The MENA WEEKLY MONITOR

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Equity prices were relatively stable in the MENA region during this week, as reflected by a shy rise in the S&P Pan Arab Composite Index of 0.1%. The heavyweight Saudi Tadawul and the Egyptian Exchange registered price gains of 0.6% and 0.9% respectively, mainly helped by some favorable company-specific and sector-specific factors, while the UAE equity markets and the Qatar Exchange posted price declines of 1.9% and 0.3% respectively amid some unfavorable financial results and on ex-dividend activity. In parallel, activity in regional bond markets was mostly tilted to the upside, mainly helped by some buying interest ahead of the Holy month of Ramadan. This was reflected by a 2.5% contraction in the Z-spread based Audi Compiled MENA bond index.

MENA MARKETS: WEEK OF APRIL 28 - MAY 04, 2019

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+0.1%	Weekly Z-spread based bond index	-2.5%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+13.0%	YTD Z-spread based bond index	-12.2%

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ECONOMY

IMF SAYS CHALLENGING GLOBAL ECONOMIC CONDITIONS AND GEOPOLITICAL TENSIONS SHADOW MENAP COUNTRIES OUTLOOK

Slowing global growth and elevated trade and geopolitical tensions are posing economic challenges for countries of the Middle East, North Africa, Afghanistan, and Pakistan (MENAP) region, according to the IMF's latest Regional Economic Outlook update issued this week. Moreover, low and volatile oil prices are negatively affecting some countries, while others grapple with rising public debt.

Growth for oil exporters is projected by the IMF to dip slightly in 2019 to 0.4% from 0.6% the previous year, driven by an economic contraction in Iran following the renewal of sanctions. Meanwhile, growth in GCC countries is expected to be 2.1% in 2019, only a modest improvement from 2% growth the year before. Oil production cuts and ongoing fiscal consolidation in countries such as Bahrain, Oman, and the UAE are contributing to this more subdued growth outlook, added the IMF.

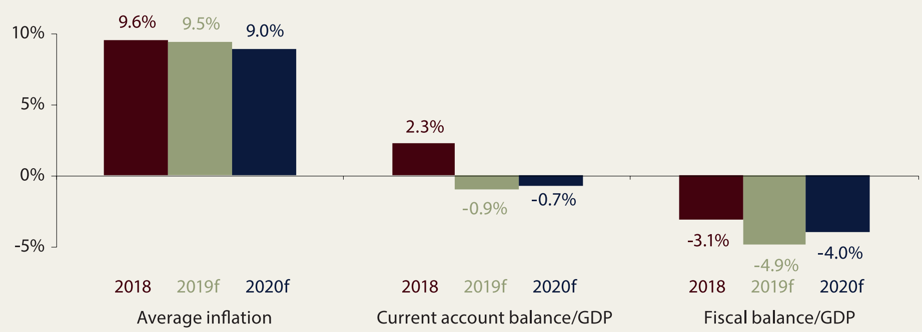
For oil-importing countries in the MENAP region, growth is expected to slow, declining from 4.2% in 2018 to an IMF-projected 3.6% this year. However, that figure is expected to rebound to 4.2% from 2020-2023. The downward trend in 2019 reflects the slowing global economy, though there is significant variation across the region: Egypt, for instance, continues to see strong growth, while Pakistan's economy is expected to slow sharply, weighing on the region's aggregate growth, as per the report.

Across the region, fiscal concerns are growing, as rising public debt is increasingly limiting countries from addressing pressing structural needs. Additionally, social tensions are a growing concern, underscoring the difficult trade-off policymakers face between ensuring macro stability and addressing medium-term growth challenges, said the report.

Challenging global economic conditions and geopolitical tensions shadow the outlook for countries across the MENAP region. Uncertain global financial conditions are also a concern, particularly for oil importers that will soon see large foreign currency debt issuance mature, as per the Fund.

With recent oil price swings reaching levels last seen during the 2014-2015 shocks, resuming fiscal adjustment efforts would help oil-exporting countries gradually achieve sustainable spending levels that would help insulate their economies from the adverse impact of oil price volatility, according to the IMF report. In oil importers, continued fiscal consolidation is needed to rebuild buffers and strengthen

SELECTED KEY MENAP ECONOMIC INDICATORS



Source: IMF

resilience. But measures should be taken to ensure that adjustments are growth friendly, including by delivering adequate public spending on health, education, and social safety nets, which could help alleviate social tensions.

Expanding structural reforms to boost private sector activity and foster job creation will help diversify economies throughout the region and lead to higher and more inclusive medium-term growth. In this regard, policies to promote the development of small and medium-sized enterprises are essential, including those that increase access to finance. The unsettled global economic outlook and challenging macroeconomic conditions put a greater onus on countries to create a more enabling environment for private investment by reducing corruption and strengthening institutions. Investing in education and technology also remain top priorities. Together, these efforts would go a long way toward building dynamic private sectors that can create jobs for the millions of young people entering the workforce, said the IMF.

STANDARD & POOR'S REVISES OUTLOOK ON OMAN TO "NEGATIVE" FROM "STABLE"

Standard & Poor's (S&P) revised the outlook on Oman to "negative" from "stable". At the same time, it affirmed the "BB/B" long-term and short-term foreign and local currency sovereign credit ratings on Oman.

The outlook reflects S&P's expectation that it could lower its ratings on Oman over the next 12 months if it views the government as unable to moderate external debt accumulation related to still-sizable fiscal deficits.

The rating agency could also consider a downgrade if the government's funding costs increase beyond its expectations, or if funding pressures rise, with sizable external debt maturities currently scheduled for 2021 and 2022.

Standard & Poor's could revise the outlook to "stable" if Oman is able to sustainably reduce its accumulation of external debt, for example through fiscal adjustment measures or via privatization of significant state-owned enterprises (SOEs) and assets. S&P could also revise the outlook to "stable" if economic growth prospects are significantly stronger than we currently anticipate.

The sharp fall in oil prices over 2014-2016 and only modest recovery since then has caused a significant deterioration in Oman's GDP per capita and its fiscal and external metrics, similar to some other large oil exporters. The accumulation of government external debt has been a key factor behind negative rating actions on Oman. The government has made some strides toward diversification away from hydrocarbon receipts, but the pace and scope of planned fiscal measures could continue to be insufficient to stem deterioration in the government's balance sheet and curb rising external debt, as per the report.

S&P's ratings on Oman are supported by the sovereign's modest government debt levels and relatively strong fiscal buffers, with liquid government assets estimated at about 50% of GDP. The ratings also reflect the rating agency's view that timely support from neighboring countries in the Gulf Cooperation Council (GCC) would be forthcoming, if needed.

The rating agency's view of Oman's creditworthiness is constrained, however, by the concentrated nature of the economy. Oman derives about 35% of GDP, 60% of exports, and 70% of fiscal receipts from hydrocarbon products. Given this high reliance on the hydrocarbon sector, S&P views Oman's economy as undiversified. The rating agency also views monetary policy flexibility as low, given the currency peg, although it noted that it has provided a stable nominal anchor for the economy for several decades. The ratings are also constrained by S&P's assessment that the Sultanate's political institutions are at a nascent stage of development compared with those of non-regional peers in the same rating category.

FITCH AFFIRMS KSA'S LT FC ISSUER DEFAULT RATING AT “A+” WITH “STABLE” OUTLOOK

Fitch affirmed Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at “A+” with a “stable” outlook.

Saudi Arabia's ratings are supported by strong fiscal and external balance sheets, including exceptionally high international reserves, low government debt and significant government assets.

These strengths are balanced by oil dependence, weak World Bank governance indicators and high geopolitical risks. The balance sheet strengths are gradually eroding and Fitch’s estimate for the fiscal break-even Brent price is above oil price forecasts and higher than for many regional peers.

Saudi Arabia's budget deficit narrowed to 5.9% of GDP in 2018 from 9.2% in 2017, but was still much higher than the historical “A” median of 2% of GDP. Strong growth in oil revenue (up 40%) and non-oil revenue (up 15%) was partly offset by a sharp jump in expenditure (up 16%). Spending was 10% over the government's initial budget, a degree of over-spending lower than historically but above 2016-2017 levels.

The increase in non-oil revenue overwhelmingly reflected structural improvements such as the introduction of VAT and hikes to domestic petrol prices and electricity tariffs, but much of the increase in current spending reflects social considerations (such as an additional allowance to government employees) and could prove difficult to roll back.

KUWAIT’S “STABLE” OUTLOOK REFLECTS EXTREMELY HIGH FISCAL STRENGTH, SAYS MOODY’S

Moody's affirmed Government of Kuwait's long-term issuer ratings at “Aa2”, with a “stable” outlook.

The rating affirmation is underpinned by Moody's view that Kuwait's exceptionally large wealth, with sovereign wealth fund assets estimated at around 370% of GDP and vast hydrocarbon reserves, will continue to support the sovereign's fiscal strength and creditworthiness.

The “stable” outlook reflects Moody's expectation that Kuwait's extremely high fiscal strength will be largely preserved through oil price fluctuations and long-term demographic pressure. In particular, it assumes that the authorities overcome the current legislative hurdles and pass a debt law that allows the government to finance its deficit without depleting its most liquid assets.

Kuwait's long-term and short-term foreign-currency bond and deposit ceilings remain unchanged at “Aa2” and “Prime-1”, respectively. Kuwait's long-term local-currency bond and deposit ceilings also remain unchanged at “Aa2”.

The decision to affirm Kuwait's “Aa2” rating is underpinned by the government's and country's exceptionally large wealth, which Moody's expects to be maintained despite very slow fiscal and economic reforms and persistent large budget deficits.

Kuwait's fiscal position is one of the strongest among the sovereigns rated by Moody's. Moody's estimates that the sovereign wealth fund (SWF) assets amounted to around 370% of GDP at the end of fiscal year 2018/19, 27 times the government's debt.

SURVEYS

CAIRO REAL ESTATE MARKET WITNESSES STRONG PERFORMANCE ACROSS ALL SECTORS IN Q1 2019, AS PER JLL

Cairo's real estate market continued to perform positively in the first quarter of 2019 with the residential sector in particular recording significant rental increases, outlines JLL's Q1 Cairo Real Estate Market Overview report.

According to the report, strong growth and positive sentiment reflects the successful measures taken to enhance security, boost tourism and overall investor demand across all sectors.

The real estate market in Egypt witnessed a strong start to the year with healthy demand levels and all sectors remaining in the upturn stage of their cycle. The country continues to benefit from the positive sentiment created by planned cities and projects, as per JLL.

The agency anticipates these projects to not only continue driving domestic demand, but also to attract significant international investments in the months to come.

In details, the residential sector saw a shift from sales to rentals with significant rental increases recorded on the back of limited supply of rental property in Greater Cairo. As primary sale prices reach record levels, some individuals have shifted to the rental sector, while others are moving into temporary homes awaiting the delivery of their off-plan units.

Furthermore, Cairo's office sector continued to witness healthy growth levels, with integrated office parks within residential gated communities performing strongly. Demand is especially booming for flexible offices and co-working spaces, which provide tenants with a more cost and time efficient solution to setting up a business, in comparison to traditional spaces. Rents are expected to improve further in West Cairo, once the Grand Egyptian Museum, supported by the Sphinx Airport, is fully operational in 2020, according to JLL.

Retail rents remained stable in Q1, but have increased over the past year, with further growth expected in the rest of 2019 reflecting healthy demand across Cairo. Vacancies are expected to increase during the year, however the gradual increase in consumer spending power is likely to drive further rental growth, as per JLL.

According to the report, the creation of the New Administrative Capital has provided a stimulus for developers to expand their existing and planned retail projects, to accommodate growing consumer demand. They are increasingly offering innovative and interactive concepts, to provide an enhanced retail experience to visitors.

The hotel and tourism sector witnessed sturdy growth levels, with occupancy rates increasing 4% to 77% in the year-to-February 2019. With Egypt hosting the African Cup of Nations football tournament, sports tourism is expected to contribute to continued strong performance in the hotel sector the third quarter of 2019.

EMEA TOPS GLOBAL ENERGY PROJECT CONTRACT ACTIVITY IN Q1, AS PER GLOBALDATA

The Europe, Middle East and Africa (EMEA) region led the contract award activity in the oil and gas sector during the first three months of 2019 with 569 deals, representing around 48% of the total awarded contracts, according to GlobalData, a data and analytics company.

Americas region came a distant second with 366 contracts, accounting for 31% of the total awarded contracts, it stated.

The company's latest report: "Quarterly Oil & Gas Industry Contracts Review" states that the upstream sector reported 73% of the total awarded contracts, with 862 contracts.

The midstream sector recorded 156 contracts, representing 13% of the total awarded contracts, followed by 141 contracts in the downstream sector; representing 12% of the awarded contracts during the quarter.

Operations and maintenance represented 64% of the awarded contracts in Q1 2019, followed by contracts with multiple scopes, such as construction, design and engineering, installation, O&M and procurement, which accounted for 11%.

One of the high value contracts was National Marine Dredging Company's US$ 1.4 billion contract from Abu Dhabi National Oil Company (ADNOC) for the provision of dredging, land reclamation and marine construction of artificial islands and causeways, as well as to expand existing Al Ghaf island to drill and produce gas from the first phase development of the Ghasha Concession comprising Hail, Ghasha, Dalma, Nasr, and Mubarraz offshore sour gas fields, in Rub al-Khali Basin, Abu Dhabi, UAE.

Other notable contracts during Q1 2019 included Saipem's two deals worth US$ 1.3 billion from Saudi Arabian Oil Company (Saudi Aramco) for the design, engineering, procurement, construction and installation (EPCI) services and implementation of subsea systems in addition to the laying of pipelines, subsea cables and umbilical, platform decks and jackets for the development of Berri and Marjan fields in Arabian Gulf, offshore Saudi Arabia.

The other big deals were Petrofac's lump-sum contract worth around US$ 1 billion from Groupement Isarene for the engineering, procurement, construction and commissioning (EPCC), start-up and performance testing for the Ain Tsila field development project in Algeria; and McDermott International, along with its joint venture partners Chiyoda International's mega contract in excess of US$ 1 billion from Golden Pass Products for the EPCC of three 5.2 million ton per annum (mtpa) Liquefied Natural Gas (LNG) trains in Sabine Pass, Texas, US.

SAUDI PRIVATE SECTOR GROWTH STABLE IN APRIL, EMPLOYMENT SUBDUED, AS PER EMIRATES NBD

Saudi Arabia's non-oil private sector growth remained steady - though unchanged - in April, but strong demand and increased business confidence did not translate into job creation.

The seasonally adjusted Emirates NBD Saudi Arabia Purchasing Managers' Index remained unchanged month-on-month at 56.8 in April. A reading above 50 indicates expansion and below that contraction.

It is note worthy that, the Saudi private sector struggled last year because of fuel price hikes, the introduction of a 5% value-added tax and higher fees for hiring foreign workers. However, private sector growth picked up pace this year. It rose to a 13-month high in January and continued to gain momentum -- though only marginally -- through February and March.

According to Emirates NBD, the headline PMI was unchanged at 56.8 last month. Output and new order growth remained firm, but there has been no meaningful growth in private sector employment over the last three months.

The output sub-index rose to 61.2, the highest since December 2017, while new order growth remained strong, at 63.5, but two points below March levels.

The higher output in April was backed by stronger underlying demand and an associated rise in new business. Some 26% of surveyed businesses recorded an increase in output at their units, versus just 3% that recorded a contraction, according to the survey.

But the Kingdom's non-oil labor market was subdued, with the majority of firms keeping staffing numbers unchanged, as per Emirates NBD. Still, the employment sub-index rose slightly, to 50.1, from a contraction in March.

CORPORATE NEWS

BAHRAIN STEEL INKS US$ 15 BILLION DEAL WITH ANGLO AMERICAN

Bahrain Steel announced that it has signed a 20-year agreement with Anglo American Marketing Limited (Anglo American) for the supply of pellet feed for its pelletizing plants located in Hidd region of the Kingdom.

Anglo American is a global mining organization with operations in various parts of the world, producing iron ore, diamonds, platinum group metals, copper, nickel, coal and manganese and employing 90,000 people.

The contract, which is valued at worth US$ 15 billion over its duration and will reach a total of 8 million wet metric tons a year, provides Bahrain Steel with approximately 60% of its expected needs for pellet feed at its annual rated capacity of 12 million tons of finished pellets.

This contract is a milestone in its strategy to maintain full production capacity and the uninterrupted delivery of high quality iron ore pellets to steel producers it supplies around the world, said Bahrain Steel, which currently sources iron ore from Brazil, Chile, Sweden and Canada.

It is fully owned by Foulath Holding Company, which in turn is owned 50% by Gulf Investment Corporation, Kuwait; 25% by Qatar Steel Company; 10% by Gulf Cables & Electrical Industries Company, Kuwait; 10% by National Industries Group Holding, Kuwait and 5% by Kuwait Foundry Company, Kuwait.

Signed in London, where Anglo American is headquartered, the agreement provides for iron ore grade to be supplied at a minimum 67% Fe and 2% or less total gangue.

Deliveries under the contract have already started, sourced exclusively from Anglo American's Minas-Rio mine in Brazil, rated at an annual output of 26.5 million metric tons.

Bahrain Steel's pellets are used for steelmaking using either the Direct Reduced/Electric Arc Furnace or the Blast Furnace/Basic Oxygen Furnace route.

ADCB, UNB AND AHB MERGE TO CREATE UAE'S THIRD LARGEST LENDER

The third largest bank in the UAE with AED 423 billion in assets came into being following the merger of Abu Dhabi Commercial Bank, Union National Bank and Al Hilal Bank.

The merged ADCB Group, serving over one million customers, is a new force in the UAE banking sector as one of the largest retail lenders, accounting for a 21% market share of retail loans as at December 31, 2018, as per a bank statement.

Following the landmark transaction, the combined entity trades on Abu Dhabi Securities Exchange under the ticker of ADCB. UNB has been delisted and dissolved as a legal entity while Al Hilal Bank will remain a separate Islamic banking entity and will focus on serving retail customers through digital channels under its own brand.

Planning for the integration of the three banks is progressing well, with integration of operations and customer experience set to accelerate in a phased approach from the second half of 2019.

The ADCB brand will gradually replace the UNB brand, and customers will be given access to an enhanced range of products and services.

EMAAR AND P&O MARINAS LAUNCH US$ 6.8 BILLION RIVIERA

Emaar Properties and P&O Marinas, a division of Dubai ports operator DP World, announced plans for an AED 25 billion (US$ 6.8 billion) redevelopment of the area around the city's Mina Rashid Port.

The area, whose primary current use is to receive cruise liners, will be redeveloped to include a major new mall, hotels, a floating yacht club, a private beach resort, and a beach area of 12,600 square meters, as per a press release issued by Emaar Properties.

DP World is providing land for the project, which will be developed by Emaar Properties.

The statement said that the development will contain promenades, a piazza with retail and F&B units as well as hotels, parks, a 500 meters-long canal, art galleries, a theatre and a museum.

ABU DHABI'S MUBADALA FINALIZES US$ 2 BILLION REVOLVING LOAN

Abu Dhabi's Mubadala signed a US$ 2 billion revolving credit facility to refinance a US$ 1.75 billion revolving loan it put in place three years ago.

The State-investment fund signed the original loan in 2016 with a group of 21 international banks. A revolving loan is one that can be drawn, repaid and drawn again during the agreed lending period.

The new loan will have a five-year maturity and be provided by a large group of relationship banks.

WOOD WINS CONTRACT TO BUILD SABIC RESEARCH CENTER

Wood, one of the global players in the delivery of project, engineering and technical services in energy and industry, has secured a new contract with SABIC to deliver the engineering design for a world-class petrochemical research center in Saudi Arabia.

As per the deal, Wood will provide conceptual, basic and detailed design engineering for Saudi petrochemical giant SABIC's new 65,000 square meters technology center in Jubail Industrial City on the east coast.

The scope of work includes engineering design of analytical and material labs to accommodate testing, characterization and materials analysis, plus support utilities including a warehouse, workshop and substation, said a statement from the company.

The contract will be delivered by Wood's base in Al Khobar and builds on the company's delivery of front-end engineering design services for expansion and upgrades to existing SABIC facilities in the region.

QATAR PETROLEUM AWARDS EIGHT DRILLING CONTRACTS FOR NORTH FIELD PROJECT

Qatar Petroleum awarded eight drilling contracts for its North Field gas expansion project, as per a company statement.

The drilling rigs are expected to be mobilized and ready for drilling starting from January 2020, QP said in a statement.

Contracts for six rigs were awarded to Gulf Drilling International (GDI) and two went to Northern Offshore Drilling Operations, it said.

CAPITAL MARKETS

EQUITY MARKETS: SHY PRICE GAINS IN MENA EQUITIES WEEK-ON-WEEK

Equity prices were relatively stable in the MENA region during this week, as reflected by a shy rise in the S&P Pan Arab Composite Index of 0.1%. The heavyweight Saudi Tadawul and the Egyptian Exchange registered price gains of 0.6% and 0.9% respectively, mainly helped by some favorable company-specific and sector-specific factors, while the UAE equity markets and the Qatar Exchange posted price declines of 1.9% and 0.3% respectively amid some unfavorable financial results and on ex-dividend activity.

The heavyweight Saudi Tadawul posted a 0.6% increase in prices week-on-week, mainly supported by some favorable company-specific and sector-specific factors. NCB's share price surged by 4.4% to SR 64.0. NCB reported a 5.7% year-on-year rise in its 2019 first quarter net profits to reach SR 3.2 billion. United Wire Factories Company (known as Aslak) posted a 0.4% increase in its share price to SR 16.10. Aslak posted a 9.3% yearly rise in its 2019 first quarter net profits to reach SR 21 million.

Also, cement stocks traced an upward trajectory on the Saudi stock exchange, mainly driven by some favorable financial results and on bets about rising demand for cement as many mega infrastructure projects are in progress in the Kingdom. City Cement's share price went up by 2.9% week-on-week to SR 12.20. City Cement posted 2019 first quarter net profits of SR 41 million versus net profits of SR 25 million a year earlier. Yamama Cement Company's share price surged by 8.5% to SR 17.56. Yamama Cement Company's 2019 first quarter net profits almost tripled year-on-year to reach SR 71 million, exceeding analysts' estimates. Southern Province Cement Company's share price climbed by 12.8% to SR 49.20. SPCC announced a 12.3% year-on-year increase in its 2019 first quarter net profits to reach SR 137 million. Saudi Cement Company's share price climbed by 9.7% to SR 67.90. SCC registered a 6.9% yearly growth in its 2019 first quarter net profits to reach SR 181 million.

The Egyptian Exchange recorded a 0.9% rise in prices during this week that was shortened to two working days due to public holidays, mainly helped by some favorable company-specific factors. Commercial International Bank's share price rose by 1.7% to LE 75.82. CIB announced 2019 first quarter net profits of LE 2.6 billion as compared to net profits of LE 2.0 billion a year earlier. El Sewedy Electric's share price closed 1.1% higher at LE 15.58. El Sewedy Electric's Board of Directors recommended the distribution of dividends at a rate of LE 0.8 per share for the year 2018. SODIC's share price surged by

EQUITY MARKETS INDICATORS (APRIL 28 TILL MAY 04, 2019)

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	78.0	-0.4%	-7.0%	1.4	98.4%	0.2	8,480.0	0.9%	6.3	0.63
Jordan	359.4	-2.4%	-5.8%	42.4	51.3%	34.7	20,942.2	10.5%	11.0	1.33
Egypt	338.5	0.9%	22.9%	57.0	-28.2%	113.2	48,809.2	6.1%	11.1	2.49
Saudi Arabia	408.7	0.6%	20.6%	5,057.7	2.6%	701.7	585,717.2	44.9%	18.5	2.63
Qatar	187.9	-0.3%	-0.4%	307.9	-9.4%	64.6	160,504.4	10.0%	14.4	2.16
UAE	121.2	-1.9%	7.2%	744.6	38.2%	672.9	256,186.9	15.1%	11.9	1.85
Oman	197.8	0.7%	-7.2%	22.9	30.9%	61.1	17,233.2	6.9%	9.5	0.94
Bahrain	141.1	-1.0%	17.8%	13.5	-54.5%	19.5	22,063.2	3.2%	10.3	1.48
Kuwait	106.8	0.3%	12.8%	278.6	-24.9%	398.5	95,986.6	15.1%	15.8	1.94
Morocco	262.0	0.3%	-2.8%	18.8	-48.1%	0.7	58,833.7	1.7%	18.5	2.69
Tunisia	66.5	-0.7%	-5.4%	4.1	-39.3%	1.4	7,636.9	2.8%	13.8	2.52
Arabian Markets	**823.1**	**0.1%**	**13.0%**	**6,548.9**	**2.7%**	**2,068.6**	**1,282,393.5**	**26.6%**	**15.7**	**2.28**

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

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

3.1% to LE 17.07. SODIC's Board of Directors recommended the distribution of dividends at a rate of LE 0.5 per share for the year 2018.

In contrast, the Qatar Exchange registered a 0.3% retreat in prices week-on-week, mainly dragged by some unfavorable financial results. 26 out of 46 listed stocks posted price falls, while 19 stocks recorded price gains and one stock saw no price change week-on-week. Ooredoo's share price declined by 0.3% to QR 64.90. Ooredoo announced 2019 first quarter net profits of QR 420 million against net profits of QR 486 million a year earlier. Mannai Corporation's share price shed 3.8% to QR 43.80. Mannai Corporation posted 2019 first quarter net profits of QR 50 million against net profits of QR 91 million during the same period of last year. Aamal's share price dropped by 2.7% to QR 8.92. Aamal announced 2019 first quarter net profits of QR 97 million as compared to net profits of QR 116 million a year earlier.

The UAE equity markets recorded a 1.9% fall in prices week-on-week, mainly driven by some unfavorable company-specific factors and on ex-dividend activity. In Dubai, Emaar Malls' share price closed 2.9% lower at AED 1.68. Emaar Malls' revenues totaled AED 1.08 billion during the first quarter of 2019, missing the lowest analyst estimate. Emaar Properties' share price declined by 1.0% to AED 4.75. The stock traded ex-dividend on May 1, 2019. Dubai Financial Market's share price fell by 2.0% to AED 0.782. Dubai Financial Market posted 2019 first quarter net profits of AED 28 million versus net profits of AED 49 million a year earlier.

In Abu Dhabi, ADIB's share price dropped by 3.7% over the week to AED 4.65. ADIB reported yearly net profits growth of 1.7% for the first quarter of 2019 to reach AED 600 million, yet still missing analysts' lowest estimates. ADCB's share price plunged by 4.6% to AED 9.65, on some profit-taking operations after the bank has formally merged with Union National Bank, and the combined entity has acquired Al Hilal Bank as its Sharia-compliant lending unit. United Arab Bank's share price fell by 5.0% to AED 1.13. UAB announced 2019 first quarter net profits of AED 23 million, down by 39% year-on-year. Dana Gas's share price shed 4.0% to AED 0.95. The stock traded ex-dividend on May 2, 2019.

FIXED INCOME MARKETS: MENA BOND PRICES MOSTLY TILTED TO THE UPSIDE THIS WEEK

Activity in MENA fixed income markets was mostly tilted to the upside this week, mainly helped by some buying interest ahead of the Holy month of Ramadan. This was reflected by a 2.5% contraction in the Z-spread based Audi Compiled MENA bond index.

In the Kuwaiti credit space, sovereigns maturing in 2022 and 2027 were up by 0.05 pt and 0.15 pt respectively this week. Moody's affirmed Kuwait's long-term issuer ratings at "Aa2", with a "stable" outlook. The rating affirmation is underpinned by Moody's view that Kuwait's exceptionally large wealth would continue to support the sovereign's fiscal strength and creditworthiness. The "stable" outlook reflects Moody's expectation that Kuwait's extremely high fiscal strength would be largely preserved through oil price fluctuations and long-term demographic pressure. Also, KIPCO'27 was up by 0.33 pt, while KIPCO'20 and '23 closed down by 0.03 pt and 0.01 pt respectively. Moody's affirmed KIPCO's "Baa3" long-term issuer rating and "P-3" short-term issuer rating, with a "stable" outlook.

In the Abu Dhabi credit space, sovereigns maturing in 2021, 2022, 2026 and 2047 saw price gains of up to 0.25 pt week-on-week. Mubadala papers maturing between 2022 and 2041 registered price improvements ranging between 0.03 pt and 0.32 pt, while Mubadala'20 and '21 (offering a coupon of 5.875%) were down by 0.02 pt and 0.06 pt respectively.

As to papers issued by financial institutions, prices of FAB papers maturing in 2020, 2022, 2023 and 2024 improved by up to 0.45 pt week-on-week. Noor Bank'20 and Perpetual were up by 0.21 pt and 0.06 pt respectively. Prices of UNB'21 and '23 increased by 0.12 pt and 0.22 pt respectively. Fitch affirmed UNB's and Al Hilal Bank's long-term IDR at "A+", and downgraded UNB's viability rating to "BB+" from "BBB-", aligning it with ADCB's viability rating after the three banks completed merger.

In Dubai, prices of sovereigns maturing in 2021, 2022, 2029 and 2043 rose by up to 0.22 pt, while

DUGB'20 and '23 were down by 0.25 pt and 0.03 pt this week. DP World'23, '28, '37 and '48 closed up by up to 0.69, while DP World'20 was down by 0.07 pt.

In the Saudi credit space, sovereigns maturing in 2023, 2029 and 2030 posted price improvements of up to 0.38 pt, while sovereigns maturing in 2021, 2022, 2025, 2026, 2028, 2046 and 2047 recorded price declines of up to 0.63 pt week-on-week. Fitch affirmed KSA's long-term foreign-currency IDR at "A+" with a "stable" outlook. Saudi Arabia's ratings are supported by strong fiscal and external balance sheets, as per Fitch. Also, SABIC'23 and '28 registered price increases of 0.13 pt and 0.88 pt respectively, while SABIC'20 was down by 0.25 pt. SECO'24, '43 and '44 saw price gains of up to 0.25 pt, while SECO'28 closed down by 0.25 pt. As to new issues, Saudi Telecom Company raised US$ 1.25 billion through the sale of a 10-year Sukuk at 135 bps over midswaps. The order book size reached US$ 4.5 billion.

In the Omani credit space, sovereigns saw price gains across the board this week, with papers maturing between 2021 and 2048 registering price increases ranging between 0.31 pt and 0.75 pt. Also, Egyptian sovereigns maturing between 2020 and 2049 registered price rises of up to 1.38 pt.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	03-May-19	26-Apr-19	31-Dec-18	Week-on-week	Year-to-date
Abu Dhabi	57	57	67	0	-10
Dubai	138	137	129	1	9
Kuwait	61	58	66	3	-5
Qatar	64	64	82	0	-18
Saudi Arabia	79	77	105	2	-26
Bahrain	258	259	293	-1	-35
Morocco	114	107	111	7	3
Egypt	323	323	391	0	-68
Lebanon	800	807	770	-7	30
Iraq	366	367	519	-1	-153
Middle East	**226**	**225**	**254**	**1**	**-28**
Emerging Markets	**152**	**154**	**188**	**-2**	**-36**
Global	**170**	**171**	**189**	**-1**	**-19**

Sources: Bloomberg, Bank Audi's Group Research Department

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

Sources: Bloomberg, JP Morgan, Bank Audi's Group Research Department

SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS	Standard & Poor's	Moody's	Fitch
LEVANT			
Lebanon	B-/Negative/B	Caa1/Stable	B-/Negative/B
Syria	NR	NR	NR
Jordan	B+/Stable/B	B1/Stable	NR
Egypt	B/Stable/B	B2/Stable	B+/Stable/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B
GULF			
Saudi Arabia	A-/Stable/A-2	A1/Stable	A+/Stable/F1+
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA/Stable/F1+*
Qatar	AA-/Stable/A-1+	Aa3/Stable	AA-/Stable/F1+
Kuwait	AA/Stable/A-1+	Aa2/Stable	AA/Stable/F1+
Bahrain	B+/Stable/B	B2/Stable	BB-/Stable/B
Oman	BB/Negative/B	Ba1/Negative	BB+/Stable/F3
Yemen	NR	NR	NR
NORTH AFRICA			
Algeria	NR	NR	NR
Morocco	BBB-/Stable/A-3	Ba1/Stable	BBB-/Stable/F3
Tunisia	NR	B2/Stable	B+/Negative/B
Libya	NR	NR	NR
Sudan	NR	NR	NR

NR= Not Rated RWN= Rating Watch Negative * Emirate of Abu Dhabi Ratings

FX RATES (per US$)	03-May-19	26-Apr-19	31-Dec-18	Weekly change	Year-to-date
LEVANT					
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%	-0.2%
Egyptian Pound (EGP)	17.18	17.18	17.92	0.0%	-4.1%
Iraqi Dinar (IQD)	1,192.68	1,192.74	1,192.68	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.75	0.0%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.66	3.66	3.65	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.30	0.30	0.30	0.0%	0.1%
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%
NORTH AFRICA					
Algerian Dinar (DZD)	119.05	120.48	117.65	-1.2%	1.2%
Moroccan Dirham (MAD)	9.66	9.67	9.54	-0.1%	1.3%
Tunisian Dinar (TND)	2.99	3.03	3.05	-1.2%	-1.8%
Libyan Dinar (LYD)	1.39	1.40	1.40	-0.2%	-0.3%
Sudanese Pound (SDG)	45.11	45.11	47.62	0.0%	-5.3%

Sources: Bloomberg, Bank Audi's Group Research Department