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Economy

p.2 MENA BANKS WELL CAPITALISED AND SCREENING POSITIVELY ON LIQUIDITY AND FUNDING RATIOS AS PER GOLDMAN SACHS

A new report has been issued by Goldman Sachs on MENA banks. Goldman Sachs notes that MENA banks under their coverage remain well capitalised with an average CET-1 ratio of c.15% (>450bp above minimum requirements on average), a relatively comfortable LDR of c.95% on average, and liquidity coverage ratios (LCR) and net stable funding ratios (NSFR) reported as being well above the minimum requirements.

Also in this issue

p.3 World Bank approves new CPF for Egypt

p.4 UAE Central Bank forecasts 4.3% GDP growth in 2024

p.4 MoU signed between four MENA countries for regional agricultural economic integration

Surveys

p.5 THE UAE RANKS 1ST IN MENA REGION IN 2023 LEGATUM PROSPERITY INDEX

The Legatum Institute issued the sixteenth edition of its Prosperity Index report titled "Prosperity Index 2023", in which the UAE ranked first in the MENA region and 44th globally. The UAE, Qatar, Kuwait, Bahrain and Oman were the top five Arab countries in the Global Prosperity Index for the year 2023.

Also in this issue

p.6 Dubai emerges as world's fourth most active luxury residential market, as per Knight Frank

p.6 Saudi firms faster than their peers in adopting cutting-edge tech, as per KPMG

Corporate News

p.7 ADNOC L&S SIGNS US\$ 2.6 BILLION CONTRACT FOR NEW LOGISTICS PLATFORM PROJECT

ADNOC Logistics & Services, an ADNOC subsidiary, unveiled its global Integrated Logistics Services Platform (ILSP) and has signed a US\$ 2.6 billion contract with ADNOC Offshore to provide logistics services, as indicated in a company's statement.

Also in this issue

p.7 SIIG agrees to invest US\$ 70 million in Unibio

p.7 Abou Eid Real Estate Development launches US\$ 19 million Celia Residence in Dubai

p.8 Aramco acquires 10% stake in China's Rongsheng Petrochemical

p.8 DP World develops edible oil terminal at Port of Berbera

p.8 AD Ports Group Launches New Shipping Service Connecting UAE, Qatar and Kuwait

Markets In Brief

p.9 MARKETS IN BRIEF: MENA EQUITIES REMAIN ON THE RISE THIS WEEK, MIXED PRICE MOVEMENTS ON FIXED INCOME MARKETS

MENA equity markets continued to operate on a positive territory this week, as reflected by a 1.0% rise in the S&P Pan Arab Composite index, mainly tracking global equity strength (+3.5%) as fears of banking crisis receded further fueling bullish sentiment, and supported by an extended oil price rally on Kurdish supply dispute and shrinking US stockpiles. In parallel, regional fixed income markets saw two-way flows, as market players weighed eased banking crisis concerns and a recovery in risk appetite, against a lower-than-forecast core PCE in February 2023 and the likelihood of a credit crunch following the recent bank turmoil.

MENA MARKETS: MARCH 26 - APRIL 1, 2023

Stock market weekly trend	↑
Weekly stock price performance	+1.0%
Stock market year-to-date trend	↓
YTD stock price performance	-1.8%

Bond market weekly trend	↑
Weekly Z-spread based bond index	-1.3%
Bond market year-to-date trend	↓
YTD Z-spread based bond index	+50.7%

ECONOMY

MENA BANKS WELL CAPITALISED AND SCREENING POSITIVELY ON LIQUIDITY AND FUNDING RATIOS AS PER GOLDMAN SACHS

A new report has been issued by Goldman Sachs on MENA banks.

Goldman Sachs notes that MENA banks under their coverage remain well capitalised with an average CET-1 ratio of c.15% (>450bp above minimum requirements on average), a relatively comfortable LDR of c.95% on average, and liquidity coverage ratios (LCR) and net stable funding ratios (NSFR) reported as being well above the minimum requirements. They also sensitise our MENA banks coverage for unrealised losses on Held to Maturity (HTM) portfolios. Even incorporating the full MTM impact implies a limited c.60bp hit to capital on average, on their estimates. While the banking system as a whole maintains ample liquidity, it's difficult to predict isolated instances where there is a short-term disparity between deposit withdrawal requests and on hand liquidity. Moreover, given the volatility in the credit market, uncertainty may weigh on regional banking stocks in the short term given potential investor concerns around liquidity and credit quality as per Goldman Sachs.

MENA banks within GS coverage remain well capitalised with an average CET-1 ratio of c.15% which is on average >450bp above minimum. In this context, Saudi banks have the highest average CET-1 ratio of c.16.5%.

With respect to the funding position, banks remain well funded with net stable funding ratios (NSFR) well in excess of 100%, and loan to deposit ratios remain around or below 100%. The NSFR measures a bank's available stable funding to its required stable funding and in doing so it regulates the bank to fund activities with more stable sources of funding on an ongoing basis. Within the MENA context, UAE banks have the lowest loan to deposit ratio on average at 85% within the GCC. Moreover, MENA banks have limited reliance on wholesale funding with deposits and equity constituting the main source of funding as per Goldman Sachs.

MENA BANKS HAVE STRONG LIQUIDITY AND FUNDING RATIOS

	Liquidity coverage ratio	Net stable funding ratio	Loan to deposit ratio
Saudi Arabia			
BSF	196%	122%	104%
ANB	180%	122%	95%
Riyad	182%	118%	103%
Rajhi	126%	110%	102%
Alinma	135%	101%	104%
SABB	172%	128%	97%
SNB	278%	116%	80.4
UAE	156%	111%	85%
ENBD	182%	121%	91%
ADIB			82%
FAB	154%	107%	68%
DIB	150%	106%	98%
ADCB	139%	110%	87%
Egypt			41%
DIB			41%
Kuwait	141%	113%	108%
NBK	141%	113%	108%
Qatar	151%	16%	116%
CBQ	173%		124%
QIB	126%		116%
Doha bank	201%		123%
QNB	104%		99%

Source: Company data, Goldman Sachs Global Investment Research

As to the liquidity position, with an average liquidity coverage ratio (LCR) of c.165% (well above the 100% minimum), MENA banks under GS coverage appear to have a comfortable liquidity profile. In order to improve banks' short-term resilience to liquidity shocks, the Basel Committee on Banking Supervision introduced the LCR as part of the Basel III reforms. The LCR is designed to ensure that banks hold a sufficient reserve of high-quality liquid assets to allow them to survive a period of significant liquidity stress lasting 30 calendar days. In addition to the LCR, they have also looked at other liquidity measures such as cash + available for sale and trading securities as percentage of deposits whereby the MENA banks screen comfortably on liquidity.

Goldman Sachs also sensitised their MENA banks coverage for unrealised losses on HTM portfolio. Even incorporating the full MTM impact implies a c.60bp hit to capital on average which is limited in the context of average CET-1 ratios of c.15%.

WORLD BANK APPROVES NEW CPF FOR EGYPT

A new Country Partnership Framework (CPF) for Egypt was approved by the World Bank Group (WBG) Board of Executive Directors, laying out the group's strategy for the country for Fiscal Years (FYs) 2023-2027. This CPF falls in line with the Egyptian government's Sustainable Development Strategy (SDS), Egypt Vision 2030 and the National Climate Change Strategy (NCCS) 2050.

It is worth noting that the framework is built on WBG analytics (includes Systematic Country Diagnostic, Country Private Sector Diagnostic and Country Climate and Development Report).

The CPF is expected to create a new phase of development cooperation and joint action in support of inclusive and sustainable growth. In turn, additional efforts will take place in the next five years for private sector engagement stimulation in the development of new projects, job creation, enhanced investment in human capital as well as the promotion of climate action, as per the Minister of International Cooperation and Governor of Egypt at the WBG.

The implementation of the CPF will take place in a joint effort between the WBG, the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). The framework will receive support through the lending of a US\$ 7 billion financial envelope (US\$ 2 billion from the IFC and US\$ 1 billion per annum from the International Bank for Reconstruction and Development (IBRD). These investments will be supported with guarantees from MIGA.

The framework will aid Egypt in creating an environment for green, resilient and inclusive development. The CPF will be massively people-centric with focus put on the improvement of business condition to stimulate job creation as well as leveling the playing field, according to the WB Country Director for Egypt, Yemen and Djibouti.

The framework shows that private sector growth leads to more opportunities and better jobs as well as an improvement in the quality of life. This comes as the private sector plays a critical role in the aid of green, robust and inclusive economic development, as per the IFC Regional Director for North Africa and The Horn of Africa.

The CPF will focus on the completion of three high-level outcomes for the completion of its goals and they are:

- 1- The creation of additional jobs and their improvement in quality. This will be done through the creation of an environment that empowers private sector-led investment and job creation.
- 2- Improved resilience to shocks. This objective is achieved through the strengthening of macroeconomic management, climate change adaptation as well as mitigation measures.
- 3- The Enhancement of human capital outcomes. This is achieved through the provision of inclusive, equitable and improved health and education services along with effective social protection programs.

The CPF will also tackle other objectives. Among them, the strengthening of Egypt's role in regional integration which is expected to have a positive impact for the country and the region as a whole. This will be done through regional trade and increased connectivity in infrastructure, transport, energy and labor. The WBG will also support Egypt's ambitions in leading the climate mitigation and adaptation agenda in the region through the CPF. Moreover, the integration of two cross-cutting themes will be tackled in the framework which are Governance & citizen engagement as well as women's empowerment across various programs.

UAE CENTRAL BANK FORECASTS 4.3% GDP GROWTH IN 2024

The Central Bank of the United Arab Emirates (CBUAE) forecasted the UAE's annual GDP growth for 2024 at 4.3%.

For 2023, GDP growth estimations are set at 7.6% while the CBUAE sets its expectations at 3.9% annual growth. This comes as oil production is expected to soften in line with OPEC+ agreements and the non-oil sector is expected to continue a robust support for the aggregate output though at a softer pace.

In the fourth quarter of 2022, the economy in the country maintained a solid footing with strong performance in both oil and non-oil sectors. Oil production was recorded at an average of 3.1 mbpd with the GDP of the hydrocarbon sector estimated to have expanded by 10% year-on-year in Q4 2022 (in line with OPEC+ agreement for 10.1% year-on-year).

On the non-oil sector side, performance was majorly positive with estimates putting non-oil sector GDP growth at the same pace as oil sector GDP. In parallel, the CBUAE sets estimates for non-oil sector GDP for 2022 at 6.6% year-on-year. The main drivers standing behind this expansion are the real estate & construction sector as well as a dynamic manufacturing sector, as per the Apex Bank's 4th Quarterly Economic Review.

In parallel, the CBUAE estimates non-oil GDP for 2023 and 2024 to expand additionally by 4.2% and 4.6% respectively year-on-year.

It is worth noting that the FIFA World Cup along with other regional events boosted travel and tourism in the UAE with expected impact lasting until 2023.

MOU SIGNED BETWEEN FOUR MENA COUNTRIES FOR REGIONAL AGRICULTURAL ECONOMIC INTEGRATION

A Memorandum of Understanding (MoU) was signed between Jordan, Lebanon, Iraq and Syria for regional agricultural economic integration. The MoU was signed during a meeting of the countries in Syria. The memorandum tackles the promotion and development of cooperation between the countries in the field of agriculture, livestock, the exchange of knowledge, information, successful agricultural experiences as well as the management of reserves and gardens. Additionally, cooperation in other fields such as firefighting, climate change, animal health & veterinary medicines, rural development as well as agricultural extensions.

This is seen as a crucial step for joint pioneering Arab action with hopes to include other Arab countries in the near future, said the Lebanese Caretaker Agricultural Minister in a statement.

Through the MoU investment projects will be created for projects tied to the establishment of livestock and fodder facilities. The ultimate goal of the memorandum is to achieve food security, as per the Syrian Minister of Agriculture.

The Iraqi Minister of Agriculture saw this memorandum as a starting point for joint cooperation in the field of agriculture on which most people in Arab countries depend on. Additionally, the MoU will offer a market for participants to advertise their products in.

The Jordanian counterpart saw that an extension of the MoU to other Arab nations would be positive for the Arab citizen and as a way to fight food insecurity. The country is also ready to offer its knowledge and expertise as it is the participant that uses the most technology in architecture as well as Jordan's extensive experience in the field despite being water scarce.

It is worth noting that this MoU comes as a rapprochement between Arab countries and Syria is being noticed after 12 years of frozen diplomatic relations.

SURVEYS

THE UAE RANKS 1ST IN MENA REGION IN 2023 LEGATUM PROSPERITY INDEX

The Legatum Institute issued the sixteenth edition of its Prosperity Index report titled “Prosperity Index 2023”, in which the UAE ranked first in the MENA region and 44th globally. The UAE, Qatar, Kuwait, Bahrain and Oman were the top five Arab countries in the Global Prosperity Index for the year 2023.

The Legatum Prosperity Index analyses the performance of 167 nations across 67 policy-focused elements, measured by 300 country-level indicators. The Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity and to provide a roadmap as nations encounter increasing economic and political shocks.

Prosperity is driven by an open economy that harnesses ideas and talent to create sustainable pathways out of poverty. In a prosperous society, property rights are protected, so investment can flow. Additionally, a prosperous society includes business regulation that enables entrepreneurship, competition and innovation, and open markets and high-quality infrastructure, which would facilitate trade and commerce. Fiscal and monetary policies are also used responsibly in a prosperous society to foster employment, productivity, and sustained economic growth.

The indicators used in the index are organized into 12 pillars which are grouped into three domains essential to prosperity: (1) Inclusive Societies which includes Safety and Security, Personal Freedom, Governance, and Social Capital, (2) Open Economies which includes Investment Environment, Enterprise Conditions, Infrastructure and Market Access, and Economic Quality and (3) Empowered People which includes Living Conditions, Health, Education, and Natural Environment.

A closer look at pillar rankings shows that the UAE performed most strongly in Infrastructure and Market Access (score of 22) and Enterprise Conditions (32), but is weakest in Personal Freedom (146). The country also scored 50 at the level of Safety and Security, 38 in Governance, 78 in Social Capital, 32 in Investment Environment, 26 in Economic Quality, 47 in Living Conditions, 33 in Health, 42 in Education and 119 in Natural Environment.

Based on the report, the MENA region's primary weaknesses are institutional. The region has deteriorated the most in Safety and Security, Personal Freedom and Governance, and also ranked last or second to last for each of these two pillars.

The MENA region has seen rising terrorism and conflict, more repression on freedom of speech and association, and worsening political accountability and executive constraints. As a result, the region has fallen further behind the rest of the world. However, it has seen some improvement in “Education” through better adult skills and pre-primary education, and “Living Conditions” due to better connectedness and protection from harm, as well as “Market Access and Infrastructure”.

Elsewhere in the region, Algeria ranked 10th in the MENA region and 109th globally, and improved the most in its prosperity than any country in the MENA in the previous decade, rising six places. Algeria improved in communications infrastructure, with US\$ 3.7 billion in government spending, including four new fibre optic submarine cables connecting to Europe and high-quality mobile networks, leading to a nine-rank improvement in “Communications” in the past decade.

Egypt ranked 12th in the MENA region and 121st globally, and has seen “Enterprise Conditions” improve at the second greatest rate while “Personal Freedom” deteriorated at the second greatest rate regionally in the past decade. New legislation including tax reforms, a more flexible exchange rate regime and safeguards to enhance investor confidence, have seen “Enterprise Conditions” rise from 131st to 62nd. Simultaneously, “Personal Freedom” has fallen from 142nd to 160th due to declining press freedom and reduced freedom of assembly.

Finally, Syria ranked 19th in the MENA region and 159th globally, and saw its prosperity deteriorate at the greatest rate in the region and second greatest globally for the past 10 years. “Safety and Security” deteriorated the most, with the highest rate of conflict deaths in the world: 300,000 civilian deaths in the last 10 years. Syria also has the greatest number of refugees living outside of their country of origin globally, with roughly 37% of the population externally displaced.

DUBAI EMERGES AS WORLD'S FOURTH MOST ACTIVE LUXURY RESIDENTIAL MARKET, AS PER KNIGHT FRANK

According to Knight Frank's research, Dubai is closing in to become the most sought-after market for luxury residential properties in the world, with high-net-worth buyers snapping up dozens of multimillion-dollar homes that cost at least US\$ 10 million last year.

The total value of sold high-end properties in Dubai's prime residential districts, which include The Palm Jumeirah, Emirates Hills and Jumeirah Bay Island, was estimated to be worth US\$ 3.8 billion.

Dubai is also the fifth most active city for sales of properties worth US\$ 25 million or more, with 26 transactions recorded last year, just behind London, which had 43 deals, New York (43), Los Angeles (39) and Hong Kong (28).

The fact that Dubai's luxury residential market remains significantly undersupplied and is more affordable than its global peers is also adding to the city's overall appeal to big-ticket buyers. Indeed, US\$ 1 million in Dubai's prime residential precincts translates into approximately 1,130 square feet of space, roughly five-times more than Hong Kong and three-times more than London or Singapore.

SAUDI FIRMS FASTER THAN THEIR PEERS IN ADOPTING CUTTING-EDGE TECH, AS PER KPMG

KPMG, a leading provider of audit, tax and advisory services in Saudi Arabia, has published "Tech Survey Saudi Arabia 2022", which uncovers the technology strategies businesses are using to help outsmart their competitors in a time of unprecedented global change.

KPMG surveyed more than 2,200 executives, including 51 in Saudi Arabia, and conducted a series of in-depth discussions with industry experts.

The results of the survey showed resilient, forward-looking attitude among technology professionals in the Kingdom and their global peers. Saudi organizations also demonstrated that they are not risk adverse in adopting tech at the cutting edge, in some cases moving farther and faster than their peers.

Most technology leaders in Saudi Arabia are upbeat and confident about what they can achieve through digital transformation. In common with their global counterparts, 66% of Saudi-based respondents believe their organizations are either extremely or very effective at using tech to advance their business strategies.

Eighty percent of organizations in the country are at an advanced stage of their digital transformation strategies, with the leadership support and funding required to drive their program forward. Although 41% admit that progress is slower than expected, in general digital transformation programs have put Saudi organizations in the Kingdom in an advantageous position to embrace new technologies.

Moreover, the expected timeframe for most Saudi organizations to invest in quantum computing is two years, with 70% of businesses suggesting they have advanced in their adoption of data and analytics systems.

Finally, the survey showed that almost 53% of executives in Saudi Arabia find security and compliance requirements to be the top challenge their organization faces in their cloud journey. Concurrently, 63% of organizations plan to increase investment in application security, which is 20% more than the global average.

CORPORATE NEWS

ADNOC L&S SIGNS US\$ 2.6 BILLION CONTRACT FOR NEW LOGISTICS PLATFORM PROJECT

ADNOC Logistics & Services, an ADNOC subsidiary, unveiled its global Integrated Logistics Services Platform (ILSP) and has signed a US\$ 2.6 billion contract with ADNOC Offshore to provide logistics services, as indicated in a company's statement.

The agreement runs for five years, with the option of a five-year extension, and includes the provision of port services, warehouse operations, heavy lifting, material handling and shipping, rig and barge moves, marine terminal operations and waste management services.

It is worth noting that the Integrated Logistics Services Platform is one of the world's largest, and offers end-to-end management of logistics and optimizing efficiencies.

ADNOC L&S created the ILSP as part of its ongoing commitment to support the continued growth of the region's energy sector. By managing all logistics requirements through one system, ILSP can reduce project logistics costs, with customers being invoiced in a unique, cost-per-ton format, moving away from the standard asset lease model.

Over 80% of contract value would flow back into the UAE's economy through ADNOC's In-Country Value program.

SIIG AGREES TO INVEST US\$ 70 MILLION IN UNIBIO

The Saudi Industrial Investment Group (SIIG), one of the first privately owned petrochemical companies in Saudi Arabia, signed an agreement to invest approximately US\$ 70 million in Denmark-based Unibio International, the leading sustainable protein company, as reported in a company's statement.

The investment in Unibio would be paid in two tranches: the first tranche of approximately US\$ 25 million is paid now, with the second subject to applicable Foreign Direct Investment approvals. BofA Securities acted as placement agent to Unibio in connection with the transaction.

The proceeds would be deployed to enable Unibio's vision of feeding the world's growing population in a sustainable way. Unibio would use the funds to roll-out new global production capacity, grow operating capabilities, and accelerate innovation and commercialization.

Based on Unibio's unique fermentation technology to produce industrial protein (Uniprotein), it is possible to improve food security and feed the world's growing population in a sustainable way without any use of arable land and with low water usage. The production of Uniprotein is efficient, stable, and independent of weather deviations that impact the production of traditional protein sources.

It is worth highlighting that Uniprotein, which is free from pesticides, fully traceable, and non-GMO, has been launched commercially and is attracting significant global interest from feed compound companies and animal and fish farmers. Moreover, the production of Unibio's protein for direct human consumption is under development.

ABOU EID REAL ESTATE DEVELOPMENT LAUNCHES US\$ 19 MILLION CELIA RESIDENCE IN DUBAI

Abou Eid Real Estate Development, one of the fastest growing companies in the field of contracting and construction in Lebanon, announced its expansion into the Dubai real estate market with its US\$ 19 million (UAE 70 million) Celia Residence project in Dubai Studio City, as indicated in a company's statement.

The four-storey residential project would contain 111 apartments. Celia Residence is set for completion in 2024.

It is worth noting that Abou Eid Real Estate Development has built over 15 complexes comprising 500 villas, and over 2000 residential units in Lebanon, Turkey, Morocco, Portugal and the UAE.

ARAMCO ACQUIRES 10% STAKE IN CHINA'S RONGSHENG PETROCHEMICAL

Aramco, one of the world's leading integrated energy and chemicals companies, signed definitive agreements to acquire a 10% stake in Shenzhen-listed Rongsheng Petrochemical Cofor for US\$ 3.6 billion, in a deal that would significantly expand Aramco's downstream presence in China, as mentioned in a company's statement. Through the strategic arrangement, Aramco would supply 480,000 barrels per day of Arabian crude oil to Rongsheng affiliate Zhejiang Petroleum and Chemical Company, under a long-term sales agreement.

Aramco Overseas Company (AOC), a wholly-owned subsidiary of Aramco, would acquire the interest in Rongsheng.

Among other assets, Rongsheng owns a 51% equity interest in ZPC, which in turn owns and operates the largest integrated refining and chemicals complex in China with a capacity to process 800,000 barrels per day of crude oil and to produce 4.2 million metric tons of ethylene per year.

The investment would anchor an important association between Aramco, Rongsheng and ZPC, which operates one of the world's most state-of-the-art chemical conversion assets.

DP WORLD DEVELOPS EDIBLE OIL TERMINAL AT PORT OF BERBERA

DP World, an Emirati multinational logistics company based in Dubai, began developing an edible oil terminal at the Port of Berbera in Somaliland, in a bid to reduce supply chain costs and create local jobs around the port, as mentioned in a company's statement.

The terminal would have an initial storage capacity of 18,000 tons and would service vessels of up to 16 meters, allowing edible oil imports and packaging via the port for the first time, making it more affordable for people in the region and create jobs locally.

The initial phase of the terminal is already fully leased on a long-term basis to Mzahim Investment, a subsidiary of UAE-based Essa Al Ghurair Investments (EGI). Mzahim Investment would also develop a local packaging plant in Berbera to supply existing customers in Somaliland and the wider Horn of Africa, which could employ up to 100 people.

Berbera sits alongside one of the world's busiest sea routes and DP World plans to transform it into an integrated maritime, logistics and industrial trade hub to serve the Horn of Africa, a region with a population of more than 140 million people.

AD PORTS GROUP LAUNCHES NEW SHIPPING SERVICE CONNECTING UAE, QATAR AND KUWAIT

AD Ports Group announced the launch of a new shipping service that improves commercial and logistic connectivity between the UAE, Qatar, and Kuwait, as revealed in a company's statement.

In addition to providing a free shipping service for cargo arriving via land transport throughout the month of Ramadan, cargo would be shipped via container vessels between UAE's Khalifa Port, Qatar's Hamad Port, and Kuwait's Port of Shuwaikh and/or Port of Shuaiba.

AD Ports Group would provide customers with a digital appointment booking system for the new shipping service, through the Advanced Trade & Logistics Platform (ATLP), developed and operated by Maqta Gateway, the digital arm of AD Ports Group, under the supervision of the Department of Economic Development – Abu Dhabi.

The launch of this new service, between Khalifa Port, Hamad and Shuwaikh/Shuaiba Ports comes directly after the establishment of a new shipping service dedicated to roll-on/roll-off ships, between Khalifa Port and Shuwaikh Port, as part of AD Ports Group's efforts towards driving excellence and leadership in the maritime and logistic services, positioning Abu Dhabi as a leading global hub for trade and logistics.

CAPITAL MARKETS

EQUITY MARKETS: EXTENDED WEEKLY PRICE GAINS IN MENA EQUITIES, TRACKING GLOBAL EQUITY STRENGTH AND ON OIL PRICE GAINS

MENA equity markets continued to operate on a positive territory this week, as reflected by a 1.0% rise in the S&P Pan Arab Composite index, mainly tracking global equity strength (+3.5%) as fears of banking crisis receded further fueling bullish sentiment, and supported by an extended oil price rally on Kurdish supply dispute and shrinking US stockpiles.

The heavyweight Saudi Exchange continued to follow an upward streak this week, as reflected by a 1.5% increase in the S&P Saudi index, mainly tracking global equity price gains amid bets that a peak in US interest rates is near and a global bank turmoil would continue to ease. This compounded with some favorable company-specific factors and extended oil price rises, as Brent prices touched the US\$ 80 per barrel level on Friday against US\$ 74.59 per barrel at the end of last week after a legal dispute between Iraq, Kurdistan, and Turkey halted around 400,000 barrels a day of flows, constricting global supplies, and as fears of a banking meltdown ebbed further.

A closer look at individual stocks shows that petrochemicals giant Saudi Aramco's share price edged up by 0.5% week-on-week to SR 32.30. Petro Rabigh's share price rose by 1.8% to SR 10.08. Advanced Petrochemical Company's share price went up by 1.8% to SR 47.80. Sipchem's share price surged by 5.1% to SR 37.85.

Also, Banque Saudi Fransi's share price closed 0.8% higher over the week at SR 36.20. HSBC raised its recommendation on Banque Saudi Fransi to "Buy" from "Hold", with a price target of SR 45, which implies a 26% increase from last price. Seera Group Holding's share price increased by 1.9% to SR 22.26. Arqaam Capital raised its recommendation on Seera Group Holding to "Buy" from "Hold", with a price target of SR 26, which implies a 19% rise from last price. Farm Superstores' share price jumped by 5.0% to SR 22.80. Farm Superstores reported 2022 net profits of SR 23 million, up by 9.9% year-on-year.

Saudi equity price gains were also supported by a strong price rally in realty stocks after the General Real Estate Authority disclosed that the Kingdom is in the final stages of establishing a new system for foreign ownership of real estate, which falls under the Vision 2030 plan to develop the real estate sector. Jadwa REIT Saudi's share price jumped by 5.2% week-on-week to SR 12.94. Jadwa REIT AlHaramain's share price climbed by 8.2% to SR 7.03. Al Rajhi REIT 1's share price went up by 1.4% to SR 9.67. Al Ahli REIT 1's share price rose by 2.6% to SR 9.52. AlAkaria's share price surged by 3.7% to SR 12.38. AlAkaria reported 2022 net profits of SR 111 million versus net profits of SR 55 million a year earlier.

EQUITY MARKETS INDICATORS (MARCH 26 - APRIL 1, 2023)

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	172.0	3.3%	33.3%	15.0	-2.5%	0.3	19,433	4.0%	-	0.33
Jordan	399.9	1.9%	2.8%	38.1	-15.2%	24.6	26,396.6	7.5%	8.4	1.45
Egypt	216.0	4.1%	-8.7%	248.4	40.3%	1,658.3	33,151.3	39.0%	7.3	1.86
Saudi Arabia	469.0	1.5%	0.7%	6,334.3	27.7%	704.74	2,661,408.2	12.4%	13.2	4.00
Qatar	167.3	2.0%	-5.3%	595.7	21.4%	810.2	161,668.1	19.2%	11.7	1.52
UAE	128.0	-0.7%	-6.9%	2,121.5	15.7%	1,727.9	889,574.5	12.4%	13.8	2.27
Oman	263.3	0.0%	1.1%	27.3	-20.7%	41.5	22,636.3	6.3%	13.5	1.08
Bahrain	195.9	-0.1%	1.6%	14.3	34.0%	14.6	17,159.2	4.3%	10.2	1.34
Kuwait	133.9	0.0%	-3.5%	481.6	-7.5%	391.7	133,576.4	18.7%	19.2	1.82
Morocco	219.7	0.4%	-1.0%	60.6	215.4%	3.4	52,765.0	6.0%	19.4	3.12
Tunisia	63.6	1.4%	2.5%	6.3	59.0%	2.1	7,754.9	4.2%	10.1	2.02
Arabian Markets	896.2	1.0%	-1.8%	9,943.2	22.6%	5,379.4	4,025,523.6	12.8%	13.4	3.35

Values in US\$ million; volumes in millions

* Market cap-weighted averages

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

The Qatar Stock Exchange reported price gains of 2.0% week-on-week, mainly on improved risk sentiment after global bank concerns eased further, and supported by extended oil price gains and some favorable company-specific factors. 37 out of 50 traded stocks registered price increases, while 12 stocks recorded price drops and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Nakilat's share price jumped by 7.4% over the week to QR 3.459. Nakilat increased its foreign ownership limit to 100%. Ooredoo's share price nudged up by 0.4% to QR 9.390. Ooredoo Group announced that its Kuwaiti division (Ooredoo Kuwait) has won a final court ruling to award it KWD 43.818 million in a case against Kuwait's telecoms regulatory authorities. Industries Qatar's share price edged up by 0.4% to QR 13.0. Gulf International Services' share price surged by 3.3% to QR 1.778. Ezdan Holding Group's share price increased by 2.1% to QR 0.876. QNB's share price closed 1.0% higher at QR 16.070. Doha Bank's share price went up by 3.1% to QR 1.629. Masraf Al Rayan's share price jumped by 13.3% to QR 2.955.

The Egyptian Exchange remained on the rise this week, as reflected by a 4.1% surge in the S&P Egypt index, mainly supported by some upbeat corporate earnings and favorable company-specific factors. Telecom Egypt's share price climbed by 10.3% to LE 24.7. Telecom Egypt's Board of Directors recommended to raise the 2022 cash dividends from LE 0.75 per share to LE 1.25 per share. Eastern Tobacco's share price skyrocketed by 23.5% to LE 17.5. Eastern Tobacco raised prices of cigarettes, cigars and pipe tobacco in Egypt by an average of LE 2 to LE 3 per pack, citing higher input costs and the depreciation of the Egyptian pound. EFG-Hermes' share price increased by 1.5% to LE 16.75. EFG-Hermes reported 2022 net profits of LE 1.8 billion, up by 18% year-on-year. Juhayna Food Industries' share price surged by 16.8% to LE 10.96. Juhayna Food Industries reported 2022 net profits of LE 638 million, up by 21% year-on-year.

FIXED INCOME MARKETS: MIXED PRICE MOVEMENTS ON MENA BOND MARKETS OVER THIS WEEK

MENA fixed income markets saw two-way flows this week, as market players weighed eased banking crisis concerns and a recovery in risk appetite, against a lower-than-forecast core PCE in February 2023 and the likelihood of a credit crunch following the recent bank turmoil.

In the Saudi credit space, sovereigns maturing in 2030 and 2031 registered price falls of 0.63 pt and 0.88 pt respectively this week. Saudi Aramco'25 was up by 0.25 pt. Prices of SEC'24 and '28 traded down by 0.25 pt and 0.50 pt respectively week-on-week. As to new issues, Al Rajhi Bank raised this week US\$ 1 billion from the sale of a five-year sustainable Sukuk at 110 bps over US Treasuries, against an initial price guidance of around 150 bps over UST after demand topped US\$ 3.75 billion.

In the Qatari credit space, sovereigns maturing in 2026 were down by 0.13 pt, while sovereigns maturing in 2030 posted price rises of 0.13 pt this week. Fitch Ratings revised the outlook on Qatar's long-term foreign currency Issuer Default Rating to "positive" from "stable" and affirmed the IDR at "AA-". The revision of the outlook reflects Fitch's expectation that debt to GDP would remain in line with or below the "AA" peer median, while Qatar's external balance sheet would strengthen from an already strong level. Concurrently, prices of Ooredoo'26 increased by 0.38 pt week-on-week. Amongst financials, prices of QNB'25 and '26 went up by 0.13 pt each.

In the Abu Dhabi credit space, sovereigns maturing in 2027 posted price declines of 0.13 pt, while sovereigns maturing in 2031 saw price increases of 0.25 pt week-on-week. Prices of ADNOC'29 rose by 0.63 pt. Etisalat'26 traded up by 0.13 pt. Taqa'26 was up by 0.50 pt. In the Dubai credit space, DP world'30 closed down by 0.25 pt this week.

In the Bahraini credit space, sovereigns maturing in 2026, 2027, 2031 and 2032 registered price drops of 0.38 pt to 0.80 pt this week. Prices of NOGA'27 retreated by 0.38 pt.

In the Omani credit space, sovereigns maturing in 2026, 2027 and 2029 registered price decreases of up to 0.25 pt week-on-week. Prices of Omantel'28 rose by 0.65 pt. S&P Global Ratings revised its outlook on Oman to "positive" from "stable", while affirming its "BB/B" long-term and short-term foreign and local currency sovereign credit ratings. The "positive" outlook reflects S&P's view that the government's fiscal and economic reform program could strengthen Oman's fiscal position beyond its current assumptions, adding a greater degree of resilience against the economy's structural susceptibility to adverse oil price shocks.

In the Jordanian credit space, sovereigns maturing in 2026, 2027 and 2030 posted weekly price falls of up to 1.88 pt. In the Kuwaiti credit space, sovereigns maturing in 2027 traded up by 0.39 pt week-on-week. In the Iraqi credit space, prices of sovereigns maturing in 2028 went up by 0.63 pt this week.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2030 and 2040 recorded price expansions of 1.75 pt, 0.66 pt and 0.75 pt respectively, while sovereigns maturing in 2032 were slightly down by 0.06 pt this week. Euro-denominated sovereigns maturing in 2026 and 2031 traded up by 0.44 pt and 0.70 pt respectively.

All in all, activity in regional bond markets was mixed this week, as market players balanced a lower-than-forecast increase in the US Fed-favored inflation gauge in February 2023 against reduced demand for safety after banking concerns eased further.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	31-Mar-23	24-Mar-23	30-Dec-22	Week-on-week	Year-to-date
Abu Dhabi	43	49	44	-6	-1
Dubai	82	86	84	-4	-2
Kuwait	49	57	50	-8	-1
Qatar	43	51	48	-8	-5
Saudi Arabia	62	69	61	-7	1
Bahrain	245	255	231	-10	14
Morocco	164	194	162	-30	2
Egypt	1,311	1,403	877	-92	434
Iraq	435	471	467	-36	-32
Middle East	270	293	225	-23	45
Emerging Markets	111	137	140	-26	-29
Global	479	507	533	-28	-54

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
LEVANT			
Lebanon	SD/-/SD	C/-	RD/-/C
Syria	NR	NR	NR
Jordan	B+/Stable/B	B1/Positive	BB-/Stable/B
Egypt	B/Stable/B	B3/Stable	B+/Negative/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B
GULF			
Saudi Arabia	A/Stable/A-1	A1/Positive	A/Positive/F1+
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA/Stable/A-1+	Aa3/Positive	AA-/Positive/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Positive/B	B2/Stable	B+/Stable/B
Oman	BB/Positive/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	Caa2/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\$)	31-Mar-23	24-Mar-23	30-Dec-22	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)	30.85	30.85	24.71	0.0%	24.8%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,460.00	0.0%	-10.3%
GULF					
Saudi Riyal (SAR)	3.75	3.76	3.76	-0.1%	-0.1%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	0.0%	0.3%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	0.0%	0.0%
Yemeni Riyal (YER)	250.25	250.09	250.24	0.1%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	135.83	135.79	137.35	0.0%	-1.1%
Moroccan Dirham (MAD)	10.24	10.28	10.44	-0.4%	-1.9%
Tunisian Dinar (TND)	3.06	3.10	3.11	-1.3%	-1.6%
Libyan Dinar (LYD)	4.78	4.80	4.83	-0.5%	-1.0%
Sudanese Pound (SDG)	586.71	583.94	573.81	0.5%	2.2%

Sources: Bloomberg, Bank Audi's Group Research Department

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