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MENA WEEKLY MONITOR

JULY 28 - AUGUST 03
WEEK 31

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Economy

p.2 GCC TOURISM'S CONTRIBUTION TO GDP TO SURGE TO US$ 340 BILLION BY 2030

The GCC region already boasts some of the world's most modern airports. The GCC countries have set ambitious goals for their tourism sector, aiming to reduce their reliance on oil.

Also in this issue

Surveys / Reports

p.5 RIYADH OFFICE MARKET POSTS SOLID GROWTH IN Q2 2024, AS PER SAVILLS

Riyadh's office market continued its strong performance in Q2 2024, reflecting the strength of the non-oil sector, as per the latest Saudi commercial market report by Savills.

Also in this issue

Corporate News

p.7 SAUDI PIF SIGNS US$ 50 BILLION DEALS WITH TOP CHINESE BANKS

Saudi sovereign wealth fund PIF signed MoUs worth up to US$ 50 billion with six leading Chinese financial institutions aimed at boosting co-operation in key sectors, as indicated in a company statement.

Also in this issue

Markets In Brief

p.9 WEEKLY PRICE GAINS ACROSS MENA CAPITAL MARKETS

MENA equity markets closed the week on a positive note (+0.3%), bucking a global equity weakness (-2.2%) stoked by global growth concerns, mainly supported by some upbeat corporate earnings. In parallel, MENA bond markets registered mostly upward price movements this week, mainly tracking increases in US Treasury after US Fed Chair said that the broad sense of the Federal Open Market Committee is that the economy is moving closer to the point at which it would be appropriate to reduce policy rate, adding that a reduction in the policy rate could be on the table as soon as the next meeting in September.

MENA MARKETS: JULY 28 - AUGUST 03, 2024.

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+0.3%	Average weekly bond price change	+0.20 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↑
YTD stock price performance	-0.8%	Average yearly bond price change	+1.88 pt

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ECONOMY

GCC TOURISM'S CONTRIBUTION TO GDP TO SURGE TO US$ 340 BILLION BY 2030

The GCC region already boasts some of the world's most modern airports. The GCC countries have set ambitious goals for their tourism sector, aiming to reduce their reliance on oil.

The Gulf Cooperation Council (GCC) countries are poised to experience a significant growth in their tourism sector.

According to Fitch Ratings, the GDP contribution from the GCC's tourism sector is expected to increase from around US$ 130 billion in 2023 to over US$ 340 billion by 2030, accounting for more than 10% of the region's GDP.

The GCC countries have set ambitious goals for their tourism sector, aiming to reduce their reliance on oil. In this effort, the aviation industry is expected to play a crucial role. Fitch Ratings anticipates that air passenger traffic in the region will show substantial growth.

The GCC region already boasts some of the world's most modern airports, including Dubai International Airport (87 million passengers), Hamad International Airport in Doha, Qatar (45.9 million), and King Abdulaziz International Airport in Jeddah, Saudi Arabia (42.9 million). A sample of GCC airports showed that traffic in 2023 was 8 percent above 2019 levels and up by about 20% from 2022. In contrast, most EMEA airports covered by Fitch had 2023 traffic at 97% of 2019 level.

Looking ahead, the GCC's infrastructure plans call for air traffic to double by 2030. The UAE and Qatar have invested heavily in their airports and flagship airlines, transforming them into major international passenger hubs. Similarly, Saudi Arabia has expanded its investments in airports to increase capacity and support the anticipated population growth and additional international visits, including pilgrimage tourism.

In 2023, Dubai announced a US$ 35 billion plan to transform Al Maktoum International Airport to accommodate 260 million passengers annually. GCC countries are also increasingly adopting public-private partnerships (PPPs) for a wide range of infrastructure projects.

Saudi Arabia unveiled a pipeline of 200 projects across 17 sectors, including four airports. The recent procurement for Abha Airport attracted significant interest from local and international investors, as well as airport operators like TAV Airports Holding.

Moreover, to finance these large-scale projects, GCC countries are tapping into bond and sukuk markets, providing access to a wider pool of investors and longer-term financing options.

QATAR RECORDS YEAR-ON-YEAR CPI INFLATION OF 1.0% IN JUNE

According to data from the Qatari Planning and Statistics Authority (PSA), the country has registered a year-on-year inflation in prices of 1.0% in June 2024. This inflation was mostly due to inflations in the prices of Food & Beverages and Recreation & Culture. The inflation was mostly offset by deflations in the prices of Housing, Water, Electricity & Other Fuel and Transport during the month.

In details, year-on-year inflations were recorded in the prices of Food & Beverages (weight of 13.5%) and Recreation & Culture (weight of 11.1%) of 0.1% and 14.1% respectively during June 2024 against the same month of the year prior. Year-on-year price inflations during the period were also recorded in Education (with a weight of 5.8%), Miscellaneous Goods & Services (weight of 5.7%) and Clothing & Footwear (weight of 5.6%) of 3.4%, 2.8% and 1.0% respectively, as per data from PSA.

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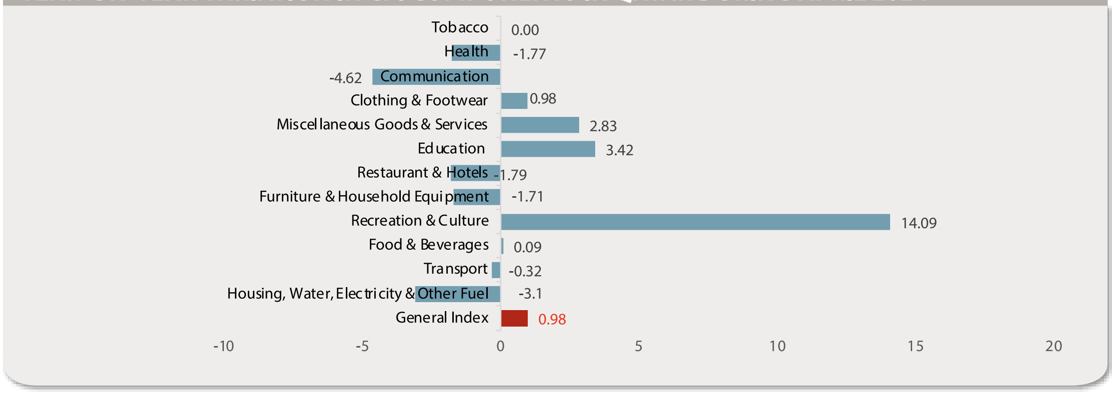
On the other hand, year-on-year deflations were noted in the prices of Housing, Water, Electricity & Other Fuel (with a weight of 21.2%) of 3.1% in June 2024 against prices in June 2023. Prices of Transport (with a weight of 14.6%), Furniture & Household Equipment (with a weight of 7.9%), Restaurant & Hotels (weight of 6.6%) reported year-on-year decreases of 0.3%, 1.7% and 1.8% respectively during the aforementioned period. Additionally, prices of Communication (weight of 5.2%) and Health (weight of 2.7%) recorded year-on-year decreases of 4.6% and 1.8% respectively in June 2024 against the same month of the year prior.

It is worth noting that the prices of Tobacco (weight of 0.3%) remained stable between June 2023 and June 2024, as per data from PSA.

YEAR-ON-YEAR VARIATION IN CPI COMPONENTS IN QATAR DURING APRIL 2024



Source: PSA, Bank Audi Group's Research Department

SAUDI ARABIA ESTIMATES 0.4% CONTRACTION IN REAL GDP IN Q2

According to recently released flash estimates from the Saudi General Authority for Statistics (GASTAT), Saudi Arabia has noted a 0.4% year-on-year contraction in its real GDP during the second quarter (Q2) of 2024 on the back of a drop in oil activity GDP. This decrease in real GDP comes in contrast with the 1.7% year-on-year expansion in real GDP during Q2 2023 while noting a slowdown in the year-on-year contractions in real GDP registered in Q4-23 and Q1-24 of 4.3% and 1.7% respectively.

In details, GDP from non-oil activities (weight of 51.3%) posted a year-on-year expansion of 4.4% in Q2 2024 against Q2 2023. Additionally, real GDP from government activities (weight of 18.9%) noted a year-on-year expansion of 3.6% in Q2 2024 against the same quarter of the year prior. These expansions in real GDP from non-oil activities and government activities partially offset the drop in real GDP from oil activities of 8.5% year-on-year in Q2-24 against Q2-23, as per data from GASTAT.

It is worth noting that at the level of the seasonally adjusted real GDP growth rates recorded in Q2 2024 against Q1 2024, all activity types registered increases leading to a 1.4% increase in real GDP quarter-on-quarter. Oil activities increased by 1.3% against the prior quarter in Q2-24 albeit at a slower rate than in Q1-24 (1.7% expansion). Non-oil activities also noted a quarter-on-quarter expansion in Q2-24 against Q1-24 of 1.4% showing an acceleration in growth from the quarter-on-quarter expansion between Q4-23 and Q1-24 (0.9%). Additionally, government activities noted a quarter-on-quarter expansion in Q2-24 against Q1-24 of 3.2% showing an reversal in the negative growth registered between Q4-23 and Q1-24 (1.1%).

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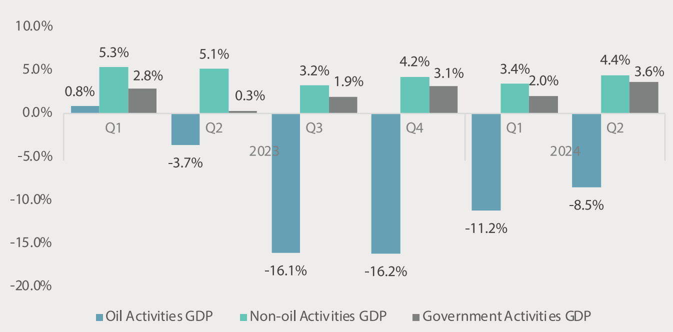
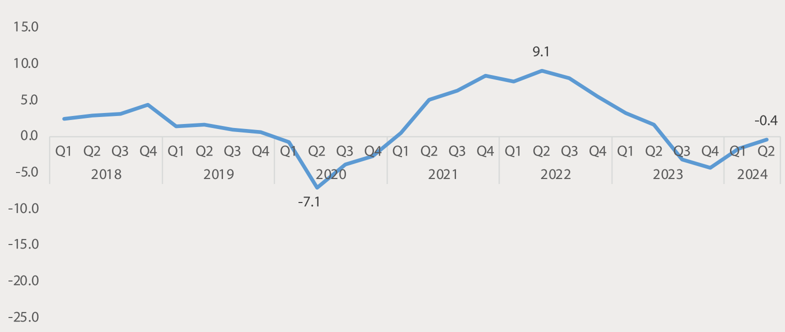
REAL GDP GROWTH BY ACTIVITY TYPE BY QUARTER



REAL GDP GROWTH IN SAUDI ARABIA BY QUARTER (%)



Source: GASTAT, Bank Audi Group's Research Department

EGYPT TO ESTABLISH SEVEN COMPREHENSIVE LOGISTIC CORRIDORS

According to a statement from the Egyptian Minister of Transport and Industry, Egypt is establishing seven comprehensive logistic corridors in a bid to link production zones to seaports through fast and safe transportation. This comes in the framework of reducing trading circles and limiting losses in a bid to decrease costs and positively affect the end price of customer goods. The logistic passages are Sokhna-Alexandria, El Arish-Taba, Cairo-Alexandria, Tanta-Mansoura-Damietta, Gargoub-Salloum, Cairo-Aswan-Abu Simbel and Safaga-Qena-Abu Tartour.

Additionally, plans exist to establish the first containers factory in Egypt with the collaboration of the Egyptian private sector. Concurrently, projects to construct and expand railway lines including seven new railway lines to link dry ports and logistics zones to the railway network and seaports to serve residential and industrial communities. A comprehensive plan was also set up to establish 31 dry ports and logistics zones across Egypt to prevent piling up goods and containers at ports, enhance the level of logistical service offered, mitigate the rise of goods transportation costs, link the production & consumption destinations and limit negative environmental effects.

It is worth noting that these moves come following an US$ 8.0 billion financial support package with the IMF as well as a historic US$ 35.0 billion sale of Mediterranean coastline to Abu Dhabi. This massive influx of funds has also allowed Egypt to slash its external debt by US$ 14.0 billion in the first five months of 2024 noting the sharpest ever decline in the metric within the country's history.

UAE SIGNS CEPA DEAL WITH CHILE FOR US$ 750 MILLION NON-OIL TRADE BY 2030

The United Arab Emirates (UAE) has recently signed a Comprehensive Economic Partnership Agreement (CEPA) with Chile boosting non-oil bilateral trade and is also set to boost the value of UAE exports looking forward.

The deal is set to create several new opportunities by eliminating or reducing customs duties covering 99.5% of the value of the UAE's imports from Chile. In addition, it will open market access to services exports, remove unnecessary barriers to trade and facilitate investment and joint ventures.

With the agreement in place, the UAE and Chile's non-oil bilateral trade is expected to increase to US$ 750 million by 2030, more than double the US$ 306 million in 2023. The deal will also likely boost the value of UAE exports by US$ 247 million by 2030, according to official UAE estimates.

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SURVEYS / REPORTS

RIYADH OFFICE MARKET POSTS SOLID GROWTH IN Q2 2024, AS PER SAVILLS

Riyadh's office market continued its strong performance in Q2 2024, reflecting the strength of the non-oil sector, as per the latest Saudi commercial market report by Savills.

In details, a surge of corporate interest is propelling Riyadh to the forefront of the region, with Foreign Direct Investment (FDI) increasing by 5.6% y-o-y in Q1 2024 and is expected to persist throughout the rest of the year.

This momentum is driven by several factors, including the strategic focus of Saudi Vision 2030 on attracting foreign capital and the government's investment incentives, including tax breaks, which are proving highly attractive to international corporations seeking to establish regional headquarters within Saudi Arabia.

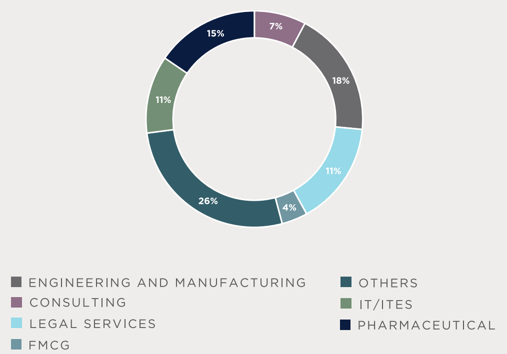
This strategy has yielded positive results, with over 120 foreign firms relocating their regional headquarters to Riyadh in Q1 2024, which represents a remarkable 477% increase compared to the same period last year. This sentiment is further bolstered by the recent establishment of regional headquarters in Riyadh by prominent entities such as PayerMax and Ernst & Young.

The city's expanding market and promising economic prospects are attracting leading businesses across diverse industries, cementing Riyadh's position as a vital hub for regional and global commerce.

Savills observed a significant increase in leasing activity during the second quarter of 2024. This growth was driven by a variety of sectors, including Technology, Media & Telecommunications (TMT), Consulting & Engineering, Manufacturing, and IT/ITes. Notably, 50% of these completed transactions involved new entrant companies, indicating a positive market sentiment for business expansion.

The momentum is expected to continue, with a robust pipeline of inquiries for the rest of the year. Engineering & Manufacturing, Legal Services, and pharmaceutical companies are at the forefront of this interest, collectively representing nearly 50% of all inquiries received by Savills.

SECTOR-LEVEL SPLIT OF INQUIRIES Q2 2024



Source: Savills Research

A significant portion, estimated at 60% of these inquiries, focused on office spaces under 1,000 square meters, suggesting a growing preference for agile and efficient work environments.

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Limited prime office space in Riyadh, coupled with strong business confidence, has driven Grade A occupancy as high as 98%. Rents have climbed steadily, rising 3% q-o-q, while there was a significant increase of 13% y-o-y. Specific areas like North and North-East Riyadh witnessed even steeper rent increases, reaching 23% and 20% annual growth, respectively. This trend reflects a thriving office market in the Saudi capital. Fueled by robust demand, a significant increase in Grade A office space supply is anticipated by the end of 2025. This anticipated influx of over 650,000+ square meters of new space is expected to enhance tenant choice and mitigate the potential for substantial rental increases, even in a scenario of sustained demand.

DUBAI RANKS MOST EXPENSIVE CITY FOR INTERNATIONAL WORKERS IN MIDDLE EAST, AS PER MERCER

Dubai ranked the costliest city in the Middle East for international employees, with rising rents and insurance premiums contributing to the growth in expenses, according to a report issued by the consulting firm Mercer titled "2024 Cost of Living City Ranking".

The findings also revealed that Dubai ranked 15th globally as the most expensive city, up three places from 2023, in a study spanning 226 cities.

According to the report, the overall cost of living in Dubai has been impacted by upward movement in the rental property market, with the Emirate recording a 21% jump in housing prices between 2023 and 2024. In the apartments segment, the survey showed average increases of around 15% for three-bedroom properties year-on-year, while house rental prices have risen by an average of 32% in the same period.

Additionally, Dubai witnessed moderate increases in prices for groceries (up 5%) and personal care items (up 3%), while transport costs remained stable, although Mercer analysis suggested insurance premiums are expected to rise following the storms and flooding in April 2024.

THE COSTLIEST CITIES IN MENA REGION IN 2024 FOR INTERNATIONAL WORKERS

regional rank	global rank	city	country	Var 2024/2023
1	15	Dubai	UAE	3
2	43	Abu Dhabi	UAE	0
3	90	Riyadh	Saudi Arabia	-5
4	97	Jeddah	Saudi Arabia	4
5	108	Amman	Jordan	2
6	110	Manama	Bahrain	-12
7	119	Kuwait City	Kuwait	12
8	121	Doha	Qatar	5
9	122	Muscat	Oman	8
10	168	Cairo	Egypt	49
11	173	Rabbat	Morocco	1
12	186	Nouakchout	Mauritania	-23
13	194	Algiers	Algeria	12

Sources: Mercer, Bank Audi's Group Research Department

In parallel, the UAE capital Abu Dhabi emerged as the next most expensive city in the Middle East, ranking the 43rd, followed by Riyadh (90th) and Jeddah (97th).

Saudi Arabia moved up the rankings breaking into the top 100 cities, which reflects the increased demand for international talent, aligned with the country's economic transition and growth strategy, as per Mercer.

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CORPORATE NEWS

SAUDI PIF SIGNS US$ 50 BILLION DEALS WITH TOP CHINESE BANKS

Saudi sovereign wealth fund PIF signed MoUs worth up to US$ 50 billion with six leading Chinese financial institutions aimed at boosting co-operation in key sectors, as indicated in a company statement.

These institutions are Agricultural Bank of China (ABC), Bank of China (BoC), China Construction Bank (CCB), China Export & Credit Insurance Corporation (Sinosure), Export-Import Bank of China (Cexim) and Industrial and Commercial Bank of China.

These agreements cover areas of cooperation such as encouraging two-way capital flows through both debt and equity, and come as part of PIF's strategy to foster institutional partnerships globally.

MASDAR AND ENDESA ESTABLISH US$ 1.8 BILLION RENEWABLE ENERGY DEAL IN SPAIN

Masdar, the UAE's clean energy leader, reached an agreement with Endesa, a Spanish multinational electric utility company, to become a partner for 2.5 Gigawatts (GW) of renewable energy assets in Spain, as reported in a company statement.

The transaction would see Masdar invest US$ 886 million to acquire a 49.99% stake, with an enterprise value of US$ 1.84 billion, representing one of Spain's biggest renewable energy deals.

The portfolio Masdar plans to acquire consists of 48 operational solar plants of 2 GW aggregated capacity. Endesa and Masdar aim to add 0.5 GW of Battery Energy Storage System (BESS) to the projects.

In addition, Masdar and Endesa have signed a Memorandum of Understanding (MoU) to explore an alliance aimed at jointly developing renewable energy projects in Spain.

The deal demonstrates Masdar's commitment to accelerating the energy transition in Spain and Europe, and these solar projects would play an important role in supporting Spain to meet its National Energy and Climate Plan (NECP) and the EU's net zero by 2050 targets.

MODON INKS US$ 266 MILLION CONTRACTS TO DEVELOP SAUDI INDUSTRIAL CITIES

The Saudi Authority for Industrial Cities and Technology Zones (Modon) signed nine substantial contracts with the private sector worth over US$ 266.4 million (SR 1 billion), as part of its efforts to significantly boost the development of industrial cities across Saudi Arabia.

The new projects include infrastructure development works for the initial phase in the third industrial city in Jeddah and another for the initial phase of second industrial city in Makkah, along with allocating 4.3 million square meters of land for investment to enhance its investment system.

A contract was also signed to develop the infrastructure in the third industrial city in Dammam and allocate 2.5 million square meters of land to meet the growing demand for industrial investment in the Eastern Province.

Modon also sealed a deal to establish 132 kV overhead lines in the industrial city of Tabuk, with a capacity of 100 MVA, and another contract for the establishment of 115 kV overhead lines in the industrial city of Hafar Al-Batin, also with a capacity of 100 MVA, to improve operational efficiency and fulfil the electrical energy requirements of industrial investors.

This initiative is strategically designed to establish and enable an industrial and investment environment that aligns with the objectives of the National Industrial Strategy and Saudi Arabia's Vision 2030.

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AL ANSARI TO ACQUIRE BAHRAIN REMITTANCE GROUP BFC FOR US$ 200 MILLION

Al Ansari Financial Services (AAFS), a leading integrated financial services ecosystem based in the UAE, signed an agreement to purchase 100% of BFC Group Holdings, a prominent foreign exchange and remittance group incorporated in Bahrain, for US$ 200 million, as revealed in a company statement.

The acquisition would enable AAFS to expand its geographic presence and become the largest remittance and exchange provider in the GCC region by branch network.

The combined entity would have over 410 branches (a 60% increase on AAFS's current branch network) across the UAE, Bahrain, Kuwait and India, supported by a workforce of approximately 6,000 employees (a 25% increase on AAFS's current workforce).

The acquisition is aligned with AAFS's strategic growth pillars of expanding its geographic presence, growing its physical branch network and enhancing its service portfolio.

ROSHN AND ARAMCO IN DEAL TO BUILD 47,000-SEAT STADIUM IN KHOBAR

Roshn, Saudi Arabia's leading national real estate developer and a PIF company, collaborated with Saudi Aramco, one of the world's leading integrated energy and chemicals companies, to build a 47,000-seat stadium in Al Khobar in Saudi Arabia's Eastern Region, as revealed in company statement.

The new Aramco Stadium would boast state-of-the-art amenities, conforming to international standards to ensure inclusiveness, safety and sustainability.

The venue itself is set to be a leading national sports and entertainment destination. Set to be operational by 2026, the stadium would host both national and international events, including the 2027 AFC Asian Cup, which would take place in Saudi Arabia in January of that year.

Promoting sports is central to the Quality-of-Life Program and Saudi Vision 2030, with initiatives such as the Aramco Stadium set to boost mass participation, improve the country's performance in international competitions and grow the sports economy.

OZON PHARMA TO BUILD MANUFACTURING PLANT IN DUBAI INDUSTRIAL CITY

Russian-based Ozon Pharmaceuticals signed an agreement with Tecom Group to establish a new manufacturing facility on a 150,700 square feet area in Dubai Industrial City, the region's leading industrial and logistics hub, as mentioned in a company statement.

The new US$ 79.7 million (AED 293 million) facility is being built in two phases and is set for complete operation by 2025.

The Phase 1 of the project would be developed at an investment of AED 110 million and would have a production capacity of more than 300 million tablets a year.

Upon completion, the facility would serve key markets in the GCC and regional countries such as Iraq, Morocco, Algeria and Libya.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES CLOSE THE WEEK ON POSITIVE NOTE, BUCKING GLOBAL EQUITY WEAKNESS

MENA equity markets closed the week on a positive note (+0.3%), bucking a global equity weakness (-2.2%) stoked by global growth concerns, mainly supported by some upbeat corporate earnings.

The heavyweight Saudi Exchange, whose market capitalization represents about two-thirds of the total regional market capitalization, saw two-way flows this week, as market players weighed a global risk-off mood stoked by concerns that the US may be heading towards a recession, and a contraction in the Saudi economy during the second quarter of 2024 for the fourth quarter in a row, against some favorable company-specific factors. This was reflected by a 0.2% weekly increase in the S&P Saudi index.

A glance on individual stocks shows that SABIC's share price rose by 2.1% week-on-week to reach SR 79.40. Petro Ragib's share price surged by 4.2% to SR 7.41. SABIC Agri-Nutrients' share price increased by 2.8% to SR 116.60. SABIC Agri-Nutrients reported 2024 second quarter net profits of SR 705 million, up by 8.3% year-on-year. Yansab's share price edged up by 0.8% to SR 39.85. Yansab announced 2024 second quarter net profits of SR 225 million compared to net profits of SR 27 million a year earlier. Advanced Petrochemical Company's share price went up by 1.1% to SR 39.95.

Also, United Electronics Company's share price closed 2.6% higher at SR 93.20 this week. United Electronics Company's Board of Directors recommended the distribution of dividends at a rate of SR 2 per share for the first half of 2024 compared to a dividend rate of SR 1.5 per share during the first half of 2023. Sulaiman Al Habib's share price rose by 0.9% to SR 284.00. Sulaiman Al Habib reported a 14% year-on-year expansion in its 2024 second quarter net profits to reach SR 555 million. Saudi Bahri's share price jumped by 5.4% to SR 29.05. Saudi Bahri posted net profits of SR 733 million during the second quarter of 2024 against net profits of SR 495 million a year earlier.

In contrast, petrochemicals giant Saudi Aramco's share price shed 1.8% week-on-week to reach SR 27.50. Alinma Bank's share price decreased by 0.5% to SR 32.10. STC's share price declined by 2.0% to SR 38.35. Zain's share price fell by 2.4% to SR 10.74. Jarir Marketing's share price nudged down by 0.3% to SR 12.94. Saudi Paper Manufacturing Company's share price fell by 3.3% to SR 73.80. Arabian Drilling's share price contracted by 4.5% to SR 128.20. Riyadh Cables' share price went down by 3.3% to SR 96.90.

EQUITY MARKETS INDICATORS (JULY 28 - AUGUST 03, 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	163.5	-0.1%	-10.3%	9.8	-49.3%	0.2	18,481.2	2.7%	-	0.33
Jordan	359.5	-0.8%	-2.8%	31.8	58.4%	24.2	22,807.9	7.2%	8.4	1.07
Egypt	253.0	0.6%	-25.0%	342.3	35.7%	7,493.8	40,564.7	43.9%	8.7	2.34
Saudi Arabia	519.2	0.2%	-0.8%	6,615.1	-10.6%	1,660.9	2,696,363.8	12.8%	15.8	3.99
Qatar	164.3	0.4%	-7.1%	368.1	11.9%	712.1	161,052.1	11.9%	12.8	1.57
UAE	134.6	-0.3%	-2.4%	2,918.0	23.4%	3,617.2	960,011.0	15.8%	12.2	2.18
Oman	256.9	0.1%	2.4%	21.7	-21.1%	95.7	23,736.8	4.7%	11.3	1.04
Bahrain	240.3	-0.1%	7.0%	7.2	4.3%	17.4	18,597.8	2.0%	13.1	1.42
Kuwait	135.6	1.4%	7.8%	732.5	46.1%	1,186.8	138,110.7	27.6%	17.8	1.90
Morocco	303.8	2.1%	15.4%	97.4	-26.0%	7.2	73,423.8	6.9%	20.7	2.76
Tunisia	67.7	0.0%	5.4%	10.6	58.6%	3.4	8,294.8	6.7%	10.4	1.67
Arab Markets	**966.6**	**0.3%**	**-0.8%**	**11,154.5**	**0.9%**	**14,818.9**	**4,161,444.6**	**13.9%**	**14.8**	**3.31**

Values in US$ million; volumes in millions
** markets cap-weighted averages*
Sources: S&P, Bloomberg, Bank Audi'sGroup Research Departement.

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The Qatar Stock Exchange registered shy price gains of 0.4% this week, bucking global equity price declines, mainly supported by some favorable financial results. 22 out of 51 traded stocks posted price gains, while 28 stocks posted price falls and one stock saw no price change week-on-week. A glance on individual stocks shows that Barwa real estate's share price nudged up by 0.3% to QR 2.767. Barwa real estate posted a 0.7% year-on-year increase in its net profits during the first half of 2024 to reach QR 557 million, and announced EPS of QR 0.143 over the covered period compared to EPS of 0.142 a year earlier. Ooredoo's share price rose by 0.4% to QR 10.500. Ooredoo reported net profits of QR 1.87 billion during the first half of 2024 compared to net profits of QR 1.79 billion during the corresponding period of the previous year.

Also, Qatar Industrial Manufacturing's share price rose by 0.6% week-on-week to QR 2.590. Qatar Navigation's share price closed 0.8% higher at QR 11.970. Qatar National Cement's share price closed 1.5% higher at QR 3.691. As to banking stocks, Qatar National Bank's share price went up by 0.9% to QR 15.400. Qatar Islamic Bank's share price expanded by 1.9% to QR 19.530. The Commercial Bank's share price moved 2.1% higher to close at QR 4.170. Doha Bank's share price surged by 3.4% to QR 1.500.

Activity in Boursa Kuwait remained tilted to the upside this week, as reflected by a 1.4% rise in the S&P Kuwait index, mainly helped by some favorable company-specific factors. A closer look at individual stocks shows that Burgan Bank's share price closed 0.5% higher at KWf 192. Burgan Bank reported 2024 second quarter net profits of KWD 11 million, up by 5.4% year-on-year. Boursa Kuwait's share price edged up by 0.2% to KWf 2,075. Boursa Kuwait reported 2024 second quarter net profits of KWD 4.7 million against net profits of KWD 4.1 million a year earlier. Boubyan Bank's share price rose by 2.4% to KWf 586. Gulf Bank's share price surged by 11.6% to KWf 307. Boubyan Bank's Board of Directors approved proposal for a merger with Gulf Bank.

FIXED INCOME MARKETS: MENA BOND MARKETS MOSTLY UP, TRACKING US TREASURIES MOVE

MENA bond markets registered mostly upward price movements this week, mainly tracking US Treasuries move after US Federal Reserve Chair signaled that an interest rate cut could come as soon as September.

In the Saudi credit space, sovereigns maturing in 2026, 2027, 2030 and 2031 registered price expansions of up to 0.79 pt this week. Prices of SABIC'28 went up by 0.49 pt. Prices of Saudi Aramco'25 increased by 0.25 pt. SEC'28 posted price rises of 0.47 pt. STC'29 was up by 0.24 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2026, 2027 and 2031 posted weekly price gains of up to 1.20 pt. Prices of Taqa'26 and '28 went up by 0.24 pt and 0.68 pt respectively. Mubadala'26 and '27 closed up by 0.36 pt and 0.37 pt respectively. ADNOC'29 was up by 0.21 pt. Amongst financials, FAB'25 traded up by 0.17 pt.

In the Dubai credit space, sovereigns maturing in 2029 posted price increases of 0.11 pt week-on-week. Prices of Emaar'26 rose by 0.34 pt. DP World'30 closed up by 0.72 pt. Prices of Majid Al Futtaim'29 went up by 0.54 pt. In contrast, prices of Emirates Airlines'28 nudged down by 0.05 pt.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 saw price gains of 0.30 pt and 0.70 pt respectively this week. Prices of Ooredoo'26 went up by 0.15 pt. Amongst financials, QNB'25 and '26 traded up by 0.33 pt and 0.22 pt respectively.

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In the Bahraini credit space, sovereigns maturing in 2026, 2031 and 2032 saw price gains of up to 0.13 pt, while sovereigns maturing in 2027 saw price declines of 0.07 pt this week. Prices of NOGA'27 rose by 0.06 pt. In the Kuwaiti credit space, sovereigns maturing in 2027 registered price gains of 0.25 pt week-on-week. KIPCO'27 traded up by 0.53 pt.

In the Omani credit space, sovereigns maturing in 2026, 2027 and 2029 recorded price expansions of up to 0.29 pt week-on-week. Omantel'28 closed up by 0.28 pt. In the Jordanian credit space, sovereigns maturing in 2026, 2027 and 2030 saw price contractions of up to 0.99 pt this week. In the Iraqi credit space, sovereigns maturing in 2028 saw weekly price drops of 0.17 pt.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2032 and 2040 posted price contractions of 0.36 pt, 0.39 pt and 0.41 pt respectively, while sovereigns maturing in 2030 recorded price increases of 0.43 pt this week. Euro-denominated sovereigns maturing in 2026 recorded price gains of 0.06 pt, while sovereigns maturing in 2031 recorded price falls of 0.66 pt.

All in all, activity in MENA bond markets remained mostly tilted to the upside this week, mainly tracking increases in US Treasury after US Fed Chair said that the broad sense of the Federal Open Market Committee is that the economy is moving closer to the point at which it would be appropriate to reduce policy rate, adding that a reduction in the policy rate could be on the table as soon as the next meeting in September.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	02-Aug-24	26-Jul-24	31-Dec-23	Week-on-week	Year-to-date
Abu Dhabi	43	39	41	4	2
Dubai	61	63	63	-2	-2
Kuwait	65	63	46	2	19
Qatar	43	38	46	5	-3
Saudi Arabia	61	55	54	6	7
Bahrain	182	174	204	8	-22
Morocco	85	87	111	-2	-26
Egypt	706	620	1,152	86	-446
Iraq	403	353	450	50	-47
Middle East	184	166	241	18	-57
Emerging Markets	48	44	42	4	6
Global	315	312	379	3	-64

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$)	02-Aug-24	26-Jul-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)	48.68	48.35	30.89	0.7%	57.6%
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%	0.1%
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%	-0.6%
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	250.26	250.27	0.0%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	134.29	134.25	134.17	0.0%	0.1%
Moroccan Dirham (MAD)	9.85	9.87	9.88	-0.2%	-0.3%
Tunisian Dinar (TND)	3.10	3.11	3.07	-0.1%	1.0%
Libyan Dinar (LYD)	4.83	4.84	4.77	-0.2%	1.2%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

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Sources: S&P, Bloomberg, Bank Audi'sGroup Research Departement.

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