

## KSA Economy: Real Estate Prices saw a 0.2% uptick during Q4, 2023.

The Kingdom's real estate index for the fourth quarter of 2023 remained stable, showing a 0.2% increase compared to the corresponding period of the previous year, according to GASTAT. This marginal rise in the index was primarily driven by a 0.6% increase in residential property prices. Moreover, in January, the FX Reserve surged to 1,646bn (SAR) from 1,638bn in December. Additionally, the average Brent crude oil price climbed to 81.46 (\$/bbl) in February, up from 79.05 in January.

### More details:

**Consumer Price Index (CPI):** CPI increased by 1.60% y-o-y in January (+1.50% y-o-y in December). The y-o-y rise of the CPI resulted mainly from Housing, Water, Electricity, and Gas (+7.80% y-o-y). (Figures 12 & 13)

**Wholesale Price Index (WPI):** WPI increased by 4.30% y-o-y in January (3.00% y-o-y in December), Due to a rise in 'Other transportable goods, except metal products, machinery, and equipment transportable goods (10.41%)'. (Figures 14 & 15)

**Index of Industrial Production (IIP):** IIP decreased (-10.49% y-o-y) in December, mainly due to a decline in the Mining and quarrying sectors' activity (-14.33% y-o-y). (Figures 6 & 7)

**International trade:** Non-oil exports in December increased 12.00% y-o-y, compared to the decrease of -0.73% y-o-y in November. The shipment increase was driven by 'Vehicles, aircraft, vessels, and associated transport equipment' (+206.80% y-o-y). (Figures 18 & 19)

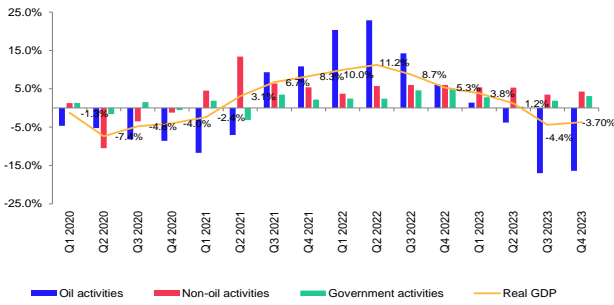
**Saudi Central Bank's foreign reserves:** On an annual basis, fell 4.10% in January compared to a similar decline in December, to SAR 1,646bn. (Figures 8 & 9).

Figure 1 Economic Performance Snapshot

Period: Dec-23	Latest	Nov	Oct
IIP (y-o-y %)	-10.49%	-11.19%	-12.30%
Non-oil export growth (y-o-y %)	12.00%	-0.73%	-13.90%
Period: Jan-23	Latest	Dec	Nov
CPI (y-o-y %)	1.60%	1.50%	1.70%
Wholesale Price Index (y-o-y %)	4.30%	3.00%	2.37%
Saudi crude oil production (mbpd)	8.94	9.00	9.00
FX Reserves (SAR bn)	1,646	1,638	1,642
Remittances (SAR bn)	5.47	5.75	5.03
Period: Feb-24	Latest	Jan	Dec
Average Brent crude oil price (\$/bbl)	81.46	79.05	77.31
Period: Q4	Latest	Q3 2023	Q2 2023
GDP growth (%)	-3.70%	-4.40%	1.20%
Real Estate Price Index (y-o-y %)	0.21%	0.68%	0.78%
Period: Q3	Latest	Q2 2023	Q1 2023
Unemployment rate (%)	8.60%	8.30%	8.50%
Period: Q2	Latest	Q1 2023	Q4 2022
Government budget surplus/(deficit)(SARbn)	-5.26	-2.91	-45.68

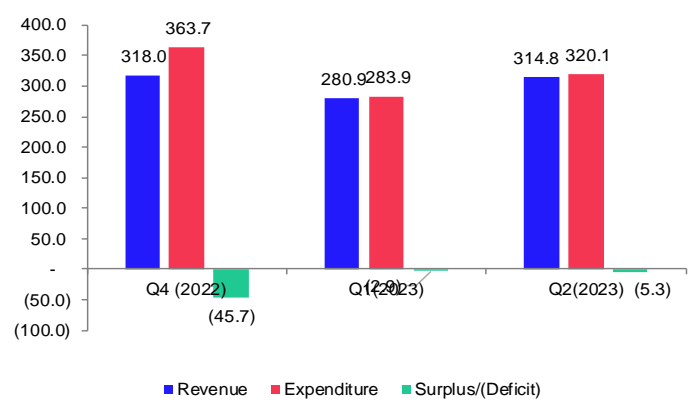
Source: SAMA, GASTAT, Bloomberg, Al Rajhi Capital.

Figure 2 Real GDP growth rate (%)



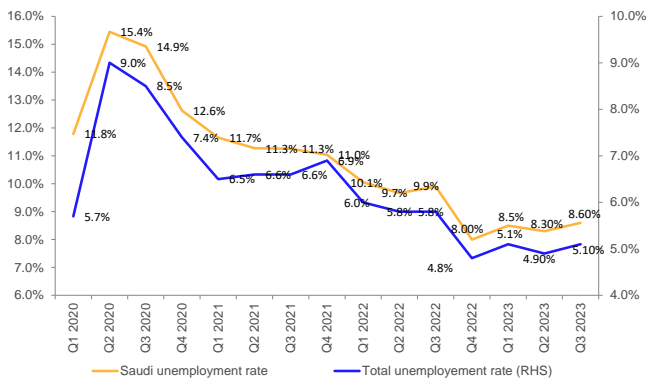
Source: GASTAT, Al Rajhi Capital (Base year 2018)

Figure 3 Government budget performance (SARbn)



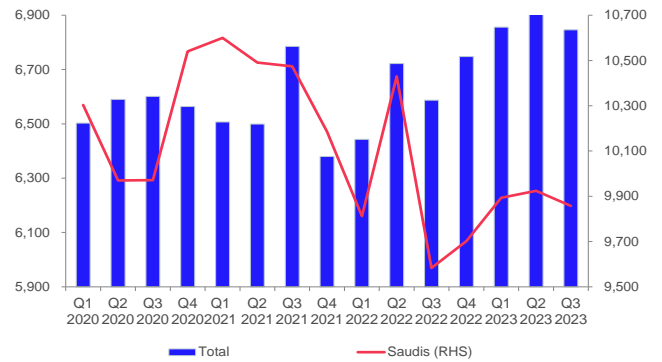
Source: GASTAT, Al Rajhi Capital

Figure 4 Unemployment rate (%)



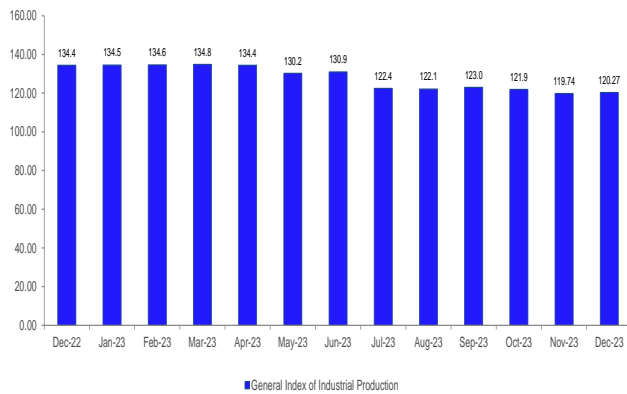
Source: GASTAT, Al Rajhi Capital (Base year 2018)

Figure 5 Average monthly wages in the Kingdom (SAR)



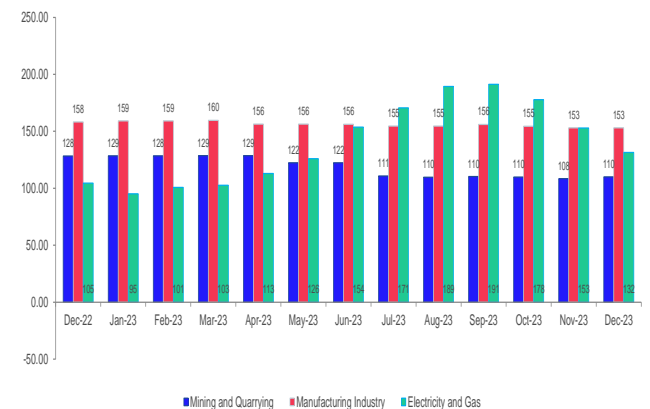
Source: GASTAT, Al Rajhi Capital

Figure 6 General Index of Industrial Production Index



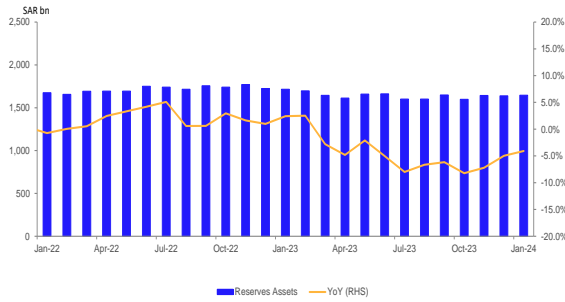
Source: GASTAT, Al Rajhi Capital

Figure 7 IIP sector trend



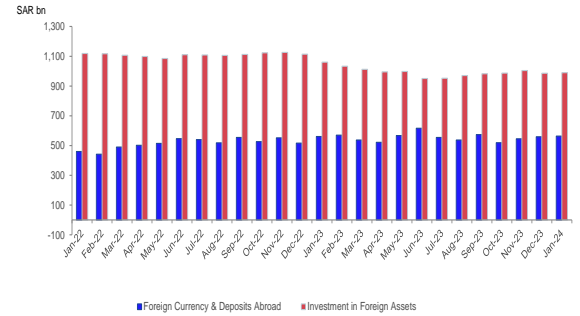
Source: GASTAT, Al Rajhi Capital

Figure 8 Reserve assets



Source: Saudi Central Bank, Al Rajhi Capital

Figure 9 Major components of foreign assets



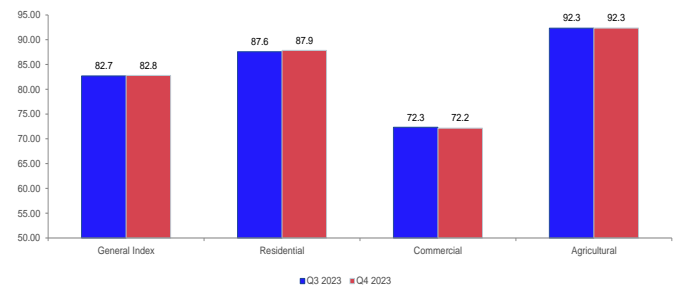
Source: Saudi Central Bank, Al Rajhi Capital

Figure 10 Remittances (SARmn)



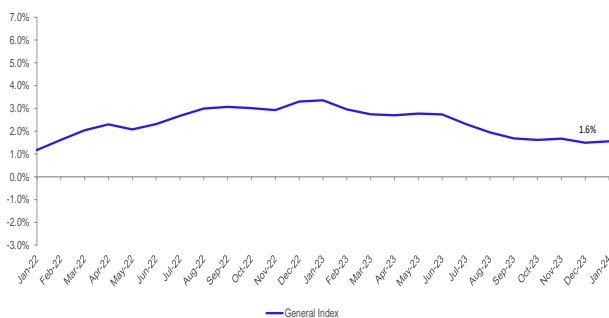
Source: Saudi Central Bank, Al Rajhi Capital

Figure 11 Real Estate Price Index



Source: GASTAT, Al Rajhi Capital

Figure 12 Inflation trend (y-o-y%)



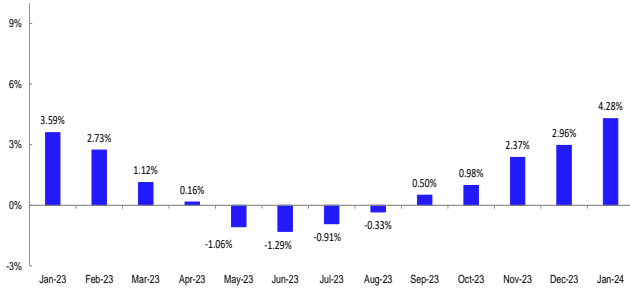
Source: GASTAT, Al Rajhi Capital

Figure 13 Inflation Segments

	Weights	Jan-24	Jan-23	Change (y-o-y)
General Index	100.0%	110.44	108.75	1.6%
Food & Beverages	18.8%	124.57	123.3	1.0%
Tobacco	0.6%	114.28	114.86	-0.5%
Clothing & Footwear	4.2%	96.54	100.66	-4.1%
Housing, Water, Electricity and Gas	25.5%	102.02	94.63	7.8%
Furnishings and Household Equipment	6.7%	105.41	108.97	-3.3%
Health	1.4%	102.98	103.83	-0.8%
Transport	13.1%	117.49	118.78	-1.1%
Communication	5.6%	109.35	111.44	-1.9%
Recreation & Culture	3.1%	106.99	105.56	1.4%
Education	2.9%	103.85	102.65	1.2%
Restaurants and Hotels	5.6%	124.93	121.98	2.4%
Miscellaneous Goods & Services	12.6%	106.33	107.5	-1.1%

Source: GASTAT, Al Rajhi Capital

Figure 14 Wholesale price index (WPI)



Source: GASTAT, Al Rajhi Capital

Figure 15 Segment-wise WPI growth trend (y-o-y%)

	Weights (%)	Nov-23	Dec-23	Jan-24
Agriculture and fishery products	8.67	-0.82	0.05	-1.62
Ores and Minerals	0.59	-0.85	-0.77	-1.65
Food & beverages, tobacco & textiles	17.31	3.54	3.38	2.37
Other transportable goods	33.72	5.16	6.13	10.41
Metal products, machinery and equipment	39.71	-0.44	-0.01	-0.30
<b>General Index</b>	<b>100</b>	<b>2.37%</b>	<b>2.96%</b>	<b>4.28%</b>

Source: GASTAT, Al Rajhi Capital

Figure 16 Oil price movement

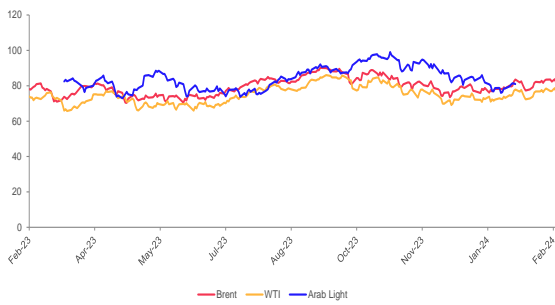


Figure 17 Saudi crude oil production

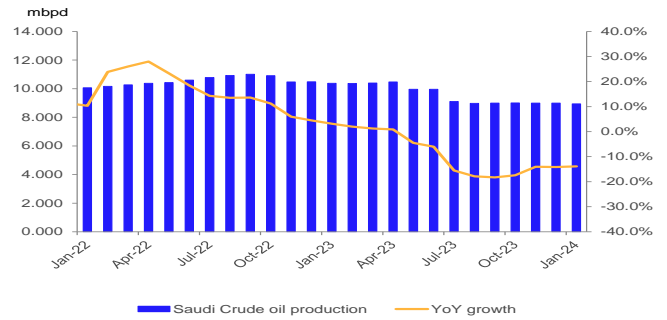
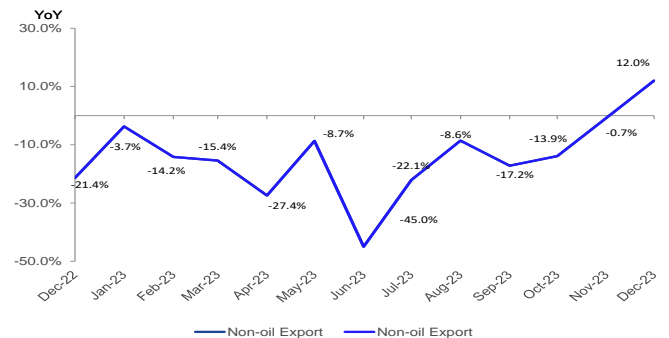


Figure 18 Non-oil Exports

Commodities (SAR mn)	Dec-22	Dec-23	Nov-23	% y-o-y	% m-o-m
Plastics & Rubbers	7,607	5,649	5,631	-25.7%	0.3%
Chemical Products	8,735	8,565	6,680	-1.9%	28.2%
Base Metals	2,621	1,508	2,103	-42.5%	-28.3%
Transport Equipments	1,459	4,475	2,143	206.8%	108.8%
Others	3,197	6,266	6,031	96.0%	3.9%
<b>Total</b>	<b>23,618</b>	<b>26,462</b>	<b>22,588</b>	<b>12.0%</b>	<b>17.2%</b>

Source: GASTAT, Al Rajhi Capital

Figure 19 Non-oil Export trend (% growth)



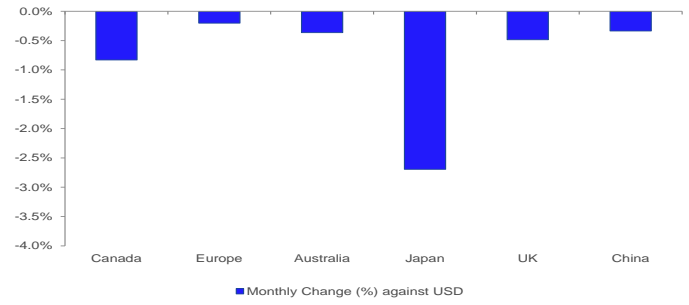
Source: GASTAT, Al Rajhi Capital

Figure 20 Saudi Bond Yields



Source: Bloomberg, Al Rajhi Capital (Note: Tickers are 10 Year International Bond (QZ9368197 corp) and 30 Year International Bond (QZ9368221 corp)).

Figure 21 Monthly change (%) against US Dollar



Source: Bloomberg, Al Rajhi Capital

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