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Economies in the Gulf Cooperation Council (GCC) are set to grow by 6.5% in 2022 making them one of the strongest performing regions of the world this year, and delivering their strongest growth in at least a decade, HSBC said in a new report.

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MENA equity markets remained on the decline this week, as reflected by a 1.2% fall in the S&P Pan Arab Composite index, mainly dragged by price falls in the heavyweight Saudi Exchange, and as a further collapse in the Egyptian pound continued to weigh on the US dollar-denominated S&P index. In parallel, activity was mixed in MENA fixed income markets, as market players balanced prospects of a slower pace of interest rate hikes by the US Federal Reserve starting December 2022 against a higher peak Federal Funds Rate in 2023 than previously projected.

MENA MARKETS: OCTOBER 30 - NOVEMBER 5, 2022

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-1.2%	Weekly Z-spread based bond index	-2.1%
Stock market year-to-date trend	↓	Bond market year-to-date trend	↑
YTD stock price performance	-1.7%	YTD Z-spread based bond index	-13.6%

ECONOMY

GCC ECONOMIES SET TO GROW AT 6.5% THIS YEAR AS PER HSBC

Economies in the Gulf Cooperation Council (GCC) are set to grow by 6.5% in 2022 making them one of the strongest performing regions of the world this year, and delivering their strongest growth in at least a decade, HSBC said in a new report.

The annual HSBC Economist Roadshow, which is in the Middle East, said for 2023 the growth forecast for GCC is 5%. In Bahrain, GDP growth of 4.3% is forecast for 2022 and 2.8% in 2023.

Earlier, the IMF projected Middle East and North African to grow by 5%, up from 4.1% in 2021, while for the GCC oil exporters, growth is projected at 5.2% this year with high oil prices and robust GDP growth offsetting the global headwinds

The IMF World Economic outlook released in mid-October along with the annual World Bank/IMF meetings in DC suggest that the highest growth in MENA in 2022 is in Iraq with 9.3%, followed by Kuwait with 8.7%, KSA with 7.6%, Egypt with 6.6%, UAE with 5.1%, Algeria with 4.7%, Oman with 4.4%, Bahrain and Qatar with 3.4%, Jordan with 2.4%, Tunisia with 2.2%, Yemen with 2.0% and Morocco with 0.8%. Sudan came negative at -0.3%, while Libya was set at -18.5%. Most MENA countries are likely to witness growth slowdown in 2023 as per the new IMF World Economic Outlook projections.

HSBC's Chief Economist for CEEMEA said: "We are seeing growth heading into next year with solid momentum and few signs of imbalances that threaten near-term performance. We are comfortable with the growth outlook which we see driven by ongoing gains in domestic demand."

"Inflation may slow more quickly within the goods sector than elsewhere. Supply chains continue to ease up rapidly the cost of sending freight from Asia to the US has now fallen by 85% since this time last year and if demand for goods dwindles, discounting may come into play." Stated a Senior Global Economist

The Head of FX Research in Europe, said: "The key components that have supported USD strength such as the soft global growth dynamics, fragile risk appetite and relatively higher US yields, should continue in the months ahead, in our view."

The IMF World Economic Outlook projections suggest Lebanon and Yemen inflation to be outsiders at respectively three-digit and double-digit inflation rates in 2022. For GCC countries, the other countries, inflation stands at a high of 9.7% in Algeria, followed by Egypt with 8.5%, Tunisia with 8.1%, Iraq with 6.5%, Morocco with 6.2%, Libya with 5.5%, UAE with 5.2%, Qatar with 4.5%, Kuwait with 4.3%, Jordan with 3.8%, Bahrain with 3.5%, Oman with 3.1% and KSA with 2.7%.

IMF WORLD ECONOMIC OUTLOOK PROJECTIONS- OCTOBER 2022

(%)	Growth Projections		
	2022	2023	2024
Algeria	4.7	2.6	2.0
Bahrain	3.4	3.0	3.0
Egypt	6.6	4.4	5.2
Iraq	9.3	4.0	2.5
Jordan	2.4	2.7	3.0
KSA	7.6	3.7	2.9
Kuwait	8.7	2.6	2.6
Lebanon	-	-	-
Libya	(18.5)	17.9	8.0
Morocco	0.8	3.1	3.0
Oman	4.4	4.1	1.9
Qatar	3.4	2.4	1.7
Sudan	(0.3)	2.6	5.6
Tunisia	2.2	1.6	2.1
UAE	5.1	4.2	3.9
Yemen	2.0	3.3	7.0

SAUDI ARABIA REGISTERS SIGNIFICANT REAL GDP GROWTH IN THE THIRD QUARTER OF 2022

Saudi Arabia's real GDP growth hit 8.6% year-on-year in the third quarter of 2022 along with the containment of inflation at a rate of 2.9%, one of the lowest among G20 nations as per the Ministry of Economy and Planning (MEP) of Saudi Arabia.

On a domestic level, manufacturing, wholesale, retail trade, restaurants and hotels, construction and transport were among the key contributors to a real non-oil GDP growth reaching 5.9% marking the sector's seventh consecutive quarter of growth starting back at the first quarter of 2021.

Saudi Arabia's trade balance has also witnessed a hike of 87% reaching SAR72 billion (US\$ 19.2 billion) in August 2022 despite a persistent supply-chain bottleneck negatively impacting global trade.

Exports to India and South Korea have doubled and imports of Saudi Arabian products have increased in China, the United States of America and Japan year-on-year. Growth prospects remain strong for Saudi Arabia and positive sentiment should be given by investors towards the near-term performance of the economy due to strong energy prices, the growth of the non-oil sector, strong trade and the growing ability of Saudi Arabia to attract new talent, tourists and investment.

A plan to grow the resilience of Saudi Arabia's economy, through a circular economy and the continuation of catalyzing greater flows of Foreign Direct Investment in new areas, is in effect at a time when economic landscape is affected by a multitude of crises, said the Minister of Economy and Planning of Saudi Arabia.

UAE'S PMI RISING BACK UP NEARLY REACHING ITS THREE YEAR HIGH AGAIN

The seasonally adjusted S&P Global UAE Purchasing Managers' Index (PMI), rose to 56.6 in October up from 56.1 in September, witnessing a growth at a marginally faster pace.

The United Arab Emirates' non-oil private sector expanded in October almost reaching its three year high again, while employment grew at its fastest in six years.

The upturn was due to expansions in business activity and new orders, giving further evidence that domestic firms were not only weathering the global economic storms, but enjoying strong demand growth, as per a survey by S&P Global Market Intelligence.

The output sub-index recorded 62.8 in October, up from 61.7 in September. The key movements in October were seen on the capacity side, as businesses responded to rising backlogs by increasing their employment numbers at a faster rate, the survey states.

The employment sub-index rose to 52.0 in October, up from 51.4 in September. Firms are stocking up on inputs as they prepare work schedules to address their backlogs, leading to a rapid increase in purchasing activity that was the fastest for over three years, as mentioned in the survey.

Despite the pick-up in activity, only around 14% of firms are expecting output to rise in the next year, PMI report said.

INFLATION IS TAKING ITS TOLL ON EGYPT'S NON-OIL PRIVATE SECTOR

Due to lower new business activities in the non-oil private sector during October caused by higher prices, supply issues and weak global demand, Egypt's seasonally adjusted IHS Markit Purchasing Managers' Index (PMI) is sitting at 47.7, still below its long-run average, indicating a steep drop in operating conditions, but is slightly better than the PMI of 47.6 registered back in September.

With inflation continuing to weigh on client and business spending, the Egyptian non-oil private sector economy slowed down during the month with a drop in business inflows due to a fall in new orders. The sector's business activities have seen a downturn during this period with output decreasing in manufacturing, construction, wholesale and retail, and services.

Due to the war in Ukraine, Egypt remains highly impacted, especially in the tourism sector, in addition to the government's import ban set in March pushing material prices even higher.

However, data shows that many firms were made to shoulder the burden of higher expenses as the demand weakens, proven by the fact that, only 5% of respondents to the survey raised their prices in October, compared to 24% that saw an increase in costs, as per S&P Global Market Intelligence. This disparity led to major cost pressures over the last months and a reduction in staffing numbers.

Despite the drop in sales for non-oil private sector companies getting to the highest level seen since February, firms signaled that the worsening local and global economic environment was likely to further deteriorate the condition of the sector, with business sentiment regarding the next 12 months reaching its series history's lowest at only 4% having optimistic views for that period, as was stated by S&P Global Market Intelligence.

EGYPT TO LAUNCH NEW ELECTRONIC PLATFORM THAT MANAGES AND PREPARES WAGES AND DUES

Egypt is to launch a new electronic platform that aims to manage and prepare employees' wages and dues which will contribute to unifying and digitalizing the rules, standard and measures of calculating income tax and insurance on a monthly basis via the payroll system without the interference of humans, Egyptian Minister of Finance announced in a statement.

It is worth noting that the subject platform will complete its test runs in December 2022 and will gradually be extended to the remaining financiers starting in January 2023, Egyptian Minister of Finance mentioned in a statement.

This is expected to fill the gap in the annual settlement of taxes and facilitate its measures between the private and the public sector through aiding in achieving tax fairness and tax settlements monthly, it will also allow employees and financiers to issue certified digital documents that prove they paid income taxes.

To ensure justice among all workers and fair competition in companies estimating expenses, tax settlement for 2023 is being conducted following the new system as the annual settlement requires a monthly electronic registration starting from the beginning of the year.

DUBAI RECORDS US\$ 654 MILLION IN REALTY TRANSACTIONS IN ONE DAY

Dubai real estate market recorded a total of AED 2.4 billion (US\$ 653.9 million) in realty transactions encompassing 842 sales transactions amounting to AED 2.0 billion (US\$ 517.7 million) consisting of 769 villas and apartments worth AED 1.8 billion (US\$ 479.6 million) and 73 plots of land with a value of AED 195.5 million (US\$ 53.3 million) as per data released by the Dubai's Land Department (DLD).

Moreover, It is worth noting that 112 mortgage deals have been made with a worth of AED 487.6 million (US\$ 132.9 million) divided into 81 villas and apartments mortgage deals valued at AED 429.3 million (US\$ 116.9 million) and 31 land plots mortgage deals worth AED 58.3 million (US\$ 15.9 million).

SURVEYS

UAE'S REAL ESTATE MARKET CONTINUES TO FLOURISH IN THIRD QUARTER OF 2022, AS PER JLL

According to JLL recent report, Dubai's office market remained constant at 9.1 million sq.m. during the third quarter of 2022, since there were no new office completions.

In Abu Dhabi, new office space of 63,000 sq. m. were available, which drove up the city's office stock to 3.93 million sq. m.

Meanwhile, no new supply is scheduled to be delivered in the capital in the final quarter of 2022, where around 53,000 sq. m. is scheduled to be completed in Dubai.

Over the past nine months, there was a robust demand for good quality office space, which led to higher rental prices. Consequently, vacancy rates across both cities have declined.

Office vacancy rates in Dubai's CBD reached 13% in Q3 2022, an 8% point fall compared to a year ago, as per JLL. While, the vacancy rate of Grade A & B buildings in Abu Dhabi also decreased by a smaller magnitude of 3% points.

In the residential market, additional 6,600 units were handed over in Dubai in the third quarter, thus expanding the total stock to 672,000 units. In terms of upcoming supply, 20,000 new units are scheduled to be finalized in the Emirate in the final quarter of 2022, and any further delays in the deliveries will be postponed into next year's figures.

In Abu Dhabi, 1,900 residential units were delivered in Q3, and hence bringing the city's total number of dwellings to approximately 278,000 units. Additional 2,000 units are arranged to be completed in the capital by the end of the year, mainly within master-planned communities.

Residential sales transactions revealed significant growth over January-September 2022 according to data from the Dubai Pulse, with both volume and values up more than 45% y-o-y.

As to the retail market, there were no new projects achieved in either Dubai or Abu Dhabi during the third quarter of the year.

As stated in the report, in the final quarter of this year, roughly 154,000 sq. m. of retail space is scheduled to be completed in Dubai and 197,000 sq. m. in the capital. Retail rents are steadily growing, with a 3% and 5% rise in Dubai and Abu Dhabi respectively in Q3.

Moreover, in the hospitality sector, Dubai gained 1,000 keys in Q3, elevating the city's total hotel stock to 146,000.

In the final quarter of this year, an additional 6,000 keys are expected to be provided across the Emirate. In the third quarter there were no new stocks added in Abu Dhabi. However, the capital plans to put forward around 600 keys by the end of the year.

KSA LAUNCHES SPECIAL INTEGRATED LOGISTICS ZONE

The Ministry of Transport and Logistics in the Kingdom of Saudi Arabia launched the Special Integrated Logistics Zone.

The Special Integrated Logistics Zone, which is around three million square meters, is strategically located to assist billions of potential customers in easy reach across Africa, Asia and Europe.

Additionally, it employs technology that is intended to streamline the movement of goods, including best-in-class inventory systems optimized for e-commerce, and offering direct linkages between investors, suppliers, customs, and government entities.

This Zone would strengthen Saudi Arabia's logistics sector since it provides a unique value proposition to multinationals based on enhanced fiscal and regulatory incentives.

Also, it would boost Saudi Arabia's position as the largest, fastest growing market and leading the strategic trading nation in the Middle East, and promote Vision 2030's goal to connect the Kingdom to the world, as per Saudi officials.

By 2030, Saudi Arabia would have substantially increased its cargo capacity exceeding 4.5 million tons annually and raising the share of the transport and logistics sector to the national GDP, from the current 6% to 10%.

This would help to support business development, attract inward investment, and boost the sector's non-oil revenues to about SR 45 billion a year by 2030.

The Saudi Aviation Strategy is investing US\$ 100 billion in the Kingdom's future, creating an unprecedented growth story.

The Special Integrated Logistics Zone is a key enabler of these objectives and the package of incentives and regulatory mechanisms have been developed in consultation with leading international companies.

QATAR'S REAL ESTATE RENTAL MARKET SEES DEMAND OUTWEIGHING SUPPLY, AS PER PROPERTY FINDER

The latest Qatar Real Estate Market Trends Report from Property Finder, MENA's leading prop-tech company, indicated a significant surge in rental demand during the first half of 2022, outweighing supply for the first time. As a result, investments in apartments has skyrocketed.

This demand shift is a result of Qatar's imminent hosting of the 2022 FIFA World Cup.

The report's eighth edition emphasizes on the primary market insights from 16 local-sector experts, highlighting how limited supply has induced the hike in prices across all areas and unit types.

As stated in the report, Doha witnessed a year-on-year uplift of 23% in average rental unit pricing during the first half of the year, while Al Khor recorded a 38% price rise over the same period.

The report also stated that the price rises are expected to be temporary, with demand anticipated to contract slightly in 2023. Hence, creating a more stable price index for rental units. Currently, the demand for apartments, particularly short-term and serviced units, continues to rise.

Qatar's residential stock stands at almost 308,000 units, 700 of which were added during Q1 2022, specifically in The Pearl and Lusail. Occupancy of residential units is reported at 80%, mainly due to demand for leases by the Supreme Committee for Delivery and Legacy for the 2022 FIFA World Cup and companies seeking staff accommodation.

According to Property Finder, Qatar's sales market continues to accelerate, with the Ministry of Justice's Quarterly Real Estate Bulletin citing 1,251 property sale transactions during Q1 2022, totaling QR 4,859,712,958.

The report noted that this demand is a result of the new foreign property ownership, the attractive investment laws and their inherent advantages, and an increase in the areas foreigners are now permitted to invest in.

Sales listings for Doha during the first half of 2022 on Property Finder Qatar's website climbed 14% year-on-year, resulting in a 27% increase per square meter in the advertised average price. Concurrently, sales listings for Lusail rose by 7% per square meter over the same period.

CORPORATE NEWS

CAREEM RIDES FROM SAUDI ARABIA TO QATAR DURING FIFA WORLD CUP 2022

Careem, the application offering taxi services in Middle East, will now provide rides from Dammam and Al-Ahsa in the Saudi Arabia to Qatar's FIFA World Cup matches for football fans travelling from Saudi Arabia, as mentioned in a statement.

It is worth noting that the inter-country rides that have one-way travel times of approximately four to five hours, can be scheduled a day in advance.

Qatari residents will be able to sign up for Careem using their private cars during the World Cup. Hence, the supply of transport options would increase for the visitors, while also creating more flexible earning opportunities for residents, Careem's General Manager for the GCC mentioned in a statement.

Careem, a Dubai-based application, has expanded its operation to Qatar in 2013. 1,000 new cars have been added to its Qatar fleet, an increase by 50%, right before the matches begin on November 20.

ADNOC AWARDED DRILLING DEALS WORTH US\$ 4 BILLION

ADNOC, the Abu Dhabi National Oil Company, was awarded framework agreements worth US\$ 4 billion to further grow its drilling business, as mentioned in a statement.

Its aim is to boost crude oil production capacity to reach five million barrels per day (mmbpd) by 2030 and make UAE self-sufficient in gas.

The contracts for integrated drilling fluids services (IDFS), which will assist the energy major's expansion of its production capacity, will include its onshore and offshore fields for a period of five years with an option for an additional two years.

It is worth highlighting that more than 80% of the award value will flow back into the UAE's economy under ADNOC's In-Country Value program.

ADNOC Drilling's share of the awards is valued at US\$ 1.6 billion.

KUWAIT'S AGILITY TO BUILD SAUDI LOGISTICS PARK FOR US\$ 162 MILLION

Kuwait-based Agility, one of the Gulf region's largest logistics companies, is investing SAR 611 million (US\$ 162.6 million) to establish a logistics park in Saudi Arabia, as mentioned in a statement.

The work on the park will start in the first quarter of 2023, and it is planned to be open in the first quarter of 2025.

The project, which is part of a land-concession agreement with Saudi Arabia's State Properties General Administration (SPGA), includes the construction of a modern warehousing complex on a 576,760 square meter area in Jeddah-Al Mahjar.

The park in Jeddah will serve international and local customers in the retail, consumer goods, technology, automotive, energy and e-commerce sectors, which will make it easier for businesses to expand in Saudi Arabia.

The Agility facility in Jeddah offers an opportunity to enhance the contribution of the country's real estate assets to the GDP, while increasing the value of the government-held property, developed infrastructure and sustainable buildings, as per Saudi officials.

SAUDI VENTURE CAPITAL INVESTS IN HEALTHCARE FOR US\$ 10 MILLION

The Saudi Venture Capital (SVC) announced its investment of USD\$ 10 million in TVM Capital Healthcare's Afyah Fund, targeting to invest in innovative companies in the healthcare sector in Saudi Arabia, as mentioned in a statement.

TVM Capital Healthcare is a specialized healthcare expansion and growth capital private equity firm, operating out of Riyadh and Dubai for the Middle East, as well as in Singapore for the Southeast Asia region.

The investment in TVM Capital Healthcare's Afyah Fund is part of SVC's Investment in Funds Program, which is a continuation of the company's series of investments and an implementation of its strategy related to developing and sustaining financing for startups and SMEs, especially in strategic sectors, such as healthcare, CEO and Board Member at SVC reported in a statement.

SAUDI WEALTH FUND AND FOXCONN TO SET UP ELECTRIC CAR

Saudi Arabia's sovereign wealth declared that it will start manufacturing electric cars in the Kingdom under a joint venture with Apple supplier, Foxconn, in order to build new industries and reducing the dependence on oil sector, as mentioned in a statement.

Ceer is the first Saudi automotive brand to produce electric vehicles, design, manufacture and sell a range of vehicles for consumers in Saudi Arabia and the MENA region, including sedans and sports utility vehicles, according to Public Investment Fund (PIF).

It is worth mentioning that Ceer cars would be available by 2025. Ceer would attract more than US\$ 150 million in FDI. Therefore, this move will contribute up to 30,000 direct and indirect jobs and around US\$ 8 billion to the Saudi Arabia's GDP by 2034.

Each vehicle will be designed and manufactured in Saudi Arabia and tested to the highest global automotive quality control and safety standards. Foxconn will develop the electrical architecture of the vehicles, resulting in a portfolio of products that will lead in the areas of infotainment, connectivity and autonomous driving technologies.

Furthermore, Lucid Group, which is more than 60% owned by PIF, is building an electric vehicle assembly plant in Jeddah with an eventual capacity to manufacture 150,000 vehicles a year. The Saudi government signed a deal with Lucid to buy up to 100,000 of its cars over the next 10 years.

AMERICANA TO FLOAT 30% STAKE

Americana Restaurants International, the operator of KFC and Pizza Hut restaurants across the Middle East and North Africa, announced its intention to float 30% of share capital and to list its shares on the Abu Dhabi Securities Exchange (ADX) and the Saudi Stock Exchange (Tadawul) through a concurrent dual listing process.

Listing on both ADX and the Saudi Tadawul is anticipated to take place around December 6.

Adeptio Investments will sell 2,527,089,930 existing ordinary shares of Americana Restaurants, as mentioned in the statement.

The offering is expected to run from November 14, 2022 until November 21 for retail investors in the UAE and Saudi Arabia, until November 22 for institutional investors. The offer price per share will be determined through a book building process.

Americana is owned by Saudi Arabia's Public Investment Fund and an investment consortium Adeptio.

CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES PLUNGE FURTHER INTO RED, ON UNFAVORABLE CORPORATE EARNINGS

MENA equity markets remained on the decline this week, as reflected by a 1.2% fall in the S&P Pan Arab Composite index, mainly dragged by price falls in the heavyweight Saudi Exchange, and as a further collapse in the Egyptian pound continued to weigh on the US dollar-denominated S&P index.

The heavyweight Saudi Exchange, whose market capitalization represents more than two-thirds of the total regional market capitalization, continued to operate on a negative territory this week, mainly driven by some unfavorable company-specific factors and lower-than-expected corporate earnings. This was reflected by a 2.6% fall in the S&P Saudi index.

A closer look at individual stocks shows that PetroRabigh's share price plummeted by 9.5% week-on-week to SR 12.14. PetroRabigh reported a net loss of SR 1.4 billion during the third quarter of 2022 as compared to net profits of SR 221 million a year earlier. SABIC's share price shed 4.7% to SR 85.60. SABIC announced 2022 third quarter net profits of SR 1.8 billion as compared to net profits of SR 5.6 billion during the same period of 2021. Nama Chemicals' share price went down by 4.0% to SR 42.90. Nama Chemicals posted a net loss of SR 5.4 million during the third quarter of 2022 as compared to net profits of SR 4.9 million a year earlier.

Also, Dur Hospitality's share price retreated by 0.3% over the week to SR 20.94. Dur Hospitality reported a net loss of SR 6.1 million during the third quarter of 2022 versus a net loss of SR 6.3 million during the corresponding period of the previous year. Zain Saudi's share price shed 4.7% to SR 12.20. Zain Saudi reported 2022 third quarter net profits of SR 85 million, up by 42% year-on-year, yet still missing average analysts' estimate. Maaden's share price tumbled by 12.5% to SR 72.40. Arqaam Capital cut its recommendation on Maaden to "Sell" from "Hold", with a price target of SR 65 riyals, which implies a 14% decrease from last price.

Elsewhere in the region, the Egyptian Exchange continued to benefit from improved investor sentiment after the IMF and the Egyptian authorities reached last week a staff-level agreement on comprehensive economic policies and reforms to be supported by a 46-month Extended Fund Facility Arrangement of US\$ 3 billion. Under these circumstances, EGX 30, which is a free-float capitalization weighted index of the 30 most highly capitalized and liquid stocks traded on the Egyptian Exchange, extended its upward trajectory this week, rising by 1.7% week-on-week. However, the S&P Egypt BMI USD contracted further by 3.6% week-on-week, as an extended currency collapse continued to weigh on the US dollar-denominated S&P index.

A closer look at individual stocks shows that Commercial International Bank's share price edged up by 0.3% week-on-week to LE 32.1. Abou Qir Fertilizers & Chemical Industries Company's share price rose by 3.7% to LE 27.37. E-Finance Investment Group's share price increased by 0.6% to LE 15.6. Alexandria Containers & Goods' share price closed 8.2% higher at LE 12.61. Telecom Egypt's share price went up by 5.7% to LE 19.40.

EQUITY MARKETS INDICATORS (OCTOBER 30 - NOVEMBER 5, 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	124.6	2.8%	32.5%	3.3	-79.5%	0.1	14,082	1.2%	-	0.32
Jordan	376.8	-2.1%	8.1%	34.3	34.0%	18.0	24,627.0	7.3%	9.6	1.48
Egypt	187.2	-3.6%	-38.6%	211.9	-21.4%	1,906.6	30,708.9	35.9%	6.9	1.45
Saudi Arabia	509.4	-2.6%	-0.7%	6,131.5	-12.1%	668.64	2,808,798.4	11.4%	14.2	4.76
Qatar	201.9	0.6%	1.4%	498.3	-16.2%	458.3	187,244.5	13.8%	14.3	1.92
UAE	143.2	0.8%	-2.9%	3,179.4	35.9%	2,871.4	825,365.4	20.0%	11.1	1.60
Oman	249.3	1.1%	14.4%	19.7	30.0%	27.7	20,920.3	4.9%	11.7	1.02
Bahrain	185.2	-1.0%	1.4%	4.2	-3.8%	5.7	16,803.0	1.3%	10.2	1.33
Kuwait	139.5	2.5%	4.6%	627.7	14.2%	550.5	138,922.6	23.5%	19.7	2.41
Morocco	211.3	-1.5%	-33.4%	31.9	4.0%	1.4	50,745.6	3.3%	19.5	2.97
Tunisia	59.9	0.3%	-6.6%	8.9	-37.6%	3.0	7,404.1	6.3%	10.0	1.69
Arabian Markets	976.3	-1.2%	-1.7%	10,751.1	-0.8%	6,511.4	4,125,621.8	13.6%	13.7	3.80

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

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

On the other hand, Bursa Kuwait registered price increases of 2.5% this week, mainly supported by some favorable financial results and extended oil price gains. In fact, Brent oil prices surged by 5.1% week-on-week to reach US\$ 98.57 per barrel, given a weekly decline in US oil inventories as refineries picked up activity ahead of the winter heating season.

A closer look at individual stocks shows that National Petrochemical Service's share price jumped by 7.9% over the week to Kwf 724. Independent Petroleum Group's share price closed 1.2% higher at Kwf 435. Jazeera Airways' share price surged by 4.3% to Kwf 1,731. Jazeera Airways announced a 14% year-on-year rise in its 2022 third quarter net profits to reach KWD 13.4 million. HumanSoft's share price went up by 1.3% to Kwf 3,371. HumanSoft reported 2022 third quarter net profits of KWD 10.9 million versus net profits of KWD 5.8 million a year earlier, up by 87%. Bursa Kuwait's share price surged by 3.8% to Kwf 2,305. Bursa Kuwait reported 2022 third quarter net profits of KWD 4.3 million as compared to net profits of KWD 3.9 million a year earlier. National Bank of Kuwait's share price climbed by 5.2% to Kwf 1,110. Boubyan bank's share price rose by 1.2% to Kwf 821. Zain's share price increased by 0.5% to Kwf 600.

FIXED INCOME MARKETS: MIXED ACTIVITY IN MENA BOND MARKETS THIS WEEK

Activity was mixed in MENA fixed income markets over this week, as market players balanced prospects of a slower pace of interest rate hikes by the US Federal Reserve starting December 2022 against a higher peak Federal Funds Rate in 2023 than previously projected.

In the Saudi credit space, sovereigns maturing in 2026 and 2030 posted price contractions of 0.13 pt and 0.63 pt respectively this week. SABIC'28 was up by 0.75 pt. Saudi Aramco'25 traded down by 0.38 pt.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 posted weekly price retreats of 0.13 pt each. Ooredoo'26 traded up by 0.50 pt. Moody's changed the outlook on the Government of Qatar to "positive" from "stable" and affirmed its long-term issuer and foreign currency senior unsecured debt ratings at "Aa3". Moody's also affirmed the Government of Qatar's (P)Aa3 foreign-currency senior unsecured medium-term note program rating. The change of outlook to "positive" reflects, as per Moody's, the prospect that the improvement in Qatar's debt metrics, observed in 2021-22 as a result of elevated energy prices, can be sustained in the medium term even if oil and natural gas prices moderate over the next few years.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 contracted by 0.09 pt this week. In the Bahraini credit space, sovereigns maturing in 2026 and 2031 saw weekly price increases of 0.09 pt and 1.25 pt respectively. Prices of NOGA'27 went up by 0.13 pt.

In the Iraqi credit space, prices of sovereigns maturing in 2028 increased by 1.05 pt this week. In the Omani credit space, sovereigns maturing in 2026 and 2029 registered price expansions of 0.15 pt and 0.40 pt respectively this week.

In the Jordanian credit space, sovereigns maturing in 2026 and 2030 saw weekly price expansions of 1.88 pt and 1.25 pt respectively. In the Dubai credit space, sovereigns maturing in 2029 posted price falls of 0.50 pt week-on-week.

In the Abu Dhabi credit space, prices of sovereigns maturing in 2026 and 2031 declined by 0.25 pt and 0.13 pt respectively this week. Mubadala'26 was down by 0.50 pt. Prices of ADNOC'29 decreased by 0.25 pt. Etisalat'24 posted price contractions of 0.25 pt. Taqa'26 closed down by 0.50 pt. Amongst financials, ADIB Perpetual (offering a coupon of 7.125%) registered price gains of 0.11 pt. Fitch Ratings affirmed ADIB's long-term Issuer Default Rating at "A+" with a "stable" outlook and Viability Rating at "bb". ADIB's IDRs are driven, as per Fitch, by potential support from the UAE and Abu Dhabi authorities, if needed, as reflected in the Government Support Rating (GSR) of "a+".

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2023, 2025, and 2030 posted price expansions of up to 0.25 pt, while sovereigns maturing in 2040 posted price contractions of 1.0 pt this week. Prices of Euro-denominated sovereigns maturing in 2026 decreased by 0.55 pt, while prices of sovereigns maturing in 2031 rose by 0.27 pt this week.

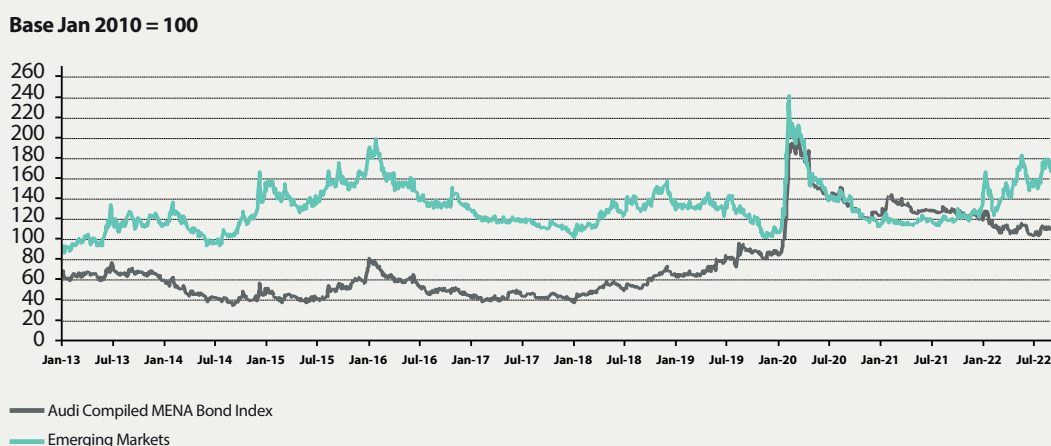
All in all, regional bond markets saw two-way flows this week as traders weighed prospects of a slower pace of tightening against bets that the dot plot is likely to show a higher median projection of the peak Federal Funds Rate in December than it showed in September, and that the FOMC would ultimately hike past February 2023.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	04-Nov-22	28-Oct-22	31-Dec-21	Week-on-week	Year-to-date
Abu Dhabi	59	59	43	0	16
Dubai	114	123	94	-9	20
Kuwait	69	70	45	-1	24
Qatar	58	59	44	-1	14
Saudi Arabia	68	69	49	-1	19
Bahrain	268	285	294	-17	-26
Morocco	308	295	95	13	213
Egypt	1,176	1,049	498	127	678
Iraq	621	769	554	-148	67
Middle East	304	309	191	-5	113
Emerging Markets	178	177	141	1	37
Global	572	591	183	-19	389

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/Positive	AA-/Stable/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Stable/B	B2/Stable	B+/Stable/B
Oman	BB-/Stable/B	Ba3/Positive	BB/Stable/B
Yemen	NR	NR	NR
NORTH AFRICA			
Algeria	NR	NR	NR
Morocco	BB+/Stable/A-3	Ba1/Stable	BB+/Stable/B
Tunisia	NR	Caa1/Negative	CCC/C
Libya	NR	NR	NR
Sudan	NR	NR	NR

NR= Not Rated

RWN= Rating Watch Negative

RUR= Ratings Under Review

* Emirate of Abu Dhabi Ratings

FX RATES (per US\$)	04-Nov-22	28-Oct-22	31-Dec-21	Weekly change	Year-to-date
LEVANT					
Lebanese Pound (LBP)	1,507.50	1,507.50	1,507.50	0.0%	0.0%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	24.20	22.84	15.72	6.0%	53.9%
Iraqi Dinar (IQD)	1,460.00	1,460.00	1,460.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.76	3.76	3.76	0.0%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.67	0.0%	-0.9%
Kuwaiti Dinar (KWD)	0.31	0.31	0.30	-0.1%	2.4%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.39	0.39	-0.1%	-0.1%
Yemeni Riyal (YER)	250.23	250.21	250.00	0.0%	0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	139.92	140.26	138.89	-0.2%	0.7%
Moroccan Dirham (MAD)	10.93	10.90	9.25	0.3%	18.2%
Tunisian Dinar (TND)	3.25	3.24	2.87	0.3%	13.0%
Libyan Dinar (LYD)	5.02	4.97	4.60	1.0%	9.2%
Sudanese Pound (SDG)	572.09	573.36	442.60	-0.2%	29.3%

Sources: Bloomberg, Bank Audi's Group Research Department

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