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MENA equity markets plunged in the red this week (-6.7%), registering across-the-board downward price movements, mainly tracking global equity weakness on concerns that a more aggressive global monetary tightening approach would add to growth risks, while also dragged by some profit-taking operations following strong year-to-date equity price rally and due to oil price retreats. In parallel, MENA fixed income markets dipped further into the red, as persistently soaring US inflation rate reinforced speculation about an aggressive series of interest rate hikes by the US Federal Reserve and fueled bets another half percentage point hike in September 2022 following increases of that size in June and July 2022.

MENA MARKETS: MAY 8 - MAY 14, 2022

Stock market weekly trend	↓	Bond market weekly trend	↓
Weekly stock price performance	-6.7%	Weekly Z-spread based bond index	+3.5%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+9.1%	YTD Z-spread based bond index	-8.7%

ECONOMY

MENA INVESTMENT BANKING FEES AT US\$ 730 BILLION IN THE FIRST QUARTER 2022, UP BY 94% YEAR-ON-YEAR

The MENA Investment banking review was just issued by Refinitiv for the first quarter of 2022.

According to the report, investment banking fees in the Middle East & North Africa (MENA) total US\$ 430 million in the first quarter of 2022, up 94% from the same period last year and the highest year-to-date since records began in 2000. Completed mergers and acquisition fees increased by 569% to US\$ 184 million so far this year.

This makes it the strongest start to a year from fees earned by M&A activity since 2008 and accounting for 43% of the overall investment banking fee pool. Equity capital markets recorded the strongest start to the year in fourteen years, producing US\$ 75.2 million in equity-related fees, up 433% from the same period last year.

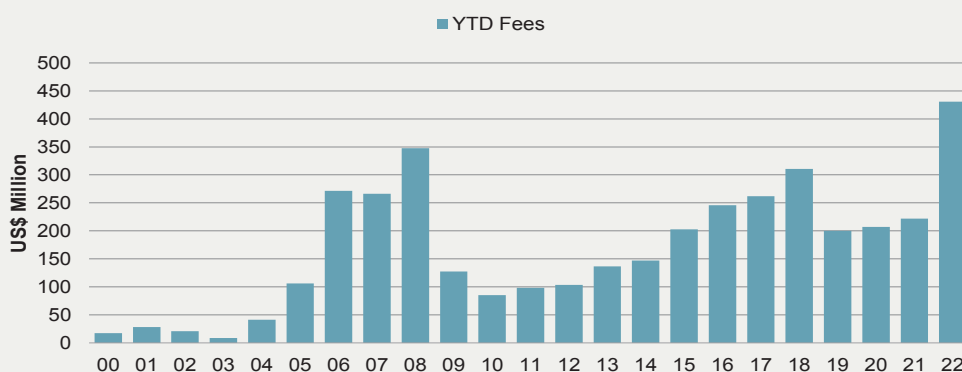
Bond underwriting fees totalled US\$ 19.1 million, down 79% from the same period last year and the slowest start to the year since 2016. Fees earned from syndicated lending total US\$ 152.3 million, up 75% from last year and accounted for 35% of the total fee pool.

Governments and Agencies made up over half of the fees earned in MENA with 55% of the market, followed by financials with 13%. JP Morgan takes the top spot in the MENA investment banking fee league table, earning US\$ 42.8 million in fees or a 10% share of the market. Goldman Sachs and Moelis & Co took second and third spots with 7.6% and 6.2% market share, respectively.

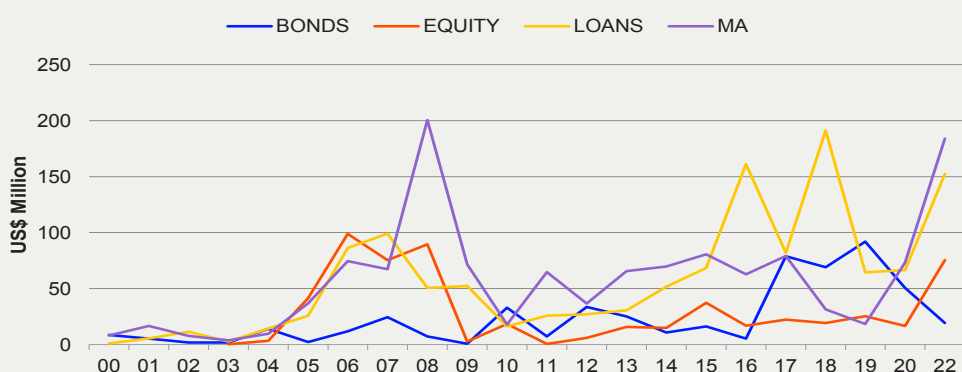
Announced M&A with any MENA involvement totals US\$ 21.1 billion in the first quarter of 2022, an 11% increase from the same period last year. MENA target M&A declined 29% from last year with US\$ 9.2 billion worth of M&A activity so far this year. Inbound M&A also fell 42% to US\$ 1.9 billion in 2022, while outbound M&A doubled in volume from last year reaching US\$ 8.8 billion.

MENA INVESTMENT BANKING FEES

INVESTMENT BANKING FEES VOLUMES



INVESTMENT BANKING FEES BY ASSET CLASS



An LSEG business

The largest MENA target M&A deal of the year so far is UAE's hospital operator NMC Healthcare's US\$ 2.25 billion sale to its creditors. Healthcare was the most active sector in MENA with US\$ 2.3 billion in deal activity, equivalent to a quarter of M&A activity in 2022.

United Arab Emirates was the most targeted nation with US\$ 4.3 billion in activity, up 5% from the same period last year and accounting for nearly half of M&A activity. Deals valued at under US\$ 500 million reached US\$ 4.6 billion so far this year, the strongest start to a year since records began in 1980. Goldman Sachs topped the any MENA Involvement M&A league table with US\$ 4.6 billion in related activity or a 22% share of the market. Lazard came in second spot with a 21% market share.

MENA equity capital markets (ECM) raised US\$ 3.7 billion from fifteen offerings in the first quarter of 2022. This represents the strongest start to the year for equity capital markets since 2008, growing 602% from the same period last year. IPOs made up most of the total with thirteen out of fifteen ECM deals coming from an IPO. Follow-on Issuances raised US\$ 72 million in 2022, down 42% from the same period last year. Saudi Arabia was the most active nation with US\$3.5 billion in proceeds, followed by Egypt with US\$163.3 million.

Retail was the most active industry with US\$ 1.3 billion in related proceeds. The largest IPO of the year in MENA was NahdiMedical's IPO raising US\$ 1.3 billion. Riyadh Bank takes the top spot in the MENA ECM league table with US\$ 962 million in proceeds or a 26% market share.

Debt Capital Markets (DCM) in MENA reached US\$ 7.9 billion so far this year, down 79% from last year. Investment-grade corporate debt recorded a total of US\$ 7.4 billion making up 94% of total DCM issuance in the MENA region.

United Arab Emirates was the top nation for DCM activity with US\$ 5.3 billion in related proceeds followed by Saudi Arabia with US\$ 1 billion. Financial's was the top-performing industry in the first quarter with US\$6.9 billion in proceeds.

The largest bond offering of the year was MDGH GMTN RSC Limited which is wholly owned by Mubadala Treasury Holdings Company LLC, raising US\$ 1.4 billion this year. HSBC Holdings takes the top spot in the MENA Debt capital markets league table with US\$ 935 million in related activity or a 12% market share. First Abu Dhabi Bank comes second with a 9 % market share.

DUBAI'S NON-OIL PRIVATE SECTOR BUSINESSES MARKED ROBUST GROWTH IN APRIL

Business conditions in Dubai's non-oil private sector economy maintained a strong pace of improvement in the first month after the Expo 2020 ended, led by a sharp increase in output levels, a survey showed.

The seasonally adjusted S&P Global Dubai Purchasing Managers' Index (PMI) registered at 54.7 in April, down from 55.5 in March, its first drop since January. The indicator stayed above the 50 no-change mark for the 17th consecutive month,

The Dubai PMI dropped only slightly from March's 33-month high in April, as businesses indicated that the relaxing of COVID-19 measures continued to have a positive impact on demand. The upturn was also encouraging considering that the Expo 2020 has now finished and that overall new business growth, including in the travel & tourism industry, remained strong, as per S&P Global.

The Output Index remained strong in April, and despite a slight softening from the previous month, the rate of growth was the second-quickest seen since July 2019. This was due to a sharp rise in customer sales as the economy recovered further from COVID-19 measures, said the survey panelists.

New orders were added at a marked pace during April, only marginally slower than in March. However, as firms saw little need to increase their staffing capacity. In fact, employment numbers dropped for the first time in five months, the report said.

Companies also pointed to an increase in their cost burdens during April, driven by higher raw material and fuel prices in global markets.

Despite increasing reports of higher material and fuel prices since the outbreak of war in Ukraine, the overall rise in input costs was again only modest in April. This allowed businesses to offer additional price promotions, as output charges were reduced for the tenth month running, as per the same source.

Panelists' outlook for the future was positive led by expectations of continued increases in sales. However, despite the level of optimism for future activity being the strongest recorded since last November, it remained much weaker than the historical trend.

EGYPT'S ANNUAL URBAN INFLATION HIT 13.1% IN APRIL AS PRICES SURGE TO THREE-YEAR HIGH

Egypt's annual urban consumer inflation rose to 13.1% in April — the highest rate in nearly three years — from 10.5% in March, data from state statistics agency CAPMAS showed.

Monthly inflation stood at 3.3% last month, compared to 2.2% in March, as food prices surged.

The uptrend is “aligned with global indicators” and “reflective of cost-push factors” including local currency weakness due to the recent devaluation of the Egyptian pound, as well as spiraling commodity costs and supply chain bottlenecks due to the Russia-Ukraine war, Naeem Brokerage said in a research note.

As the world's top wheat importer, Egypt has been deeply affected by the war between Russia and Ukraine, the two countries it relies on for about 80% of its wheat imports.

In March, the North African country raised interest rates and let its currency weaken by more than 15% to try to mitigate the economic fallout.

Egypt expects spending to rise by 15% in its draft budget for the fiscal year that starts on July 1 to support the sectors and groups most affected by the current economic crisis, Finance Minister said.

Food and beverage costs, the highest weight in the consumer price basket, increased 7.6% month-on-month compared with 4.1% in March. It rose 26% on an annual basis.

On a monthly basis, vegetable prices jumped 29.5%, fruit 12.7%, fish and seafood 13.1%, meat 5.2% and bread and cereals 2.4% in April.

Other costs increased across the board, including for housing and utilities, transport and clothing.

Analysts expect higher inflation in the coming months, as well as further rate increases by Egypt's central bank and further currency devaluation.

Inflation will continue to rise over the rest of this year and prompt the central bank to hike interest rates further — we have penciled in 350 bps [basis points] of hikes by the end of this year, to 12.8%, which is more than the consensus expects, London-based consultancy Capital Economics said.

Emirates NBD said in a research note it expects a 300 bps rise at the May 19 meeting, up from the previous expectation of 200 bps.

EGYPT'S GDP PROJECTED TO EXPAND 5.6% IN FY 2022, AS PER FOCUSECONOMICS

Egypt's economic conditions should have started H2 of fiscal year 2022 on strong footing, following robust economic performance in H1, according to preliminary national accounts data, FocusEconomics Consensus Forecast May 2022 highlighted.

FocusEconomics panelists project GDP to expand 5.6% in FY 2022, which is up 0.2 percentage points (PP) from last month's forecast, and 4.8% in FY 2023. Inflation jumped to a near three-year high of 10.5% in March (February: 8.8%). Inflation is seen accelerating further this calendar year due to elevated food and energy prices, which will be exacerbated by a potential prolonged conflict in Ukraine. Inflation is now seen remaining above the upper bound of the Central Bank of Egypt's 5.0%–9.0% target range this year. The panelists see inflation averaging 10.7% in CY 2022, which is up 1.8 percentage points from last month's forecast, and 8.9% in CY 2023. At its most recent meeting on 21 March—originally scheduled for 24 March—the Central Bank of Egypt (CBE) raised its overnight deposit, overnight lending and main operations rates by 100 basis points, bringing them to 9.25%, 10.25% and 9.75%, respectively.

FocusEconomics panelists project the overnight deposit rate to end CY 2022 at 11.38% and CY 2023 at 11.45%. On 6 May, the Egyptian pound traded at 18.5 per US\$, marking a 0.9% depreciation from the same day a month earlier. The EGP seemingly stabilized following the Central Bank's move to allow the currency to depreciate in March.

The Egyptian pound is seen depreciating from current levels by the end of the year. The panel sees the pound ending CY 2022 at LE 18.6 per US\$, and CY 2023 at LE 19.15 per US\$.

Furthermore, FocusEconomics panelists projected total investment to grow 12.7% in FY 2022, which is down 1.7 percentage points from last month's forecast, and 7.5% in FY 2023.

SURVEYS**DUBAI'S ULTRA-LUXURY HOUSE PRICES SURGE DESPITE VILLA PRICE DECLINE IN 1Q2022**

The prices in Dubai's prime residential areas, including the Palm Jumeirah, Emirates Hills and Jumeirah Bay Island, surged by 58.9% over the last 12 months. However, overall villa prices have experienced the slowest quarterly increase in over two years, according to Knight Frank.

House prices in Dubai's prime residential areas grew by 10.6% in 2021 and rose by a further 2.6% during the first three months of 2022, Knight Frank said in its analysis. The latest increase leaves values 11.3% higher than Q1 2021, the highest rate of annual growth since January 2015.

Despite the sharp turnaround in prices, values are still, on average, about 25% below their 2014 peak, but villas are now just 12.9% below the last market high in 2014, the property consultant said.

The positive market sentiment, driven by the government's world-leading response to the pandemic, coupled with the successful hosting of the World Expo, the reopening of travel corridors and Dubai's global safe-haven status continues to underpin the market's rebound, as per the same source. Knight Frank has identified a growing disparity in buyer and seller expectations.

This trend is persisting in some segments of the market, which is starting to have the overall effect of causing average price increases to slow, just as Knight Frank previously forecast. Overall villa prices grew by 3.2% during Q1, down from 3.4% in the final three months of 2021, marking the slowest quarterly increase in over two years, the report noted.

However, this slowing price growth is not uniform across the board. The Palm Jumeirah and Emirates Hills continue to cement their iconic status, with global buyers continuing to jostle for an address in Dubai's most exclusive enclaves. Villa prices on the Palm Jumeirah have increased by 38.6% in the last 12 months, for instance.

Palm Jumeirah registered villa price growth of 10.9% during Q1 alone. A custom-built 33,300-square-foot ultra-luxury mansion located on the north frond of Palm Jumeirah, which was sold in March for AED 280 million (US\$ 76.2 million), now holds the record for Dubai's most expensive villa. Similarly, the rate of annual villa price growth in Emirates Hills stood at almost 20% at the end of Q1.

Knight Frank forecasts another 100,000 units will enter the market by the end of 2025, with over 50,000 homes due to be completed during the remainder of 2022. Just 25% of the homes expected by 2025 are forecast to be villas.

DUBAI TOPS GLOBALLY WITH 82% HOTEL OCCUPANCY IN Q1

As the world looks to emulate Dubai's successful tourism recovery strategy, the city welcomed 3.97 million international overnight visitors between January and March 2022, up from 1.27 million visitors for the corresponding period last year, representing a massive 214% year-on-year visitation growth that places the city firmly on track for a momentous year while reaffirming Dubai's position as the first choice destination for global travelers. Dubai also ranked number 1 globally in hotel occupancy in the first quarter of 2022, with 82%.

The exceptional number of visitors in the first three months of the year is testament to the fact that Dubai is at the forefront of global tourism recovery. These results attest to the emirate's ability to develop a compelling new value proposition in a changed global environment and create innovative new offerings that meet the needs and preferences of the most discerning global travelers. In addition, the vast global diversity of its visitors reflects Dubai's appeal as a destination that cuts across nationalities, regions and continents, and its growing status as a city that bridges global markets and cultures.

According to the latest data released by Dubai's Department of Economy and Tourism (DET) at the ongoing Arabian Travel Market (ATM) in Dubai, the first quarter international visitation reflected the best Q1 performance since the global pandemic, creating a clear pathway for the city to progress towards its coveted goal of becoming the world's most visited destination.

March 2022 was a particularly exceptional month for post-pandemic tourism arrivals, as the city welcomed 1.78 million international visitors, a 11% increase over pre-pandemic visitation. The city welcomed 1.61 million overnight visitors in March 2019. Dubai's impressive Q1 2022 results also include a stellar performance by hotels that saw significant growth across key hospitality metrics.

Since leading global tourism recovery with the reopening of the city to international travelers in July 2020, Dubai has only gone from strength to strength, building on the momentum year on year by carefully calibrating a multi-pronged approach with the support of our valued ecosystem of stakeholders and partners to ensure the city remains open, safe and accessible.

With the easing of travel restrictions around the world, Dubai's traditional source markets delivered impressive tourism volumes in the first quarter. Regional markets continued to make an impact on international visitation, further underscoring the success of Dubai's diversified multi-geographic strategy. MENA and GCC collectively contributed to 35% of the total volumes, reflecting Dubai's continued appeal to travelers from proximity markets. Catering to the family-dominated GCC tourists were a host of attractions, retail, sporting and entertainment events. Western Europe accounted for 24% of Dubai's tourism arrivals, while South Asia accounted for 14% of total international visitation.

Dubai hotels achieved significant growth across key hospitality metrics in Q1 2022 with Average Daily Rate (AED 649), Guests' Length of Stay (4.3 nights) and Occupied Room Nights (10.22 million) exceeding pre-pandemic levels. In Q1 2019, ADR was AED 498 while Guests' Length of Stay was 3.5 nights and Occupied Room Nights was registered at 8.63 million. Continued domestic and international investment into the sector helped further boost hotel inventory, with an 8% increase in the number of hotel establishments and 10 percent growth in the number of rooms compared to the corresponding period in 2021. Dubai's visitors and residents are now able to choose from a total of 769 hotel establishments and 140,192 rooms, compared to 716 hotels establishments that were open with 117,434 rooms in Q1 2019.

In the first three months of 2022, hotels achieved average occupancy levels of 82%, which is almost on par with the occupancy levels of 84% for the same period in 2019. In terms of hotel occupancy, Dubai ranked number 1 globally in Q1 2022, ahead of other international destinations including London (56.0%), New York (55.3%) and Paris (51.2%), according to data from hotel management analytics firm STR.

Building upon the city's drive to further diversify its offerings to ensure a broad choice to travelers of all ages and interests, Q1 2022 saw the opening of new attractions and leisure landmarks including the Museum of the Future. Dubai also continued to capture a raft of awards and recognition from across the industry, elevating the destination's global reputation.

As ample testament to Dubai's position as an international events destination, the roster of global events led by Expo 2020 formed the cornerstone of Q1 success. Exceeding all expectations, Expo 2020 Dubai saw 192 participating countries come together for "Connecting Minds, Creating the Future" in a celebration of culture, innovation and science, and attracted 24 million visits by residents and global travelers during the six-month long extravaganza. Other global events that helped drive international visitation included the Dubai World Cup, World Government Summit, Binance Blockchain Week, Dubai Desert Classic, Dubai Duty Free Tennis Championship, Gulfood, Dubai International Boat Show, and the iconic Dubai Shopping Festival.

In addition to ATM 2022 and the ongoing Dubai Food Festival, the city is set to substantially increase tourist arrivals by leveraging other major events in 2022 including the 25th edition of Dubai Summer Surprises, the region's biggest festival of its kind that will strengthen Dubai's appeal as a family-friendly destination for the summer period. This year, DET will also celebrate 10 years of the city's official events listings platform Dubai Calendar.

CORPORATE NEWS

ADQ SEALS US\$ 4.2 BILLION INVESTMENT WITH GREECE

Abu Dhabi-based investment and holding company, ADQ, signed an investment partnership agreement with the Hellenic Development Bank (HDB), the national development bank of Greece, and Hellenic Development Bank of Investments (HDBI), the Sovereign Fund-of-Funds of Greece, to fund investments worth EURO 4 billion (US\$ 4.2 billion).

The fund underscores the growing economic ties between the two countries. It intends to boost multiple sectors and asset classes of the Greek economy, including renewable energy, infrastructure, agriculture, technology, healthcare and life sciences.

The event took place in Abu Dhabi in the presence of Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces and Prime Minister of Greece. While the exchange of agreement was between the Deputy Minister for Economic Diplomacy and Openness at the Greek Ministry of Foreign Affairs, Deputy Minister for Development & Investments and the Managing Director and Chief Executive Officer of ADQ.

It is worth mentioning that the value of non-oil foreign trade in 2021 between the UAE and Greece reached nearly AED 2.1 billion, a 67% growth when compared to 2020, reflecting a significant spike in growth compared to pre-pandemic levels.

SABIC Q1 NET PROFIT JUMPS 33% YEAR-ON-YEAR

Saudi Basic Industries Corporation (SABIC) posted net profit with a 33% rise in Q1 2022 after zakat and tax to SAR 6.5 billion (US\$ 1.7 billion), when compared to net income of SAR 4.9 billion in same period of previous year.

SABIC reported revenue for SAR 52.6 billion in Q1 2022, a hike of 40% against revenue's figure of same period of previous year.

Earnings per share came in at SAR 2.7 in Q1 2022, against SAR 1.6 in the same quarter of 2021.

EBITDA rose 23% to SAR 12.8 billion, while the EBITDA margin was 24%.

The hike in profit was attributed to higher average selling prices and higher sales volume and lower operating costs, SABIC said in a statement.

Outlook Global growth is projected to slow from an average of 5.8% in 2021 to a range of 3.2% - 3.6% in 2022 despite economic uncertainty for the remainder of 2022, SABIC added in a statement.

Finally, SABIC expects its EBITDA to remain flat year-on-year mainly due to higher sales volumes offset by higher feedstock prices.

TAQA POSTS US\$ 515 MILLION NET PROFIT FOR Q1

Utilities company Abu Dubai National Energy Company PJSC, TAQA, posted a net profit of AED 1.9 billion (US\$ 515 million) for the Q1 of 2022, up from AED 1.4 billion in Q1 2021.

TAQA reported a primarily revenue figure for AED 12.4 billion in Q1 2022 (20% increase) up from AED 10.3 billion in Q1 2021.

Company also declared a cash dividend of AED 675 million as at 31 March 2022.

It is worth highlighting that in Q1 TAQA issued a green bond linked to its first solar photovoltaic (PV) plant, listed on the London Stock Exchange (LSE) in January. In March it expressed an interest in acquiring aluminum producer EGA's power generation assets.

The company delivered a strong performance underpinned by its stable regulated and contracted utilities businesses, which was boosted by higher commodity prices, TAQA said in statement.

EUROPEAN LOGISTICS CONSORTIUM INVESTS US\$ 500 MILLION IN DAMIETTA PORT-EGYPT

A European conglomerate signed an agreement with Damietta Port Authority (DPA) for investing US\$ 500 million in the first phase of the development of the second containers terminal "Tahya Misr 1" at the Damietta Port, as mentioned in a statement.

This investment is forecasted to boost the revenues to US\$ 3.4 billion in 30 years, and would create 1,000 direct and indirect jobs. The signing ceremony took place in line with the directives of President Abdel Fattah El-Sisi, attended by the Egyptian Prime minister and Minister of Transport.

Currently, consortium encompassing of Arab contractors and Archirodon are implementing the infrastructure works of the project at an estimated value of EGP 4.5 billion which is expected to be complete in December 2022. Meanwhile, the European conglomerate will be responsible for setting up and developing the superstructure of the project as well as for the management, operation and maintenance works of Tahya Misr 1 terminal. It is worth noting that the European consortium comprises of Germany's Eurogate, Hapag-Lloyd, and Contship Italia.

The project is new for the maritime and logistics sector in Egypt that attracted the one of the largest European maritime alliance to inject around US\$ 500 million in the first phase, Minister of Transport said in a statement.

Moreover, this project would turn Damietta Port into a hub for German transit containers by the third year from the beginning of operations, which would bring container handling at the port to 4.7 million twenty-foot equivalent units (TEUs), up from 1.2 million TEU now.

ARAMCO, PTT TO DEEPEN ENERGY COOPERATION IN ASIA

Saudi Arabian Oil Company (Aramco) and Thailand's national oil company (PTT) signed a memorandum of understanding (MoU), seeking further collaboration to expand its downstream presence in Asia, as mentioned in a statement.

This MoU aims to strengthen cooperation across crude oil sourcing and the marketing of refining and petrochemical products and liquefied natural gas (LNG). Other potential areas of activity include blue and green hydrogen and various clean energy initiatives, as mentioned in a statement.

YAHSAT Q1 NET PROFIT HIT US\$ 20 MILLION, A RISE OF 26%

Abu Dhabi's Al Yah Satellite Communications Company (Yahsat) reported net profit for AED 73.8 million (US\$ 20 million) for the Q1 of 2022, a rise of 26% year-on-year.

Yahsat also reported a revenue of AED 362.5 million in Q1 2022, up 9% against same period of previous year.

Adjusted EBITDA for Q1 2022 is AED 213.4 million, up by 7% year-on-year, with a margin of 59%.

Yahsat projects contracted future revenues of AED 8.1 billion, Group Chief Executive Officer of Yahsat said in a statement.

ARAMEX SEEKS NEW ACQUISITION TRANSACTION

Dubai-based logistics operator, Aramex, is seeking new acquisition transaction and is also looking to explore greater synergies with strategic shareholders, GeoPost/DPDgroup and Abu Dhabi Ports, CEO of Aramex said in a statement.

To support the acquisition spree, Aramex pertains cash balance of AED 762 million (US\$ 207 million) as at 31 March 2022, where debt-to-equity ratio stood at 46.8%.

Aramex posted net profit for AED 47 million (US\$ 12.7 million) in Q1 2022, a rise of 3% when compared to same period of previous year. It is worth noting that excluding the impact of write-offs from discontinued technologies, normalized net profit for Q1 2022 increased 14% year-on-year to AED 52 million, as mentioned in a statement.

Revenues in Q1 2022 picked up by 2% year-on-year to reach AED 1.5 billion attributed to its performance in Logistics & Freight-Forwarding Business.

CAPITAL MARKETS

EQUITY MARKETS: ACROSS-THE-BOARD PRICE CONTRACTIONS IN MENA EQUITIES, TRACKING GLOBAL WEAKNESS ON GROWTH WOES

MENA equity markets plunged in the red this week (-6.7%), registering across-the-board downward price movements, mainly tracking global equity weakness (-2.3%) on concerns that a more aggressive global monetary tightening approach to tame a 40-year high US inflation would add to global growth risks, already generated by the war in Ukraine and China's COVID-19 renewed lockdowns. This was exacerbated by oil price falls over the week and some unfavorable company-specific factors, while some market players sought to lock in their profits following strong year-to-date regional equity price rally, as GCC equities outperformed global stock markets this year on the back of robust oil price gains.

The UAE equity markets led the fall in the region this week, registering price drops of 8.9%, mainly tracking a wide global sell-off mood fueled by global recession fears amid persistently decades-high US inflation rate and on prospects of more aggressive global monetary tightening. Equity price falls on the UAE were also driven by some profit-taking operations following strong year-to-date equity price gains of 14.3%, in addition to oil price falls as Coronavirus lockdowns in China continued to weigh on global oil demand outlook and after the European Union softened its proposed sanctions on Russian crude exports.

In Dubai, Emirates NBD's share price plummeted by 9.3% to AED 13.65. Amlak Finance's share price plunged by 16.1% to AED 0.591. Emaar Properties' share price shed 10.4% to AED 5.66. Emaar Development's share price fell by 7.4% to AED 4.78. Deyaar Development's share price tumbled by 10.6% to close at AED 0.428. Union Properties' share price dropped by 7.5% to AED 0.260. In Abu Dhabi, Aldar Properties' share price declined by 7.7% to AED 5.19. Alpha Dhabi Holding's share price fell by 8.2% to AED 25.0. FAB's share price plunged by 12.6% to AED 19.50. ADIB's share price plummeted by 13.6% to AED 7.62. Taqa's share price closed 6.4% lower at AED 1.32.

The heavyweight Saudi Exchange, whose market capitalization represents more than two-thirds of the total regional market capitalization, dived in the red this week, as reflected by a 7.4% drop in the S&P Saudi index, mainly tracking global equity weakness on growth woes, and due to some profit-taking operations following strong year-to-date price gains of 21.3%, while also driven by some unfavorable company-specific factors and oil price retreats.

A closer look at individual stocks shows that Petrochemicals giant Saudi Aramco's share price declined by 0.5% to SR 44.70. SABIC's share price shed 7.6% to SR 121.0. Petro Rabigh's share price decreased by 1.6% to SR 28.35. Advanced Petrochemical Company's share price fell by 3.9% to SR 64.50. Sipchem's share price tumbled by 7.7% to SR 52.90. Yansab's share price plunged by 6.7% to SR 57.0.

EQUITY MARKETS INDICATORS (MAY 8 - MAY 14, 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	99.9	2.5%	6.3%	9.1	526.3%	0.5	11,293.3	4.2%	-	0.36
Jordan	392.1	4.3%	12.5%	93.8	-	26.2	25,881.4	18.8%	11.8	1.85
Egypt	227.4	-3.2%	-25.3%	186.2	-	1,342.3	36,980.1	26.2%	7.3	1.48
Saudi Arabia	576.4	-7.4%	12.4%	10,695.9	-	803.1	3,256,676.2	17.1%	20.9	2.92
Qatar	221.5	-2.9%	11.2%	1,043.7	-	934.6	203,899.1	26.6%	16.3	2.31
UAE	153.6	-8.9%	4.1%	3,213.2	206.8%	2,281.1	644,875.0	25.9%	18.0	2.67
Oman	228.9	-0.4%	5.1%	22.7	-	40.3	18,883.3	6.3%	12.5	0.99
Bahrain	198.3	-5.2%	8.5%	11.7	1706.8%	13.6	29,645.5	2.0%	14.4	1.77
Kuwait	148.3	-6.5%	11.1%	1,039.1	376.2%	1,031.2	136,800.6	39.5%	21.9	2.65
Morocco	271.1	-4.4%	-14.5%	37.9	29.3%	1.7	65,150.2	3.0%	22.6	3.07
Tunisia	58.3	-2.9%	-9.1%	8.3	103.9%	4.1	7,144.1	6.0%	10.5	1.62
Arabian Markets	1,083.8	-6.7%	9.1%	16,361.4	1157.7%	6,478.7	4,437,228.8	19.2%	20.0	2.81

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

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

Also, Saudi National Bank's share price fell by 6.3% to SR 74.0. Riyadh Bank's share price tumbled by 13.7% to SR 35.20. Eastern Province Cement Company's share price dropped by 1.4% to SR 47.85. Eastern Cement posted a 52% year-on-year contraction in its 2022 first quarter net profits to reach SR 29 million. Saudi Industrial Investment Group's share price plummeted by 7.9% to SR 30.40. SIIG reported 2022 first quarter net profits of SR 235 million, down by 23% year-on-year. Jarir Marketing Company's share price shed 7.0% to SR 178.60. AlphaMena cut its recommendation on Jarir Marketing Company to "reduce" from "add", with a price target of SR 188, which implies a 2.1% decrease from last price.

On the Qatar Stock Exchange, activity was also skewed to the downside this week, as reflected by a 2.9% decline in the S&P Qatar index, mainly tracking global equity price falls on concerns about the US Fed's ability to tame inflationary spirals without bringing the US economy into a recession, and as some market players sought to book profits following year-to-date Qatari equity price gains of 14.5% and due to oil price declines. 37 out of 47 listed stocks posted price drops, while nine stocks registered price gains and one stock saw no price change week-on-week. A closer look at individual stocks shows that Industries Qatar's share price plunged by 9.1% to QR 17.090. Mesaieed Petrochemical Holding's share price dropped by 3.5% to QR 2.50. Qatar Navigation's share price went down by 3.7% to QR 8.197. QNB's share price closed 1.1% lower at QR 23.0. QIB's share price shed 6.9% to QR 10.750.

FIXED INCOME MARKETS: MENA BOND MARKETS DIP FURTHER INTO RED, ON PROSPECTS OF MORE AGGRESSIVE MONETARY TIGHTENING APPROACH

MENA fixed income markets dipped further into the red this week, as persistently soaring US inflation rate reinforced bets about an aggressive series of interest rate hikes by the US Federal Reserve, as traders currently expect the Central Bank to roll out another half percentage point hike in September 2022 following increases of that size in June and July 2022.

In the Saudi credit space, sovereigns maturing in 2026 were down by 0.44 pt, while sovereigns maturing in 2031 registered price gains of 0.13 pt week-on-week. Saudi Aramco'25 closed up by 0.25 pt. Prices of SEC'24 declined by 0.25 pt. STC'29 traded down by 1.13 pt. SABIC'28 posted price falls of 2.25 pts.

In the Qatari credit space, sovereigns maturing in 2026 recorded price increases of 0.25 pt, while sovereigns maturing in 2030 were down by 0.13 pt this week. Ooredoo'26 was down by 0.50 pt. As to papers issued by financial institutions, QNB'25 closed down by 0.38 pt. Prices of QIB'24 contracted by 0.85 pt.

In the Bahraini credit space, sovereigns maturing in 2026 and 2031 registered price declines of 1.0 pt each week-on-week. NOGA'27 traded down by 0.88 pt. In the Omani credit space, sovereigns maturing in 2026 and 2029 saw price contractions of 0.89 pt and 1.13 pt respectively this week. Omantel'28 was down by 0.88 pt.

In the Dubai credit space, sovereigns maturing in 2029 registered price falls of 1.38 pt week-on-week. Emaar'26 was down by 0.88 pt. Majid Al Futtaim'29 saw price retreats of 0.13 pt. In the Abu Dhabi credit space, sovereigns maturing in 2026 and 2031 recorded price gains of 0.13 pt and 0.38 pt respectively week-on-week. Mubadala'26 was down by 0.38 pt. ADNOC'29 posted price falls of 0.75 pt. Amongst financials, prices of ADCB'23 contracted by 0.50 pt.

In the Kuwaiti credit space, sovereigns maturing in 2027 were up by 0.08 pt this week. Prices of KIPCO'27 contracted by 1.25 pt. In the Jordanian credit space, sovereigns maturing in 2026 and 2030 recorded price retreats of 0.50 pt and 1.75 pt respectively week-on-week.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2023, 2025 and 2040 registered price falls of 0.38 pt to 0.88 pt week-on-week. Euro-denominated sovereigns maturing in 2026 and 2031 traded down by 1.07 pt and 1.65 pt respectively.

In the Moroccan credit space, sovereigns maturing in 2032 and 2042 posted price contractions of 0.58 pt and 1.19 pt respectively this week. As to credit ratings, Fitch Ratings affirmed Morocco's long-term foreign currency Issuer Default Rating at "BB+" with a "stable" outlook. Morocco's "BB+" ratings reflect, as per Fitch, favorable debt composition, including a moderate share of foreign currency in total general government debt and official creditor support, reasonably comfortable external liquidity buffers, and a record of macroeconomic stability.

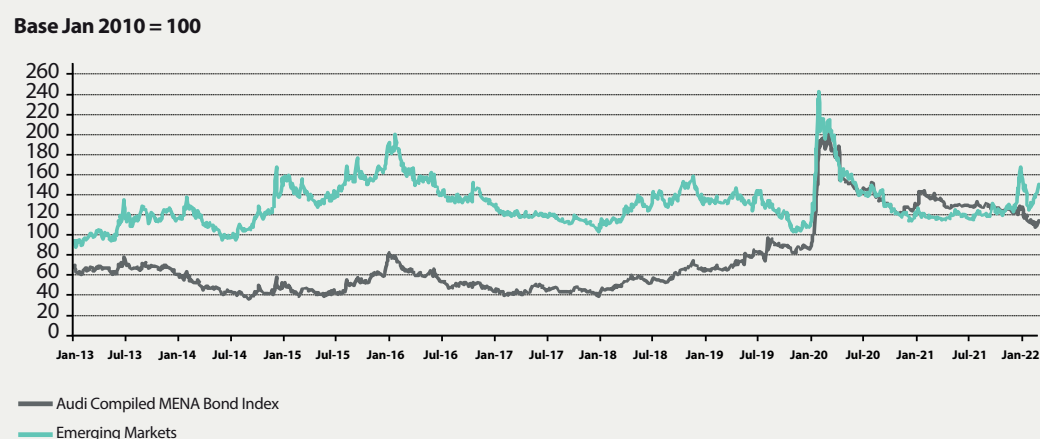
All in all, regional bond markets remained under downward price pressures this week, as traders remained confident that the US Federal Reserve would hike rates a full point over its next couple of meeting and boosted bets on another half-point increase in September 2022 after recent data showed that consumer prices excluding food and energy increased by more than forecast in April 2022.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	13-May-22	06-May-22	31-Dec-21	Week-on-week	Year-to-date
Abu Dhabi	67	64	43	3	24
Dubai	119	105	94	14	25
Kuwait	63	57	45	6	18
Qatar	68	65	44	3	24
Saudi Arabia	68	66	49	2	19
Bahrain	310	292	294	18	16
Morocco	117	115	95	2	22
Egypt	864	852	498	12	366
Iraq	448	401	554	47	-106
Middle East	236	224	191	12	45
Emerging Markets	390	377	141	13	249
Global	451	436	183	15	268

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/Stable	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+/Negative/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Stable/B	B2/Stable	B+/Stable/B
Oman	BB-/Stable/B	Ba3/Stable	BB-/Stable/B
Yemen	NR	NR	NR
NORTH AFRICA			
Algeria	NR	NR	NR
Morocco	BB+/Stable/A-3	Ba1/Negative	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\$)	13-May-22	06-May-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)	18.32	18.48	15.72	-0.9%	16.5%
Iraqi Dinar (IQD)	1,460.00	1,460.00	1,460.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.76	0.0%	-0.2%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.65	3.65	3.67	0.0%	-0.5%
Kuwaiti Dinar (KWD)	0.31	0.31	0.30	0.1%	1.5%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.39	0.39	0.0%	0.0%
Yemeni Riyal (YER)	250.00	250.00	250.00	0.0%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	147.06	144.93	138.89	1.5%	5.9%
Moroccan Dirham (MAD)	10.12	10.01	9.25	1.1%	9.4%
Tunisian Dinar (TND)	3.12	3.09	2.87	0.7%	8.4%
Libyan Dinar (LYD)	4.81	4.79	4.60	0.5%	4.7%
Sudanese Pound (SDG)	568.70	-	437.92	-	29.9%

Sources: Bloomberg, Bank Audi's Group Research Department

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