

Saudi Economy Monthly Report



October
2025

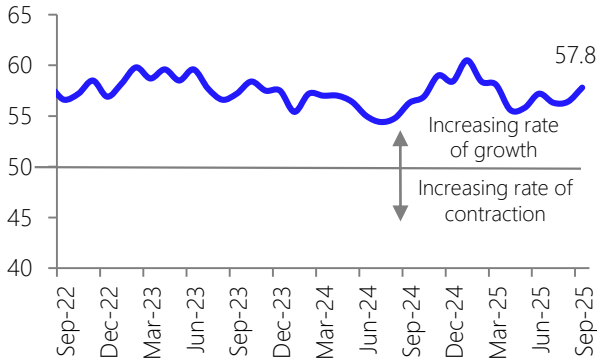
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alrajhi capital





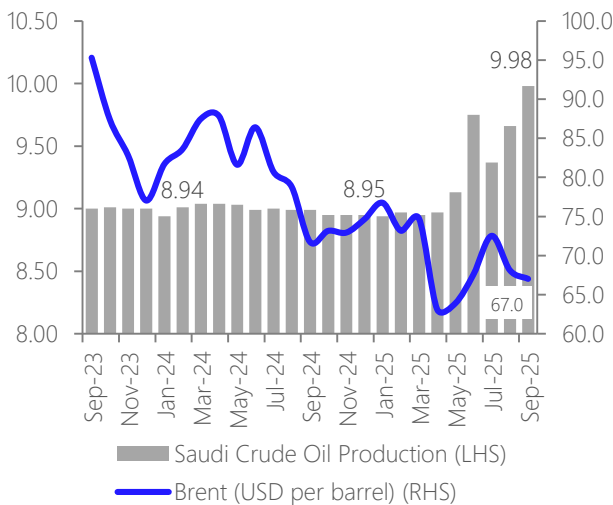
Non-Oil GDP Continues its Growth Momentum

Purchasing Managers' Index (PMI)



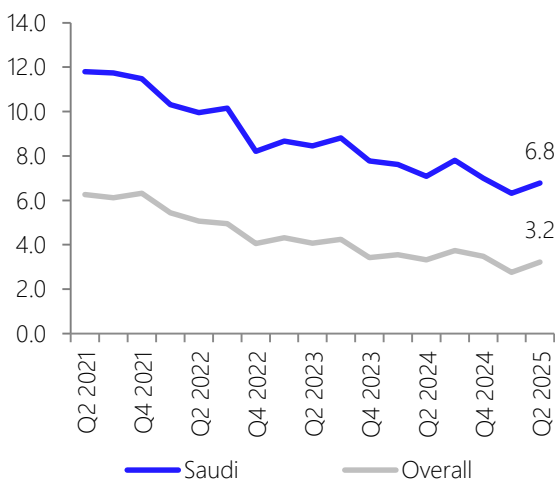
Source: GASTAT, Al Rajhi Capital (Base year 2018)

Saudi Crude Oil Production Vs Brent price



Source: Bloomberg, Al Rajhi Capital

Unemployment Rate (%)



Key Takeaways:

- Saudi oil production grew to 9.98 mbpd in September (11% y-o-y).
- PMI grew to 57.8 in September, indicating strong private sector activity.
- Inflation edged up to 2.3% y-o-y in Aug, mainly due to higher rental costs (+5.8%).
- Bank credit grew 14.6% y-o-y in Aug, while deposit grew by 8.7% y-o-y.

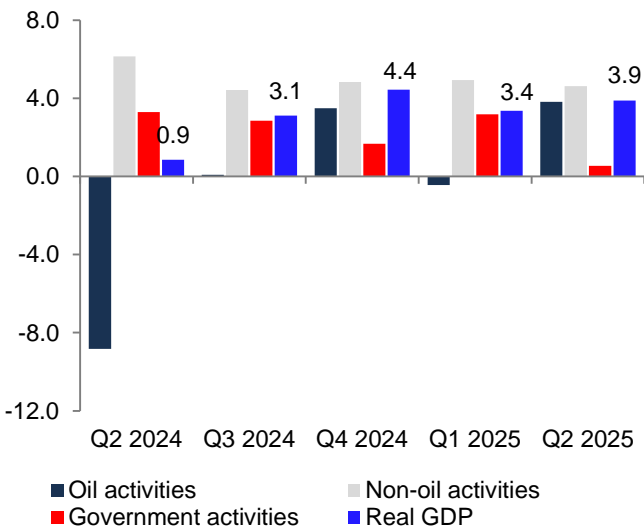
Major Developments:

- **Real GDP:** Saudi Arabia's real GDP expanded 3.9% y-o-y in Q2 2025, driven by a 4.6% increase in private sector activity and 1.6% growth in government services, while oil activities posted 3.8% growth.
- **PMI:** PMI climbed to 57.8 in September, signaling stronger non-oil private sector conditions as business activity and new orders rose at the fastest pace in 6 months.
- **Consumer Spending:** Spending rose 10.4% y-o-y in August to SAR 133.5bn, boosted by e-commerce (+67.2%). Credit card loans increased 2.0% y-o-y to SAR 30.6bn in Q2 2025.
- **Inflation Trends:** Inflation accelerated to 2.3% y-o-y in August (July: 2.1%), driven by rentals (+5.8%). Wholesale Price Index held steady at 2.1% y-o-y.
- **Unemployment:** National unemployment reached 6.8% in Q2 2025, compared to 7.1 in Q2-2024.
- **Real Estate Market:** Real estate prices increased 3.2% y-o-y in Q2 2025, led by commercial (+11.7%), while residential rose slightly (+0.4%).
- **Oil Market Trends:** Saudi crude output rose to 9.98mbpd in September 2025 (+11.0% y-o-y), reflecting higher production levels inline with OPEC+ decision. Brent averaged USD 67.6, up 0.5% m-o-m but down 7.3% y-o-y, weighed by global demand concerns.
- **Pre-budget estimates (2025):** 2025 expenditure is estimated at SAR 1,336bn, 4% above budget, while revenue is estimated at SAR 1,091bn, 8% below budget. This resulted in a deficit close to SAR 245bn (5.3% of GDP).
- **External balance:** Saudi Arabia's merchandise exports rose 7.8% y-o-y to SAR 102.4bn in July 2025, while imports fell 2.5% y-o-y to SAR 75.5bn. Consequently, the trade balance stood at SAR 26.9bn.
- **Banking developments:** Credit growth reached 14.6% in August, while deposits rose 8.7% y-o-y. Unadjusted LDR stood at 111.2%, while SAMA-adjusted was around 81%.
- **Interest rates:** SAIBOR (3M) stood at 5.12 at end-September, down from 5.57 a year earlier.



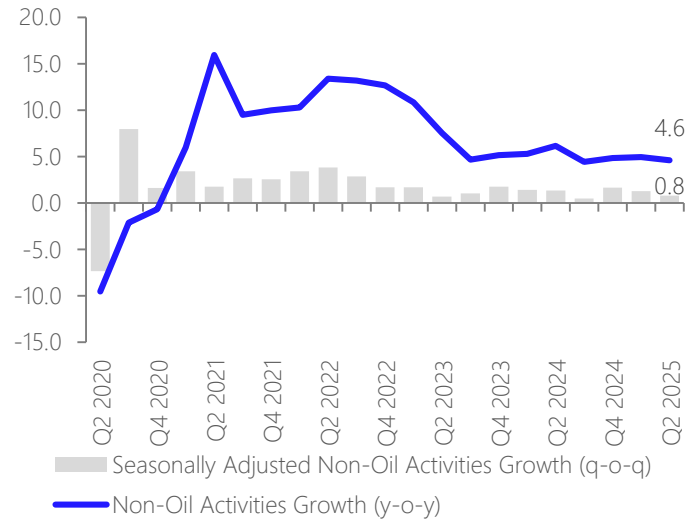
1. Real GDP and PMI Performance :

Real GDP Growth (%)



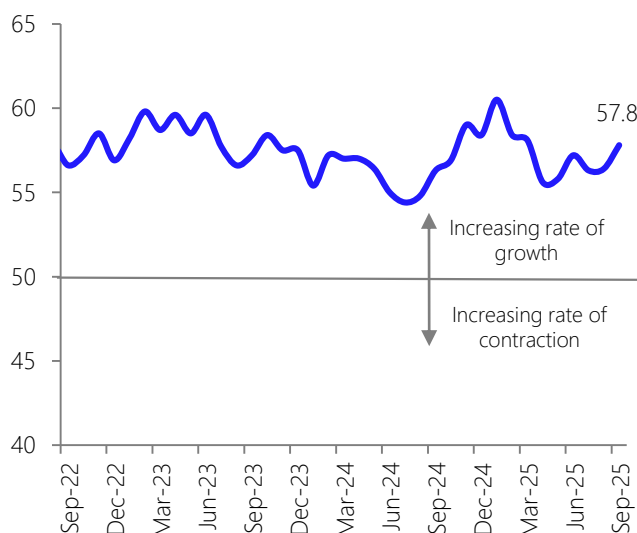
Source: GASTAT, Al Rajhi Capital

Real Non-Oil GDP Growth (%)



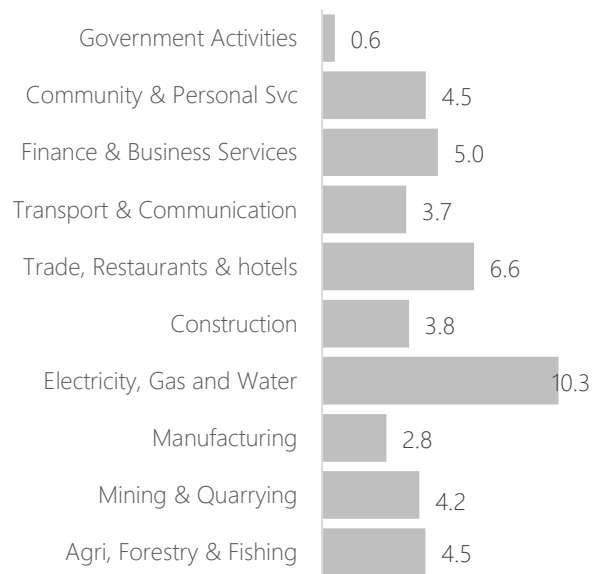
Source: GASTAT, Al Rajhi Capital

Purchasing Managers' Index (PMI)



Source: Bloomberg, Al Rajhi Capital

GDP Growth by Economic Activity (y-o-y, Q2 2025)

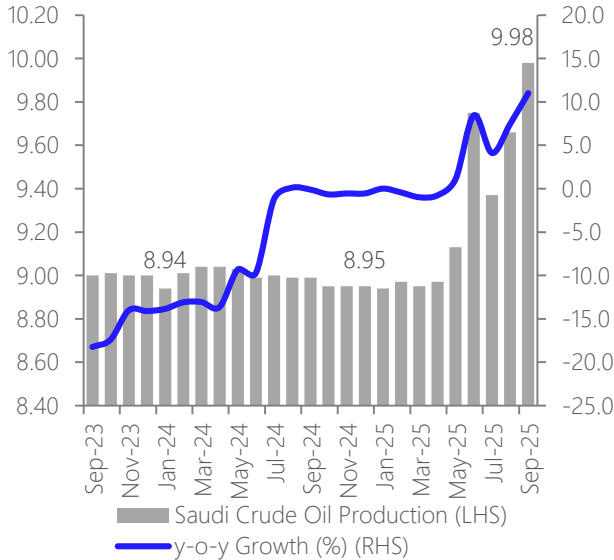


Source: GASTAT, Al Rajhi Capital



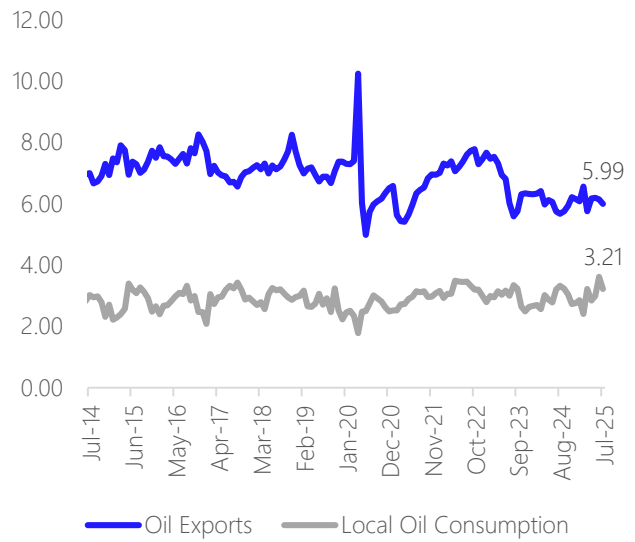
2. Oil Market Dynamics:

Saudi Crude Oil Production (mn b/d)



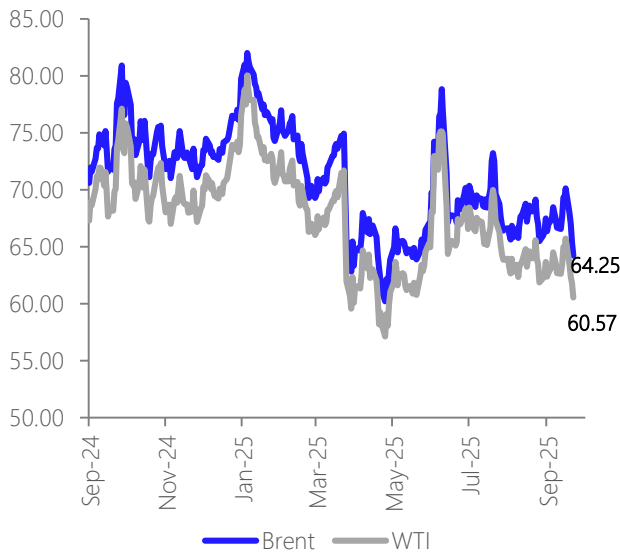
Source: Bloomberg, Al Rajhi Capital

Saudi Oil Consumption vs Exports (mn b/d)



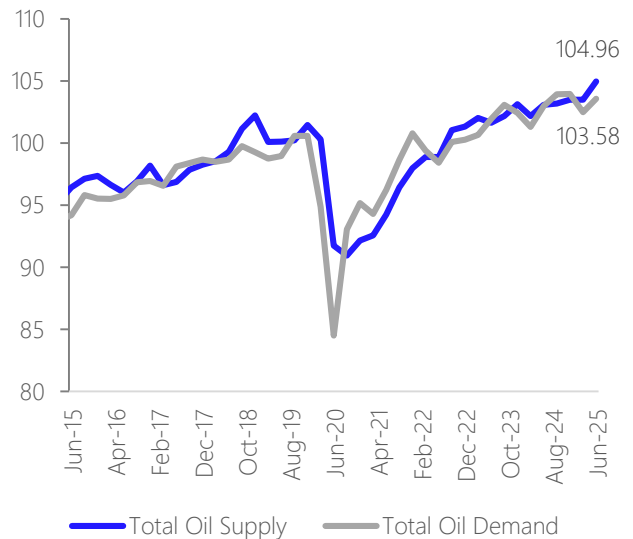
Source: Argaam, Al Rajhi Capital

Crude Oil Prices (USD per barrel)



Source: Bloomberg, Al Rajhi Capital

Global Oil Supply-Demand Balance (mn b/d)

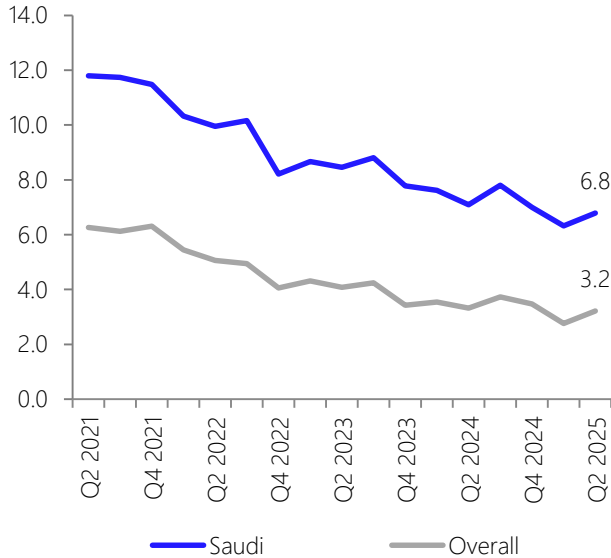


Source: IEA, Al Rajhi Capital



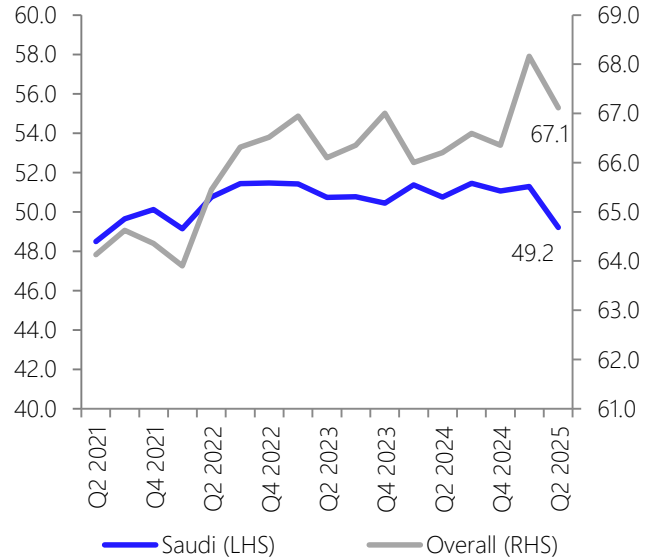
3. Labor Market Indicators :

Unemployment Rates: Saudis vs Overall



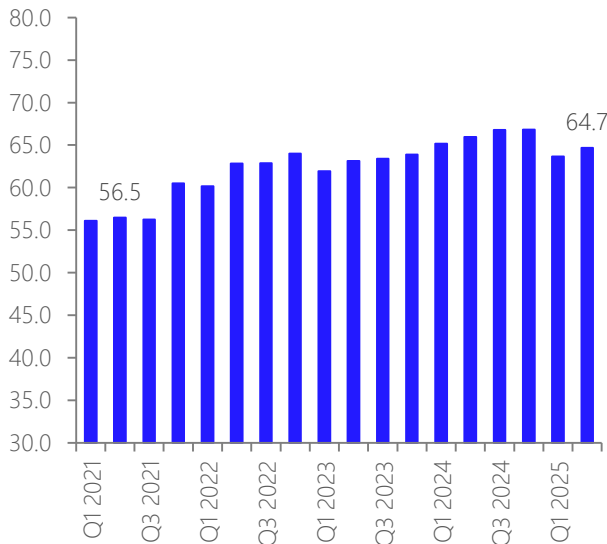
Source: GASTAT, Al Rajhi Capital

Labor Force Participation Rate



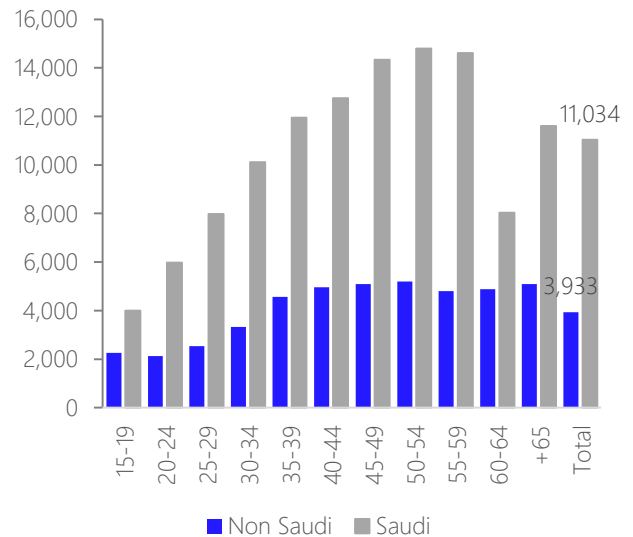
Source: GASTAT, Al Rajhi Capital

Percentage of employees in Private sector as a share of total workers



Source: GASTAT, Al Rajhi Capital

Average Monthly Wages by Nationality (SAR)

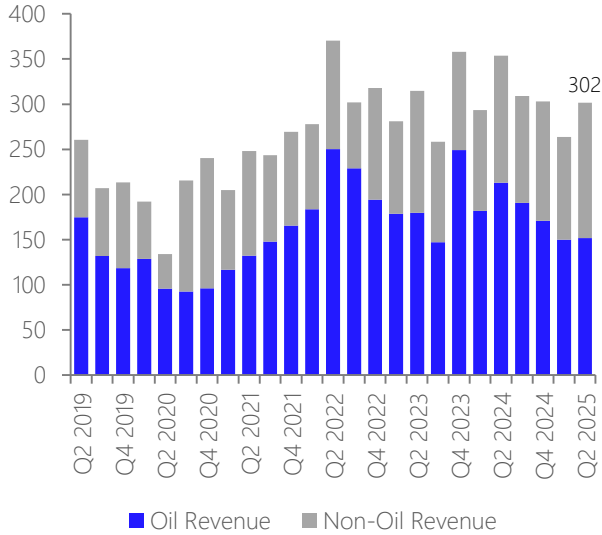


Source: GASTAT, Al Rajhi Capital



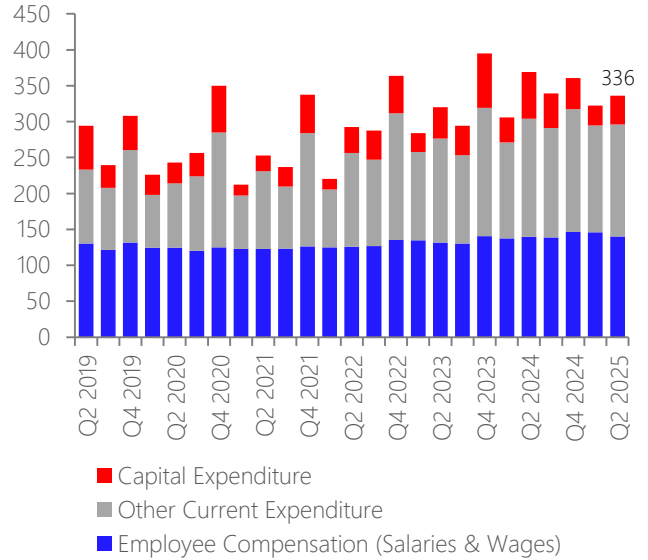
4. Fiscal Performance and Government Debt :

Quarterly Fiscal Revenue (SAR bn)



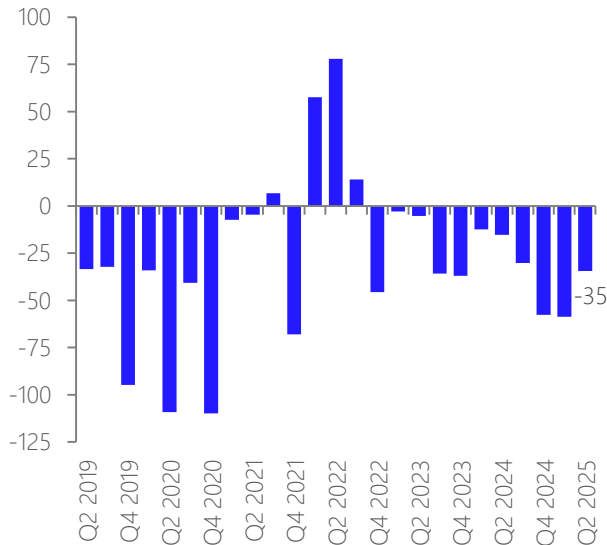
Source: MoF, Al Rajhi Capital

Quarterly Fiscal Expenditure (SAR bn)



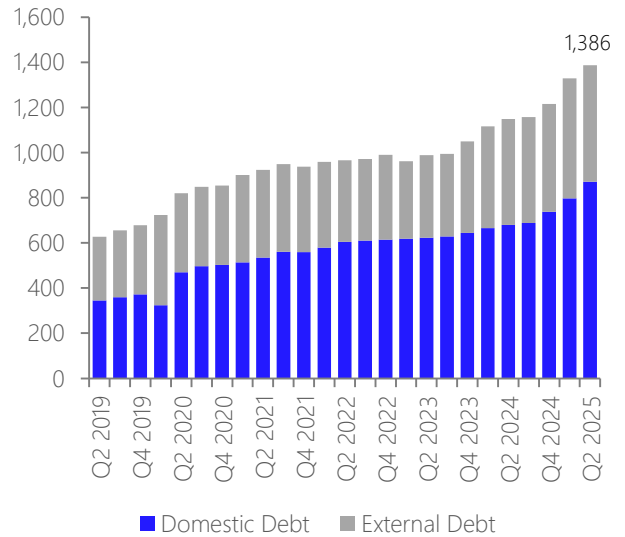
Source: MoF, Al Rajhi Capital

Quarterly Fiscal Deficit/Surplus (SAR bn)



Source: MoF, Al Rajhi Capital

Outstanding Government Debt (SAR bn)



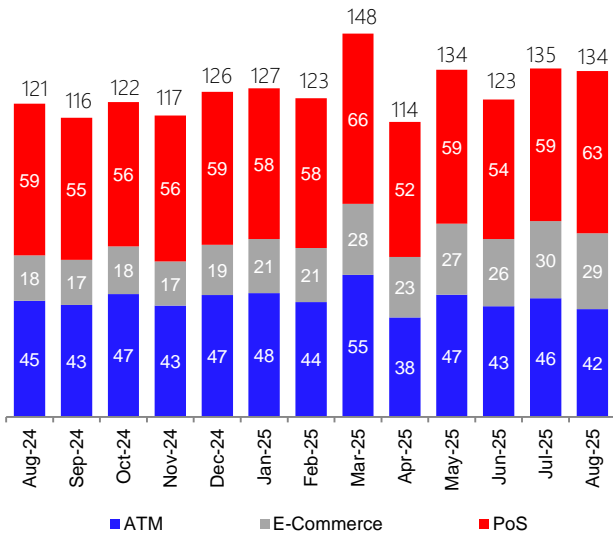
Source: MoF, Al Rajhi Capital





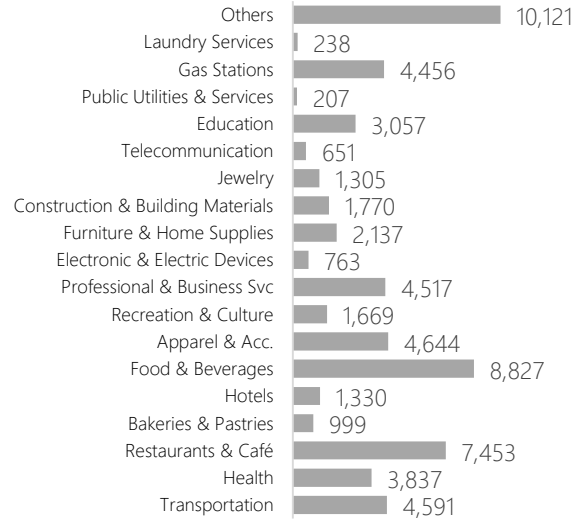
5. Consumer Activity:

Consumer spending (SAR bn)



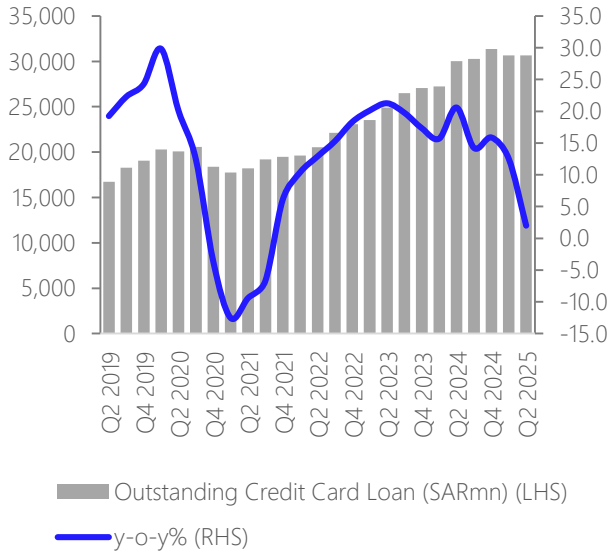
Source: GASTAT, Al Rajhi Capital

POS Transactions by Sector (SAR mn)



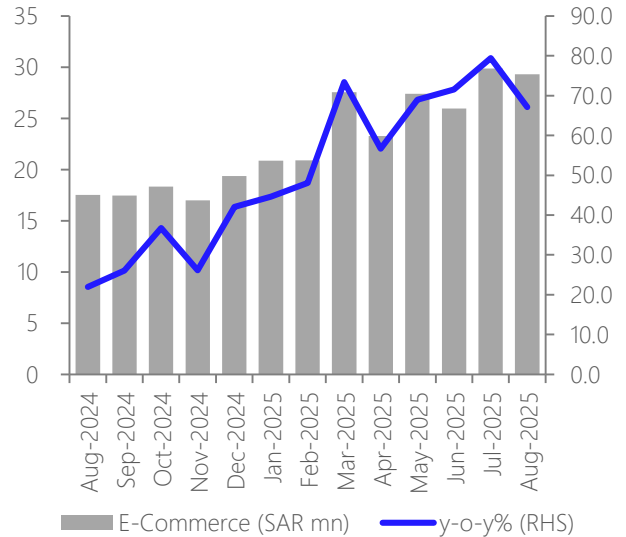
Source: GASTAT, Al Rajhi Capital

Outstanding Credit Card loans



Source: GASTAT, Al Rajhi Capital

E-Commerce Transactions (SAR bn)



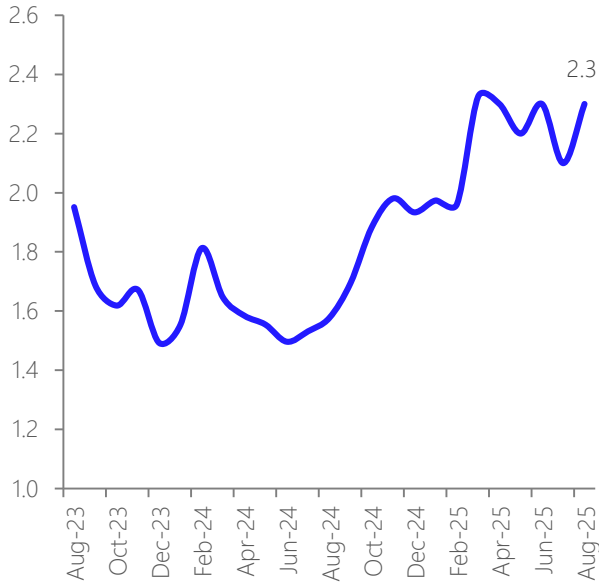
Source: GASTAT, Al Rajhi Capital





6. Inflation and Price Trends :

Consumer Price Index (CPI) - y-o-y % Change



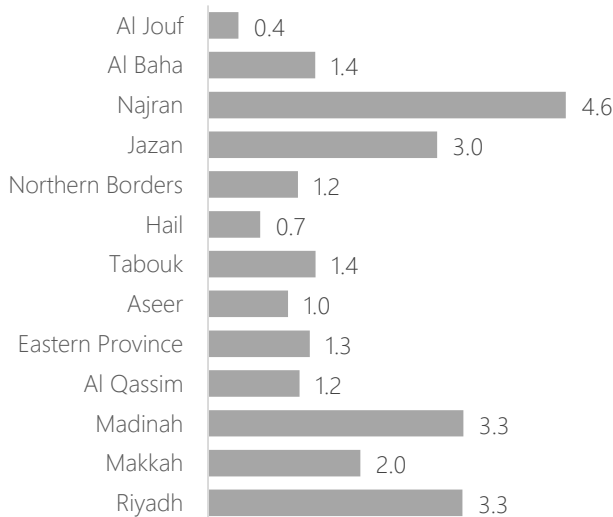
Source: GASTAT, Al Rajhi Capital

CPI Breakdown by Category

	Weight (%)	Aug-25	Aug-24	Change (y-o-y%)
Food & Beverages	22.0	101.8	100.7	1.1
Tobacco	0.8	99.5	99.0	0.5
Clothing	3.7	96.9	96.7	0.2
Housing & Utilities	19.5	113.6	107.3	5.8
Furnishings and Household Equipment	6.9	98.0	98.4	-0.3
Health	4.3	99.8	99.9	-0.1
Transport	14.8	101.2	100.1	1.2
Communication	5.1	97.7	98.1	-0.4
Recreation	3.2	103.8	101.1	2.7
Education	2.2	102.0	101.2	0.8
Hospitality	8.7	106.7	103.5	3.0
Finance	3.0	105.9	97.9	8.1
Personal Care and Misc.	5.8	107.8	102.9	4.8
General Index	100.0	103.9	101.6	2.3

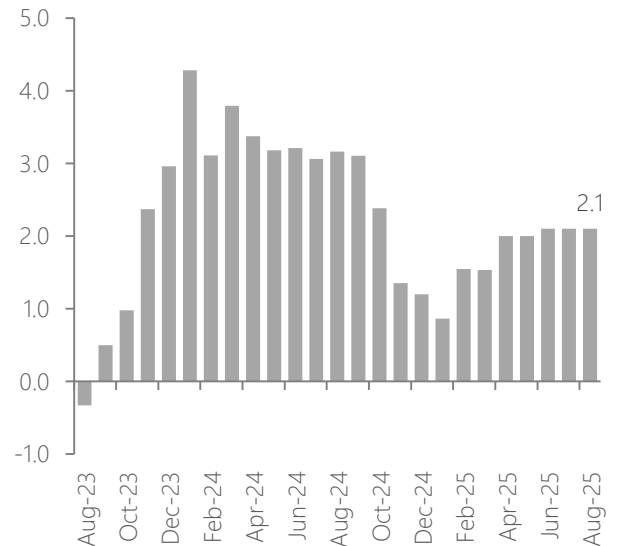
Source: GASTAT, Al Rajhi Capital

CPI Breakdown by City - y-o-y % Change



Source: GASTAT, Al Rajhi Capital

Wholesale Price Index (WPI) - y-o-y % Change



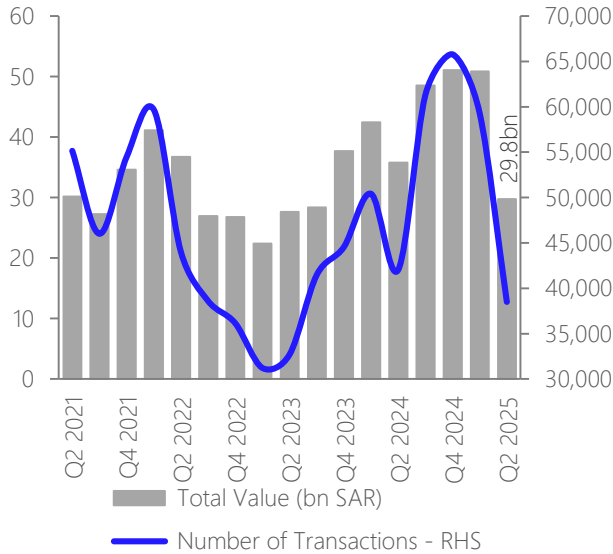
Source: GASTAT, Al Rajhi Capital





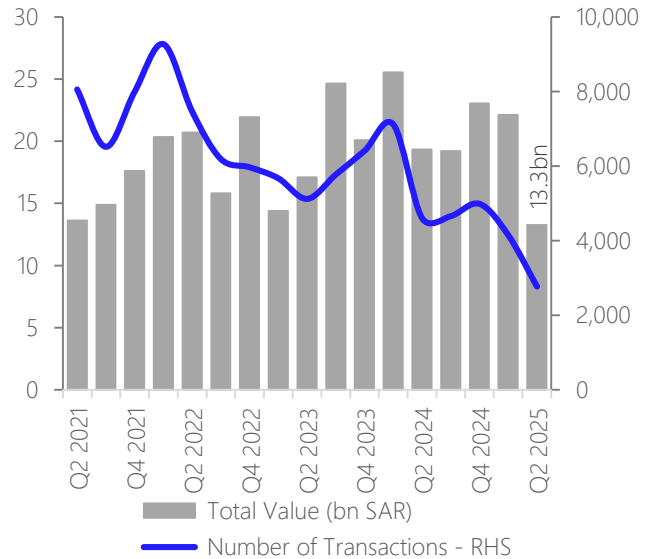
7. Real Estate Market :

Real Estate Transactions Residential



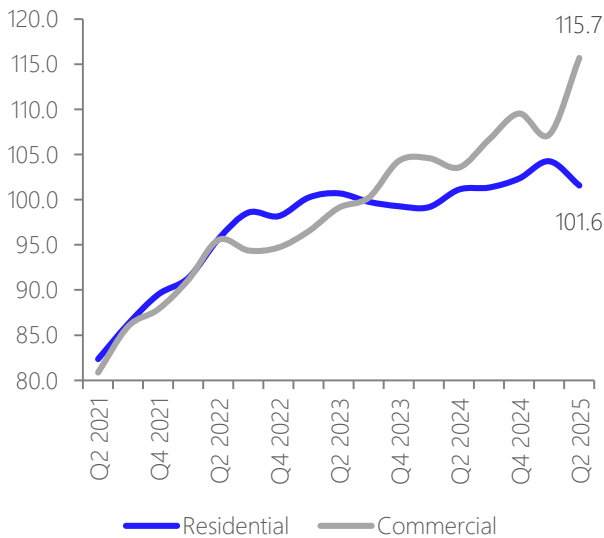
Source: MOJ, Al Rajhi Capital

Real Estate Transactions Commercial



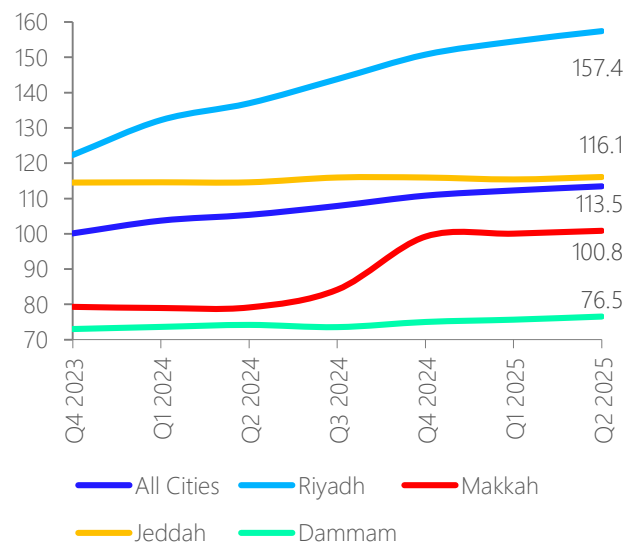
Source: MOJ, Al Rajhi Capital

Real Estate Price Index



Source: GASTAT, Al Rajhi Capital

Rental Housing Index



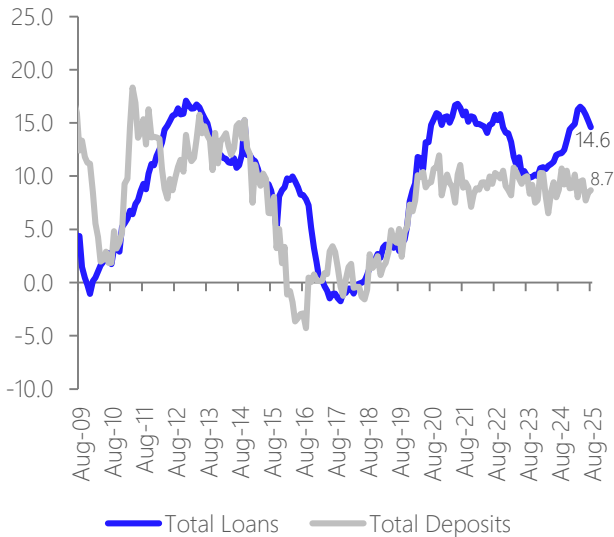
Source: GASTAT, Al Rajhi Capital



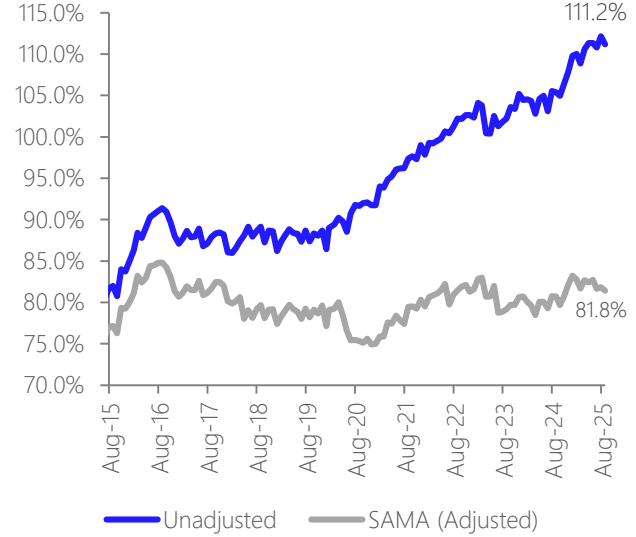


8. Banking Sector Trends (1/2) :

Loans vs Deposits - y-o-y % Change

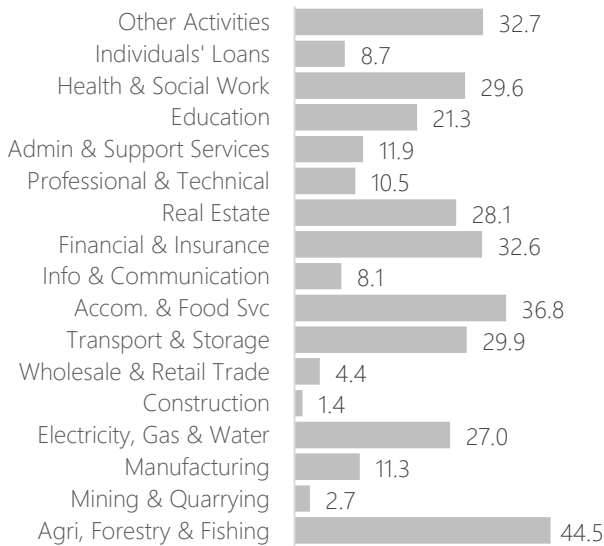


Long-Term Loan-to-Deposit Ratio (LDR)



Source: SAMA, Al Rajhi Capital

Credit Growth by Economic Activity (%)



Source: SAMA, Al Rajhi Capital

Broad Money (M3) Growth (%)



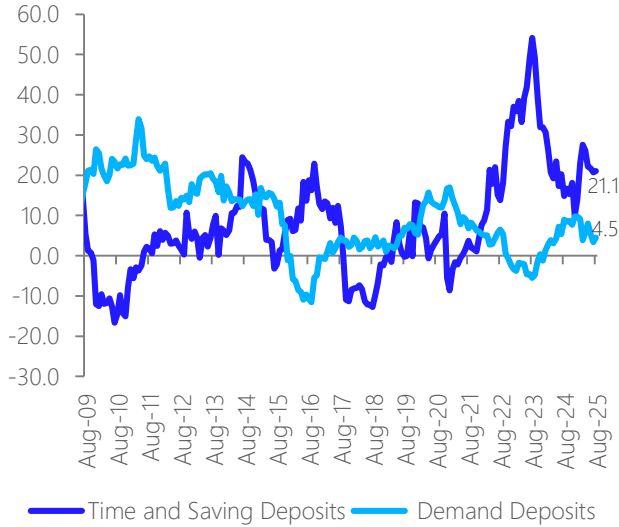
Source: SAMA, Al Rajhi Capital





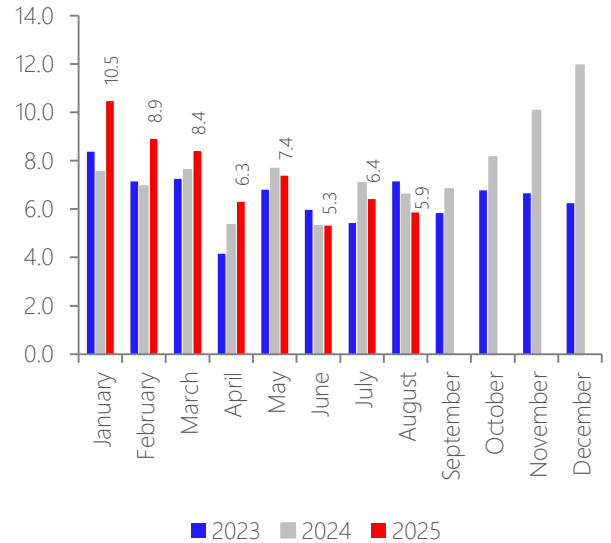
8. Banking Sector Trends (2/2) :

Demand Deposits vs. Time & Savings Deposits (Growth %)

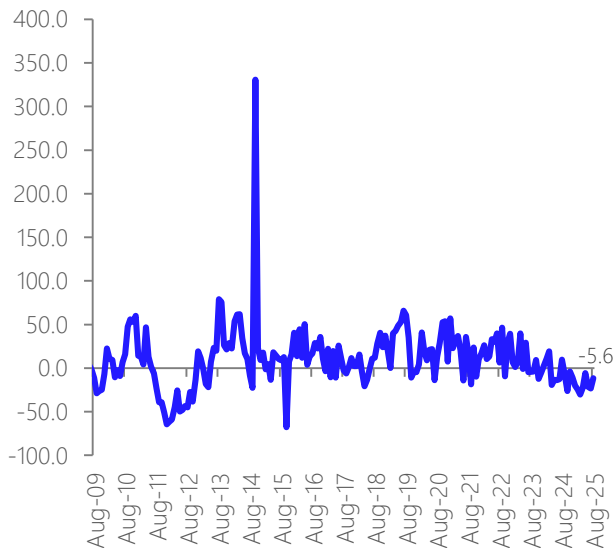


Source: SAMA, Al Rajhi Capital

Mortgage Origination Trends (SAR bn)

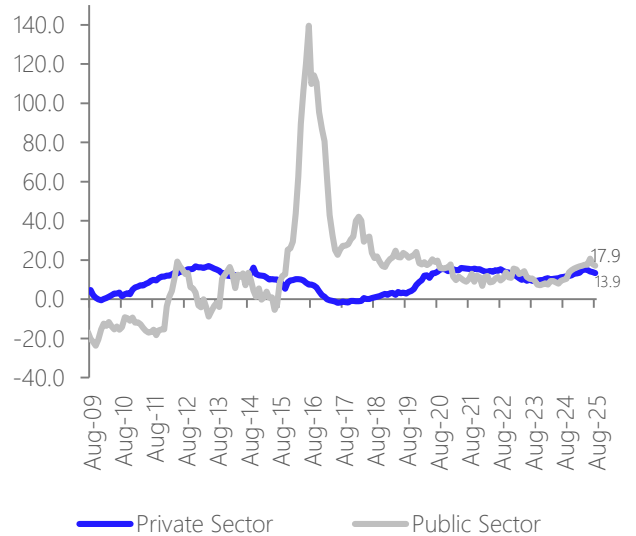


Letters of Credit Growth (%)



Source: SAMA, Al Rajhi Capital

Private vs Public Sector Credit Growth (%)



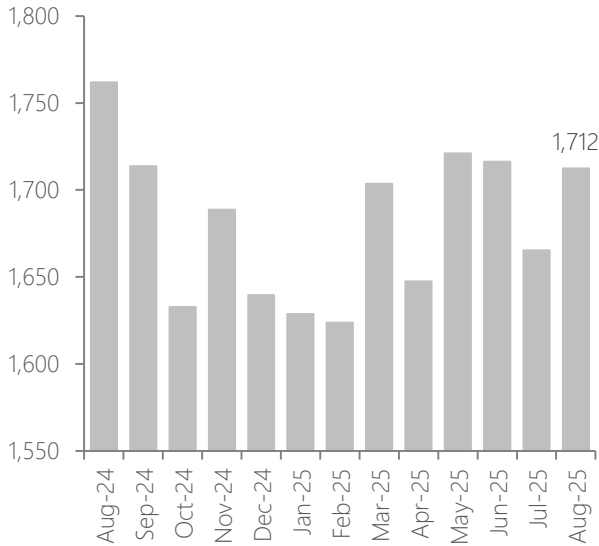
Source: SAMA, Al Rajhi Capital





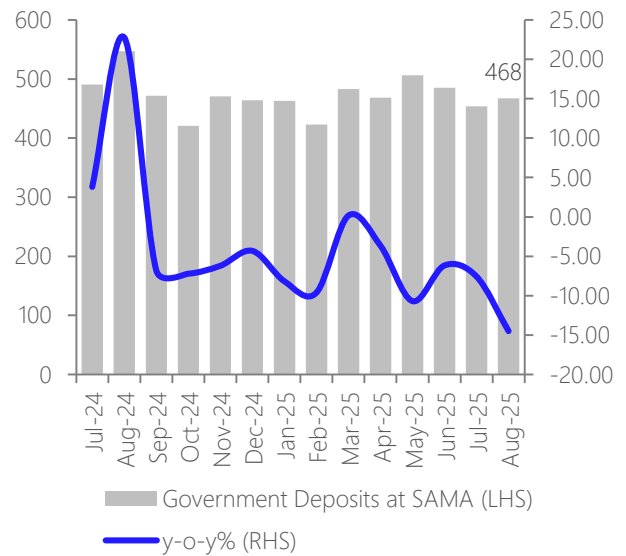
9. SAMA Reserves and Policy Rates

Foreign Currency Reserves at SAMA (SAR bn)



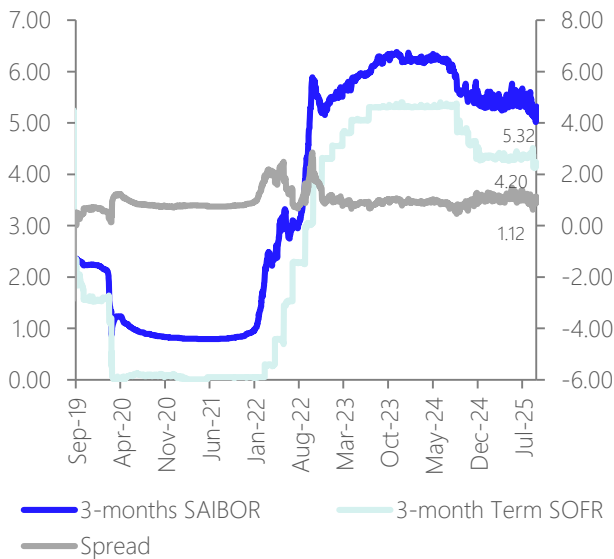
Source: SAMA, Al Rajhi Capital

Government Deposits with SAMA (SAR bn)



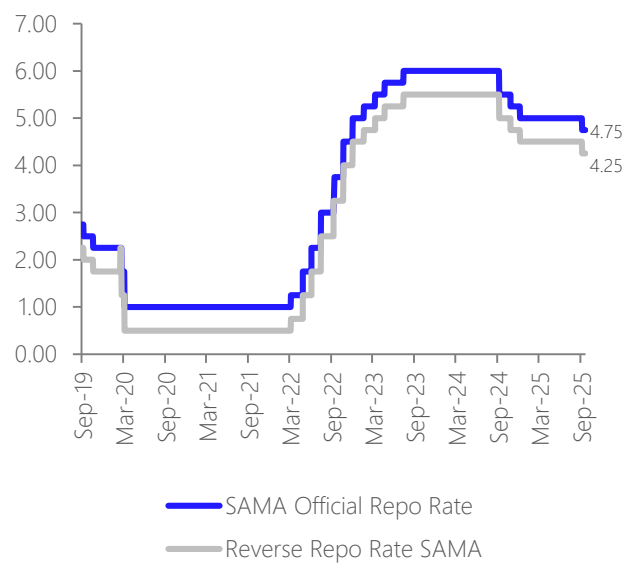
Source: SAMA, Al Rajhi Capital

SAIBOR vs SOFR



Source: Bloomberg, Al Rajhi Capital

SAMA Repo & Reverse Repo Rates



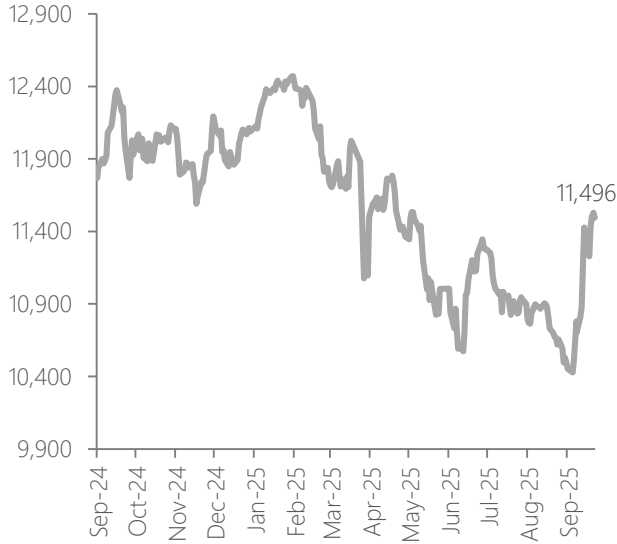
Source: Bloomberg, Al Rajhi Capital





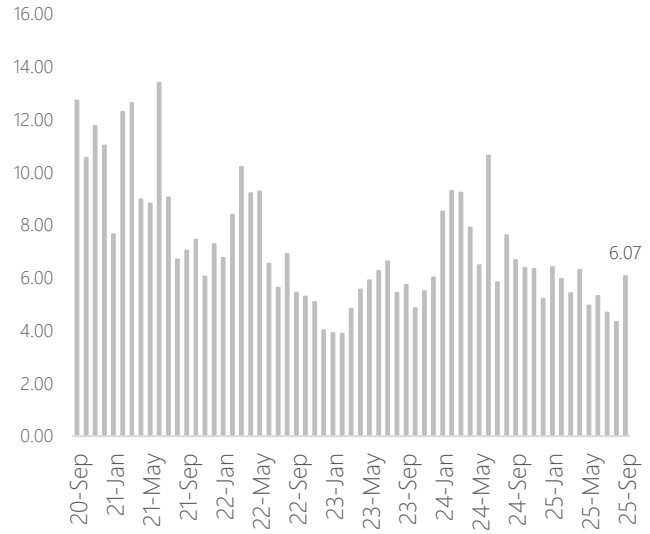
10. Equity Market Overview:

TASI Index



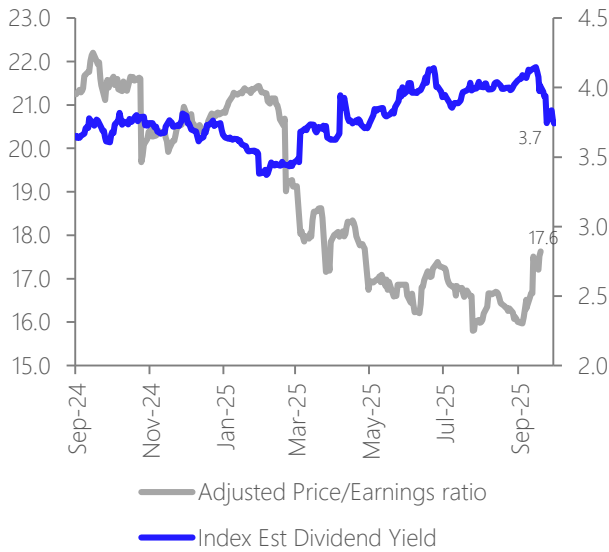
Source: Bloomberg, Al Rajhi Capital

Average Daily Traded Value (ADTV)



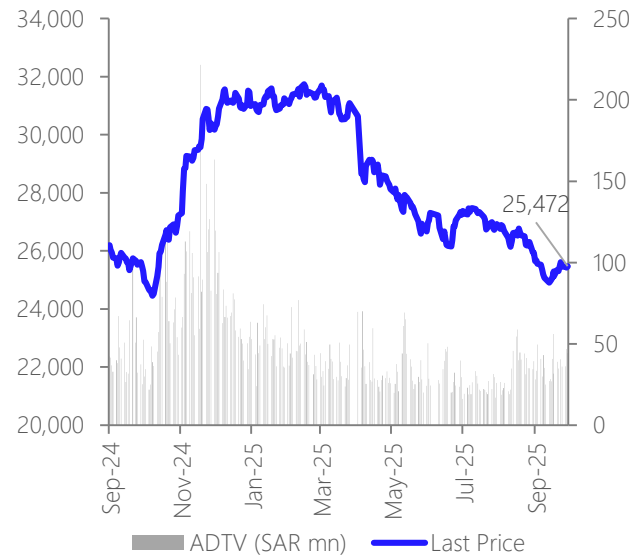
Source: Bloomberg, Al Rajhi Capital

TASI Adjusted P/E Ratio & Dividend Yield



Source: Bloomberg, Al Rajhi Capital

Nomu Parallel Market Performance



Source: Bloomberg, Al Rajhi Capital





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