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Economy

p.2 GCC PROJECT AWARDS UP BY 55% IN FIRST QUARTER 2023

GCC project awards expanded during Q1-2023 despite global economic challenges such as the global financial sector turmoil, elevated inflation, and the ongoing Ukraine-Russia conflict.

Also in this issue

p.3 Dubai shows a 98% recovery to pre-pandemic levels of tourism in the first quarter

p.3 Qatar's private sector exports increased by 18% year-on-year in Q1

p.4 Kuwait approves projects worth US\$ 3 billion for FY 2023-24

Surveys

p.5 UAE RANKS 1ST IN MENA REGION IN THE LOGISTICS PERFORMANCE INDEX

The UAE ranked 1st in the MENA region and 7th globally, scoring four out of five, in the Logistics Performance Index (LPI), issued by the World Bank, followed by Bahrain and Qatar.

Also in this issue

p.6 Egypt ranks as top global destinations for MENA travelers in Q1 2023, as per Wego

p.6 Morocco "BB+/B" rating affirmed with a "stable" outlook, as per S&P Global Rating

Corporate News

p.7 ADNOC GAS SIGNS LNG SUPPLY DEAL VALUED UP TO US\$ 1.2 BILLION WITH TOTALENERGIES

ADNOC Gas (Abu Dhabi National Oil Company), one of the world's largest integrated energy companies, signed a three-year Liquefied Natural Gas (LNG) supply agreement with TotalEnergies Gas and Power, a unit of French energy giant TotalEnergies, as mentioned in a company's statement.

Also in this issue

p.7 Aramco, PIF and China's Baosteel agree to establish first integrated steel complex in Saudi Arabia

p.7 KEZAD signs deals for US\$ 272 million food processing plants

p.8 Batelco first in GCC to power BMW with eSIM technology

p.8 Abu Dhabi to establish MENA's first sustainable electric aircraft manufacturing facility

Markets In Brief

p.9 MENA EQUITIES SLIDE INTO RED, BOND MARKETS REMAIN ON RISE ON MOUNTING GLOBAL GROWTH CONCERNs

MENA equity markets slid into the red this week (-0.7%), snapping a six straight weekly winning streak, mainly tracking global equity weakness on growing concerns that the global economy may fall into a recession amid US banking stress and credit tightening, while also dragged by an oil price slump in the midst of lingering demand woes. In contrast, activity on MENA fixed income markets was mostly tilted to the upside, mainly tracking US Treasuries move after the US Fed Chair hinted that officials may pause their tightening campaign in June 2023 following a 25 bps interest rate hike this month, mainly to assess how the US economy is responding to tighter credit conditions resulting from higher interest rates and recent stress in the banking sector.

MENA MARKETS: APRIL 30 - MAY 6, 2023

Stock market weekly trend	↓
Weekly stock price performance	-0.7%
Stock market year-to-date trend	↑
YTD stock price performance	+2.0%

Bond market weekly trend	↓
Weekly Z-spread based bond index	+1.4%
Bond market year-to-date trend	↓
YTD Z-spread based bond index	+62.0%

ECONOMY

GCC PROJECT AWARDS UP BY 55% IN FIRST QUARTER 2023

GCC project awards expanded during Q1-2023 despite global economic challenges such as the global financial sector turmoil, elevated inflation, and the ongoing Ukraine-Russia conflict. Total value of GCC contracts awarded increased by 54.7% y-o-y during Q1-2023 to US\$ 29.9 billion as compared to US\$ 19.3 billion in awards during Q1-2022 as per a report by Kamco Invest. This was the second highest quarterly projects awards since the start of 2022.

All GCC projects markets witnessed y-o-y project awards growth during Q1- 2023 expect for Bahrain which remains the smallest project market in the region. Saudi Arabia remained the largest projects markets in the GCC during Q1- 2023. Saudi Arabia's project awards recorded 17.9% growth during the quarter to reach US\$ 13.3 billion as compared with US\$ 11.4 billion in Q1-2022. Comparatively, the UAE project awards more than doubled to reach US\$ 10.0 billion during the quarter while Kuwait's contract awards reached US\$ 1.8 billion during Q1-2023 as compared with US\$ 407 million in Q1-2022 recording the highest percentage y-o-y contract awards increase in the region during the quarter.

In terms of sector classification, the Chemical sector witnessed the biggest increase in the value of projects awarded during the year recording US\$ 4.7 billion y-o-y increase in new contract awards to reach a total US\$ 5.7 billion during Q1-2023.

Saudi Arabia alone accounted over 44.6% of the contracts awarded in the GCC region during Q1-2023, while Saudi Arabia, UAE and Qatar combined represented 84.1% of the overall projects in the GCC. Saudi Arabia's growth in contracts during the quarter was mainly fueled by Saudi Aramco bumper profits during FY-2022, which reached US\$ 161.1 billion. It is reported that Aramco's Capex is expected to grow 20% during 2023 as the energy giant undertakes its mission to build its long-term oil and gas production potential.

The growth in the GCC project awards during this quarter has been partly fueled by the determination of the GCC countries to diversify their economies away from hydrocarbons. GCC member states have backed and invested in projects in the industrial sector such as aluminum, steel, and other industrial equipment manufacturing projects. For instance, Saudi Arabia plans to invest US\$ 453.2 billion in its National Industrial Development & Logistics Program by 2030. The UAE has eleven initiatives in its industrial strategy which covers 11 sectors and forecasts its industrial sector's GDP contribution to reach US\$ 81.7 billion by 2030. In Kuwait, the government streamlined 164 programs and projects for its national industrial strategy with US\$ 100 billion earmarked for development through public-private partnerships according to Kamco Invest.

DUBAI SHOWS A 98% RECOVERY TO PRE-PANDEMIC LEVELS OF TOURISM IN THE FIRST QUARTER

In the first quarter (Q1) of 2023, Dubai received 4.7 million international overnight visitors. This figure marks a year-on-year increase of 17.6% against 4.0 million international overnight visitors in Q1 2022. This marks the best Q1 performance the emirate has seen since the COVID-19 pandemic with data from Dubai's Department of Economy and Tourism (DET) placing it firmly on track to becoming the world's most visited international destination. This surge in recovery exceeds the United Nation's World Tourism Organization's projections of 80-95% recovery by reaching 98% recovery in tourism from pre-pandemic levels. The tourism industry performance during the quarter led to Dubai being named the number one global destination in Tripadvisor's Travelers' Choice Awards 2023.

According to the Director General of DET, following the Dubai Economic Agenda 2033, the coming decade will see the industry going through phases of transformation in terms of infrastructure, technology as well as attractions & experiences. In parallel, in order to maintain the appeal of Dubai as a destination for tourists, the multi-pronged blueprint that led to the success noticed in 2022 will continue to be adopted with a focus on sustainability incorporation in all aspects of the visitor's experience.

In details, looking at the distribution of tourist arrivals by region, GCC and MENA combined accounted for the biggest share of visitors with 29% of the total, marking a 32% increase against Q1 2019. Western Europe accounted for 22% of the total amount of arrivals with figures coming close to achieving pre-pandemic levels. South Asia, also coming close to achieving pre-pandemic levels, accounted for 16% of total visitors. Eastern Europe and CIS accounted for 15% of the total and showed a 48% increase against the same quarter of 2019. The Americas, North Asia & South East Asia, Africa and Australia accounted for 7%, 6%, 4% and 1% of total tourists respectively.

When looking at Dubai's hospitality sector, average occupancy in the emirate's hotels in Q1 2023 was recorded at 83%, almost equal to pre-pandemic levels (84%). By the end of Q1 2023, the sector had a total of 814 hotels with 148,877 rooms, these figures show respective increases of 13.5% and 26.1% against the totals in 2019. All other metrics in the sector outperformed pre-pandemic levels with 11.0 million Occupied Room Nights, a y-o-y growth of 7% and an increase of 27.2% against pre-pandemic levels. The average daily rate surged by 21.9% in Q1 2023 against 2019 reaching AED 607/room (US\$ 165.4/room). This brought Revenue Per Available Room (RevPAR) in Q1 2023 up to AED 504/available room (US\$137.3/available room) showing an increase of 20.9% against the first quarter of 2019. In parallel, the average length of stay by guests reached 4.0 nights in Q1 2023 showing an increase of 14.3% against figures from Q1 2019.

It is worth mentioning that in 2022, the UAE saw tourism spending reach AED 121.0 billion (US\$ 33.0 billion) showing a 75.5% hike up from AED 69.0 billion (US\$ 18.8 billion) in the year prior. This comes due to the country's target to increase the tourism sector's contribution to the GDP to AED 450.0 billion (US\$ 122.6 billion) in 2031 with an annual increase of AED 27.0 billion (US\$ 7.4 billion). Additionally, the number of international overnight visitors in 2022 reached 14.4 million showing a surge of 97.3% against figures seen in 2021, as per DET.

QATAR'S PRIVATE SECTOR EXPORTS INCREASED BY 18% YEAR-ON-YEAR IN Q1

In the first quarter (Q1) of 2023, Qatar's private sector exports were recorded at QAR 9.1 billion (US\$ 2.5 billion) showing an increase of 17.5% up from QAR 7.7 billion (US\$ 2.1 billion) in Q1 2022, according to Qatar Chamber's quarterly report.

In details, looking at exports by model type, exports through the General Model reached QAR 7.4 billion (US\$ 2.0 billion) showing a year-on-year increase of 32.3% against figures from Q1 2022. Exports through the Unified GCC Model were registered at QAR 1.5 billion (US\$ 412.1 million) in Q1 2023, up from QAR 1.2 billion (US\$ 329.7 million) in Q1 2022. Exports through the Singapore Model showed a relative stagnation (decrease of 0.5%) reaching QAR 106.1 million (US\$ 29.2 million) in Q1 2023. Major decreases were registered between Q1 2022 and Q1 2023 in exports through both the GSP Model and the Unified Arab Model of 97.5% and 52.5% respectively.

Looking at the division of exports based on economic blocs and groupings, Asian countries (excluding GCC and Arab countries) accounted for the biggest share with 68.2% of total private sector exports valued at QAR

6.2 billion (US\$ 1.7 billion) in Q1 2023. GCC countries held the second largest share with 16.8% of total private sector exports, standing at QAR 1.5 billion (US\$ 412.1 million) in Q1 2023. China and India are the two countries holding the biggest share of imports from Qatar's private sector with shares of 34.1% and 26.8% respectively in Q1 2023.

When looking at types of exports, the exports of Essential and Industrial Oils held the biggest share of 62.2% reaching QAR 5.7 billion in Q1 2023. This figure shows a year-on-year hike of 223.4% up from figures seen in Q1 2022.

KUWAIT APPROVES PROJECTS WORTH US\$ 3 BILLION FOR FY 2023-24

Kuwait approved a total of 239 projects spanning over several sectors for the Fiscal Year (FY) 2023-24. The total valuation of all these projects reached KWD 960 million (US\$ 3.2 billion). These projects will cover the construction, development, oil and other sectors with FY 2023-24 having begun on April 2023, as per a government report.

These projects constitute an increase of 104.3% against actual public spending on projects in the FY 2022-23. This comes as a continuation of the boost in spending of 35% noticed in the last months of FY 2022-23 on the back of high oil prices.

It is worth noting that a ministerial committee was formed by the cabinet with the aim to oversee project execution, ensure projects are completed on time as well as clear up any obstacle that the execution of large projects may find, as per a government report.

SURVEYS

UAE RANKS 1ST IN MENA REGION IN THE LOGISTICS PERFORMANCE INDEX

The UAE ranked 1st in the MENA region and 7th globally, scoring four out of five, in the Logistics Performance Index (LPI), issued by the World Bank, followed by Bahrain and Qatar.

The 2023 LPI survey was conducted from September 6 to November 5, 2022. The report presented the latest view on trade logistics performance across 139 countries.

The LPI is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance. The six components of the LPI (trade- and transport-related infrastructure, customs and border management, logistics services quality, timeliness of shipments, ability to track and trace, and the availability of competitively priced international shipments) are assessed at the country level on a 5-point scale.

The logistics performance is measured from two different perspectives: one based on the perceptions of international logistics professionals assessing their partner countries; the other one measuring the actual speed of global trade by using supply chain tracking information.

Logistics is understood as a network of services that support the physical movement of goods, trade across borders, and commerce within borders. It comprises transportation, warehousing, brokerage, express delivery, terminal operations, and related data and information management.

This seventh edition of the index comes as disruptions of global value chains have revealed the crucial importance of logistics systems. Because of these disruptions, supply chain resilience and its national security implications have emerged as top concerns. These concerns are often linked with supply chain security, including cybersecurity, which is a key consideration in a highly digitalized and globally connected service industry.

2023 SCORES OF LOGISTICS PERFORMANCE INDEX

Economy	Regional Rank	LPI score	Customs score	Infrastructure score	International shipments score	Logistics competence and quality score	Timeliness score	Tracking and tracing score
UAE	1	4	3.7	4.1	3.8	4	4.2	4.1
Bahrain	2	3.5	3.3	3.6	3.1	3.3	4.1	3.4
Qatar	3	3.5	3.1	3.8	3.1	3.9	3.5	3.6
Saudi Arabia	4	3.4	3	3.6	3.3	3.3	3.6	3.5
Oman	5	3.3	3	3.2	3.4	3.2	3.1	3.9
Kuwait	6	3.2	3.2	3.6	3.2	2.9	2.8	3.3
Egypt	7	3.1	2.8	3	3.2	2.9	3.6	2.9
Algeria	8	2.5	2.3	2.1	3	2.2	2.6	2.5
Iraq	9	2.4	2.1	2.2	2.5	2.2	3	2.4
Mauritania	10	2.3	2.1	2	2.2	2.5	2.8	2.5
Syria	11	2.3	2.2	2.2	2.3	2.2	2.5	2.3
Yemen	12	2.2	1.7	1.9	1.7	2.6	2.8	2.3
Libya	13	1.9	1.9	1.7	2	1.9	2.2	1.8

Sources: World Bank, Bank Audi's Group Research Department

A closer look at the six components of the LPI shows that the UAE performed most strongly in Timeliness of shipments (score of 4.2). The country also scored 3.7 at the level of Customs, 4.1 in Infrastructure, 3.8 in International Shipments, 4 in Logistics Competence and Quality, and 4.1 in Tracking and Tracing.

Additionally, in the 2023 LPI, the top 12 scorers are high-income economies, with the UAE making it to the list. The UAE import delays (time spent at the same port location from container arrival to departure during importing phase) is around three days and aviation import dwell time is 2.5 days.

On the other hand, many MENA countries are characterized by excessive dwell time. For example, Algeria, with LPI score of 1.9, import delays is around 16.4 days, which is the highest in the region, in addition to the aviation import dwell time reaching 10.3 days. Average delays at ports, at airports, or in postal delivery tend to be negatively correlated with a country's overall LPI score.

Countries with excessive dwell times likely face serious constraints in port infrastructure and terminal productivity. Delays can be caused by such factors as low port handling productivity, city congestion, slow preparation of trade documents to comply with exchange controls, or abuse of port storage by importers.

Policies targeting these facilities, such as investing in port productivity or modernizing customs, can improve reliability across the supply chain.

EGYPT RANKS AS TOP GLOBAL DESTINATIONS FOR MENA TRAVELERS IN Q1 2023, AS PER WEGO

Wego, the largest online travel marketplace and the number one travel application for flight bookings and searches in the MENA region, issued a report titled "Middle East Traveler Destination Leaderboard" that showcases the relative popularity of global destinations with Middle East travelers.

Egypt remained the top destination of choice for MENA travelers in the first quarter of 2023 among 50 countries, for what the country offers from a mix of history, culture, and adventure for every type of traveler.

Saudi Arabia's second spot in the list is a strong indication of the progress made by the country as a global tourist destination, in line with its National Tourism Strategy that aims to attract 100 million visitors by 2030.

Elsewhere in the region, the UAE ranked the 4th, Kuwait the 5th, Jordan the 8th, Qatar the 10th, Morocco the 11th, Oman the 12th, Bahrain the 17th, Lebanon the 18th, Iraq the 28th, Algeria the 42nd and Syria the 45th.

MOROCCO "BB+/B" RATING AFFIRMED WITH A "STABLE" OUTLOOK, AS PER S&P GLOBAL RATING

S&P Global Ratings affirmed its "BB+/B" long-term and short-term foreign and local currency sovereign credit ratings on Morocco, with a "stable" outlook.

The "stable" outlook on Morocco reflects S&P's expectation that the ongoing structural reforms would support robust economic growth and help counterbalance external and budgetary pressures.

The affirmation indicates that S&P expects Morocco's structural reforms to gradually usher in a more inclusive economy, and that it would see its elevated external and budget deficits trend downward. The Moroccan economy has weathered several regional and global shocks over the past two decades while maintaining access to external and domestic financing.

However, in S&P's view, Morocco's low per capita income highlights persistent structural weaknesses, including a large informal economy, wide income disparities between more- and less-developed areas, and high unemployment.

The credit rating agency forecasts Morocco's GDP to rise by 3.5% in 2023, bolstered by a rebound in agricultural output and robust performance by the country's main export-oriented sectors, including tourism, phosphates, automotive, and aerospace.

CORPORATE NEWS

ADNOC GAS SIGNS LNG SUPPLY DEAL VALUED UP TO US\$ 1.2 BILLION WITH TOTALENERGIES

ADNOC Gas (Abu Dhabi National Oil Company), one of the world's largest integrated energy companies, signed a three-year Liquefied Natural Gas (LNG) supply agreement with TotalEnergies Gas and Power, a unit of French energy giant TotalEnergies, as mentioned in a company's statement.

The three-year contract, which is valued up to US\$ 1.2 billion, is expected to commence in 2023 and run through 2025.

As per the terms of the agreement, ADNOC Gas, through its subsidiary, would supply TotalEnergies with liquefied natural gas, which would be delivered to various export markets around the world.

The agreement demonstrates ADNOC Gas' ability to meet growing global demand for LNG, and reflects their commitment to meeting the needs of the customers by offering supply security, price competitiveness, and flexibility.

ARAMCO, PIF AND CHINA'S BAOSTEEL AGREE TO ESTABLISH FIRST INTEGRATED STEEL COMPLEX IN SAUDI ARABIA

Saudi Aramco, one of the world's leading integrated energy and chemicals companies, and Chinese's Baoshan Iron & Steel Company (Baosteel), the world's leading steel conglomerate, and the Public Investment Fund (PIF), signed a shareholders' agreement to establish an integrated steel plate manufacturing complex in Saudi Arabia, as reported in a company's statement.

The manufacturing complex is expected to be located in Ras al-Khair Industrial City, one of the four new Special Economic Zones.

The first facility of its kind in Saudi Arabia and the GCC region aims to enhance the domestic manufacturing sector through localizing the production of heavy steel plates, transferring knowledge and creating export opportunities.

The facility is expected to have a steel plate production capacity of up to 1.5 million tons per year. It would also be equipped with a natural gas-based Direct Reduced Iron (DRI) furnace and an electric arc furnace, which aims to reduce CO2 emissions from the steel-making process by up to 60%, compared to a traditional blast furnace.

The complex is expected to create new jobs and significantly reduce reliance on imported steel, serving customers in several strategic industrial sectors including pipelines, shipbuilding, rig manufacturing, offshore platform fabrication and tank and pressure vessel manufacturing. It also would aim to serve the construction, renewables and marine sectors.

It is worth noting that this investment aligns with PIF's strategy to unlock the capabilities of promising sectors and strategically important industries that could drive the diversification of the local economy.

KEZAD SIGNS DEALS FOR US\$ 272 MILLION FOOD PROCESSING PLANTS

KEZAD Group, a wholly-owned subsidiary of AD Ports Group, and Al Ghurair Foods, a world-leading manufacturer and supplier of high-quality food and part of Al Ghurair Investment, announced the signing of 50-year land lease agreements for three mega food processing projects involving investments of over US\$ 272 million (AED 1 billion), as indicated in a company's statement.

The first two projects are set to establish the region's first of its kind Starch Processing Plant, in addition to one of the top broiler producers in the UAE, in terms of capacity, implementing the highest standards of food safety in line with International Biosecurity standards.

The third project, details of which are set to be announced later this year, would form a new supply market for the UAE.

With automation and sustainability at the center, the projects would be a significant boost to the nation's food security agenda, producing key ingredients for the food industry, including enhanced protein production and reduced reliance on imported goods.

Al Ghurair Foods also plans to partner with local farmers to create sustainable business models in support of the overall ecosystem.

The projects are set to drive the UAE's food production capabilities and enhance the Emirates' position as a regional hub driven by innovation and technology.

BATELCO FIRST IN GCC TO POWER BMW WITH eSIM TECHNOLOGY

Bahrain's leading telecom company Batelco, a part of the Beyon Group, entered into a partnership with auto major BMW, to enable eSIM technology for the group's latest models available in Bahrain, as revealed in a company's statement.

Batelco is the first in Bahrain and GCC, and amongst nine operators worldwide to enable eSIM technology in BMW vehicles.

It is worth highlighting that the eSIM technology allows a seamless integration between the vehicle and the mobile network, providing the user with connectivity at all times, even if the mobile was left at home, as stated by the company.

With this technology that's powered by Batelco, customers are able to connect to the internet using their vehicles as another interconnected device, similar to when using a smartwatch or a tablet.

Users can make calls and access the internet, since the eSIM is embedded in the vehicle itself. Moreover, the eSIM is linked directly to the BMW ID of the customer and it could be used in any enabled vehicle across the world.

With Batelco's connectivity that offers high bandwidth and low latency, customers would benefit from improved call quality and would also be able to activate hotspots for passenger devices in the vehicle.

ABU DHABI TO ESTABLISH MENA'S FIRST SUSTAINABLE ELECTRIC AIRCRAFT MANUFACTURING FACILITY

UAE-based Monarch Airplane Manufacturing signed a partnership agreement with Chinese company EHang Holdings, a leading Autonomous Aerial Vehicle (AAV) technology platform company, to establish the first facility in the MENA region to manufacture and operate sustainable, electric-powered aircraft and drones for passengers and cargo transportation in Abu Dhabi, as mentioned in a company's statement.

The cooperation aims to manufacture sustainable electric aircraft and drones, establish a command-and-control center to manage urban air mobility autonomously and build infrastructure, vertiports (take-off and landing platforms), and facilities for operating electric aircraft and drones, as well as provide opportunities to qualify and train Emirati talent.

This agreement would help establish an advanced infrastructure for vertiports and an autonomous flight management system operated by artificial intelligence, supporting sustainable and electric-powered commercial aircraft and drones, through cooperation with local entities, enabling Abu Dhabi to adopt urban aviation technologies.

The project, which focuses on improving smart and sustainable mobility, would enhance Abu Dhabi's position as the smartest city in the MENA region.

CAPITAL MARKETS

MENA EQUITIES SNAP MULTI-WEEK WINNING STREAK, MAINLY TRACKING GLOBAL EQUITY WEAKNESS AND DUE TO AN OIL PRICE SLUMP

MENA equity markets slid into the red this week, snapping a six straight weekly winning streak, as reflected by a 0.7% retreat in the S&P Pan Arab Composite index, mainly tracking global equity weakness on growing concerns that the global economy may fall into a recession amid US banking stress and credit tightening, while also dragged by an oil price slump in the midst of lingering demand woes.

The heavyweight Saudi Exchange, whose market capitalization represents two-thirds of the total regional market capitalization, shifted into a negative territory this week after six consecutive weekly price gains, as reflected by a 1.3% drop in the S&P Saudi index, mainly tracking a widespread sell-off mood on global growth concerns, and driven by some unfavorable financial results and oil price falls. In fact, Brent oil prices contracted by 6.3% week-on-week to reach US\$ 75.30 per barrel on Friday despite the start of OPEC+ production cuts this month. This was mainly triggered by mounting concerns about a potential global economic downturn that may dent oil demand.

A glance on individual stocks shows that most Petrochemicals stocks plunged into the red this week. In details, the heavyweight Saudi Aramco's share price dropped by 3.4% to reach SR 35.05. Petro Rabigh's share price declined by 2.0% to SR 10.94. SABIC's share price shed 4.2% to SR 89.00. SABIC announced a 90% year-on-year fall in its 2023 first quarter net profits to reach SR 660 million, missing average analysts' estimate. Advanced Petrochemical Company's share price retreated by 0.8% to SR 47.35. Sipchem's share price plummeted by 5.0% to SR 37.20. Yansab's share price plunged by 4.8% to SR 42.45. Also, Al Rajhi Bank's share price decreased by 3.3% to close at SR 74.40. SABB's share price went down by 3.6% to SR 34.75. Alinma Bank's share price went down by 2.4% to SR 31.15.

Boursa Kuwait dipped into the red this week (-2.1%) following three consecutive weeks of price gains, mainly tracking global equity price declines on concerns that the global economy may be edging towards a recession, and given an oil price slump on worries about global demand. A closer look at individual stocks shows that Boushehr Petrochemical Company's share price shed 5.0% to Kwf 775. Independent Petroleum Group's share price fell by 4.7% to Kwf 426. The Energy House Holding's share price plummeted by 9.7% to Kwf 65.9. Also, National Bank of Kuwait's share price declined by 2.3% to Kwf 980. Gulf Bank's share price retreated by 1.8% to Kwf 276. Commercial Bank of Kuwait's share price edged down by 0.9% to Kwf 530.

The UAE equity markets snapped a four-week streak of gains, as reflected by a 1.3% weekly decrease in the S&P UAE index, mainly dragged by falling oil prices and some unfavorable company-specific factors. In Abu

EQUITY MARKETS INDICATORS (APRIL 30- MAY 6, 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	168.3	-3.0%	30.5%	6.0	35.6%	0.1	19,022	1.7%	-	0.32
Jordan	373.0	-0.6%	-4.1%	31.0	-19.4%	17.0	24,536.2	6.6%	8.1	1.31
Egypt	225.7	-2.1%	-4.7%	168.3	11.7%	1,269.4	35,202.8	24.9%	7.9	2.01
Saudi Arabia	490.0	-1.3%	5.2%	5,736.8	11.2%	669.32	2,860,074.8	10.4%	14.0	4.69
Qatar	174.1	5.5%	-1.5%	658.8	139.2%	928.4	170,908.6	20.0%	11.9	1.63
UAE	135.8	-1.3%	-1.3%	2,881.4	32.9%	3,579.0	915,462.3	16.4%	13.9	2.61
Oman	257.7	0.1%	-1.0%	30.5	112.3%	52.3	22,667.9	7.0%	12.7	1.09
Bahrain	205.2	1.6%	6.4%	11.8	204.4%	9.8	17,699.7	3.5%	10.7	1.37
Kuwait	132.6	-2.1%	-4.4%	473.3	119.3%	449.7	133,627.7	18.4%	17.6	1.90
Morocco	224.2	-1.0%	1.0%	127.0	583.3%	2.6	53,614.6	12.3%	18.5	3.07
Tunisia	65.4	1.0%	5.4%	21.3	69.6%	7.5	7,909.2	14.0%	10.8	2.11
Arabian Markets	930.7	-0.7%	2.0%	10,146.4	25.9%	6,985.1	4,260,725.5	12.4%	13.9	3.91

Values in US\$ million; volumes in millions

* Market cap-weighted averages

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

Dhabi, Etisalat's share price shed 2.5% week-on-week to AED 23.40. Etisalat reported a 10% year-on-year fall in its 2023 first quarter net profits to reach AED 2.2 billion, missing analysts' estimates. ADIB's share price fell by 4.9% to AED 10.80. FAB cut its recommendation on ADIB to "Hold" from "Buy", with a price target of AED 12, which implies a 6.4% increase from last price. Taqa's share price decreased by 2.2% to AED 3.18. ADNOC Drilling's share price plummeted by 11.7% to AED 3.79. Dana Gas's share price plunged by 7.4% to AED 0.828. In Dubai, Emirates NBD's share price nudged down by 0.4% week-on-week to reach AED 14.05. AlphaMena cut its recommendation on Emirates NBD to "Add" from "Buy", with a price target of AED 17.80, which implies a 27% increase from last price. Amlak Finance's share price closed 0.7% lower at AED 0.840.

FIXED INCOME MARKETS: MENA BOND PRICES MOSTLY UP THIS WEEK, TRACKING US TREASURIES MOVE

Activity on MENA fixed income markets was mostly tilted to the upside this week, mainly tracking US Treasuries move after the US Federal Reserve Chair hinted that officials may pause their tightening campaign in June 2023 following a 25 bps interest rate hike this month, mainly to assess how the US economy is responding to tighter credit conditions resulting from higher interest rates and recent stress in the banking sector.

In the Saudi credit space, sovereigns maturing in 2026, 2027, 2030 and 2031 registered price increases of 0.13 pt to 0.50 pt this week. Saudi Aramco'25 closed up by 0.13 pt. Prices of SABIC'28 rose by 0.25 pt. SEC'28 traded up by 0.50 pt.

In the Omani credit space, sovereigns maturing in 2026 and 2029 posted weekly price gains of 0.05 pt and 0.38 pt respectively, while sovereigns maturing in 2027 recorded prices decreases of 0.03 pt this week. Prices of Omantel'28 went up by 0.85 pt.

In the Qatari credit space, sovereigns maturing in 2030 saw price rises of 0.50 pt this week. Ooredoo'26 was up by 0.13 pt. In the Bahraini credit space, sovereigns maturing in 2026 and 2032 registered price expansions of 0.13 pt and 0.03 pt respectively, while sovereigns maturing in 2027 and 2031 reported prices declines of 0.11 pt and 0.13 pt respectively this week.

In the Kuwaiti credit space, KIPCO'27 posted price rises of 0.11 pt week-on-week. Moody's affirmed KIPCO "Ba2" Corporate Family Rating and the "Ba2-PD" Probability of Default Rating, with a "negative" outlook. The rating action reflects, as per Moody's, the steps KIPCO's management has taken over the course of the last 18 months and the track record they have shown in improving both market value leverage and interest coverage.

In the Jordanian credit space, sovereigns maturing in 2026, 2027 and 2030 posted weekly price expansions of up to 1.0 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2026 registered price contractions of 0.13 pt, while sovereigns maturing in 2027 and 2031 registered price expansions of 0.13 pt each week-on-week. Prices of ADNOC'29 increased by 0.63 pt. In the Dubai credit space, DP world'30 closed up by 0.13 pt this week.

In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2030, 2032 and 2040 registered price declines of up to 0.88 pt this week. Euro-denominated sovereigns maturing in 2026 recorded price falls of 0.08 pt, while sovereigns maturing in 2031 recorded price gains of 0.12 pt week-on-week. Fitch Ratings downgraded Egypt's Long-Term Foreign-Currency Issuer Default Rating (IDR) to "B" from "B+", with a "negative" outlook, citing rising uncertainty around Egypt's ability to meet its external financing needs and incomplete transition to flexible exchange rate, limited external liquidity buffers and large external financing needs.

All in all, regional bond markets saw mostly upward price movements this week, mainly tracking increases in US Treasuries after the US Federal Reserve Chair signaled that May 2023 interest rate hike may be the final move in the Central Bank's most aggressive tightening campaign since the 1980s.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	05-May-23	28-Apr-23	30-Dec-22	Week-on-week	Year-to-date
Abu Dhabi	44	42	44	2	0
Dubai	86	79	84	7	2
Kuwait	47	47	50	0	-3
Qatar	44	42	48	2	-4
Saudi Arabia	65	62	61	3	4
Bahrain	264	259	231	5	33
Morocco	165	166	162	-1	3
Egypt	1,719	1,624	877	95	842
Iraq	474	437	467	37	7
Middle East	323	306	225	17	98
Emerging Markets	137	123	140	14	-3
Global	621	668	533	-47	88

Sources: Bloomberg, Bank Audi's Group Research Department

Z-SPREAD BASED AUDI MENA BOND INDEX V/S INTERNATIONAL BENCHMARKS

Base Jan 2010 = 100



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\$)	05-May-23	28-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)	30.85	30.90	24.71	-0.2%	24.8%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,460.00	-54.5%	-59.2%
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	-0.1%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	-0.1%	-0.1%
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)	250.18	250.26	250.24	0.0%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	134.93	135.09	137.35	-0.1%	-1.8%
Moroccan Dirham (MAD)	9.99	10.05	10.44	-0.6%	-4.3%
Tunisian Dinar (TND)	3.04	3.04	3.11	0.0%	-2.4%
Libyan Dinar (LYD)	4.75	4.76	4.83	-0.2%	-1.5%
Sudanese Pound (SDG)	596.28	588.23	573.81	1.4%	3.9%

Sources: Bloomberg, Bank Audi's Group Research Department

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