



Saudi chartbook

OCTOBER 2025

جدوى للاستثمار
Jadwa Investment



Saudi chartbook

Summary

Global economy: The US labor market continues to soften according to the ADP data. The US dollar has steadied after the sharp fall in January-April. In China, the latest PMIs point to a firmer economy in August-September, although the employment picture is weak there too.

Saudi real economy: The non-oil PMI in September climbed to 57.8, the highest level in six months, driven by a rise in new orders and increased output. Domestic cement sales rose by 10.8% year-on-year in August and non-oil exports increased in July by 30.4% year-on-year.

Consumer spending: Total consumer spending rose by 10.4% year-on-year in August, despite a slight month-on-month decline by 0.7%.

SAMA foreign reserve assets: SAMA's FX reserves rose by USD 12.6b in August to USD 456.6b.

Money supply and bank deposits: The broad measure of money supply (M3) grew by 8.4% year-on-year and 1.4% month-on-month in August. Total deposits expanded by 8.7% year-on-year, with demand deposits up 4.5% and time and saving deposits rising by 21.1%.

Bank credit: Credit growth moderated to 14.6% year-on-year in August, but continued to outpace deposit growth. New mortgages declined by 10.8% year-on-year. A gradual rebound in mortgage activity is anticipated in Q4 and into 2026, supported by further interest rate cuts.

Inflation: Consumer prices rose by 2.3% year-on-year in August, and by 0.1% month-on-month. 'Food and beverages' increased by 1.1%, while inflation in 'Housing and utilities' eased to 5.8%, largely reflecting base-year effects.

Labor Market Q2 2025: The unemployment rate for citizens rose to 6.8% in Q2 25, up from a record low of 6.3% in Q1. Unemployment rates for both males and females inched higher in Q2, up to 4.3% and 11.3% respectively.

Government Budget: In its PBS, the Ministry of Finance estimates that the budget deficit widened to SR245b (5.3 percent of GDP) in 2025. The PBS projects a smaller deficit in 2026, at SR165b (3.3 percent of GDP), as revenue grows by 5.2 percent and spending falls by 1.8 percent.

Oil - Global: Brent crude averaged \$67pb in September. Prices held steady on average despite higher OPEC+ production in part because of risks to Russian supply. Brent slid to \$65pb at the start of October, with the market focusing less on geopolitics and more on global balances. On October 5th OPEC+ agreed to another relatively small output increase.

Oil - Saudi Arabia: In August Saudi Arabia's crude output grew to 9.71mbpd, in line with OPEC8 production plans. By October production will reach 10mbpd, leading to an increase in exports. Overall, OPEC8 fell 150kbpd short of the planned August level.

Stock market: The TASI bounced by 7.4% in September, buoyed by the prospect of the current cap on foreign ownership at 49% being raised. This could prompt greater inflows as a higher cap would likely lead to Saudi getting a higher weighting in EM indices.

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Released: 6 October 2025, 16:30 UTC+3

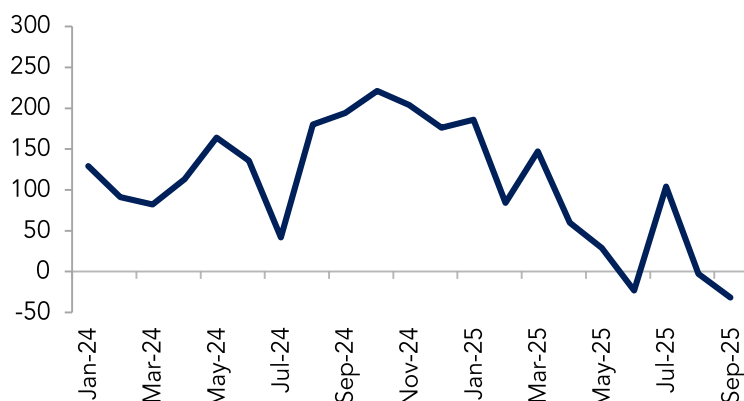


Global economy

The US labor market continues to soften according to the ADP data. The current US government shutdown will hinder the near-term flow of economic data. The US dollar has steadied after the sharp fall in January-April. In China, the latest PMIs point to a firmer economy in August-September, although the employment picture is weak there too.

The ADP private non-farm payrolls data pointed to a decline in employment in September, corroborating the picture of a weakening labor market in the US.

ADP private non-farm payrolls
(level change)



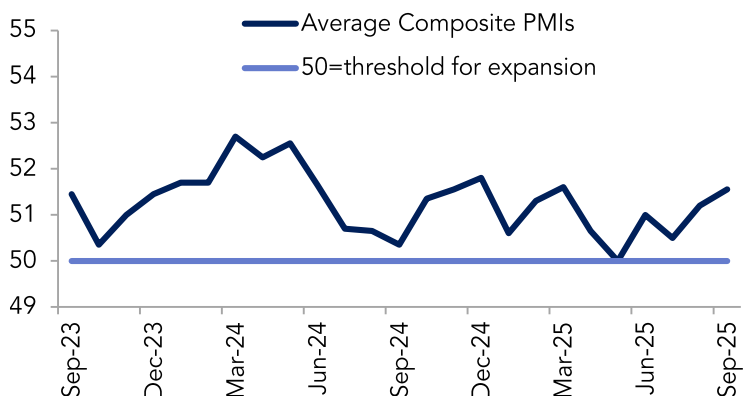
The US dollar has steadied after the sharp fall in January-April. The DXY index looks at the dollar versus major trade partners.

The US dollar steadies (DXY Index)



The average of the two composite PMIs (covering manufacturing, services and construction) suggest the China economy has firmed in August and September. However, the labor market looks weak there too, clouding the outlook.

China average Composite PMIs
(50=threshold for expansion)

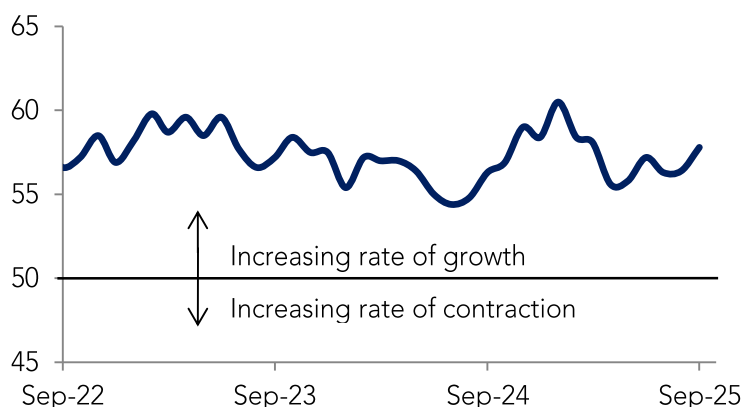




Saudi real economy

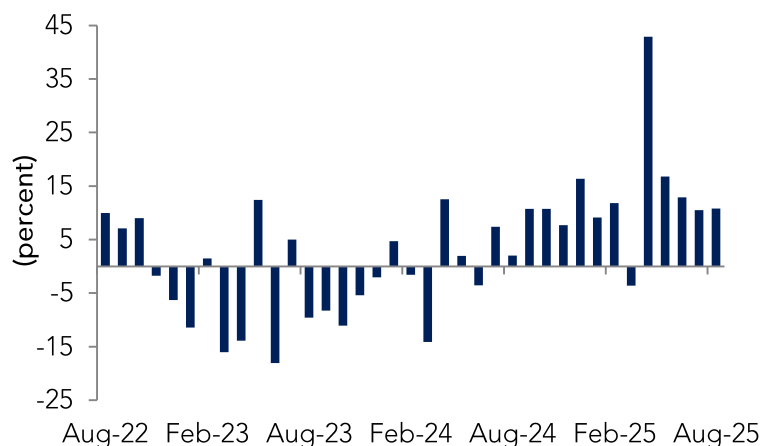
The non-oil PMI in September climbed to 57.8, the highest level in six months, driven by a rise in new orders and increased output. Domestic cement sales rose by 10.8% year-on-year in August, despite a decline by 2.2% compared with July. Meanwhile, non-oil exports increased in July by 30.4% year-on-year, and 22% month-on-month.

Non-oil Purchasing Managers' Index (PMI)



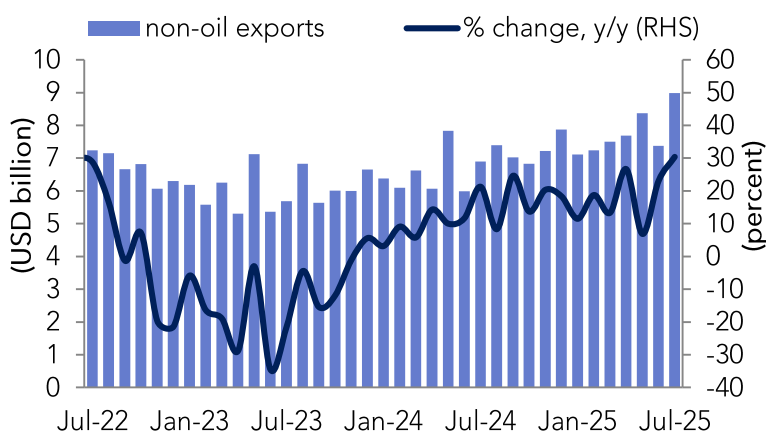
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Domestic cement sales



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Non-oil exports



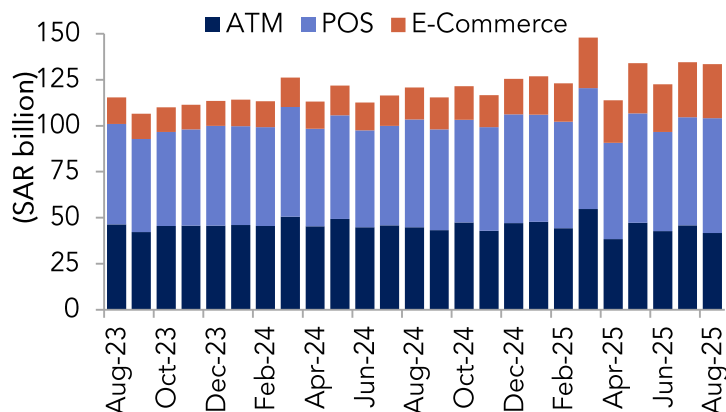
Meanwhile, non-oil exports increased in July by 30.4% year-on-year, and 22% month-on-month.



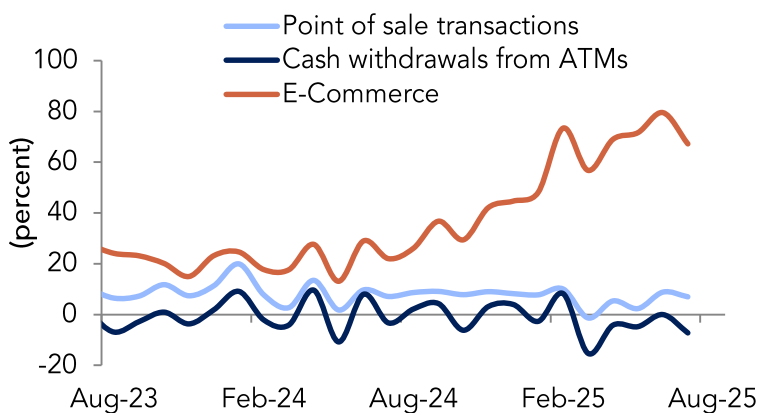
Consumer spending

Total consumer spending rose by 10.4% year-on-year in August, despite a slight month-on-month decline by 0.7%. The annual growth was driven by rises in POS transactions and e-commerce, which were up by 6.9% and 67.1%, respectively. Meanwhile, cash withdrawals declined by 7.2% year-on-year. Among the spending categories, 'Jewelry' and 'Apparel and Clothing' saw strong rises in August.

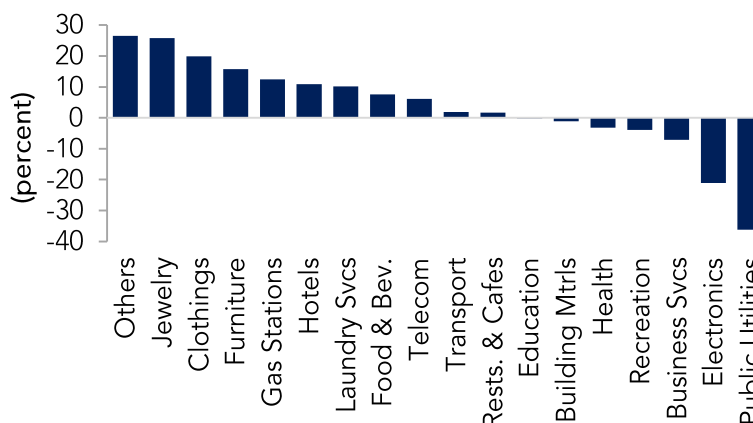
Monthly consumer spending
(SAR b)



Monthly consumer spending
(year-on-year change)



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



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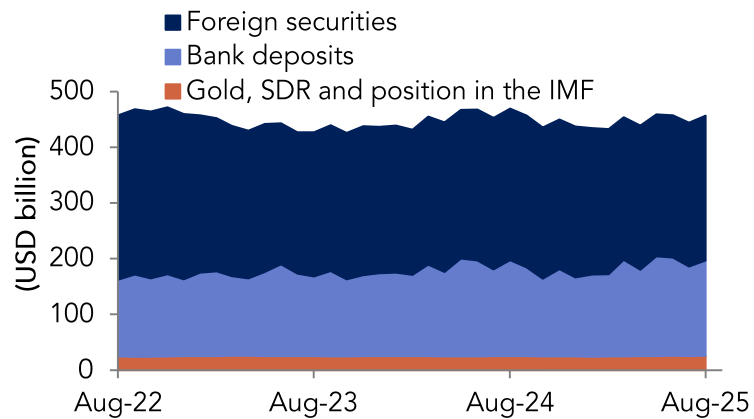
*E-commerce include only Mada cards transactions through online shopping sites, in-app purchases and e-wallets, it does not include transactions by Visa, MasterCard and other credit cards (Source: SAMA).



SAMA foreign reserve assets

SAMA's FX reserves rose by USD 12.6b in August to USD 456.6b. The monthly increase was driven primarily by a USD 10.3b rise in bank deposits, alongside a smaller gain in foreign securities, by USD 2b.

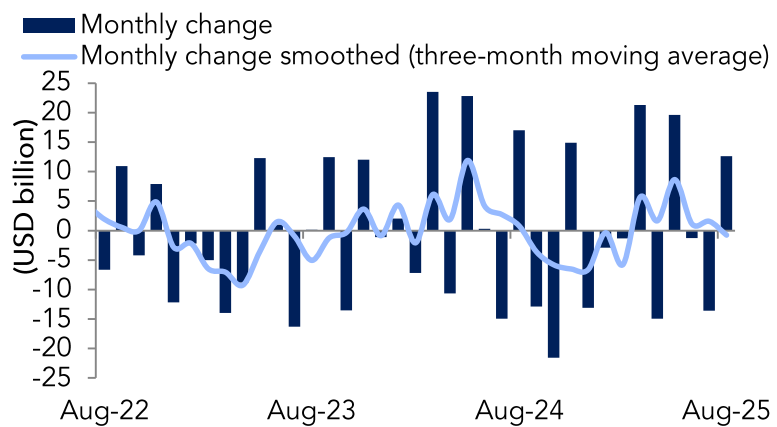
SAMA total foreign reserve assets



SAMA's FX reserves rose by USD 12.6b in August...

SAMA foreign reserve assets

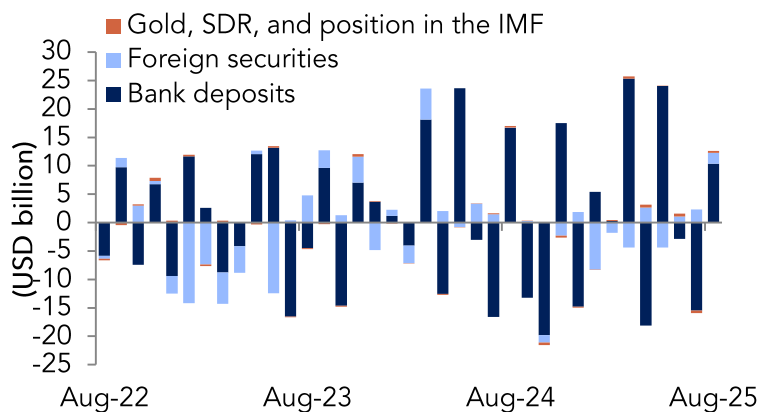
(monthly and three-month average change)



... to USD 456.6b.

SAMA foreign reserve assets

(month-on-month change)



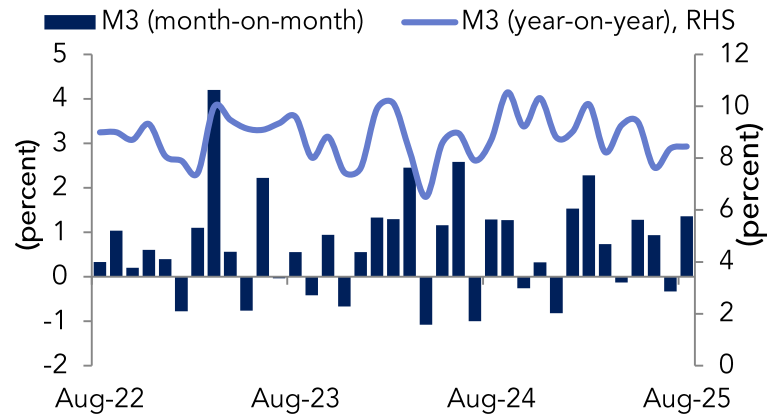
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Money supply and bank deposits

The broad measure of money supply (M3) grew by 8.4% year-on-year and 1.4% month-on-month in August. Total deposits expanded by 8.7% year-on-year, with demand deposits up 4.5% and time and saving deposits rising by 21.1%. The share of time and saving deposits in total deposits has continued to increase, reaching 39% in August, compared with 35% at the end of 2024.

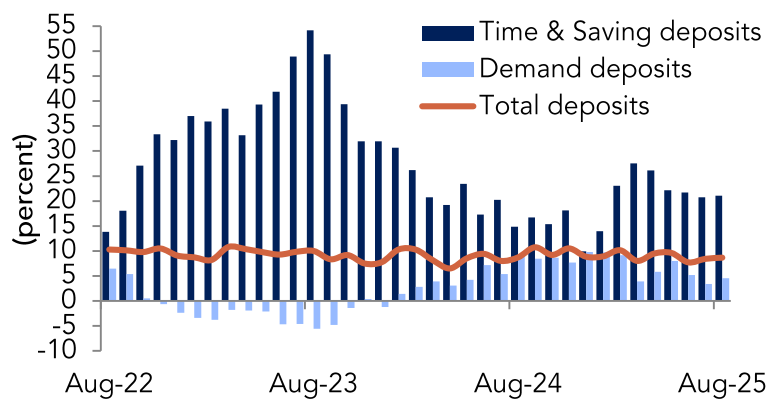
Change in money supply



M3 grew by 8.4% year-on-year and 1.4% month-on-month in August.

Total deposit growth

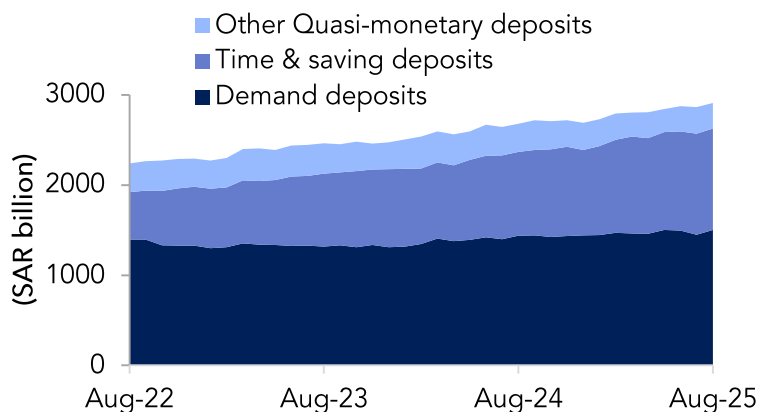
(year-on-year change)



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Total deposit

(SAR b)



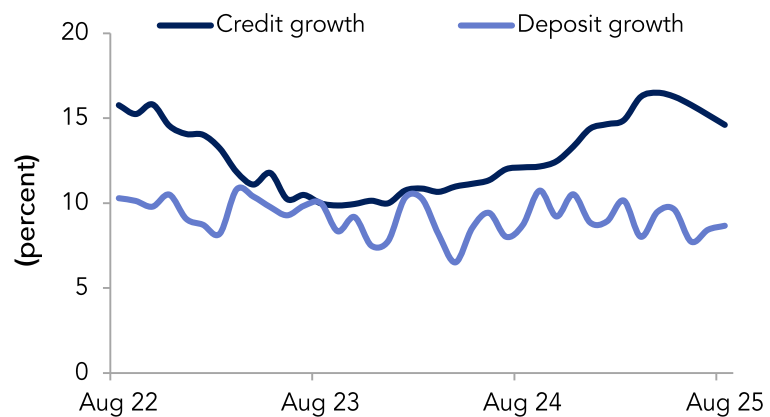
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Bank credit

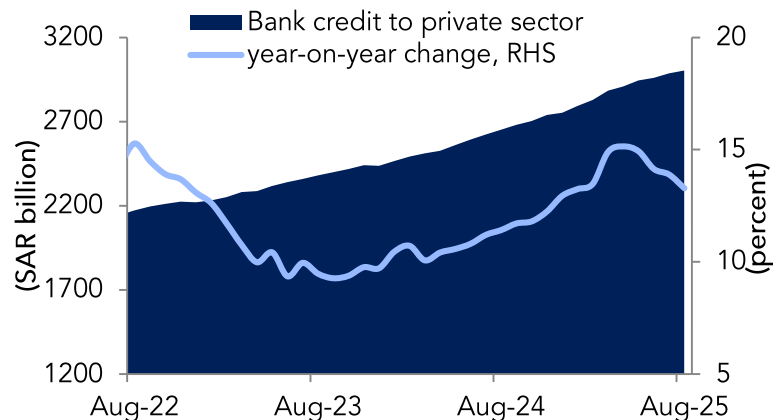
Total credit growth moderated to 14.6% year-on-year in August, but continued to outpace deposit growth. Credit to the private sector eased to 13.3% year-on-year, though it continued to grow month-on-month at 0.6%. New mortgages declined by 10.8% year-on-year and 9% month-on-month. Looking ahead, a gradual rebound in mortgage activity is anticipated in Q4 and into 2026, supported by the expected interest rates cuts.

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



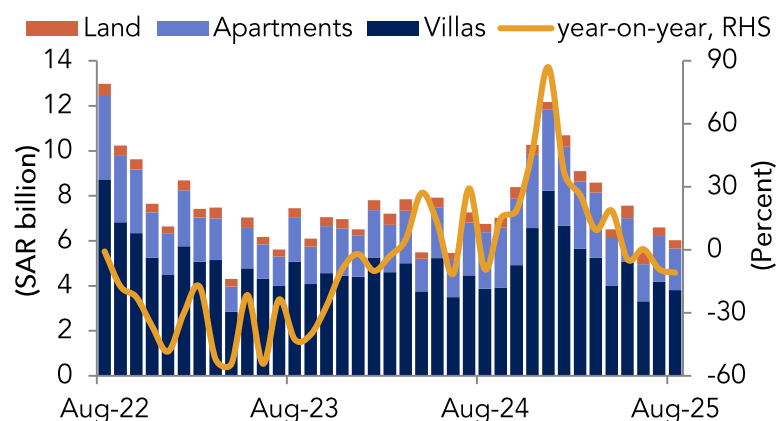
Total credit growth moderated to 14.6% year-on-year in August, while deposit growth continued to rise.

Bank credit to the private sector



Credit to the private sector eased to 13.3% year-on-year, though it continued to grow month-on-month at 0.6%.

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



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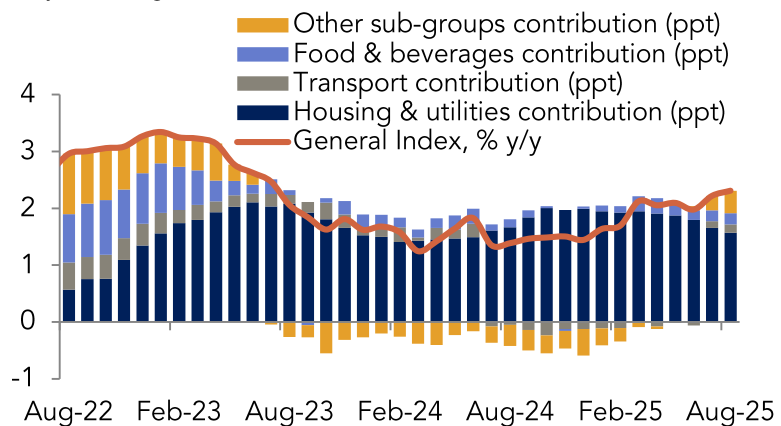


Inflation

Consumer prices rose by 2.3% year-on-year in August, and by 0.1% month-on-month. 'Food and beverages' increased by 1.1%, while inflation in 'Housing and utilities' eased to 5.8%, largely reflecting base-year effects. Notably, GaStat has revised the CPI series, updating the base year from 2018 to 2023, and adjusting the weights of the CPI basket groups.

Inflation

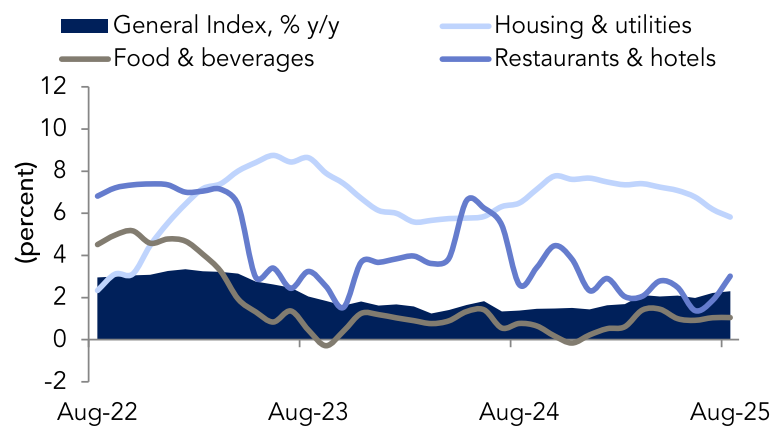
(year-on-year change)



Consumer prices rose by 2.3% year-on-year in August, and by 0.1% month-on-month.

Inflation rates in selected CPI basket groups

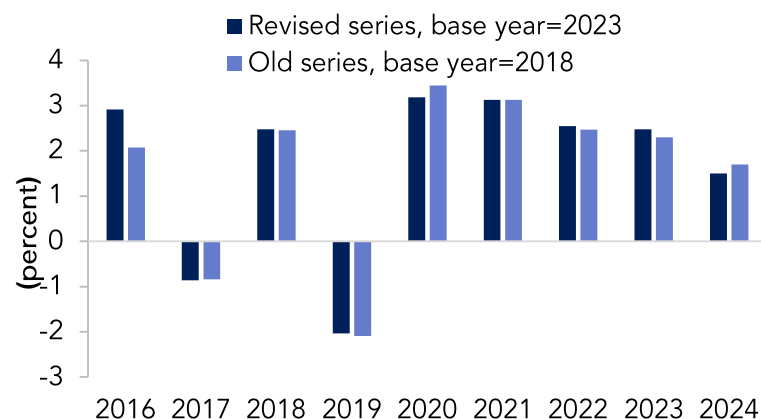
(year-on-year change)



'Food & beverages' increased by 1.1%, while inflation in 'Housing & utilities' eased to 5.8%, largely reflecting base-year effects.

Inflation rates in the revised series vs. the old series

(year-on-year change)



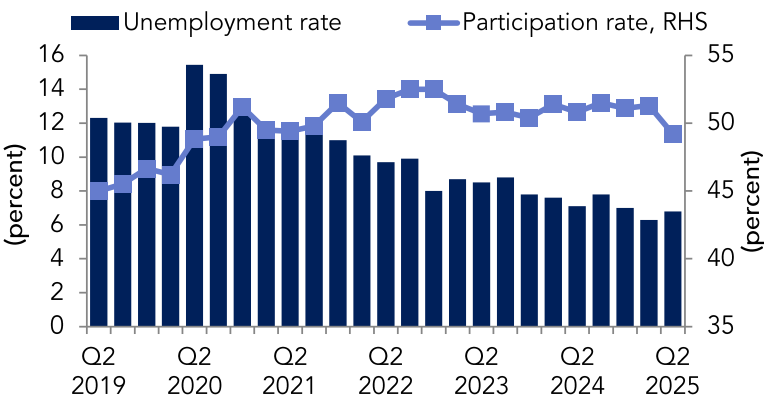
Notably, GaStat has revised the CPI series, updating the base year from 2018 to 2023, and adjusting the weights of the CPI basket groups.



Labor Market Q2 2025

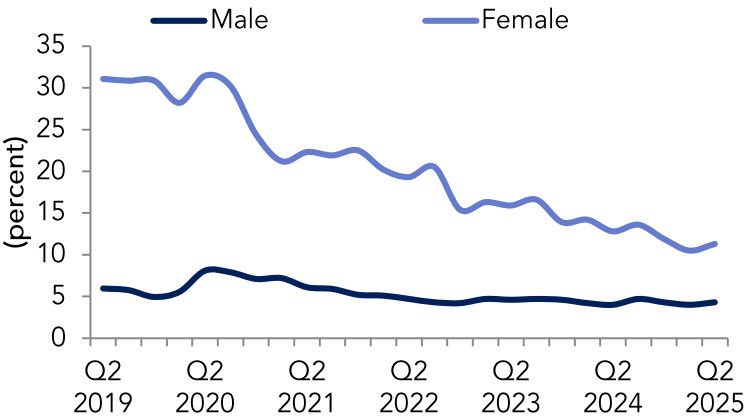
The latest labor market release from GaStat showed that the unemployment rate for citizens rose to 6.8% in Q2 25, up from a record low of 6.3% in Q1. Unemployment rates for both males and females inched higher in Q2, up to 4.3% and 11.3% respectively, compared with 4% and 10.5% in Q1. In addition, the labor force participation rate declined to 49.2%, with lower participation rates for both male and female citizens in Q2.

Unemployment and participation rates
(percent)



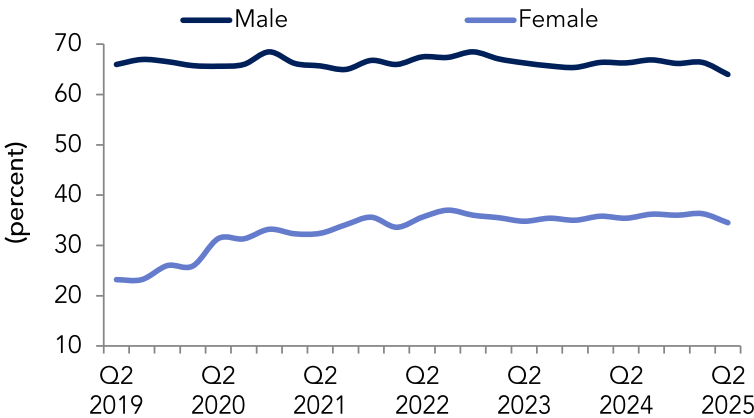
Unemployment rate for citizens rose to 6.8% in Q2 25, up from a record low of 6.3% in Q1.

Unemployment rate by gender
(percent)



Unemployment rates for both males and females inched higher in Q2.

Labor force participation rate by gender
(percent)



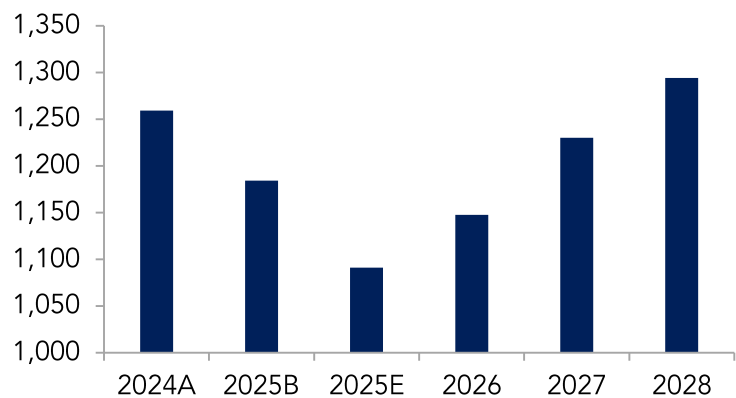
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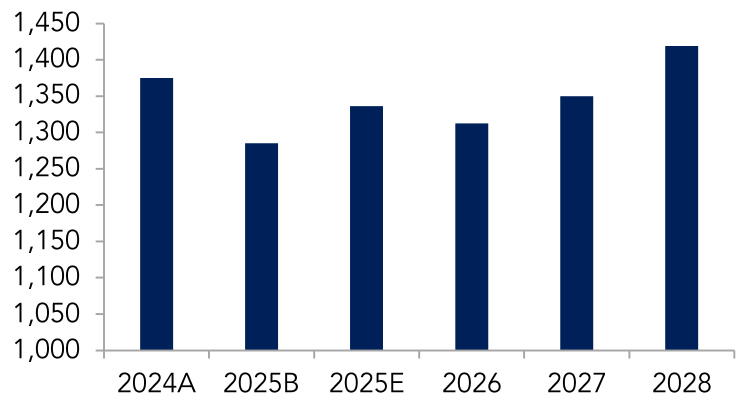
2026 Preliminary Budget Statement (PBS)

In its PBS, the Ministry of Finance estimates that the budget deficit widened to SR245b (5.3% of GDP) in 2025. The PBS projects a smaller deficit in 2026, at SR165b (3.3% of GDP), as revenue grows by 5.2% and spending falls by 1.8%. Revenue will grow due to growth in the non-oil economy and higher oil production. The PBS projects narrower deficits in 2027 and 2028, at 2.3% and 2.2% of GDP.

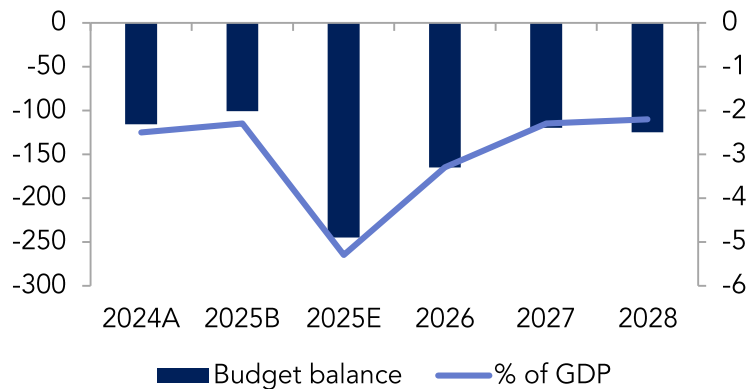
Budget revenue
(SARb)



Budget spending
(SARb)



Budget balance
(SARb and percent of GDP)



Revenue will have declined sharply in 2025 due to lower oil prices. Growth in 2026-2028 is linked to growth in non-oil GDP. Higher oil production will also contribute in 2026.

Spending will have fallen by close to 3% in 2025 and is projected to decline by 1.8% in 2026. Spending growth is set to resume in 2027-2028.

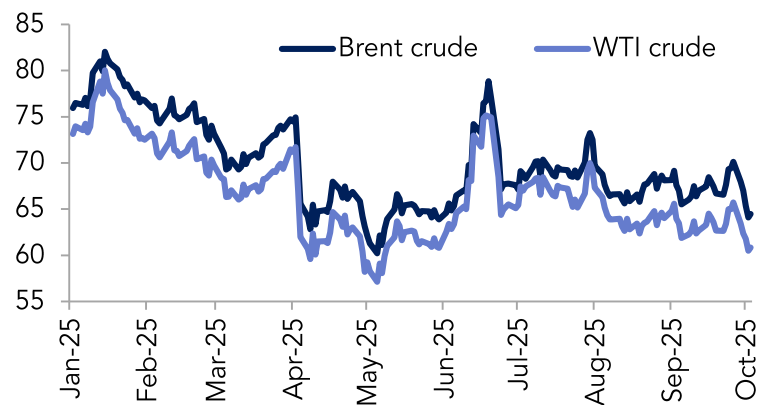
The PBS estimates that the budget deficit widened to SR245b in 2025 (5.3% of GDP). The PBS projects a smaller deficit in 2026, at SR165b (3.3% of GDP).



Oil - Global

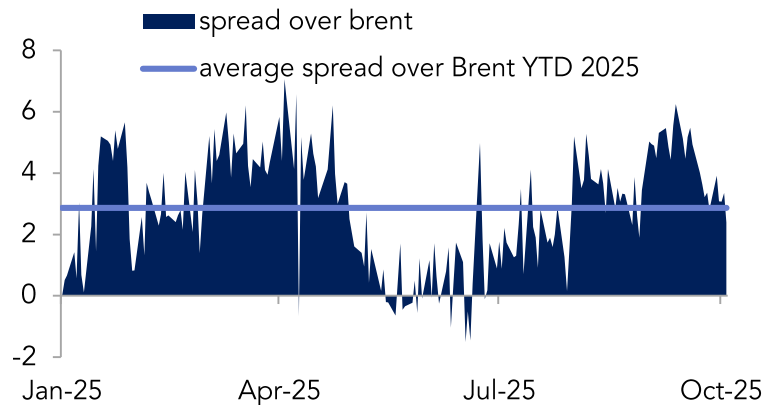
Brent crude averaged \$67pb in September, the same as in August. Brent has averaged \$70pb year-to-date. In September prices held steady on average despite higher OPEC+ production in part because of risks to Russian supply from Ukrainian drone attacks and efforts by the US and Europe to reduce buying of Russian oil. The oil price slid to \$65pb at the start of October, with the market focusing less on geopolitics and more on global balances.

Oil price
(daily; USD pb)



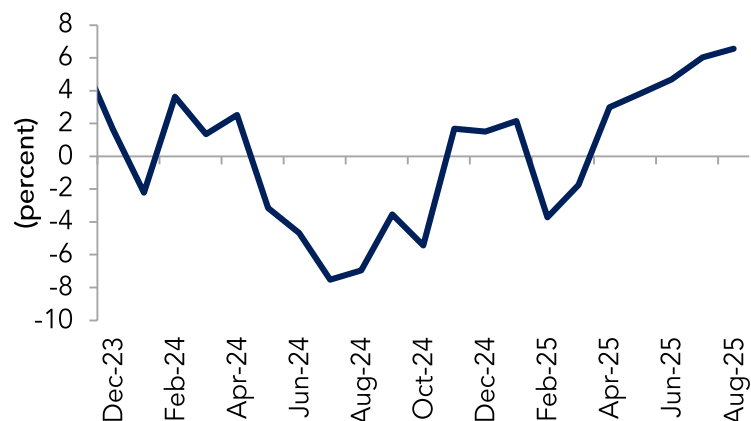
The oil price slid to \$65pb at the start of October, with the market focusing less on geopolitics and more on global oil market balances. On October 5th OPEC+ agreed to another relatively small output increase.

Arabian light Arab crude price spread relative to Brent
(\$pb; daily and average for the year)



The spread of Arabian light crude (Saudi Arabia's main export crude) over Brent has averaged close to \$3pb so far in 2025.

China crude imports
(3 month moving average, percent change year on year)



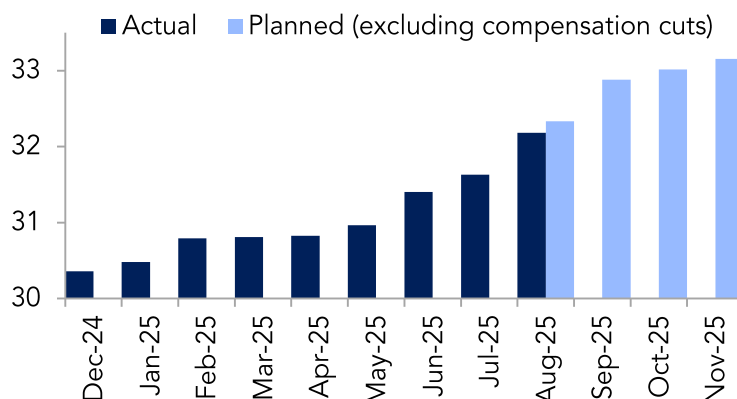
China has been building its oil stocks this year. Crude imports were 2.6% higher y-o-y in January-August according to customs data. The y-o-y comparison has strengthened in recent months.



Oil - Saudi Arabia

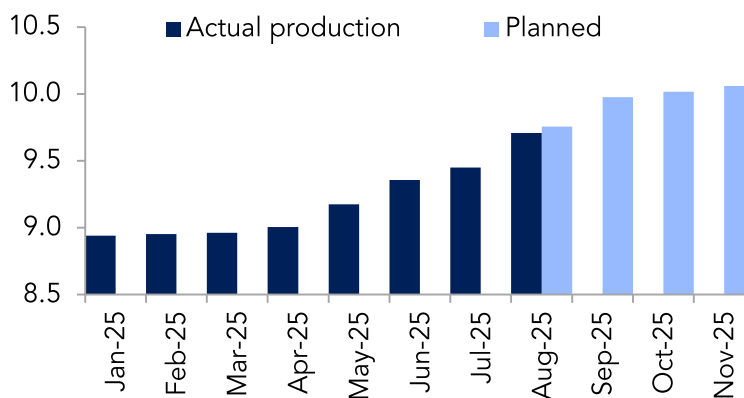
In August Saudi Arabia's crude output grew to 9.71mbpd, in line with OPEC8 production plans. In October production will reach 10mbpd. Overall, OPEC8 fell 150kbpd short of the planned August level. Saudi's exports volumes of crude and refined products edged down to 7.74mbpd in July, but will have increased in August-September.

OPEC8 output
(mbpd)



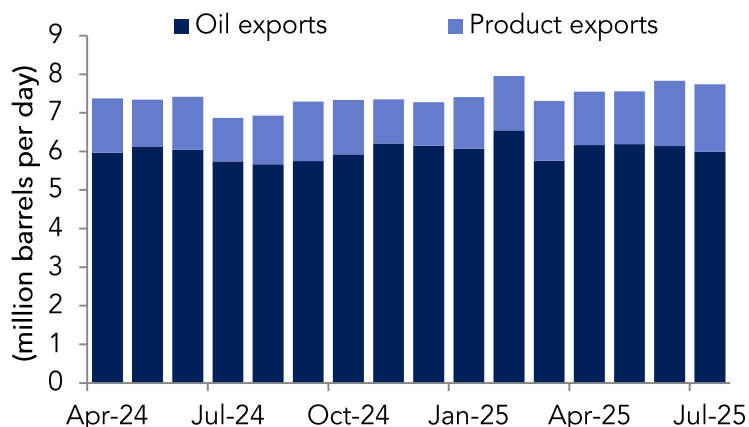
OPEC8 output increased in August, falling 150kbpd short of the planned level. Another substantial addition was planned for September, before slower increases in October.

Saudi crude oil production under OPEC+ plan
(mbpd)



Saudi crude production increased to 9.71mbpd, very close to the planned level. Production likely increased close to 10mbpd in September. OPEC+ plans for smaller increases in October and November.

Saudi exports
(mbpd)



Saudi Arabia's exports of crude and refined products edged down to 7.74mbpd in July. Export volumes will have increased in August-September with higher production.



Stock market

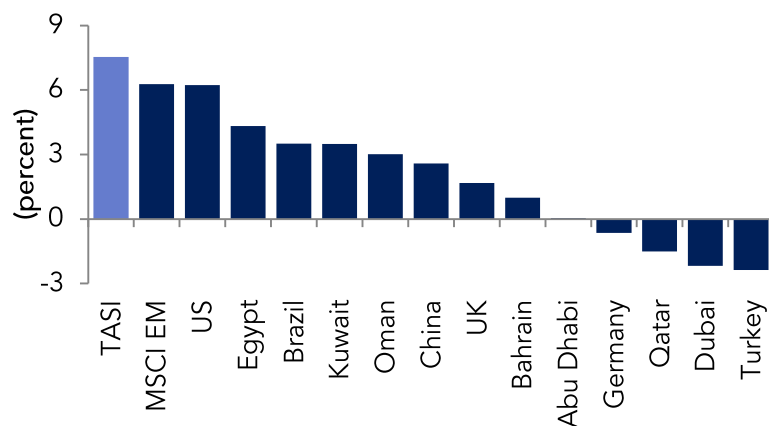
The TASI bounced by 7.4% in September, buoyed by the prospect of the current cap on foreign ownership at 49% being raised. This could prompt greater inflows as a higher cap would likely lead to Saudi getting a higher weighting in EM indices.

The TASI bounced by 7.4% in September, ending the month close to 11,500. This improved the YTD performance, with TASI down by 4.4%.

TASI performance

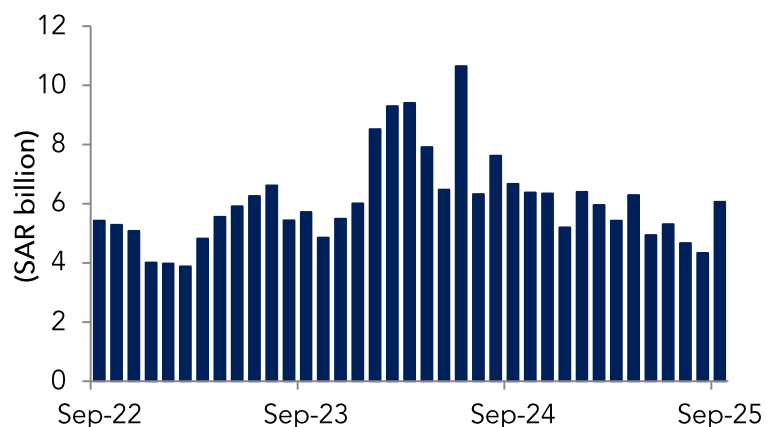


Comparative stock market performance (September)



The Saudi stock market outperformed the rest of the region (and the MSCI EM) in September, after lagging regional peers for most of the year.

Average daily traded turnover (September)



Average daily traded turnover also jumped, up to SR6.1b, after reaching a yearly low of SR4.3b in August.



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