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GCC project awards contracted during the third quarter of the year as global economic challenges mounted with its total value falling by 40.8% to US\$ 11.1 billion from last year's figures of US\$ 18.8 billion, according to Kamco Invest, a regional non-banking financial powerhouse with one of the largest AUMs in the region.

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Oman announced its Green Hydrogen Strategy, an initiative that envisions an estimated US\$140 billion in investment in a new low-carbon energy industry, as mentioned in a statement.

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MENA equity markets bounced back this week, as reflected by a 3.4% rise in the S&P Pan Arab Composite index, mainly supported by strong corporate earnings, some favorable company-specific and company-specific factors, and an oil price recovery on news that China is mulling a further easing in COVID rules for inbound visitors and given an estimated decline in US crude stocks. In contrast, regional fixed income markets saw mostly downward price movements, mainly tracking US Treasuries move as a fourth in a row three-quarter point rate hike by the US Federal Reserve is already priced in for November FOMC meeting, following higher-than-surveyed yearly US inflation in September 2022.

MENA MARKETS: OCTOBER 16 - OCTOBER 22, 2022

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+3.4%	Weekly Z-spread based bond index	+0.9%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+1.0%	YTD Z-spread based bond index	-9.9%

ECONOMY

KAMCO INVEST SAYS GCC PROJECT CONTRACTS VALUE PLUNGES 40.8% IN Q3

GCC project awards contracted during the third quarter of the year as global economic challenges mounted with its total value falling by 40.8% to US\$ 11.1 billion from last year's figures of US\$ 18.8 billion, according to Kamco Invest, a regional non-banking financial powerhouse with one of the largest AUMs in the region.

This decline was intensified by high inflation and continuing supply chain problems mainly due to China's intermittent Covid-19 restrictions as well as the USEU sanctions on Russia. In addition, the increase in benchmark rates by global and regional central banks to combat runaway inflation also affected project funding stated the Kuwaiti group in its review.

All the GCC countries, barring Qatar that saw a smaller decline, witnessed a double-digit fall in their aggregate Q3-2022 y-o-y value of projects awarded, it added.

Kamco Invest pointed out that the UAE overtook Saudi Arabia as the largest projects market in the GCC during this quarter, recording a total of US\$ 3.7 billion contracts against Saudi Arabia's US\$ 3.5 billion. Qatar ranked third during the quarter with total contract awards at US\$ 3.4 billion.

Saudi Arabia, UAE and Qatar accounted for a combined 96% of the total value of contracts awarded in the GCC during the quarter, it added.

Total projects awarded in Kuwait during Q3 too declined by 69.1% to US\$ 162 million from US\$ 525 million for Q3-2021. Oman witnessed Q3-2022 new projects awards drop of 68.1% y-o-y to US\$ 154 million. Aggregate value of contracts awarded in Bahrain reached US\$ 125 million in Q3-2022 when compared to US\$ 659 million last year.

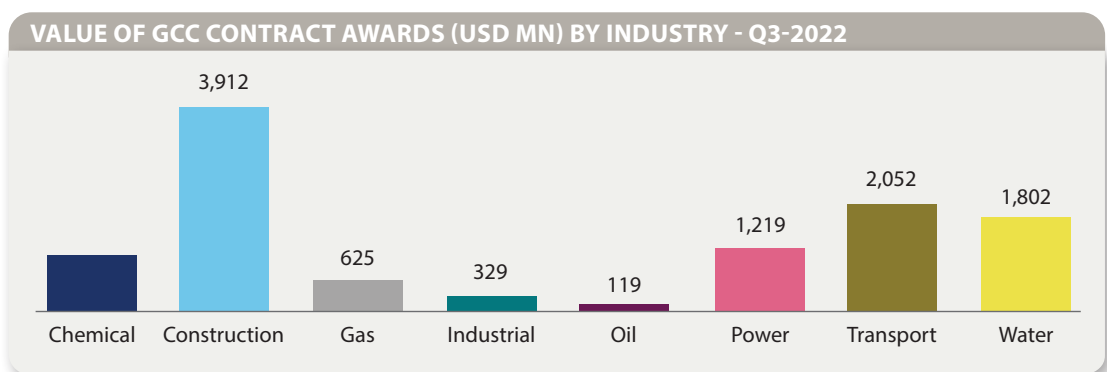
According to Kamco Invest, sector-wise only the chemicals sector witnessed an increase in the value of projects awarded during Q3 recording US\$ 540 million y-o-y increase in new contract awards to reach a total of US\$ 1.1 billion during Q3-2022.

The total value of contracts awarded in the GCC during 9M-2022 declined by 26.2% to US\$ 53 billion, down from US\$ 71.7 billion in the nine-month period for 2021. Saudi Arabia accounted for more than half of total projects awarded in the GCC for the first nine months of the year.

The kingdom's total value of contracts awarded during 9M-2022 increased by 14.9% to reach US\$ 30.3 billion up from US\$ 26.3 billion last year.

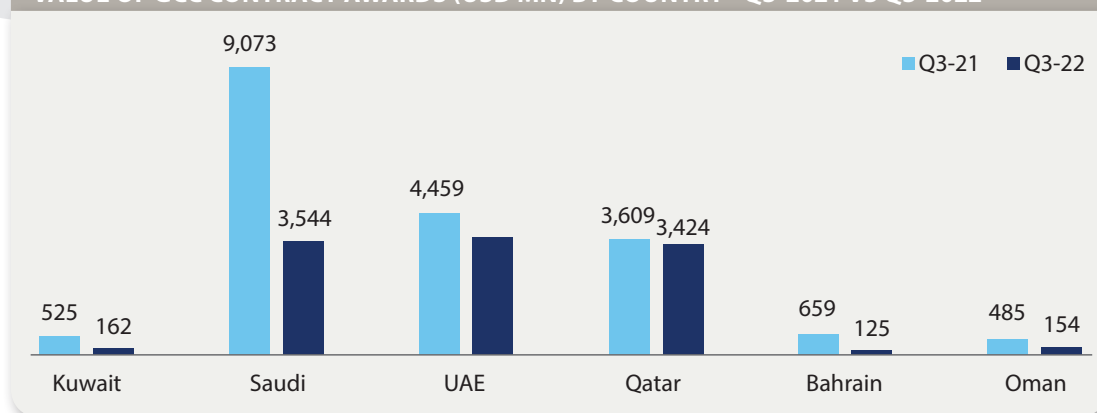
The withdrawal of Covid-19-related restriction and higher oil prices have contributed to the rise in the kingdom's projects market during 2022.

Comparatively, the UAE's aggregate value of contracts awarded during the first nine months of the year dipped 5.8% to US\$ 12.4 billion, against US\$ 13.1 billion last year.



Sources : MEED Projects, Kamco Invest Research

VALUE OF GCC CONTRACT AWARDS (USD MN) BY COUNTRY - Q3-2021 VS Q3-2022



Sources : MEED Projects, Kamco Invest Research

NON-OIL TRADE EXCHANGE BETWEEN EGYPT, UAE EXCEEDS US\$ 4 BILLION IN THE FIRST 5 MONTHS

The non-oil trade exchange between Egypt and the UAE amounted to more than AED 14.1 billion (US\$ 3.8 billion) over the first five months of 2022, representing a growth of 6% against the same period of 2021.

The volume of non-oil foreign trade between Egypt and the UAE amounted to around AED 27.8 billion (US\$ 7.5 billion) during 2021, with a growth rate of 7.6% compared to 2020.

The UAE ranked first among the countries in the world investing in Egypt and second largest trading partner at the Arab level, where the Emirati investments in Egypt increased to US\$ 1.9 billion in FY 2019/2020, compared to US\$ 712.6 million in FY 2018/2019, an increase of 169.1%. It is worth mentioning that the cumulative investment balance is more than AED 59 billion (US\$ 16 billion).

It is worth noting that the communications and information technology sector tops the Emirati investments in Egypt with about 55 companies and investments amounting to US\$ 2 billion, followed by the financing sector with investments of US\$ 1.7 billion with 49 established companies, followed by construction sector with investments of US\$ 814 million and 118 companies, followed by the industrial sector with investments worth US\$ 544 million and 131 companies, followed by the service sector with a total of US\$ 343 million and 275 companies, and finally tourism investments with US\$ 260 million and 48 companies.

Finally, Egypt will celebrate the 50th anniversary of the establishment of the Emirati-Egyptian relations next week.

EGYPT'S ECONOMIC GROWTH TO HIT 4.8% IN FY 2022/2023, AS PER WORLD BANK

Egypt is expected to achieve an economic growth rate of 4.8% in fiscal year (FY) 2022/2023, as the highest rate among the main economies in the Middle East and Africa (MEA) region, as per the World Bank Group (WBG) latest report, the Egyptian Prime Minister stated in his speech at the opening of the Economic Conference.

Egypt has recorded a growth rate of about 6.6% in FY 2021/2022.

Moreover, the WBG projected the GDP per capita to reach about US\$ 4,500 by 2025.

BAHRAIN EXPORTS JUMP 6% TO US\$ 3.3 BILLION IN Q3

Bahrain's exports increased by 6% to hit BD 1.24 billion (US\$ 3.3 billion) during the third quarter 2022, compared to BD 1.2 billion for the same quarter of the previous year.

The top 10 countries in terms of the value of exports of national origin purchased from Bahrain accounted for 77% of the total exports, whereby Saudi Arabia ranked the first among countries importing goods for BD 260 million, followed by the US with BD 171 million and the UAE with BD 139 million, as per the Information & eGovernment Authority's (iGA) foreign trade report of third quarter 2022.

In details, Unwrought aluminum alloys emerged as the top products exported during Q3 worth BD 455 million, followed by agglomerated iron ores and concentrates with a value of BD 231 million and aluminum wire (not alloyed) with BD 53 million.

On the other hand, the value of Bahrain's imports increased by 9%, reaching BD 1.5 billion during Q3, compared to BD 1.4 billion for the same quarter the previous year.

The top 10 countries accounted for 71% of the value of imports, whereby China ranked first with a total of BD 213 million, followed by Brazil with BD188 million, and Australia with BD 123 million, as per iGA.

Non-agglomerated iron ores and concentrates emerged as the top product imported into Bahrain with a total value of BD 201 million, followed by aluminum oxide with BD 113 million and parts for aircraft engines with BD 78 million.

The total value of re-exports increased by 1% to reach BD 177 million in Q3, compared to BD 175 million for the same quarter of the previous year.

The top 10 countries accounted for 80% of the re-exported value, whereby Saudi Arabia ranked the first with BD 38 million, followed by the UAE with BD 37 million and the UK with BD 14 million.

In details, parts for aircraft engines emerged as the top product re-exported from Bahrain with BD 31 million, followed by other mountings fittings and the like for vehicles with BD10 million and vaccines for human medicine with BD 9 million.

Thus, the trade balance recorded a deficit of BD 54 million during the third quarter of 2022, compared to BD 1 million deficit for the same quarter of the previous year.

TOTAL DEPOSITS HELD IN OMAN'S BANKING SECTOR HIT OVER US\$ 67 BILLION

The total deposits in Oman's banking sector hit OMR 26.2 billion at the end-August 2022, representing a rise of 5.2%.

In details, the private sector deposits with the banking system increased by 1.6% to reach OMR 17.4 billion.

The distribution of the total deposit base of the private sector in various sectors reveals that the household constituted the biggest share of 51.9%, followed by the non-financial sector with 29.6% and the financial corporation sector with 15.7%, while the remaining 2.8% was distributed among other sectors.

The credit granted to the private sector recorded a growth of 2.4% to reach about OMR 23.9 billion at the end-August 2022, as per the Central Bank of Oman (CBO).

The distribution over various sectors reveals that the non-financial corporations constituted the largest share with 45.9% at end-August 2022, followed by the household sector with 45.4%, followed by the financial corporations with 5.1% and other sectors revealed 3.7%.

Finally, the credit granted by conventional and Islamic banks in Oman grew by 3.5% to reach OMR 28.5 billion at end-August 2022.

SURVEYS

UAE TOPS MENA REGION IN GLOBAL FOOD SECURITY INDEX 2022

According to the Ministry of Climate Change and Environment (MOCCA), the UAE ranked first in the Middle East and North Africa region on the Global Food Security Index (GFSI) 2022, issued by Economist Impact, as compared to the third place in the region for the year 2021.

The annual GFSI measures the yearly changes in the structural elements that influence food security. The index takes into consideration numerous metrics including food affordability, availability, quality, and safety, as well as natural resources and resilience across 113 countries.

The index is a dynamic quantitative and qualitative benchmarking model constructed from 58 indicators that measure the drivers of food security across both developing and developed countries, as per Economist Impact.

Based on the index, the UAE ranked first of all MENA countries in the overall food security index, in the food availability indicator and in food quality and safety, while ranking fourth in food affordability as well as sustainability and adaptation.

GLOBAL FOOD SECURITY INDEX RANK 2022					
	Overall Rank	Affordability	Availability	Quality and Safety	Sustainability and Adaption
United Arab Emirates	23	31	7	16	53
Qatar	30	21	9	47	72
Oman	35	21	34	42	60
Bahrain	38	11	52	32	78
Saudi Arabia	41	40	23	49	57
Jordan	47	35	55	80	32
Kuwait	50	45	41	59	85
Morocco	57	53	100	43	30
Tunisia	62	54	74	70	74
Egypt	77	66	73	101	51
Yemen	111	95	112	98	105

Sources: Economist Impact, Bank Audi's Group Research Department

Globally, the UAE ranked 23rd in the overall food security index. Moreover, the country scored 75.2 points on the general scale of the 100-point index, compared to 71 points recorded in 2021, registering a growth of 4.2 points.

Ministry of Climate Change and the Environment aims to support the UAE's efforts in preserving the environment and promoting food diversity in accordance with the nation's aspiration to emerge as a key benchmark for sustainable development.

Several measures have been implemented to strengthen food security in the UAE, which includes projects, programs, and initiatives that boost local production capabilities, promote investment and entrepreneurship in the food sector and stimulate the adoption of sustainable agricultural methods.

The comprehensive National Food Security Strategy 2051 objective is to develop sustainable food systems by utilizing modern technologies, encouraging local production, building international partnerships to diversify food sources, enacting laws and policies that improve nutrition, and decrease food waste with the aim of ensuring food security under any circumstances.

This strategy seeks to boost the UAE's ranking in global food security indicators and transform the country into a hub for innovation-based food security.

SAUDI ARABIA ADVANCES 12 PLACES GLOBALLY IN E-GOVERNMENT DEVELOPMENT INDEX

Saudi Arabia achieved the highest result in its history according to the E-Government Development Index (EGDI) published by the United Nations since its launch more than 20 years ago.

The EGDI, which assesses e-government development at the national level on all 193 United Nations Member States, consists of the weighted average of three independent component indices: the Online Services Index (OSI), Human Capital Index (HCI), and the Telecommunications Infrastructure Index (TII).

Saudi Arabia ranked 31st in 2022, as compared to 43rd in 2020. Saudi Arabia came among the best countries in the world in terms of providing government services information and sharing open government data to citizens and business sectors by 100%.

E-GOVERNMENT DEVELOPMENT INDEX						
	EDGI Rank	OSI (%)	HCI (%)	TII (%)	EDGI (2022)	EDGI (2020)
UAE	13	90.14	87.11	93.06	90.1	85.55
Saudi Arabia	31	82.2	86.62	87.35	85.39	79.91
Oman	50	74.23	80.67	80.12	78.34	77.49
Bahrain	54	75.23	81.54	74.44	77.07	82.13
Kuwait	61	69.73	77.06	77.74	74.84	79.13
Qatar	78	60.94	71.5	82.03	71.49	71.73

Sources: United Nations, Bank Audi's Group Research Department

Based on the report, the maturity of government digital regulations reached 96%, and the quality of digital specifications for government services reached a distinguished score of 94%, while the availability and spread of digital government services reached 81%.

KSA ranked 43rd globally in E-participation index in 2022 as compared to 66 in 2020, up by 23 places in e-participation and consultations directed to individuals and business sectors to explore their views on legislation and regulations that have economic and social impact.

The city of Riyadh ranked fourth in the world in the use of technology and its applications within the "very high range" classification.

The leaps that Saudi Arabia has made in the index are a result of the efforts of the government to advance the digital transformation process, and the adoption of modern digital solutions by launching many initiatives and executive programs as a part of Saudi Arabia's Vision 2030 to serve the beneficiaries.

CORPORATE NEWS

OMAN TARGETS US\$140 BILLION INVESTMENT IN GREEN HYDROGEN INDUSTRY

Oman announced its Green Hydrogen Strategy, an initiative that envisions an estimated US\$ 140 billion in investment in a new low-carbon energy industry, as mentioned in a statement.

The subject strategy would enable Oman to pursue its decarbonization, economic and energy security objectives.

The Ministry also formalized the establishment of a new hydrogen-centric energy company, HYDROM, that will oversee the country's vision for the growth of a green hydrogen based energy future.

The announcements came at a media briefing held under the auspices of Eng Salim bin Nasser al Afi, Minister of Energy and Mineral, in which he underlined Oman's new climate commitment and its ambitious green hydrogen strategy.

Oman has committed to reaching Net-Zero Emissions in 2050, in line with the Paris Agreement's objectives of limiting global warming to 1.5°C compared to pre-industrial levels.

It is worth mentioning that Oman has mandated the creation of Oman Sustainability Center, in order to lead the transition towards a green economy whereby the center will be the leading body undertaking the supervising and follow-up plans and programs of carbon neutrality.

The vision is to create effective, balanced and resilient ecosystems to protect and sustain Oman's natural resources in support of the national economy. This will be done by setting targets, a measurement mechanism and a follow-up methodology for the initiatives and projects helping to achieve net-zero emissions, Head of Energy, Environment and Natural Resources Priority Support at Oman Vision 2040 Implementation Follow-up Unit said in a statement.

Chief Executive Officer of Energy Development Oman mentioned that they are delighted to announce the new brand identity of HYDROM, a fully owned autonomous subsidiary of EDO. HYDROM will leverage Oman's location and abundant solar and wind resources to produce green hydrogen and support the government's drive to reduce the carbon footprint and achieve the decarbonization targets.

Oman has set an ambition to become one of the largest green hydrogen producers and exporters globally, targeting production of one million tons by 2030.

ORASCOM CONSTRUCTION ADDS US\$ 670 MILLION TO ITS BACKLOG IN Q3 2022

Orascom Construction added US\$ 670 million of new contract awards to its backlog in the third quarter of 2022, bringing the total new awards to US\$ 3.1 billion in the first nine months of 2022, as mentioned in a statement.

Projects in the Middle East comprised 70% of new awards in the third quarter of 2022, primarily across infrastructure, logistics and commercial sectors, Orascom Construction said in a statement. It is worth noting that 30% of the new awards were signed by the US subsidiaries.

Projects in the data centre sector accounted for a significant portion of new awards signed by the US subsidiaries, underscoring the group's efforts to expand across this growing sector.

DEWA'S INVESTMENTS IN NEW POWER TRANSMISSION PROJECTS HIT US\$ 463 MILLION IN THE FIRST HALF OF THE YEAR

Dubai Electricity and Water Authority (DEWA) unveiled its first half 2022 investments in power transmission infrastructure grew 22% year on-year to reach AED 1.7 billion (US\$ 463 million), as mentioned in a statement.

New 400 kV transmission substation was commissioned in Al Qusais Industrial Area 5, while 10 new 132 kV transmission substations were installed in Al Barsha South, Jebel Ali, Al Furjan, Al Merkad, Business Bay, Umm Hurair, Wadi Al Safa, Oud Al Muteena, Al Riqqa and Al Wasl areas, DEWA said in a statement.

Utility's investment outlay for transmission projects from 2021 to 2024 is AED 10 billion (US\$ 2.7 billion), which includes AED 2 billion (US\$ 545 million) for 400 kV transmission projects and AED 8 billion (US\$ 2.2 billion) for 132 kV projects, DEWA MD and CEO said in a statement.

It is worth noting that the newly commissioned substations have raised the total number of 400 kV transmission substations in Dubai to 26 and 132 kV substations to 329.

ADQ INVESTS US\$ 125 MILLION IN ALIPH CAPITAL'S FUND

Abu Dhabi-based investment and holding company, ADQ, invested US\$ 125 million in the maiden fund of Aliph Capital, an alternative investment firm in Abu Dhabi Global Market (ADGM), as mentioned in a statement.

Aliph Fund I (LP) is a US\$ 250 million target private equity fund aiming to invest in mid-sized companies in the UAE and across the GCC.

The timing is perfect for GCC-based private equity to invest in the region's midmarket growth stars, which when fully equipped with digital and tech enablement levers, it would generate significant returns and power the ongoing diversification and transformation of the GCC economy, Founder and CEO of Aliph Capital said in a statement.

ADQ's portfolio has some of Abu Dhabi's most strategic assets across energy, transport and food.

It is worth highlighting that earlier, ADQ-backed Further Ventures launched a US\$ 200 million for startups, where the fund will focus on building digital assets, FinTech and supply chain sector startups.

Moreover, Abu Dhabi sovereign wealth fund Mubadala-backed AI firm G42 launched a US\$10 billion fund to invest in late-stage technology companies. The fund is managed in partnership with Abu Dhabi Growth Fund, owned by ADQ.

OBHUR WATERFRONT PROJECT IS SET TO OPEN IN 2Q - 2023

Obhur waterfront project, being implemented by Jeddah Mayorality, is scheduled to open in the beginning of the second quarter of 2023, as mentioned in a statement.

The development project is on the southern Obhur Corniche, expands over 2.5 km seafront on an area covering 180,000 square meters and worth a value of SAR 229 million, as mentioned in a statement.

The South Obhur seafront project is expected to add tourist value to the Bride of the Red Sea, as it will provide squares and recreational areas, sandy beaches, a bike path, a sea walkway, green spaces, parking lots, in addition to providing many attractive opportunities for investors.

The subject project encompasses total infrastructure development, in addition to a marine scaffold, service and investment buildings, marine works and complete infrastructure facilities including an electricity network, a sewage network and a drainage network for rainwater and torrential rain. The project will also have surveillance cameras covering the entire site linked to a control room.

CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES BOUNCE BACK, ON STRONG CORPORATE EARNINGS AND OIL PRICE RECOVERY

MENA equity markets bounced back this week, as reflected by a 3.4% increase in the S&P Pan Arab Composite index, mainly supported by strong corporate earnings, some favorable market-specific and company-specific factors, and an oil price recovery.

The heavyweight Saudi Exchange, whose market capitalization represents more than 70% of the total regional market capitalization, registered strong price rebounds this week (+5.0%) despite lingering global growth woes. This was mainly supported by upbeat financial results, and higher Brent oil prices (+2.0% week-on-week to reach US\$ 93.50 per barrel) on news that China is mulling a further easing in COVID rules for inbound visitors and given an estimated decline in US crude stocks, in addition to some favorable market-specific factors. The Kingdom launched this week the National Industrial Strategy, which aims to increase the value of industrial exports to SR 557 billion by 2030.

A closer look at individual stocks shows that petrochemicals giant Saudi Aramco's share price increased by 1.8% week-on-week to SR 36.05. Petro Rabigh's share price rose by 1.0% to SR 14.46. SABIC's share price closed 2.8% higher at SR 92.50. Yansab's share price surged by 3.9% to SR 47.80. Advanced Petrochemical Company's share price went up by 1.8% to SR 46.0. Saudi Kayan Petrochemical Company's share price jumped by 6.5% to SR 14.16. Sipchem's share price edged up by 1.2% to SR 42.95.

As to banking stocks, SABB's share price climbed by 7.0% over the week to SR 42.30. SABB announced a 58% year-on-year rise in its 2022 third quarter net profits to reach SR 1.4 billion, exceeding analysts' estimates. Alinma Bank's share price rose by 2.7% to SR 36.75. Aljazira Capital Company raised its recommendation on Alinma Bank to "Overweight" from "Neutral", with a price target of SR 42, which implies a 17% increase from last price. SNB's share price surged by 7.7% to SR 65.70. Al Rajhi Bank's share price jumped by 7.9% to SR 87.70. Banque Saudi Fransi's share price rose by a significant 8.3% at SR 44.40.

Boursa Kuwait posted a decent price recovery this week, as reflected by a 4.2% increase in the S&P Kuwait index, as favorable financial results and an oil price rebound helped lifting investor sentiment despite lingering global growth concerns.

A closer look at individual stocks shows that NBK's share price surged by 3.4% to Kwf 1,055. NBK announced a 45% year-on-year rise in its 2022 nine-month net profits to reach KWD 113 million. Gulf Bank's share price jumped by 6.3% to Kwf 340. Gulf Bank reported a 41% yearly increase in its net profits during the first nine months of 2022 to reach KWD 15.5 million. Kuwait Finance House's share price climbed by 5.1% to Kwf 811. Kuwait Finance House reported a 3% yearly increase in its net profits during the first nine months of 2022 to reach KWD 68 million. Also, Qurain Petrochemical Industries' share price rose by 2.5% to Kwf 248. National Petrochemical Service's share price increased by 3.0% to Kwf 750.

EQUITY MARKETS INDICATORS (OCTOBER 16 - OCTOBER 22, 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	118.2	-2.0%	25.8%	4.5	16.9%	0.1	13,361.5	1.8%	-	0.30
Jordan	388.5	0.5%	11.5%	26.0	-34.9%	11.5	25,470.6	5.3%	9.6	1.54
Egypt	207.1	4.7%	-32.0%	255.7	-	2,291.2	35,376.6	37.6%	6.7	1.47
Saudi Arabia	534.2	5.0%	4.1%	5,609.1	16.5%	533.59	2,948,187.5	9.9%	15.8	5.36
Qatar	206.3	-0.6%	3.6%	491.5	13.5%	518.5	191,542.2	13.3%	14.4	1.95
UAE	141.1	1.6%	-4.3%	2,018.4	-4.8%	1,748.8	766,057.7	13.7%	14.2	2.33
Oman	247.3	-1.7%	13.5%	26.9	61.1%	41.7	20,923.2	6.7%	12.8	1.01
Bahrain	185.9	0.1%	1.7%	6.1	118.7%	5.9	27,759.2	1.1%	10.2	1.33
Kuwait	136.2	4.2%	2.1%	681.4	3.3%	671.8	136,292.5	26.0%	19.5	2.41
Morocco	215.8	-4.1%	-31.9%	26.0	-44.3%	2.0	51,791.4	2.6%	20.1	2.90
Tunisia	58.7	-1.3%	-8.4%	25.9	220.2%	9.8	7,318.8	18.4%	9.9	1.67
Arabian Markets	1,002.7	3.4%	1.0%	9,171.7	10.0%	5,835.0	4,224,081.3	11.3%	15.4	4.40

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

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

The UAE equity markets regained lost ground this week, as reflected by a 1.6% rise in the S&P UAE index, mainly driven by some favorable company-specific factors and an oil price recovery. In Abu Dhabi, ADIB's share price increased by 1.9% to AED 9.17. HSBC initiated coverage of ADIB with a recommendation of "Buy", and a price target of AED 10.60, which implies a 17% increase from last price. ADCB's share price closed 1.8% higher at AED 9.12. International Holding Company's share price jumped by 7.5% to AED 387.10. IHC Capital Holding, a subsidiary of the IHC, launched a tender offer to acquire a minimum of 25% and a maximum of 31.25% of the shareholding in Colombia's food processing conglomerate Grupo Nutresa for AED 10.2 billion. Taqa's share price went up by 3.6% to AED 2.61. ADNOC's share price surged by 3.8% to AED 4.40.

In Dubai, Deyaar's share price climbed by 7.3% week-on-week to AED 0.515. Deyaar registered 2022 third quarter net profits of AED 36 million against net profits of AED 8 million a year earlier. Union Properties' share price closed 2.8% higher at AED 0.261. Union Properties completed a AED 595 million debt restructuring plan, which includes the repayment of AED 223 million to lenders, a move that is set to reduce financing costs and improve the company's cash flow generation, as per UP. Emirates NBD's share price increased by 0.8% to AED 13.05.

FIXED INCOME MARKETS: MENA BOND MARKETS MOSTLY UNDER DOWNWARD PRICE PRESSURES, AS FOURTH JUMBO US INTEREST RATE HIKE LOOMS

MENA fixed income markets saw mostly downward price movements this week, mainly tracking US Treasuries move as a fourth in a row three-quarter point rate hike by the US Federal Reserve is already priced in for November FOMC meeting, following higher-than-surveyed yearly US inflation in September 2022.

In the Saudi credit space, sovereigns maturing in 2026 and 2030 posted price declines of 0.38 pt and 1.50 pt respectively this week. SABIC'28 was down by 0.75 pt. Prices of STC'29 contracted by 3.0 pts. Regarding new issues, Saudi Arabia raised this week US\$ 5 billion from the sale of Islamic and conventional bonds in its first international bond sale since November 2021. The Kingdom sold US\$ 2.5 billion in six-year Sukuk at 105 bps over US Treasuries versus an initial price guidance hovering around 135 bps over UST, and US\$ 2.5 billion in 10-year bonds at 150 bps over UST versus an initial price guidance in the area of 180 bps over UST. The offer attracted more than US\$ 26.5 billion in orders.

In the Qatari credit space, sovereigns maturing in 2026 saw weekly price increases of 0.13 pt, while sovereigns maturing in 2030 registered price drops of 0.50 pt. Ooredoo'26 traded down by 0.25 pt. Prices of QNB'25 retreated by 0.50 pt. Qatar Islamic Bank'24 closed down by 0.50 pt.

In the Omani credit space, sovereigns maturing in 2026 and 2029 registered price decreases of 0.13 pt and 0.97 pt respectively week-on-week. Omantel'28 traded down by 1.0 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 declined by 0.18 pt this week. KIPCO'27 traded down by 1.0 pt. In the Bahraini credit space, sovereigns maturing in 2031 saw weekly price drops of 0.50 pt. NOGA'27 closed down 0.63 pt.

In the Abu Dhabi credit space, prices of sovereigns maturing in 2031 edged down by 0.25 pt this week. Mubadala'26 was down by 0.25 pt. Fitch Ratings affirmed Abu Dhabi's long-term foreign currency Issuer Default Rating at "AA" with a "stable" outlook. The "AA" rating reflects, as per Fitch, Abu Dhabi's high GDP per capita and strong fiscal and external metrics.

In the Dubai credit space, prices of DP world'30 contracted by 0.50 pt. over the week. Majid Al Futtaim'29 registered price contractions of 3.25 pts. Emirates NBD Perpetual (offering a coupon of 6.125%) posted price falls of 2.0 pts. Still, in the UAE credit space, Emirate of Ras Al Khaima'30 traded down by 1.73 pt. Prices of Emirate of Ras Al Khaima'40 contracted by 4.46 pts. S&P Global Ratings affirmed its "A-/A-2" long-term and short-term foreign and local currency sovereign credit ratings on the Emirate of Ras Al Khaima, with a "stable" outlook. The "stable" outlook reflects, as per S&P, that RAK's government would maintain its prudent fiscal stance over the next two years and that GDP growth would average 2.7% over 2022-2025.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2023, 2025, and 2040 posted price expansions of 0.50 pt, 0.25 pt and 1.50 pt respectively this week, while sovereigns maturing in 2030 registered prices contractions of 1.11 pt. Prices of Euro-denominated sovereigns maturing in 2026 went up by 0.22 week-on-week, while prices of sovereigns maturing in 2031 retreated by 1.71 pt. As to credit ratings, S&P Global Ratings affirmed its "B/B" long-term and short-term foreign and local currency sovereign credit ratings on Egypt, with a "stable" outlook. The "stable" outlook reflects S&P's expectation that the Egyptian authorities' commitment to economic reform, the country's strong economic growth prospects over the next two-to-three years, as well as the importance of stability in Egypt to the region as a whole, would encourage both official and commercial lenders to provide sufficient funding to meet the country's external financing needs.

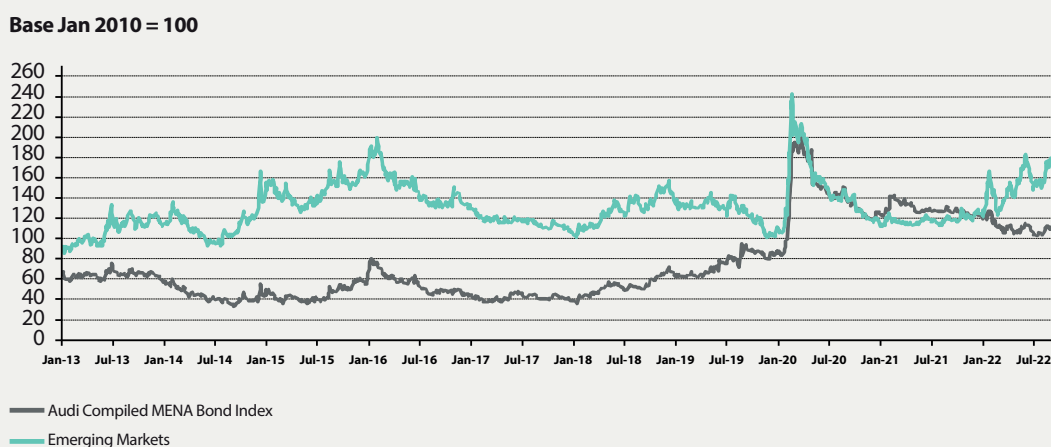
All in all, regional bond markets remained under downward price pressures this week, mainly tracking declines in US Treasuries as the 10-year benchmark yield topped the 4.0% threshold for the first time since July 2008 amid rising bets the US Federal Reserve would deliver another jumbo interest rate hike in its November 1-2 FOMC meeting.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	21-Oct-22	14-Oct-22	31-Dec-21	Week-on-week	Year-to-date
Abu Dhabi	67	67	43	0	24
Dubai	128	129	94	-1	34
Kuwait	70	72	45	-2	25
Qatar	67	66	44	1	23
Saudi Arabia	78	75	49	3	29
Bahrain	316	324	294	-8	22
Morocco	297	303	95	-6	202
Egypt	1308	1356	498	-48	810
Iraq	811	796	554	15	257
Middle East	349	354	191	-5	158
Emerging Markets	206	224	141	-18	65
Global	519	518	183	1	336

Sources: Bloomberg, Bank Audi's Group Research Department

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



Sources: Bloomberg, Bank Audi's Group Research Department

SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS	Standard & Poor's	Moody's	Fitch
LEVANT			
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
GULF			
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/Positive	BB/Stable/B
Yemen	NR	NR	NR
NORTH AFRICA			
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\$)	21-Oct-22	14-Oct-22	31-Dec-21	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%	0.0%
Egyptian Pound (EGP)	19.67	19.67	15.72	0.0%	25.1%
Iraqi Dinar (IQD)	1,460.00	1,460.00	1,460.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.76	3.76	3.76	0.0%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.67	0.0%	-0.9%
Kuwaiti Dinar (KWD)	0.31	0.31	0.30	0.0%	2.6%
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)	250.22	250.21	250.00	0.0%	0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	140.51	140.52	138.89	0.0%	1.2%
Moroccan Dirham (MAD)	10.97	11.03	9.25	-0.6%	18.6%
Tunisian Dinar (TND)	3.28	3.30	2.87	-0.6%	14.1%
Libyan Dinar (LYD)	5.03	5.04	4.60	-0.2%	9.4%
Sudanese Pound (SDG)	573.40	572.01	442.60	0.2%	29.6%

Sources: Bloomberg, Bank Audi's Group Research Department

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