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The annual report 2022 of the World Bank was out last week. It included section on the MENA region. It says countries in the Middle East and North Africa face an uncertain and uneven recovery amid the impacts of COVID-19, the war in Ukraine, and other challenges.

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MENA equity markets dipped into the red this week, as reflected by a 1.5% fall in the S&P Pan Arab Composite index, mainly driven by some unfavorable company-specific factors and lower European natural gas prices, and as a currency collapse in Egypt weighed on the US dollar-denominated S&P index. In contrast, activity in MENA fixed income markets was mostly skewed to the upside, mainly tracking US Treasuries move on renewed speculation the US Federal Reserve may slow its pace of interest rate hikes after the US GDP report for the third quarter of 2022 showed some signs of inflation easing, and recent data revealed that the US business activity contracted for a fourth straight month in October 2022.

MENA MARKETS: OCTOBER 23 - OCTOBER 29, 2022

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-1.5%	Weekly Z-spread based bond index	-2.2%
Stock market year-to-date trend	↓	Bond market year-to-date trend	↑
YTD stock price performance	-0.5%	YTD Z-spread based bond index	-11.8%

ECONOMY

WORLD BANK SAYS REGIONAL GDP EXPECTED TO GROW BY AN AVERAGE OF 5.2% IN 2022

The annual report 2022 of the World Bank was out last week. It included section on the MENA region. It says countries in the Middle East and North Africa face an uncertain and uneven recovery amid the impacts of COVID-19, the war in Ukraine, and other challenges. Regional GDP is expected to grow by an average of 5.2 percent in 2022, owing primarily to an increase in global oil prices, which benefits the region's oil-exporting countries. Many high-income countries in the region have also administered successful COVID-19 vaccination campaigns. However, a wide range of challenges persist, including a slow pace of vaccination among lower-income and conflict-affected countries as well as severe climate vulnerabilities. The war in Ukraine is exacerbating food security challenges and causing widespread commodity market disruptions, as the region is highly dependent on food imports. Jordan and Lebanon rely on global markets for as much as 90 percent of their wheat consumption; by volume, Egypt is the world's largest importer of wheat.

The World Bank approved US\$ 4.9 billion in lending to the region for 29 operations in fiscal 2022, including US\$ 4.1 billion in IBRD commitments and US\$ 817 million in IDA commitments. Another US\$ 80 million in special financing was provided for projects in the West Bank and Gaza. They also delivered 96 advisory services and analytics products. Revenue from Reimbursable Advisory Services agreements reached \$28 million, for ongoing strategic and technical assistance on social and economic reforms in the Gulf Cooperation Council countries.

Across the region, the Bank Group seeks to strengthen countries' resilience by providing immediate crisis response while supporting structural reforms for inclusive and sustainable development. They seek to help restore trust between citizens and their states by strengthening governance, service delivery, and transparency; boost job creation for youth and women by promoting competitive markets and private sector-led growth; improve human capital outcomes by modernizing education, health, and social protection systems; address fragility by supporting reconstruction and targeting the root causes of conflict; and facilitate green growth by combating climate change and environmental degradation while preparing for energy transitions.

The Bank continues to help countries address the health impacts of COVID-19 and to support vaccination across the region; this includes over US\$ 300 million in financing for vaccines since January 2021. In Iraq, a US\$ 100 million operation is helping supply and deploy vaccines, including the acquisition of nearly 6 million doses, equipment for waste management in health care, an electronic registration system, logistics and supply chain management, and communication campaigns to address hesitancy. In Lebanon, they provided personal protective equipment, ventilators, and beds for public hospitals across the country; we also supported equitable access to vaccines for more than 2 million people, including Syrian refugees.

Since the start of the COVID-19 crisis, the Bank has provided US\$ 2.9 billion in financing and technical assistance to help countries in the Middle East and North Africa provide cash transfers and cash-for-work and strengthen social protection systems. In Tunisia, they are providing emergency cash transfers to mitigate the impact of the crisis on poor and vulnerable households and helping expand the country's main social assistance program. This support will help implement a new process to identify and target beneficiaries, improve efficiency, and expand coverage for the poorest 10 percent of the population. We are also working to make the program more adaptive and responsive to future shocks.

They are helping countries in the region strengthen critical sectors, including electricity, water, agriculture, and transport. They are also supporting greater regional integration, including the Pan-Arab Regional Market Technical Assistance program, a high-level initiative supported by the World Bank and regional development partners to boost integration between the region's power systems and the cross-border electricity trade as well as key transport and energy infrastructure in the Horn of Africa.

EGYPT AND IMF REACHED STAFF-LEVEL AGREEMENT ON AN EXTENDED FUND FACILITY ARRANGEMENT

Egyptian authorities and the International Monetary Fund (IMF) finalized the discussions on IMF support for Egypt and reached a staff-level agreement on comprehensive economic policies and reforms to be supported by Extended Fund Facility (EFF) Arrangement of US\$ 3 billion over 46 months, as mentioned in a statement.

The new EFF aims to safeguard macroeconomic stability and debt sustainability, improve Egypt's resilience to external shocks, strengthen the social safety net and step-up reforms that underpin higher private-sector-led growth and job creation.

In details, the new EFF, with a requested access of SDR 2.6 billion (US\$ 3 billion) aims to provide Egypt with balance of payments and budget support while catalyzing additional financing from Egypt's international and regional partners to maintain economic stability, address macroeconomic imbalances and spillovers from the war in Ukraine, protect livelihoods and push forward deep structural and governance reforms to promote private sector-led growth and job creation, said the Mission Chief for Egypt in a statement.

However, the agreement is subject to approval by the IMF's Executive Board, which is expected to be discussed in December.

The IMF arrangement is expected to catalyze a large multi-year financing package, including around US\$ 5 billion in FY2022/23 that reflects broad international and regional support for Egypt that would strengthen Egypt's external position. Egypt's international and regional partners will play a critical role in facilitating the implementation of the authorities' policies and reforms.

Moreover, the Egyptian authorities have also requested financing under the newly created Resilience and Sustainability Facility (RSF), which could unlock up to an additional US\$ 1 billion for Egypt.

The government's fiscal policy under the EFF would be anchored to the reduction of general government debt and gross financing needs. Continued fiscal consolidation would be supported by the implementation of the government's Medium-Term Revenue Strategy (MTRS) that aims to improve the efficiency and progressivity of the tax system. Social protection will continue to be strengthened including through the temporary extension of the emergency support to ration cardholders and measures to protect the purchasing power of vulnerable wage earners and pensioners. Broad fiscal structural reforms will also aim to further improve the budget composition, strengthen governance, accountability, and transparency and support climate mitigation goals.

IMF was thankful to the Egyptian authorities and their technical teams for the candid and constructive discussions and look forward to continuing our engagement in support of Egypt and its people, as mentioned in a statement.

SAUDI PIF'S OPERATING INCOME POSTED 204% HIKE IN 2021

Saudi Arabia's Public Investment Fund (PIF) reported a 13% increase in profits reaching to SAR 85.7 billion during the year 2021 against SAR 76.1 billion in profits for the year 2020.

The revenues of PIF soared 27% reaching SAR 228.2 billion in one year and the value of operating profits rose to SAR 85.5 billion while the value of profits from associate companies amounted to SAR 8.6 billion, registering an increase of 75%.

The sovereign wealth fund's other operating income hiked by 204%, reaching SAR 7.6 billion while the costs of financing income rose 87%, reaching SAR 4.5 billion.

The PIF's fixed assets increased by 43%, reaching SAR 292.8 billion while the value of investments in the Fund's associate companies amounted to SAR 118.5 billion, representing an increase of 2%. The PIF's investments in securities classified as assets increased by 29% to reach SAR 535.3 billion. The Fund's total assets amounted to about SAR 2.5 trillion, posting an increase of 23%.

The PIF owns shares in 22 locally listed companies, its ownership value in the listed companies is about SAR 896.17 billion.

The PIF's ownership is about 21.03 billion shares distributed in the listed companies.

The PIF launched the Local Content Development Program, which aims to raise the contribution of the Fund and its subsidiaries in the local content to 60% by the end of 2025, as well as to support and empower the private sector and stimulate the competitive and innovative advantages of national industries.

EGYPT'S EXPORTS SOAR 49% IN 2021 YEAR-ON-YEAR

The total value of Egypt's exports jumped by 48.8% in 2021 year-on-year, reaching US\$ 42.6 billion against US\$ 29.3 billion in 2020, the Central Agency for Public Mobilization and Statistics (CAPMAS) announced its latest annual bulletin on foreign trade.

In details, the non-oil exports were valued at US\$ 32.5 billion in 2021, rising by 29.9% year-on-year, up from US\$ 25.1 billion, as per the data released.

The petroleum and electricity exports hiked by 164.3% in 2021 to hit US\$ 11.1 billion, against US\$ 4.2 billion in 2020, as per the annual bulletin.

In breakdown of the countries, Turkey topped the importers of Egypt in 2021, capturing 6.9% of Egypt's total exports, followed by Italy and the US that acquired 6.6% and 5.8% of total exports respectively.

Egyptian exports to Turkey rose by 75.1% in 2021 to reach US\$ 3 billion, while exports to Italy and the US increased to record US\$ 2.9 billion and US\$ 2.5 billion each.

On the other hand, Egypt's imports jumped by 26.6% to \$89.2 billion in 2021, versus US\$ 70.4 billion in 2020.

The value of non-oil imports hit US\$ 79.2 billion last year, rising by 23.6%, up from US\$ 64 billion in 2020.

Egypt's petroleum and electricity imports rose by 56.3% reaching US\$10 billion in 2021, against US\$ 6.4 billion in 2020.

In breakdown of the countries, China topped the exporters to Egypt in 2021, with imports constituting 16.2% of Egypt's total imports, followed by Saudi Arabia and USA ranking the second and third places.

It is worth mentioning that value of Egypt's imports from China rose by 23.4% to reach US\$ 14.4 billion in 2021, up from US\$ 11.9 billion in 2020. Furthermore, Egyptian imports from Saudi Arabia stood at US\$ 6.9 billion in 2021, while imports from USA recorded US\$ 6.3 billion.

In July, Prime Minister Mostafa Madbouly announced that the total value of Egyptian exports jumped by 49% YoY to over \$40 billion in 2021, compared to \$26.8 billion in 2020.

Madbouly previously revealed that Egypt's non-oil exports to African countries recorded \$5.4 billion in 2021, growing by 38.5% from \$3.9 billion in 2020.

SURVEYS

UAE'S E-COMMERCE MARKET EMERGES AS WORLD'S FASTEST GROWING IN 2022, AS PER MERCHANT MACHINE

The UAE ranked as the fastest growing e-commerce market in the world in 2022, as the online sales across the world continue to register phenomenal boom, as per Merchant Machine.

To reveal the world's fastest rising e-commerce countries, Merchant Machine analyzed 25 regions by a range of growth metrics to discover where customers are most likely to spend their money in 2022. The five metrics analyzed are:

- The total online population of each country.
- Yearly change in e-commerce spending as a percentage of GDP from 2021 to 2022.
- E-commerce as a percentage of total retail spending in 2022.
- The predicted percentage change in e-commerce market size from 2022 to 2023.
- The predicted change in e-commerce spending per capita (US\$) from 2022 to 2023.

With UAE's 1,448,471,400 strong online population, their e-commerce spending is expected to increase by an additional 22.32% in 2022, well on track to surpass US\$ 8 billion in online sales value by 2025 from US\$ 5 billion recorded in 2021.

According to Merchant Machine, the UAE's e-commerce spending as a percentage of GDP increased by 1.10% year-on-year in 2022, and e-commerce is expected to account for 7.0% of the total retail spending this year. Also, the e-commerce market size is predicted to grow by 23.11% from 2022 to 2023.

At the global level, South Korea and Argentina are respectively the world's second and third fastest growing e-commerce markets after the UAE, while the Philippines topped the Merchant Machine's list of 10 leading countries using mobile devices to shop, with 70% of all e-commerce being completed on a mobile device. This is followed by China in the second place with 69%, and South Korea ranking third with 66%.

Merchant Machine's research indicated that startups in the automobile industry attracted US\$ 57.3 billion in funding in 2021, making it the most heavily invested-in startup sector. Industries receiving the second and third largest amount of funding are travel and fashion, receiving US\$ 26.2 billion and US\$ 24.7 billion respectively.

One of the major contributors to the region's e-commerce market boom is the UAE, where the rising internet penetration rate is largely driving the development of the e-commerce industry.

UAE AND KSA SCORING HIGHER IN PENSION SYSTEM IN 2022, AS PER MERCER CFA INSTITUTE GLOBAL PENSION INDEX

The UAE ranked 25th globally in pension system according to the 14th annual Mercer CFA Institute Global Pension Index (MCGPI).

The MCGPI is a comprehensive study of 44 global pension systems, accounting for 65% of the world's population. It benchmarks retirement income systems around the world, highlighting the weaknesses in each system, and recommends possible reforms that would help to offer a more adequate and sustainable retirement benefits.

MCGPI uses three sub-indices, which are adequacy, sustainability and integrity, in order to measure each retirement income system against more than 50 indicators.

The UAE's retirement income system advanced in its scoring, with the country's overall index value moving from 59.6 in 2021 to 61.8 in 2022, ranking 25th on the list and faring well among countries with robust pension systems such as the US, Singapore and France. This is mainly due to advancements in its scores for adequacy and sustainability.

The UAE's pension adequacy rankings, which scored 63.8 (27th globally), are supported by the country's generous retirement benefits, which ensure a continued income to sustain a good quality of life with a suitable minimum pension relative to earnings.

Additionally, its improvement in sustainability is driven by the high labor force participation rate, especially for individuals over the age of 55, with a score of 51.9 (25th globally).

The country's highest score was awarded for the integrity of its pension systems, 72.6 (26th globally), mainly supported by the overall high degree of governance structure.

According to the report, the overall index value for the Emirati system could be increased by: introducing a minimum access age so that the benefits from pension plans are preserved for retirement purposes, increasing the level of assets held in private pension arrangements to reduce the reliance on state pensions in the future, improving the required level of communication to members from pension arrangements, and increasing the state pension age as life expectancies rise.

Elsewhere in the region, the pension system of the Kingdom of Saudi Arabia improved its score from 58.1 in 2021 to 59.2 in 2022, ranking 27th out of 44 retirement systems in the MCGPI.

The sustainability of the Kingdom's pension system has been boosted in recent years with a score of 54.3 (20th globally) because of the increased labor force participation rate, with the number of women with jobs nearly doubling in the last five years, and by the mandatory contributions set aside for retirement benefits as a percentage of annual compensation by both employee and employer.

The adequacy score in Saudi Arabia declined marginally this year from 61.7 in 2021 to 61.4 in 2022 (30th globally).

Moreover, the Kingdom scored the highest for integrity, 62.5 (36th globally), supported by the overall high degree of governance structure around the pension system in the Kingdom.

As stated in the report, the overall index value for the Saudi system could be enhanced by: increasing the minimum level of support provided to the poorest aged individuals, further increasing the state pension age over time, increasing the labor force participation rate at older ages as life expectancies rise, and improving the required level of communication to members from private pension arrangements.

Globally, Iceland had the highest overall index value (84.7), closely followed by the Netherlands (84.6) and Denmark (82.0).

SAUDI ARABIA LAUNCHES PRIVATE SECTOR PERFORMANCE INDEX

Saudi Arabia's Ministry of Economy and Planning (MEP) launched a financial analysis index, known as MEPX, which aims to track the performance of the Kingdom's private sector.

MEPX monitors 10 economic factors classified into four categories, consumers, firms, and the financial and trade sectors. The index is considered as an important milestone to provide accurate, trusted, and transparent economic data and statistics in the Kingdom.

This leading economic indicator analyzes and anticipates the Kingdom's private sector market cycles and turning points through advanced econometrics techniques.

The insights gathered by MEPX would allow economists, policymakers and business leaders to not only analyze and predict emerging trends but proactively identify short and medium-term growth opportunities to enhance the private sector's contribution to 65% of Saudi Arabia's GDP by 2030, according to Saudi officials.

According to the IMF, Saudi Arabia is set to be one of the world's fastest-growing economies in 2022 as sweeping pro-business reforms and a sharp rise in oil prices and production power recovery from a pandemic-induced recession in 2020. Gross domestic product is expected to expand by 7.6%, the fastest growth in almost a decade.

CORPORATE NEWS

ARAMCO UNVEILS SME SUPPORT PROGRAM UP TO US\$ 800 MILLION

Saudi Aramco launched a SME support program with a capital exceeding SAR 3 billion (US\$ 800 million), as mentioned in a statement.

The subject SME support program aims to deliver funding and financial solutions to businesses through five funds that are being set up in collaboration with partners to support SME development in the sustainability, digital, manufacturing, industrial and social innovation domains, Aramco said in a statement.

The program will help the SMEs to boost their contribution to economic development and support job creation.

It is worth noting that Aramco signed 30 MoUs with leading public and private partners to enable development of the SME ecosystem.

EMAAR PROPERTIES TO ALLOW 100% FOREIGN OWNERSHIP

The percentage of foreign ownership allowed of Emaar Properties shares will move from 49% to 100%, Emaar Properties said in a statement.

This announcement came after Emaar Properties obtained the approval of the Securities & Commodities Authority and Dubai Economy & Tourism Department for the amendment, as mentioned in a statement.

All the company's shares are nominal, there is no minimum shareholding for UAE nationals and GCC nationals in the company and there is no shareholding limit for non-UAE nationals, according to the latest company's general assembly.

ARAB BANK GROUP PROFITS HIT US\$ 406 MILLION IN THE FIRST NINE MONTHS

Arab Bank Group reported net income after tax of US\$ 405.8 million in the first nine months of the year, representing an increase of 49%, when compared to US\$ 271.7 million for the same period last year.

Loans were up by 4% at end-September 2022 compared to its level at end-September 2021 reaching US\$ 35.6 billion, while deposits reached US\$ 47.8 billion, up by 3% from its level in the corresponding period of previous year.

The underlying results reflect Arab Bank's earnings capacity with 13% growth in net operating income across the bank's lines of business due to the increase in total net interest and commission income; in addition to the controlled operating expenses, Chief Executive Officer (CEO) of the Bank mentioned in a statement.

Moreover, the group's liquidity and asset quality remains solid where loan-to-deposit ratio standing at 74.3%, and credit provisions held against non-performing loans continue to exceed 100%, the CEO added.

Arab Bank Group maintains its capital base that is predominantly composed of common equity with capital adequacy ratio of 16.4%.

The bank's performance shows the growth potential and resilience that diversification brings to the bank despite the challenging economic environment keeping its abilities to continue to grow based on its sound strategy, while maintaining the strength of its balance sheet, Chairman of the Board of Directors said in a statement.

TAALEEM PLANS TO RAISE US\$ 204 MILLION IN IPO

Dubai-based education provider, Taaleem Holdings, unveiled its intention to float an IPO for raising AED 750 million (US\$ 204 million) and list its shares on the Dubai Financial Market, as part of its efforts to boost trading volumes, as mentioned in a statement.

The subject IPO intends to expand its premium K-12 schools network, company's current portfolio consists of 26 schools.

The IPO will be compliant with Shari'ah principles, The Internal Shari'ah Supervision Committee of Emirates NBD confirmed in a statement.

In details, the offering will be in three tranches, that will be open to individual, professional, eligible employees and eligible parents, Taaleem said in a statement.

Finally, EFG Hermes UAE LLC and Emirates NBD Capital PSC are joint lead managers.

EGIS CONSORTIUM INKS AL ULA INFRASTRUCTURE DEVELOPMENT DEAL

The Royal Commission for AlUla (RCU) and the consortium of French engineering companies Setec, Egis and Assystem (SEA) signed MoU at the sixth edition of the FII announcing a reinforced partnership, supporting the infrastructure development of AlUla, as mentioned in a statement.

This came on the back of the successful past two years and to date, where the Egis-led consortium, SEA, facilitated and structured the development of AlUla's infrastructure.

The deal adds to SEA's current scope of work, intending to create AlUla's Infrastructure Capital Investment Unit encompassing the works of developing and successfully completing the entire infrastructure development cycle of AlUla, the preparation of high-quality and performing operation and maintenance activities, and developing professional capabilities.

In addition, it includes implementing innovative, digital and world-class practices, tools and methodologies servicing performance and timely infrastructure delivery with AlUla's sustainability ambition at the core, RCU said in a statement.

The strengthening of RCU's partnership with SEA gives it a platform to further plan and deliver the next stage of AlUla's development, CEO of RCU said in a statement.

The newly expanded MoU will allow AlUla to continue its upwards trajectory of sustainable growth as it evolves into one of the largest Living Museum, culture and tourism for the north-west Arabia region and beyond, CEO of RCU said in a statement.

The Royal Commission for AlUla was established by royal decree in July 2017 to preserve and develop AlUla, a region of outstanding natural and cultural significance in north-west Saudi Arabia.

AFIFI INVESTMENT GROUP TO INVEST US\$ 86 MILLION IN HOTEL ACQUISITIONS

Egypt's Afifi Investment Group is investing EGP 2 billion (US\$ 86 million) in acquiring hotels in Sharm El-Sheikh, the company's Chairman said in a statement.

The subject group is planning to invest in 4 and 5-star hotels in Sharm El-Sheikh through its subsidiary Universal Tourism Investment, as mentioned in a statement.

Recently, Afifi acquired Uni Sharm Hotel in Sharm El-Sheikh and invested EGP 400 million (US\$ 17 million) to modernize the hotel and upgrade it to 4-star category and introduce commercial and retail elements.

CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES DIP INTO RED, ON UNFAVORABLE CORPORATE EARNINGS AND LOWER EUROPEAN GAS PRICES

MENA equity markets dipped into the red this week, as reflected by a 1.5% fall in the S&P Pan Arab Composite index, mainly driven by some unfavorable company-specific factors and lower European natural gas prices, and as a currency collapse in Egypt weighed on the US dollar-denominated S&P index.

The heavyweight Saudi Exchange, whose market capitalization represents more than two-third of the total regional market capitalization, slid back into the red, as reflected by a 2.0% weekly drop in the S&P Saudi index, mainly driven by some unfavorable financial results.

A closer look at individual stocks shows that heavyweight Saudi Aramco's share price shed 3.7% week-on-week to SR 34.70. Saudi Aramco announced a 67% year-on-year fall in its 2022 third quarter net profits to reach SR 1.8 billion. Yansab's share price dropped by 6.6% to SR 44.65. Yansab reported a net loss of SR 61 million during the third quarter of 2022 versus net profits of SR 180 million a year earlier. Advanced Petrochemical Company's share price plunged by 6.3% to SR 43.10. Advanced Petrochemical Company reported an 88% year-on-year drop in its 2022 third quarter net profits to reach SR 27 million. SABIC Agri-Nutrients' share price fell by 5.2% to SR 163.80. SABIC Agri-Nutrients reported a 93% year-on-year increase in its 2022 third quarter net profits to reach SR 2.3 billion, yet still missing average analysts' estimate.

Also, Bank Al-Jazira's share price dropped by 4.6% over the week to SR 23.46. Bank Al-Jazira reported 2022 third quarter net profits of SR 233 million, up by 14% year-on-year, yet still missing average analysts' estimate. Amlak International's share price retreated by 0.7% to SR 16.72. Amlak International reported 2022 third quarter net profits of SR 25 million, down by 15% year-on-year. Herfy Food's share price decreased by 3.1% to SR 38.20. Herfy Food reported 2022 third quarter net profits of SR 21 million versus net profits of SR 60 million a year earlier.

The Qatar Stock Exchange continued to trace a downward trajectory this week, as reflected by a 2.7% decrease in the S&P Qatar index, mainly dragged by some unfavorable corporate earnings, and on reduced sentiment after European benchmark natural gas prices fell to levels which are more than 70% below August 2022 record highs, mainly due to a full storage in Europe and warmer-than-normal weather that has curbed demand. 33 out of 47 traded stocks on the QSE posted price falls, while 12 stocks recorded price gains and two stocks saw no price change week-on-week.

EQUITY MARKETS INDICATORS (OCTOBER 23 - OCTOBER 29, 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	121.2	2.5%	28.9%	16.3	260.7%	2.1	13,698.4	6.2%	-	0.30
Jordan	384.8	-0.9%	10.4%	25.6	-1.6%	9.5	25,285.7	5.3%	9.5	1.52
Egypt	194.3	-6.2%	-36.2%	269.6	5.4%	2,111.3	31,888.7	44.0%	7.0	1.54
Saudi Arabia	523.2	-2.0%	2.0%	6,975.2	24.4%	663.97	2,855,775.7	12.7%	15.3	5.10
Qatar	200.7	-2.7%	0.8%	594.5	20.9%	630.0	186,651.1	16.6%	14.2	1.89
UAE	142.0	0.6%	-3.7%	2,340.0	15.9%	1,832.6	785,632.8	15.5%	13.8	2.35
Oman	246.7	-0.3%	13.2%	15.2	-43.4%	30.3	20,754.8	3.8%	12.6	1.00
Bahrain	187.0	0.6%	2.3%	4.3	-29.5%	11.7	16,826.5	1.3%	10.3	1.34
Kuwait	136.2	0.0%	2.1%	549.5	-19.4%	519.8	136,207.0	21.0%	19.4	2.39
Morocco	214.5	-0.6%	-32.3%	30.6	17.6%	1.9	51,450.6	3.1%	19.8	2.88
Tunisia	59.7	1.7%	-6.9%	14.3	-44.8%	4.6	7,446.8	10.0%	10.3	1.70
Arabian Markets	987.8	-1.5%	-0.5%	10,835.1	18.1%	5,817.8	4,131,618.2	13.6%	15.0	4.21

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

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

A closer look at individual stocks shows that Masraf Al Rayan's share price shed 6.5% week-on-week to QR 3.844. Masraf Al Rayan reported net profits of QR 1.4 billion during the first nine months of 2022 as compared to net profits of QR 1.7 billion a year earlier. Baladna's share price dropped by 3.6% to QR 1.591. Baldana reported a 45% year-on-year decline in its net profits during the first nine months of 2022 to reach QR 56 million. Widam Food's share price retreated by 2.8% to QR 2.724. Widam Food reported a net loss of QR 22 million during the first nine months of 2022 versus a net loss of QR 25 million during the corresponding period of 2021. Qatar Insurance's share price plummeted by 9.7% to QR 2.150. Qatar Insurance reported a net loss of QR 131 million during the first nine months of 2022 versus net profits of QR 498 million a year earlier. Industries Qatar's share price fell by 5.1% to QR 15.850. Industries Qatar reported 2022 third quarter net profits of QR 1.6 billion as compared to net profits of QR 2.1 billion a year earlier.

Elsewhere in the region, investors flocked to the Egyptian Exchange over this week, mainly on improved overall investor sentiment after the IMF and the Egyptian authorities reached 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, aiming to safeguard macroeconomic stability and debt sustainability, improve Egypt's resilience to external shocks, strengthen the social safety net, and step-up reforms that underpin higher private-sector-led growth and job creation. This came along an unprecedented decision by the Central Bank of Egypt to move to a "durably flexible exchange rate regime", leaving the forces of supply and demand to determine the value of the Egyptian pound against other foreign currencies, while prioritizing the primary goal of achieving price stability, and building up sustainable and adequate levels of FX reserves. 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, jumped by 7.8% this week. However, the S&P Egypt BMI USD contracted by 6.2% week-on-week, mainly due to a 16% currency fall that has weighed on the US dollar-denominated index.

A closer look at individual stocks shows that Commercial International Bank's share price skyrocketed by 17.6% over the week to LE 32.00. Fawry for Banking Technology and Electronic Payment's share price jumped by 5.8% to LE 3.81. Abou Kir Fertilizers' share price climbed by 8.3% to LE 26.4. EFG-Hermes' share price rose by 5.1% to LE 13. Talaat Mostafa Group's share price increased by 7.8% to LE 7.98. Ezz Steel's share price closed 9.9% higher at LE 16.2. Telecom Egypt's share price went up by 0.9% to LE 18.35.

FIXED INCOME MARKETS: ACTIVITY IN MENA BOND MARKETS MOSTLY SKEWED TO UPSIDE, TRACKING US TREASURIES MOVE

Activity in MENA fixed income markets was mostly skewed to the upside this week, mainly tracking US Treasuries move on renewed speculation the US Federal Reserve may slow its pace of interest rate hikes after the US GDP report for the third quarter of 2022 showed some signs of inflation easing, and recent data revealed that the US business activity contracted for a fourth straight month in October 2022.

In the Saudi credit space, sovereigns maturing in 2026 and 2030 posted price expansions of 0.75 pt and 2.38 pts respectively this week. SABIC'28 was up by 0.25 pt. Saudi Aramco'25 traded up by 1.13 pt. Prices of STC'29 contracted by 0.75 pt. Regarding new issues, Islamic Development Bank raised this week US\$ 1 billion from the sale of a five-year Reg S Sukuk at 62 bps over five-year US secured overnight financing rate mid-swaps.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 saw weekly price increases of 0.75 pt and 1.75 pt week-on-week. Commercial Bank of Qatar'23 posted price contractions of 0.13 pt. In the Omani credit space, sovereigns maturing in 2026 and 2029 registered price expansions of 1.50 pt and 2.60 pts respectively this week.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 expanded by 0.92 pt this week. KIPCO'27 traded down by 0.75 pt. In the Bahraini credit space, sovereigns maturing in 2026 and 2031 saw weekly price increases of 0.94 pt and 3.13 pts respectively. Prices of NOGA'27 went up by 1.25 pt.

In the Iraqi credit space, prices of sovereigns maturing in 2028 increased by 1.20 pt this week. In the Jordanian credit space, sovereigns maturing in 2026 and 2030 saw weekly price expansions of 2.25 pts and 3.75 pts respectively this week.

Elsewhere in the region, Egyptian debt papers benefited from improved sentiment after the Egyptian authorities and the IMF reached on October 27, 2022 a staff-level agreement on economic policies to be supported by a 46-month arrangement under the Extended Fund Facility. US dollar-denominated sovereigns maturing in 2023, 2025, 2030, and 2040 posted price expansions of 0.75 pt, 5.75 pts, 3.41 pts and 5.0 pts respectively week-on-week. Prices of Euro-denominated sovereigns maturing in 2026 and 2031 increased by 3.50 pts and 3.83 pts respectively week-on-week. As to the cost of insuring debt, Egypt's five-year CDS spreads registered significant weekly contractions of 259 bps to reach 1,049 bps.

In the Dubai credit space, sovereigns maturing in 2029 posted price falls of 0.13 pt week-on-week. Prices of DP world'30 contracted by 0.13 pt. Majid Al Futtaim'29 registered price contractions of 1.0 pt. Emaar Properties'26 registered price retreats of 0.75 pt. Emirates NBD Perpetual (offering a coupon of 6.125%) posted price falls of 0.75 pt. Fitch Ratings affirmed Emirates NBD's long-term Issuer Default Rating at "A+" with a "stable" outlook, short-term IDR at "F1" and Viability Rating at "bb+". Emirates NBD's IDRs are driven, according to Fitch, by potential support from the UAE authorities, if needed, as reflected in its GSR of "a+". Also, Fitch Ratings affirmed this week the UAE's long-term foreign currency Issuer Default Rating at "AA-" with a "stable" outlook. The "AA-" rating reflects, as per Fitch, the UAE's moderate consolidated public debt level, strong net external asset position and high GDP per capita.

All in all, regional bond markets saw mostly upward price movements this week, mainly tracking US Treasuries move after the 10-year US Treasuries yield fell below 4% for the first time in two weeks after weakening US business activity in October 2022 and as the US chain-weighted price index, which is a cost-of-living measure that is adjusted to reflect changing consumer behavior, rose by 4.1% during the third quarter of 2022, well below the 5.3% estimate.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	28-Oct-22	21-Oct-22	31-Dec-21	Week-on-week	Year-to-date
Abu Dhabi	59	67	43	-8	16
Dubai	123	128	94	-5	29
Kuwait	70	70	45	0	25
Qatar	59	67	44	-8	15
Saudi Arabia	69	78	49	-9	20
Bahrain	285	316	294	-31	-9
Morocco	295	297	95	-2	200
Egypt	1,049	1,308	498	-259	551
Iraq	769	811	554	-42	215
Middle East	309	349	191	-40	118
Emerging Markets	177	206	141	-29	36
Global	591	519	183	72	408

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/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\$)	28-Oct-22	21-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)	22.84	19.67	15.72	16.1%	45.3%
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%	2.5%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.39	0.39	0.39	0.0%	0.0%
Yemeni Riyal (YER)	250.21	250.22	250.00	0.0%	0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	140.26	140.51	138.89	-0.2%	1.0%
Moroccan Dirham (MAD)	10.90	10.97	9.25	-0.7%	17.8%
Tunisian Dinar (TND)	3.24	3.28	2.87	-1.3%	12.7%
Libyan Dinar (LYD)	4.97	5.03	4.60	-1.2%	8.1%
Sudanese Pound (SDG)	573.36	573.40	442.60	0.0%	29.5%

Sources: Bloomberg, Bank Audi's Group Research Department

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