

Bank Audi

CONTACTS

Treasury & Capital Markets

Bechara Serhal
(961-1) 977421
bechara.serhal@bankaudi.com.lb

Corporate Banking

Carol Ayat
(961-1) 959675
carol.ayat@bankaudi.com.lb

Mohamad Baydoun
(961-1) 959703
mohamad.baydoun@bankaudi.com.lb

Marketing and Communications

Marion Abou Jaoudé
(961-1) 977356
marion.abou-jaoude@bankaudi.com.lb

RESEARCH

Dr. Marwan Barakat
(961-1) 977409
marwan.barakat@bankaudi.com.lb

Salma Saad Baba
(961-1) 977346
salma.baba@bankaudi.com.lb

Michèle Khoury Sakha
(961-1) 977102
michele.sakha@bankaudi.com.lb

Stephanie Bou Sleiman
(961-1) 952397
stephanie.bousleiman@bankaudi.com.lb

Elias Missi
(961-1) 959747
elias.missi@bankaudi.com.lb

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A slow mood swayed over MENA equity markets during this week that was shortened to few working days due to Adha holidays, noting that the heavyweight Saudi Exchange and the Egyptian Exchange took a week-long break for Eid. This was reflected by a shy rise in the S&P Pan Arab Composite index of 0.1%. In parallel, activity in MENA fixed income markets was mostly tilted to the downside this week, mainly tracking US Treasuries move after US business activity growth accelerated to its fastest for 26 months in June 2024, according to provisional PMI survey data from S&P Global, signaling a strong end to the second quarter.

MENA MARKETS: JUNE 16 - JUNE 22, 2024

| | | | |
|---------------------------------|-------|----------------------------------|----------|
| Stock market weekly trend | ↑ | Bond market weekly trend | ↓ |
| Weekly stock price performance | +0.1% | Average weekly bond price change | -0.10 pt |
| Stock market year-to-date trend | ↓ | Bond market year-to-date trend | ↑ |
| YTD stock price performance | -5.4% | Average yearly bond price change | +1.15 pt |

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ECONOMY

GCC GDP GROWTH PROJECTED TO RECOVER TO 2.8% IN 2024 AS PER WORLD BANK

A new Gulf Economic Update was issued by the World Bank. It says the GCC region endured an economic slowdown in 2023, only registering 0.7% growth, due primarily to stringent OPEC+ production cuts, but is set to recover in 2024. The slowdown was compounded by tightening global monetary conditions and ongoing geopolitical tensions, adding layers of uncertainty to the economic landscape. Despite these challenges, the non-oil sectors across the GCC demonstrated resilience, growing by 3.9% in 2023, underpinned by robust structural reforms and sustained investments. Inflationary pressures were effectively managed through vigilant monetary policies that aligned with global trends.

Fiscal and external balance surpluses narrowed significantly in 2023 compared to the previous year reflecting weaker oil receipts. The regional fiscal surplus reached 0.5% of GDP (down from 5.5% in 2022) while the current account surplus registered 8.4% of GDP (from 15.7% in 2022). Governments in the region continued efforts to diversify non-oil revenues through taxes and fees; however, these revenues are still insufficient to offset the eventual declines in oil income. Public debt levels were broadly managed to ensure sustainability, with most countries maintaining stable debt-to-GDP ratios.

The GCC countries have made inroads in their ambitious strategies to diversify their economies, which is clearly evident in the divergence between oil and non-oil sector performances. This progress underscored the efficacy of ongoing structural reforms that bolster private consumption and investment. Diversification is critical in mitigating the impacts of oil price volatility, with notable improvements observed in tourism, renewable energy, financial services, and digital transformation. Simultaneous labor market reforms aimed at enhancing workforce participation further reinforced these diversification efforts and facilitated inclusive growth and economic prosperity.

With a projected global economic slowdown extending into the third consecutive year, the economic outlook for the GCC in 2024 is expected to significantly depend on oil output and prices. Regional GDP growth is projected to recover to 2.8% in 2024 before accelerating further to 4.7% in 2025. With oil production quotas expected to be gradually lifted during the second half of 2024, oil GDP is expected to grow by 1.7% this year before ramping up aggressively in 2025 to reach 6.9%. Meanwhile, non-oil GDP should remain robust and expand by 3.6 percent in 2024 and 3.5% in the medium term, supported by accommodative fiscal policy, lower interest rates, and strong private consumption and investment.

Despite diversification efforts, hydrocarbon receipts will remain crucial in shaping the region's fiscal policies, external balances, and financial variables. As a result, GCC's fiscal surplus will continue to narrow in 2024, reaching 0.1% of GDP, while current account surplus is expected to reach 7.5% of GDP (compared to 8.4% of GDP in 2022).

The GCC economic outlook is subject to downside risks. Escalating regional conflicts could undermine investor confidence, disrupt trade, and impede growth. Additionally, a slower-than-expected recovery in China may reduce oil prices and demand, adversely affecting both oil and non-oil sectors. Fiscal vulnerabilities remain significant due to oil price volatility and elevated spending, exacerbated by sizeable public sector and state-owned enterprises. The region also confronts challenges linked to the climate change, requiring proactive strategies to mitigate risks and leverage opportunities within the emerging green economy.

While the GCC has made notable inroads in boosting education quality, substantial efforts are needed to reach levels attained by other High-Income Countries and to help achieve development goals. While there have been improvements in student learning outcomes, the region falls short in meeting international benchmarks, including in primary and secondary education, with clear evidence in gender disparities. This emphasizes the need for significant investments in quality education to enhance human capital and drive sustainable economic development. However, progress is hindered by several factors including preference for credentials over skills, outdated teaching methods, centralized decision-making, and resistance to modernization. Addressing these issues requires targeted strategies that emphasize foundational skills from early childhood, enhance teacher effectiveness, and use learning assessments to shape policies. By focusing on improving education quality, GCC countries can realize substantial economic benefits and ensure long-term prosperity as per the World Bank.

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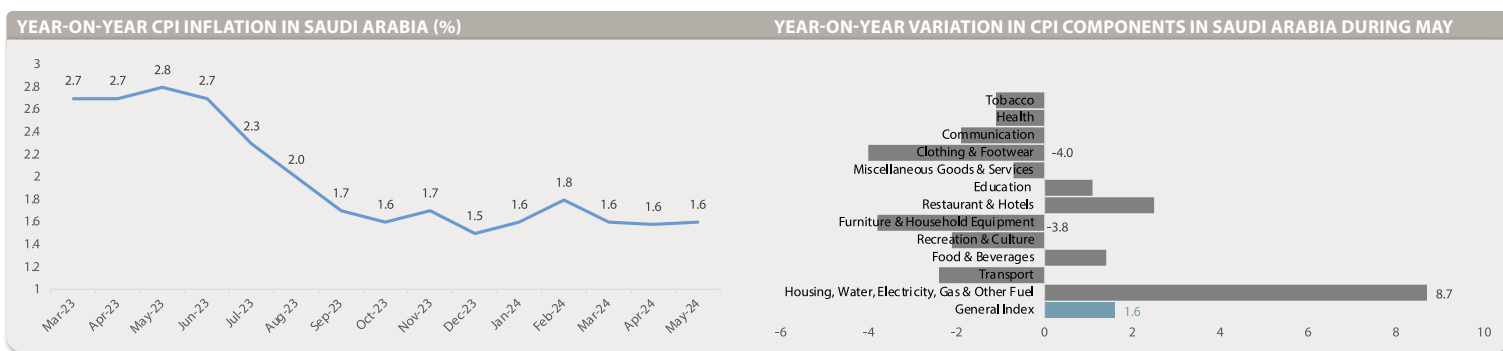
SAUDI ARABIA RECORDS YEAR-ON-YEAR CPI INFLATION OF 2% IN MAY

According to data from the Saudi General Authority for Statistics (GASTAT), the country has registered a year-on-year inflation in prices of 1.6% in May 2024. This inflation was mostly due to increases in the prices of Housing, Water, Electricity, Gas & Other Fuels and Food & Beverages. The inflation was partially offset by deflations in the prices of Transport, Miscellaneous Personal Goods & Services and Furnishings, Personal Goods & Services and Household Equipment in May.

In details, year-on-year inflations were noted in the prices of Housing, Water, Electricity, Gas & Other Fuels (with a weight of 25.5%) and Food & Beverages (with a weight of 18.78%) of 8.7% and 1.4% respectively during May 2024 against the same month of the year prior. Year-on-year price inflations during the period were also noted in Restaurants & Hotels (with a weight of 5.6%) and Education (with a weight of 2.87%) of 2.5% and 1.1% respectively. In turn, total weight of expenditure categories that have registered year-on-year inflations reached 52.75% with a weighted average inflation of 2.6%, as per data from GASTAT.

On the other hand, year-on-year deflations were noted in the prices of Transport (with a weight of 13.05%), Miscellaneous Personal Goods & Services (with a weight of 12.57), and Furnishings, Household Equipment (with a weight of 6.74%) of 2.4%, 0.7% and 3.8% respectively in May 2024 against prices in May 2023. Prices of Communications (weight of 5.62%), Health (weight of 1.43%) and Tobacco (weight of 0.6%) reported year-on-year decreases of 1.9%, 1.1% and 1.1% respectively during the aforementioned period. Additionally, prices of Clothing & Footwear (weight of 4.2%) and Recreation & Culture (weight of 3.1%) recorded year-on-year decreases of 4.2% and 2.1% respectively in May 2024 against figures from May 2023. In turn, total weight of expenditure categories having registered year-on-year deflations recorded 47.25% with a weighted average decrease in prices of 1.0%.

It is worth noting that Riyadh and Buraydah both registered year-on-year inflations well above the general index in Saudi Arabia of 3.8% and 14.2% respectively in May. Additionally, all the cities of Makkah, Jeddah, Dammam, Taif, Alhofof, Tabuk, Jazan and Baha recorded year-on-year decreases in prices overall in May 2024 against prices in May 2023, as per data from GASTAT.



Source: GASTAT, Bank Audi Group's Research Department

QATAR REGISTERS 3% INCREASE IN NEW BUILDING PERMITS ISSUED IN MAY

According to data from Qatar's Planning and Statistics Authority (PSA), the number of new building permits issued during May 2024 reached 782, up by 3.2% from 758 permits issued in May 2023.

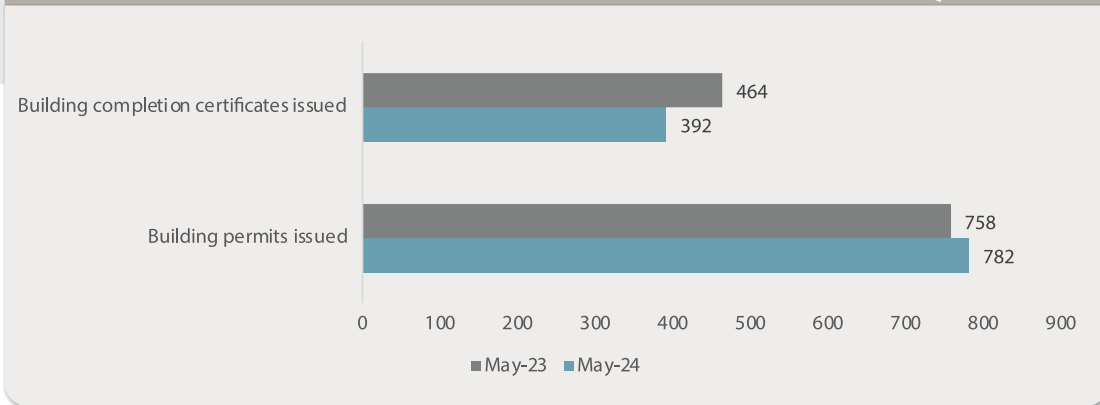
In details, Additions consisted the majority of building permits issued in May with 444 permits or 56.8% of the total followed by Residential buildings with 265 permits or 33.9%. Non-residential buildings and fencing followed with 52 and 21 permits respectively or 6.6% and 2.7% respectively in May 2024.

On the other hand, certificates of building completion issued in May 2024 recorded 392 permits noting a year-on-year drop of 15.5% down from 464 permits in May 2023.

In details, Residential buildings took the lion's share of certificates of building completion issued in May 2024 with 260 permits or 66.3% of the total. Non-residential buildings and Additions both recorded 66 permits during the month equivalent to 16.8% of the total each.

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VARIATION OF BUILDING PERMITS AND COMPLETION CERTIFICATES ISSUED IN QATAR



Source: Qatar PSA, Bank Audi Group's Research Department

EGYPT'S PMI JUMPS TO JUST BELOW NO-CHANGE LEVEL, HIGHEST LEVEL SINCE AUGUST 2021

Egypt's PMI rose to its highest level in nearly three years during May and was marginally reaching growth territory, as a marked cooling of inflationary pressures since the early part of 2024 spurred a near-stabilization in demand conditions. Business activity dropped at the slowest rate since last July, while firms took on more staff amid growing confidence that sales will begin to improve. May data also highlighted further positive news on inflation, as input costs faced by businesses rose at the weakest pace since March 2021. Aided by lower market exchange rates as currency availability increased, purchase price inflation slid to its lowest level in four years, though there was a concurrent pick-up in wage cost burdens. The improvement meant that average prices charged by companies rose only slightly for the second month running, as per S&P's Egypt PMI report for May 2024.

According to the survey, Egypt's PMI registered 49.6 in May, up from 47.4 in April to reach its highest level since August 2021. Whilst still below the 50.0 no-change mark, the index signaled only a marginal decline in operating conditions. The strong move towards stability was widely linked by firms to a softening of inflationary pressures. After policy measures aimed at improving currency availability were announced in March, firms widely commented on greater price stability and stronger confidence over the latest survey period. Subsequently, new business levels fell at the slowest rate since September 2021, while new export orders increased for the second time in three months amid rising foreign demand.

It is worth noting that Confidence towards the 12-month outlook ticked higher in May, as firms' hopes that economic conditions will strengthen grew. Improved prospects encouraged companies to increase their staffing numbers for the second time in three months, while purchases of inputs declined at the slowest rate since February 2022.

UAE AND OMAN SIGN INVESTMENT DEALS WORTH US\$ 35 BILLION

The United Arab Emirates (UAE) recently signed a myriad of investment deals with Oman with a total value of AED 129 billion (US\$ 35.2 billion). These agreements cover multiple sectors including renewable energy, green metals, railways, digital infrastructure and technology investments.

It is worth noting that economic ties between UAE and Oman have sustained a robust attitude in recent years with non-oil trade volumes reaching AED 50 billion (US\$ 13.6 billion) in 2023.

In details, one of the major agreements signed by both countries was an industrial and energy megaproject worth AED 117 billion (US\$ 31.9 billion) or 90.7% of the total value of the agreements. This project encompasses renewable energy initiatives, including solar and wind projects, alongside green metals production facilities. Another agreement worth AED 660 million (US\$ 179.8 million) was signed to establish a technology-focused fund. Additionally, a project worth AED 11 billion (US\$ 3.0 billion) was signed tackling rail connectivity between the two countries.

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SURVEYS / REPORTS

UAE RANKS 1ST IN MENA REGION AND 7TH GLOBALLY IN 2024 WORLD COMPETITIVENESS REPORT

The UAE advanced three positions to 7th place worldwide, and ranked 1st in the MENA region in the 2024 World Competitiveness report, issued by the International Institute for Management Development (IMD).

The IMD World Competitiveness ranking analyzes and ranks the capacity of countries to create and maintain an environment that sustains the competitiveness of enterprises.

The World Competitiveness Report classifies the 67 countries based on four main pillars and 20 sub-pillars encompassing 336 competitive indicators across various economic, administrative, and social fields, including government efficiency, education and innovation.

The four main indicators include Economic Performance, Government Efficiency, Business Efficiency and Infrastructure.

2024 IMD WORLD COMPETITIVENESS RANKING IN MENA REGION

| Regional Rank | Global Rank | Country | Competitiveness Score | Economic Performance | Government Efficiency | Business Efficiency | Infrastructure |
|---------------|-------------|--------------|-----------------------|----------------------|-----------------------|---------------------|----------------|
| 1 | 7 | UAE | 89.75 | 73.48 | 83.37 | 75.40 | 58.43 |
| 2 | 11 | Qatar | 85.33 | 66.52 | 79.59 | 75.11 | 51.77 |
| 3 | 16 | Saudi Arabia | 79.83 | 57.22 | 69.07 | 74.48 | 50.24 |
| 4 | 21 | Bahrain | 75.27 | 56.67 | 59.23 | 70.11 | 46.78 |
| 5 | 37 | Kuwait | 65.03 | 51.04 | 58.47 | 46.17 | 36.13 |
| 6 | 48 | Jordan | 55.51 | 29.72 | 47.77 | 48.25 | 28.02 |

Sources: IMD, Bank Audi's Group Research Department

In this year's report, the UAE advanced in all four main pillars. The UAE ranked 2nd globally in Economic Performance, 4th in Government Efficiency, 10th in Business Efficiency and 25th in Infrastructure. Concurrently, the UAE ranked among the top 10 globally in over 90 key and sub-indicators, and came 1st globally in 11 indicators including industrial disputes, labor force (%), employment (%) and household consumption expenditure-real growth.

The UAE secured 2nd place globally in nine indicators, including tourism receipts, females in Parliament, labor force growth, adaptability of government policy and absence of bureaucracy.

The UAE ranked 3rd globally in six indicators including collected capital and property taxes, immigration laws, management of cities and percentage of government budget surplus.

The UAE achieved 4th place in 12 indicators including consumer price inflation, long-term unemployment, international experience, overall productivity, labor regulation, and the balance of commercial services and employment in the public sector.

Also, the country achieved 5th place in 13 indicators including GDP (PPP) per capita, quality of air transportation, energy infrastructure, graduates in sciences, start-up procedures, unemployment legislation, foreign highly skilled personnel, national culture, unemployment rate and tax evasion.

Elsewhere in the region, Qatar the 2nd in the MENA region and 11th of 67 countries. In details, Qatar ranked 4th, 7th, 11th and 33rd respectively across the Economic Performance, Government Efficiency, Business Efficiency and Infrastructure factors.

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Qatar's rank was positively influenced by the outstanding performance of many sub-factors classified under the four factors mentioned above. Under the economic performance factor, the most prominent indicators were the unemployment rate, youth unemployment rate, and terms of trade index in which the country ranked 1st globally.

Within the government efficiency factor, the Qatari economy ranked 1st in both the consumption tax rate and the personal income tax rate, while it ranked 2nd in the public finance index. As for the business efficiency factor, Qatar ranked 1st globally in both the effectiveness of corporate boards and the migrant stock, while it came in 2nd place globally in the working hours index. Under the infrastructure factor, Qatar ranked 1st in the sub-factors of energy infrastructure and the number of internet users per 1,000 people.

ABU DHABI'S STARTUP ECOSYSTEM IS FASTEST GROWING IN MENA REGION

Abu Dhabi ranked as the fastest-growing emerging ecosystem in the Middle East and North Africa (MENA), marking a 28% growth in ecosystem value in the 2024 Global Startup Ecosystem Report (GSER), issued by Startup Genome and the Global Entrepreneurship Network.

The GSER, powered by the world's most quality-controlled dataset on startup ecosystems, analyzes data from over 4.5 million companies across 300+ entrepreneurial innovation ecosystems. It provides compelling new insights and deep knowledge about startup trends around the world and ranks the top 30 and 10 runner-up global ecosystems, emerging ecosystems and an expanded regional ranking.

In details, the findings revealed that the UAE capital created US\$ 4.2 billion in ecosystem value between July 2021 and December 2023, representing the economic impact, calculated as the value of exits and startup valuations.

The UAE capital's Hub71 initiative, a global tech ecosystem, has grown to accommodate over 315 startups that have collectively raised US\$ 1.5 billion in funds since its 2019 inception. One of Hub71's biggest success stories is Andalusia Labs, a US-based digital asset security firm, which achieved unicorn status after closing a US\$ 48 million Series A round in December 2023.

The report further adds that the UAE capital is leveraging collaborations among these key ecosystem players, facilitating the soft-landing of startups from around the world, while enabling access to capital and commercial opportunities.

Concurrently, total early-stage funding for Abu Dhabi between that period accounted for US\$ 324 million, with total Venture Capital Funding for the period between 2019 to 2023 amounting to US\$ 1.1 billion.

Abu Dhabi's FinTech, AgTech and New Food, and ClimateTech sectors are highlighted for their density of talent, support resources and startup activity, coupled with the Emirate offering investors incentives such as 100% foreign ownership to attract foreign investment and startups into the economy.

Within the GCC, Dubai led the ecosystem value chart at US\$ 23 billion, followed by Riyadh at US\$ 11 billion. In terms of Exit Value, Dubai led again with approximately US\$ 5 billion, followed by Riyadh at US\$ 3 billion.

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CORPORATE NEWS

ADDED AND BROADEN ENERGY TO SET UP US\$ 272 MILLION HYDROGEN EQUIPMENT COMPLEX

Abu Dhabi's Department of Economic Development (ADDED) and Dubai-based Broaden Energy agreed to establish a US\$ 272 million (AED 1 billion) hydrogen equipment manufacturing complex in Abu Dhabi, as mentioned in a company statement.

This complex, which would be the first of its kind in Abu Dhabi, aims to be a top 10 producer of green hydrogen by 2031, with an output target of 1.4 million tons per year.

The MoU between ADDED and Broaden Energy would facilitate a continuous exchange of knowledge and research, with a focus on renewable energies and green hydrogen technologies. As an integral facet of Abu Dhabi's industrial sector, the collaboration aims to drive innovation, accelerate the adoption of clean energy solutions and encourage efforts to combat climate change.

The project would also support the goals of the Abu Dhabi Industrial Strategy (ADIS) to advance sustainability, develop value chains and strengthening the Emirate's position as an industrial hub.

ARAMCO SIGNS 20-YEAR LNG SUPPLY DEAL WITH NEXTDECADE

Saudi oil giant Aramco, one of the world's leading integrated energy and chemicals companies, and US-based NextDecade Corporation announced that their respective subsidiaries executed a non-binding Heads of Agreement (HoA) for a 20-year Liquefied Natural Gas Sale and Purchase Agreement (LNG SPA) for offtake from Train 4 at the Rio Grande LNG Facility at the Port of Brownsville, Texas, USA.

Under the terms of the HoA, Aramco expects to purchase 1.2 million tons per annum (MTPA) of LNG for 20 years on a free on board basis, at a price indexed to Henry Hub.

Aramco and NextDecade are currently in the process of negotiating a binding agreement, and once executed, the effectiveness of which would be subject to a positive Final Investment Decision on Train 4.

QATARENERGY ENTERS 10-YEAR AGREEMENT WITH INDIA'S HALDIA PETROCHEMICALS

QatarEnergy entered into an agreement to supply India's Haldia Petrochemicals Limited with a total of up to two million tons of naphtha to be delivered over ten years starting in the second quarter of 2024, through its Singapore-based wholly owned trading arm HPL Global Pte Ltd, as reported in a company statement.

The long-term agreement represents the largest commitment undertaken between the two companies to date.

It is worth noting that Haldia Petrochemicals operates an integrated petrochemical complex site at Haldia, West Bengal, India. It is one of India's largest petrochemical companies, utilizing naphtha as its primary feedstock.

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ROSHN SIGNS STRATEGIC DEALS WITH FOUR TOP SAUDI BANKS

Roshn Group, a leading developer powered by Saudi sovereign wealth fund PIF, signed agreements with four major Saudi banks, namely Arab National Bank, Bank Albilad, Bank AlJazira and Riyad Bank, as mentioned in a company statement.

The agreements would see the four banks offer a suite of enhanced banking services to sub-developers and contractors referred by Roshn, reinforcing the group's commitment to supporting Saudi Arabia's private sector.

Services covered include expedited account opening, credit assessments and the provision of credit facilities to eligible customers.

Sub-developers and contractors can now plan and execute larger and more ambitious projects, thus contributing to the country's vision of economic diversification and homeownership targets.

BAYANAT AND IMKAN TEAM UP FOR SMART MOBILITY INFRASTRUCTURE AT SHA ISLAND

Saudi-based Bayanat, a leading provider of AI-powered geospatial and smart mobility solutions, joined hands with Abu Dhabi-based Imkan Properties for the development of a smart mobility infrastructure project on SHA Island Emirates at AlJurf within the UAE capital, as indicated in a company statement.

The project would feature an integrated and AI-enabled transportation ecosystem that allows for fully autonomous driving on the world's first healthy living island.

As per the deal, Imkan Properties would be developing the project's physical infrastructure, while Bayanat would provide the critical digital infrastructure for the operation of autonomous vehicles and unmanned systems, such as HD maps and HD positioning, as well as deploy its Smart Mobility Solutions in the form of its digital twin solutions, which makes vehicle autonomy on the island possible.

This technology would enable real-time monitoring and management of autonomous transportation systems, ensuring seamless and efficient operations without human intervention. Bayanat's digital twin would facilitate predictive maintenance, optimize traffic flow and enhance the safety and reliability of the autonomous vehicles.

This integration supports the creation of a sustainable and autonomous transport network, and aligns with the island's commitment to health and wellness by promoting an autonomous vehicle environment.

MASDAR TO ACQUIRE GREECE'S TERNA ENERGY

Masdar, the UAE's clean energy leader, reached a definitive agreement with Greece-based GEK Terna and other shareholders of Terna Energy, with the intention to acquire initially 67% of the company's outstanding shares at completion of the transaction, subject to regulatory approvals and other conditions.

After completion of the transaction, Masdar would launch an all-cash mandatory tender offer to acquire all the remaining outstanding shares of the company with the intention of reaching 100%.

The transaction and subsequent offer values Terna Energy's total equity at US\$ 2.7 billion (€ 2.4 billion) with an enterprise value of US\$ 3.4 billion (€ 3.2 billion), making it the largest ever energy transaction on the Athens Stock Exchange, and one of the largest in the European renewables market.

The proposed acquisition is expected to play an important role in growing Masdar's portfolio in Europe, as it targets 100 GW global capacity by 2030.

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CAPITAL MARKETS

EQUITY MARKETS: SLOW MOOD REIGNS OVER MENA EQUITIES AFTER ADHA HOLIDAYS

A slow mood swayed over MENA equity markets during this week that was shortened to few working days due to Adha holidays, noting that the heavyweight Saudi Exchange and the Egyptian Exchange took a week-long break for Eid. This was reflected by a shy rise in the S&P Pan Arab Composite index of 0.1%.

Activity on the Qatar Stock Exchange was skewed to the upside during this two-day week, as reflected by a shy increase in the S&P Qatar index of 0.3%, mainly tracking global equity strength (+0.5%) amid an expected pivot to global monetary policy easing, while also supported by Brent oil price gains (+3.2% week-on-week to reach US\$ 85.24 per barrel) as investors gauged the potential for a wider Middle Eastern conflict. 25 out of 51 traded stocks registered price gains, while 25 stocks posted price falls and one stock saw no price change week-on-week.

A glance on individual stocks shows that Qatar Navigation's shares led the advance on the Qatar Stock Exchange this week, surging by 11.6% week-on-week to QR 12.050. Industries Qatar's share price rose by 1.8% to QR 12.400. Gulf International Services' share price increased by 1.2% to QR 3.332. Qatar Islamic Bank's share price nudged up by 0.4% to QR 17.850. Dukhan Bank's share price closed 3.7% higher at QR 3.694. Mazaya Real Estate Development's share price edged up by 0.2% to QR 0.648. Ooredoo's share price went up by 2.4% to QR 10.000.

The UAE equity markets registered a 0.5% rise in prices during this three-day week, mainly tracking price increases in global equities amid global monetary easing prospects, and on improved sentiment after the Central Bank of the UAE projected a domestic real GDP growth of 3.9% for 2024 and 6.2% for 2025, following an expansion of 3.4% in 2023.

In Dubai, Emirates NBD's share price closed 0.9% higher over the week at AED 16.40. Dubai Islamic Bank's share price surged by 3.0% to AED 5.76. Commercial Bank of Dubai's share price went up by 2.1% to AED 6.23. Drake & Scull International's share price increased by 2.5% to AED 0.373. Deyaar Development's share price rose by 1.9% to AED 0.70. Emaar Properties moved 1.9% higher to AED 7.90. Emaar Development's share price jumped by 4.7% to AED 7.77. Union Properties' share price nudged up by 0.6% to AED 0.361. Tabreed's share price increased by 2.9% to AED 3.14.

In Abu Dhabi, First Abu Dhabi Bank's share price increased by 1.9% week-on-week to AED 11.80. Abu Dhabi Islamic Bank's share price surged by 3.6% to AED 11.44. International Holding Company's share price rose by 1.6% to AED 414. Adnoc Gas's share price edged up by 0.3% to AED 3.03. Pure Health Holding's share price closed 1.2% higher at AED 4.35. Aldar Properties' share price rose by 0.8% to AED 5.99.

EQUITY MARKETS INDICATORS (JUNE 16 - JUNE 22, 2024)

| 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 | 148.2 | -1.6% | -18.7% | 2.9 | -30.4% | 0.1 | 16,747.1 | 0.9% | - | 0.33 |
| Jordan | 364.1 | 0.3% | -1.6% | - | - | 18.6 | 23,081.3 | - | 8.8 | 1.12 |
| Egypt | 231.2 | 0.0% | -31.5% | 0.6 | -99.8% | 4,752.4 | 36,814.2 | 0.1% | 8.3 | 2.15 |
| Saudi Arabia | 497.1 | 0.0% | -5.0% | - | - | 2,366.3 | 2,659,897.1 | - | 15.7 | 4.00 |
| Qatar | 157.0 | 0.3% | -11.2% | 296.4 | -53.8% | 886.7 | 154,730.0 | 10.0% | 12.4 | 1.50 |
| UAE | 125.6 | 0.5% | -8.9% | 1,489.8 | -33.7% | 2,016.9 | 934,156.4 | 8.3% | 11.7 | 2.15 |
| Oman | 257.1 | 0.0% | 2.5% | - | - | 59.4 | 23,781.2 | - | 11.6 | 1.04 |
| Bahrain | 242.4 | 0.0% | 7.9% | 4.2 | -48.0% | 16.4 | 19,303.3 | 1.1% | 13.9 | 1.38 |
| Kuwait | 130.8 | 0.0% | 4.0% | 414.3 | -48.6% | 1,180.6 | 133,568.6 | 16.1% | 17.0 | 1.98 |
| Morocco | 279.5 | 0.2% | 6.2% | 55.0 | -48.9% | 2.6 | 68,393.3 | 4.2% | 19.3 | 3.07 |
| Tunisia | 67.1 | 0.6% | 4.5% | 15.3 | -57.7% | 7.6 | 8,234.7 | 9.7% | 10.5 | 1.72 |
| Arab Markets | 921.7 | 0.1% | -5.4% | 2,278.6 | -87.7% | 11,307.6 | 4,078,707.3 | 2.9% | 14.6 | 3.32 |

Values in US\$ million; volumes in millions

* markets cap-weighted averages

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

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Boursa Kuwait saw mixed price movements in a quiet trade after Adha holidays during this two-day week. This was reflected by a nil change in the S&P Kuwait index. A closer look at individual stocks shows that Mobile Telecommunications Company's share price rose by 1.6% to Kwf 454. Mabanee's share price went up by 1.9% to Kwf 847. Boursa Kuwait's share price moved 1.0% higher at Kwf 2.024. National Bank of Kuwait's share price edged up by 0.6% to Kwf 860. Commercial Bank of Kuwait's share price increased by 2.6% to Kwf 523. Burgan Bank's share price nudged up by 0.6% to Kwf 182. National Investments Company's share price surged by 3.3% to Kwf 253. In contrast, Al Ahli Bank of Kuwait's share price closed 0.4% lower at Kwf 273. Kuwait Finance House's share price retreated by 0.8% to Kwf 714. Specialties Group Holding's share price declined by 1.0% to Kwf 103. Boubyan Petrochemical Company's share price fell by 1.5% to Kwf 655.

In contrast, Al Ahli Bank Kuwait's share price nudged down by 0.4% week-on-week to Kwf 273. Kuwait Finance House's share price retreated by 0.8% to Kwf 714. Boubyan Bank's share price declined by 1.4% to Kwf 568. National Industries Group's share price decreased by 0.4% to Kwf 226. Kuwait Projects Holding's share price fell by 1.7% to Kwf 119. Human Soft Holding's share price dropped by 1.5% to Kwf 2.629.

On the other hand, the heavyweight Saudi Exchange took a week-long break for Adha holidays. This followed year-to-date price contractions of 5.0%, as Saudi equities were weighed by heightened regional geopolitical tensions, extended voluntary production cuts and some downbeat corporate earnings. A glance on individual stocks shows that petrochemicals giant Saudi Aramco's share price registered year-to-date price falls of 16.1% to reach SR 27.70. Petro Rabigh share price shed 34.4% since the beginning of 2024 to reach SR 6.78. Yansab's share price posted year-to-date price drops of 4.5% to SR 34.35. Sipchem's share price plunged by 14.2% since the start of 2024 to reach SR 29.20.

As to banking stocks, Banque Saudi Fransi's share price posted year-to-date price decreases of 12.9% to reach SR 34.85. SNB's share price registered price contractions of 9.1% since the beginning of this year, closing at SR 35.15. Al Rajhi Bank's shares registered year-to-date price declines of 8.7% to SR 79.00. Also, Almarai's share price fell by 1.6% so far this year to close at SR 54.90. Zain KSA's share price plummeted by 16.3% since the start of 2024, closing at SR 11.78. Emaar Economic City's shares registered a 17.4% year-to-date drop in prices to reach SR 6.57.

ACTIVITY IN MENA BOND MARKETS MOSTLY TILTED TO DOWNSIDE, TRACKING US TREASURIES MOVE

Activity in MENA fixed income markets was mostly tilted to the downside this week, mainly tracking US Treasuries move after US business activity growth accelerated to its fastest for 26 months in June 2024, according to provisional PMI survey data from S&P Global, signaling a strong end to the second quarter.

In the Abu Dhabi credit space, sovereigns maturing in 2026 and 2031 posted weekly price drops of 0.08 pt and 0.15 pt respectively. Mubadala'27 was down by 0.06 pt. ADNOC'29 closed down by 0.15 pt. Prices of Taqa'26 and '28 retreated by 0.20 pt and 0.05 pt respectively. Amongst financials, FAB'25 traded up by 0.22 pt.

In the Dubai credit space, sovereigns maturing in 2029 posted price decreases of 0.06 pt week-on-week. Prices of Emaar'26 rose by 0.20 pt. DP World'30 was up by 0.19 pt. Emirates Airlines'28 closed up by 0.11 pt.

In the Saudi credit space, sovereigns maturing in 2027, 2030 and 2031 recorded price contractions of up to 0.14 pt this week. SABIC'28 traded up by 0.11 pt. STC'29 was up by 0.09 pt.

In the Qatari credit space, sovereigns maturing in 2030 recorded price declines of 0.09 pt this week. Prices of Ooredoo'26 went up by 0.09 pt. Amongst financials, QNB'26 traded up by 0.08 pt. In the Omani credit space, sovereigns maturing in 2026, 2027 and 2029 registered price contractions of up to 0.11 pt week-on-week. Omantel'28 closed down by 0.21 pt.

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In the Bahraini credit space, sovereigns maturing in 2026 and 2032 registered price falls of 0.06 pt and 0.19 pt respectively, while sovereigns maturing in 2027 saw price rises of 0.06 pt this week. Prices of NOGA'27 contracted by 0.16 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 decreased by 0.05 pt week-on-week. KIPCO'27 closed down by 0.20 pt. In the Jordanian credit space, sovereigns maturing in 2026, 2027 and 2030 recorded price contractions of up to 0.14 pt this week. In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price falls of 0.28 pt.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2030, 2032 and 2040 recorded price declines of up to 0.95 pt week-on-week. Euro-denominated sovereigns maturing in 2026 and 2031 traded down by 0.29 pt and 0.54 pt respectively.

All in all, regional bond markets saw mostly downward price movements this week, mainly tracking declines in US Treasuries after the headline S&P Global Flash US PMI Composite Output Index edged higher from 54.5 in May to 54.6 in June 2024, its highest since April 2022, showing that the business activity in the US private sector continued to expand at a healthy pace.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

| in basis points | 21-Jun-24 | 14-Jun-24 | 31-Dec-23 | Week-on-week | Year-to-date |
|------------------|-----------|-----------|-----------|--------------|--------------|
| Abu Dhabi | 42 | 40 | 41 | 2 | 1 |
| Dubai | 61 | 61 | 63 | 0 | -2 |
| Kuwait | 62 | 62 | 46 | 0 | 16 |
| Qatar | 41 | 40 | 46 | 1 | -5 |
| Saudi Arabia | 53 | 52 | 54 | 1 | -1 |
| Bahrain | 180 | 178 | 204 | 2 | -24 |
| Morocco | 88 | 86 | 111 | 2 | -23 |
| Egypt | 632 | 625 | 1,152 | 7 | -520 |
| Iraq | 367 | 367 | 450 | 0 | -83 |
| Middle East | 170 | 168 | 241 | 2 | -71 |
| Emerging Markets | 55 | 62 | 42 | -7 | 13 |
| Global | 310 | 308 | 379 | 2 | -69 |

Sources: Bloomberg, Bank Audi's Group Research Department

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SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS

| | Standard & Poor's | Moody's | Fitch |
|----------------------|-------------------|---------------|-----------------|
| LEVANT | | | |
| Lebanon | SD/-/SD | C/Stable | RD/-/C |
| Syria | NR | NR | NR |
| Jordan | B+/Stable/B | Ba3/Stable | BB-/Stable/B |
| Egypt | B-/Negative/B | Caa1/Positive | B-/Positive/B |
| Iraq | B-/Stable/B | Caa1/Stable | B-/Stable/B |
| GULF | | | |
| Saudi Arabia | A/Stable/A-1 | A1/Positive | A+/Stable/F1+ |
| United Arab Emirates | AA/Stable/A-1* | Aa2/Stable | AA-/Stable/F1+ |
| Qatar | AA/Stable/A-1+ | Aa2/Stable | AA/Positive/F1+ |
| Kuwait | A+/Stable/A-1+ | A1/Stable | AA-/Stable/F1+ |
| Bahrain | B+/Stable/B | B2/Stable | B+/Stable/B |
| Oman | BB+/Positive/B | Ba1/Stable | BB+/Stable/B |
| Yemen | NR | NR | NR |
| NORTH AFRICA | | | |
| Algeria | NR | NR | NR |
| Morocco | BB+/Positive/A-3 | Ba1/Stable | BB+/Stable/B |
| Tunisia | NR | Caa2/Stable | 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-Jun-24 | 14-Jun-24 | 31-Dec-23 | Weekly change | Year-to-date |
|-----------------------|-----------|-----------|-----------|---------------|--------------|
| LEVANT | | | | | |
| Lebanese Pound (LBP) | 89,500.00 | 89,500.00 | 15,000.00 | 0.0% | 496.7% |
| Jordanian Dinar (JOD) | 0.71 | 0.71 | 0.71 | 0.0% | 0.0% |
| Egyptian Pound (EGP) | 47.71 | 47.71 | 30.89 | 0.0% | 54.4% |
| Iraqi Dinar (IQD) | 1,310.00 | 1,310.00 | 1,310.00 | 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) | 3.64 | 3.64 | 3.64 | 0.0% | 0.0% |
| Kuwaiti Dinar (KWD) | 0.31 | 0.31 | 0.31 | 0.0% | -0.6% |
| Bahraini Dinar (BHD) | 0.38 | 0.38 | 0.38 | 0.0% | 0.0% |
| Omani Riyal (OMR) | 0.38 | 0.38 | 0.38 | 0.0% | 0.1% |
| Yemeni Riyal (YER) | 250.32 | 250.30 | 250.27 | 0.0% | 0.0% |
| NORTH AFRICA | | | | | |
| Algerian Dinar (DZD) | 134.37 | 134.55 | 134.17 | -0.1% | 0.2% |
| Moroccan Dirham (MAD) | 9.96 | 9.99 | 9.88 | -0.3% | 0.8% |
| Tunisian Dinar (TND) | 3.14 | 3.14 | 3.07 | -0.1% | 2.2% |
| Libyan Dinar (LYD) | 4.85 | 4.85 | 4.77 | -0.1% | 1.6% |
| Sudanese Pound (SDG) | 647.81 | 647.81 | 647.81 | 0.0% | 0.0% |

NR = Not Rated

RWN = Rating Watch Negative

RUR = Ratings Under Review

*Emirate of Abu Dhabi Ratings

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

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