

The initial public offering of Saudi Aramco, the state-owned oil giant, will be a record, but still well below the \$2 trillion valuation sought by Saudi Crown Prince Mohammed bin Salman.

Saudi Aramco said in a statement that the IPO price of the company is 32 rials (US \$8.53) per share, which is at the high end of the guidance range and raises us \$25.6 billion, surpassing Alibaba. N's US \$25 billion IPO record set in 2014.

At this price, Saudi Aramco's market valuation is \$1.7 trillion, easily replacing apple (AAPL. O) as the world's most valuable listed company. But the scale of the IPO is far from the blockbuster debut that the crown prince had expected. Saudi Aramco is expected to list on the Riyadh stock exchange later this month.

Saudi Arabia relies on domestic and Gulf investors to sell about 1.5% of its shares, while overseas interest is tepid, even if the valuation drops to \$1.7 trillion.

Sources told Reuters earlier that Saudi Aramco may exercise 15% of the "green shoe mechanism" option, which will increase its IPO to a maximum of \$29.4 billion.

Saudi Aramco's IPO pricing came as the organization of Petroleum Exporting Countries (OPEC) and its allies agreed to cut production by 500000 barrels / day in the last three months of the existing production reduction agreement to limit supply, but did not commit to take action after March next year.

Climate change concerns, political risks and a lack of corporate transparency have deterred foreign investors from the IPO, forcing Saudi Arabia to give up its ambition to list in both the overseas and domestic markets and issue 5% equity to raise up to \$100bn.