Saudi chartbook

SEPTEMBER 2025

جدوى للاستثمار
Jadwa Investment

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Summary

Global economy: In July US core PCE inflation picked up to 2.9 percent, driven by stronger core services inflation. Despite the uptick in inflation, markets continue to price in a 90 percent probability of a rate cut in September and fully price in two cuts by end-2025.

Saudi real economy: The August non-oil PMI edged up from the July figure due to stronger output growth and an uptick in export orders. At 56.4, the PMI reflects solid growth although more modest than in the first quarter.

Consumer spending: Total consumer spending increased in July by 15.4 percent year-on-year, and 9.7 percent month-on-month in nominal terms. In categories such as jewelry higher spending in part reflects price increases.

SAMA foreign reserve assets: SAMA's FX reserves declined in July, down by USD 13.6b, to reach USD 444b. Nonetheless, reserves remain higher than end-2024 levels.

Money supply and bank deposits: The broad measure of money supply (M3) increased by 8.4 percent year-on-year in July, while posting a marginal monthly decline of 0.3 percent. Total deposits grew by 8.4 percent year-on-year, with demand deposits up 3.4 percent and time and saving deposits up 20.8 percent.

Bank credit: Credit growth slowed to 15.2 percent year-on-year in July, though it continued to outpace deposit growth. New mortgages increased sharply from the low level in June, although they were still 9 percent lower year-on-year

Inflation: Consumer prices in July rose by 2.1 percent year-on-year, but remained unchanged month-on-month. 'Food and beverages' recorded a 1.6 percent increase. Inflation in 'Housing and utilities' inched down, with prices up by 5.6 percent, due to lower rental inflation.

Oil - Global: Brent crude averaged USD 67pb in August, down from an average of USD 70pb in July, with supply growth outpacing demand. Year-to-date Brent crude has averaged USD 70pb, USD 10pb lower than the annual average in 2024, but not as bad as some feared at the height of US tariff uncertainty earlier in the year.

Oil - Saudi Arabia: Saudi Arabia's oil output rose to 9.53mbpd in July, from 9.36mbpd in June, in line with OPEC8's production plans. Output should reach 10mbpd in September. In June export volumes of crude and refined products grew by 0.27mbpd to 7.8mbpd, boosting export revenue.

Stock market: TASI ended August at 10,700, down 2 percent from end-July and 11 percent from end-2024. The lower oil price in August was a key macro headwind, keeping investors cautious about the outlook for economic activity and earnings. The majority of regional markets were down in August, with only Oman and Egypt bucking the trend.

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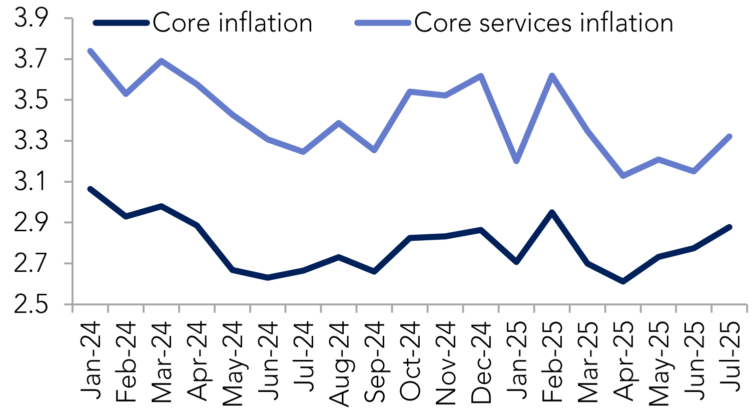
Global economy

In July US core PCE inflation picked up to 2.9 percent, driven by stronger core services inflation. Despite the uptick in inflation, markets continue to price in a 90 percent probability of a rate cut in September and fully price in two cuts by end-2025. This is largely due to last month's softer labor market indicators and recent statements by the Fed governor.

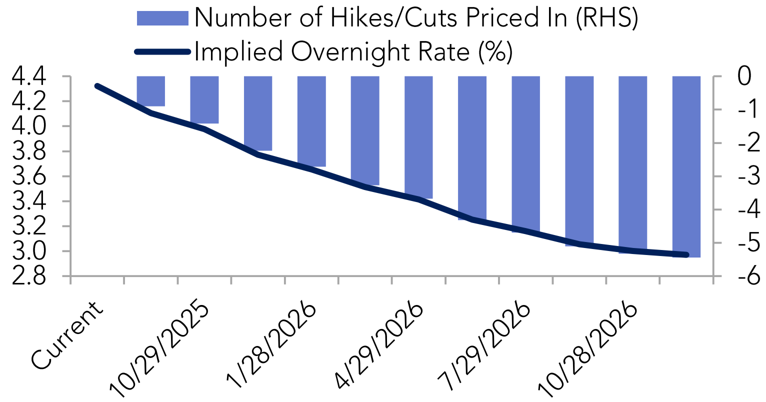
In July, US core PCE inflation picked up to 2.9 percent, driven by stronger core services inflation. Meanwhile, tariff impacts did not show up in core goods inflation.

US PCE inflation—Core and core services
(percent, yoy)



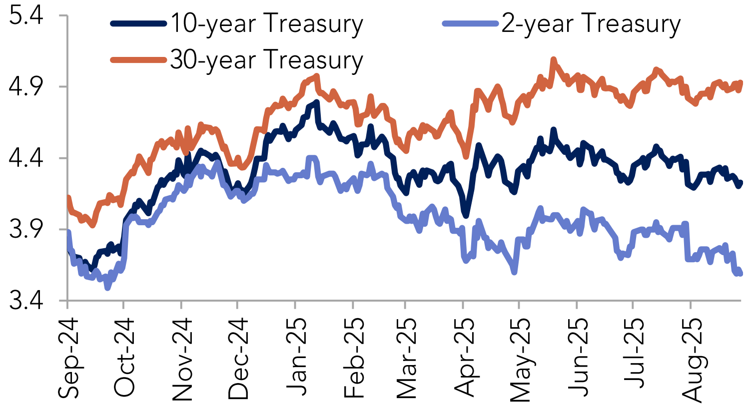
Despite the uptick in inflation, markets continue to price in a 90 percent probability of a rate cut in September and fully price in two cuts by end-2025. This is largely due to softer labor market indicators and recent statements by the Fed governor.

Number of cuts priced in to futures market



2-year US Treasury yields have fallen on rate-cut expectations—to similar levels when the Fed started cutting rates in September 2024. This has widened the spread with 10-year yields and even more markedly with 30-year yields.

US Treasury yields: 2, 10 and 30 year maturities
(percent)

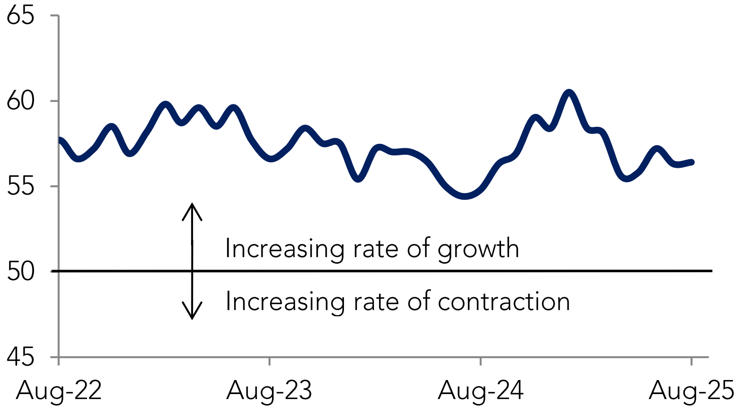


Saudi real economy

The August non-oil PMI edged up from the July figure due to stronger output growth and an uptick in export orders. At 56.4, the PMI reflects solid growth although more modest than in the first quarter. Domestic cement sales rose by 10 percent year-on-year in July, and by 19 percent month-on-month. Meanwhile, non-oil exports increased by 22 percent year-on-year in June.

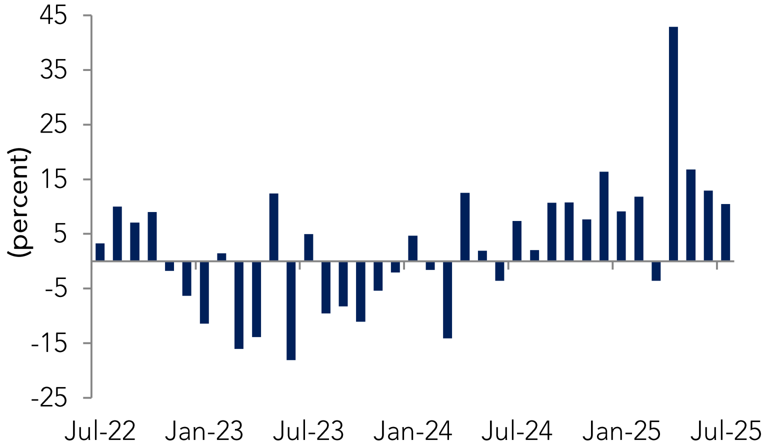
The August non-oil PMI edged up from the July figure due to stronger output growth and an uptick in export orders. At 56.4, the PMI reflects solid growth.

Non-oil Purchasing Managers' Index (PMI)



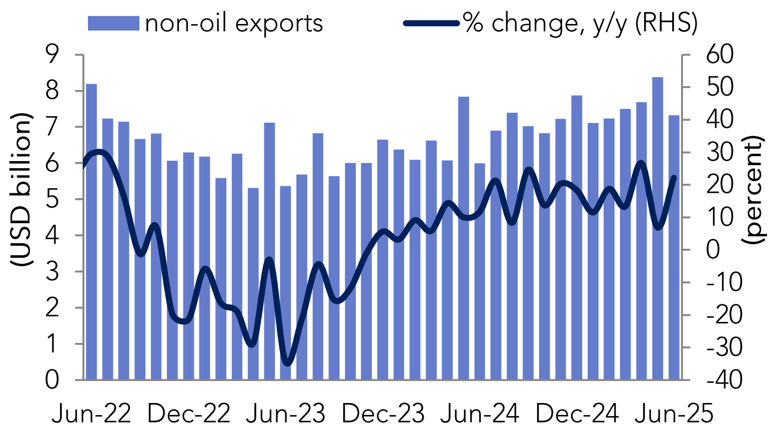
Domestic cement sales rose by 10 percent year-on-year in July, and by 19 percent month-on-month.

Domestic cement sales



Latest available data show non-oil exports increased by 22 percent year-on-year in June.

Non-oil exports



Consumer spending

Total consumer spending increased in July by 15.4 percent year-on-year, and 9.7 percent month-on-month.

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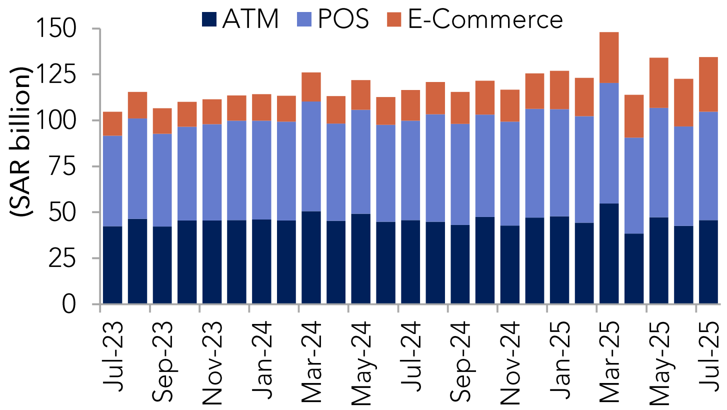
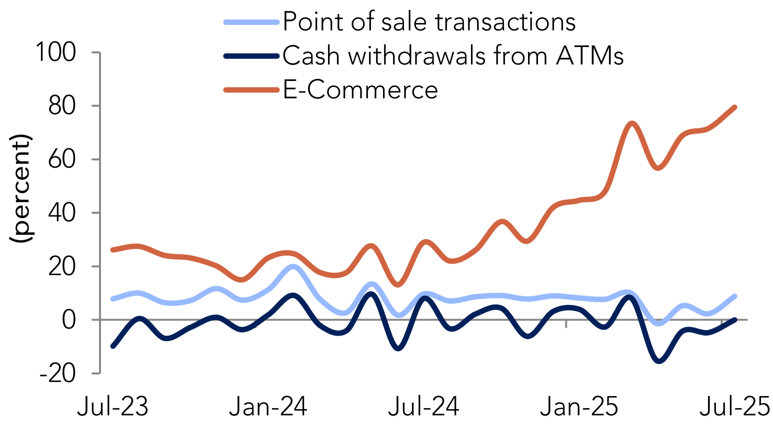
Monthly consumer spending



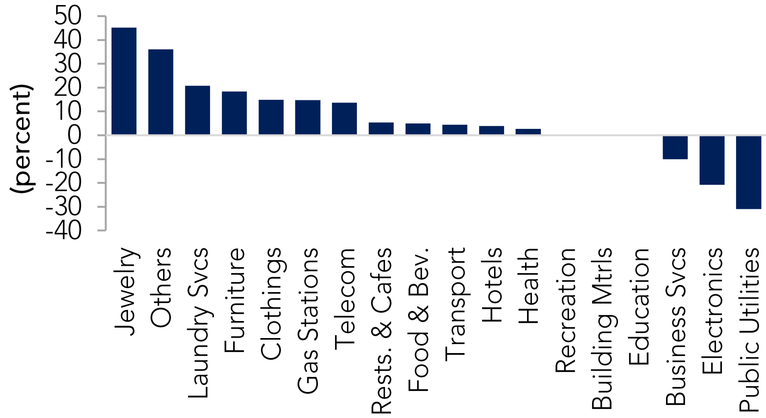
The annual growth was largely driven by a 79.5 percent increase in e-commerce transactions, alongside a rise in POS transactions by 8.8 percent. Meanwhile, cash withdrawals remained unchanged from a year earlier.

Monthly consumer spending
(year-on-year change)



Among the spending categories, ‘Jewelry’, ‘Laundry services’ and ‘Furniture’ recorded strong gains.

POS transactions by sector in July
(year-on-year change)



E-commerce include only Mada cards transactions through online shopping sites, in-app purchases and e-wallets, it does not include transactions by Visa, MasterCard and other credit cards (Source: SAMA).

SAMA's FX reserves declined in July, down by USD 13.6b…

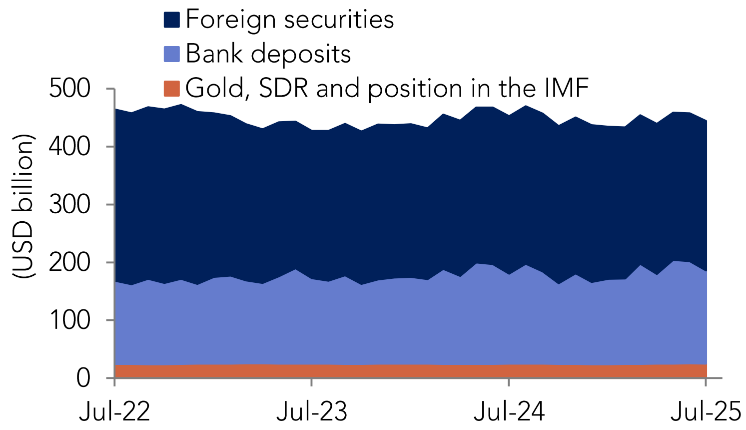
…to reach USD 444b.

The monthly decrease primarily resulted from a decline in bank deposits, down by USD 15.5b, while foreign securities increased by USD 2.3b.

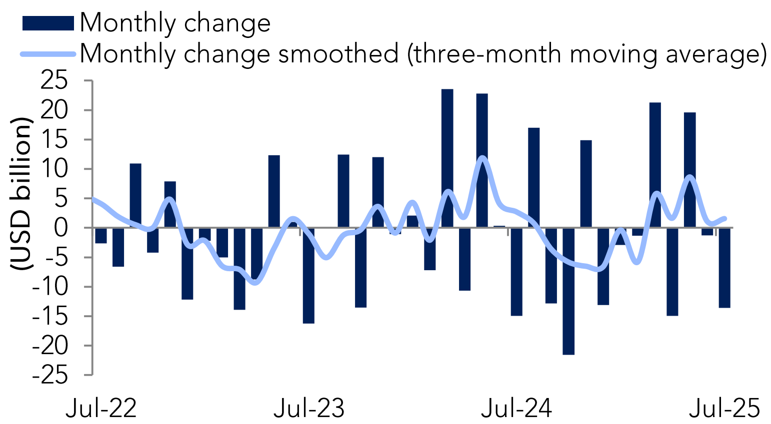
SAMA foreign reserve assets

SAMA's FX reserves declined in July, down by USD 13.6b, to reach USD 444b. Reserves remain higher than end-2024 levels. The monthly decrease primarily resulted from a decline in bank deposits, down by USD 15.5b, while foreign securities increased by USD 2.3b.

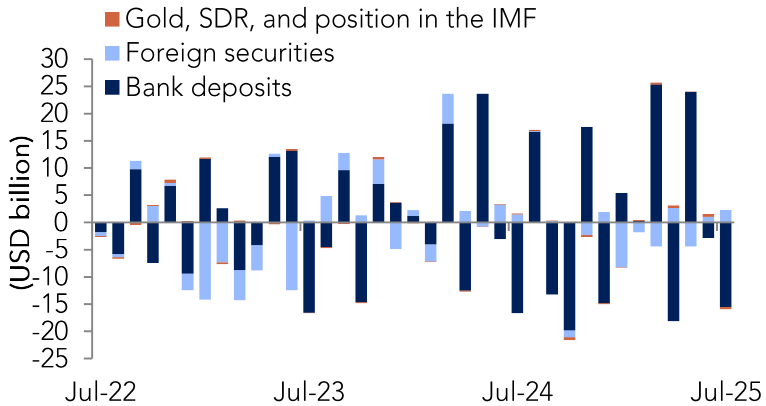
SAMA total foreign reserve assets



SAMA foreign reserve assets
(monthly and three-month average change)



SAMA foreign reserve assets
(month-on-month change)

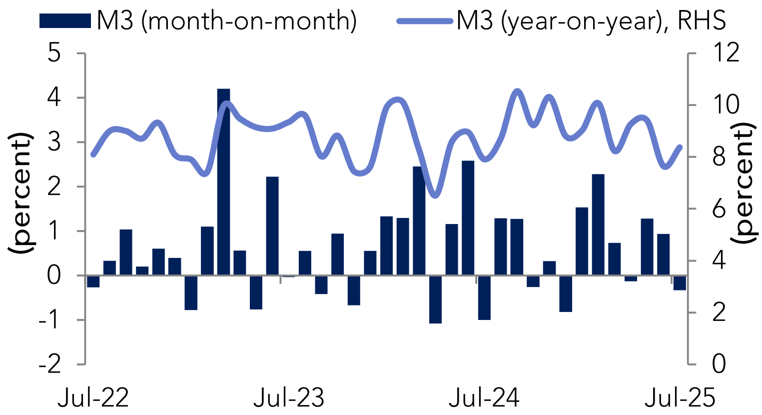


Money supply and bank deposits

The broad measure of money supply (M3) increased by 8.4 percent year-on-year in July, while posting a marginal monthly decline of 0.3 percent. Total deposits grew by 8.4 percent year-on-year, with demand deposits up 3.4 percent and time and saving deposits up 20.8 percent. Meanwhile, new mortgages increased sharply from the low level in June, although they were still 9 percent lower year-on-year.

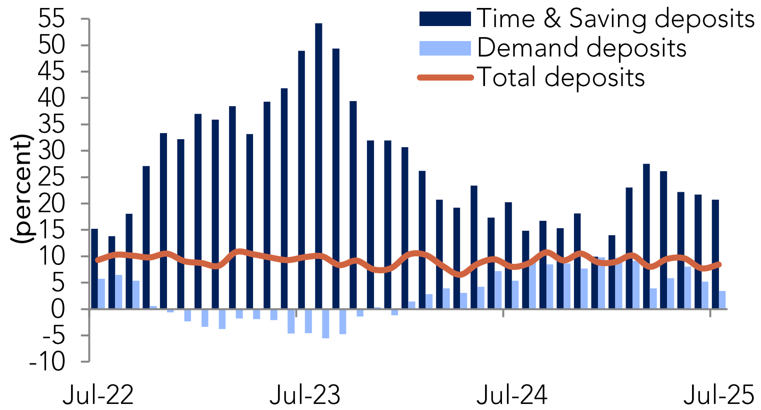
M3 increased by 8.4 percent year-on-year in July, while posting a marginal monthly decline of 0.3 percent.

Change in money supply



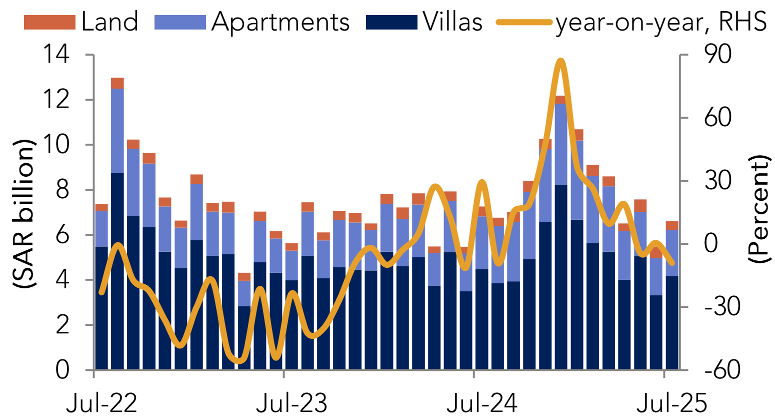
Total deposits grew by 8.4 percent year-on-year, with demand deposits up 3.4 percent and time and saving deposits up 20.8 percent.

Total deposit growth by sector
(year-on-year change)



Meanwhile, new mortgages declined by 9 percent year-on-year, despite recording a 20 percent increase on a monthly basis.

Residential new mortgages by banks and finance companies
(SAR monthly total and year-on-year change)



Total credit growth slowed to 15.2 percent year-on-year in July, though it continued to outpace deposit growth.

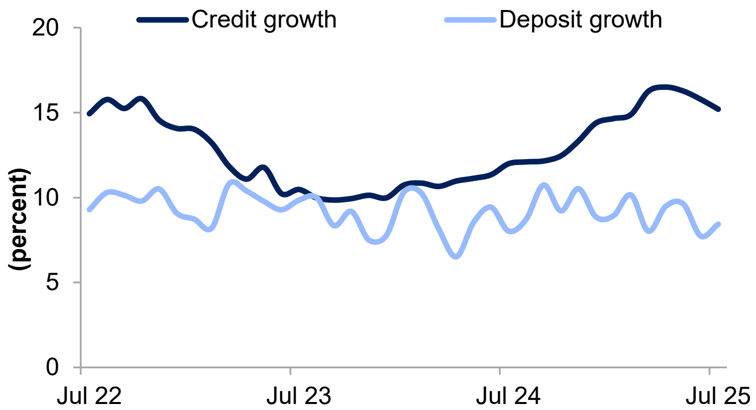
Credit to the private sector eased to 13.9 percent, the lowest growth rate in five months.

By sector, credit growth has recently moderated in 'Real estate' and 'Wholesale & retail', which together account for 33.4 percent of total non-personal bank credit.

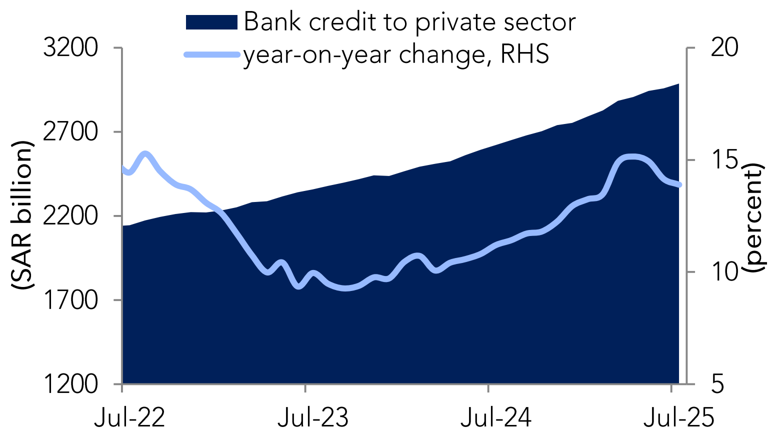
Bank credit

Total credit growth slowed to 15.2 percent year-on-year in July, though it continued to outpace deposit growth. Credit to the private sector eased to 13.9 percent, the lowest growth rate in five months. By sector, bank lending data show that credit growth has moderated in recent months in 'Real estate' and 'Wholesale and retail', which together account for 33.4 percent of total non-personal bank credit.

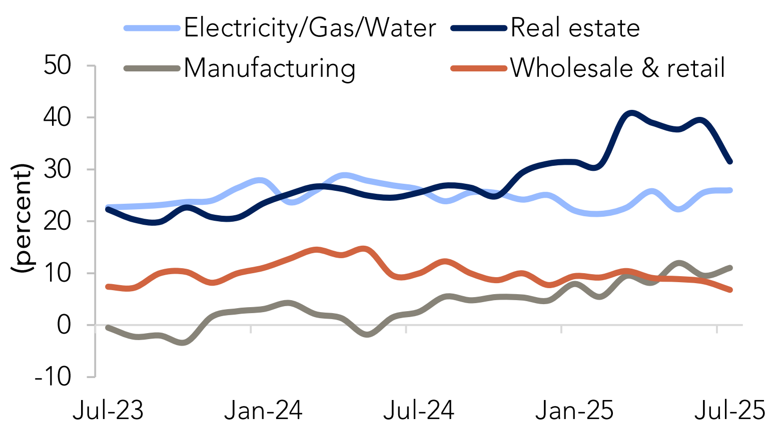
Total bank credit and deposit growth
(year-on-year change)



Bank credit to the private sector



Bank credit to the private sector, by largest sectors



Inflation

Consumer prices in July rose by 2.1 percent year-on-year, but remained unchanged month-on-month. 'Food and beverages' recorded a 1.6 percent increase, led by higher prices in 'fruits and nuts' at 4.3 percent. Inflation in 'Housing and utilities' inched down, with prices up by 5.6 percent, influenced by lower rental inflation, reflecting base-year effects.

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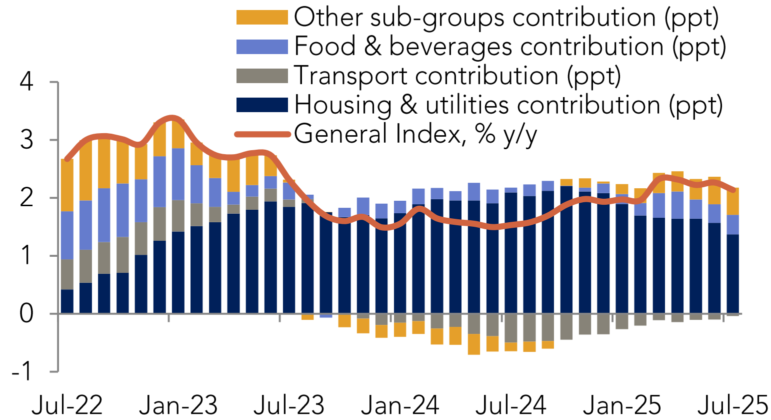
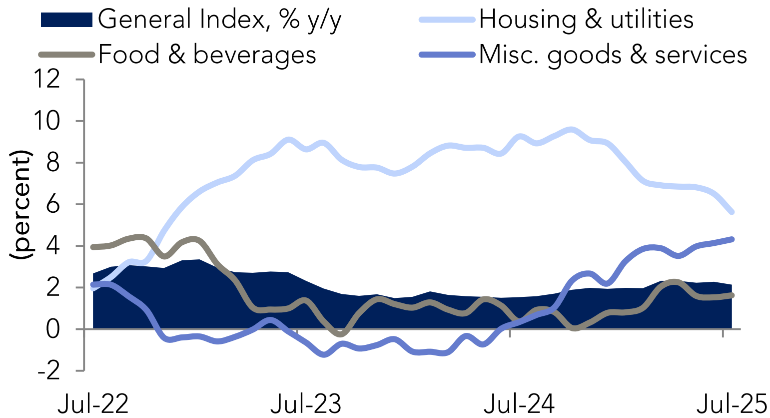
Inflation
(year-on-year change)



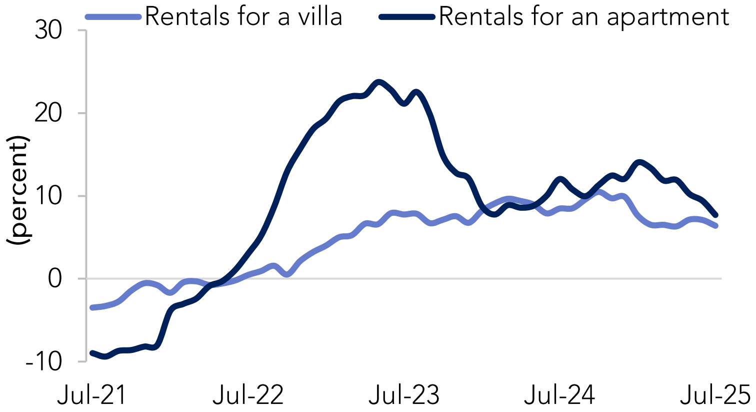
'Food & beverages' recorded a 1.6 percent increase, while 'Housing & utilities' inched down, with prices up by 5.6 percent…

Inflation rates in elected CPI basket groups
(year-on-year change)



…influenced by lower inflation rates in 'rentals for housing' in recent months, reflecting base-year effects. In the year to July, rentals for villas were up by an average of 6.8 percent, while rentals for apartments were up by 11.2 percent.

Inflation rates in "Housing and Utilities" group

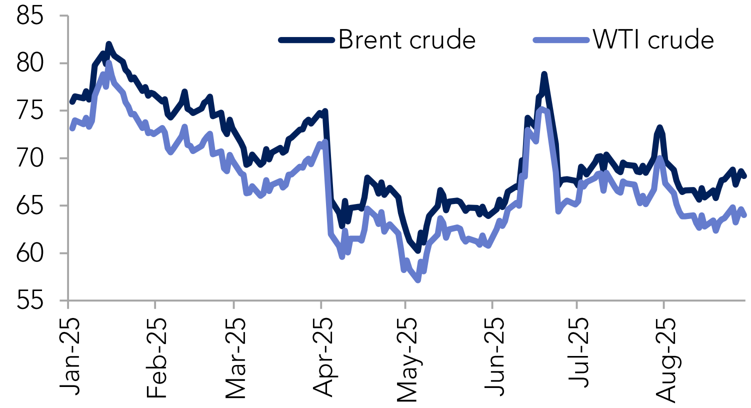


Oil - Global

Brent crude averaged USD 67pb in August, down from an average of USD 70pb in July, with supply growth outpacing demand. Year-to-date Brent crude has averaged USD 70pb, USD 10pb lower than the annual average in 2024, but not as bad as some feared at the height of US tariff uncertainty earlier in the year. The market could soften from here as supply increases further, with more OPEC8 export volumes.

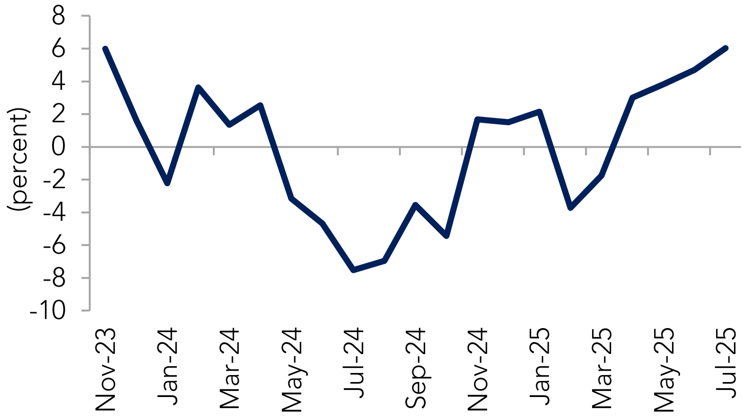
Brent crude averaged USD 67pb in August, down from an average of USD 70pb in July, with supply growth outpacing demand. Year-to-date Brent crude has averaged USD 70pb.

Oil price
(daily; USD pb)



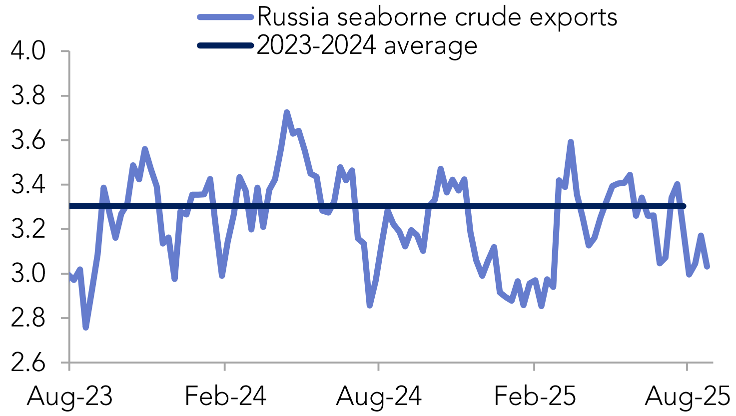
Strategic buying from China has supported demand this year. In January-July Chinese crude imports were up close to 3 percent year-on-year (after declining in 2024).

China's crude oil import growth
(percent year on year change in three month average)



Risks to Russian oil exports from US policy and Ukrainian attacks have supported crude prices. Russia's seaborne crude exports were lower towards end-August, but it is not clear they will continue to trend lower.

Russia's seaborne crude exports
(mbpd)



OPEC8 output grew to 31.7mbpd in July, just below the planned level due to compensation cuts by Iraq.

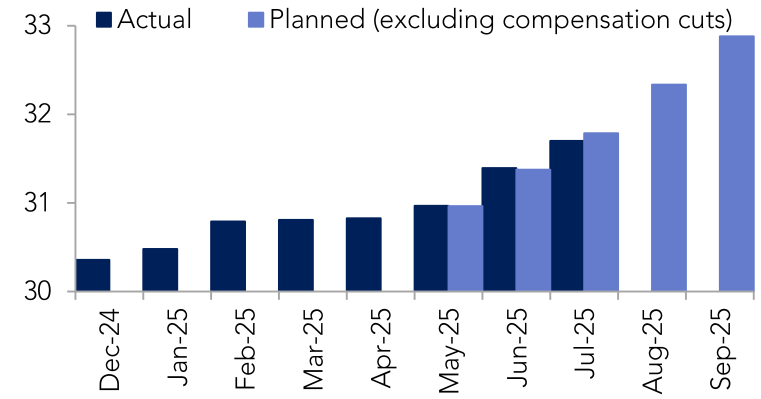
Saudi Arabia's oil output rose to 9.53mbpd in July, from 9.36mbpd in June, in line with OPEC8's production plans. Output should reach 10mbpd in September.

In June export volumes of crude and refined products increased by 0.27mbpd to 7.8mbpd. This was due to higher exports of refined products. This helped push up oil export revenue to USD 17.2b in June when prices also increased.

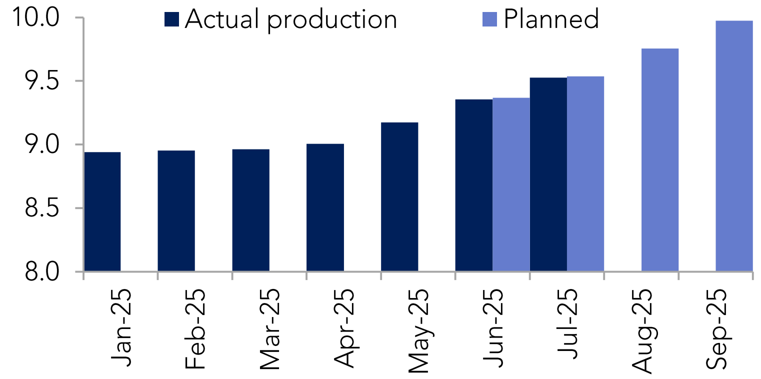
Oil - Saudi Arabia

Saudi Arabia's oil output rose to 9.53mbpd in July, from 9.36mbpd in June, in line with OPEC8's production plans. Output should reach 10mbpd in September. In June export volumes of crude and refined products grew by 0.27mbpd to 7.8mbpd, boosting export revenue.

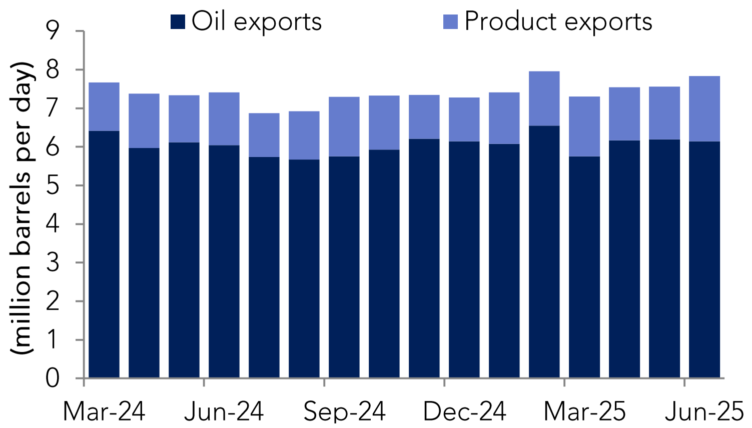
OPEC8 output



Saudi crude oil production under OPEC+ plan (mbpd)



Saudi eports

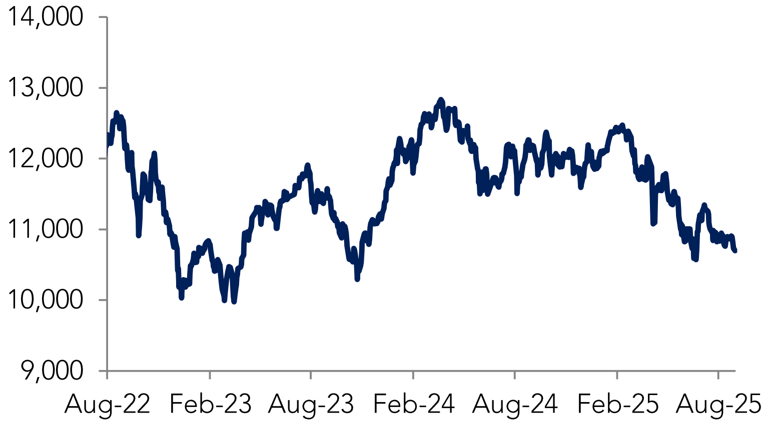


Stock market

TASI ended August at 10,700, down 2 percent from end-July and 11 percent from end-2024. The lower oil price in August was a macro headwind, keeping investors cautious about the outlook for economic activity and earnings. The majority of regional markets were down in August, with only Oman and Egypt bucking the trend.

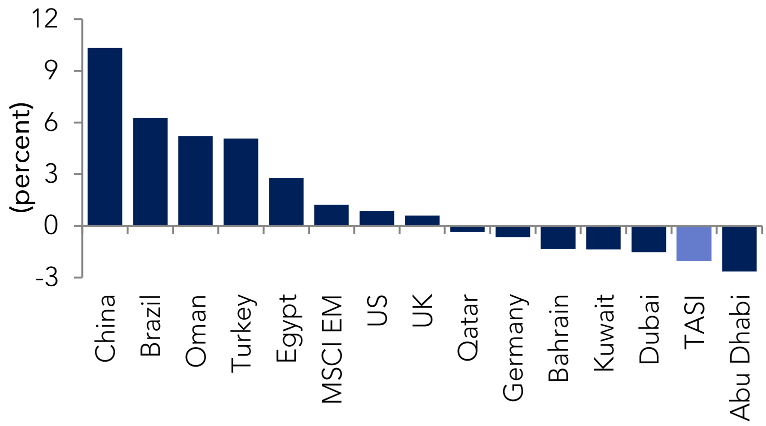
TASI ended August at 10,700, down 2 percent from end-July and 11 percent from end-2024.

TASI performance



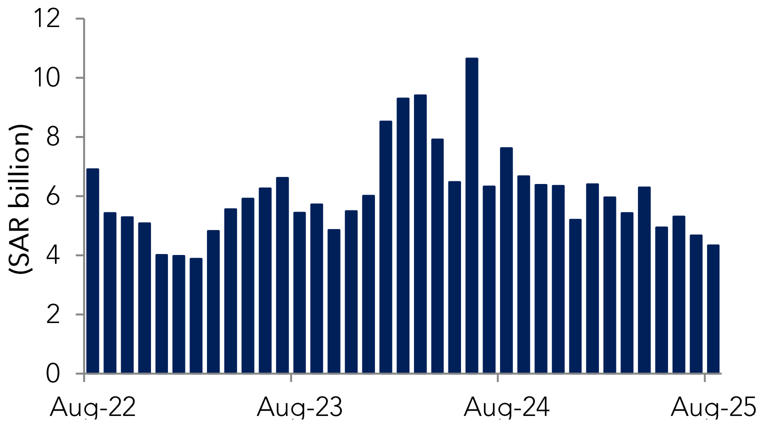
The majority of regional markets were down in August, with only Oman and Egypt bucking the trend.

Comparative stock market performance
(August)



Average daily trade turnover was the lowest so far in 2025, at SAR 4.3b.

Average daily traded turnover
(August)



Key data

	2019	2020	2021	2022	2023	2024	2025E	2026F
Nominal GDP								
(SAR b)	3,333	2,880	3,685	4,647	4,570	4,649	4,721	4,972
(USD b)	889	768	983	1,239	1,219	1,240	1,259	1,326
(% change)	0.3	-13.6	28.0	26.1	-1.7	1.7	1.5	5.3
Real GDP (% change)								
Oil	-3.9	-6.9	1.2	15.0	-9.0	-4.4	5.5	5.8
Non-oil activities	4.9	-3.0	10.2	12.4	7.0	5.2	4.3	4.4
Government activities	1.7	-0.6	1.1	4.6	1.1	2.3	1.5	1.8
Total	1.7	-3.8	6.5	12.0	0.5	2.0	4.1	4.3
Oil indicators (average)								
Brent (USD/b)	66	42	71	104	84	80	67	65
Production (m b/d)	9.8	9.2	9.1	10.6	9.6	9.0	9.5	10.0
Budgetary indicators (SAR b)								
Government revenue	927	782	965	1,268	1,212	1259	1106	1143
Government expenditure	1,059	1,076	1,039	1,164	1,293	1375	1308	1356
Budget balance	-133	-294	-73	104	-81	-116	-202	-212
(% GDP)	-4.0	-10.2	-2.0	2.2	-1.8	-2.5	-4.3	-4.3
Gross public debt	678	854	938	990	1,050	1216	1418	1631
(% GDP)	20.3	29.6	25.5	21.3	23.0	26.2	30.0	32.8
Monetary indicators								
Inflation (% change, average)	-2.1	3.4	3.1	2.5	2.3	1.7	2.3	2.1
SAMA Repo (%, year end)	2.25	1.00	1.00	5.00	6.00	5.00	4.75	4.00
External trade indicators (USD b)								
Oil export revenues	200	119	202	327	247	223	194	198
Total export revenues	261	172	275	410	319	304	284	297
Imports	138	125	136	171	185	208	225	239
Trade balance	123	47	139	239	133	96	58	58
Current account balance	38	-26	41	150	35	-6	-45	-45
(% GDP)	4.3	-3.3	4.1	12.1	2.9	-0.5	-3.6	-3.4
Official reserve assets	500	454	455	460	437	437	430	423
Social and demographic indicators								
Population (m)	30.1	31.6	30.8	32.2	33.7	35.3	36.3	37.1
Saudi Unemployment (15+, %)	12.0	12.6	11.5	8.2	7.8	7.0	6.3	6.2
GDP per capita (USD)	29,567	24,339	31,921	38,510	36,157	35,122	34,720	35,746

Sources: General Authority for Statistics, Saudi Central Bank and Ministry of Finance. Jadwa Investment forecasts for 2025 and 2026.

DISCLAIMER