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A new report has been issued by JP Morgan. It says frontier countries have increasingly relied on funding from China and the GCC over the last decade. The funding framework may be evolving as GCC lenders increasingly shift towards investments and focus more on conditionalities and reforms while China may be focusing on higher-quality borrowers and to an extent, those of strategic importance. GCC outward remittances may also be correcting, further challenging ability for some regional neighbours to fund current account deficits (CAD).

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MENA equity markets continued to operate on a positive territory ahead of Fitr holidays, as reflected by a 0.8% increase in the S&P Pan Arab Composite index, mainly supported by price gains in the heavyweight Saudi Exchange as Brent oil prices stabilized above US\$ 80 per barrel. In contrast, regional fixed income markets saw across-the-board price contractions this week, after core UK inflation showed no sign of deceleration in March 2023, cementing expectations about further global monetary tightening.

MENA MARKETS: APRIL 16 - APRIL 22, 2023

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+0.8%	Weekly Z-spread based bond index	+1.5%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↓
YTD stock price performance	+1.5%	YTD Z-spread based bond index	+58.2%

ECONOMY

JP MORGAN SAYS GCC & CHINA CHANGING THE FUNDING FRAMEWORK

A new report has been issued by JP Morgan. It says frontier countries have increasingly relied on funding from China and the GCC over the last decade. The funding framework may be evolving as GCC lenders increasingly shift towards investments and focus more on conditionalities and reforms while China may be focusing on higher-quality borrowers and to an extent, those of strategic importance. GCC outward remittances may also be correcting, further challenging ability for some regional neighbours to fund current account deficits (CAD).

Lower-middle income countries (LMIC) had traditionally relied on funding (mostly aid and loans) from Paris-club countries and International Financial Institutions (IFI). However, over the last 15 years, many LMICs relied more on debt from non-Paris club countries as well as market sources. In that time, both China and Gulf Cooperation Council (GCC) countries have dominated lending to frontier economies. While JP Morgan expects these two to remain key sources of credit and investment to frontier markets, they also expect a shift in philosophy.

The GCC, which previously required minimal conditionalities, may move towards more direct investment funding and commercial lending with conditions requiring reforms. China is likely to maintain conditionalities related to resource-collateral, but they expect it to shift its lending towards higher-quality borrowers and regionally-strategic partners. This move may prove a challenge to many frontier countries as it comes at a time when global financial conditions are significantly tighter and the debt sustainability of LMICs is being scrutinised.

In addition to supporting LMIC, the GCC also supports its member countries, primarily Bahrain, a politically-strategic country with a usually wide fiscal deficit. The country received US\$ 10 bn in loans between 2018 and 2023 from Kuwait, Saudi Arabia and the UAE combined. Annual disbursements accounted for around 5% of its GDP. According to the IMF, Kuwait and Saudi Arabia accounted for about US\$ 11 bn in portfolio investments in Bahrain in 2021, and about half of its foreign portfolio liabilities. The region also serves as a backstop for raising capital markets funds. Last year, Bahrain issued two private placements for US\$ 850 mn in total, both of which were taken up by regional banks.

GCC creditors showed signs of increased co-operation with the IMF (for example in Egypt, and likely in Pakistan). Its overseas lending and investment is set to change as many creditors may introduce conditionalities like those required by IFIs, focusing more on FDI rather than loans at concessional rates. For example, the interest rate paid on US\$ 15 bn of long term deposits at the CBE amounts to about 3.6%, only slightly higher than rates charged by multi-lateral lenders, and well below Eurobond rates. However, at this year's WEF meetings held in Davos, Saudi Arabia made clear its change in position, highlighting that going forward borrowers will need to implement reforms.

Moreover, it is expected that more emphasis will be put on investing in viable projects/ businesses, rather than providing deposits at below market rates. Overall, JP Morgan expects frontier economies to remain reliant on funding from both China and the GCC for the foreseeable future, but this will be accompanied with more conditions as the global economy settles into a period of higher developed market rates.

SAUDI ARABIA'S CPI REGISTERS 3% INFLATION YEAR-ON-YEAR IN MARCH

During March 2023, an inflation in Consumer Price Index (CPI) was recorded at 2.7% in Saudi Arabia against figures in the same month of the year prior. The main drivers that led to this increase are inflations in housing, water, electricity, gas & other fuels as well as food & beverages. However, the CPI recorded between March 2023 and February 2023 showed a relative stagnation of 0.1% which continues the softening trend of price inflation in the country, as per the Saudi General Authority for Statistics (GASTAT).

The three categories that hold the biggest weight in CPI calculations for Saudi Arabia are Housing, water, electricity, gas & other fuels (25.5%), Food & Beverages (18.8%) and Transport (13.1%). These categories all saw year-on-year increases of 7.4%, 2.3% and 1.9% respectively which stands as the main driver for the CPI inflation year-on-year in March 2023.

Restaurants & Hotels saw an increase in prices of 6.3% year-on-year in March 2023. Education, recreation & culture and healthcare all saw price inflations of 3.2%, 0.6% and 1.2% respectively in March 2023 as compared to March 2022. In parallel, tobacco remained relatively stable in price during the same period with a slight inflation of 0.2% year-on-year, as per the GASTAT report.

On the other hand, price deflation has been recorded in clothing & footwear, miscellaneous goods & services, communications and furnishings & household equipment of 2.2%, 0.4%, 0.4% and 1.5% respectively in March 2023 against the same month of 2022.

In details, looking at CPI inflation in the country's biggest cities, Jeddah recorded an inflation above the average trend recording 6.6% increase in prices during the period. On the other hand, Makkah and Riyadh both recorded below or equal to average inflations of 2.6% and 2.7% respectively in March 2023 against March 2022.

Housing, water, electricity, gas & other fuels increased in all three cities. An inflation of 20.4% year-on-year was recorded in Jeddah, an inflation of 10.4% year-on-year was noticed in Riyadh during the period and in Makkah a 0.8% increase year-on-year was noticed between March 2023 and March 2022. Food & beverages increased above the average trend in Makkah (5.8% year-on-year) and in Jeddah (3.3% year-on-year) during the period. Additionally, inflation in transport prices were above trend in Makkah (4.3% year-on-year) and Jeddah (4.4%) during March 2023 as compared to the same month of the previous year. Prices for restaurants & hotels also saw an above average increase of 11.6% year-on-year in Makkah during the period while being registered slightly under average in Riyadh and Jeddah (6.0% and 5.8% year-on-year respectively), as per the GASTAT report.

EGYPT'S HEADLINE CPI POSTS A YEAR-ON-YEAR INFLATION OF 33% IN MARCH

Egypt's headline Consumer Price Index (CPI) for March 2023 was recorded at 162.7 up from 122.7 in the same month of 2022. This shows an inflation in prices at 32.7% year-on-year in the aforementioned period with all studied items having noticed an increase in prices.

It is worth noting that between February 2023 and March 2023, a CPI inflation of 2.7% was registered in Egypt, as per CAPMAS.

In details, the three items holding the highest weight in the CPI formula, Food & Beverage (32.7%), Housing, Water, Electricity, Gas & Other Fuels (19.5%) and Medical Care (8.6%) all saw major inflations between March 2022 and March 2023 of 62.9%, 8.3% and 16.9% respectively. These inflations stand as the main drivers behind the headline CPI inflation recorded during the aforementioned period.

In parallel, Transportation, Education and Hotels, Cafés & Restaurants posted price inflations of 20.3%, 11.3% and 46.1% respectively year-on-year in March 2023 against March 2022. Tobacco & related products, Clothing & Footwear and Miscellaneous Goods & Services additionally recorded inflation in prices of 12.9%, 21.3% and 29.0% respectively in the aforementioned period. Furnishings, Household Equipment & Routine Maintenance, Recreation & Culture as well as Communications registered an inflation of prices as well during the period of 38.3%, 25.0% and 1.3% year-on-year, as per CAPMAS.

Fruits & Vegetables alone recorded a 34.6% inflation year-on-year between March 2022 and March 2023. Food items which excludes Fruits & Vegetables inflated by 76.0% year-on-year in the aforementioned period.

It is worth highlighting that Core CPI inflation, which is the inflation in prices for goods with the exception of energy and food items, was recorded at 39.5% year-on-year between March 2022 and March 2023. When looking at Core CPI inflation between March 2023 and February 2023, month-on-month Core CPI recorded an inflation of 2.5%, as per CAPMAS.

TWO NEW LOAN AGREEMENTS SIGNED BETWEEN JORDAN AND THE WORLD BANK

Two new loan agreements were signed between the Jordanian Minister of Planning and International Cooperation and the World Bank (WB) Country Director for the Middle East Department. These agreements were signed on the sidelines of the WB Spring Meetings in Washington DC.

In details, the international financial institution approved additional financing for the Jordan Inclusive, Transparent and Climate Responsive Investments Program for Results valued at US\$ 400 million as well as additional financing for the country's Electricity Sector Efficiency and Supply Reliability Program for Results valued at US\$ 250 million.

The first loan aims to intensify efforts to boost climate responsive private and public investment, promote jobs and business opportunities for women as well as strengthen the government's effectiveness through participatory data and evidence-based policymaking.

The second loan aims to improve Jordan's electricity sector efficiency, maintain the progress made in the country's electricity sector reliability as well as strengthen sector governance, as per the WB.

Additionally, these loans will aid the Jordanian government's efforts in implementing its Economic Modernization Vision Executive Program 2023-2025 which focuses on advancing the country's climate agenda, promoting green investment-led growth as well as improving the reliability and efficiency of Jordan's energy sector, as per the Jordanian Minister of Planning and International Cooperation.

It is worth noting that Jordan has made significant progress between 2017 and 2021 with regards to the share of renewable energy in the electricity supply mix. During the period, the share of renewable energy in the mix went from 6% to 26% with the country's target for this contribution, through the Nationally Determined Contribution, set at 31%. However, despite these achievements, the sector still faces challenges that come in the way of efficient long-term growth.

SURVEYS

39 ARAB BANKS ENTER IN THE LIST OF BEST 500 BANKING BRANDS IN THE WORLD FOR 2022, AS PER UNION OF ARAB BANKS

According to the report issued by the Union of Arab Banks, 39 Arab banks entered in the list of the best 500 banking brands in the world for the year 2022, compared to 40 banks in 2021, with the total value of the banking brands of Arab banks amounting up to US\$ 49.3 billion, compared to US\$ 41.9 billion in 2021.

The strength of the banking brands were calculated according to (1) the strength of the bank's financial position, (2) the quality of its assets, (3) its market share and (4) its profitability.

Saudi Arabia recorded the largest number of Arab banks that entered the aforementioned list, as 10 Saudi banks were included, followed by the UAE with nine banks, Qatar with six banks, Kuwait with five banks, Egypt and Morocco with three 3 banks each, and finally Jordan, Oman and Bahrain with one bank each.

Country	Number of Banks		Brand Value (US\$ million)	
	2022	2021	2022	2021
Saudi Arabia	10	10	16,618	12,459
UAE	9	10	15,711	13,839
Qatar	6	6	10,323	9,461
Kuwait	5	5	3,169	2,730
Egypt	3	3	1,223	1,115
Morocco	3	3	1,107	1,153
Jordan	1	1	436	357
Oman	1	1	416	384
Bahrain	1	1	328	369
Total	39	40	49,331	41,867

Sources: Union of Arab Banks, Bank Audi's Group Research Department

In details, the Qatar National Bank (QNB) ranked the most valuable banking brand in the MENA region, and it came in the 45th position globally. The banking brand value of the QNB has increased from US\$ 7 billion in 2021 to US\$ 7.7 billion dollars in 2022, achieving a growth rate of 7.9%.

Saudi Arabia's Al Rajhi Bank ranked 2nd in the MENA region and 53rd globally in terms of brand value, up by 16 places from 2021.

The bank Al-Ahly of Saudi Arabia ranked 3rd among Arab banks and 76th globally, up by 18 places from the previous year.

First Abu Dhabi Bank ranked 4th in the MENA region and 82nd globally, up by six places from last year, and the bank Emirates NBD ranked 5th in the Arab world and 83 globally.

DUBAI'S RESIDENTIAL MARKET REACHES RECORD HIGHS IN THE FIRST QUARTER OF 2023, AS PER CBRE

CBRE, the global leader in commercial real estate services and investments, released its Dubai Residential Market Snapshot report, which revealed that Dubai's residential market reached record highs in the first quarter of 2023.

In details, in March 2023, 11,597 residential transactions were registered in Dubai, the highest monthly total ever recorded, marking a growth rate of 47.3% compared to the year prior.

Based on the report, this increase has been supported by a 96.1% growth in off-plan market transactions and

a 12.4% increase in secondary market transactions. In the first quarter of 2023, the total transaction volume reached 29,323, which is the highest total ever registered during the first quarter of the year.

Average residential prices in Dubai have increased by 12.8% in the year through March 2023, with average apartment prices increasing by 12.4% and average villa prices by 14.8% over the same period. As at March 2023, average apartment prices stood at AED 1,234 per square foot, and average villa prices stood at AED 1,455 per square foot.

Average apartment sales rates are still 17.1% below the highs of 2014, although there are a number of submarkets where these rates are now above their 2014 levels. Average villa sales rates across Dubai have now surpassed their 2014 high and now sit 0.7% above this figure.

Jumeirah has recorded the highest sales rate per square foot in the apartment segment of the market, reaching AED 2,441, whilst Palm Jumeirah has recorded the highest sales rate per square foot in the villa segment of the market, reaching AED 4,457, as per CBRE.

On the other hand, Dubai's average residential rents have grown by 26.3% in the year to March 2023, with average apartment rents rising by 26.3% and average villa rents by 26.2%. As at March 2023, the average yearly apartment and villa rents have reached AED 101,044 and AED 300,984, respectively.

The highest average apartment and villa rents have been registered in Palm Jumeirah, where average rents reached AED 264,537 and AED 1,000,489 per annum, respectively.

FITCH RATINGS REVISES QATAR'S OUTLOOK TO "POSITIVE" AND AFFIRMS ITS IDR AT "AA-"

Fitch Ratings revised the outlook on Qatar's long-term foreign-currency Issuer Default Rating (IDR) to "positive" from "stable" and affirmed the IDR at "AA-".

The revision of the outlook reflects Fitch's expectation that debt to GDP would remain in line with or below the "AA" peer median, while Qatar's external balance sheet would strengthen from an already strong level. The additional LNG export capacity that would be brought online as a result of the North Field expansion, would bring down Qatar's already low fiscal breakeven hydrocarbon price.

Qatar's "AA-" ratings are supported by large sovereign net foreign assets, one of the world's highest ratios of GDP per capita and a flexible public finance structure. Rating weaknesses include higher government debt/GDP ratio than oil-dependent highly-rated peers and substantial contingent liabilities, heavy hydrocarbon dependence and below average scores on some measures of governance.

Qatar's banks have assets in excess of 220% of GDP and net foreign liabilities of over US\$ 110 billion (47% of GDP) in 2022. Following the Central Bank's introduction of measures increasing the cost for banks of short-term foreign financing, banks' gross foreign liabilities declined to US\$ 186 billion at end-2022 or close to 35% of total assets, from US\$ 197 billion at end-2021.

Fitch Ratings forecasts Qatar's general government (GG) budget surplus at about 10% of GDP in 2023 (2022: 13% of GDP), including estimated investment income on Qatar Investment Authority (QIA) external assets, and about 8% without.

The credit rating agency projects debt/GDP to fall to about 45% of GDP in 2023 and 42% in 2024, from a peak at 85% in 2020. This reflects Fitch's expectation that the government would continue to repay maturing external debt in 2023 (US\$ 7.5 billion) and 2024 (US\$ 4.8 billion) and to gradually pay down some of its domestic debt. Large surpluses would still allow Qatar to transfer new funds to the QIA.

CORPORATE NEWS

PIF TRANSFERS US\$ 80 BILLION ARAMCO STAKE TO STRATEGIC UNIT SANABIL

Saudi Arabia's sovereign wealth fund PIF (Public Investment Fund) completed the transfer of 4% of its issued shares in State oil giant Aramco, to be valued at around US\$ 80 billion, to one of its key subsidiaries, Sanabil Investments, as reported in a company's statement.

The transfer of part of the State's shares in Saudi Aramco was a continuation of Saudi Arabia's long-term initiatives to boost and diversify the national economy and expand investment opportunities in line with Saudi Vision 2030.

The State remains Aramco's biggest shareholder, owning up to 90.18% of the company. It is worth noting that the transfer would help maximize the assets of the Public Investment Fund and would solidify the PIF's strong financial position and credit rating.

EMTELLE AND KEZAD GROUP BREAK GROUND FOR US\$ 50 MILLION NEW FACILITY

UK-based Emtelle, the global manufacturer of fiber-optic network solutions, and Kezad Group, the UAE's largest operator of fully-integrated economic zones, announced the groundbreaking for one of the world's largest facilities for the manufacture, distribution and R&D of blown fibre units and ducted network solutions in Abu Dhabi, as revealed in a company's statement.

The ground breaking began work on Phase 1 of the three phases of development of the Emtelle facility, which is being jointly overseen by Kezad under its Build-to-Suit solution.

The development of this facility, under Kezad Group's Build-to-Suit service, would provide the clients with a customized solution, in line with their requirements and budget and according to their specifications, as stated by Kezad Group's CEO.

Emtelle plans to invest approximately US\$ 50 million over the three phases of the development. The facility, which would be built on a 48,000-square-meter area in KEZAD (Khalifa Economic Zones Abu Dhabi), would export around 95% of its manufactured products globally.

Emtelle aims to boost the service level to its growing customer base with presence in the Middle East and APAC markets including the UAE, Egypt, Jordan, Morocco, Oman, Saudi Arabia, the Philippines, Thailand, Indonesia, Australia and New Zealand.

JORDAN AHLI BANK BECOMES FIRST IN MIDDLE EAST TO INTEGRATE AI TO CUSTOMER SERVICE WITH "AHLIGPT"

Jordan Ahli Bank launched its new Artificial Intelligence (AI) system "ahliGPT", becoming the first bank in the Middle East to embrace AI in its customer service, as indicated in a company's statement.

The pioneering step reflects the bank's vision in integrating AI into its operations and improving the quality of provided services. "ahliGPT" provides customers with the opportunity to get quick and accurate answers to their queries and problems related to banking and financial services, saving time and effort for both employees and customers.

The move is part of Jordan Ahli Bank's continued efforts to enhance its operations leveraging new technologies, as it seeks to improve the experience of its customers by adopting the latest innovations and focusing on enhancing the capabilities of its employees to ensure the provision of high-quality services that would help it keep pace with the rapid developments in the world of AI and financial technology.

The bank is also working to improve the privacy of customers by implementing the latest security standards in the use of AI technologies that would guarantee the protection of customer information and transaction details.

This initiative would reflect positively on the development of the financial services sector in the Middle

East, making it an inspiring model for banks and other financial institutions in the region to adopt modern technologies, and enhance the bank's ability to compete in a growing and developed market.

ADCB AND AL HILAL INK DEAL WITH BANK OF LONDON AND MIDDLE EAST

Abu Dhabi Commercial Bank (ADCB) and its shariah-compliant digital banking subsidiary Al Hilal Bank announced an innovative new partnership with Bank of London and the Middle East (BLME) to bring digital UK banking to UAE nationals and residents through Nomo, as mentioned in a company's statement.

Nomo is part of BLME, a subsidiary of Boubyan Bank, one of the leading financial institutions in the Middle East. Nomo was established to bring high-quality, Shariah-compliant digital banking to non-UK residents in the Middle East.

Customers in the UAE can currently open UK-based multi-currency current and savings accounts, as well as apply for UK home financing, from their smartphones using the newly launched ADCB-Nomo and Al Hilal-Nomo banking applications.

The ADCB-Nomo and Al Hilal-Nomo applications would give customers the ability to spend fee-free globally in six currencies (GBP, US, AED, Euro, KWD and SR), send money fee-free to UK bank accounts, and save in UK-based Fixed Term Deposits in GBP and US\$.

This unique proposition, which gives UAE consumers a quick and simple way to bank in the UK from the UAE, demonstrates ADCB Group's agility and commitment to consistently provide market-leading customer experience.

ARADA TO LAUNCH NEXT-GENERATION SUSTAINABLE WATER TREATMENT TECHNOLOGY IN SHARJAH

The leading UAE developer Arada announced that it is investing in a major new Research and Development (R&D) facility in Sharjah, aimed at bringing a new form of sustainable water treatment to the UAE, and the wider Middle East, for the first time, as mentioned in a company's statement.

The joint venture agreement with Hungarian water tech firm Biopolus, Sharjah Research Technology and Innovation Park (SRTIP) and Metito, a leading global provider of water management solutions, is designed to develop and implement upgraded versions of the existing Biopolus technology, allowing them to be patented, tested and integrated within projects in Sharjah.

The plant would use the Biopolus Metabolic Network Reactor (MNR) technology, a biological engineering process that mimics natural processes by using artificial root structures, containing microbial biofilms to clean water rapidly, efficiently, sustainably and without the use of chemicals.

The R&D facility is designed to be a living, learning laboratory that can serve as an inspiring and innovative space for students and researchers to study ecological engineering and circular economy principles in a practical and hands-on manner.

The agreement would also result in the construction and operation of a water treatment plant that would treat, recycle and produce treated water, which would be used for the irrigation of landscapes located within Arada's US\$ 6.5 billion Aljada mega project, and neighboring Sharjah Research Technology and Innovation Park (SRTIP).

Construction of the plant is currently underway and is scheduled to be completed in April 2024.

CAPITAL MARKETS

MENA EQUITIES CONTINUE TO OPERATE ON POSITIVE TERRITORY AHEAD OF FITR HOLIDAYS, SUPPORTED BY HEAVYWEIGHT SAUDI EXCHANGE

MENA equity markets continued to operate on a positive territory ahead of Fitr holidays, as reflected by a 0.8% increase in the S&P Pan Arab Composite index, mainly supported by price gains in the heavyweight Saudi Exchange.

The Saudi Exchange, whose market capitalization represents two-thirds of the total regional market capitalization, remained on the rise over this two-day week (+1.3%), mainly helped by some favorable company-specific factors, and as Brent oil prices stabilized above US\$ 80 per barrel as falling US inventories and OPEC+ production cut plan starting May 2023 were offset by prospects of slower oil demand in a global monetary tightening environment.

A closer look at individual stocks shows that petrochemicals giant Saudi Aramco's share price jumped by 5.5% week-on-week to SR 34.65. The Saudi government transferred 4% of the energy giant shares to Sanabil Investments, which is wholly owned by the country's sovereign wealth fund, in a move that is expected to solidify the Public Investment Fund's strong financial position and credit rating. Saudi Kayan Petrochemical Company's share price increased by 1.1% to SR 12.90. Maaden's share price closed 2.1% higher at SR 69.10. SABIC's share price went up by 0.9% to SR 92.00. Also, Al Rajhi Bank's share price rose by 1.2% to SR 76.50. Saudi National Bank's share price expanded by 1.3% to SR 50.40. SABB's share price went up by 1.8% to SR 36.65. Banque Saudi Faransi's share price increased by 1.9% to SR 39.40.

Boursa Kuwait continued to follow an upward streak this five-day week, as reflected by a 2.4% increase in the S&P Kuwait index, mainly supported by continuously high oil prices. A closer look at individual stocks shows that Kuwait Finance House's share price edged up by 0.7% Kwf 745. National Bank of Kuwait's share price rose by 3.3% to Kwf 995. Boubyan Bank's share price jumped by 9.7% to Kwf 691. Zain's share price closed 2.7% higher at Kwf 565. Agility's share price increased by 2.8% to Kwf 615.

The UAE equity markets saw mixed price movements during this three-day week, which resulted into a shy rise in the S&P UAE index of 0.2%. In Abu Dhabi, ADNOC Drilling's share price surged by 4.0% to AED 3.90. Dana Gas's share price went up by 1.5% to AED 0.86. First Abu Dhabi Bank's share price closed 0.8% higher at AED 13.34. In contrast, ADNOC's share price fell by 1.6% to AED 4.31. Etisalat's share price retreated by 0.4% to AED 23.38. ADCB's share price declined by 0.8% to AED 8.72.

In Dubai, Commercial Bank of Dubai's share price dropped by 4.3% over the week to AED 4.23. Amlak Finance's share price went down by 1.6% to AED 0.807. Tecom Group's share price fell by 2.1% to AED 2.33. Aramex's

EQUITY MARKETS INDICATORS (APRIL 16 - APRIL 22, 2023)

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	175.2	1.5%	35.8%	3.7	19.2%	0.7	19,794	1.0%	-	0.39
Jordan	375.3	-0.4%	-3.5%	44.3	59.9%	16.7	24,920.0	9.2%	8.2	1.34
Egypt	228.4	-3.1%	-3.5%	120.7	-42.3%	805.9	35,504.5	17.7%	7.8	2.01
Saudi Arabia	493.5	1.3%	5.9%	1,348.6	-74.8%	169.29	2,838,530.7	2.5%	13.9	4.26
Qatar	161.8	-1.6%	-8.4%	303.4	-31.6%	357.4	157,748.3	10.0%	11.3	1.51
UAE	133.4	0.2%	-3.0%	1,250.1	-37.5%	1,251.4	902,351.1	7.2%	16.2	2.99
Oman	257.4	-1.0%	-1.1%	19.9	-10.1%	27.9	22,584.9	4.6%	12.7	1.07
Bahrain	199.7	1.2%	3.6%	7.1	24.6%	13.5	17,445.9	2.1%	10.2	1.36
Kuwait	135.0	2.4%	-2.7%	542.5	27.4%	554.3	135,995.7	20.7%	18.9	1.82
Morocco	224.3	0.1%	1.1%	25.0	-48.7%	1.2	53,612.0	2.4%	19.1	3.00
Tunisia	64.6	0.8%	4.1%	4.5	-85.1%	2.0	7,743.9	3.0%	10.6	2.06
Arabian Markets	926.8	0.8%	1.5%	3,669.7	-57.2%	3,200.3	4,216,230.7	4.5%	14.4	3.70

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

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

share price closed 0.9% higher at AED 3.31. Deyaar Development's share price increased by 0.6% to AED 0.509. Emaar Development's share price rose by 0.5% to AED 5.88. Union Properties' share price jumped by 9.7% to AED 0.259.

In contrast, the Qatar Stock Exchange plunged deeper into the red during this five-day week (-1.6%), mainly dragged by some unfavorable financial results and on portfolio reshuffling. 18 out of 46 traded stocks registered price drops, while 28 stocks posted price gains week-on-week. A closer look at individual stocks shows that Masraf Al Rayan's share price shed 1.1% to QR 3.690. Masraf Al Rayan reported 2023 first quarter net profits of QR 385 million, down by 21% year-on-year. QNB's share price declined further by 3.9% to reach QR 17.000. Citi has downgraded QNB's stock to "Neutral" from "Buy", with a price target of QR 17.60, which implies a 13% increase from last price. Qatar National Cement's share price retreated by 0.6% to QR 3.320. Qatar National Cement reported net profits of QR 64 million during the first quarter of 2023 as compared to net profits QR 77 million a year earlier. Industries Qatar's share price dropped by 5.1% to QR 6.512. United Development Company's share price plunged by 8.6% to QR 0.902.

The Egyptian Exchange slid back into the red during this week that was shortened to two working days due to holidays (-3.1%), mainly dragged by some foreign selling and profit taking operations. A closer look at individual stocks shows that heavyweight Commercial International Bank registered an 8.4% plunge in its share price to reach LE 53.6. Telecom Egypt's share price shed 3.8% to LE 24.84. ElSewedy Electric's share price fell by 1.8% to LE 17.13. The Housing & Development Bank's share price dropped by 8.6% to close at LE 17.77.

ACROSS-THE-BOARD WEEKLY PRICE CONTRACTIONS ON MENA BOND MARKETS

MENA fixed income markets saw across-the-board price contractions this week, after core UK inflation showed no sign of deceleration in March 2023, cementing expectations about further global monetary tightening.

In the Abu Dhabi credit space, sovereigns maturing in 2026, 2027 and 2031 registered weekly price falls of up to 1.75 pt. Mubadala'26 and '27 closed down by 0.25 pt and 0.13 pt respectively. Etisalat'24 rose by 0.13 pt, while Etisalat'26 retreated by 0.50 pt. Taqa'26 was down by 0.25 pt. In the Dubai credit space, DP world'30 traded down by 0.38 pt this week.

In the Omani credit space, sovereigns maturing in 2026, 2027 and 2029 registered price declines of 0.63 pt, 0.52 pt and 0.81 pt respectively week-on-week. Prices of Omantel'28 edged down by 0.13 pt.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 posted price decreases of 1.25 pt and 1.13 pt respectively week-on-week. Amongst financials, QNB'26 traded down by 0.13 pt.

In the Bahraini credit space, prices of sovereigns maturing in 2026, 2027, 2031 and 2032 contracted by 0.45 pt, 0.67 pt, 0.75 pt and 0.83 pt respectively this week. Prices of NOGA'27 retreated by 0.25 pt.

In the Jordanian credit space, sovereigns maturing in 2026, 2027 and 2030 posted weekly price falls of up to 0.88 pt. In the Kuwaiti credit space, sovereigns maturing in 2027 posted price drops of 0.50 pt week-on-week. In the Iraqi credit space, prices of sovereigns maturing in 2028 increased by 0.25 pt this week.

In the Saudi credit space, sovereigns maturing in 2026, 2027, 2030 and 2031 registered price decreases of 0.38 pt to 1.0 pt this week. SEC'24 and '28 closed down by 0.25 pt each. Saudi Aramco'25 closed down by 0.25 pt.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2032 and 2040 posted price decreases of 3.88 pts, 1.94 pt and 2.50 pts respectively this week, while sovereigns maturing in 2030 posted shy price rises of 0.03 pt. Euro-denominated sovereigns maturing in 2026 and 2031 recorded price decreases of 2.80 pts and 2.84 pts respectively. S&P Global Ratings revised its outlook on Egypt to "negative" from "stable", and affirmed its "B/B" long-term and short-term foreign and local currency sovereign credit ratings on the country. The "negative" outlook reflects, as per S&P, risks that the policy measures implemented by the Egyptian authorities may be insufficient to stabilize the exchange rate and attract foreign currency inflows to meet the sovereign's high external financing needs. Under these conditions, Egypt's five-year CSD spreads expanded by 194 bps week-on-week to reach 1,601 bps.

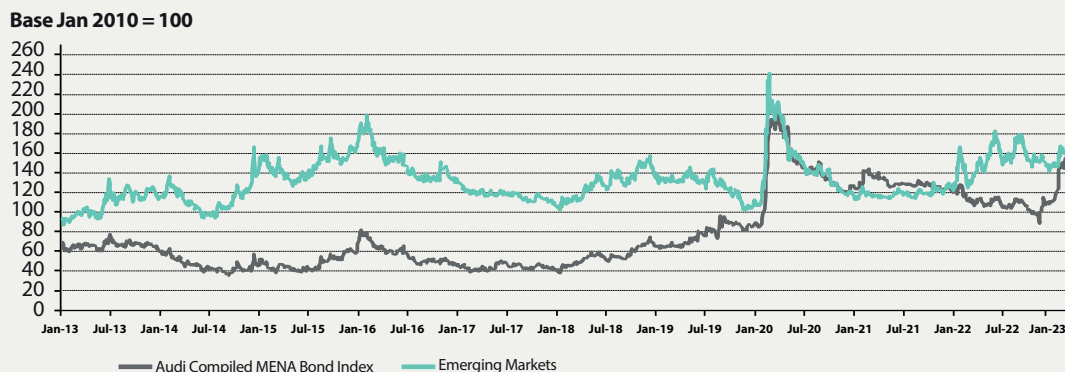
All in all, activity in regional bond markets was tilted to the downside this week, amid a global sell-off as a sticky core UK inflation in March 2023 reinforced bets about global monetary tightening.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	21-Apr-23	14-Apr-23	30-Dec-22	Week-on-week	Year-to-date
Abu Dhabi	42	41	44	1	-2
Dubai	80	80	84	0	-4
Kuwait	46	46	50	0	-4
Qatar	43	42	48	1	-5
Saudi Arabia	63	61	61	2	2
Bahrain	256	251	231	5	25
Morocco	178	174	162	4	16
Egypt	1,601	1,407	877	194	724
Iraq	406	407	467	-1	-61
Middle East	302	279	225	23	77
Emerging Markets	128	121	140	7	-12
Global	455	496	533	-41	-78

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/Positive	BB-/Stable/B
Egypt	B-/Negative/B	B3/Stable	B+/Negative/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B
GULF			
Saudi Arabia	A/Stable/A-1	A1/Positive	A+/Stable/F1+
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA/Stable/A-1+	Aa3/Positive	AA-/Positive/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Positive/B	B2/Stable	B+/Stable/B
Oman	BB/Positive/B	Ba3/Positive	BB/Positive/B
Yemen	NR	NR	NR
NORTH AFRICA			
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\$)	21-Apr-23	14-Apr-23	30-Dec-22	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)	30.80	30.89	24.71	-0.3%	24.6%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,460.00	-55.1%	-59.7%
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)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	0.0%	0.3%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	0.1%	0.0%
Yemeni Riyal (YER)	250.24	250.22	250.24	0.0%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	135.25	135.20	137.35	0.0%	-1.5%
Moroccan Dirham (MAD)	10.12	10.13	10.44	-0.1%	-3.0%
Tunisian Dinar (TND)	3.06	3.04	3.11	0.6%	-1.6%
Libyan Dinar (LYD)	4.77	4.76	4.83	0.1%	-1.3%
Sudanese Pound (SDG)	588.23	588.09	573.81	0.0%	2.5%

Sources: Bloomberg, Bank Audi's Group Research Department

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