

## CONTACTS

### Treasury & Capital Markets

**Bechara Serhal**  
(961-1) 977421  
bechara.serhal@bankaudi.com.lb

### Corporate Banking

**Carol Ayat**  
(961-1) 959675  
carol.ayat@bankaudi.com.lb

**Mohamad Baydoun**  
(961-1) 959703  
mohamad.baydoun@bankaudi.com.lb

### Marketing and Communications

**Marion Abou Jaoudé**  
(961-1) 977356  
marion.abou-jaoude@bankaudi.com.lb

## RESEARCH

**Dr. Marwan Barakat**  
(961-1) 977409  
marwan.barakat@bankaudi.com.lb

**Salma Saad Baba**  
(961-1) 977346  
salma.baba@bankaudi.com.lb

**Michèle Khoury Sakha**  
(961-1) 977102  
michele.sakha@bankaudi.com.lb

**Stephanie Bou Sleiman**  
(961-1) 952397  
stephanie.bousleiman@bankaudi.com.lb

**Elias Missi**  
(961-1) 959747  
elias.missi@bankaudi.com.lb

## Economy

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A new report by Kamco Invest was issued for the GCC region. GCC project awards surged 86% during Q3-2023 to reach US\$ 41.8 Bn as compared to US\$ 22.2 Bn in awards during Q3-2022 underlining the continued upward trend in the GCC's projects market.

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## Markets In Brief

### p.9 MARKETS IN BRIEF: MENA EQUITIES SLIGHTLY DOWN, BOND MARKETS ON RISE

Activity in most MENA equity markets was tilted to the downside this week (-0.4%), mainly on speculation that the global economy would slow early-2024 and dragged by an oil price slump following lower-than-expected OPEC+ oil production cuts for the first quarter of 2024. In contrast, MENA fixed income markets continued to register across-the-board upward price movements this week, mainly tracking US Treasuries move as lower-than-surveyed increase in US ADP private payrolls in November 2023 added to evidence of a cooling labor market, which strengthened bets for interest rate cuts by the US Federal Reserve in the first half of 2024.

### MENA MARKETS: DECEMBER 3 - DECEMBER 9, 2023

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-0.4%	Weekly Z-spread based bond index	-2.3%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↓
YTD stock price performance	+0.6%	YTD Z-spread based bond index	+64.9%

## ECONOMY

### GAS SECTOR BOOSTS Q3-2023 GCC PROJECT AWARDS BY 86%

A new report by Kamco Invest was issued for the GCC region. GCC project awards surged 86% during Q3-2023 to reach US\$ 41.8 Bn as compared to US\$ 22.2 Bn in awards during Q3-2022 underlining the continued upward trend in the GCC's projects market. This was the third-highest in terms of quarterly values of projects awarded over the last five years. The robust growth in the total value of projects awarded in the GCC is also a significant indicator of the determination of the GCC countries to reach their economic diversification goal. As a result of the sustained diversification projects in the GCC the general trend of the quarterly projects awarded in the region projects has been moving upwards since 2018.

All countries in the GCC witnessed y-o-y growth in their total value of contracts awarded during Q3-2023 barring Qatar which recorded the only decline in its total value of projects awarded during the period. Kuwait led the pack in terms of y-o-y percentage growth during the quarter after the total value of contracts jumped more than 13 times to reach US\$ 2.3 Bn as compared to US\$ 162 Mn in the corresponding quarter of 2022.

On the other hand, Bahrain remained the smallest project market in the region despite witnessing a 94.5% jump in its total value of contracts awarded during Q3-2023 that reached US\$ 247 Mn while Saudi Arabia maintained its top position as the largest projects market in the GCC during Q3-2023. The Kingdom's project more than doubled during Q3-2023 to reach US\$ 21.2 Bn against US\$ 9.3 Bn. Similarly, total contract awarded in the UAE jumped 101.7% to reach 15.5 Bn during the quarter.

Saudi Arabia alone accounted over 50% of the contracts awarded in the GCC region during Q3-2023, while Saudi Arabia, UAE and Qatar combined represented 93.0% of the overall projects awarded in the GCC. Saudi Arabia's growth in contract awards during the quarter was mainly driven by a jump in the value of projects awarded in the Gas and Water sectors. Moreover, Saudi Arabia's y-o-y growth in contract awards was buoyed by the persistent nature in which the country's Vision 2030 new projects is constantly being unveiled.

Total value of contracts awarded in the Sultanate of Oman increased by 8.4% y-o-y to reach US\$ 376 Mn during Q3-2023 as compared to US\$ 347 Mn in Q3-2022 driven mainly y-o-y growth in the Sultanate's Water and Gas sectors which reached US\$ 200 Mn and US\$ 80 Mn, respectively. In terms of regional sector classification, the GCC Gas Sector witnessed the biggest increase in terms of absolute value of projects awarded recording a total US\$ 11.8 Bn in Q3-2023 as compared to US\$ 811 Mn in Q3-2022 followed by the Water Sector which witnessed 178.4% y-o-y growth to reach US\$ 7.6 Bn in total value of contracts awarded in the quarter as per Kamco.

## ABU DHABI'S FINANCIAL SECTOR ON TRACK FOR 13% GROWTH IN 2023

Abu Dhabi's financial sector is on track to achieve growth of 13% in 2023 as part of the Emirate's efforts to diversify its economy away from hydrocarbons. The Chairman of Abu Dhabi's Department of Economic Development (DED) announced this forecast during the Abu Dhabi Finance week.

According to the Chairman of Abu Dhabi's DED, during 2023 the Emirate's non-oil sector showed a robust growth reaching 12% in Q2. Additionally, non-oil sectors currently comprise 54% of the Emirate's GDP. In parallel, an expansion of 13% was noted in non-oil foreign merchandise trade by the end of Q3 2023. These figures prove the dynamic growth of the UAE's economy and its diversified strength.

According to the Chairman of Abu Dhabi's DED, Abu Dhabi also focuses on renewable energy as part of a commitment to preserve the land for future generations. Additionally, the role of entrepreneurship as a main pillar in the country's economy was highlighted with emphasis on the need to bolster the startup ecosystem.

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## JORDANIAN GOVERNMENT INCREASES FUND ALLOCATION FOR PROJECTS RELATING TO THE ECONOMIC REFORM VISION

The Jordanian government has increased fund allocations for projects relating to the Economic Reform Vision and the map of updating the public sector in the 2024 budget. These funds will reach JOD 348.0 million (US\$ 490.7 million) in the 2024 budget, up from JOD 233.0 million (US\$ 328.5 million) in the 2023 budget showing an increase of 49.4% between the two periods. This increase comes following a reassessment made by the government.

The 2024 budget has been built on several key principles of which an increase of 5% in allocations towards the implementation of requirements of the Economic Reform Vision and the map of updating the public sector for the fiscal year 2023-2024 (which includes initiatives, plans and programs).

According to the Jordanian Prime Minister, the government has held several meetings in order to overcome impediments hindering the implementation of some delayed priorities. Eight of the aforementioned priorities are set to be completed before the end of 2023. These include the approval of the National Strategy for the Transport Sector (2023-2027) and the establishment of a joint council for water, energy, food security and the environment. In parallel, an acceleration in the approval of several legislations was noted. By the end of 2023, the government will have completed the implementation of 87 out of 96 priorities with the remaining eight to be completed before the end of Q1 2024.

Concurrently, the quarterly report of the executive program for the Economic Reform Vision 2023/2024 has highlighted achievements made during Q3 2023 in various sectors.

In details, the automation of comprehensive electronic investment services relating to licenses and economic activity was completed. Additionally, the launching of the promotional investment platform "Invest in Jordan" and the introduction of nine new investment opportunities among others stand as achievements within the Jordanian Investment sector in Q3 2023.

Looking at achievements in the Agriculture and Food Security sector within Q3 2023, the report notes the launching of the agricultural holdings registration system, the documentation of 10,652 agricultural holdings and the distribution of the entire budget for the project to establish a program in the Agricultural Credit Corporation to finance various projects among other achievements.

In addition, the report names achievements for various other sectors: the preparation of reference conditions for the environmental and social impact study for the proposed implementation of a toll road system (for the Transport sector). The signing of agreements with 222 industrial facilities selected to benefit from the first round of the Industrial Support Fund program was also listed as an achievement for the Industrial sector and the Cabinet's approval for modifying the tariff and segments for water users was set as an achievement for the Water sector.

At the level of expected initiatives in 2024 within the map of developing the public sector, 60% of operational

procedures are expected to become automated and digitalized. Additionally, the digital transformation strategy will be applied for new joint services and measuring service performance. The development of new policies will also be tackled for the employment of future technology and new innovations in providing existing and new joint services.

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## SAUDI ARABIA APPROVES ITS BUDGET FOR FY 2024

Saudi Arabia has approved its budget for the Fiscal Year (FY) 2024 with a budget deficit of SAR 79 billion (US\$ 21.1 billion) and has in turn issued a budget statement.

According to the Saudi Ministry of Finance (MoF)'s budget statement for FY 2024, the economy within Saudi Arabia is growing in terms of economic enablers that support the prosperity of the private sector on the medium and long term. The country aims to achieve the goals of Vision 2030 through several investment arms including the Public Investment Fund (PIF).

In details, looking at data for the first half (H1) of FY 2023, real GDP in Saudi Arabia registered a 2.5% growth year-on-year against the same period of the previous year. This growth was mainly driven by a 5.4% growth year-on-year in non-oil activities and was slightly offset by a 1.3% contraction in oil activities due to voluntary oil production cuts (in line with the OPEC+ agreement).

Initial estimates for FY 2023 indicate a relative stagnation in real GDP (slight growth of 0.03%) through the end of the fiscal year. Additionally, initial estimates for FY 2023 set growth in non-oil activities at 5.9% on the back of continuous growth and expansion in all sectors during the current year. In parallel, CPI inflation is expected to reach 2.6% at the end of FY 2023, which stands relatively low as compared with global inflation.

Fiscal performance developments for FY 2023 record total revenue at an estimated SAR 1,193 billion (US\$ 318.1 billion) showing an increase of 5.6% against the approved budget for the year on the back of increased non-oil revenues. Total expenditures for FY 2023 are estimated at SAR 1,275 billion (US\$ 340.0 billion), up by 14.5% from the approved budget due to increased government spending on citizen protection against inflation and the development of public services. In turn, FY 2023 is expected to report a budget deficit of SAR 82 billion (US\$ 21.9 billion) equivalent to 2.0% of GDP, as per the budget statement for FY 2024.

Looking at FY 2024, the budget report states that real GDP growth during the fiscal year is expected at 4.4% on the back of non-oil activities and the establishment of the private sector as a main driver of the economy and a contributor to job creation. Fiscal forecasts for FY 2024 estimate total revenues at SAR1,172 billion (US\$ 312.5 billion) with projections setting total revenues at SAR 1,259 billion (US\$ 335.7 billion) in FY 2026. Total expenditures for FY 2024 are estimated at SAR 1,251 (US\$ 333.6 billion) and is expected to reach SAR 1,368 billion (US\$ 364.8 billion) in FY 2026. In turn, fiscal deficit for the FY 2024 budget is set at SAR 79 billion (US\$ 21.1 billion).

It is worth noting that the estimations for the FY 2024 budget were conservative in nature. Additionally, the Saudi government will fund budget deficits through the approved annual borrowing plan with domestic and external borrowing activities expected to continue for budget deficit financing on the medium term, as per the budget statement for FY 2024.

## SURVEYS/REPORTS

### SAUDI ARABIA AND UAE LEAD MENA STARTUP FUNDING IN NOVEMBER 2023, AS PER WAMDA AND DIGITAL DIGEST

Startups in the MENA region raised US\$ 764 million across 42 rounds in November 2023, a 390% increase month-on-month and a 74% rise year-on-year, according to a report issued by Wamda and Digital Digest. Discounting the debt rounds raised the previous month, the total reached US\$ 384 million, a rise of just over 180% month-on-month.

There was a resurgence across all stages of funding, with mega rounds comprising the highest proportion of the capital inflows. These include a US\$ 250 million debt round raised by Saudi-based Tamara, a US\$ 200 million Series D by Saudi-based fintech Tabby and a US\$ 130 million by Egypt-based MNT-halan in securitized bonds.

Taken collectively, the three rounds represented close to 76% of the total raised in November.

In details, start-ups in Saudi Arabia and the UAE dominated recent fundraising activity in the MENA region, with Saudi Arabia accounting for US\$ 337.6 million across nine deals and the UAE with US\$ 284 million spread over 22 deals.

As for investors across the region, it was the UAE-based investors who were the most active, participating in 21 deals. Saudi-Arabia investors were the second most active, investing in 10 deals.

After the UAE, Egypt raised the third-highest value of investments at US\$ 130 million, followed by Kuwait (US\$ 7 million), Morocco (US\$ 3 million), Oman (US\$ 1.8 million) and Tunisia (US\$ 100,000).

Of the 42 deals, 10 attracted direct global investment, with US-based investors making major contributions.

In terms of sectors, start-ups in fintech led the table for funding amount. It also ranked second in terms of the number of rounds in the sector, with nine deals.

### RESIDENTIAL TRANSACTIONS IN DUBAI SURPASS 2022 RECORD DURING OCTOBER 2023, AS PER CBRE

In October 2023, the number of transactions in Dubai's residential market totaled 6,407, marking a drop of 23.6% from the year prior, according to CBRE, the global leader in commercial real estate services and investments. Over this period, off-plan transactions declined significantly by 57.2%, while secondary market transactions grew by 29.5%.

Despite this recent slowdown in the year to October 2023, a total of 93,590 residential transactions were recorded, surpassing the 2022 full year total of 92,178, which was the highest total ever recorded in a year until now.

Dubai's average residential prices increased by 19.1% in the year to October, marginally down from the 19.6% rate of growth registered a month earlier. Over the same period, average apartment and villa prices rose by 18.7% and 21.4%, respectively.

In parallel, in October 2023, average apartment prices stood at AED 1,364 per square foot and average villa prices stood at AED 1,649 per square foot. Although the average apartment sales rates per square foot still sit at 8.3% below the 2014 high, a number of communities have already topped their 2014 levels. On the other hand, the average villa sales rates have surpassed their 2014 figures by 14.1%.

In the apartment segment of the market, Downtown Dubai recorded the highest sales rate per square foot at AED 2,500, whereas, in the villa segment of the market, Palm Jumeirah recorded the highest sales rate per square foot at AED 5,125.

The rental market has continued to experience moderation in growth rates since the start of the year. In the year to October 2023, average rents in Dubai increased by 19.7%, registering a decline from the 20.6% growth

recorded in September 2023. Over this period, average apartment rents rose by 19.9%, and average villa rents grew by 18.0%.

As at October 2023, the average yearly apartment and villa asking rents stood at AED 110,080 and AED 322,891, respectively.

The highest yearly apartment and villa rents were respectively found in Palm Jumeirah, with average rents at 256,204, and in Al Barari, where average rents reached AED 1,096,675.

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## FITCH RATINGS AFFIRMS JORDAN AT “BB-” WITH “STABLE” OUTLOOK

Fitch Ratings affirmed Jordan's long-term foreign-currency Issuer Default Rating (IDR) at “BB-” with a “stable” outlook.

Jordan's ratings are supported by a record of macroeconomic stability, progress in fiscal and economic reforms, and resilient financing linked to the liquid banking sector, public pension fund and international support.

Jordan has a record of maintaining economic and political stability despite significant external shocks including social instability in the region (Arab Spring) and wars in neighboring countries (Iraq and Syria), but these shocks have led to lower growth and significant government debt build-up. A prolonged or expanded conflict, even if it does not involve Jordan directly, could weaken growth prospects, increasing the challenges for fiscal consolidation.

The risk of the conflict immediately jeopardizing Jordan's exports, energy, water or food supply are limited due to long-term gas contracts, alternative trade routes and supply arrangements, and strategic reserves of fuel and wheat. However, Fitch expects growth to slow in 4Q 2023 and into 2024, due to increased political uncertainty and likely reduced tourism inflows, most notably from the US and Europe.

Furthermore, the authorities maintained their commitment to fiscal consolidation. Fitch forecasts Jordan's general government budget deficit to decline to 2.2% of GDP (5.2% at the central government level) in 2023, down from 2.7% 2022, and below the estimated 3.3% for the “BB” median, reflecting strong revenue performance and expenditure restraint.

The credit rating agency also forecasts a 2.4% general government deficit in 2024 due to lower revenue growth and higher interest payments bill (3.6% of GDP, up from 3.3% in 2023), before declining to 2.3% of GDP in 2025.

Concurrently, Jordan successfully completed its seventh review under the current Extended Fund Facility (EFF, due to end in March 2024) and reached a Staff-Level Agreement with the IMF for a new four-year EFF (US\$ 1.2 billion). The new program would help anchor the government's fiscal consolidation strategy, targeting government debt of 80% of GDP in 2028, support investor confidence and maintain the reform momentum to improve the competitiveness, efficiency and job creation potential of the economy.

However, the ratings are constrained by high government debt, weak growth, risks stemming from domestic and regional politics, a sizeable current account deficit and net external debt that is higher than rating peers.

## CORPORATE NEWS

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### MASDAR AND IBERDROLA TO INVEST US\$ 16.3 BILLION IN GREEN ENERGY

UAE-based Masdar, one of the world's leading renewable energy companies, and Spanish-based Iberdrola, a global green energy giant, signed a US\$ 16.3 billion deal to evaluate the joint development of offshore wind and green hydrogen (H2) projects in key markets, which includes Germany, UK and the US, as reported in a company's statement.

After the parties' successful co-investment in Baltic Eagle, a 476-megawatt offshore wind farm in Germany, they aim to achieve a further co-investment in relation to the 1,400-megawatt UK East Anglia 3 offshore wind project. This deal has been under negotiation for the last few months and could be signed by the end of Q1 2024. Masdar's stake in this wind farm could be 49%.

East Anglia 3 is currently in construction, with full commissioning scheduled for Q4 2026. The project would power over 1.3 million British homes and create 2,300 jobs.

Beyond the East Anglia 3 transaction, both companies would work together to jointly invest in future offshore wind and green hydrogen projects in Europe and other markets.

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### EAST PIPES WINS US\$ 42 MILLION SAUDI ARAMCO SUPPLY CONTRACT

Saudi-based East Pipes Integrated Company for Industry, a major manufacturer of spiral steel pipes, secured a contract worth US\$ 42 million (SR 153 million) from Saudi oil giant Aramco, for the manufacture and supply of steel pipes for key projects in Saudi Arabia, as mentioned in a company's statement.

The entire contract work would be completed within an 8-month period.

The financial impact of the contract would be reflected in the first two quarters of FY 2024/2025.

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### AD PORTS GROUP AND KAZAKHSTAN RAILWAYS FORM JV TO ENHANCE CONNECTIVITY AND INDUSTRIALIZATION IN CENTRAL ASIA

AD Ports Group, the exclusive developer and regulator of ports and related infrastructure in Abu Dhabi, signed an agreement with Kazakhstan Temir Zholy JSC (Kazakhstan Railways), a national railway company and a leader in transportation and logistics in Central Asia, to form a Joint Venture (JV) to enhance rail connectivity, maritime shipping services, development of operations in Kazakhstan's ports, accelerate digital transformation and connectivity in Central Asia, as revealed in a company's statement.

Under the terms of the agreement, a JV, owned 51% by AD Ports Group and 49% by KTZ, would aim to establish a dynamic regional logistics hub.

The JV would focus on expanding port infrastructure on the Caspian Sea, creating trade hubs and bringing advance digital technologies. Cooperation between Kazakhstan Railways and AD Ports Group would also contribute to the development of transport and transit potential of Kazakhstan, increase export directions and create a market for Kazakhstani goods in the Arabian Gulf countries.

The JV would be implemented in phases, with both entities collaborating to develop maritime electronic systems, vessel operations, port and trade development, in addition to railway infrastructure expansion.

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**TCI AND SWCC PARTNER TO DEVELOP EGYPT'S FIRST BULK CEMENT SILOS TERMINAL IN ARISH PORT**

Transcargo International (TCI), a leading terminal operator in Egypt and a subsidiary of Abu Dhabi Ports Group, signed an agreement with Sinai White Portland Cement (SWCC), for the development of Egypt's first bulk cement silos in Arish Port, as indicated in a company's statement.

Arish Port bulk terminal project features six cement silos with a total storage capacity of 60,000 tons (10,000 tons each). Of these two silos are for white Portland cement and four for grey Portland cement.

TCI would build and operate white cement silos terminal with an annual capacity exceeding 200,000 tons for SWCC, facilitating the export of the company's products to different export markets.

The silos terminal would boost SWCC's competitive position providing extra logistics capability to fulfil market needs, across all Mediterranean region and worldwide.

The partnership between TCI and SWCC marks a significant step forward in optimizing the cement export process, fostering cost efficiency, enhancing competitiveness and positioning Egypt as a major player in the global cement industry.

It is worth mentioning that SWCC, a subsidiary of the world's largest white cement manufacturer, Aalborg Portland Group, is controlled by Cementir Holding NV, the leading producer of white cement globally, operating one of the world's largest white cement plants in the Egyptian Sinai Peninsula.

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**PIF TO ACQUIRE 49% STAKE IN ROCCO FORTE HOTELS**

Saudi Arabia's Public Investment Fund (PIF) acquired a significant minority stake in UK-based Rocco Forte Hotels, as mentioned in a company's statement.

PIF's purchase of a 49% stake in the hotel group, is valued at about US\$ 1.8 billion.

As part of the deal, Italian investor CDPE Investimenti would sell its entire shareholding. CDPE, which owned a 23% stake in Rocco Forte Hotels, is owned by Italy's state-backed fund CDP. The company invested around US\$ 86.3 million in the hotel group in 2015.

This acquisition would accelerate the brand's expansion in both existing and new global markets, building on the group's track record of growth and development that includes eight new properties opened or committed in recent years.

It is worth mentioning that Rocco Forte Hotels operates across Italy, Britain, Germany, Belgium and Russia and has 20 private villas in addition to its hotels. Another three hotels are expected to open in the next two years in Italy, two in Milan and one in Sardinia.

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**ADNOC AND SOCAR TO COLLABORATE FOR LOW-CARBON ENERGY TECHNOLOGIES**

ADNOC, the State-owned oil company of the UAE, and the State Oil Company of Azerbaijan Republic (SOCAR) signed a Strategic Collaboration Agreement (SCA), to collaborate on the potential development of low-carbon energy technologies, as reported in a company's statement.

As part of the SCA, ADNOC and SOCAR would explore opportunities to work together to advance blue hydrogen, carbon management and geothermal technologies that can accelerate the decarbonization of energy systems in the UAE, Azerbaijan and other key markets and support their net zero ambitions.

The SCA follows both ADNOC and SOCAR becoming founding signatories of the Oil and Gas Decarbonization Charter (OGDC), which sets shared targets to eliminate methane emissions and routine flaring by 2030 and achieve net zero by 2050.



## CAPITAL MARKETS

### EQUITY MARKETS: ACTIVITY IN MENA EQUITY MARKETS TILTED TO UPSIDE THIS WEEK

Activity in most MENA equity markets was tilted to the downside this week, mainly on speculation that the global economy would slow early-2024 as the full impact of the long and variable lags of monetary policy is felt around the world, while also dragged by an oil price slump on concerns that extended and deepened OPEC+ oil production cuts for the first quarter of 2024 would not be enough to offset rising supply from countries outside the cartel and waning global demand. This was partly offset by price gains in the heavyweight Saudi Exchange, which resulted into a shy retreat in the S&P Pan Arab Composite index of 0.4%.

The Qatar Stock Exchange continued to follow a downward streak this week, as reflected by a 1.6% contraction in the S&P Qatar index, mainly dragged by falling oil prices following lower-than-forecast OPEC+ output curbs, and as some international market players sought to reshuffle their portfolios before year-end. 37 out of 51 traded stocks registered price drops, while ten stocks posted price gains and four stocks saw no price change week-on-week.

A closer look at individual stocks shows that Qatar Islamic Bank's price shed 3.9% week-on-week to QR 18.250. Qatar International Islamic Bank's share price closed 0.7% lower at QR 9.961. Masraf Al Rayan's share price plunged by 4.2% to QR 2.382. The Commercial Bank's share price decreased by 1.1% to QR 5.270. Also, Industries Qatar's share price dropped by 3.3% to QR 12.090. Gulf International Services' share price plummeted by 6.2% to QR 2.571. Mesaieed Petrochemical Holding Company's share price fell by 6.7% to QR 1.567. Qatar Insurance's share price contracted by 3.1% to QR 2.345. Ezdan Holding Group's share price closed 5.0% lower at QR 0.830. Ooredoo's share price declined by 2.9% to QR 9.996. Vodafone Qatar's share price decreased by 2.2% to QR 1.799.

The UAE equity markets slid into the red this week, as reflected by a 2.5% drop in the S&P UAE index, mainly dragged by global growth concerns and an oil price slump. In Abu Dhabi, Abu Dhabi Ports' share price closed 2.2% lower at AED 6.10. ADNOC Drilling's share price went down by 2.6% to AED 3.68. Etisalat's share price decreased by 3.4% to AED 18.70. FAB's share price fell by 3.2% to AED 13.26. ADCB's share price retreated by 2.5% to AED 8.28. In Dubai, Emirates NBD's share price nudged down by 0.3% to AED 17.45. Amanat Holdings' share price retreated by 0.8% to AED 1.17. Emaar Properties' share price closed 2.3% lower at AED 7.38. Emaar Development's share price dropped by 3.2% to AED 6.60. Union Properties' share price shed 4.5% to AED 0.296. DEWA's share price fell by 0.8% to AED 2.51.

The Egyptian Exchange remained on negative course this week, as reflected by a 0.5% decline in the S&P Egypt price index, mainly as some market players sought to lock in their profits following a strong price rally of about 45% since the beginning of the year.

#### EQUITY MARKETS INDICATORS (DECEMBER 3 - DECEMBER 9, 2023)

Market	Price Index	Price week-on-week	Year-to-Date	Trading Value	Trading week-on-week	Volume Traded	Market Capitalization	Turnover ratio	P/E*	P/BV*
Lebanon	153.0	2.9%	18.6%	11.0	518.1%	0.2	17,293.2	3.3%	-	0.47
Jordan	360.6	-0.7%	-7.3%	21.7	-15.8%	15.0	23,198.6	4.9%	7.9	1.18
Egypt	340.8	-0.5%	44.0%	622.6	1.4%	5,841.9	52,845.1	61.3%	10.5	2.66
Saudi Arabia	486.6	0.3%	4.5%	6,130.1	6.7%	870.7	2,950,095.6	10.8%	16.9	4.69
Qatar	162.0	-1.6%	-8.3%	409.8	-27.6%	475.6	158,626.6	13.4%	12.6	1.44
UAE	133.4	-2.5%	-3.0%	1,480.8	-30.1%	1,380.4	948,317.3	8.1%	14.5	2.64
Oman	256.1	-0.9%	-1.6%	27.8	-49.0%	46.9	23,352.7	6.2%	14.1	1.03
Bahrain	223.1	0.5%	15.7%	3.5	-59.2%	3.9	18,181.1	1.0%	12.1	1.43
Kuwait	122.1	0.0%	-12.0%	615.4	-23.3%	800.7	126,046.6	25.4%	15.0	1.69
Morocco	253.5	0.7%	14.2%	65.5	-30.3%	4.0	59,863.4	5.7%	18.9	3.33
Tunisia	62.0	0.2%	-0.1%	3.7	-1.5%	2.4	7,604.5	2.5%	11.9	2.00
<b>Arabian Markets</b>	<b>918.3</b>	<b>-0.4%</b>	<b>0.6%</b>	<b>9,391.8</b>	<b>-6.4%</b>	<b>9,441.9</b>	<b>4,385,424.6</b>	<b>11.1%</b>	<b>15.9</b>	<b>3.93</b>

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

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

A closer look at individual stocks shows that Abu Qir Fertilizers & Chemical Industries' share price dropped by 5.7% over the week to LE 74.83. CIB's share price nudged down by 0.5% to LE 76.8. Misr Fertilizers' share price plunged by 10.5% to LE 496.00. Egypt Aluminum Company' share price shed 6.5% to LE 62.92. Alexandria Container and Cargo Handling Company's share price contracted by 8.4% to LE 37.48. Egypt Kuwait Holding's share price fell by 4.0% to LE 42.81. Credit Agricole Egypt's share price went down by 1.2% to LE 20.73. EFG Holding's share price decreased by 5.2% to LE 17.5. Sidi Kerir Petrochemicals Company's share price plummeted by 7.2% to LE 27.1. Ezz Steel's share price declined by 1.9% to LE 74.55.

In contrast, the heavyweight Saudi Exchange continued to operate on a positive territory this week, bucking the trend in emerging and most regional equity markets, as reflected by a 0.3% rise in the S&P Saudi index, mainly helped by some favorable company-specific factors and on news that Saudi Arabia has offered multinational companies major tax incentives if they set up regional headquarters in the Kingdom.

A closer look at individual stocks shows that East Pipes' share price surged by 5.0% week-on-week to SR 74.00. East Pipes signed a SR 170 million contract with Aramco for coating of steel pipes. Almarai Company's share price increased by 2.3% to SR 57.10. Almarai Company acquired Etmam Logistics, a Saudi logistics expert, for SR 182 million. Amongst petrochemicals, Petro Rabigh's share price went up by 1.5% to SR 11.06. Sipchem's share price rose by 1.6% to SR 32.85. SABIC's share price increased by 1.1% at SR 80.00. Also, Arabian Drilling's share price jumped by 10.2% to SR 192.80. Northern Cement's share price closed 1.5% higher at SR 10.58. Zamil Industrial Investment Company's share price went up by 2.3% to SR 20.72. Saudi Paper Manufacturing Company's share price closed 2.3% higher at SR 40.35. Bahri's share price nudged up by 0.3% at SR 22.06. Alujain Corporation's share price surged by 4.2% to SR 40.00.

## FIXED INCOME MARKETS: EXTENDED WEEKLY PRICE GAINS IN MENA BOND MARKETS, TRACKING US TREASURIES MOVE

MENA fixed income markets continued to register across-the-board upward price movements this week, mainly tracking US Treasuries move as lower-than-surveyed increase in US ADP private payrolls in November added to evidence of a cooling labor market, which strengthened bets for interest rate cuts by the US Federal Reserve in the first half of 2024.

In the Saudi credit space, sovereigns maturing in 2026, 2027, 2030 and 2031 registered price expansions of up to 1.25 pt this week. Prices of Saudi Aramco'25 increased by 0.13 pt. SEC'24 and '28 traded up by 0.13 pt and 0.63 pt respectively. SABIC'28 recorded price gains of 1.88 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2026, 2027 and 2031 saw weekly price gains of up to 1.00 pt. Mubadala'27 were up 0.50 pt. Prices of ADNOC'29 went up by 0.63 pt. Taqa'26 and '28 closed up by 0.38 pt and 0.63 pt respectively.

In the Dubai credit space, sovereigns maturing in 2029 posted price rises of 1.00 pt week-on-week. DP World'30 closed up by 0.75 pt. Majid Al Futtaim'29 registered price gains of 0.38 pt. Emaar Properties'26 registered price rises of 1.13 pt.

In the Bahraini credit space, sovereigns maturing in 2026, 2027 and 2032 recorded price expansions of 0.22 pt to 0.38 pt this week. Prices of NOGA'27 increased by 0.25 pt.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 saw price rises of 0.25 pt and 1.38 pt respectively week-on-week. Ooredoo'26 traded up by 0.38 pt. Amongst financials, prices of QNB'25 and '26 increased by 0.13 pt and 0.25 pt respectively. Prices of Qatar Islamic Bank'24 expanded by 0.38 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 rose by 0.40 pt week-on-week. KIPCO'27 traded up by 1.38 pt.

In the Iraqi credit space, sovereigns maturing in 2028 registered weekly price gains of 0.13 pt. Fitch Ratings affirmed Iraq's long-term foreign currency Issuer Default Rating at "B-" with a "stable" outlook. Iraq's "B-" rating

reflects, according to Fitch, its high commodity dependence, weak governance, political risk and undeveloped banking sector, which are balanced by high FX reserves and a favorable debt profile.

In the Omani credit space, sovereigns maturing in 2026, 2027 and 2029 posted price expansions of 0.44 pt, 0.50 pt and 0.88 pt respectively this week. In the Jordanian credit space, sovereigns maturing in 2026, 2027 and 2030 recorded price gains of up to 1.75 pt week-on-week.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2032 and 2040 posted price expansions of 3.38 pts, 3.45 pts and 2.00 pts respectively this week, while sovereigns maturing in 2030 recorded prices declines of 0.32 pt. Euro-denominated sovereigns maturing in 2026 and 2031 recorded price rises of 2.23 pts and 2.12 pts respectively.

All in all, activity in regional bond markets remained skewed to the upside this week, mainly tracking increases in US Treasuries after latest economic data showed that US ADP private payrolls rose by 103,000 jobs last month, falling short of economists' expectations of 130,000 jobs, which overshadowed speculation that the Bank of Japan would end its long-held negative interest rate policy.

### MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	08-Dec-23	01-Dec-23	30-Dec-22	Week-on-week	Year-to-date
Abu Dhabi	43	41	44	2	-1
Dubai	63	64	84	-1	-21
Kuwait	48	47	50	1	-2
Qatar	45	44	48	1	-3
Saudi Arabia	53	52	61	1	-8
Bahrain	220	220	231	0	-11
Morocco	131	130	162	1	-31
Egypt	1,261	1,345	877	-84	384
Iraq	496	481	467	15	29
Middle East	262	269	225	-7	37
Emerging Markets	53	53	140	0	-87
Global	389	395	533	-6	-144

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
<b>LEVANT</b>			
Lebanon	SD/-/SD	C/-	RD/-/C
Syria	NR	NR	NR
Jordan	B+/Stable/B	B1/Positive	BB-/Stable/B
Egypt	B-/Negative/B	Caa1/Stable	B-/Stable/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B
<b>GULF</b>			
Saudi Arabia	A/Stable/A-1	A1/Positive	A+/Stable/F1+
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA/Stable/A-1+	Aa3/Positive	AA-/Positive/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Stable/B	B2/Stable	B+/Stable/B
Oman	BB+/Stable/B	Ba2/Positive	BB+/Stable/B
Yemen	NR	NR	NR
<b>NORTH AFRICA</b>			
Algeria	NR	NR	NR
Morocco	BB+/Stable/A-3	Ba1/Stable	BB+/Stable/B
Tunisia	NR	Caa2/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\$)	08-Dec-23	01-Dec-23	30-Dec-22	Weekly change	Year-to-date
<b>LEVANT</b>					
Lebanese Pound (LBP)	15,000.00	15,000.00	1,507.50	0.0%	895.0%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	30.85	30.85	24.71	0.0%	24.8%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,460.00	0.0%	-10.3%
<b>GULF</b>					
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)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	0.0%	0.9%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	0.0%	0.0%
Yemeni Riyal (YER)	250.29	250.25	250.24	0.0%	0.0%
<b>NORTH AFRICA</b>					
Algerian Dinar (DZD)	134.59	134.72	137.35	-0.1%	-2.0%
Moroccan Dirham (MAD)	10.16	10.08	10.44	0.7%	-2.7%
Tunisian Dinar (TND)	3.13	3.11	3.11	0.6%	0.6%
Libyan Dinar (LYD)	4.83	4.81	4.83	0.3%	0.0%
Sudanese Pound (SDG)	647.81	647.81	573.81	0.0%	12.9%

Sources: Bloomberg, Bank Audi's Group Research Department

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