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MENA IPO markets saw nine IPOs during Q2 2022 raise approximately US\$ 9 billion in proceeds as per EY. Although the number of IPOs has decreased by 40% as compared with Q1 2022, the proceeds raised increased by 133%.

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## Markets In Brief

### p.9 MARKETS IN BRIEF: ACTIVITY TILTED TO UPSIDE IN MENA CAPITAL MARKETS THIS WEEK

MENA equity markets continued to pursue an upward streak this week, as reflected by a 1.9% rise in the S&P Pan Arab Composite index, mainly supported by upbeat financial results and an oil price rebound, while also tracking global equity strength (+2.9%) on bets the US Federal Reserve might not be too aggressive with its interest rate hikes amid receding inflation worries. In parallel, activity in MENA fixed income markets was mostly skewed to the upside, as softer-than-estimate July 2022 US inflation raised bets that the US Federal Reserve may slow the pace of its interest rate hikes in September FOMC meeting following two back-to-back 75 bps rate hikes in June and July.

### MENA MARKETS: AUGUST 7 - AUGUST 13, 2022

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+1.9%	Weekly Z-spread based bond index	-3.1%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+6.8%	YTD Z-spread based bond index	-15.1%

## ECONOMY

### NINE IPOs IN MENA DURING Q2 2022 FOR US\$9 BILLION IN PROCEEDS

MENA IPO markets saw nine IPOs during Q2 2022 raise approximately US\$ 9 billion in proceeds as per EY. Although the number of IPOs has decreased by 40% as compared with Q1 2022, the proceeds raised increased by 133%.

This brings the total number of MENA IPOs during H1 2022 to 24 IPOs, an increase of 500% as compared with H1 2021. Total proceeds raised for MENA IPOs during H1 2022 were approximately US\$13.5b, an increase of 2,952% as compared with H1 2021.

In the UAE, Dubai Electricity and Water Authority PJSC (DEWA) raised over US\$ 6 billion, becoming the biggest IPO in EMEA since 2019 and the largest IPO to date in the UAE. The order book was 37 times oversubscribed. Borougeplc, the second-largest IPO during H1 2022, raised US\$ 2 billion with an aggregate oversubscription of almost 42 times. TECOM Group raised US\$ 454 million and saw an oversubscription level of more than 21 times.

ADC Acquisition Corp PJSC became the first special purpose acquisition company (SPAC) to ever be listed in MENA, as it raised US\$99.9 million and was listed on the ADX. ADC was established by ADQ, through its Alpha Oryx special purpose vehicle, and Chimera Investment as a SPAC for the purpose of identifying and acquiring one or more businesses.

In Saudi Arabia, Saudi Home Loans Company raised US\$160m with the book building being oversubscribed by 50 times and listed on the Tadawul during Q2 2022. RetalUrban Development Company raised US\$ 384 million with its institutional order book being 62 times oversubscribed.

TheNomu-Parallel Market witnessed three IPOs during Q2 2022 which raised US\$40.8m in total (Arabian Food & Dairy Factories Company, Ladun Investment Company and AmwjiInternational Company).

Ali Alghanimand Sons Automotive Company raised new capital of US\$ 323 million through a private placement before listing on BoursaKuwait. The private placement was oversubscribed approximately 11 times.

On the ADX, GFH Financial Group BSC completed its fourth regional listing, with its shares already listed on the Bahrain Bourse, BoursaKuwait and the DFM. The ADX rebranded its Second Market into the Growth Market in April 2022 and during Q2 2022, Invictus Investment Company became the 13th company to be listed on the Growth Market.

There were three direct listings (i.e., no funds raised through a public offering, but admitted to trading) on the Nomu-Parallel Market during Q2 2022 —Naseejfor Communication and Information Technology Company, AqaseemFactory for Chemicals and Plastics Company and National Environmental Recycling Company.

The theme for Q3 2022 is momentum meets uncertainty according to EY. Crude oil markets began the quarter just below US\$ 100 per bbl and have closed below that level on only two days since late April. As we begin Q3 2022, there are increasing concerns about the health of the global economy and how that might affect oil and gas demand.

It is inevitable that inflation, and central bank policies to combat it, will impact oil and gas markets. The COVID-19 pandemic-induced fiscal and monetary expansion and supply chain interruption have conspired to put relentless upward pressure on the price of everything. The obvious response, higher interest rates and an end to quantitative easing, are bound to affect economic growth. Layered onto the policy risks are the potential for ongoing supply-side issues created by the war in Ukraine and the COVID-19 pandemic lockdowns in China. A growing sense of pessimism (reflected in equity values) about how much GDP might grow, or shrink, has crept into market sentiment. Crude began to retreat by the end of Q2 2022 as evidenced by the Brent and WTI prices falling below their 50-and 200-day averages.

The supply side of the equation is equally murky as per EY. OPEC output fell marginally (176 kbpd) in May to 28.5 mbpd and spare capacity among members is limited. The combination of tougher sanctions on Russian oil and Russia's use of gas supplies as leverage against countries aiding Ukraine and participating in other sanctions brings additional uncertainty to an already volatile market. In early June 2022, the EU approved sanctions on Russian oil that begin in early December and cover about two-thirds of crude oil imports (currently about 2.8 mbpd) and all refined product imports (about 1.2 mbpd). Time will tell how much of that oil will find its way into non-sanctioning countries and how much will actually disappear from the market.

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## UAE NON-OIL PRIVATE SECTOR PICKS UP PACE IN JULY

The United Arab Emirates' non-oil private sector grew in July at its second-fastest pace this year as business activity picked up on strong demand and higher sales amid some discounting, a business survey showed.

The seasonally adjusted S&P Global UAE Purchasing Managers' Index (PMI) rose to 55.4 in July from 54.8 in June, slightly lower than May's 55.6 reading - the fastest pace of growth this year. It remained well above the series average since 2009 of 54.1.

The output sub index rose to 62.5 from June's 60.7, the joint-highest for the year and above the series average of 57.5.

UAE non-oil companies started the third quarter on a stronger footing, according to July's PMI data, as per S&P Global Market Intelligence.

With demand strengthening, operating capacities came under pressure, but businesses reacted to this squeeze by continuing with their hiring efforts.

The employment sub index dipped to 51.0 in July from 51.2 in June, remaining below the series average of 51.3. The sub index has expanded for 14 straight months with the exception of April.

The biggest challenge facing UAE non-oil businesses is inflation. While the latest results pointed to a softer upturn in overall input costs, the rate of increase was nevertheless the second-strongest in four-and-a-half years amid global shortages of inputs and greater prices for fuel, materials and shipping, as per the same source.

Once again, firms opted to absorb additional cost burdens and cut their prices in line with intense competition for new work. The rate of discounting eased and was only fractional, however, indicating that some firms may be prepared to hike their charges in coming months.

Sentiment for output over the next year among firms surveyed fell to a 10-month low.

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## EGYPT'S CURRENT ACCOUNT DEFICIT WIDENS IN JANUARY TO MARCH 2022 AS FUNDS FLOW OUT

Egypt's current account deficit widened in the January-March quarter amid a surge in portfolio outflows triggered by Russia's invasion of Ukraine, the Central Bank said.

The current account deficit increased to US\$ 5.8 billion from US\$ 5.7 billion in January-March a year earlier as the trade deficit widened, in part due to higher commodity prices.

The figures showed that a net US\$ 14.8 billion in portfolio investments left the country in January-March, compared to a net inflow of US\$ 5.8 billion a year earlier, after the Ukraine crisis prompted a flight of foreign investors, the Central Bank said.

Net foreign direct investment rose to US\$ 4.1 billion from US\$ 1.4 billion in January-March 2021, the Central Bank said.

The trade deficit widened to US\$ 11.8 billion from US\$ 11.4 billion.

Tourism receipts jumped to US\$ 2.4 billion from US\$ 1.3 billion in January-March 2021 as travel continued to recover from the impact of COVID-19, although Russian and Ukrainian tourists numbers fell off sharply after the outbreak of the Ukraine crisis in late February, the Central Bank said.

Remittance payments from Egyptians working abroad climbed to US\$ 8.1 billion in January-March from US\$ 7.9 billion a year prior, while Suez Canal revenue rose to US\$ 1.7 from US\$ 1.5 billion.

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## SAUDI ARABIA POSTS ALMOST US\$ 21 BILLION SECOND-QUARTER SURPLUS

Saudi Arabia has registered a budget surplus of nearly SR 78 billion (US\$ 21 billion) in the second quarter of 2022, the finance ministry said, an almost 50% rise from a year earlier, bolstered by high oil prices.

Revenue in the second quarter reached SR 370.4 billion riyals and expenditure was SR 292.5 billion, the Ministry said.

A widening in the fiscal surplus was expected in 2Q with the higher oil price and production level, said chief economist at Abu Dhabi Commercial Bank. Government spending strengthened, though it still remains broadly in line with the budget plans.

Saudi Arabia has pledged to "decouple" State spending from oil price fluctuations. Its expected surplus for 2022 - which would be its first in nearly a decade - will sit in the government's current account until the government's finance committee decides how to allocate it, likely early next year.

The surplus could go towards the Public Investment Fund (PIF), Saudi Arabia's US\$ 600 billion sovereign wealth fund, and the National Development Fund (NDF), as per the Finance Minister.

The excess may also go to foreign reserves at the Central Bank. As part of a fiscal sustainability policy, the Kingdom is in the final stages of determining a floor and ceiling for reserves, as a percentage of GDP.

Oil revenue was SR 250.4 billion, an 89% surge compared with a year before, the Ministry said. That was equivalent to just over two thirds of total government revenue, while non-oil revenue was SR 120.00 billion, a 3% increase.

The Kingdom posted a first-quarter surplus of more than US\$ 15.3 billion.

Spending in the first half of 2022 was up 10% compared with the first half of last year, while revenue jumped 43%, the Finance Ministry said.

At the end of June, the government had reserves of SR 318.7 billion and a current account surplus of SR 131.5 billion.

Domestic debt rose to SR 604.8 billion at the end of June from SR 558.8 at the end of 2021. External debt was down to SR 361.8 billion from SR 379.3 billion in the same period.

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## EGYPT'S NON-OIL EXPORTS JUMP 20% YEAR-ON-YEAR IN H1 2022

Egypt's non-oil exports surged 20% year-on-year during the first six months of 2022, recording US\$ 19.4 billion, as per data by the General Organization for Export and Import Control (GOEIC).

The chemicals and fertilizers sector accounted for 22% of Egypt's non-oil exports from January until the end of June, reaching a value of US\$ 4.3 billion.

The building materials sector made up 19% of total non-oil exports, with a value of US\$ 3.7 billion in the January-June period.

Moreover, GOEIC's data showed that the food and engineering sectors accounted for 11% and 10%, respectively, of Egypt's non-oil exports in the first half of the year, registering US\$ 2.1 billion and US\$ 1.9 billion in value.

On July 19th, the Egyptian Export Council of Building, Refractory, and Metallurgy Industries revealed that the sector's exports have reached a value of around US\$ 3.2 billion from January until the end of May.

## SURVEYS

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DUBAI AGAIN WORLD'S BUSIEST INTERNATIONAL AIRPORT

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Dubai regained the "world's busiest international airport" title (measured by seat capacity) in July 2022 even as airports that were leaders in 2019 slowly but surely made their way back to the top in their respective categories, said a CAPA report.

Atlanta airport in the US regained and retained its position as the world's number 1 airport with 4.8 million seats and Dubai is at number 2. According to the report, the Top 10 Busiest Airports in the world are calculated using total capacity (domestic and international) and The Top 10 Busiest International Airports are calculated using international seats only.

Dubai International, with a +28% increase in seats compared to the previous month, was the busiest international airport for July 2022. London Heathrow, which was in top position in June 2022, moved down into second place as it has done in the past, in favor of Dubai.

Asia Pacific still languishes as restrictions remain in place or are only slowly being eased. Only three airports – Tokyo Haneda, Guangzhou and Singapore Changi – make it into the tables, said the report.

Four airports stand out as performing better than might be expected: Doha, Singapore, Dallas-Fort Worth and Denver, while Istanbul continues to impress.

The main message is that "business as usual" is at least making a comeback, it said.

The report said self-imposed capacity restrictions will hamper London Heathrow's recovery, but Gatwick is turning things around. Consistency of the FLAP airports (Amsterdam, Frankfurt, London Heathrow and Paris CDG) in Europe is indicative of a return to normality.

The half-way point of "surprise recovery year" 2022 has already been reached, and although formal tabulated passenger or cargo statistics for the half year have not yet been revealed, seat capacity data for July 2022 alone provides interesting insight into how airports are recovering (or not, as is still the case in some parts of the world), it said.

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DUBAI IS AMONG TOP MOST ENTREPRENEUR-FRIENDLY CITIES

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Dubai stands among the top ten world's most entrepreneur-friendly cities, according to a new study that has researched the top locations for entrepreneurs based on a series of metrics at a time when many business owners are considering relocating and looking for places that offer the best business opportunities for entrepreneurs.

Compare My Jet in its study based on metrics including annual GDP growth, corruption levels, financial stability, and GFCI (Global Financial Centres Index) rankings revealed that Singapore is the world's most entrepreneur-friendly city.

Other global cities in the top 10 include Geneva, Amsterdam, Frankfurt, New York, Tokyo, Seoul, Toronto, San Francisco and Dubai.

Dubai figures among the top 10 with 18th ranking for GFCI, a score of 69 out of a hundred in the corruption-free index, and 77 in the economic freedom index.

Entrepreneurship is a challenge regardless of where you are based – but there are certain factors associated with different locations that can make it more difficult to launch and grow a successful business, said the study.

The current popularity of remote working, many entrepreneurs decide to take their business activities to the most attractive locations. It is vital for business owners to consider the benefits and drawbacks of a place to live and work and avoid locations with high corruption rate and high risk for international business, as per CEO and founder of Compare My Jet.

Singapore ranks fourth on the GFCI 30, making it the fourth most competitive financial center in the world according to the annual report's evaluation of the competitiveness of the world's major financial centers. Singapore is also considered to be low risk for international business.

This business hub is also the least corrupt out of all the locations analyzed, scoring 85 out of 100 – the closer a country scores to 100 the less corrupt it is.

Geneva comes in second place. The city's corruption score of 84 makes it one of the cleanest locations on our list, second only to Singapore with 85. In addition to this, Geneva's annual GDP growth is -2.4% and Switzerland is at low risk for international trade.

Following behind Geneva is Amsterdam. The Dutch capital has a corruption score of 82, which makes it the third least corrupt country overall. The Netherlands is also a low-risk country for international business and has an economic freedom score of 77.

Third on the list is Frankfurt, Germany. As well as ranking 14th on the GFCI 30, Frankfurt also has the third-lowest new business density level of 1.36, which shows there is plenty of room for new businesses to succeed.

The study has named Hong Kong the world's least entrepreneur-friendly city. The Chinese special administrative region has the highest new business density figure of all the countries in our analysis with 19.2, which could indicate a highly saturated market with lots of competition for new entrepreneurs to overcome.

Hong Kong is also the only location our research found to be considered sensitive for international business and its annual GDP growth rate is -6.1, indicating a level of economic volatility which could impact the profitability of future business ventures.

Ranking slightly better than Hong Kong are Shenzhen, Beijing, and Shanghai – some of China's largest and most populous cities.

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## REAL ESTATE PRICE INDEX IN SAUDI ARABIA RISES 0.7% IN THE SECOND QUARTER OF 2022

KSA's real estate price index recorded an increase of 0.7% in the second quarter of 2022 while compared to the same period in the previous year, the General Authority for Statistics (GASTAT) has announced.

GASTAT attributed the rise in real estate prices to an increase in residential real estate by 1.9%. There has been fall in commercial real estate prices by 1.5% and agricultural real estate by 0.6%, and that have contributed to bringing down the rate of overall increase in the general index.

As for the residential sector, it recorded an increase of 1.9% due to the increase in the prices of residential plots by 2% in the second quarter that have a heavy weight in the index.

The prices of villas as well as apartments recorded a decrease of 1.1%, while that of houses by 0.9% whereas the prices of commercial buildings remained stable.

GASTAT's data indicated that the commercial sector recorded a decrease of 1.5% as a result of the decrease in the prices of commercial plots by 1.5%.

The prices of commercial centers recorded an increase of 0.1%, while the prices of commercial buildings were stable and did not record any significant change. The agricultural sector also recorded a decline of 0.6%, affected by a drop in agricultural land prices by -0.6%.



## CORPORATE NEWS

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### SAUDI ARABIA OFFERS 5,300 MINE SITES WORTH US\$ 1 TRILLION

Saudi Arabia aims to offer around 5,300 mining sites to investors to take advantage of its massive mineral resources, estimated at more than SAR 5 trillion (US\$ 1.3 trillion), as mentioned in a statement.

This initiative comes following the enforcement of a new law intended to attract local and foreign capital into the industry.

Saudi Industry and Mineral Resources Ministry Undersecretary revealed such plans at a virtual seminar held by the Ministry to highlight investment opportunities in the Gulf Kingdom's mineral sector.

Saudi Arabia has already granted mining licenses to scores of companies and intend to offer more sites as per the new investment law.

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### ALDAR TO ACQUIRE FOUR PRIME TOWERS FROM MUBADALA FOR US\$ 2 BILLION

Aldar Investment Properties (AIP) is to acquire four prime Grade A commercial towers, valued at AED 4.3 billion (US\$ 1.7 billion), from Mubadala Investment Company, a founding shareholder in AIP with 25% position, as mentioned in a statement.

The agreement was signed by Group Chief Executive Officer at Aldar Properties and Executive Director of UAE Diversified Assets at Mubadala Investment Company. The signing was witnessed by Chairman of Aldar and Chief Executive Officer of UAE Investments at Mubadala Investment Company.

This subject real estate transaction is one of the largest in the UAE, bringing AIP's total capital deployment into recurring income assets during 2022 to over AED 7 billion. Moreover, this acquisition positions AIP's portfolio to benefit from the attractive growth prospects of the Grade A commercial office market on Al Maryah Island and particularly in Abu Dhabi Global Market (ADGM), the international financial center in Abu Dhabi, as mentioned in a statement.

The transaction includes the four main office towers in ADGM located on Al Maryah, with a total net leasable area of 180,000 square meter. In addition to the ownership of the North and South car parks, which serve the office towers and other mixed-use space.

The office towers at ADGM are non-replicable assets in Abu Dhabi, positioned at the epicenter of the financial district, allow AIP to diversify its commercial offering and income streams. Its long-term relationship with Mubadala and the strategic nature of the transaction will result in Aldar driving forward ADGM's position as the most desirable destination in the region for international financial services entities, Group Chief Executive Officer at Aldar Properties said in a statement.

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### ADNOC DRILLING WINS US\$ 2 BILLION CONTRACTS FOR GAS PROJECT

Abu Dhabi National Oil Company (Adnoc) awarded Adnoc Drilling for the Hail and Ghasha Development Project two substantial contracts for a total value of US\$ 2 billion (AED 7.5 billion), as mentioned in a statement.

In details, the contracts comprise US\$ 1.3 billion for integrated drilling services and fluids and US\$ 711 million for providing four Island Drilling Units.

However, a third contract was awarded to Adnoc Logistics & Services for providing offshore logistics and marine support services, valued at US\$ 681 million.

It is worth highlighting that more than 80% of the value of the awards will flow back into the UAE's economy under Adnoc's successful In-Country Value (ICV) program and all three of the contracts will cover the Hail and Ghasha drilling campaign for a maximum of ten years.

Production from the Ghasha Concession is expected to start around year 2025, ramping up to produce more than 1.5 billion standard cubic feet per day (scfd) of natural gas before the end of the decade. Four artificial islands have already been completed and development drilling is underway.

The Hail and Ghasha Development Project is part of the Ghasha Concession, one of the largest offshore sour gas development and a key component of Adnoc's integrated gas masterplan as well as an important enabler of gas self-sufficiency for the UAE.

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## FAB POSTS 50% INCREASE IN NET PROFIT DURING H1 2022 NET PROFIT

First Abu Dhabi Bank (FAB) posted a significant year-on-year rise in net profit for the first half of the year, supported by a favorable regional backdrop despite global market volatility.

Net profit during the first half of 2022 reached AED 8 billion (US\$ 2.2 billion), up by 50% against first half of 2021.

In details, total net profit reached AED 2.9 billion (US\$ 789 million) in the second quarter 2022, slightly up from second quarter of previous year, meeting analyst estimates.

Earnings per share stood at AED 1.4, up by 52% year-on-year, while total income rose by 31% to reach AED 12.5 billion.

Despite global market headwinds, FAB remains in a strong position to weather uncertain times, FAB said in a statement.

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## DEYAAR'S NET PROFIT POSTED 196% HIKE IN H1 2022

Dubai-listed developer, Deyaar, reported a 196% hike in net profit for the H1 2022, supported by improved performance in real estate and hospitality portfolios, as mentioned in statement.

Net profit stood at AED 66.9 million (US\$ 18.2 million) in H1-2022, up from AED 22.6 million in the same half of previous year, Deyaar said in a statement.

Revenue also increased by 24% to AED 369.4 million in H1-2022, when compared to AED 297.4 million in H1-2021.

In fact, revenues from development activities have increased due to revenues from the sales generated from Regalia project.

The hospitality portfolio performance continues to grow in line with the strong recovery of the tourism sector in the UAE, said CEO of Deyaar in a statement.

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## INERTIA SIGNS US\$ 105 MILLION CONSTRUCTION CONTRACTS FOR ITS PROJECTS IN 2022

Egypt's real estate developer, Inertia, obtained construction contracts worth EGP 2 billion for projects' development in 2022, according to the Inertia's CEO.

Inertia is targeting to deliver 1,600 units across various projects. Moreover, as part of the Inertia's plan to maintain the confidence of its customers and maintain their satisfaction, 800 units have been delivered across all Inertia projects so far.

Inertia's current portfolio comprises eight developments across Cairo, the Red Sea and the Mediterranean, offering residential properties, a fully integrated town, cutting edge health care and commercial facilities. To date, four of these projects have been completed and delivered and four are currently under construction.

It is worth noting that subject development company signed a cooperation protocol with Banque Misr, granting it a medium-term Islamic financing of EGP 1.1 billion allocated to the construction of Jefaira, with facilities extending to 8.5 years.



## CAPITAL MARKETS

### EQUITY MARKETS: MENA EQUITIES PURSUE UPWARD STREAK, ON UPBEAT EARNINGS AND OIL PRICE REBOUND

MENA equity markets continued to pursue an upward streak this week, as reflected by a 1.9% rise in the S&P Pan Arab Composite index, mainly supported by upbeat financial results and an oil price rebound, while also tracking global equity strength (+2.9%) on bets the US Federal Reserve might not be too aggressive with its interest rate hikes amid receding inflation worries.

The heavyweight Saudi Exchange continued to benefit from improved investor sentiment this week, given solid corporate earnings and a 3.4% rebound in Brent oil prices to reach US\$ 98 per barrel on Friday, on signs of cooling July 2022 US inflation and weakening US dollar and after the International Energy Agency boosted its forecast for global oil demand growth this year, citing soaring natural gas prices and heatwaves which have spurred industry and power generators to switch their fuel to oil. This was reflected by a 2.1% increase in the S&P Saudi index.

A closer look at individual stocks shows that heavyweight Saudi Aramco's share price closed 2.8% higher week-on-week at SR 40.80. Sipchem's share price increased by 2.0% to SR 50.70. SABIC's share price surged by 3.8% to SR 103.80. SABIC reported 2022 second quarter net profits of SR 7.9 billion versus net profits of SR 7.6 billion a year earlier. Petro Rabigh's share price rose by 2.0% to SR 18.72. Petro Rabigh reported 2022 second quarter net profits of SR 1.4 billion versus net profits of SR 717 million a year earlier.

Also, Northern Region Cement Company's share price jumped by 4.4% over the week to SR 12.36. NRCC reported 2022 second quarter net profits of SR 25 million versus net profits of SR 21 million a year earlier. Amlak's share price went up by 1.6% to SR 18.70. Amlak posted net profits of SR 56 million for the first half of 2022 versus net profits of SR 53 million during the same period of last year. ACWA Power's share price edged up by 0.6% to SR 174.20. ACWA Power reported 2022 second quarter net profits of SR 390 million versus net profits of SR 308 million during the corresponding period of the previous year.

The Qatar Stock Exchange posted extended price gains this week, as reflected by a 2.8% increase in the S&P Qatar index, mainly supported by upbeat financial results and higher oil prices. 27 out of 47 listed stocks posted price gains, while 20 stocks recorded price falls week-on-week.

A closer look at individual stocks shows that Mesaieed Petrochemical Holding Company's share price went up by 1.0% week-on-week to QR 2.739. Mesaieed Petrochemical Holding Company announced net profits of QR 1.0 billion during the first half of 2022 as compared to net profits of QR 0.9 billion during the same period of the previous year. Industries Qatar's share price surged by 3.5% to QR 17.550. Industries Qatar reported net profits of QR 5.4 billion during the first half of 2022 against net profits of QR 3.5 billion a year earlier. Gulf International Services' share price climbed by 8.4% to QR 2.200. GIS reported net profits of QR 168 million during the first half of 2022 as compared to a net loss of QR 0.8 million a year earlier.

#### EQUITY MARKETS INDICATORS (AUGUST 7 - AUGUST 13, 2022)

Market	Price Index	week-on-week	Year-to-Date	Trading Value	week-on-week	Volume Traded	Market Capitalization	Turnover ratio	P/E*	P/BV*
Lebanon	129.1	0.4%	37.3%	7.7	-29.0%	0.2	14,589.5	2.8%	-	0.33
Jordan	401.5	-0.6%	15.2%	54.5	-26.2%	19.0	26,260.9	10.8%	10.5	1.68
Egypt	203.7	0.1%	-33.1%	272.6	-	2,798.1	33,984.1	41.7%	7.0	1.38
Saudi Arabia	556.1	2.1%	8.4%	7,643.6	-4.7%	721.37	3,251,999.2	12.2%	19.0	2.77
Qatar	226.4	2.8%	13.7%	737.5	-14.6%	952.7	207,492.7	18.5%	15.8	2.20
UAE	151.8	2.5%	2.9%	2,468.4	14.7%	2,006.4	717,699.5	17.9%	16.4	2.50
Oman	262.0	-1.2%	20.2%	33.5	-49.6%	50.2	21,324.2	8.2%	13.5	1.07
Bahrain	197.2	0.0%	7.9%	5.9	5.6%	5.9	27,365.1	1.1%	13.5	1.84
Kuwait	146.1	-0.3%	9.6%	523.2	0.4%	721.9	135,299.8	20.1%	20.0	2.37
Morocco	256.1	1.8%	-19.2%	21.7	-20.5%	1.60	60,924.1	1.9%	22.9	3.12
Tunisia	60.6	1.2%	-5.4%	3.3	-3.5%	2.2	7,298.4	2.4%	10.2	1.53
<b>Arabian Markets</b>	<b>1,060.2</b>	<b>1.9%</b>	<b>6.8%</b>	<b>11,771.9</b>	<b>-1.9%</b>	<b>7,279.7</b>	<b>4,504,237.5</b>	<b>13.6%</b>	<b>18.2</b>	<b>2.65</b>

Values in US\$ million; volumes in millions \* Market cap-weighted averages

Sources: S&P, Bloomberg, Bank Audi's Group Research Departement.

Also, Qatar Navigation's share price jumped by 6.6% over the week to QR 10.870. Qatar Navigation posted net profits of QR 641 million during the first half of 2022 versus net profits of QR 438 million during the corresponding period of the previous year. Ezdan Holding Group's share price rose by 2.0% to QR 1.270. Ezdan Holding Group announced a 52% yearly expansion in its net profits during the first half of 2022 to reach QR 262 million.

The UAE equity markets registered price increases of 2.5% week-on-week, mainly supported by some favorable corporate earnings and an oil price rebound. In Dubai, DEWA's share price closed 1.6% higher at AED 2.59. DEWA reported 2022 second quarter net profits of AED 2.4 billion versus net profits of AED 1.7 billion a year earlier. Emaar Properties' share price surged by 3.7% to AED 5.61. Emaar Properties announced 2022 second quarter net profits of AED 2.1 billion versus net profits of AED 904 million a year earlier. Emaar Development's share price went up by 1.8% to AED 4.47. Emaar Development announced a 56% year-on-year rise in its 2022 second quarter net profits to reach AED 1.1 billion. In Abu Dhabi, International Holding Company's share price surged by 6.2% to AED 343. IHC reported a 137% yearly rise in its net profits during the first half of 2022 to reach AED 10 billion. Taqa's share price closed 1.6% higher at AED 1.28. ADNOC's share price skyrocketed by 13.0% to reach AED 4.88.

## FIXED INCOME MARKETS: ACTIVITY IN MENA BOND MARKETS MOSTLY SKEWED TO UPSIDE THIS WEEK

Activity in MENA fixed income markets was mostly skewed to the upside this week, as softer-than-estimate July 2022 US inflation raised bets that the US Federal Reserve may slow the pace of its interest rate hikes in September FOMC meeting following two back-to-back 75 bps rate hikes in June and July.

In the Omani credit space, sovereigns maturing in 2026 and 2029 posted price expansions of 0.30 pt and 0.50 pt respectively week-on-week. Omantel'28 closed up by 1.0 pt. Fitch Ratings upgraded Oman's long-term foreign currency Issuer Default Rating to "BB" from "BB-", with a "stable" outlook. The upgrade reflects, as per Fitch, significant improvements in Oman's fiscal metrics, a lessening of external financing pressures and ongoing efforts to reform public finances.

In the Jordanian credit space, sovereigns maturing in 2026 and 2030 saw price expansions of 1.13 pt and 2.0 pts respectively week-on-week. In the Iraqi credit space, sovereigns maturing in 2028 closed up by 1.35 pt this week.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2023, 2025, 2030 and 2040 posted price increases ranging between 0.63 pt and 4.38 pts this week. Euro-denominated sovereigns maturing in 2026 and 2031 registered weekly price gains of 4.78 pts and 5.41 pts respectively.

In the Bahraini credit space, sovereigns maturing in 2026 and 2031 saw price rises of 0.65 pt and 1.60 pt respectively this week. In the Qatari credit space, sovereigns maturing in 2026 and 2030 recorded price declines of 0.13 pt and 0.25 pt respectively week-on-week. Prices of QNB'25 retreated by 0.38 pt.

In the Dubai credit space, sovereigns maturing in 2029 registered price decreases of 0.13 pt week-on-week. DP World'30 was up by 0.50 pt. In the Abu Dhabi credit space, sovereigns maturing in 2031 were down by 0.13 pt this week. Prices of ADNOC'29 contracted by 0.13 pt.

In the Saudi credit space, sovereigns maturing in 2026 and 2030 registered price falls of 0.25 pt and 0.13 pt respectively this week. Saudi Aramco'25 closed down by 0.25 pt. Regarding plans for new issues, Saudi National Bank announced plans to Issue Riyal-Denominated Tier 1 Sukuk. SNB mandated SNB Capital as sole bookrunner, lead arranger and lead manager for the proposed Offer. The amount and terms of the offering, which seeks to strengthen the bank's capital base, would be determined subject to market conditions.

All in all, regional bond markets saw mostly upward price movements this week, as cooler-than-expected US inflation data in July 2022 prompted traders to pare their bets on the amount of tightening that the US Federal Reserve is likely to do.

## MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	12-Aug-22	05-Aug-22	31-Dec-21	Week-on-week	Year-to-date
Abu Dhabi	48	56	43	-8	5
Dubai	123	132	94	-9	29
Kuwait	71	72	45	-1	26
Qatar	49	57	44	-8	5
Saudi Arabia	51	58	49	-7	2
Bahrain	290	316	294	-26	-4
Morocco	281	301	95	-20	186
Egypt	984	1333	498	-349	486
Iraq	687	776	554	-89	133
Middle East	287	344	191	-57	96
Emerging Markets	371	413	141	-42	230
Global	573	718	183	-145	390

Sources: Bloomberg, Bank Audi's Group Research Department

## Z-SPREAD BASED AUDI MENA BOND INDEX V/S INTERNATIONAL BENCHMARKS

Base Jan 2010 = 100



Sources: Bloomberg, Bank Audi's Group Research Department

## SOVEREIGN RATINGS & FX RATES

### SOVEREIGN RATINGS

	Standard & Poor's	Moody's	Fitch
<b>LEVANT</b>			
Lebanon	SD/-/SD	C/-	RD/-/C
Syria	NR	NR	NR
Jordan	B+/Stable/B	B1/Stable	BB-/Stable/B
Egypt	B/Stable/B	B2/Negative	B+/Stable/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B
<b>GULF</b>			
Saudi Arabia	A-/Positive/A-2	A1/Stable	A/Positive/F1+
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA-/Stable/A-1+	Aa3/Stable	AA-/Stable/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Stable/B	B2/Stable	B+/Stable/B
Oman	BB-/Stable/B	Ba3/Stable	BB/Stable/B
Yemen	NR	NR	NR
<b>NORTH AFRICA</b>			
Algeria	NR	NR	NR
Morocco	BB+/Stable/A-3	Ba1/Stable	BB+/Stable/B
Tunisia	NR	Caa1/Negative	CCC/C
Libya	NR	NR	NR
Sudan	NR	NR	NR

NR= Not Rated

RWN= Rating Watch Negative

RUR= Ratings Under Review

\* Emirate of Abu Dhabi Ratings

### FX RATES (per US\$)

	12-Aug-22	05-Aug-22	31-Dec-21	Weekly change	Year-to-date
<b>LEVANT</b>					
Lebanese Pound (LBP)	1,507.50	1,507.50	1,507.50	0.0%	0.0%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	19.16	19.12	15.72	0.2%	21.8%
Iraqi Dinar (IQD)	1,460.00	1,460.00	1,460.00	0.0%	0.0%
<b>GULF</b>					
Saudi Riyal (SAR)	3.76	3.76	3.76	-0.1%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.68	3.68	3.67	0.1%	0.3%
Kuwaiti Dinar (KWD)	0.31	0.31	0.30	0.0%	1.4%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.39	0.39	0.39	0.0%	0.0%
Yemeni Riyal (YER)	250.00	250.00	250.00	0.0%	0.0%
<b>NORTH AFRICA</b>					
Algerian Dinar (DZD)	142.86	144.93	138.89	-1.4%	2.9%
Moroccan Dirham (MAD)	10.33	10.33	9.25	0.0%	11.7%
Tunisian Dinar (TND)	3.13	3.16	2.87	-0.8%	9.0%
Libyan Dinar (LYD)	4.85	4.87	4.60	-0.4%	5.5%
Sudanese Pound (SDG)	569.14	568.92	437.92	0.0%	30.0%

Sources: Bloomberg, Bank Audi's Group Research Department

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