

جدوى للاستثمار
Jadwa Investment



Monthly Chartbook

October 2026



OCTOBER 2026

Saudi Chartbook

Summary

Global economy: US bond yields continued to rise, with the 10-year yield at 5.27% at the beginning of October. Markets expect three more 25bp Fed hikes by mid-2027, which has supported a stronger US dollar.

Oil - Global: Brent front month futures averaged \$102pb in September, up from \$88pb in August, while spot prices averaged close to \$120pb and diesel prices spiked on limited supply.

Oil - Saudi Arabia: Oil export revenue rose 8% year on year in January-July, as higher prices outweighed lower volumes. Crude output fell to 6.2mbpd in August, but exports surged in September as more oil transited Hormuz.

Saudi real economy: The non-oil PMI rose to 55.3 in September from 53.8 in August, as new orders increased at the fastest pace since February.

Consumer spending: Total consumer spending rose by 6.4% year on year in August, but declined by 2% month on month.

International reserves: SAMA's FX reserves remained broadly stable in August, edging down by USD 1.3b.

Money supply, bank deposits and credit: M3 growth slowed to 5.6% year on year in August. Deposit growth slowed to 5.7%, while growth in private sector credit picked up to 6.1%.

Inflation: Consumer price inflation remained low in August, at 1.8% year on year. 'Rentals for housing' inflation eased further to 3.9%, from an average of 4.7% in the year to July.

Labor market: Unemployment among Saudi nationals remained low, inching up to 6.5% in Q2 2026, from 6.4% in Q1.

Tourism establishments: The number of licensed tourism facilities rose by 18% year on year in Q2 2026 and tourism employment kept growing. Occupancy rates, though, eased in Q2.

Preliminary Budget Statement: The PBS projects broadly flat revenue and a 3% decline in spending in 2027, narrowing the deficit to less than SAR 200b (3.6% of GDP), from an estimated SAR 245b (4.9% of GDP) in 2026.

Stock market: TASI fell by 6% in September, giving back August's gains, and is now essentially flat since the start of the year, with net selling by foreign institutions contributing.

For comments and queries

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Global economy

US bond yields continued higher over the past month, with the 10-year at 5.27% at the start of October.

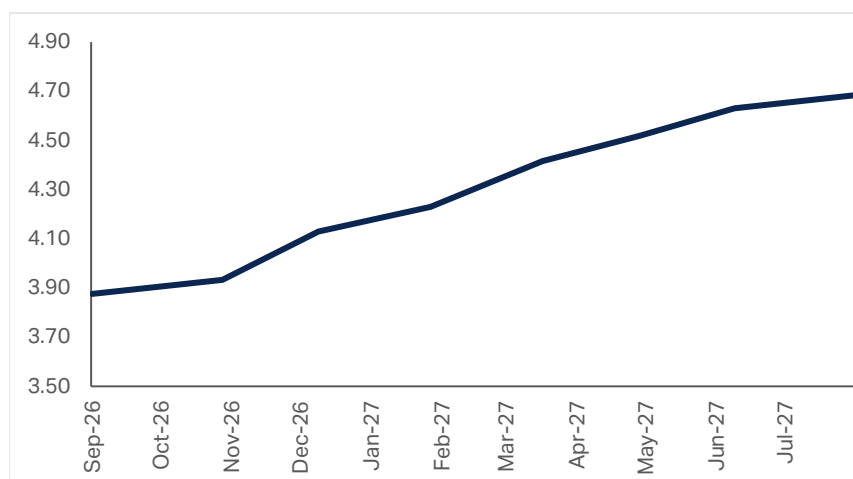
The key drivers for higher bond yields include the large budget deficit (despite decent economic growth), inflationary pressure and strong demand for capital by the private sector.

US 10 and 30 year bond yields
(%)



At the start of October the market fully expected three more 25bp increases by mid-2027, with one hike coming before the end of 2026.

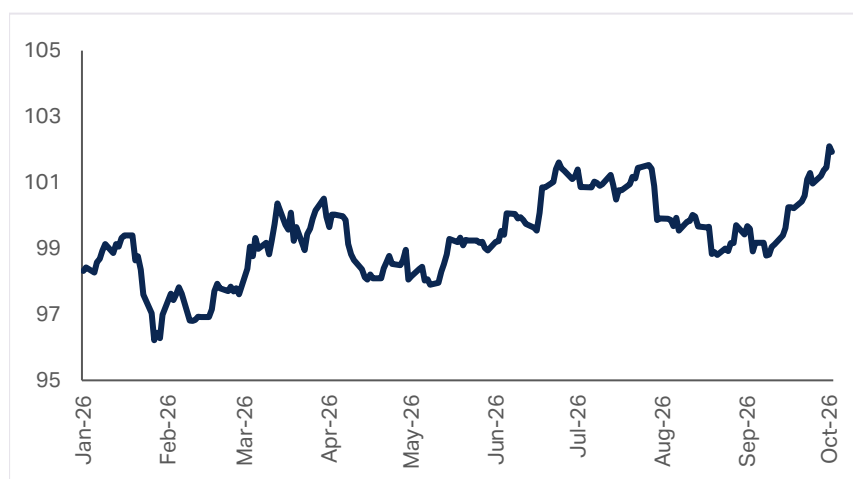
Fed Fund Futures – expected effective fed funds rate
(%; 2 October 2026)



The US dollar has appreciated in recent weeks, due in large part to stronger market expectations for higher policy interest rates in the US.

Some of this appreciation could unwind, if the Fed hikes less than the market expects.

US dollar - DXY spot index
(Higher = stronger against a weighted currency basket)



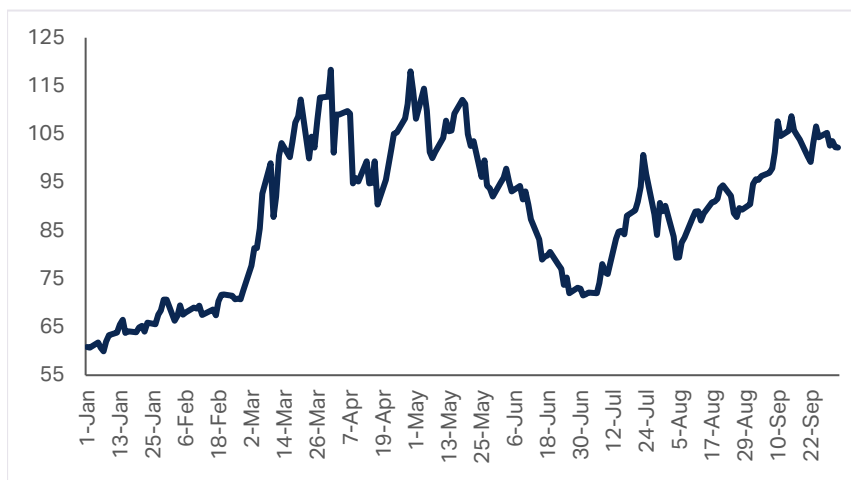


Oil - Global

Brent crude front month futures averaged \$102pb in September, up from \$88pb in August.

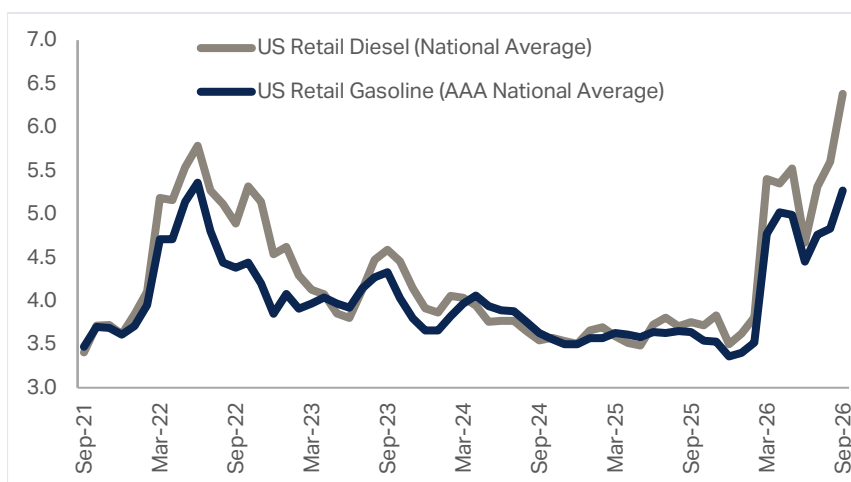
Spot prices for prompt delivery rose even more sharply, averaging close to \$120pb, indicating a tight market, despite an increase in oil flows through the Strait of Hormuz.

Brent crude oil price, front month future
(daily; \$pb)



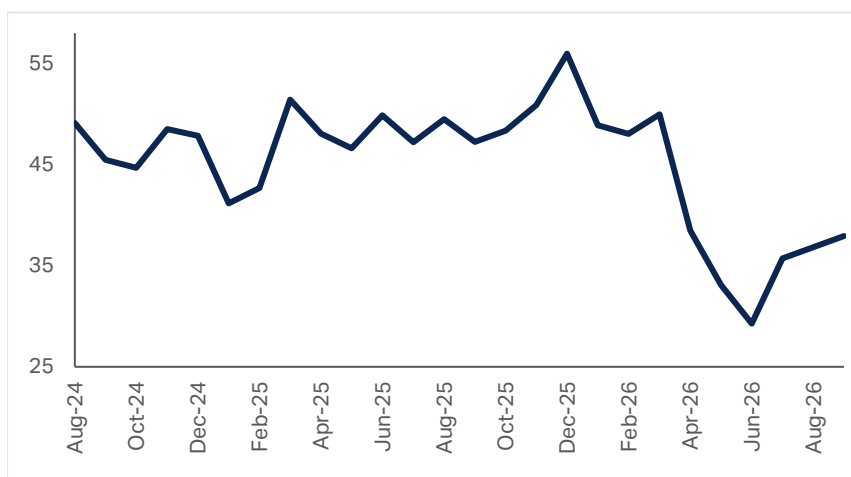
Some refined product prices, notably diesel, have spiked higher due to limited supply from the Middle East and the dent to Russian supply due to the conflict with Ukraine.

Diesel and Gasoline prices in the US
(\$/gallon)



On the demand side, China's crude oil imports picked up in July and August, following sharp falls in April-June as Chinese buyers avoided higher prices.

China's crude oil imports
(Million tonnes)

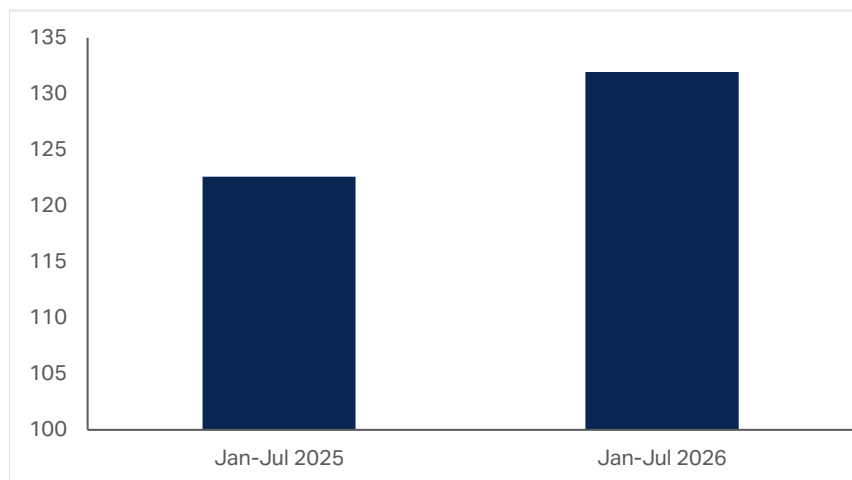




Oil – Saudi Arabia

In January-July Saudi Arabia's total oil export revenue was 8% higher year on year, as higher oil prices outweighed lower export volumes.

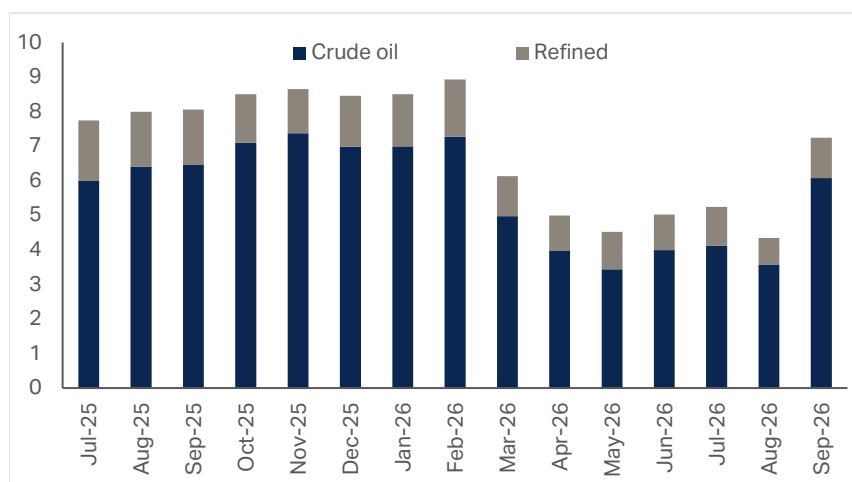
Total oil export revenue
(\$b)



Latest data from JODI put Saudi Arabia's total oil exports at 5.2mbpd in July.

According to higher frequency tanker tracking data, exports declined in August as west coast exports came under pressure, but surged in September as more oil flowed out through Hormuz using ship-to-ship transfers.

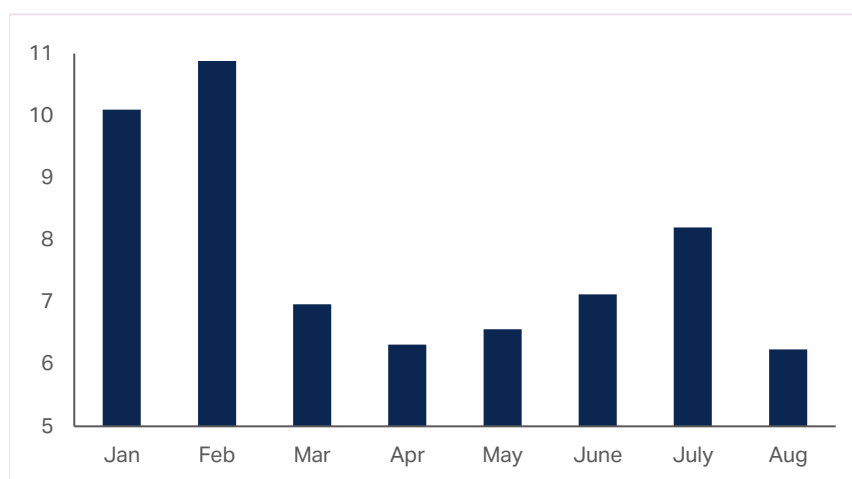
Crude and refined product exports
(mbpb)



In August Saudi Arabia's crude oil production declined to 6.2mbpd, the latest official data.

Output must have been higher in September, although the surge in exports may have partly come from inventories.

Saudi crude production
(mbpd)





Saudi real economy

The non-oil PMI rose to 55.3 in September from 53.8 in August, as new orders increased at the fastest pace since February. Firms also reported that supply chain pressures persisted, citing regional geopolitical tensions.

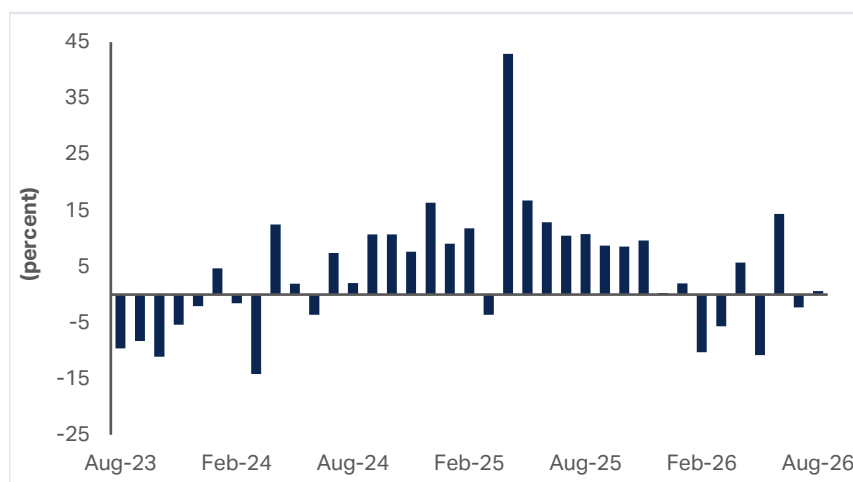
Non-oil Purchasing Managers' Index



Domestic cement sales were unchanged in August, year on year and month on month.

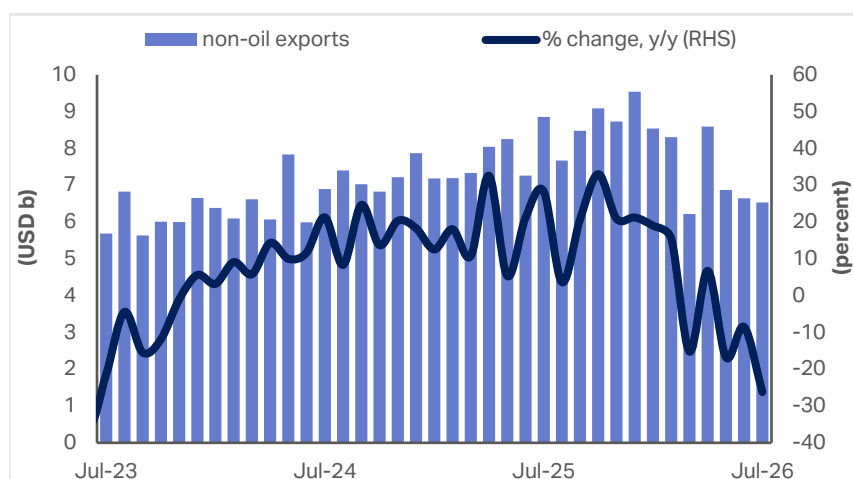
Domestic cement sales

(year on year change)



Non-oil exports declined in July by 26% year on year and by 1.6% month on month. Exports from petrochemicals, plastics and rubber dropped by 25% year on year, while re-exports were down 40%.

Non-oil exports

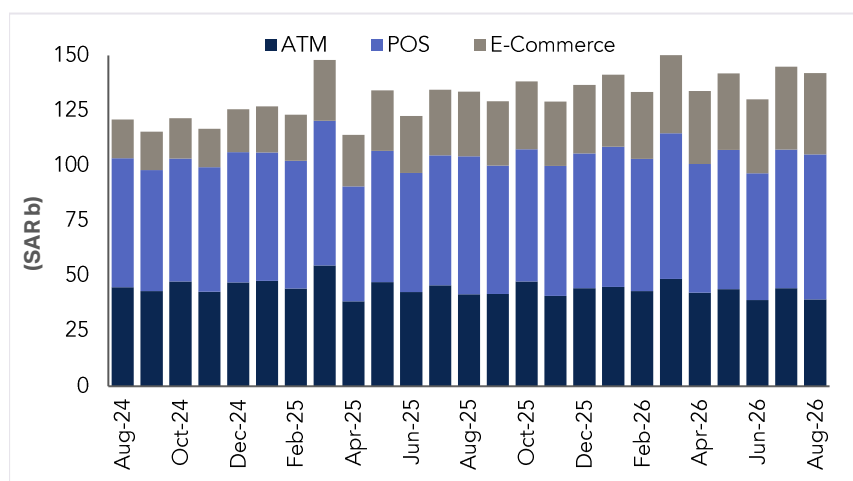




Consumer spending

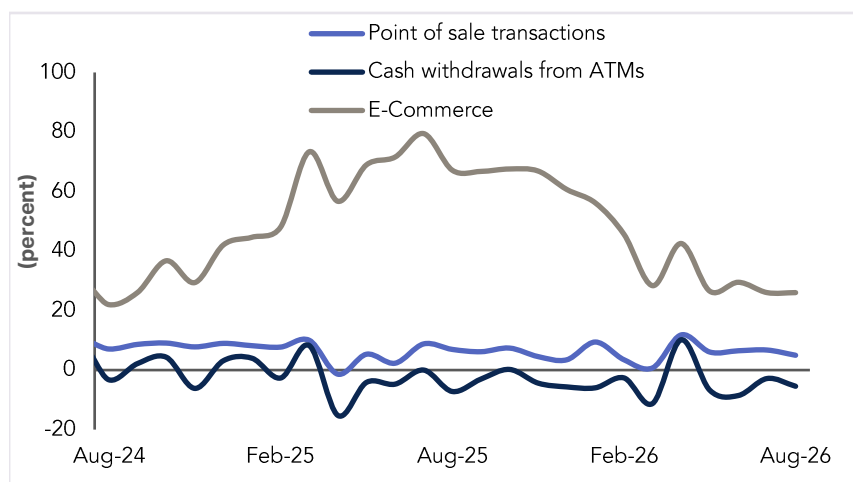
Total consumer spending increased in August by 6.4% year on year, and declined by 2% month on month.

Monthly consumer spending
(SAR b)



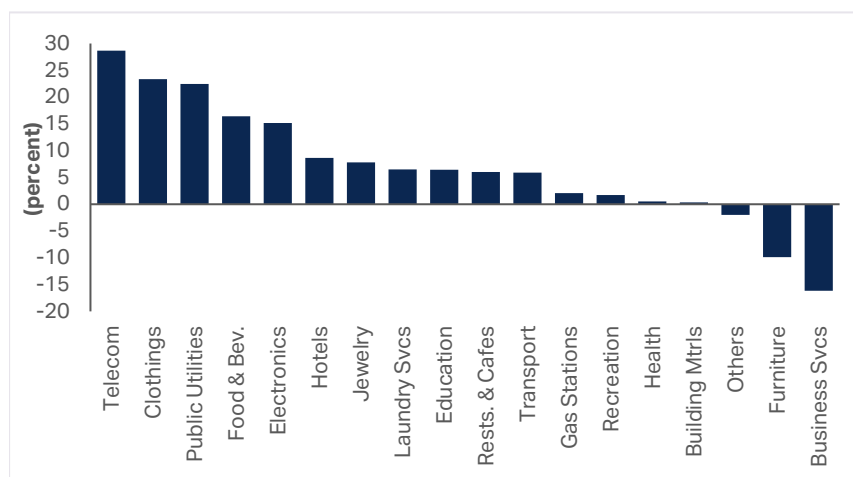
POS transactions rose by 5%, and e-commerce transactions increased by 26% year on year. Meanwhile, cash withdrawals from ATMs declined by 5%.

Monthly consumer spending
(year-on-year change)



Among spending categories, 'telecommunications' and 'clothing and apparel' saw the highest increases in August.

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

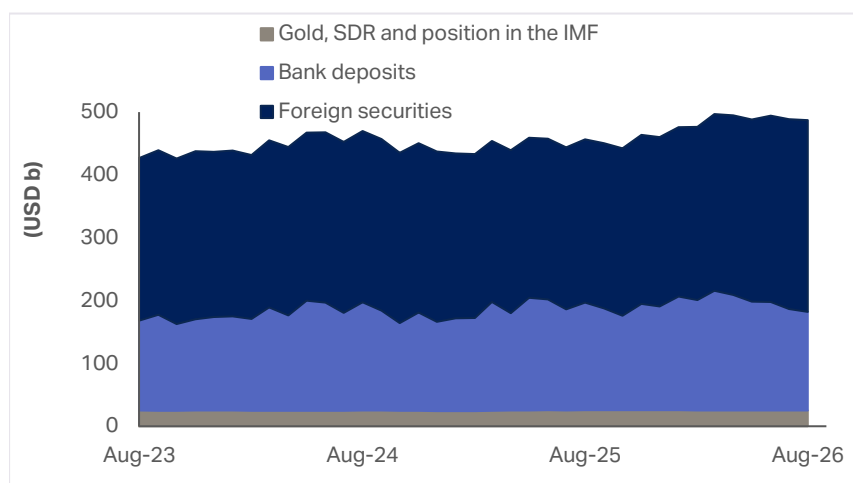




SAMA foreign reserve assets

SAMA's FX reserves declined by USD 1.3b in August...

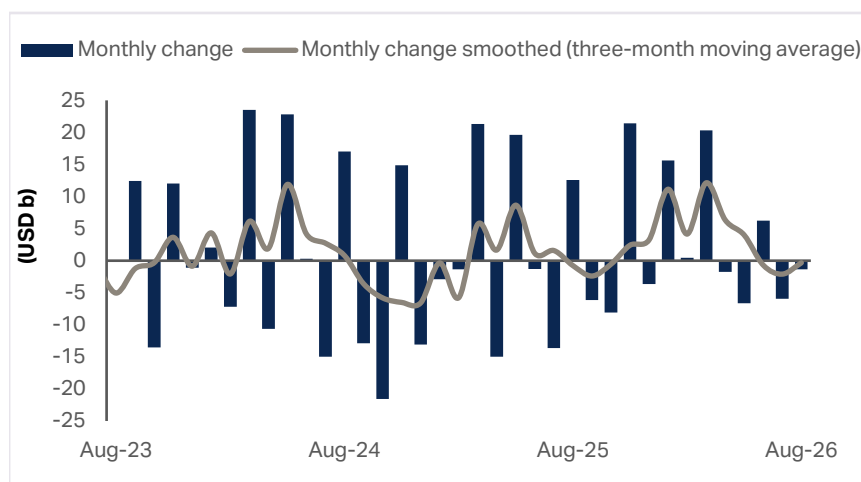
SAMA total foreign reserve assets



...to stand at USD 487.3b.

SAMA foreign reserve assets

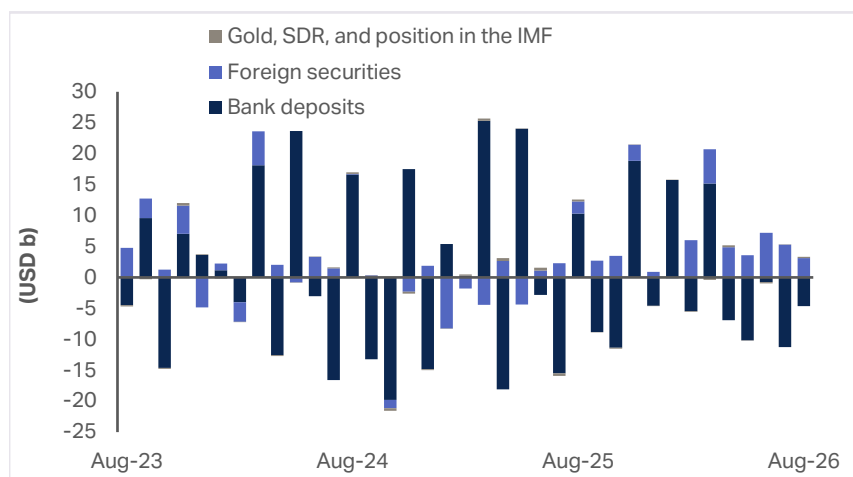
(monthly and three-month average change)



The net decrease reflected a USD 4.6b decline in bank deposits and a USD 3.1b increase in foreign securities.

SAMA foreign reserve assets

(month-on-month change)

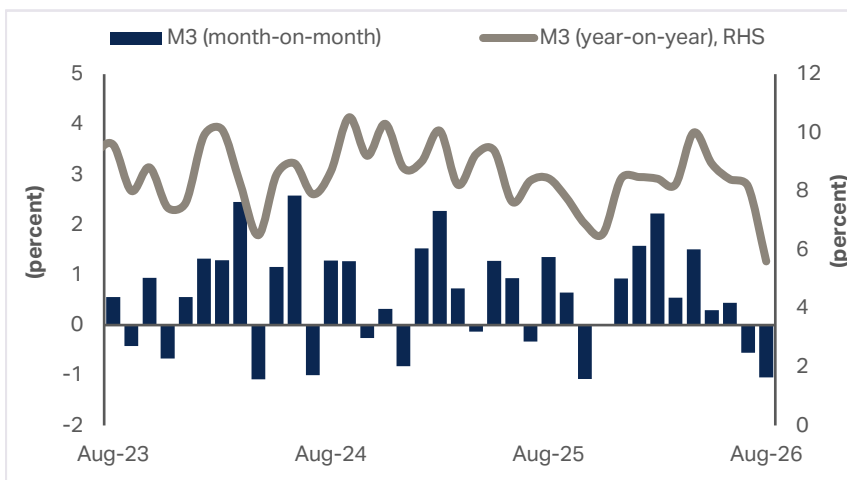




Money supply, bank deposits and credit

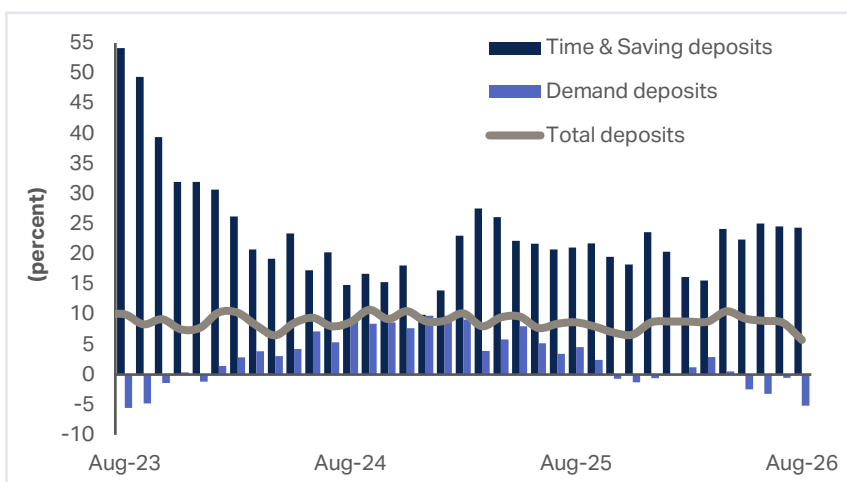
The broad measure of money supply (M3) declined by 1% month on month in August. Year on year growth slowed to 5.6%, from an average of 8.7% in the year to July.

Change in money supply



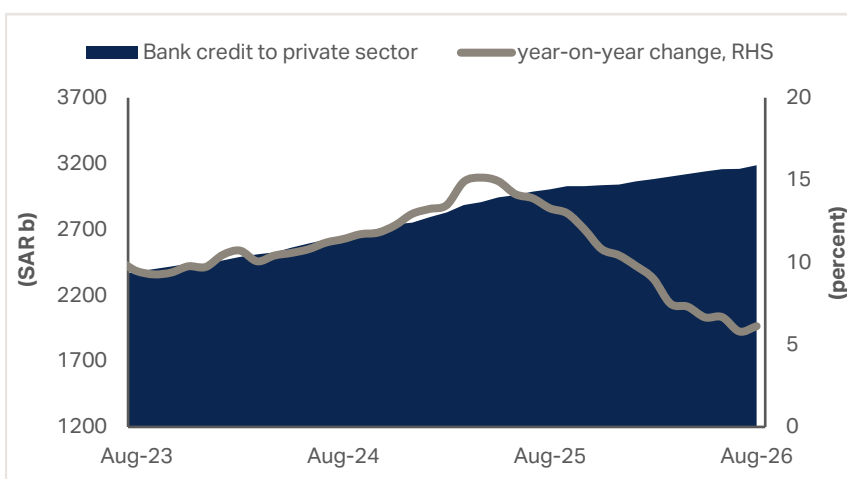
Bank deposit growth slowed to 5.7% year on year. Time and saving deposits rose by 24%, but demand deposits declined by 5%.

Total deposit growth (year on year change)



Growth in bank credit to the private sector picked up in August to 6.1% year on year, from 5.8% in July.

Bank credit to the private sector

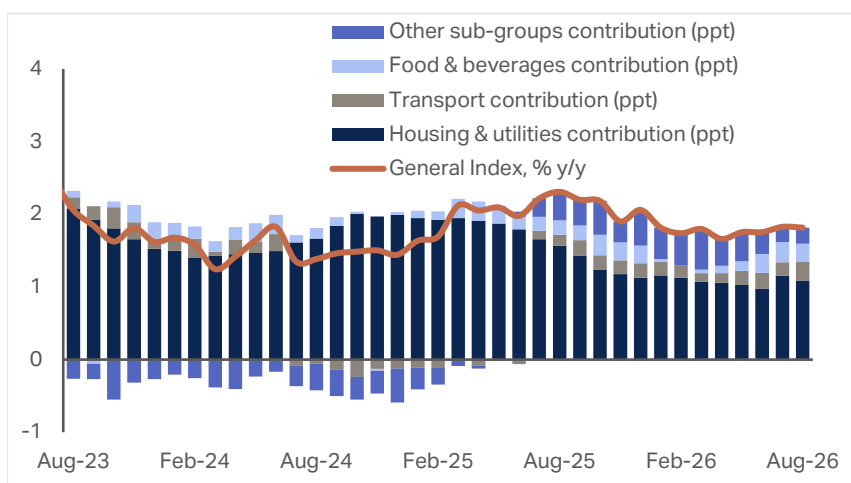




Inflation

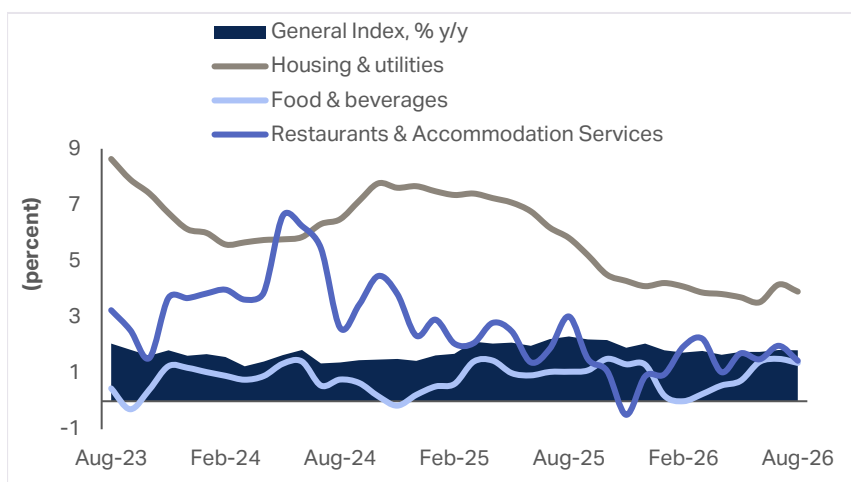
Consumer prices rose by 1.8% year on year in August and by 0.1% month on month.

Inflation
(year on year change)



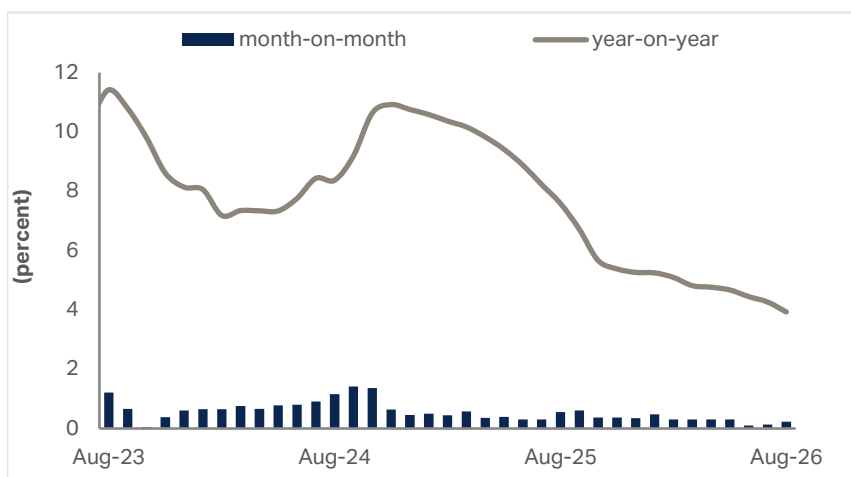
Prices in 'Food & beverages' rose by 1.4% year on year and eased by 0.1% month on month, while inflation in 'housing & utilities' slowed to 3.9% in August...

Inflation rates in selected CPI basket groups
(year on year change)



...with its major sub-group item 'Rentals for housing' slowing to 3.9% year on year, compared with an average of 4.7% in the year to July 26.

Inflation rates in 'Rentals for housing' sub-group

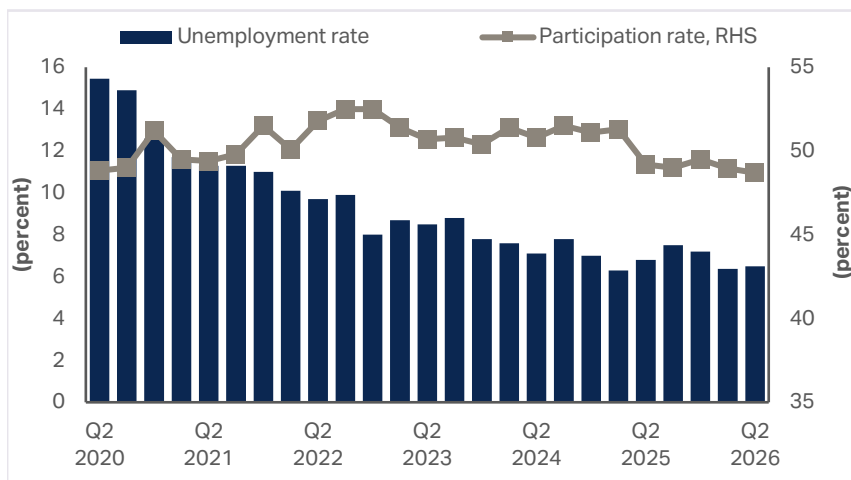




Labor Market Q2 2026

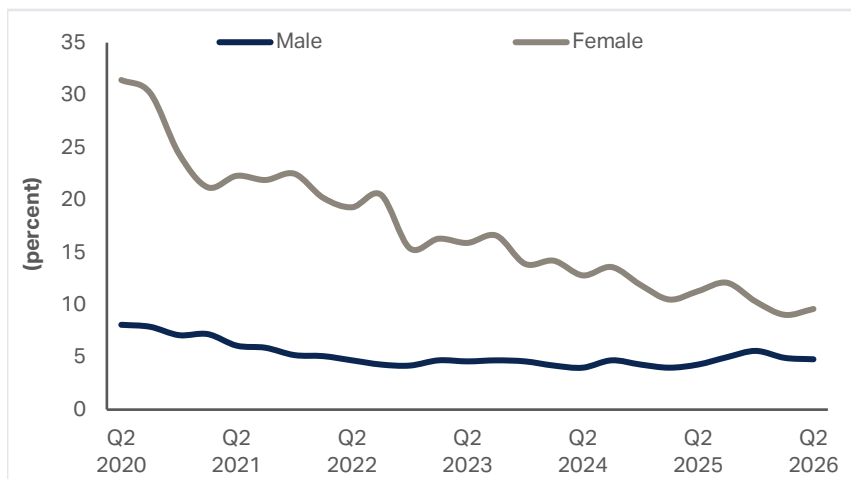
The latest labor market release from GaStat showed that the unemployment rate for Saudi nationals inched up to 6.5% in Q2 26, up from 6.4% in Q1.

Unemployment and participation rates
(%)



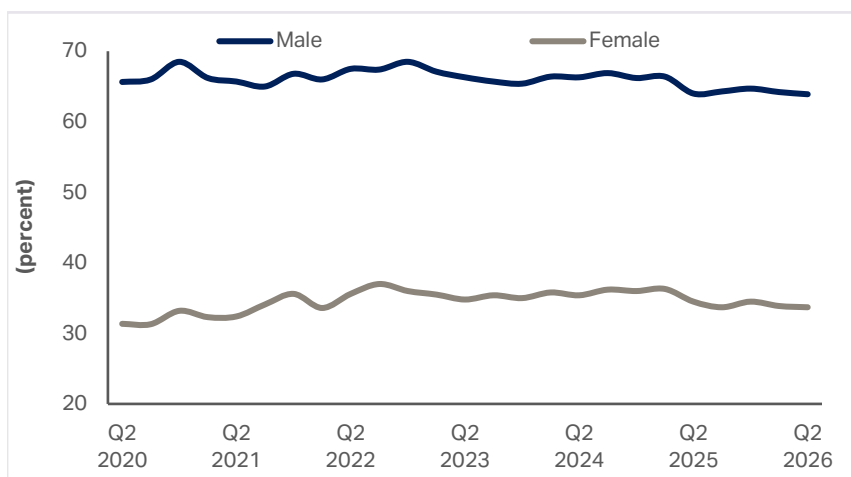
Unemployment among male citizens declined slightly to 4.8% in Q2 down from 4.9% in Q1, while female unemployment rose to 9.6% from 9.0%.

Unemployment rate by gender
(%)



The labor force participation rate declined to 48.7% in Q2, driven by lower participation among both male and female citizens.

Labor force participation by gender
(%)

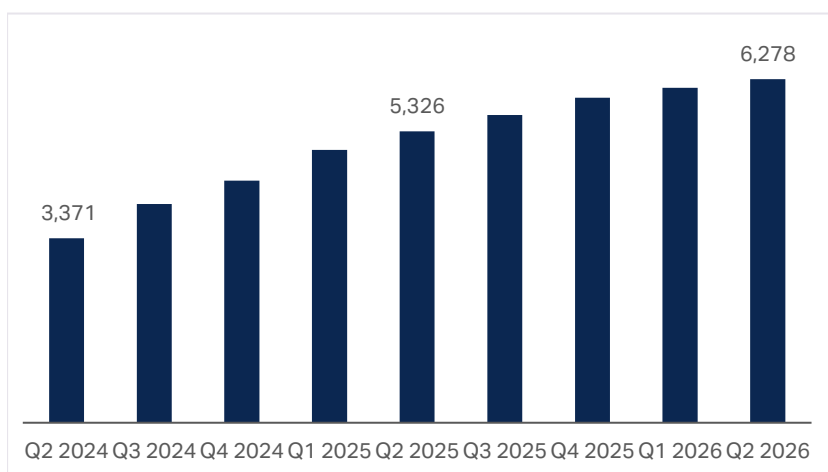




Tourism Establishments Q2 2026

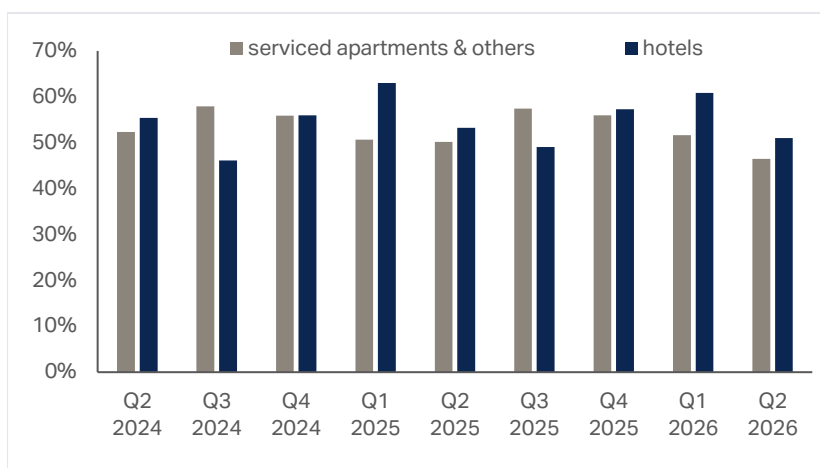
The latest tourism establishment statistics release from GaStat showed that the number of tourism facilities (hotels, serviced apartments, and others) increased in Q2 2026 by 18% year on year.

Number of licensed tourism facilities



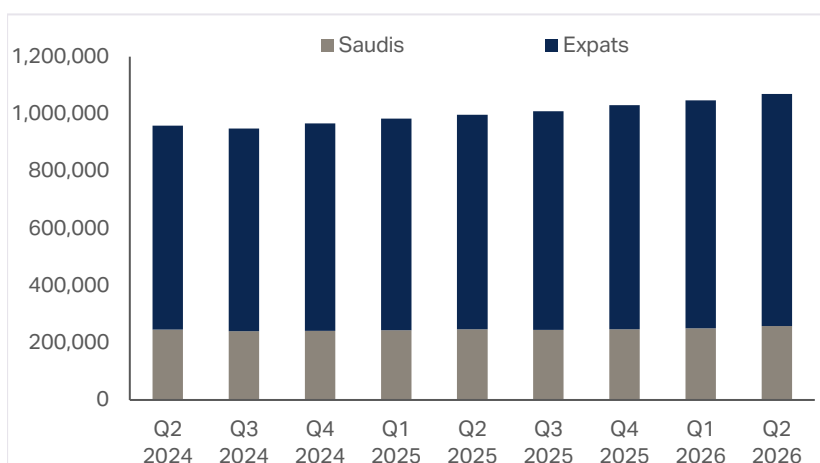
Occupancy rates eased marginally in Q2. Hotels showed higher occupancy rates than serviced apartments and other accommodation types since Q4 2025.

Occupancy rates by type of accommodation (%)



Meanwhile, employment in tourism activities continued to grow in Q2 among Saudis and expats simultaneously.

Employment in tourism activities



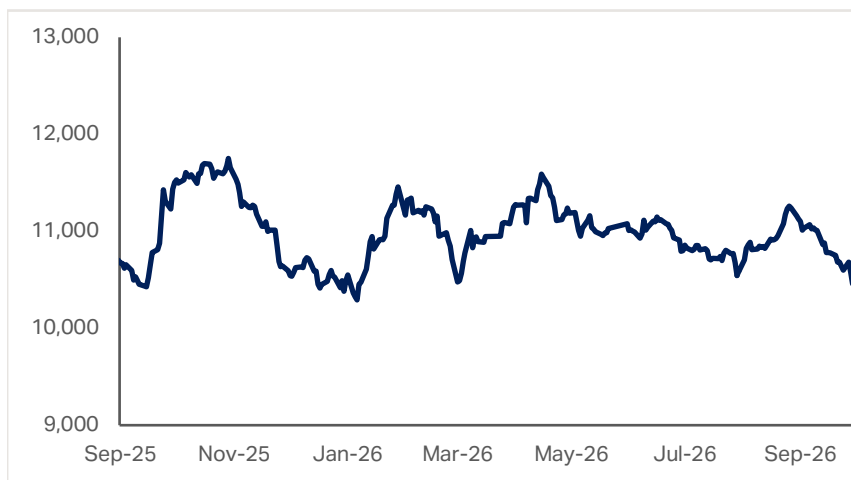


Stock market

The market fell by 6% in September, giving back the gains in August. The market dropped below 10,500 and is now essentially flat since the start of the year.

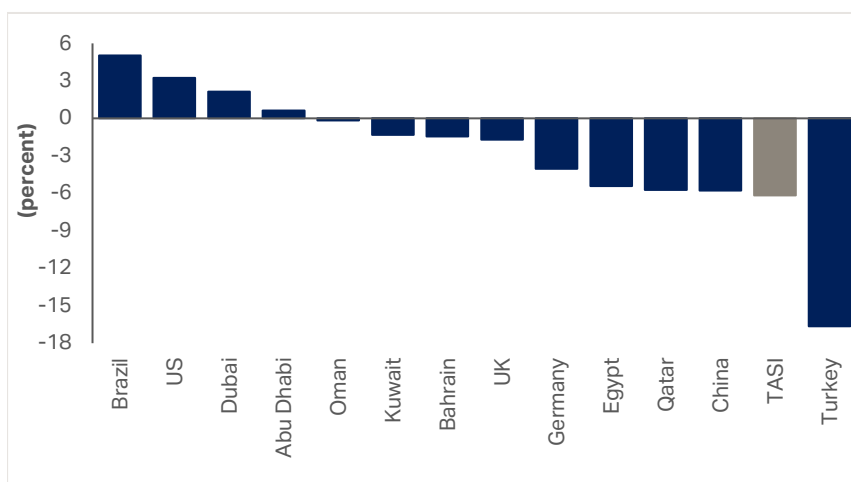
Net selling by foreign institutions contributed to the fall in September.

TASI performance
(points)



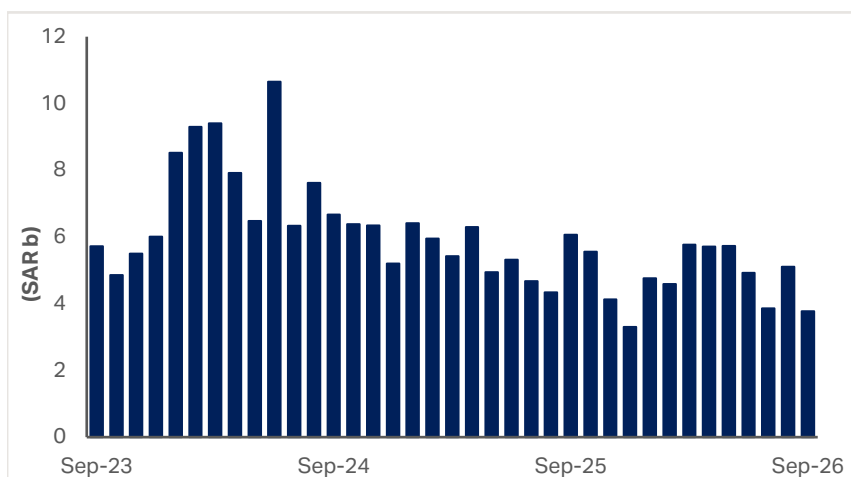
Regional stockmarkets were mostly down in September, with the exception of Dubai and Abu Dhabi.

Comparative stock market performance
(% change)



Average daily turnover dropped to SAR 3.8b in September, similar to the level in July—the two lowest readings so far in 2026.

Average daily traded turnover
(SAR b)



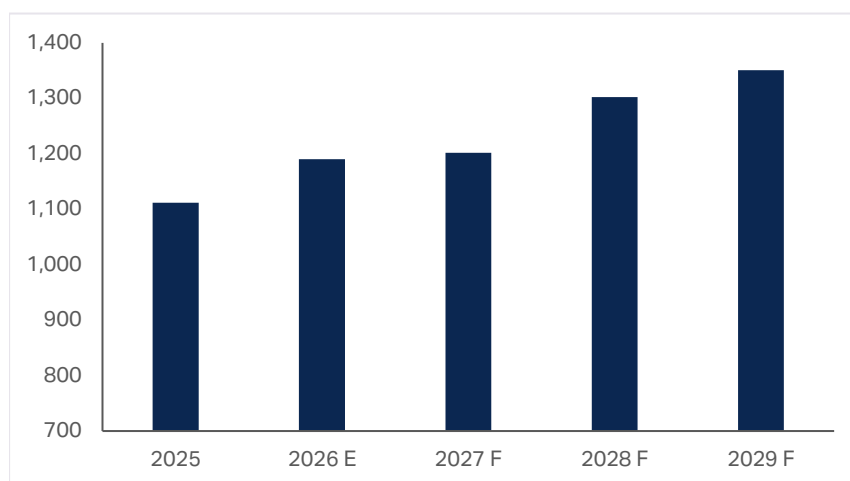


2027 Preliminary Budget Statement (PBS)

The PBS projects budget revenue to be broadly flat in 2027, before strong growth in 2028.

Much will depend on the evolution of the oil market which remains highly uncertain. The PBS does not disclose oil price and production assumptions.

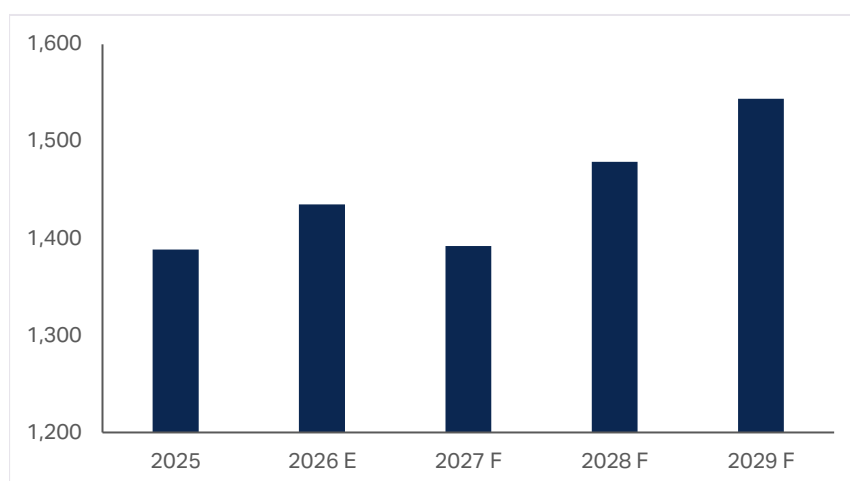
Budget revenue projections
(SAR b)



The PBS estimates spending at SAR 1,435b in 2026, implying a 7.5% year on year decline in H2 spending.

The PBS projects a 3% decline in spending in 2027, as the budget seeks to remain supportive of the economy while also reducing the budget deficit.

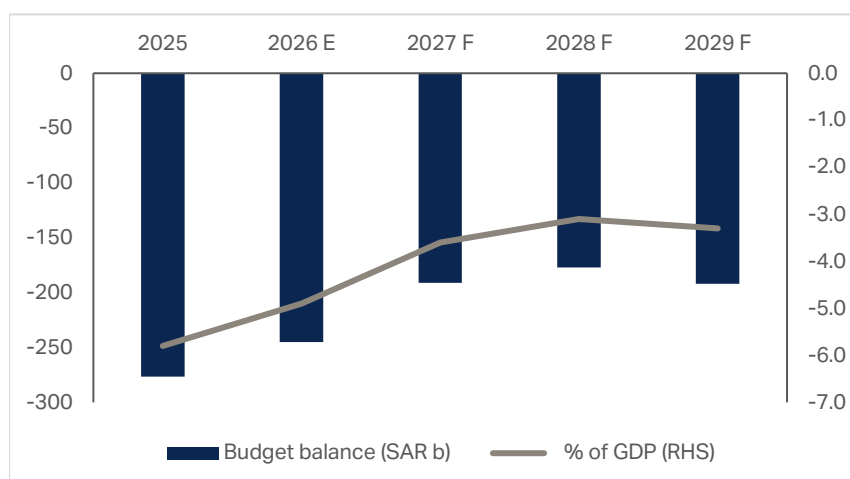
Budget spending projections
(SAR b)



The PBS estimates the budget deficit at SAR 245b (4.9% of GDP) in 2026, slightly smaller than the deficit in 2025. We expect a slightly larger deficit, at around 5.5% of GDP.

The PBS projects the deficit to narrow to less than SAR 200b (3.6% of GDP) in 2027.

Projected budget balance
(SAR b and % of GDP)





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