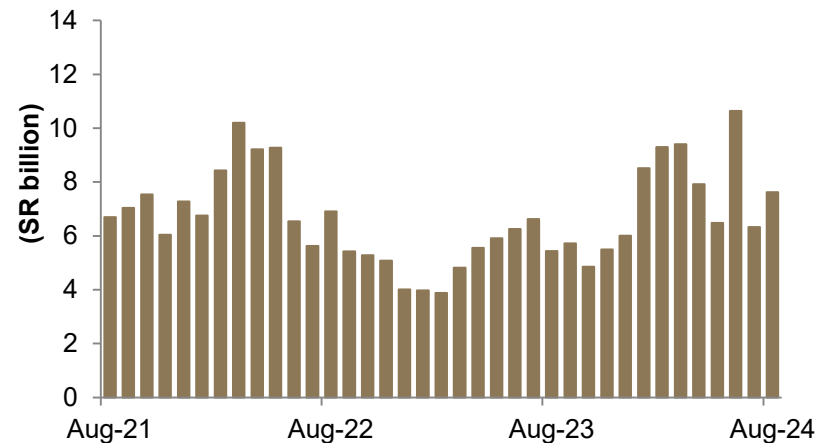


Comparative Stock Market Performance (August)



TASI's performance was broadly in line with other regional markets.

Average Daily Traded Turnover (August)



Average daily traded turnover picked up from July, although was slightly less than the average for January-July.



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Key Data

	2018	2019	2020	2021	2022	2023	2024E	2025F
Nominal GDP								
(SR billion)	3,175	3,145	2,754	3,278	4,157	4,003	4,074	4,274
(\$ billion)	847	839	734	874	1,109	1,068	1,086	1,140
(% change)	18.4	-0.9	-12.4	19.1	26.8	-3.7	1.8	4.9
Real GDP (% change)								
Oil	2.2	-3.3	-6.9	1.2	15.0	-9.0	-6.1	5.1
Non-oil activities	-2.6	3.7	-2.9	7.4	5.6	4.4	4.5	4.6
Government activities	3.9	1.7	-0.6	1.1	4.6	2.1	2.3	2.5
Total	3.2	1.1	-3.6	5.1	7.5	-0.8	1.5	4.4
Oil indicators (average)								
Brent (\$/b)	71	66	42	71	104	84	84	82
Production (million b/d)	10.3	9.8	9.2	9.1	10.6	9.6	9.0	9.5
Budgetary indicators (SR billion)								
Government revenue	906	927	782	965	1,268	1,212	1226	1249
Government expenditure	1,079	1,059	1,076	1,039	1,164	1,293	1309	1357
Budget balance	-174	-133	-294	-73	104	-81	-83	-108
(% GDP)	-5.5	-4.2	-10.7	-2.2	2.5	-2.0	-2.0	-2.5
Gross public debt	560	678	854	938	990	1,050	1133	1241
(% GDP)	17.6	21.6	31.0	28.6	23.8	26.2	27.8	29.0
Monetary indicators								
Inflation (% change, average)	2.5	-2.1	3.4	3.1	2.5	2.3	1.7	2.1
SAMA base lending rate (% , year end)	2.5	1.75	0.50	0.50	4.50	5.50	5.00	4.00
External trade indicators (\$ billion)								
Oil export revenues	232	200	119	202	327	248	225	231
Total export revenues	294	261	172	275	410	321	300	309
Imports	123	138	125	136	171	189	201	213
Trade balance	171	123	47	139	240	132	99	96
Current account balance	73	38	-26	42	152	34	21	20
(% GDP)	8.6	4.6	-3.5	4.8	13.7	3.2	1.9	1.7
Official reserve assets	497	500	454	455	460	437	435	426
Social and demographic indicators								
Population (million)	30.2	30.1	31.6	30.8	32.2	32.9	33.7	34.4
Saudi Unemployment (15+, %)	12.7	12.0	12.6	11.0	8.0	7.7	7.6	7.5
GDP per capita (\$)	28,036	27,893	23,271	28,396	34,454	32,445	32,287	33,117

Sources: Jadwa Investment forecasts for 2024 and 2025. 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.