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Activity in MENA equity markets remained tilted to the upside this week, as reflected by a 0.6% rise in the S&P Pan Arab Composite index, mainly supported by some favorable market-specific factors and upbeat corporate earnings. In contrast, MENA fixed income markets saw mostly downward price movements, mainly tracking US Treasuries move, after two voting members of the Federal Open Market Committee emphasized that the US Federal Reserve would continue to raise interest rates until inflation eased back to its 2% target, fueling bets about another 75 bps rate hike in September 2022.

MENA MARKETS: AUGUST 14 - AUGUST 20, 2022

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+0.6%	Weekly Z-spread based bond index	-0.3%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+7.4%	YTD Z-spread based bond index	-14.8%

ECONOMY

FOOD AND BEVERAGE PRICES HAVE CONTINUED TO INCREASE IN MANY MENA COUNTRIES AS PER THE WORLD BANK

World Bank issued its Food Security update last week. The most important highlights related to the EMA region were the following:

In June, compared to the same period last year, food and beverage prices have continued to increase in many countries in the region. The spike in food prices has been prompted by the outbreak of war between Ukraine and Russia. The Middle East and North Africa relies heavily on the Black Sea region for its wheat consumption. Since wheat is one of the key staple foods in the Middle East and North Africa, the disruption in the wheat supply chain is causing critical issues in food security in the region. As a result, the food CPI has increased significantly in most countries in the region: Egypt (24.2 percent), Morocco (9.5 percent), Iraq (7.6 percent), Lebanon (216 percent), Syria (71 percent), Yemen (43 percent), and Palestine (8.1 percent; as of May). The government of Egypt announced that the country secured wheat for six months after its import agreement with India for 180,000 tons; however, most other countries in the region are still facing a critical wheat shortage.

Food insecurity persists due to a number of reasons. Historic food price increases in Lebanon have resulted in 19 percent of its population facing some sort of food shortage. Ongoing armed conflict and displacement are further fueling the food insecurity in some countries in the region. As of May 2022, northern and southern regions of Yemen reported approximately a 50 percent increase in the number of people with inadequate food consumption over the same period last year. In Palestine, approximately 1.8 million people, constituting 31.2 percent of households are experiencing moderate or severe food insecurity as a result of long-lasting armed conflict. Water scarcity is prevalent. For example, in Morocco, cumulative rainfall was 32 percent lower at the end of May 2022 than in a normal year, resulting in a 17.1 percent decrease in vegetable production.

On July 22, 2022, Russia and Ukraine signed an agreement to free more than 20 million tonnes of grain stuck in Ukraine's Black Sea ports. The agreement, brokered with support from the United Nations and Turkey, could have major implications for global food security and food prices. The inability of Ukraine to export grain from its Black Sea ports has severely reduced the supply of food to import-dependent African and Middle Eastern countries. Before the war in Ukraine, Ukraine was a breadbasket—providing wheat, maize, and barley to countries throughout Asia, Africa, and the Middle East.

At the global level, the World Bank report highlights the following:

- Domestic food price inflation remains high around the world. High inflation continues in almost all low-income and middle-income countries, and the share of high-income countries with high inflation is also increasing sharply.
- Russia and Ukraine signed an agreement to free more than 20 million tonnes of grain stuck in Ukraine's Black Sea ports.
- The war in Ukraine threatens poor countries with overlapping food and debt crises.
- The Horn of Africa is suffering its worst drought in more than 40 years.

ARAB MENA REGION'S FOOD INFLATION JULY 2021 - JUNE 2022

Country	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Category
Somalia	4.7	5.9	5.9	7.1	7.4	7.4	11.6	12.7	12.0	11.9	14.7	16.9	Low Income
South Sudan	24.9	18.4	-	-	-	-	-	-	-	0.1	-	-	Low Income
Sudan	-	-	-	-	-	-	-	-	-	-	-	-	Low Income
Algeria	9.3	11.5	13.7	12.3	13.6	12.0	11.9	13.1	13.6	15.7	-	-	Lower Middle Income
Djibouti	-3.1	1.6	4.7	4.6	3.7	3.5	-	-	6.8	-	-	-	Lower Middle Income
Egypt	4.9	6.6	10.7	11.5	8.0	8.4	12.4	17.7	19.8	26.0	24.8	22.4	Lower Middle Income
Mauritania	6.1	7.3	7.4	7.2	6.7	-	9.4	9.6	11.4	13.4	-	-	Lower Middle Income
Morocco	2.7	-1.1	-0.3	0.9	2.9	4.6	4.3	5.5	9.1	9.1	8.4	-	Lower Middle Income
Palestine	4.1	5.2	3.8	1.6	1.8	1.6	6.7	7.4	9.6	9.7	8.1	6.7	Lower Middle Income
Tunisia	8.0	7.4	7.2	6.9	6.9	7.7	7.7	8.9	9.1	8.9	8.4	9.9	Lower Middle Income
Iraq	7.5	10.2	7.6	5.3	8.4	7.4	8.5	7.8	7.5	9.0	9.0	-	Upper Middle Income
Jordan	0.9	1.6	1.7	0	-0.5	2.7	3.4	2.4	4.2	4.3	5.8	4.1	Upper Middle Income
Lebanon	245.4	288.0	278.3	302.7	359.1	441.0	486.9	401.5	390.4	374.4	363.8	332.0	Upper Middle Income
Libya	-	-	-	5.9	-	4.7	-	-	5.5	-	-	-	Upper Middle Income
Bahrain	0.1	-2.9	-0.1	0.5	2.2	3.3	9.5	12.2	10.6	9.7	11.6	-	High Income
Kuwait	10.1	9.7	8.1	7.7	6.9	7.2	7.3	7.3	7.6	9.8	8.7	-	High Income
Oman	1.1	1.4	1.9	3.4	2.8	3.2	5.1	5.0	4.9	5.5	5.0	6.1	High Income
Qatar	2.6	1.3	4.2	4.2	6.8	6.8	7.2	6.9	4.5	4.1	6.7	4.3	High Income
Saudi Arabia	1.2	1.8	2.3	1.3	1.5	1.0	2.1	2.4	3.3	4.6	4.6	4.4	High Income
UAE	-1.4	-1.1	0.3	1.9	3.6	3.7	-	-	-	-	-	-	High Income

Sources: The World Bank, Bank Audi's Group Research Department

SAUDI NON-OIL PRIVATE SECTOR GROWTH SLOWS IN JULY BUT STAYS SOLID

Saudi Arabia's non-oil private sector kept up a steady pace of growth in July, albeit slowing slightly from June, helped by increases in customer numbers, purchasing and output, a business survey showed.

The headline seasonally adjusted S&P Global Saudi Arabia Purchasing Managers' Index (PMI) for the whole economy fell to 56.3 in July from 57.0 in June. It dipped below the series average of 56.8 but remained well above the neutral 50.0 mark that separates growth from contraction.

The output sub index, a measure of business activity, fell to 59.9 in July from 61.8 in June, also falling below the series average since 2009 of 61.4.

New business continued to rise substantially, helped by recovering demand and strengthening export sales. As a result, output expanded sharply and employment numbers rose at the fastest pace since September 2019, following a period of weakness in labor markets since the COVID-19 pandemic began, as per S&P Global Market Intelligence.

The employment sub index rose to 51.3 from 50.7, its fastest rate of expansion since September 2019, though below the series average of 51.8.

Firms continued to face pressure from sharply rising input costs, however, with the rate of inflation staying strong despite easing from June. Output prices rose solidly which could impact market demand going forward as global inflationary pressures also persist, as per the same source.

Expectations for output over the next 12 months among companies surveyed "remained firmly confident of an expansion in business activity," the PMI report said, despite being fractionally lower than in June.

Approximately 21% of survey panelists predicted a rise in output, often linked to improving market conditions and higher customer demand. This compared with just 1% of businesses that forecast a decline, the report said.

UAE'S PUBLIC SPENDING TOTALED OVER US\$ 23 BILLION IN Q1 2022

The UAE's public spending totaled AED 87.4 billion in the first quarter of 2022, an increase of 19.6% and equivalent to AED 14.3 billion, compared to AED 73.7 billion in the same period of the previous year, according to statistics from the Ministry of Finance.

The figures also highlighted the fact that the country's public spending in the first quarter of 2022 included some AED 28.7 billion for employee compensation payments, compared to AED 24.6 billion in the same reporting period in 2021, an increase of 16.6% and equivalent to AED 4.1 billion.

Employee compensation is the sum of cash and in-kind rewards payable to government employees, which include wages or salaries, allowances, bonuses and other benefits, as well as social contributions paid to social insurance programs on behalf of employees.

Furthermore, the public spending included goods and services usage worth AED 30.9 billion, as well as AED 14.1 billion for social benefits, AED 6.4 billion for financial aid, AED 1.7 billion for interest, AED 1.6 billion for fixed capital expenditure, AED 304 million for grants, and AED 3.8 billion for other expenses.

The statistics also showed that revenues amounted to AED 123.8 billion in the first quarter of 2022, an increase of 39.1% or equivalent to AED 34.8 billion, compared to AED 88.9 billion in the same period of 2021.

The distribution of first quarter revenues included taxes on companies extracting oil and producing natural gas, banks operating in the country, customs fees, and other fees worth AED 56.7 billion, while social contributions amounted to AED 4.9 billion and other revenues to AED 62.2 billion.

The Ministry of Finance said the government's financial statistics are reports of national and international interest, as they highlight the total value of government operations in the country, as well as the government sector's contribution to the national economy and the allocation of resources by the government for various purposes.

EGYPT'S BALANCE OF PAYMENTS RECORDS US\$ 7.3 BILLION DEFICIT IN NINE MONTHS, AS PER THE CENTRAL BANK OF EGYPT

An overall deficit of US\$ 7.3 billion in Egypt's balance of payments was recorded during the first nine months (9M) of fiscal year (FY) 2021/2022, most of which was registered in the January-March period in 2022.

Egypt's current account deficit remained almost unchanged during the July-March period in FY21/22 at US\$ 13.6 billion, despite the US\$ 3 billion rise in the trade balance deficit, according to data released by the Central Bank of Egypt (CBE).

Some of the factors that adversely affected the current account include a 22.5% annual hike in the non-oil trade deficit during the July-March period in FY21/22 to around US\$ 37.7 billion, compared with US\$ 30.7 billion. Meanwhile, the investment income deficit grew by 27.2% yearly in the first nine months of FY21/22, reaching about US\$ 11.3 billion, from US\$ 8.9 billion.

The rise in the current account deficit was mitigated by some factors, including a higher services surplus by US\$ 4.8 billion to US\$ 7.9 billion, partially owing to an increase of US\$ 5.1 billion in tourism revenues at US\$ 8.2 billion, although negatively affected by the absence of Russian and Ukrainian tourists since the Russia-Ukraine crisis outbreak.

As for the capital and financial account, net inflows declined by 36.6% annually in the July-March period in FY21/22 to only US\$ 10.8 billion.

BAHRAIN RECORDS 38% INCREASE IN Q2 TOURIST ARRIVALS

The number of visitor arrivals to Bahrain in the second quarter (Q2) of 2022 has increased by 38% compared with the first quarter, the latest statistics issued by the Information and e-Government Authority (iGA) show.

The Ministry of Tourism indicated that the tourism recovery rate reached 82% compared to the pre-pandemic period, specifically, on Q2 of 2019.

The Ministry said that the hospitality and hotel sector in Bahrain recorded 2,973,000 nights of tourism during the second quarter of this year, compared to 569,000 nights of tourism in the second quarter of 2021, an increase of 422%.

Total tourism revenues during the same period amounted to BHD 330.4 million (US\$ 871 million), an increase of 562% over the same period last year, when revenue figures were BHD 49.9 million.

The Minister highlighted the importance of restoring the vital role of the sector in supporting the national economy, diversifying its sources and creating job opportunities, within the framework of the effective implementation of Bahrain's tourism strategy 2022-2026.

The statistics prove that the Kingdom is moving in the right path towards the full recovery of the sector post pandemic.

SURVEYS

DUBAI FOURTH GLOBALLY FOR PRIME RESIDENTIAL CAPITAL VALUE GROWTH

US cities dominated the leader board, with Dubai, the only non-US city to make it to the top five, ranking fourth for prime residential capital value growth in the first half of 2022, says global real estate advisor Savills.

Dubai is set to perform the strongest for the remainder of 2022, according to Savills.

In its bi-annual study of prime residential capital values and rents across 30 major global cities, Savills says Dubai has recorded strong performance on both prime residential capital growth and rental growth assessments for the period ended June, reflected in the Savills Prime Residential Index: World Cities.

In Dubai, prime prices grew by 4.7% during the first half of the year and the city is forecast to witness strong capital growth continue for the remainder of 2022.

Meanwhile, across the 30 cities covered by the Savills Index, capital values grew by an average 2.4%.

Aided by the inflow of high net-worth individuals and the success of its Golden Visa scheme, the UAE—and therefore Dubai—is predicted to continue to attract high net worth individuals at above pre-pandemic levels.

The UAE is predicted to receive 4,000 millionaires relocating to the country in 2022, four times the pre-pandemic norm of 1,000 per annum, according to Henley & Partners. The emirate continues to channel investment into the city's infrastructure, improving its leisure and tourism offering with the aim of retaining and attracting talent and businesses.

Along with the other top performers Miami, Lisbon and Cape Town, Dubai benefited from the renewed appreciation for a warmer climate, higher quality of life, and an increased desire for more space.

Miami holds the top spot for prime capital value growth in the first half of 2022, recording a half year rise of 12.5%. Lower taxes and a high quality of life encouraged migration from other US locations, fueling the city's success. North American cities have performed the strongest in 2022 so far, followed by cities in Europe.

Most global cities are experiencing the impact of geopolitical uncertainty, increasing inflation, and rising interest rates, albeit this is yet to materially impact pricing in the prime markets, the report says.

The study forecasts that the capital value growth across the 30 global cities we monitor will average at 2.2% in H2 2022, slightly lower than the 2.4% recorded in the first half of the year. Dubai is set to perform the strongest for the remainder of 2022 and factors that work in its favor include the continuously positive changes to policies, the most recent being additional benefits for long-term visa holders, with the opportunity for residents to have a superior quality of life at their fingertips.

In addition to a surge in high net-worth expatriates choosing Dubai as a new long- or part-time residential location, there is a growing trend of existing residents taking a long-term view on making Dubai their primary home.

Prime residential rental growth outpaced capital value growth in the first half of 2022, increasing by an average of 3.1% across the Savills World Cities Prime Residential Index, set against a 2.4% increase in capital values.

Stock shortages and pent-up demand following migration to cities with the re-opening of international borders at the end of 2021 continued to fuel growth. A revival of corporate travel, purchasers "trying before they buy", and a prioritization of the home thanks to more remote working are all factors driving the growth in the prime rental markets of the world's leading cities.

In Dubai rents have grown apace, benefitting from the wider lifestyle trends seen in other markets, recording 5.3%. The emirate also emerged as the third best destination in the world for executive nomads in an earlier Savills study, helped by its expansive visa program, favorable climate, great connectivity and established prime residential market.

Increasing 8.5% for H1 2022, New York reached its highest rents on record, driven by tight inventory and demand for larger spaces, for which renters are willing to pay a premium. It was followed by Singapore, London, Lisbon, Miami and Los Angeles, all growing at 5.5% or above.

In terms of yields, Dubai, New York, and Los Angeles were the highest yielding cities, above 4.5%, though these have moved in since June 2021. To compare, in the six months to June 2022, the average gross prime yield across the 30 cities within the Index remained at 3%.

CASH USE CONTINUES TO FALL IN MAJOR MIDDLE EAST MARKETS

The use of cash continues to decline in Middle Eastern countries, with consumers using cash less frequently in favor of digital payments, according to new research published by MasterCard.

The credit card company said 88% of people in both the UAE and Egypt had used at least one emerging payment method, including smartphone wallets, digital transfers or QR codes, with the figure being 89% in Saudi Arabia.

In Saudi, 30% said they had used less cash within the last year, compared with 29% in the UAE and 15% in Egypt.

Around 69% in Saudi, 64% in Egypt and 66% of UAE consumers said they had increased their use of digital payment methods in the last year, a higher percentage than the global rate of 61%.

There was also a high percentage of consumers in all three countries that were aware of buy-now-pay-later instalments as a concept, with many already using it.

In Saudi Arabia, 87% were aware of it, and 54% had used it, while in the UAE, the figures were 87% and 46% and Egypt 81% and 50%.

Earlier this year, a report by the MENA Fintech Association said 69% of payments made in the Middle East in 2023 will be cashless.

DUBAI HOTEL PERFORMANCE REMAINS STEADY IN JULY, AS PER STR

Dubai hotel occupancy reached 61% during the month of July while the average daily rate (ADR) touched AED 434.8 (US\$ 118.4).

Revenue per available room (RevPAR) reached AED 265.3.

While ADR and RevPAR fell month over month, the metrics exceeded the 2019 comparable. Occupancy came in slightly under the July 2019 level (64.7%), STR noted.

CORPORATE NEWS

SAUDI ARAMCO TO ACQUIRE VALVOLINE'S LUBRICANTS BUSINESS FOR US\$ 3 BILLION

Saudi Aramco announced acquiring Valvoline Inc.'s global products unit for a value of US\$ 2.7 billion, as mentioned in a statement.

However, the transaction is subject to certain customary adjustments set forth in the equity purchase agreement.

The subject acquisition aims growth strategy for lubricants, as per Saudi Aramco.

Valvoline's global products business fits perfectly with Aramco's growth strategy for lubricants "as it will leverage its global base oils production, contribute to its R&D capabilities and strengthen its existing relationships with OEMs, said Saudi Aramco Senior Vice President in a statement.

Valvoline Global Products, Nasdaq-listed, sells lubricants and automotive chemicals.

SAUDI PIF TO INVEST US\$ 298 MILLION IN OMANI PE FUND

Oman's Rakiza, a private equity infrastructure fund, co-managed by Oman Infrastructure Investment Management (OIM) and Equitix company, announced receiving a capital commitment of RO 115 million (US\$ 298 million) from the Saudi Public Investment Fund (PIF), one of the most impactful sovereign wealth funds and a major driving factor of economic transformation for Saudi Arabia.

Rakiza aims to further invest in infrastructure projects (renewables, power and water, social infrastructure, telecommunications, transport and logistics) to generate stable returns, through a combination of exit-driven capital gains and real income from assets, as mentioned in a statement.

The Rakiza Fund is proud to partner with PIF, which greatly enhances strategic value for all stakeholders by fostering capital market growth and foreign direct investment and privatization, said CEO of OIM in a statement.

The subject partnership will contribute to the fund's commitment to its vision as it continues to invest and develop in essential infrastructure projects, said Co-Founder and CEO of Equitix in a statement.

MAADEN BEGINS COMMERCIAL PRODUCTION AT AMMONIA PLANT 3

The Riyadh-based Mining Company, Maaden, announced the end of trial operations and the commencement of commercial production at its third ammonia plant.

The ammonia plant pertains designed output capacity of 1.1 million tons per year, Maaden said in a statement.

The financial outcome of the commercial operations will be reflected in the company's financial results in the second quarter of 2022, as mentioned in a statement.

Maaden signed a contract with the Saudi Daelim Corp in late 2018 to build a third ammonia plant in the Eastern port of Ras Al-Khair Industrial city at a cost of around SAR 3.4 billion (US\$ 893 million).

In February, Maaden announced the completion of construction work and the commencement of trial commercial operations.

DUBAL, QUANTAFUEL, BASF SIGN FEED DEAL FOR PLASTIC RECYCLING PLANT

Dubal Holding, the investment arm of the Dubai Government in the commodities and mining, power and energy and industrial sectors; Quantafuel, a technology-based recycling company and a global chemical company BASF, signed an agreement to carry out a front-end engineering design (FEED) for developing a Plastics-to-Liquid (PtL) processing plant in Dubai, as mentioned in a statement.

The PtL project would be a notable step towards a circular economy converting low-quality, non-recyclable plastics into valuable products. This will support Dubai in achieving its objective of zero waste going to landfill by 2030, according to a statement.

The FEED for the development of the 80,000 tons per year, plant will be finalized in 2022, with the potential final investment decision (FID) targeted for early 2023, according to a statement.

The project is entering the FEED stage with BASF as partner for the new phase of the project after six-month feasibility study.

Saipem, an Italian engineering and construction major, is elected as the FEED service provider.

It is worth noting that the subject partners will cooperate and share the cost for the development of the plant based on the learnings from and optimization of Quantafuel's first full-scale commercial plant in Skive, Denmark.

This agreement is an important step towards a cooperation that will foster advancement of sustainable technology and help attain circular economy in the UAE, CEO of Dubal Holding said in a statement.

The basis of this agreement is to pursue investments that favor recycling and sustainability in the region. This project is in line with Dubal Holding's commitment to invest in promising projects that give the UAE a global lead position in this emerging field, he added.

Based on Quantafuel's learnings in Skive and the completed feasibility study, Quantafuel is pleased that this strong partnership has decided to move forward with FEED towards FID, Chief Commercial Officer of Quantafuel said in a statement.

BASF is excited about the opportunity to be a partner in this FEED study for the Plastics-to-Liquid plant in Dubai based on our know-how in the European ChemCycling™ project, said the Vice President and Head of Market Area Middle East, BASF FZE in a statement.

Supporting Quantafuel and working with the Dubal Holding to drive Dubai's vision of zero waste to landfill by 2030, brings BASF another step closer to a circular economy, he added.

ARAMCO, SINOPEC IN DEAL TO COLLABORATE ON SAUDI PROJECTS

Saudi Arabia Oil Company (Aramco) is collaborating with China Petroleum & Chemical Corporation (Sinopec) covering multiple areas of potential collaboration between the parties in Saudi Arabia, as mentioned in a statement.

The multiple areas of potential cooperation include assessing refining and petrochemical integration opportunities, engineering, procurement and construction, oilfield services, upstream and downstream technologies as well as collaboration across carbon capture and hydrogen processes, as mentioned in a statement.

Companies would also discuss the opportunities for the establishment of a local manufacturing hub in King Salman Energy Park.

The memorandum of understanding (MoU) outlines pathways for strategic collaboration between Aramco and Sinopec and supports the long-term relationship between the two companies and their existing joint ventures in China and in Saudi Arabia.

CAPITAL MARKETS

EQUITY MARKETS: EXTENDED WEEKLY PRICE GAINS IN MENA EQUITIES, ON FAVORABLE MARKET-SPECIFIC AND COMPANY-SPECIFIC FACTORS

Activity in MENA equity markets remained tilted to the upside this week, as reflected by a 0.6% rise in the S&P Pan Arab Composite index, mainly supported by some favorable market-specific factors and upbeat corporate earnings.

The heavyweight Saudi Exchange benefited from improved investor sentiment this week, after the IMF said in its 2022 Article IV consultation that Saudi Arabia is recovering strongly from the pandemic-induced recession, while projecting the domestic real economy to grow by 7.6% in 2022 despite global monetary policy tightening cycle, citing a strong oil demand and a 4.2% expected growth in the Kingdom's non-oil sector. This compounded with some solid financial results, which resulted into a 1.2% increase in the S&P Saudi index.

A closer look at individual stocks shows that Al Rajhi's share price surged by 3.4% week-on-week to SR 90.90. Alinma Bank's share price closed 3.3% higher at SR 39.40. Almarai's share price increased by 1.3% to SR 54.70. STC's share price went up by 1.7% to SR 105.60. AlKhorayef Water and Power Technologies Company's share price rose by 2.4% to SR 126.0. AWPT reported 2022 second quarter net profits of SR 26 million versus net profits of SR 22 million a year earlier. Arabian Centres Company's share price closed 2.3% higher at SR 20.78. Arabian Centres reported a 1.1% yearly rise in its 2022 second quarter net profits to reach SR 128 million. The National Agricultural Development Company's share price edged up by 0.2% to SR 31.85. NADEC reported 2022 second quarter net profits of SR 28 million versus a net loss of SR 17 million a year earlier. National Medical Care's share price jumped by 13.3% to close at SR 66.30. National Medical Care posted 2022 second quarter net profits of SR 42 million, up by 37% when compared to same period of the previous year.

The Qatar Stock Exchange saw extended price gains this week, as a global rush to secure LNG shipments for winter and soaring natural gas prices to reach 14-year highs (US\$ 9.3 per MMBtu) boosted overall sentiment in one of the top natural gas exporters in the world. Qatari equity price gains were also supported by some favorable company-specific factors, which resulted into a 1.8% increase in the S&P Qatar index. 35 out of 47 listed stocks posted price gains, while 11 stocks recorded price falls and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Mannai Corporation, which provides engineering services to the oil & gas sector, saw its share price skyrocketing by 46.1% week-on-week to hit QR 13.510. Mannai Corporation reported a 12% year-on-year rise in its net profits during the first half of 2022 to reach QR 489 million. Qatar Navigation, a public shareholding maritime and logistics company, which provides integrated transport and supply chain solutions, registered a 10.2% jump in its share price to reach QR 11.980. Industries Qatar's share price rose by 2.6% to QR 18.0. Qatar First Bank's share price climbed by 24.5% to QR 1.459. Qatar First Bank announced a 2.6% year-on-year rise in its net profits during the first half of 2022 to reach QR 42 million. QNB's share price closed 2.0% higher at QR 22.60. Qatar Islamic Bank's share price went up by 1.5% to QR 27.40. Masraf Al Rayan's share price surged by 3.4% to QR 4.810.

EQUITY MARKETS INDICATORS (AUGUST 14 - AUGUST 20, 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	128.3	-0.6%	36.5%	5.0	-34.6%	0.1	14,500.1	1.8%	-	0.33
Jordan	401.6	0.0%	15.2%	34.2	-37.2%	15.0	26,277.9	6.8%	10.5	1.69
Egypt	206.0	1.1%	-32.4%	297.7	-	3,614.9	34,666.3	44.7%	6.9	1.40
Saudi Arabia	562.9	1.2%	9.7%	8,176.5	7.0%	781.25	3,187,206.5	13.3%	17.0	5.79
Qatar	230.5	1.8%	15.7%	922.4	25.1%	1,056.6	212,607.6	22.6%	16.3	2.21
UAE	149.3	-1.6%	1.3%	2,207.4	-10.6%	2,054.6	712,318.5	16.1%	15.9	2.42
Oman	261.3	-0.2%	19.9%	25.6	-23.8%	48.3	21,300.1	6.2%	13.6	1.08
Bahrain	196.4	-0.4%	7.5%	8.4	43.7%	7.7	27,307.6	1.6%	13.4	1.88
Kuwait	145.5	-0.5%	9.0%	610.9	16.8%	1,071.0	134,703.6	23.6%	20.1	2.43
Morocco	254.8	-0.5%	-19.6%	15.8	-27.2%	1.24	60,588.6	1.4%	22.9	3.13
Tunisia	60.4	-0.2%	-5.7%	4.0	18.1%	2.2	7,308.7	2.8%	10.4	1.55
Arabian Markets	1,066.6	0.6%	7.4%	12,307.9	4.6%	8,653.0	4,438,785.6	14.4%	16.8	4.81

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

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

In contrast, the UAE equity markets posted price declines of 1.6% week-on-week, largely dragged by price falls on the Abu Dhabi Securities Exchange amid lingering global growth concerns and given an oil price slump, with Brent prices contracting by 1.5% week-on-week to reach US\$ 96.72 per barrel on Friday on signs of positive nuclear talks. Taqa's share price shed 2.3% to AED 1.25. ADNOC's share price plunged by 5.5% to AED 4.61. First Abu Dhabi Bank's share price dropped by 3.7% to AED 19.74. ADCB's share price retreated by 0.4% to AED 9.13. Etisalat's share price fell by 4.1% to AED 26.9.

On the other hand, activity on the Dubai Financial Market was mostly skewed to the upside this week, mainly supported by some favorable corporate earnings and after a recent report released by property consultancy Betterhomes showed that Dubai's real estate market remained busy and robust in the first half of 2022 despite headwinds in the form of rising interest rates and a strengthening dollar. Emaar Properties' share price jumped by 5.3% to AED 5.91. Emaar Properties reported 2022 second quarter net profits of AED 2.1 billion versus net profits of AED 904 million a year earlier. Emaar Development's share price increased by 3.6% to AED 4.63. Emaar Development reported a 56% yearly rise in its 2022 second quarter net profits to reach AED 1.1 billion. Deyaar Development's share price jumped by 6.8% to AED 0.562. Union Properties' share price rose by 4.4% to AED 0.262.

FIXED INCOME MARKETS: MENA BOND MARKETS UNDER DOWNWARD PRICE PRESSURES, TRACKING US TREASURIES MOVE

MENA fixed income markets saw mostly downward price movements this week, mainly tracking US Treasuries move, after two voting members of the Federal Open Market Committee emphasized that the US Federal Reserve would continue to raise interest rates until inflation eased back to its 2% target, fueling bets about another 75 bps rate hike in September 2022.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 recorded price declines of 0.63 pt and 1.75 pt respectively week-on-week. Ooredoo'26 traded down by 0.25 pt. Amongst financials, prices of QNB'25 retreated by 0.25 pt.

In the Saudi credit space, sovereigns maturing in 2026 and 2030 registered price falls of 0.31 pt and 1.0 pt respectively this week. Saudi Aramco'25 closed down by 0.38 pt. Prices of SABIC'28 declined by 0.13 pt. SEC'24 posted price retreats of 0.88 pt.

In the Iraqi credit space, sovereigns maturing in 2028 were down by 0.13 pt this week. S&P Global Ratings affirmed its "B-" long-term and "B" short-term foreign and local currency sovereign credit ratings on Iraq, with stable "outlook". The "stable" outlook reflects S&P's view that Iraq's foreign exchange reserves would continue to comfortably exceed debt-servicing obligations over the next 12 months, largely offsetting risks from political uncertainty, the country's weak institutional framework, and low GDP per capita.

In the Omani credit space, sovereigns maturing in 2026 and 2029 posted price contractions of 0.95 pt and 2.15 pts respectively week-on-week. Omantel'28 closed down by 0.50 pt. In the Bahraini credit space, sovereigns maturing in 2026 and 2031 registered price falls of 0.53 pt and 1.48 pt respectively this week. Prices of NOGA'27 increased by 1.13 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2026 and 2031 closed down by 1.0 pt and 1.13 pt respectively this week. Prices of ADNOC'29 retreated by 0.13 pt. Taqa'26 saw price falls of 0.13 pt. Mubadala'26 was up by 0.13 pt. In the Dubai credit space, sovereigns maturing in 2029 registered price decreases of 0.13 pt week-on-week. Emirates Airline'28 registered price falls of 0.25 pt. DP World'30 was down by 0.50 pt. Prices of Majid Al Futtaim'29 increased by 0.88 pt.

In the Jordanian credit space, sovereigns maturing in 2026 and 2030 saw price expansions of 0.13 pt and 0.75 pt respectively week-on-week. Fitch Ratings affirmed Jordan's long-term foreign currency Issuer Default Rating at "BB-" with a "stable" outlook. Jordan's ratings are supported, as per Fitch, by a record of gradual fiscal and economic reforms and resilient financing linked to the liquid banking sector, public pension fund and international support.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2023 and 2025 registered price rises of 0.13 pt and 2.0 pts respectively, while sovereigns maturing in 2030 and 2040 were down by 0.03 pt and 2.13 pts respectively this week. Euro-denominated sovereigns maturing in 2026 closed up by 1.40 pt, while sovereigns maturing in 2031 traded down by 0.11 pt.

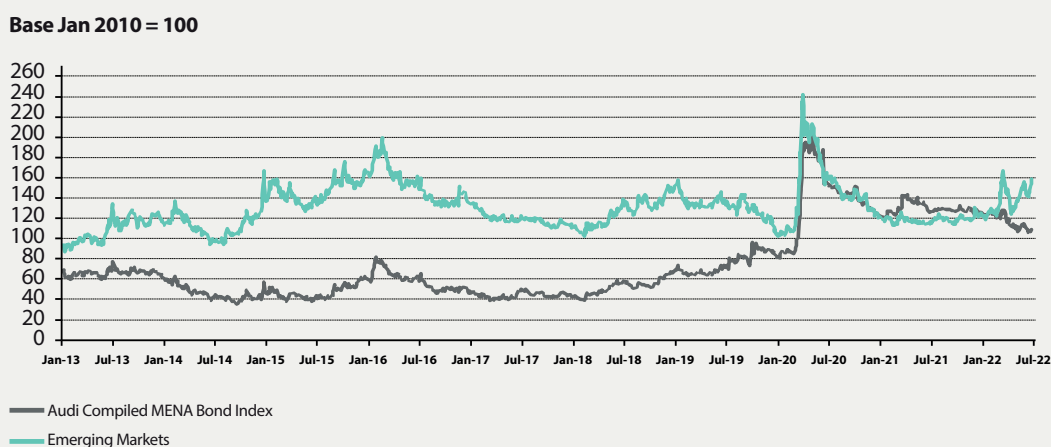
All in all, activity in regional bond markets was mostly skewed to downside this week, mainly tracking declines in US Treasuries, after St. Louis Fed President said that he is considering support for another large rate rise at the Central Bank's policy meeting in September 2022, adding that he isn't ready to say the economy has seen the worst of the inflation surge.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	19-Aug-22	12-Aug-22	31-Dec-21	Week-on-week	Year-to-date
Abu Dhabi	50	48	43	2	7
Dubai	120	123	94	-3	26
Kuwait	64	71	45	-7	19
Qatar	51	49	44	2	7
Saudi Arabia	52	51	49	1	3
Bahrain	300	290	294	10	6
Morocco	269	281	95	-12	174
Egypt	1015	984	498	31	517
Iraq	717	687	554	30	163
Middle East	293	287	191	6	102
Emerging Markets	405	371	141	34	264
Global	495	573	183	-78	312

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/Stable	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\$)	19-Aug-22	12-Aug-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)	19.16	19.16	15.72	0.0%	21.8%
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)	3.68	3.68	3.67	0.1%	0.3%
Kuwaiti Dinar (KWD)	0.31	0.31	0.30	0.3%	1.6%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.39	0.39	0.0%	0.0%
Yemeni Riyal (YER)	250.00	250.00	250.00	0.0%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	140.85	142.86	138.89	-1.4%	1.4%
Moroccan Dirham (MAD)	10.41	10.33	9.25	0.7%	12.5%
Tunisian Dinar (TND)	3.19	3.13	2.87	1.7%	10.9%
Libyan Dinar (LYD)	4.88	4.85	4.60	0.6%	6.1%
Sudanese Pound (SDG)	570.01	569.14	437.92	0.2%	30.2%

Sources: Bloomberg, Bank Audi's Group Research Department

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