الجزيرة كابيتال
aljazira capital



Saudi Monthly Economic Report

September 2026

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November 2026

ECONOMIC DASHBOARD

November 2026 report • Latest observations mainly September 2026

REAL GDP · Q3 2026
–3.8%
Year-on-year contraction

PMI · SEPT 2026
55.3
Above 50 = expansion

POS SALES
SAR 60.8bn
+4.5% YoY | -7.4% MoM

E-COMMERCE · MADA
SAR 37.3bn
+28.1% YoY | +1.0% MoM

BANK CREDIT
SAR 3.50tn
+7.3% YoY | +1.0% MoM

BANK DEPOSITS
SAR 3.08tn
+4.8% YoY | –0.1% MoM

BANKING PROFIT
SAR 10.0bn
+7.3% YoY | +10.9% MoM

CPI INFLATION
1.87%
YoY | September2026

EXPAT REMITTANCES
SAR 13.3bn
-0.5% YoY | -1.2% MoM

EXPORTS
SAR 87.2bn
-11.5% YoY | +3.3% MoM

IMPORTS
SAR 71.6bn
-9.1% YoY | +0.6% MoM

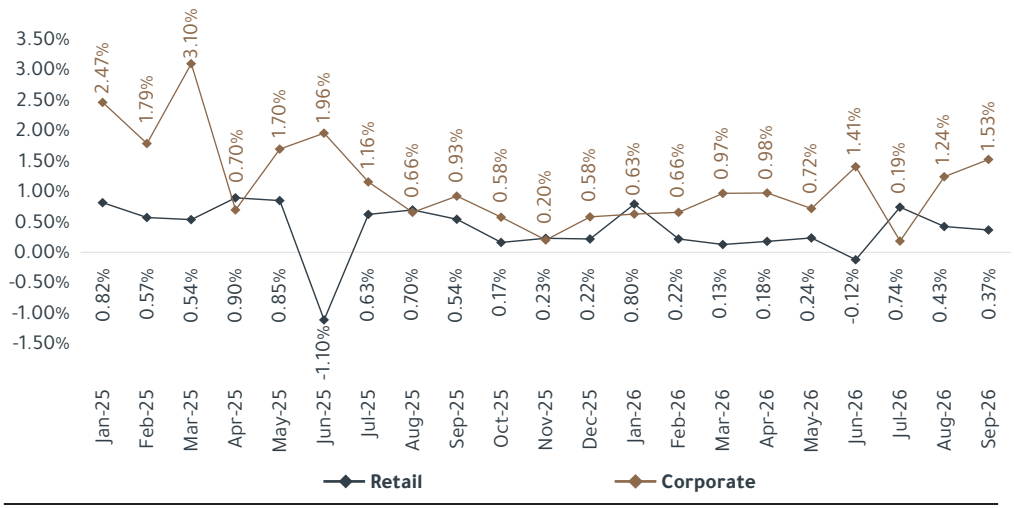
TRADE BALANCE
SAR 15.6bn
-21.0% YoY | +17.8% MoM

Source: Aljazira Capital Research, Saud Central Bank (SAMA), General Authority for Statistics (GASTAT), S&P Global, Argaam Website

Credit and deposit growth

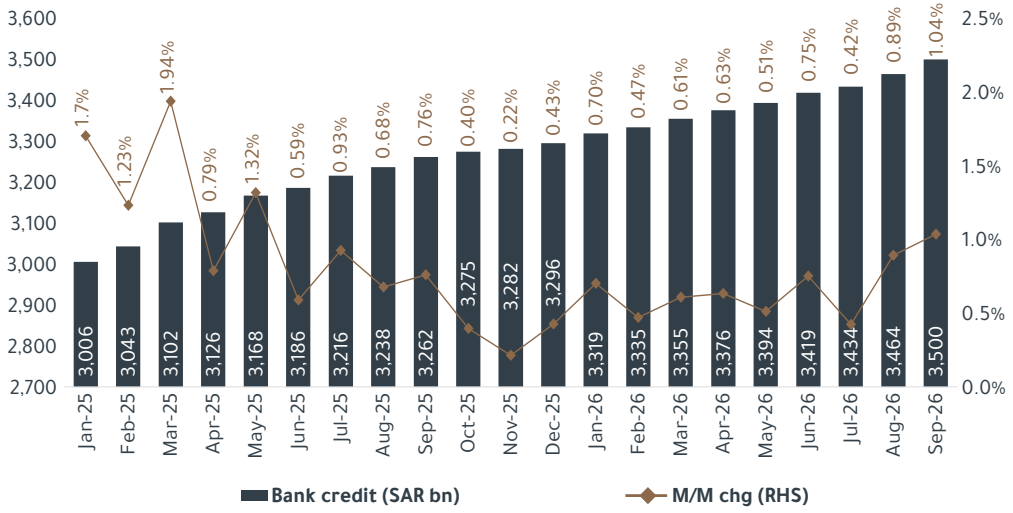
- **Total credit** stood at SAR 3,500bn in Sept-26, up 1.04% M/M (+7.3% Y/Y); Retail loans grew by 0.37% M/M (+3.7% Y/Y) to reach SAR 1,478bn, while corporate loans grew 1.53% M/M (+10.1% Y/Y) to SAR 2,023bn in Sept-26.
- **Total deposit** base declined to SAR 3,076bn down 0.1% M/M (up 4.8% Y/Y). Time and savings deposits were up 1.3% M/M (+22.9% Y/Y) to SAR 1,417bn, led by 2.2% M/M increase in non-government deposits.
- **Demand deposits** decreased by 1.4% M/M (-4.9% Y/Y) to SAR 1,405bn (non-govt down 1.4% M/M and govt down 1.3% M/M). Other Quasi Money deposits decreased by 0.7% M/M to SAR 254bn.

Retail vs corporate loan growth (M/M)



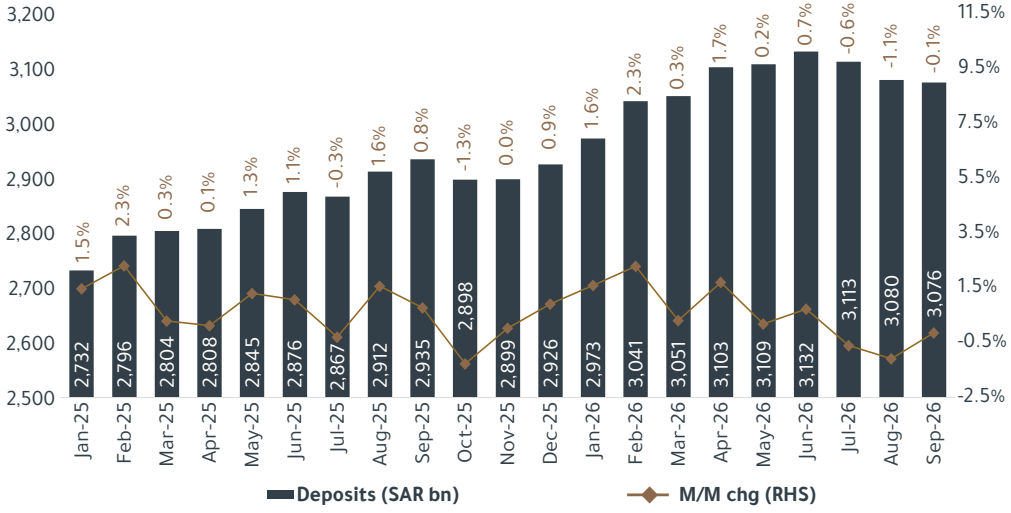
Source: SAMA, Aljazira Capital Research

Banking sector credit (SAR bn)



Source: SAMA, Aljazira Capital Research

Total deposits (SAR bn)

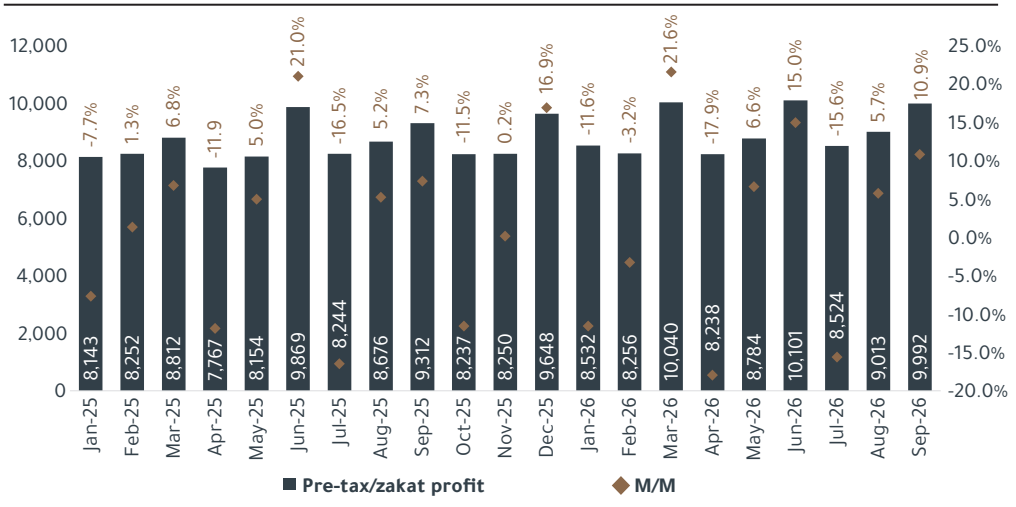


Source: SAMA, Aljazira Capital Research

Banking sector profit and deposit mix

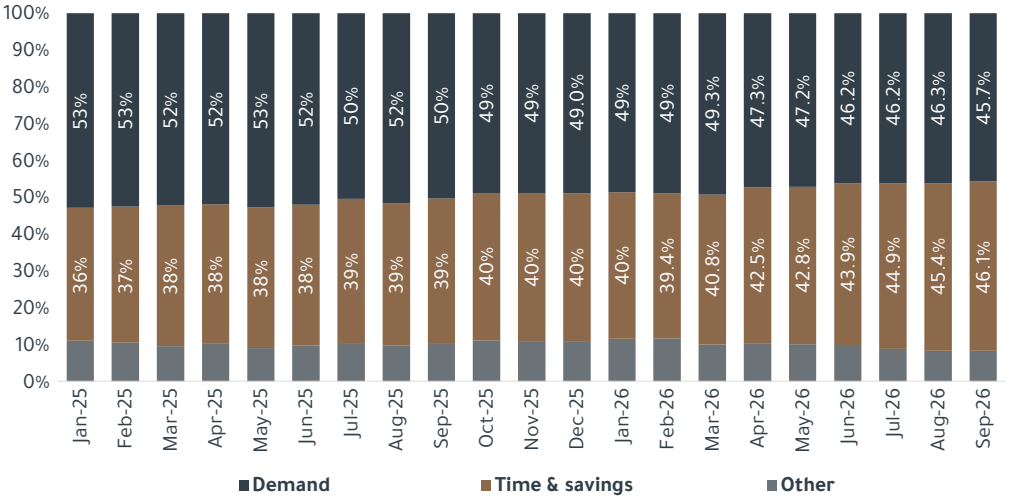
- **Profit before Zakat and taxes** for Sept-26 was reported at SAR 10.0bn up 10.9% M/M (+7.3% Y/Y).
- **On an YTD basis** Profit Before Zakat and taxes were up 5.5% Y/Y to SAR 81.5bn.
- **Overall, share of Time and saving deposits** in total deposits increased by 63bps M/M to 46.1%, while share of demand deposits decreased by 58bps M/M to 45.7%.
- **Other Quasi money deposits share in total deposits** decreased by 5bps M/M to 8.2%.

Banking sector profit before zakat and tax (SAR mn)



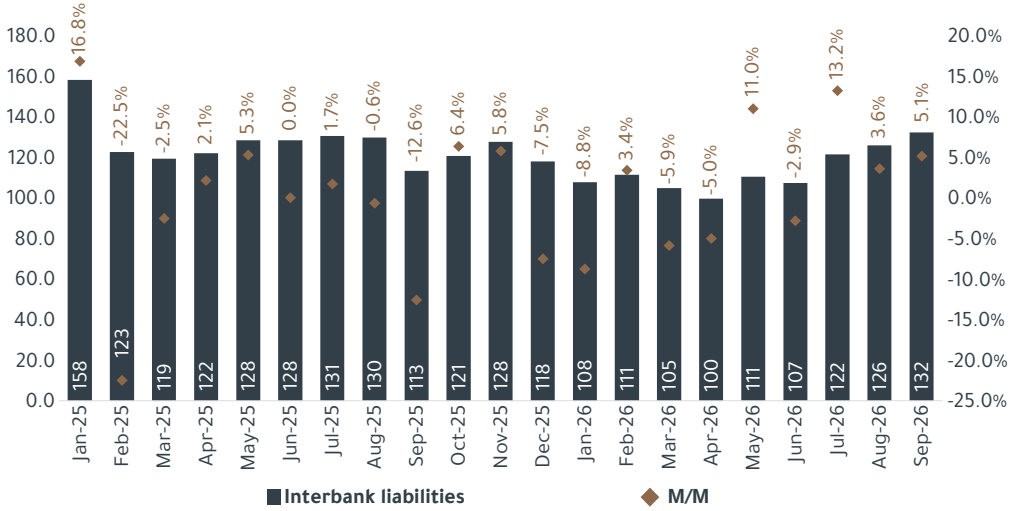
Source: SAMA, Aljazira Capital Research

Deposit mix



Source: SAMA, Aljazira Capital Research

Interbank liabilities (SAR bn)

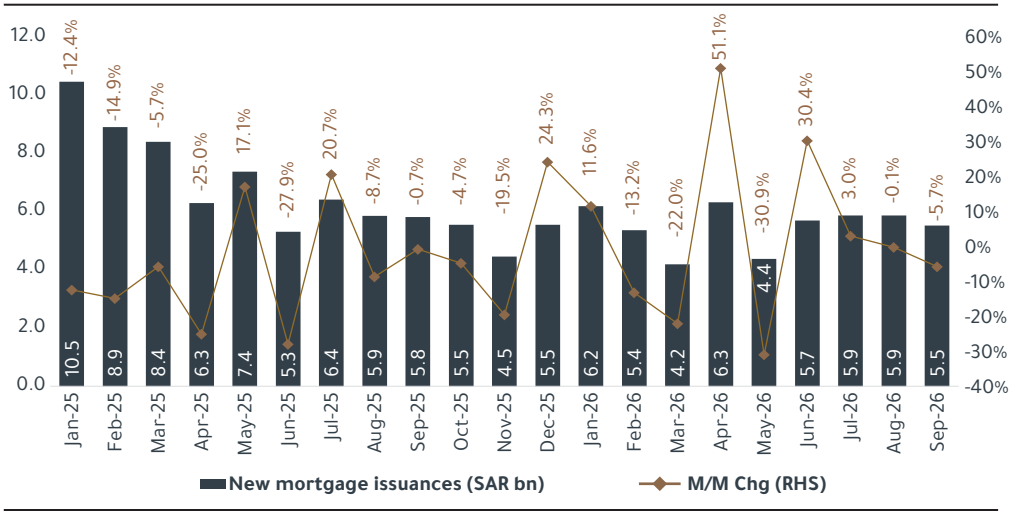


Source: SAMA, Aljazira Capital Research

Mortgages, loans to public sector and E-commerce sales

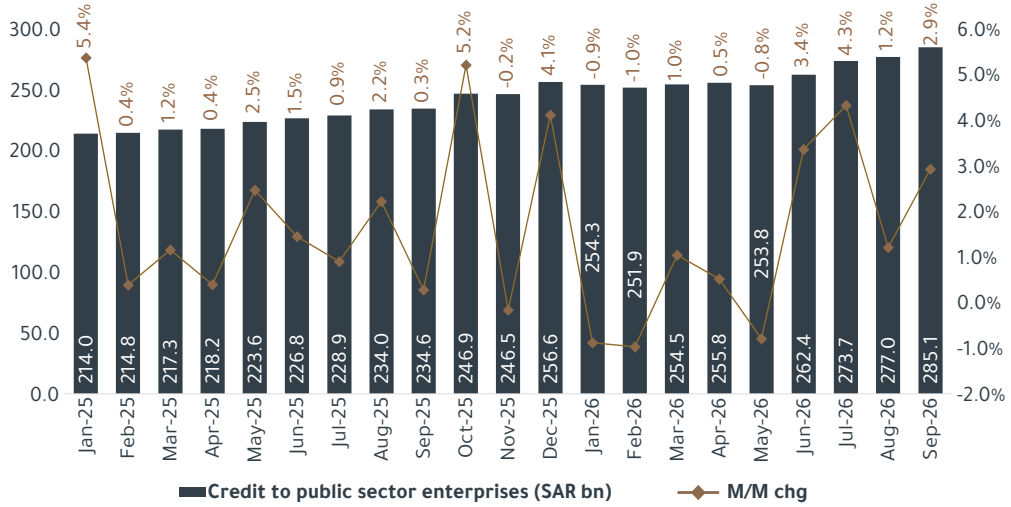
- **Individual residential mortgage lending** declined 5.0% Y/Y (-5.7% M/M) to SAR 5.5bn in Sept-26.
- **Credit to public sector enterprises** increased by 2.9% M/M (+21.5% Y/Y) to SAR 285bn.
- **E-commerce sales using MADA** increased by 1.0% M/M (+28.1% Y/Y) to SAR 37.3bn.

Mortgage loan issuances (SAR bn)



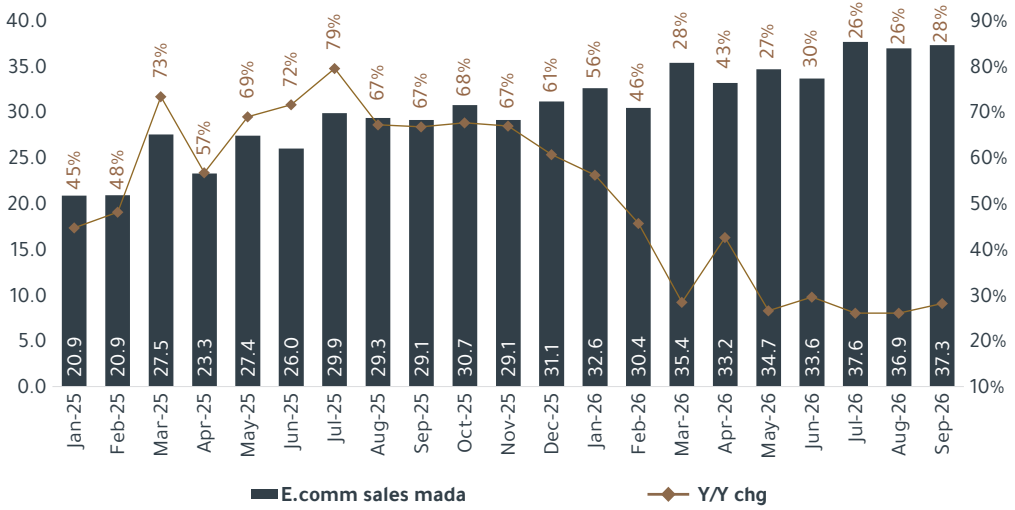
Source: SAMA, Aljazira Capital Research

Loans to public sector enterprises (SAR bn)



Source: SAMA, Aljazira Capital Research

E-commerce sales using MADA (SAR bn)

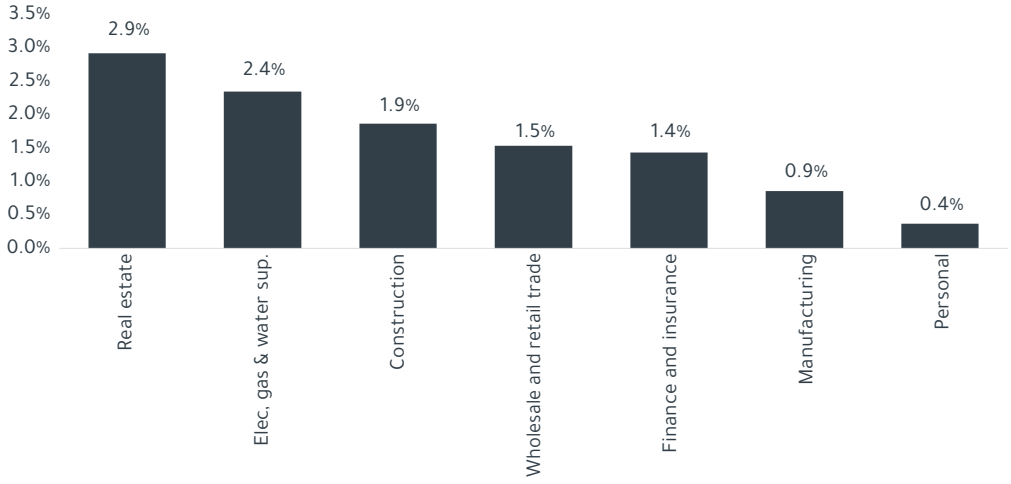


Source: SAMA, Aljazira Capital Research

Activity wise loans, POS sales and LDR

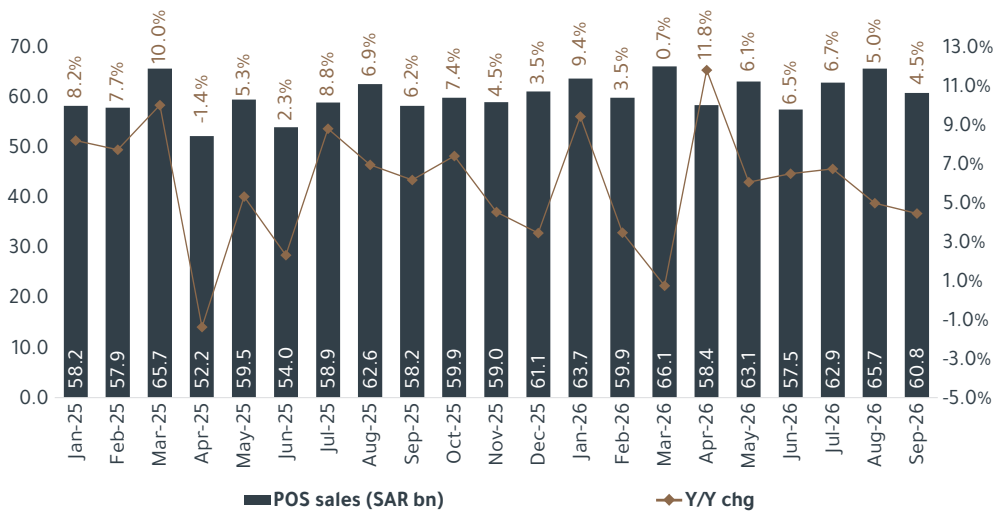
- Real Estate, Electricity, gas and water, Construction and Wholesale & Retail trade saw strongest M/M loan growth in Sept-26.
- **Total POS sales** decreased by 7.4% M/M (+4.5% Y/Y) to SAR 60.8bn.
- **Normal and regulated LDR ratios** grew by 132/76bps M/M in Sept-26 to 113.8/82.5%, as deposit declined by 0.13% M/M while loans grew by 1.04% M/M.

Activity wise loan growth - August-2026 (M/M)



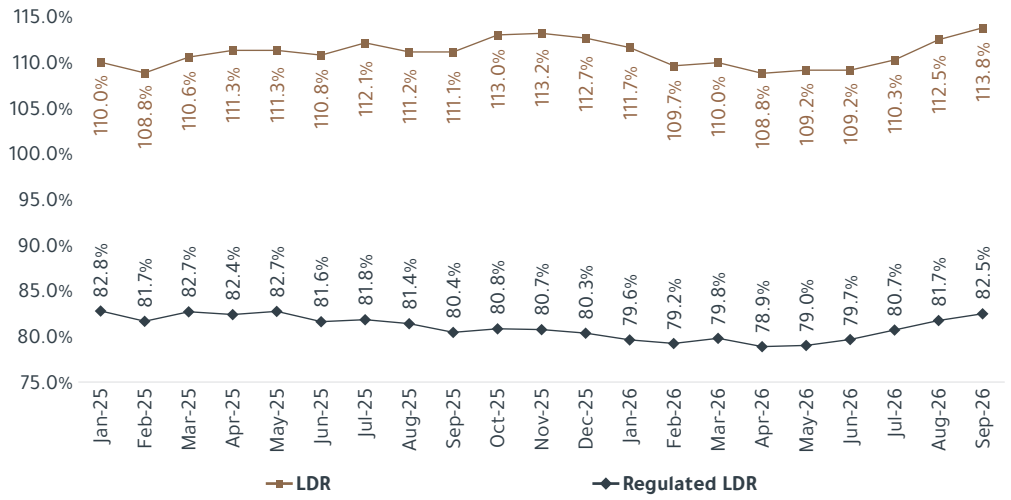
Source: SAMA, Aljazira Capital Research

POS sales (SAR bn)



Source: SAMA, Aljazira Capital Research

LDR both regulated and unregulated

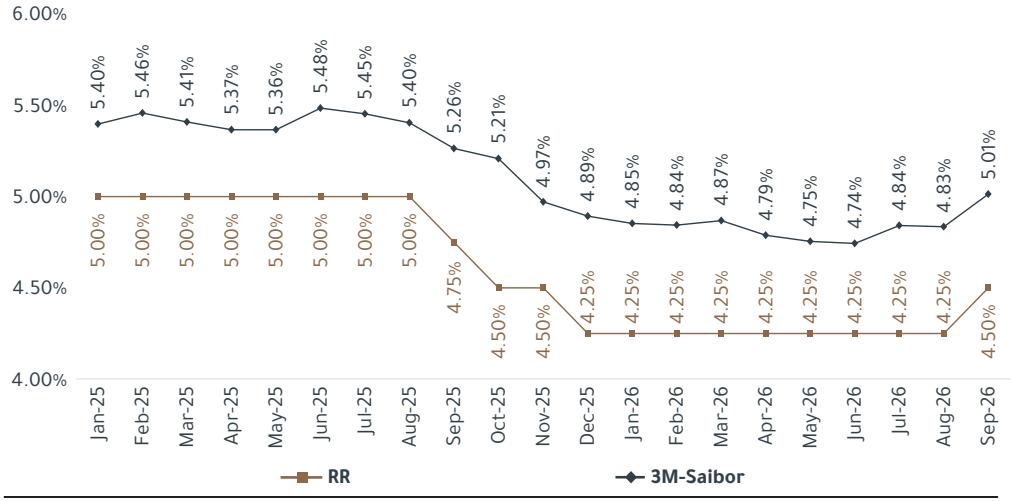


Source: SAMA, Aljazira Capital Research

Spreads and inflation

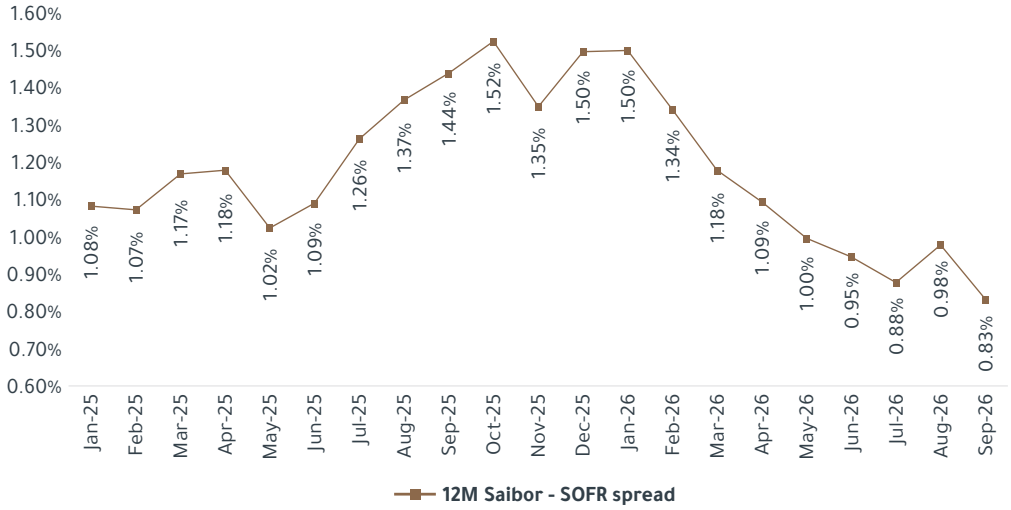
- **3MSaibor** increased by 18bps M/M (-25bps Y/Y) to 5.01%. 3MSaibor-SOFR spread decreased by 2bps M/M in Sept-26 to 1.06%, while 12MSaibor-SOFR spread declined by 15bps M/M to 0.83%.
- **Spread** remains sizably above the long-term averages due to tight liquidity conditions.
- **CPI inflation** stood at 1.87% Y/Y (-0.01% M/M) in Sept-26 as compared to 1.82% in Aug-26.

Repo Rate and 3M-Saibor



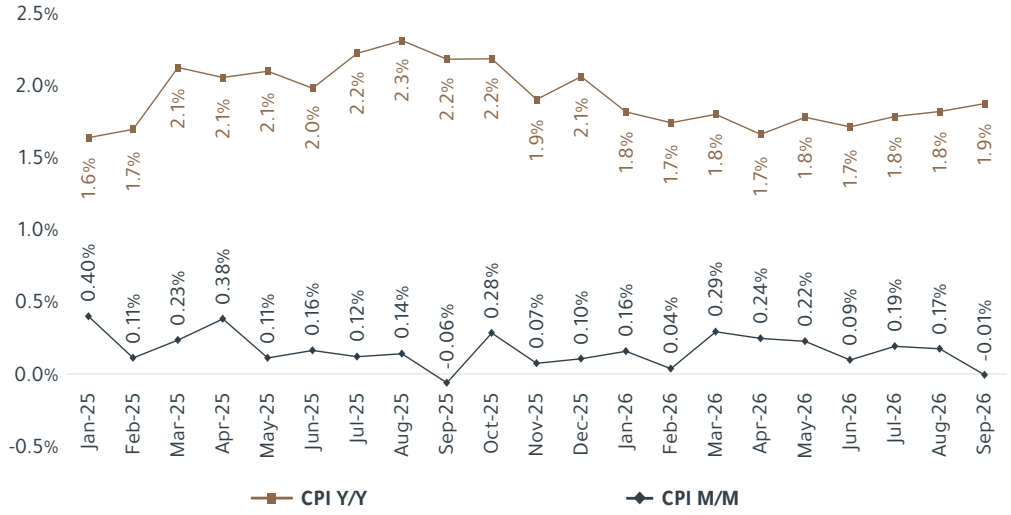
Source: SAMA, Aljazira Capital Research

Saibor-SOFR spread



Source: SAMA, Aljazira Capital Research

CPI Inflation

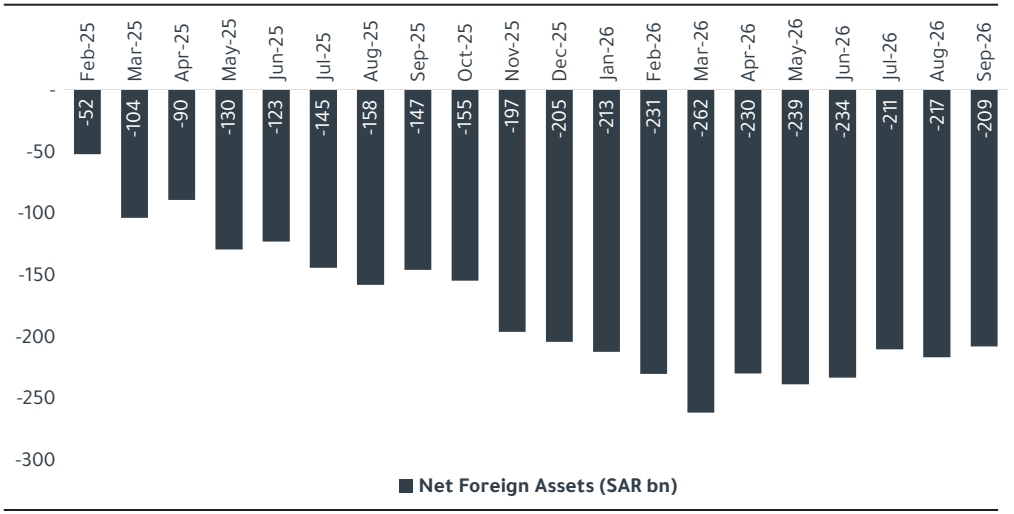


Source: SAMA, Aljazira Capital Research

Net foreign assets, key balance sheet figures of commercial banks

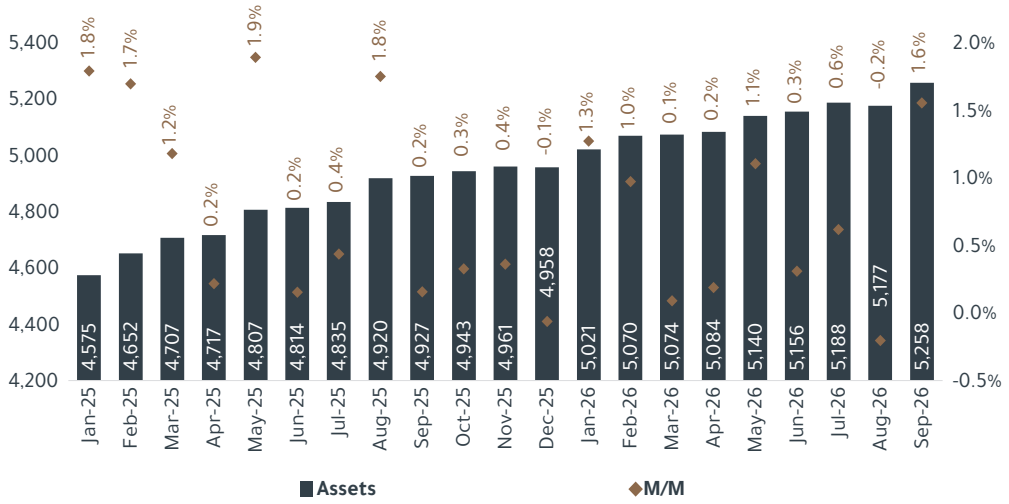
- **Net Foreign assets of Banks** were to the tune of SAR -209bn, up SAR 8.8bn M/M (down SAR 62.0bn Y/Y), as total assets increased by SAR 20.6bn to SAR 440bn while total liabilities increased by SAR 11.8bn to SAR 648bn.
- **Total assets of banks** grew by 1.6% M/M to SAR 5,258bn, while total liabilities increased by 1.8% M/M to SAR 4,584bn.

Net foreign assets of banks (SAR bn)



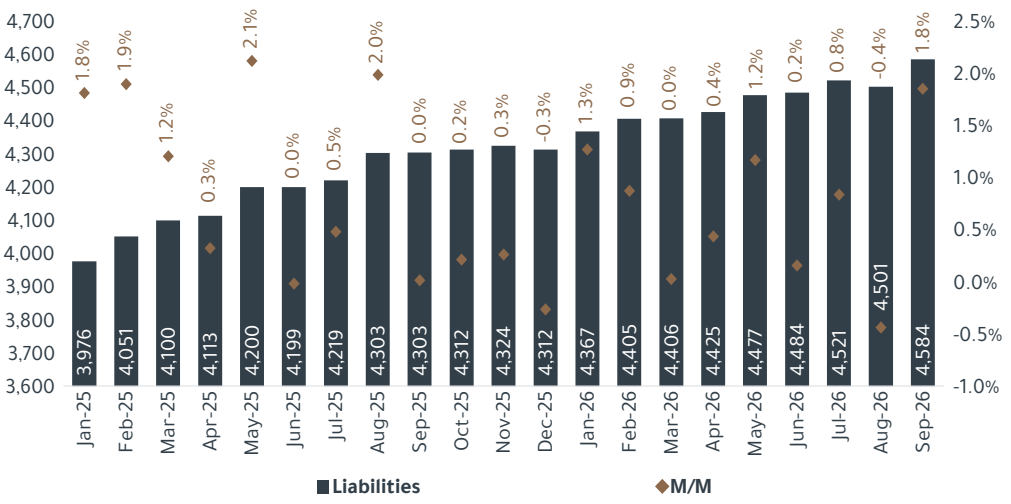
Source: SAMA, Aljazira Capital Research

Total assets of banks (SAR bn)



Source: SAMA, Aljazira Capital Research

Total liabilities of banks (SAR bn)

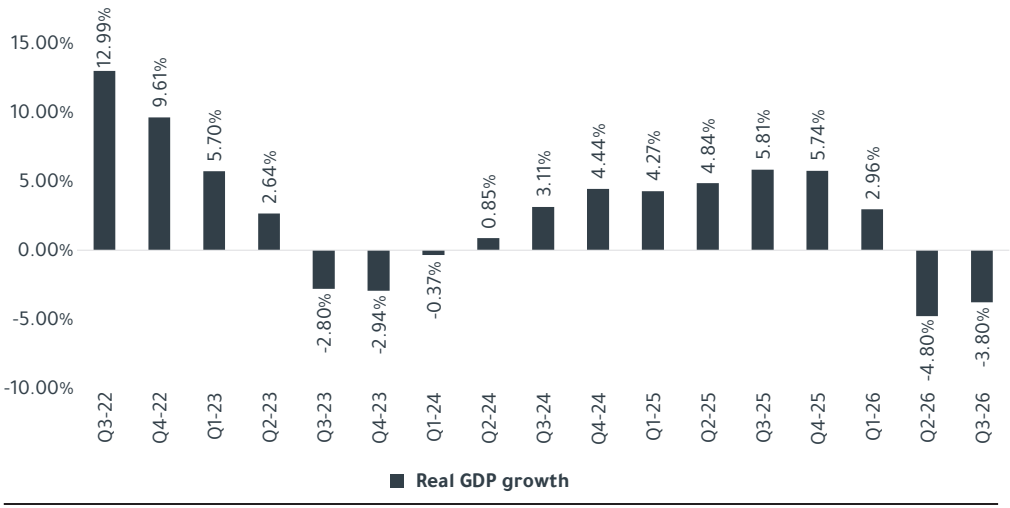


Source: SAMA, Aljazira Capital Research

Economic growth, PMI and spending

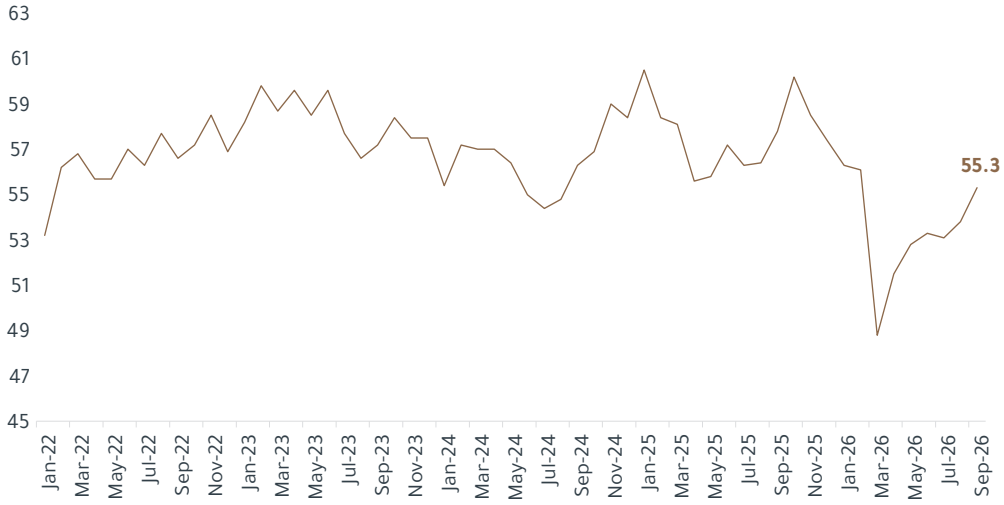
- **Real GDP** contracted 3.8% Y/Y in Q3-26. Oil sector was the sole driver of the contraction. Oil activities declined -20.4% Y/Y in Q3-26 versus -24.7% in Q2-26
- **September 2026's PMI** reading indicates that the recovery continues to strengthen. The index remains firmly in expansion territory, suggesting that the weakness seen in early 2026 has largely faded and private-sector activity is gaining momentum.
- **Consumer spending** fell to SAR 138bn in Sept-26, down 2.7% M/M, but was up 6.9% Y/Y. Growth was led by e-commerce (+28% Y/Y), while POS also increased 4.5% Y/Y.

Real GDP Y/ Y growth



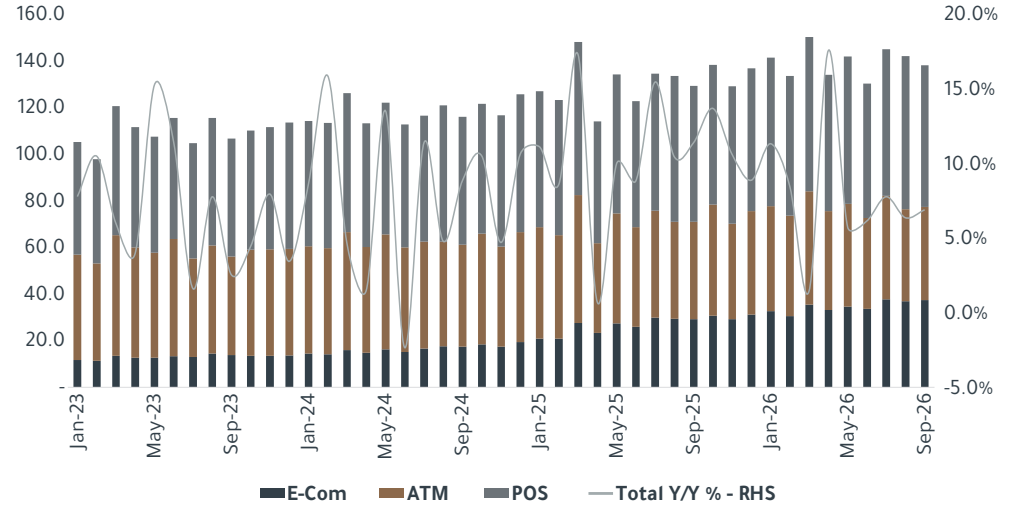
Source: Argaam, Aljazira Capital Research

KSA Purchasing Managers Index



Source: Argaam, Aljazira Capital Research

Consumer Spending (SARbn)

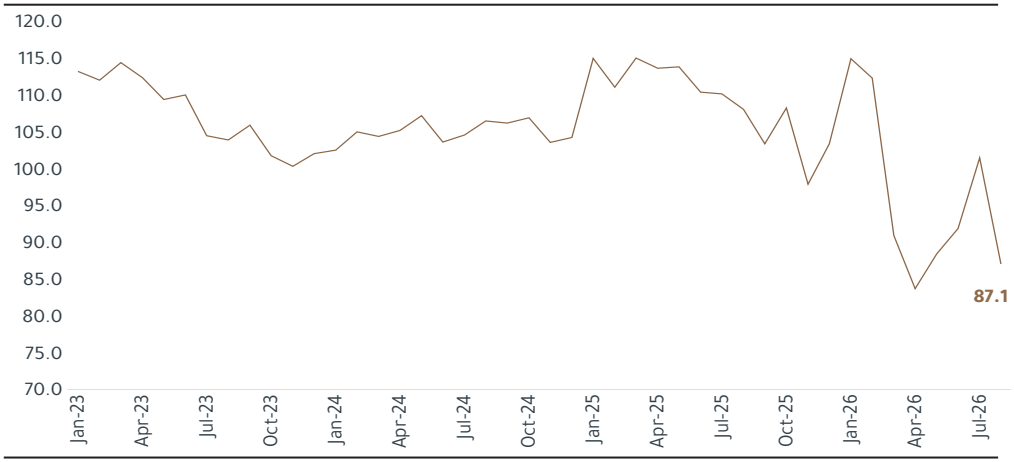


Source: Argaam, Aljazira Capital Research

Industrial production

- **Saudi Arabia's Industrial Production Index (IPI)** fell 14.2% M/M to 87.1 in Aug-26. On an annual basis, the index fell 19.4% Y/Y and continued to stay in contraction on Y/Y basis, for the last six consecutive months. From the start of the year, the index has fallen from 115.0 levels to 87.1 in Aug-26, with the lowest levels being recorded in Apr-26.
- **Oil activities** fell 33.6% Y/Y, impacted majorly by a 35.8% drop in crude oil and natural gas extraction, and 24.1% drop in refined products. On an monthly basis, oil activities fell 21.5% with extraction down 24.0% M/M and refining down 11.1% M/M. Whereas the non-oil activities rose 1.2% Y/Y and 1.4% M/M.

Industrial Production



Source: GASTAT, Aljazira Capital Research

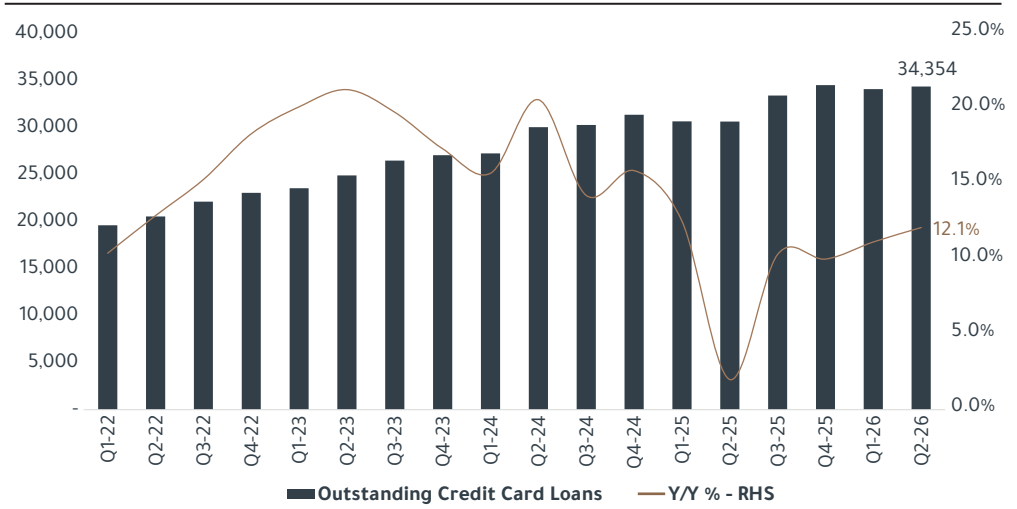
	Rate of change	
Main Activity	**Annual**	**Monthly**
Oil Activities	-33.6%	**-21.5%**
Extraction of crude petroleum and natural gas	-35.8%	-24.0%
Manufacture of coke and refined petroleum products	-24.1%	-11.1%
Non-Oil Activities	1.2%	**1.4%**
Manufacturing	-0.3%	0.6%
Manufacture of food products	-2.3%	0.8%
Manufacture of beverages	1.7%	0.0%
Manufacture of paper and paper products	-1.0%	2.0%
Manufacture of chemicals and chemical products	-3.3%	-0.1%
Manufacture of non-metallic products	-2.0%	0.5%
Manufacture of basic metals	3.9%	1.7%
Manufacture of electrical devices	-2.4%	0.7%
Manufacture of furniture	0.7%	0.1%
Other Economic Activities	5.1%	0.9%
Electricity, gas, steam and air conditioning supply	9.4%	7.0%
Water supply; sewerage, waste management and remediation activities	7.4%	0.2%
General index	-23.5%	**-14.1%**

Source: GASTAT, Aljazira Capital Research

Crude prices, credit card loans

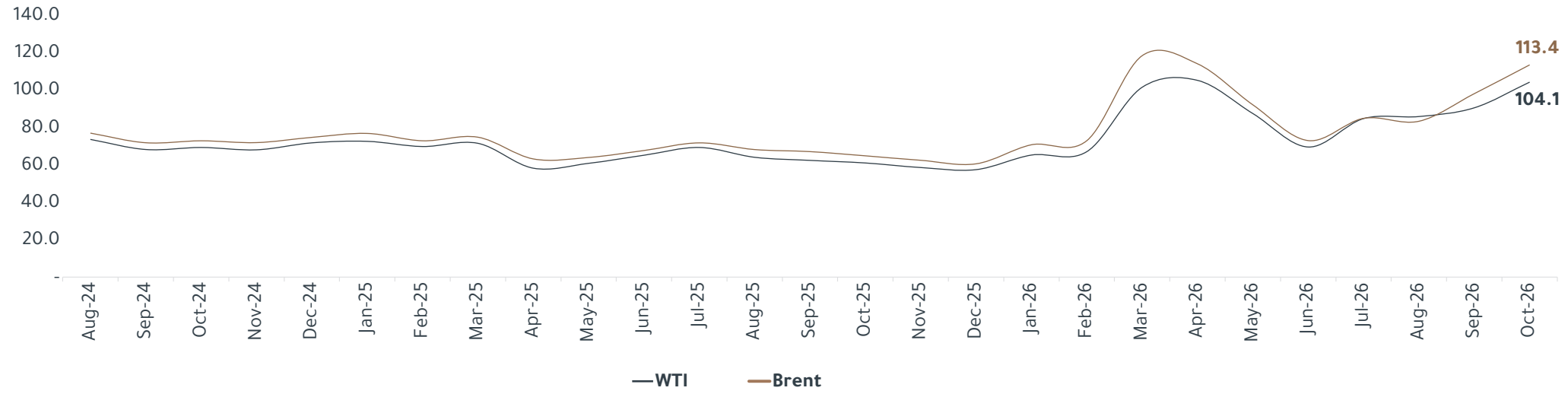
- **Oil prices** strengthened towards the end of October. WTI prices rose from $90.6/bbl in September to $104.1/bbl in October, while Brent prices rose from $98.0 to $113.4/bbl. The sharp oil price movement was due to renewed U.S.-Iran military tensions which increased the fears of supply disruptions.
- The latest reading shows outstanding **credit card loans** rising modestly to SAR 34.35bn in Q2-26, up from SAR 34.08bn in Q1-26. This represents a 0.8% Q/Q increase, while the Y/Y growth rate remained strong at 12.1%.

Outstanding Credit Card Loans (SAR bn)



Source: Argaam, Aljazira Capital Research

Crude oil prices (USD)



Source: Investing.com, Aljazira Capital Research

Government debt

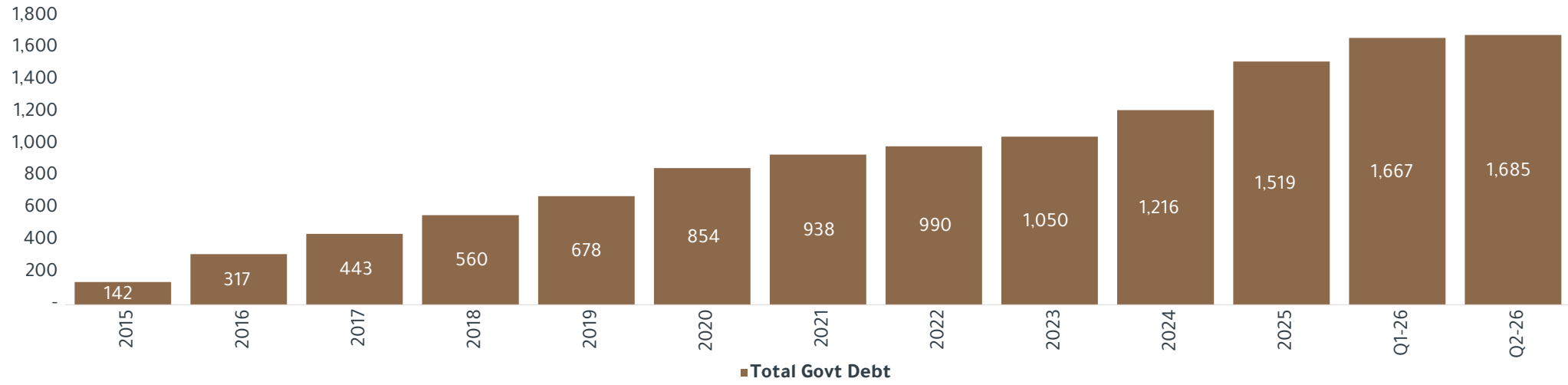
- Saudi Arabia's **outstanding government debt** increased to SAR 1.685tn in Q2-26, up from SAR 1.519tn at end-2025 and SAR 1.216tn at end-2024, reflecting continued debt issuance to finance strategic investments and manage fiscal requirements while maintaining ample market liquidity.
- **Gross borrowing** totaled SAR 189bn, partly offset by principal repayments of SAR 23bn, resulting in net new borrowing of SAR 166bn. Domestic markets remained the primary funding source, accounting for SAR 139bn (73.5%) of gross issuance, which lifted domestic debt 12.4% to SAR 1,060bn.
- **External debt** rose 8.5% to SAR 625bn on SAR 50bn of new borrowing, with negligible repayments of SAR 1bn. As a result, the share of domestic debt in the total edged up to 62.9% from 62.1%.

Public debt schedule as on H1-26 (SAR bn)

	Domestic Debt	External Debt	Total
Opening balance	943	576	1,519
Borrowings	139	50	189
Principal repayment	-22	-1	-23
Closing balance	**1,060**	**625**	**1,685**

Source: SAMA, Aljazira Capital Research

Outstanding Government Debt (SAR bn)

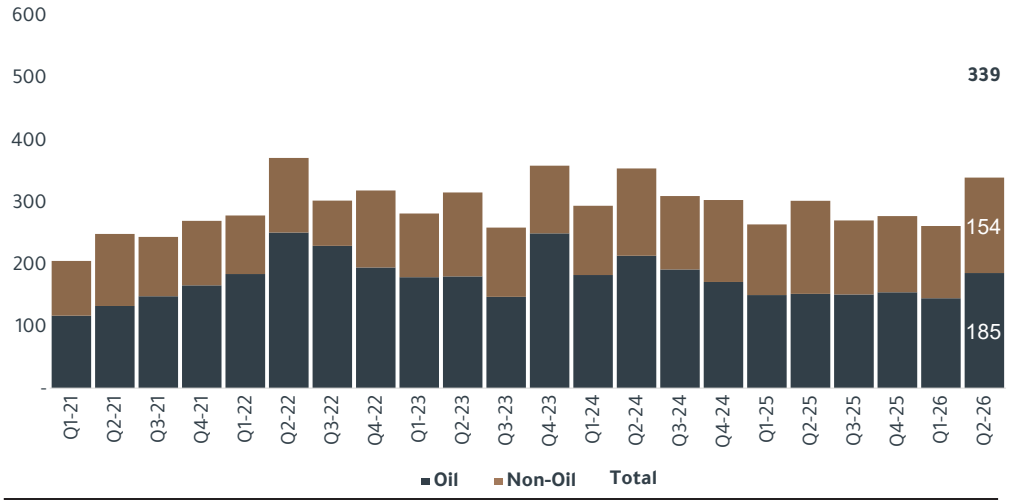


Source: SAMA, Aljazira Capital Research

Fiscal position

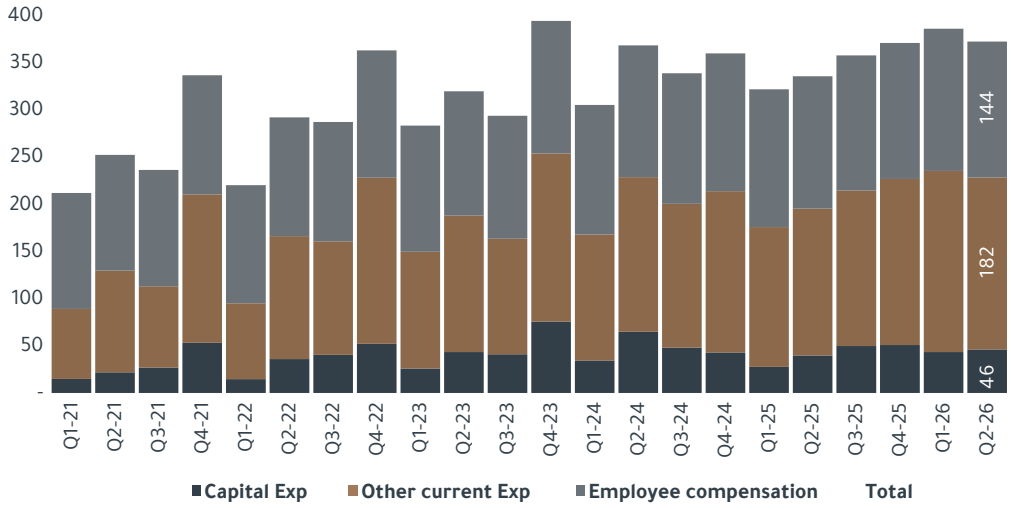
- **Total government revenue** increased to SAR 339bn in Q2-26 from SAR 261bn in Q1-26, driven by a rebound in oil revenue to SAR 185bn (+27.9% Q/Q) alongside a strong increase in non-oil revenue to SAR 154bn (+32.2% Q/Q).
- **Total fiscal expenditure** stood at SAR 373bn in Q2-26, down 3.5% Q/Q from SAR 387bn in Q1-26, as lower employee compensation and other current expenditure more than offset a modest increase in capital spending.
- Saudi Arabia recorded **a fiscal deficit** of SAR 34bn in Q2-26, improving significantly from the SAR 126bn deficit in Q1-26, as the rebound in both oil and non-oil revenues outpaced government expenditure.

Quarterly Fiscal Revenues (SAR bn)



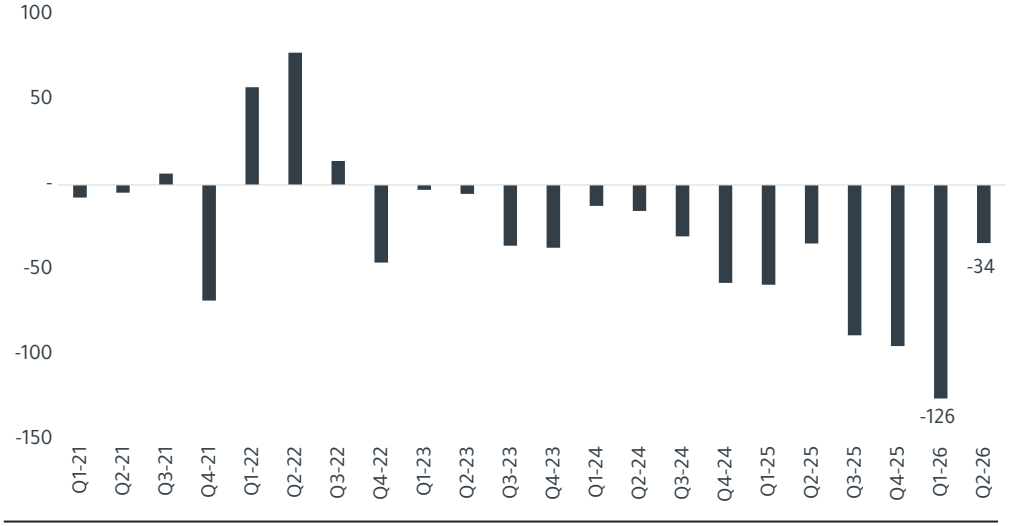
Source: Argaam, Aljazira Capital Research

Quarterly Fiscal Expenditure (SAR bn)



Source: Argaam, Aljazira Capital Research

Fiscal Surplus / (Deficit) (SAR bn)



Source: Argaam, Aljazira Capital Research

Fiscal position

- **Saudi government revenue** rose 12.3% Y/Y to SAR 338.8bn in Q2-26, driven mainly by oil. Oil revenue increased 22.0% Y/Y to SAR 185.1bn, accounting for about 90% of the SAR 37.2bn rise in total revenue and lifting oil's share of the total to 54.6% from 50.3% a year earlier. This growth lagged the roughly 43% rise in average Brent prices over the quarter, as lower crude production offset part of the price gains. Non-oil revenue grew a modest 2.5% Y/Y to SAR 153.7bn. Taxes on goods and services, the largest non-oil component, rose 5.6% to SAR 79.1bn, supported by resilient consumer spending. Taxes on income, profits and capital gains increased 9.2% to SAR 15.0bn. These gains were partly offset by a 24.3% drop in taxes on international trade to SAR 4.8bn, reflecting the sharp decline in imports, and a 7.4% decline in other revenues to SAR 26.7bn.
- **Government expenditure** rose 11.0% Y/Y to SAR 373bn in Q2-26, broadly matching the 12.3% rise in revenue and leaving the quarterly deficit roughly unchanged at about SAR 34bn. The increase was concentrated in non-wage items. Other expenses rose 49.5% to SAR 34bn, contributing nearly a third of the SAR 37bn increase in spending. Capital expenditure rose 15.8% to SAR 46bn, signaling continued commitment to project spending despite the broader capex reprioritization. Financing costs jumped 40.8% to SAR 17bn, reflecting the larger debt stock (SAR 1,685bn) and higher interest rates, and will likely remain a growing burden as the Fed's tightening cycle continues. Subsidies also surged 72.6% to SAR 13bn, while social benefits rose 8.4% to SAR 42bn. By contrast, the core operating budget was well contained: employee compensation, the largest item, grew just 2.8% to SAR 144bn, and spending on goods and services was nearly flat (+1.0%) at SAR 74bn. As a result, compensation's share of total spending declined to 38.6% from 41.7%.

Actual Fiscal Revenues (SAR bn)

	Q2-25	Q2-26	Y/Y %
Oil revenues	152	185	22.0%
Taxes on income, profit, capital gains	14	15	9.2%
Taxes on goods & services	75	79	5.6%
Taxes on international trade & transactions	6	5	-24.3%
Other taxes	26	28	7.8%
Other revenues	29	27	-7.4%
Non-oil revenues	**150**	**154**	**2.5%**
Total revenues	**302**	**339**	**12.3%**

Source: SAMA, Aljazira Capital Research

Actual Fiscal Expenditures (SAR bn)

	Q2-25	Q2-26	Y/Y %
Employee compensation	140	144	2.8%
Use of goods & services	74	74	1.0%
Financing expense	12	17	40.8%
Subsidies	8	13	72.6%
Grants	0	1	198.8%
Social benefits	39	42	8.4%
Other expenses	23	34	49.5%
Capex	40	46	15.8%
Total	**336**	**373**	**11.0%**

Source: SAMA, Aljazira Capital Research

Key price statistics

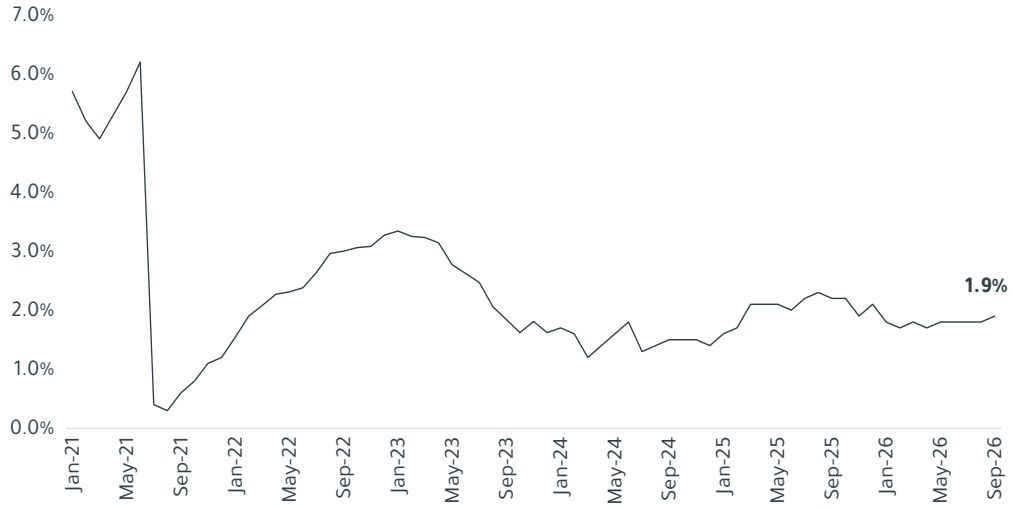
- **Inflation** remained subdued at 1.9% Y/Y in Sept-26, up 5bps from the previous month. Inflation remained broadly stable around 2% over past year, highlighting limited underlying price pressures despite continued economic activity.
- Housing & Utilities was the largest contributor, rising 3.6% Y/Y, while Personal Care & Miscellaneous and Recreation rose 3.3% and 2.5%, respectively. While Clothing and household furnishings fell modestly, helping to contain overall inflation.
- **Retail Real Estate Price Index** rose to 104.3 in Q2-26 from 100.6 in Q1-26, marking a strong 3.7% Q/Q rise. Commercial Real Estate Price Index edged up to 112.0 in Q2-26 from 110.8 in Q1-26 (+1.1% Q/Q), indicating resilience.

CPI Breakdown

Category	Weight %	Sep-26	Sep-25	Y/Y %
General Index	100.0%	105.8	103.8	1.9%
F&B	21.9%	103.3	101.9	1.4%
Tobacco	0.7%	99.8	99.6	0.2%
Clothing & Footwear	3.7%	96.2	96.6	-0.4%
Housing & Utilities	20.2%	118.2	114.0	3.6%
Furnishing & Household Equip	6.7%	97.3	97.8	-0.5%
Health	4.0%	99.9	99.7	0.2%
Transport	14.5%	103.2	100.8	2.3%
Communication	5.2%	98.1	97.6	0.5%
Recreation	3.2%	106.1	103.5	2.5%
Education	2.2%	103.7	102.4	1.3%
Hospitality	8.4%	107.7	105.7	1.9%
Finance	3.2%	107.6	105.5	2.0%
Personal Care & Misc	6.1%	111.8	108.2	3.3%

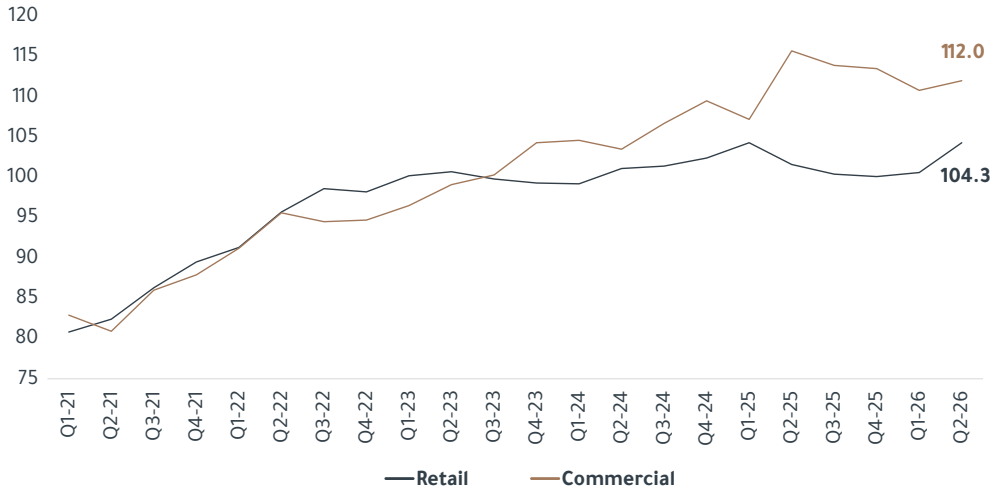
Source: Argaam, Aljazira Capital Research

Inflation Y/ Y change %



Source: SAMA, Aljazira Capital Research

Real Estate Price Index

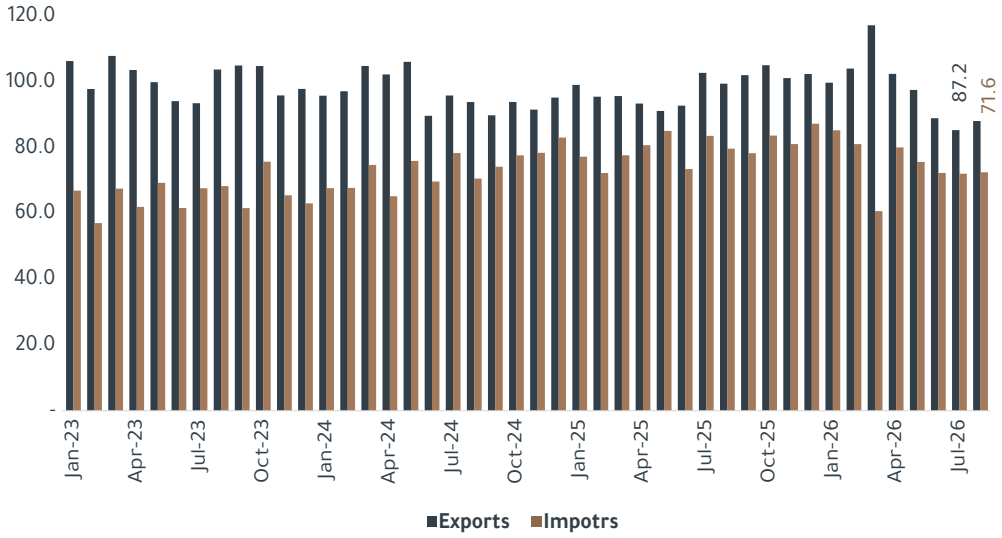


Source: GASTAT, Aljazira Capital Research

Trade balance

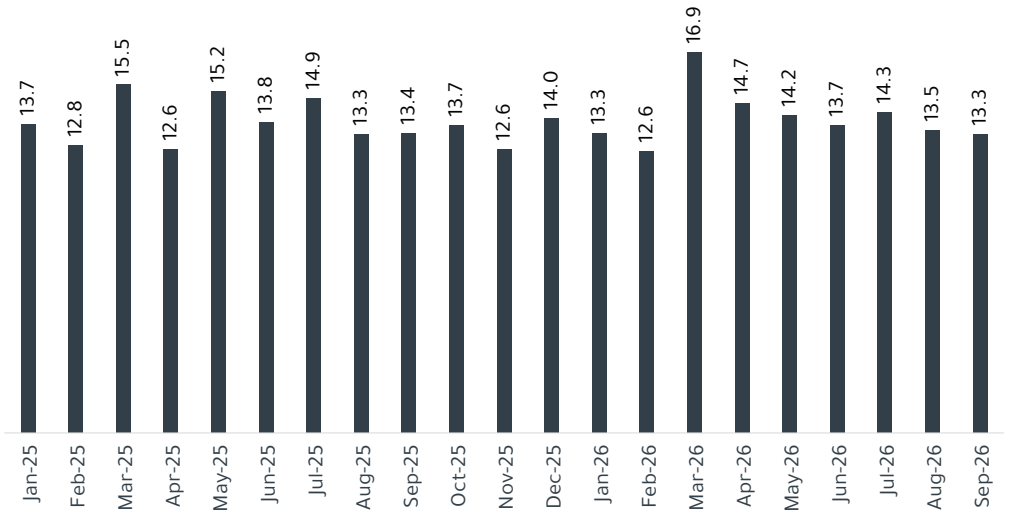
- **Exports** grew 3.3% M/M to SAR 87.2bn (-11.5% Y/Y) in Aug-26 and reported growth on M/M basis, after 4 consecutive months of decline. Whereas Imports too increased 0.6% M/M to SAR 71.6bn (-9.1% Y/Y).
- Consecutively, the trade surplus increased to SAR 15.6bn in Aug-26, up from SAR 13.2bn in Jul-26.
- **The surplus remains positive** but is well below the 2021-22 highs, indicating a weaker external balance.

Exports & Imports (SAR bn)



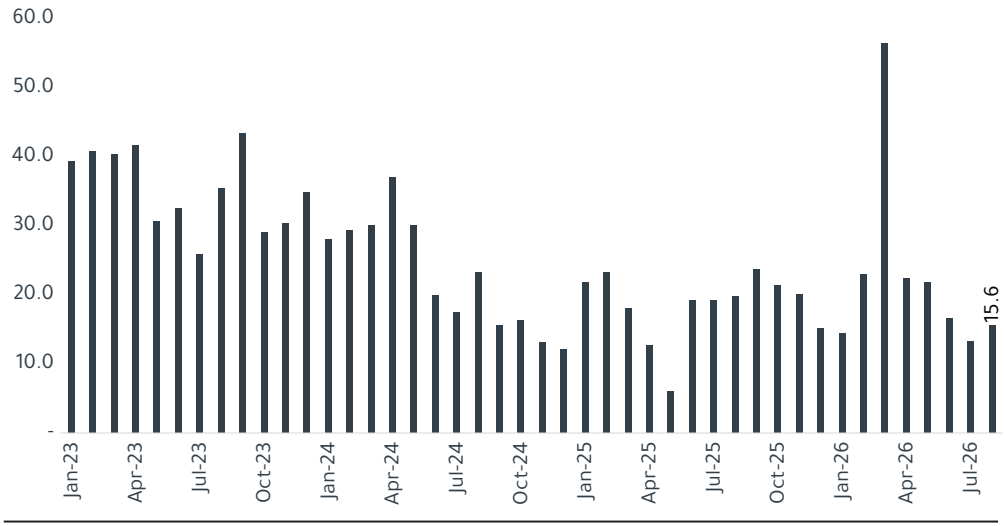
Source: Argaam, Aljazira Capital Research

Expat remittances (SAR bn)



Source: SAMA, Aljazira Capital Research

Trade Balance (SAR bn)



Source: Argaam, Aljazira Capital Research

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1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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