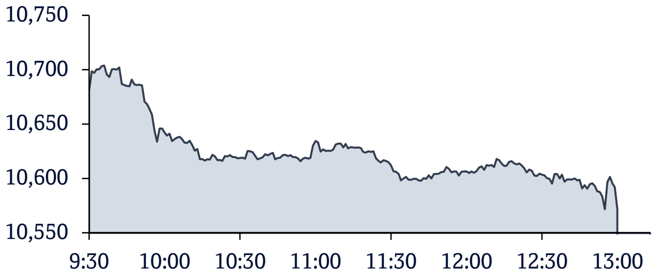
QNB FINANCIAL SERVICES

الخدمات المالية
Financial Services

Daily Market Report

Sunday, 20 August 2023

QSE Intra-Day Movement



Market Indicators	17 Aug 23	16 Aug 23	%Chg.
Value Traded (QR mn)	433.1	412.9	4.9
Exch. Market Cap. (QR mn)	621,340.5	626,552.8	(0.8)
Volume (mn)	134.8	133.5	1.0
Number of Transactions	17,155	16,096	6.6
Companies Traded	48	48	0.0
Market Breadth	9:35	24:18	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,688.20	(0.9)	(1.5)	3.7	13.2
All Share Index	3,558.60	(0.8)	(1.3)	4.2	13.8
Banks	4,412.90	(1.2)	(1.8)	0.6	14.1
Industrials	4,072.29	(0.7)	(1.4)	7.7	14.4
Transportation	4,548.36	(0.5)	(1.8)	4.9	11.7
Real Estate	1,584.03	(0.3)	0.0	1.5	14.6
Insurance	2,417.74	0.3	4.1	10.6	143
Telecoms	1,647.65	(0.7)	(1.1)	25.0	12.9
Consumer Goods and Services	7,772.92	(0.4)	(0.7)	(1.8)	21.1
Al Rayan Islamic Index	4,673.96	(0.6)	(1.2)	1.8	9.4

Qatar Commentary

The QE Index declined 0.9% to close at 10,571.6. Losses were led by the Banks & Financial Services and Telecoms indices, falling 1.2% and 0.7%, respectively. Top losers were Qatar Cinema & Film Distribution and Damaan Islamic Insurance Company, falling 4.8% and 3.9%, respectively. Among the top gainers, Dlala Brokerage & Inv. Holding Co. gained 4.6%, while Mekdam Holding Group was up 3.0%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.5% to close at 11,451.3. Gains were led by the Energy and Banks indices, rising 1.7% and 1.1%, respectively. Al-Baha Investment and Development Co. rose 6.3%, whileSaudi Paper Manufacturing Co. was up 4.8%.

Dubai: The DFM Index gained marginally to close at 4,050.6. The Financials index rose 0.4%, while the Utilities index gained 0.2%. Ajman Bank rose 4.3%, while Takaful Emarat was up 1.9%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 9,800.7. The Consumer Discretionary index rose 2.3%, while the Telecommunication index gained 1.6%. Rapco Investments rose 14.6%, while National Cooperation for Tourism was up 7.7%.

Kuwait: The Kuwait All Share Index gained marginally to close at 7,124. The Health Care index rose 3.3%, while the Energy index gained 1.6%. Al-Massaleh Real Estate Co rose 12.4%, while Advanced Technology Company was up 11.7%.

Oman: The MSM 30 Index gained 0.4% to close at 4,785.3. Gains were led by the Financial and Services indices, rising 0.3% each. Al Batinah Development & Investment Holding Co. rose 5.6%, while Musandam Power Company was up 3.6%.

Bahrain: The BHB Index fell 0.4% to close at 1,952.6. The Financials Index declined 0.7%, while the Materials index was down 0.7%. Bahrain Islamic Bank declined 7.9%, while Ithmaar Holding was down 6.3%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Nizwa	Oman	0.10	2.1	2,282.6	(2.0)
GFH Financial Group	Bahrain	0.28	1.1	164.1	13.5
Beyond Meat Inc	Bahrain	0.51	1.0	29.4	5.2
Saudi Kayan Petrochem. Co	Saudi Arabia	12.30	1.0	1,182.8	(10.0)
Bank Sohar	Oman	0.11	0.9	983.2	1.9

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Salik Company	Dubai	3.33	(0.5)	1,355.6	34.3
Saudi Research & Media Gr	Saudi Arabia	178.00	(2.4)	49.3	(2.2)
Fertiglobe PLC	Abu Dhabi	3.56	(2.2)	5,437.4	(15.8)
Masraf Al Rayan	Qatar	2.440	(2.0)	11,952.7	(23.1)
Power & Water Utility Co	Saudi Arabia	72.90	(1.8)	1,533.9	55.4

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/ losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co.	1.730	4.6	8,402.8	51.5
Mekdam Holding Group	5.164	3.0	651.4	(10.4)
Gulf International Services	2.398	2.4	15,606.6	64.4
Qatar Insurance Company	2.284	1.1	2,454.6	18.8
Vodafone Qatar	1.860	0.5	1,916.2	17.4

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	3.202	(4.8)	1.6	2.8
Damaan Islamic Insurance Company	3.650	(3.9)	1.2	0.0
The Commercial Bank	6.000	(3.1)	4,491.2	20.0
Al Khaleej Takaful Insurance Co.	3.013	(2.4)	484.2	30.9
National Leasing	0.860	(2.3)	4,372.3	22.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Dukhan Bank	4.220	0.1	21,128.8	0.0
Gulf International Services	2.398	2.4	15,606.6	64.4
Qatar Aluminum Manufacturing Co.	1.334	(1.1)	13,006.4	(12.2)
Masraf Al Rayan	2.440	(2.0)	11,952.7	(23.1)
Dlala Brokerage & Inv. Holding Co.	1.730	4.6	8,402.8	51.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Dukhan Bank	4.220	0.1	89,442.4	0.0
QNB Group	16.22	(1.1)	44,318.3	(9.9)
Gulf International Services	2.398	2.4	36,816.6	64.4
Industries Qatar	13.00	(1.1)	33,611.1	1.5
Masraf Al Rayan	2.440	(2.0)	29,473.2	(23.1)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,571.63	(0.9)	(1.5)	(3.6)	(1.0)	121.12	169,874.5	13.2	1.4	4.7
Dubai#	4,050.59	0.0	0.0	(0.2)	21.4	118.7	186,689.0	9.3	1.3	4.5
Abu Dhabi#	9,800.65	0.2	0.2	0.1	(4.0)	228.2	746,690.7	32.4	3.0	1.7
Saudi Arabia	11,451.31	0.5	0.2	(2.1)	9.3	1,691.16	3,074,450.6	19.1	2.2	3.2
Kuwait	7,124.00	0.0	(0.3)	(1.8)	(2.3)	91.49	147,868.5	16.6	1.6	3.9
Oman	4,785.26	0.4	0.6	0.2	(1.5)	9.93	23,290.9	13.1	0.9	4.6
Bahrain	1,952.63	(0.4)	(1.0)	(2.0)	3.0	9.55	57,125.8	7.4	0.7	8.6

*Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades if any, # August 18, 2023)*

Qatar Market Commentary

- The QE Index declined 0.9% to close at 10,571.6. The Banks & Financial Services and Telecoms indices led the losses. The index fell on the back of selling pressure from Arab and Foreign shareholders despite buying support from Qatari and GCC shareholders.
- Qatar Cinema & Film Distribution and Damaan Islamic Insurance Company were the top losers, falling 4.8% and 3.9%, respectively. Among the top gainers, Dlala Brokerage & Inv. Holding Co. gained 4.6%, while Mekdam Holding Group was up 3.0%.
- Volume of shares traded on Thursday rose by 1% to 134.8mn from 133.5mn on Wednesday. However, as compared to the 30-day moving average of 161mn, volume for the day was 16.3% lower. Dukhan Bank and Gulf International Services were the most active stocks, contributing 15.7% and 11.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	27.96%	26.19%	7,647,032.93
Qatari Institutions	31.66%	31.06%	2,611,608.01
Qatari	**59.62%**	**57.25%**	**10,258,640.94**
GCC Individuals	0.43%	0.23%	889,338.60
GCC Institutions	6.02%	1.34%	20,275,746.39
GCC	**6.46%**	**1.57%**	**21,165,084.99**
Arab Individuals	9.75%	10.76%	(4,339,372.26)
Arab Institutions	0.00%	0.00%	0.0
Arab	**9.75%**	**10.76%**	**(4,339,372.26)**
Foreigners Individuals	2.57%	2.59%	(76,003.74)
Foreigners Institutions	21.60%	27.84%	(27,008,349.93)
Foreigners	**24.17%**	**30.42%**	**(27,084,353.67)**

*Source: Qatar Stock Exchange (*as a % of traded value)*

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08-17	US	Department of Labor	Initial Jobless Claims	Aug	239k	240k	250k
08-17	US	Department of Labor	Continuing Claims	Aug	1716k	1700k	1684k
08-17	US	Philadelphia Federal Reserve	Philadelphia Fed Business Outlook	Aug	12.00	-10.40	-13.50
08-18	EU	Eurostat	CPI YoY	Jul	5.30%	5.30%	5.30%
08-18	EU	Eurostat	Construction Output MoM	Jun	-1.00%	NA	0.20%
08-18	EU	Eurostat	Construction Output YoY	Jun	-0.30%	NA	0.30%
08-18	EU	Eurostat	CPI MoM	Jul	-0.10%	-0.10%	-0.10%
08-18	EU	Eurostat	CPI Core YoY	Jul	5.50%	5.50%	5.50%
08-17	Japan	Ministry of Finance Japan	Exports YoY	Jul	-0.30%	-0.20%	1.50%
08-17	Japan	Ministry of Finance Japan	Imports YoY	Jul	-13.50%	-15.20%	-12.90%
08-17	Japan	Economic and Social Research I	Core Machine Orders MoM	Jun	2.70%	3.50%	-7.60%
08-17	Japan	Economic and Social Research I	Core Machine Orders YoY	Jun	-5.80%	-5.80%	-8.70%
08-18	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Jul	3.30%	3.30%	3.30%

Qatar

- **FTSE Russell Indices semi-annual review for September 2023 confirms DUBK's addition to Mid Cap; MARK and DHBK downgraded** – Qatar Stock Exchange would like to announce that the results of FTSE Russell Global Equity Index Series Semi Annual Review, published on August 18th 2023, will be effective on September 14th 2023 after the close for the Qatari market. The Index review changes announced may be subject to revision until close of business 1 September 2023. Effective Monday, 4 September 2023, the index review changes will be considered final. The details of the review are as follows:

  Additions:
  a) Dukhan Bank: Addition to FTSE Russell Mid Cap
  b) Qatari German Company for Medical Devices: Addition to FTSE Russell Micro Cap

  Deletions:
  c) Medicare Group: Deletion from FTSE Russell Small Cap
  d) Qatar Industrial Manufacturing: Deletion from FTSE Russell Micro Cap
  e) Doha Insurance Group: Deletion from FTSE Russell Micro Cap

  Reclassifications/Downgrade:
  f) Masraf Al Rayan: Downgrade from FTSE Russell Large Cap to FTSE Russell Mid Cap
  g) Doha Bank: Downgrade from FTSE Russell Mid Cap to FTSE Russell Small Cap

  The review results will be effective on closing of business of 14th September 2023. **Consequently, we expect roughly $60mn in inflows for DUBK and around $10mn in outflows for MCGS. With MARK being downgraded from Large Cap to Mid Cap, and DHBK from Mid Cap to Small Cap, we expect weakness in both the names near-term**. (QSE, QNBFS Research)

- **Qatar's GDP to expand by 2.6% with 3.3% growth in non-oil sector -** Qatar's GDP growth is expected to be driven by the non- oil and gas sectors in this year as the advancement in non-oil economy is expected to expand in 2023. Cushman & Wakefield, in its second quarter (Q2) 2023 Real Estate Market Review citing Oxford Economics, noted that it expects Qatar's 2023 GDP to expand by 2.6%, with 3.3% growth in non-oil sectors leading the way. It noted that the May PMI rose to 55.6, marking the sixth consecutive rise and the highest reading since July 2022. Business activity remains on the uptrend, amid stronger demand and sentiment, leading to further job gains. The outlook is for the economy to grow at a similar pace next year. Recent surveys cite stronger tourism demand among the drivers of positive performance. Tourist arrivals slid in April relative to March; still, the monthly figures were more than double the number in April 2022, with visitors from Europe hitting an all-time monthly record. Overall, Qatar attracted nearly 1.5mn tourists in just four months, underpinning the non-oil recovery. The report further stated that the gas sector is a priority. The North Field gas expansion project will have a positive medium-term impact, increasing LNG capacity by nearly 65% to

126mn tonnes per annum by 2027, from 77mn tonnes per annum. Qatar has recently awarded a $10bn contract for the latter phase of the project (North Field South), which will include the delivery of two LNG trains. Annual inflation eased to 2.6% in May, the slowest pace in nearly two years. Transport and restaurants and hotels were the only two categories which saw costs rise relative to April, leading to a marginal decline in monthly inflation. The drop in inflation will continue for the rest of the year, consistent with Oxford Economics' 2023 forecast of 2.3% inflation which they expect to reduce to below 2% in 2024. Qatar Central Bank kept interest rates on hold in June, in line with the Fed, making it the second meeting with no change to monetary policy since March 2022. Although further hikes look increasingly likely in H2, the Fed is expected to start cutting rates next year, which will allow policy to ease in Qatar. That said, rates are likely to come down gradually, it added. The Real Estate Regulatory Authority will be supported by the introduction of a new online real estate platform. The platform will be launched in October and will provide information on transactions, prices, rents, occupancy rates etc., which aims to improve transparency and help investors make informed decisions. The new mortgage regulations have been introduced to lessen the stresses on the banking sector but will also open the doors of real estate investment and homeownership to a wider pool in Qatar, supporting growth in the real estate sector in the coming years. In June, Qatar hosted its first Real Estate Forum. The two-day forum addressed the challenges and opportunities facing Qatar's real estate market after the World Cup and highlighted the importance of the Real Estate sector in Qatar in the years ahead. (Peninsula Qatar)

- **Qatar's CPI rises marginally in July -** The Consumer Price Index (CPI) of July 2023 reached 106.87 points showing an increase of 0.37% when compared to CPI of June 2023. Compared to CPI of July 2022, year on year (Y-o-Y) basis, an increase of 3.11% has been recorded in the general index (CPI) of this month, according to data released by Planning and Statistics Authority. When comparing the main components of CPI for the month of July 2023, with the previous month June 2023 (monthly change), it is found that, there was an increase in five groups, other five groups decreased, and remain two groups unchanged. The groups showed increased as a follow: "Recreation and Culture" by 3.52%, "Food and Beverages" by 1.63%, "Communication" by 1.30%, "Transport" by 0.96%, and "Clothing and Footwear" by 0.17%. A decrease has been recorded in "Restaurants and Hotels" by 3.49%, followed by "Miscellaneous Goods and Services" by 1.64%, "Health" by 1.28%, "Housing, Water, Electricity and other Fuel" by 0.70%, and "Furniture and Household Equipment" by 0.13%, "Tobacco" and "Education" remained flat at the last month's price level. A comparison of the CPI, July 2023 with the CPI, July 2022 (Annual Change) showed an increase has been recorded in the general index (CPI), by 3.11%. This year on year [Y-o-Y] price increase primary due to the prices rising in eight groups namely: "Communication" by 15.85%, "Recreation and Culture" by 6.84%, "Housing, Water, Electricity and other Fuel" by 4.49%, "Education" by 4.06%, "Transport" by 2.53%, "Furniture and Household Equipment" by 2.13%, "Food and "Beverages" by 1.54%, and "Health" by 0.33%. A decrease has been shown in price levels in "Restaurants and Hotels" by 4.65%, "Clothing and Footwear" by 0.31%, and "Miscellaneous Goods and Services" by 0.08%. No changes recorded on "Tobacco". The CPI of July 2023 excluding "Housing, Water, Electricity and other Fuel" group stands at 109.59 point, recorded an increase by 0.62% when compared to the index of June 2023. Compared with its counterpart in 2022, the CPI of July index increased by 2.77%. (Peninsula Qatar)
- **GECF: Qatar second top liquefied natural gas exporter globally in July -** Qatar was the second top liquefied natural gas exporter globally and led GECF member LNG producers in July, a report has shown. In its latest monthly report, Doha-headquartered GECF noted global LNG exports rose sharply by 5.4% (1.71mn tonnes) y-o-y, reaching 33.6mn tonnes and a record high in July. Stronger LNG exports from non-GECF countries boosted global LNG exports and offset weaker exports from GECF member countries and LNG reloads. As such, the share of non-GECF countries in global LNG exports increased from 48.6% a year earlier to 51.7% last month. In contrast, the share of GECF member countries and reloads in global LNG exports fell from 50.7% and 0.7%, respectively, to 47.8% and 0.5%, respectively. Between January and July this year, cumulative global LNG exports expanded by 4.2% (9.60mn tonnes) y-o-y to reach 238.88mn tonnes. "In July, the US, Qatar and Australia were the top LNG exporting countries," GECF noted. Last month, LNG exports from GECF member countries and observers declined for the second consecutive month. GECF countries' LNG exports fell by 0.7% (0.11mn tonnes) y-o-y to 16.06mn tonnes. Egypt, Equatorial Guinea, Malaysia, Nigeria, Russia, Trinidad and Tobago and the United Arab Emirates contributed to the decline and offset higher exports from Qatar, Algeria, Angola, Mozambique, Norway and Peru. From January to July this year, GECF countries' cumulative LNG exports grew by 2.2% (2.13mn tonnes) y-o-y, totalling 99.93mn tonnes. The drop in LNG exports in Malaysia, Russia and Trinidad and Tobago was attributed to higher planned maintenance activity at the MLNG, Sakhalin 2 and Atlantic LNG facilities, respectively. In Egypt and Nigeria, lower feedgas availability led to a decline in LNG exports from both countries. Furthermore, an unplanned outage at the Das Island LNG facility drove the United Arab Emirates' LNG exports lower. Conversely, lower planned maintenance at the Skikda, Angola and Peru LNG facilities supported higher LNG exports from Algeria, Angola and Peru. Higher feedgas availability also contributed to the increase in Algeria's LNG exports. In Mozambique, the stronger LNG exports were supported by the continued ramp-up in LNG production at the Coral South FLNG facility. In July, gas and LNG spot prices in Europe and Asia reversed the previous month's gains with overall bearish market fundamentals, GECF noted. The average Title Transfer Facility (TTF) spot gas prices in Europe stood at $9.56/MMBtu, marking an 8% decline compared to the previous month. Meanwhile, the average Northeast Asia (NEA) LNG spot prices experienced an increase of 8% m-o-m to reach $10.88/MMBtu. Global gas market fundamentals remain relatively weak due to tepid demand in both Europe and Asia, as well as high EU gas storage levels. However, increasing buying activity from LNG importers in South and Southeast Asia will support prices in the upcoming months, GECF noted. (Gulf Times)
- **Real estate trading volume reaches QR1.55bn in July -** The volume of real estate trading in sale contracts registered with the Real Estate Registration Department at the Ministry of Justice in July 2023 amounted to QR1.55bn. The data of the real estate analytical bulletin issued by the Ministry of Justice revealed that 258 real estate transactions were recorded during the month. Doha, Al Rayyan, and Al Dhaayen municipalities topped the most active transactions in terms of financial value in July 2023, according to the real estate market index, followed by Al Wakrah, Umm Slal, Al Khor and Al Dhakira, and Al Shamal. The real estate market index for the month of July revealed that the financial value of Doha municipality's transactions amounted to QR826.4mn. The financial value of Al Rayyan municipality's transactions amounted to QR360.6mn; while the financial value of Al Dhaayen municipality's transactions amounted to QR146.9mn. The financial value of Al Wakrah municipality's transactions amounted to QR124.1mn. Umm Salal municipality recorded transactions with a value of QR63.5mn, while Al Khor and Al Dhakira municipality recorded transactions with a value of QR2.7mn, and Al Shamal municipality recorded trading with a value of QR6.3mn. In terms of the traded space index, indicators reveal that Al Rayyan, Doha, and Al Wakrah municipalities recorded the most active municipalities in terms of traded real estate spaces during the month of July, with 33% for Al Rayyan, followed by Doha municipality with 23%, Al Wakrah with 23%. Al Dhaayen recorded 11% of the total traded spaces, Umm Salal recorded 6%, Al Khor and Al Dhakira recorded 3% and Al Shamal recorded 1%. In terms of the index of the number of real estate transactions (sold properties), trading indices revealed that the most active municipalities during the month of July were Al Rayyan (36%) followed by Doha (24%), Al Dhaayen (18%), Al Wakrah (8%) and Umm Salal (7%), Al Khor and Al Dhakira recorded (5%), and Al Shamal (2%) of the total real estate transactions. Average per square foot prices for the month of July ranged between (1177-588) in Doha, (418-233) in Al Wakrah, (432-257) in Al Rayyan, (432-257) in Umm Salal, (574-291) in Al Dhaayen, (339-202) in Al Khor and Al Dhakira, and (150-227) in Al Shamal. The trading volume revealed the highest value of (10) properties sold in July, recording (6) properties in Doha, (2) properties in Al Rayyan, and (1) in each of AL Wakrah and Al Dhaayen. As for the volume of mortgage transactions that took place in July 2023, the number of mortgage transactions amounted to 315 transactions, with a total value

of QR4.36bn. Doha recorded the highest number of mortgage transactions with (157) transactions, equivalent to 49.8% of the total number of mortgaged properties, followed by Al Dhaayen with 111 transactions equivalent to 35.2%, Al Rayyan with 32 transactions (10.2%), Umm Salal with 9 transactions (2.9%), Al Wakrah with 6 transactions (1.9%). As for the value of mortgages, Doha Municipality came in the lead with a value of QR2.45bn, while Umm Salal recorded the lowest value amounting to QR25.6mn. Looking at the indicator of the movement of mortgage transactions by studying the ratio of the number of mortgaged properties to the ratio of their financial value, it is found that the ratio of the number of mortgaged properties is greater than the ratio of the amounts of mortgage transactions in all municipalities that witnessed mortgage transactions, except for Al Rayyan municipality, where it is found that the amounts of mortgage transactions achieved a higher rate compared to the number of mortgage transactions. Tracking the movement and volume of mortgage transactions that took place in July, it is found that Al Rayyan Municipality recorded 6 of the top 10 mortgaged properties, while Doha recorded 3 mortgaged properties and one of the top ten was in Al Dhaayen. The volume of mortgage transactions for the highest 10 properties reached 78% of the total value of all mortgage transactions that took place during the month of July. As for trading in the Pearl and Al Qassar Area, the number of transactions registered in July 2023 amounted to 37 deals for residential units included in the buying and selling transactions, with a total value of QR71.0mn. Real estate trading data during the month of July 2023 reveals that the real estate sector continues to grow steadily and robustly in all investment and commercial fields to continue the movement of active trading in the sector during the recent period, especially with the issuance of new laws and decisions on real estate brokerage, real estate registration, ownership, and usufruct, along with laws that attract local and foreign capital. (Peninsula Qatar)

- **Demand for retail outlets grows robust in second quarter -** The second quarter of 2023 witnessed a booming demand for shops and showrooms within Doha municipality noted ValuStrat in its quarterly report adding that vacancies in street retail in Umm Salal and Al Rayyan municipalities also surged significantly. The report stated that “The organized retail stock increased after The Pearl Island marked the launch of 04 Mall (6,000 sq m GLA) in La Plage East, with no remaining shopping centers projected for 2023.”Earlier, Ezdan Mall in Al Gharaffa announced the opening of an entertainment hub, namely 360 PLAY, in addition to a new branch of Daiso Japan.Q2 2023 also witnessed the opening of Home Box and Daiso Japan branches in Abu Sidra Mall whereas Monoprix launched its 7th branch in the West Walk development. Meanwhile various Food & Beverage shops like the Cinnabon, Subway, Caribou Coffee, and Wendy’s commenced operations in 04 Mall in The Pearl Island, along with the opening of the gymnasium and a salon in the country. During the same period, Al-Futtaim Automotive unveiled a new three-story showroom and service center for Honda and GAC Motors spanning over a total area of 22,700 sq m in the Doha Indus-trial Area. The quarter also witnessed the median monthly rent for shopping centers remaining stable at QR200 per sq m, which eventuated a decline of 7% compared to Q2 2022. “Although there was no noticeable change in shop rents within malls, anecdotal evidence points towards landlords employing at least six months of a fit-out or grace-free period and various turnover arrangements to attract retailers”, ValuStrat remarked. The Doha municipality also saw the median monthly asking rent for street retail softening by 1.3% to QR152 per sq m as compared to the first quarter of its previous year and recorded a reduction of 6.2% year on year. Meanwhile, the median monthly asking rent for street retail outside Doha municipality declined by 2.7% Quarter on Quarter to QR142 per sq m, and 5.9% as compared to the second quarter of 2022. (Peninsula Qatar)

- **No fall in rents despite rise in vacant real estate units -** In spite of the abundance of vacant real estate units across certain areas in country, rental rates continue to be high for all categories: residential, administrative and commercial, which calls for the need to launch more initiatives to bring in new tenants. Speaking to local Arabic daily Arrayah, a number of Qatari businessmen and experts in the field stressed that such situation is not good for both the tenants and the building owners, especially since huge investments have been poured in by the State in the infrastructure around these areas to make them habitable and enjoy all the necessary means of modern convenience and public services. However, some see that the issue is mainly governed by supply and demand rather than the wish of the owners to collect higher rates as some areas are more desired by the tenants than others. Dr Ibrahim Saleh al-Khelaifi, an economist, stressed the vacant real estate units that remained unoccupied for long period impacts the economy negatively and to motivate local business and economy these should be rented out as soon as possible. This would eventually encourage more people to invest in the real estate business and establish new business, in addition to hiring more people and create more new jobs. He noted that it has been common recently to see many vacant real estate units at certain areas in particular Muaither, Al Kheesa, Al Kharaitiat and others, which could be mainly due to the high rental values demanded by the owners. Accordingly, he suggested that may be the concerned entities should impose certain fees on the units that remain unoccupied for long periods, which could drive owners to speed up the process of leasing them out. However, Khalifa al-Mislmani, a real estate expert and appraiser, sees that the real estate market is mainly governed by the rules of actual demand and supply. He pointed out that property owners who insist on high rental value or otherwise leave the place vacant are considered a limited number that would not exceed 5% of the owners. He said that there are abundant vacant units while the demand is still limited and most owners would love to rent out their buildings as many of them have obligations for the banks to pay off their due debts on time. He estimated that around 70- 80% of the construction cost of a building is often paid by bank loans with a grace period of six months to one year. After that, the owner has to pay back the loan, which makes it unreasonable to keep the place vacant. He suggested that the owners of the property at the less desired areas by tenants should give their potential tenants more incentives and better offers to attract them. Ahmed al-Khalaf, a businessman, said that the State has invested heavily in creating modern infrastructure across the country to connect buildings with modern services, and these buildings remaining for long period unoccupied is not good for the overall interests of both the owner and the country. He stressed that while there is no law that could be used to make owners have to lease these places out, fees can be imposed to avoid such situation. In the meantime, Dr Jaznan alHajii, a lawyer, stressed that such buildings are considered private property and there are no laws or fees that could force owners to lease them out. He pointed out the process is governed by the rules of supply and demand and owners have to be flexible and accept the reality of the market. He added that even though fees were imposed on the owners of vacant buildings, the owners would eventually put these on the tenants. (Gulf Times)

- **Leasing activities sees significant rise in Lusail -** The newly developed Lusail city continues to see numerous leasing and commercial activities, said Knight Frank in a recent report. The leading property consultancy firm underlined that the authorities have affirmed to relocate the public sector entities, which will result in a huge boost of commercial and trade activities in the market. “Despite strong demand from the public sector and oil and gas industries, the Qatari office market’s biggest challenge is an oversupply of office space, which is undermining rents, leaving occupiers firmly in the driving seat,” it said. However, the public sector continues to be the backbone of new requirements, particularly in Lusail. Recently, Qatari Diar substantially leased 6,200 sq m at The Qatar Financial Centre Authority’s (QFCA) Lusail Boulevard. Earlier, Qatar Investment Authority (QIA) and the Qatar Central Bank (QCB) also announced plans to relocate to Lusail this year. The World Cup hosted by Qatar last year augmented in enhanced projects transforming the country into a global touristry hub. “The lead up to the 2022 FIFA World Cup drove a surge of state-of-the-art projects, such as new malls, stadiums, as well as transport infrastructure, which have enriched the country’s architectural landscape and created favorable conditions for retailers to establish their businesses, Knight Frank stated. It further added that “This, coupled with the record growth of tourist arrivals during the first six months of this year, is expected to catalyze the overall growth of the retail sector.” The retail industry also saw a great increase with varieties of options open for customers to explore. Formal retail malls have eventuated in a rising competitive landscape for retailers, as well as landlords, the report highlighted. With the rents and occupancy rates “holding relatively stable”, the data mentions that landlords who are providing rent-free incentives and fit-out contributions are coming out as the winners in the race to retain retailers in the market. However, the report noted that retail developments where landlords do not give away such incentives are experiencing a considerable drop in occupancy and rental rates. (Peninsula Qatar)

- **QFZs house 400 firms; create 6,000 jobs -** The Qatar Free Zones (QFZs) have housed 400 firms to date, with 1mn sqm of land leased, representing more than $3bn in total investment and creating more than 6,000 jobs, its top official has said. In an interview to fDi Intelligence of The New York Times, QFZ Authority (QFZ) chief executive officer Sheikh Mohamed H. F. al-Thani said it is particularly focused on seven strategic sectors as emerging technologies, logistics and trading, food and agritech, industrial and consumer, aerospace and defense, biomedical sciences, and maritime development. "These strategic sectors afford us many synergies, as we're able to support individual companies including Google Cloud, Microsoft, Thales, DHL, Volkswagen and Gaussin, among many others, to achieve their goals, while developing new frontiers for priority sectors in Qatar," he said. He highlighted the longstanding partnership with Google Cloud and the launch of the Google Cloud region in Doha, which aims to support Qatar's efforts in becoming a digital economy and providing opportunities for other investors in Qatari free zones and across the country. Research conducted by Access Partnership revealed that this ambitious project is expected to drive increased economic activity and contribute $18.9bn in higher gross economic output to Qatar's economy by 2030. Stressing that each one of the Gulf Cooperation Council countries has something unique to offer investors; Sheikh Mohamed said that's why it doesn't view itself as in competition with the neighbors; rather complement each other. "That said, we are the right choice for those who are looking for the specific advantages Qatar and QFZ offer: a combination of unparalleled logistics and educational infrastructure, a multicultural environment, vast natural gas reserves, a seamless regulatory experience, grand-scale projects and connectivity to global markets by air, sea and land," according to him. Stressing on its commitment to sustainability, and the ways through which it supported both investors and the country in driving sustainability initiatives, he cited the production of the first electric vehicles in Qatar at the zones, as part of a partnership between zero-emission company Gaussin and QFZA. These vehicles are now in operation at Hamad International Airport and Hamad Port, helping to reduce carbon emissions and accelerate Qatar's national ambition for electric vehicle adoption in the public transport network and wider mobility sector, he said. Qatar has two free zones up and running. Ras Bufontas (4 sqkm), is connected to Hamad International Airport; and the Umm Al Houl free zone (32 sqkm), which sits next to Hamad Port. (Gulf Times)
- **Qatar Airways commits to sustainability, aligning with UN Goals -** Qatar Airways has taken a bold step towards fostering sustainability as a central tenet of its operations. This steadfast commitment is showcased in its recently unveiled Qatar Airways Group Annual Report for the fiscal year 2022/2023, where the airline highlights its dedication to the United Nations Sustainable Development Goals. "Qatar Airways is always keen to explore new initiatives for a more sustainable business, to enhance operations, and most importantly to engage with all stakeholders to meet its corporate commitments and regulatory compliance." A primary thrust for Qatar Airways is its proactive stance on tackling climate change and managing energy consumption. While acknowledging the hurdles in decarbonizing aviation, the airline has set an ambitious target to achieve net zero emissions by 2050. "Qatar Airways has taken this pledge as part of a global agreement by the air transport industry under the auspices of both the UN-body, the International Civil Aviation Organization (ICAO) and the industry-leading body, the International Air Transport Association (IATA)." To materialize this aspiration, Qatar Airways has crafted a Four-Pillar Strategy, a comprehensive roadmap encompassing Technology, Operations and infrastructure, Sustainable Aviation Fuel (SAF), and Offsetting and market-based measures. On Technology, the state-owned airline "continues to invest in the most modern aircraft and engines that actually help in decarbonizing the aviation industry, as new aircraft and engine generations reduce the overall jet fuel consumption. The airline investments are also extended to other solutions and products that result in enhancing the efficiency of its operations and reducing its environmental impact." Meanwhile, on Operations and infrastructure, the report noted that "collaboration is essential to reach net zero emissions by 2050." The airline is actively engaging with diverse stakeholders to optimize both ground and air infrastructure, with the ultimate aim of reducing flight durations and wait times, thereby effectively diminishing its carbon footprint. "Qatar Airways has also developed in-house operational standards and protocols that further optimize its operations." A highlight of Qatar Airways' pioneering efforts is its adoption of SAF. The airline etched its name in history as the first in the Middle East and Africa to commit to SAF integration. While promoting low carbon fuels that satisfy commercial viability and certification benchmarks, Qatar Airways is ambitiously striving to integrate at least 10% SAF into its jet fuel consumption by 2030. Another noteworthy facet of Qatar Airways' sustainability journey is its voluntary carbon offset initiative, launched in 2022 for its corporate and trade clients. This program empowers these entities to offset or minimize their carbon emissions linked with business travel, underlining their commitment to environmentally conscious practices. Qatar Airways is backing this initiative by investing in high-quality offset projects with a primary focus on renewable energy production. "So far, the airline has invested in projects located in Africa and Asia." Moreover, the report said that "Qatar Airways has systems in place to ensure that the CO_2 emissions are tracked accurately and in accordance with the applicable regulations" aligning with international mandates. It remains steadfast in adhering to Qatar's obligations under the voluntary phase of the ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Also, the airline ensures compliance with the European Union Emission Trading System (EU ETS) and the UK Emission Trading System (UK ETS) for its emissions within European territories. (Peninsula Qatar)
- **'Qatar reforms show commitment to protect workers' -** The Qatar government's measures for labor reforms are aligned with Qatar National Vision 2030 and show a genuine commitment to protecting workers' rights, said the Head of the International Labor Organization (ILO) Project Office in Qatar, Max Tunon. Speaking to The Peninsula on the sidelines of a 'heat stress at work sites' campaign hosted by the National Human Rights Committee (NHRC), Tunon said, "We know that there's a genuine commitment to protecting the rights and interests of workers. The legislation has demonstrated to go further than many other countries regarding safety and health. It's not only about the number of prohibited working hours but also about setting limits which all work must stop regardless of the time of day or time of year." "The legislation is key and critical, and activities like this are essential to make sure everybody's aware of the law and what they can do to implement it," he added. The Ministry of Labor announced through Decree No. 17 of 2021 a significant expansion of summertime working hours during which outdoor work is prohibited. Commenting about heat stress and work place safety, Tunon said while being one of the top safety and health concerns in Qatar and the rest of the world, dealing with heat stress is vital to Qatar and the region. "Qatar has progressive legislation in this space, and we know that the Ministry of Labor takes measures to inspect and enforce this legislation. But always there's more that can be done. This type of activity which brings together community leaders and workers from different sectors is one way to spread the word," Tunon added. Qatar's reforms have been recognized by major human rights groups and the United Nations (UN). The country has been touted as the leader in the region on labor reforms. Qatar's expeditious infrastructure development and booming economy have attracted hundreds of thousands of expatriates worldwide. The country has implemented extensive reforms to protect workers, including introducing new laws that mean the majority of workers no longer need exit permits to leave the country; procedures allowing workers to change employment freely, without requiring a no-objection certificate (NOC) from their previous employer; a non-discriminatory minimum wage; and established Qatar Visa Centers (QVCs) in India, Sri Lanka, Indonesia, Nepal, Bangladesh, Pakistan, Philippines and Tunisia, which will expedite the recruitment process and ensure workers do not get exploited in their home countries. The country has also established a Workers' Support and Insurance Fund to ensure and provide care for workers, guarantee their rights and provide a healthy and safe working environment. (Peninsula Qatar)

- **Qatar, an emerging MICE hotspot -** Qatar's evolving travel landscape is witnessing a surge in "staycations" during this summer, making it an emerging hotspot for leisure and Meetings, Incentives, Conferences, and Exhibitions (MICE) activities, an industry expert has said. "Staycation has been picking up, especially with the beach properties and resorts," Tawfeeq Travel Group CEO, Rehan Ali Syed told Gulf Times. He said citizens and residents of Qatar usually embark on travels away from the country during this period prompted by soaring temperatures, seeking respite in regions where the climate is more temperate. However, Syed noted that a shift has emerged as more individuals opt for staycations, settling towards beach properties and resorts. Qatar Tourism, he added, has engaged people with family-oriented activities, capitalizing on indoor offerings to provide relief from the heat. He stressed the importance of maintaining competitive pricing across the range of activities and experiences. By aligning prices with the value and quality of facilities, he added that Qatar can effectively entice visitors to explore its unique attractions during the summer season. Such initiative, Syed said, will play a key role in luring both domestic and international travelers, transforming Qatar into an attractive year-round destination. About notable trends or shifts that the industry is taking advantage of to ensure a successful summer season, he pointed out that Qatar's travel and leisure sector is swiftly adapting its services to cater to the evolving needs of travelers in the face of evolving travel preferences and the global pandemic. "Qatar is becoming one of the emerging markets for leisure and MICE. Being considered as one the safest countries in the world, it has already created a mark with the successful completion of the FIFA World Cup 2022," he said, as he underscored the need to target diverse segments and age groups. Initiatives to facilitate travel to Qatar during the summer season are already in motion, according to Syed. He recognizes the time required for the impact of these initiatives to manifest, as travelers become more aware and consider Qatar as a viable summer destination. About Qatar's commitment to sustainability and unique cultural heritage as key distinguishing factors, he said the country's determination to shift towards renewable energy sources is commendable. "As a major natural gas and oil producer, Qatar has recognized the need to shift toward renewable energy sources. The plan is to increase the share of renewable energy and reduce its carbon footprint. It aims to generate 20% of its energy from renewable sources by 2030, including solar, wind, and nuclear energy. "Qatar is working on achieving 70% on food self-sufficiency by this year and attain 100% by 2030. Qatar is also encouraging the use of solar energy, promoting green buildings and many more," Syed added. (Gulf Times)
- **Qatar's hospitality sector is world's fastest-growing -** The International Exhibitions Company (IFP–Qatar) has announced the launch of the eighth edition of the "Qatar Hospitality" exhibition and conference, the most prominent international trade fair in the tourism, hospitality, hotels, restaurants, and cafes sector in Qatar. The event will take place at the Doha Exhibition and Convention Center from November 6 to 8. The announcement of the date of this unique trade event in Qatar comes as the Qatari hospitality sector has recorded unprecedented growth in its history, making it one of the fastest-growing markets in the world. Euro News confirmed, in its latest reports, that the hospitality market in Qatar is the fastest-growing market in the world. The report expected this sector to continue moving forward during the coming period, despite the end of the most expensive sports event for the first time in the history of the Middle East and North Africa region. This was attributed to Doha's unique geographic location, which makes around 80% of the world's population accessible within six hours by plane, which will undoubtedly increase the likelihood of turning Qatar into a prominent tourist destination in the Gulf region and enabling it to achieve its goals of hosting 6mn visitors annually by 2030. According to the hospitality sector report in the Gulf countries issued by the Alpin Capital institution, the size of the hospitality sector in Qatar jumped from $1bn in 2021 to $1.6bn by the end of 2022, and it is expected to stabilize at $1.3bn in the next two years. The report of the Al-Asmakh Real Estate Projects Company indicated that the hospitality sector developers are continuing their plans to build facilities consistent with Qatar's interest in developing the tourism and hotel sector. This comes amidst the country's efforts to enhance tourism revenues and improve the quality of service provided in hotels, in order to attract an increasing number of visitors and tourists coming from various countries of the world. Qatar is investing heavily in the tourism sector with the aim of developing it into the third largest contributor to GDP, after the oil and gas sectors and construction. Thus, business is not expected to slow down after the World Cup, with plans reportedly under way to build 20 hotels in 2023 and another six in 2024, for example, as well as a number of resorts and various recreational facilities. Restaurants and cafés have expanded the size and quality of projects at all levels. Haidar Mshaimesh, the manager of the company organizing the event, said, "The dramatic transformation of the tourism and hospitality sector in Qatar is creating a massive growth in the various products and services covering all aspects of the hospitality sector, such as hotels and utilities, interior design and decoration, entertainment , travel , tourism, resorts and outdoor landscapes, hotel hospitality technologies and equipment, restaurants and cafes, and environmental-friendly hotel systems and solutions, food and beverages, and others." "Therefore, through the 8th edition of the exhibition, we look forward to welcoming exhibitors and visitors from local, regional and international hospitality markets to enable them to explore the promising prospects and commercial opportunities available within the Qatari hospitality sector, and to contribute to the development of their businesses and at the same time the development of the sector in Qatar." According to the organizers, the event will feature a large program of diverse activities, including a conference and training workshops for workers and professionals in the sector, a pavilion for international tourist destinations, a competition to prepare coffee (baristas), and live cooking shows with the participation of some of Qatar's brightest chefs. In summary, exhibition, conference, training workshops, ceremony honouring, various competitions and live shows covering the hospitality, tourism and food sectors are the ingredients of the recipe presented by the Qatar Hospitality Exhibition this year, making it an event worthy of observation. (Qatar Tribune)
- **Expo Doha publishes guides for visitors, participants -** The Expo 2023 Doha has published user guides for the participants and visitors. The guide for users can be accessed at Doha 2023 Expo's official website and it contains the details of the venues along with location maps. Starting with His Highness the Amir Sheikh Tamim bin Hamad al-Thani's message, the guide describes the mission, vision and values of the expo and explains the theme 'Green Desert, Better Environment' along with the sub themes 'Modern Agriculture', 'Technology & Innovation', 'Environmental Awareness' and 'Sustainability'. With maps, the guide has illustrations of the three key areas of the expo namely Cultural Area with 500,000 sqm, Family Area with 500,000 sqm and International Area with 700,000 sqm. The master plan is also given along with the detailed images of Qatar's pavilion, Sponsors Area, Indoor Domes, Congress Centre, Family Amphitheatre, Food Kiosks, Farmers' Market, Environment Centre and Biodiversity Museum and GrandStand Arena. The Participants Info Guide is available on the website of the Expo 2023 Doha. "Participating countries will build their gardens to display their plant diversity and their approach to desertification, modern agriculture, technology & innovation and sustainability. They will have the opportunity to be part of diverse activities such as conferences, symposia, seminars, B2B meetings, cultural and artistic shows, while promoting themselves to millions of visitors from various continents for the duration of six months. National Day celebrations will enable them to celebrate their values, culture and traditions with the world," the guide says. The guide draws up the Expo 2023 Doha Participation Process while detailing the stages of submitting applications. Also, the guide has exclusive pages for explaining the benefits of the expo for users and participants. Maps of Outdoor Garden Plots, Expo House and key figures are also given. (Gulf Times)

International

- **Fed data: US bank credit contracts, loans drop in latest week -** Bank credit at US commercial banks shrank in the latest week as commercial banks pulled back on lending to businesses, data published by the Federal Reserve showed on Friday. Overall bank credit fell to $17.23tn in the week ending Aug. 9, down from $17.25tn a week earlier and $17.32tn a year earlier, its second straight year-over-year drop. Loans and leases fell to $12.13tn, from $12.15tn the week prior; commercial and industrial loans slipped to $2.74tn, from $2.75tn in the week ending Aug. 2. From a year earlier, commercial and industrial (C&I) loan growth slowed sharply to less than 1%. The trends reflect reduced demand from borrowers amid the

Fed's rapid interest-rate hikes, as well as tightening credit standards and the fallout from the US regional bank failures this year. (Reuters)

- **Evergrande files for US bankruptcy protection as China economic fears mount -** Embattled developer China Evergrande Group has filed for US bankruptcy protection as part of one of the world's biggest debt restructurings, as anxiety grows over China's worsening property crisis and its impact on the weakening economy. China unexpectedly lowered several key interest rates earlier this week in a bid to shore up struggling activity and is expected to cut prime loan rates on Monday, but analysts say moves so far have been too little, too late, with much more forceful measures needed to stem the economy's downward spiral. Once China's top-selling developer, Evergrande has become the poster child of an unprecedented debt crisis in the country's property sector, which accounts for roughly a quarter of the economy, after facing a liquidity crunch in mid-2021. The developer has sought protection under Chapter 15 of the US bankruptcy code, which shields non-US companies that are undergoing restructurings from creditors that hope to sue them or tie up assets in the United States. While the step is seen as procedural, it indicates that the company is nearing the end of its restructuring process after more than one and a half years of negotiations with creditors. Evergrande said in a filing on Friday that it will ask the US court for recognition of schemes of arrangement under the offshore debt restructuring for Hong Kong and the British Virgin Islands as its dollar notes are governed by New York law. "The application is a normal procedure for the offshore debt restructuring and does not involve (a) bankruptcy petition," it said in the filing, adding it is pushing forward with its offshore debt restructuring. The company proposed scheduling a Chapter 15 recognition hearing for Sept. 20. Evergrande's offshore debt restructuring involves a total of $31.7bn, which include bonds, collateral and repurchase obligations. It will meet with creditors later this month on its restructuring proposal. A string of Chinese property developers have defaulted on their offshore debt obligations since Evergrande ran into trouble, leaving unfinished homes and unpaid suppliers, shattering consumer confidence in the world's second-largest economy. Property investment, sales and new construction starts have been contracting for over a year. (Reuters)
- **China's bond funds restrict purchases after heavy inflows -** Chinese investors are flocking to bond funds amid signs China's economy is losing steam, causing a growing number of fund managers to restrict purchases to protect existing investors. The strong demand for bonds has driven yields on China's 10-year treasury to 2.56%, the lowest level since May 2020, after the central bank unexpectedly cut key policy rates on Tuesday to aid recovery. "Investors would prefer bond funds in a gloomy economy," said Ivan Shi, head of research at Shanghai-based fund consultancy Z-Ben Advisors. "The restrictions on subscriptions are triggered by heavy inflows." Asset under management (AUM) of bond funds, which are generally considered safer than equities, in June hit the highest level since last October, data from the Asset Management Association of China showed. This influx of funds potentially dilutes the proceeds of existing fund holders and complicates fund managers' asset allocation. Avic Fund Management Co said on Friday it has suspended purchases of its AVIC RuiSu Pure Bond Fund, to "protect existing fund holders' interests". BOC International (China) Co also stopped investors from buying into the BOC International AnChe Bond Fund on Friday, citing the same reason. Earlier in the week, more than a dozen mutual fund managers including Xingyin Fund Co, Caitong Fund Management Co and Huatai PineBridge Investments had either halted, or put restrictions, on the purchase of their bond products. (Reuters)
- **Big brokerages cut China growth forecast on growing worries over property sector -** Five major brokerages cut China's economic growth forecast for the year as worries about contagion from debt repayment troubles at its top private property developer Country Garden deepened. China's economic growth outlook has soured further with retail sales, industrial output and investment growing at a slower than expected pace. Weak consumer demand has tipped the world's second largest economy into deflation amid rising pressure on Beijing to deliver more stimulus to support the economy. Nomura is forecasting a GDP growth rate of 4.6% for 2023, down from their previous forecast of 5.1%. Barclays is forecasting a GDP growth rate of 4.5% for 2023, which is slightly lower than their previous forecast of 4.9%. Morgan Stanley They are forecasting a GDP growth rate of 4.7% for 2023, which is a decrease from their previous forecast of 5%. (Reuters)
- **China set to cut lending benchmarks next week as economy worsens -** China is expected to cut lending benchmarks at a monthly fixing on Monday, with many analysts predicting a big reduction to the mortgage reference rate to revive credit demand and shore up the ailing property sector. The loan prime rate (LPR) normally charged to banks' best clients is calculated each month after 18 designated commercial banks submit proposed rates to the central bank, the People's Bank of China (PBOC). In a poll of 35 market watchers, all participants predicted cuts to both the one-year LPR and the five-year tenor, after the central bank unexpectedly lowered the medium-term policy rate this week. The medium-term lending facility (MLF) rate serves as a guide to the LPR and markets mostly use the MLF rate as a precursor to any changes to the lending benchmarks. The monthly fixing of the LPR is due next Monday. Among the 35 survey participants, 19, or 54%, expected a 15-basis-point cut to the one-year LPR - on which most new and outstanding loans are based and is currently at 3.55%. The remaining 16 traders and analysts forecast a modest 10 bp reduction. And 33, or 94% of them, predicted the five-year rate, which serves as the mortgage reference rate, to be trimmed by at least 15 bp. The five-year LPR currently stands at 4.20%. "After the earlier than expected policy rate cut, we are penciling in a 10 bp cut in one-year LPR and 20 bp cut in five-year LPR to further shore up the property sector," Citi analysts said in a note. They also expect the central bank to deliver a 25 bp to banks' reserve requirement ratio (RRR) cut soon. Market expectations for further monetary easing follow economic data that showed tumbling credit lending and mounting deflationary pressure. Meanwhile, default risks at some housing developers have dented financial market confidence. In response to a deepening property market crisis, the central bank pledged it would adjust and optimize property policies, according to its second-quarter monetary policy implementation report published this week. "According to previous modus operandi of the PBOC, we should expect a symmetrical, outsized 10-15 bp cut to the one-year and five-year next week," said Carlos Casanova, senior economist for Asia at UBP. "Looking forwards, we expect that the PBOC will also follow through with additional 50-75 bp in RRR cuts and balance sheet expansion to mitigate risks in key sectors, such as local government financing vehicle (LGFV) debt and regional housing markets." (Reuters)

Regional

- **Fuel of the future: Gulf states bet on 'green' hydrogen -** After riding a fossil-fuel boom for decades, Gulf Arab states are eyeing "green" hydrogen as they try to transition their economies and ease the climate crisis at a stroke. Oil producers Saudi Arabia, the United Arab Emirates and Oman are investing heavily in the climate-friendly fuel in a search for alternative revenues to crude and gas. Green hydrogen, which is the hydrogen created when renewable energy electrolysis water, appears to solve many problems: it is low-polluting and has widespread potential uses, which could make it lucrative and planet-saving at the same time. But the fuel, which currently makes up less than one% of total hydrogen production, is not yet commercially viable and needs a major scaling-up of renewable energy sources -- a process that could take years. Despite this, the Gulf countries sense an opportunity to remain major players in energy markets as oil revenues fall. "Gulf states aim to lead the global hydrogen market," said Karim Elgendy, associate fellow at Britain's Chatham House think tank. "They see green hydrogen as critical to remain major energy powers, allowing them to continue their influence as fossil fuel demand declines." Most hydrogen is produced from polluting fossil fuels, but green hydrogen is extracted from water using renewable energy such as wind, solar and hydropower. While fossil fuels create harmful greenhouse gases when they burn, hydrogen emits only water vapor. It is touted for potential use in high-polluting industries such as transport, shipping and steel. Wielding its massive investment capital, oil-rich Saudi Arabia is constructing the world's largest green hydrogen plant at NEOM, the $500bn futuristic megacity being built on the Red Sea. The $8.4-bn plant will integrate solar and wind energy to produce up to 600 tonnes of green hydrogen a day by the end of 2026, officials say. In July the UAE, which will host the United Nations' COP28 climate conference this year, approved a hydrogen strategy that aims to make it one of the top 10 producers by 2031. "Hydrogen will be a critical fuel for the energy transition," said Hanan Balalaa, a senior official at the UAE's oil firm ADNOC, calling it a "natural extension" for the company. "We believe hydrogen and its carrier fuels have great potential as new, low carbon fuels, that the UAE is well placed to capitalize" on, Balalaa told AFP. But it is Oman, which lags Saudi Arabia and the UAE in fossil fuel production, that looks poised to lead the Gulf's clean hydrogen race. The sultanate is on track to become the sixth-largest exporter globally and the biggest in the Middle East by the end of the decade, the International Energy Agency said in a June report. Oman aims to produce at least 1mn tonnes of green hydrogen a year by 2030, and up to 8.5mn tonnes by 2050, "which would be greater than total hydrogen demand in Europe today", the IEA said. According to auditing firm Deloitte, Middle Eastern countries, primarily the Gulf, will lead global clean hydrogen trade in the short-term, exporting around half of their domestic production by 2030. By 2050, North Africa and Australia are projected to have the greatest potential, although Gulf states will remain "export leaders", the company said in a June report. The investment in green hydrogen has not curbed expansion in oil and gas, with both the UAE and Saudi Arabia planning to grow their hydrocarbon industries. Experts predict it could still take years before Gulf countries can produce green hydrogen at a cost competitive with fossil fuel-based alternatives. While the cost of renewable energy has fallen due to technological advances, green hydrogen cannot yet be produced at a profit. (Qatar Tribune)

- **Saudi, Chinese firms ink $1.3bn co-op deals at key forum -** Saudi Arabia has signed 12 co-operation agreements worth more than SR5bn ($1.3bn) with Chinese companies and banks at a key forum held in Beijing. The forum, held under the patronage of the Minister of Municipal, Rural Affairs, and Housing, Majid bin Abdullah Al Hogail, focused on exploring investment opportunities between Saudi Arabia and China, with a special emphasis on strengthening partnerships in urban infrastructure, housing, real estate development, and financing. It was also attended by the Saudi Ambassador to China, Abdulrahman bin Ahmed Al-Harbi and other officials. In his address, Al Hogail emphasized the commitment of both countries' leaders to develop the housing and municipal sectors further, and expressed his aspirations for increased collaboration in urban infrastructure, housing, real estate development, and financing. There are immense investment opportunities available in Saudi Arabia, thanks to the construction of over 300,000 housing units across 17 cities, covering an area of more than 150mn sq m, stated Al-Hogail. With the projects valued at a whopping SR100bn ($26.6bn) being implemented, the minister said there is a lot the Chinese companies can do in boosting the real estate growth in Saudi Arabia. Al Hogail expressed his enthusiasm for the launch of the forum, highlighting KSA's dedication to enhancing its partnership with China under the leadership of King Salman bin Abdulaziz Al Saud, and His Royal Highness Prince Mohammed bin Salman, Crown Prince and Prime Minister. Lauding the successful collaboration between Saudi and Chinese companies in housing projects across the kingdom, he stated that the Ministry of Municipal, Rural Affairs and Housing too was working with several Chinese companies on housing projects worth SR3bn. (Zawya)
- **Saudi household wealth put at $2.3tn; UAE's $1.2tn -** The total household wealth amounted to $2.3tn in Saudi Arabia, compared to $1.2tn in the United Arab Emirates (UAE), according to estimates by the latest Global Wealth Report, launched jointly by Credit Suisse and UBS. However, owing to Saudi Arabia's higher population, wealth per adult in the UAE at the end of 2022 ($152,556) was 68% higher than that in Saudi Arabia ($90,975). The proportional difference has fallen over time. Earlier this century, wealth per adult in the UAE was more than double that of Saudi Arabia. "Our estimates of financial and non-financial wealth are derived from the relationship observed in other countries between household wealth and variables such as household consumption, share prices and house prices," the report said. According to the report estimates, the share of financial assets in gross assets is similar in the two countries and remained relatively stable until 2022. At the end of 2021, financial assets made up 59.5% of gross assets in Saudi Arabia and 58.8% in the UAE, the report estimates. However, in 2022, these ratios fell to 56.7% in Saudi Arabia and 56.5% in the UAE. Household debt is low by international standards. The ratio of household debt to gross assets in 2022 was 5.5% in Saudi Arabia and 7.8% in the UAE, with little change since 2021. Net worth per adult in Saudi Arabia rose 8.4% in USD terms in 2021 using current exchange rates and continued to rise in 2022 by 6.6%. In the UAE, growth rates of wealth per adult were again similar in 2021 using current exchange rates at 18.7%. The share of the top 1% in the wealth was 37.6% in Saudi Arabia and 44.6% in the UAE. These values place both countries toward the top of the international inequality ranking. The UAE hosts a disproportionate number of wealthy expatriate entrepreneurs, some of whom relocated after the global financial crisis, the report said. (Zawya)
- **Saudi: Salaries of 965,000 employees exceed $2,666 -** The total number of employees who earn SR10,000 or more ($2600) in the Saudi labor market has reached approximately 965,000 during the second quarter of 2023, according to the latest Saudi official data. The Saudi private sector continues its high performance in hiring workers with high wages, and employees in the private sector are the highest paid in the Kingdom. The latest data issued by the General Organization for Social Insurance (GOSI) showed that 708,000 of those who draw more than SR10,000 in salary are employed with companies and establishments and they constitute 73.3% of the total staffers with a salary of over SR10,000. The Saudi government is working on programs and initiatives that will stimulate the private sector to generate jobs directly and indirectly, most notably the employment support from the Human Resources Development Fund (HADAF), by bearing a percentage of the employee's wages in companies and establishments. The data indicates that the number of employees who earn a salary higher than SR10,000 in the private sector has reached approximately 708,000, compared to 256,000 employees in the government sector. The data reveals that the total number of those earning SR5,000 to SR9990 ($1300 to 2600) has reached more than SR1mn employees during the second quarter of this year. The official reports showed that the total number of those earning SR10,000 or more in the private sector has reached about 473,000, an increase of 66.8% during the second quarter of this year compared to the same quarter five years ago in 2018. According to the data, the capital city of Riyadh alone houses nearly half of the workers whose wages exceed SR10,000 in the public and private sectors in the second quarter of 2023. On the other hand, GOSI report showed that work injuries recorded a decrease during the second quarter of this year by 6%, compared to the same period in 2022. It explained that field preventive and awareness drives, and the firms' compliance to apply occupational safety and health standards for workers have contributed to reduce work injuries, as the past three months witnessed the registration of 5800 new injuries, compared to 6100 injuries during the same period last year. According to GOSI, the decrease in injuries came despite the increase in the percentage of its subscribers by 10.9%, represented by 10.45mn employees, compared to 9.35mn in the same period last year. The number of establishments reached 1.2mn during the second quarter of this year, compared to 890200 during the same period of the previous year, an increase of 28%. It is noteworthy that Crown Prince and Prime Minister Mohammed bin Salman, who is also chairman of the Council for Economic and Development Affairs, had launched in March 2021, Shareek program to strengthen partnership with the private sector for local companies. It will enable the government's collaboration with large companies in the private sector to maximize their investment plans in the Kingdom, which will boost economic growth. This program aims to develop partnership between the government and private sectors, and accelerate the achievement of strategic goals represented in increasing the resilience of the economy and supporting prosperity and sustainable growth. The program aims to enhance the development and resilience of the Saudi economy by increasing the gross domestic product, providing job opportunities and diversifying the economy, in addition to launching private sector as well as the accumulated investments across all economic aspects with a target of SR5tn by 2030, and add up to SR2tn to the GDP by 2025, in addition to creating hundreds of thousands of new job opportunities. The program will also help, as a strategic enabler, to accelerate investment plans for major companies. (Zawya)
- **Saudi crown prince meets Iran's foreign minister -** Saudi Arabian Crown Prince Mohammed bin Salman met Iran's Foreign Minister Hossein Amirabdollahian on Friday in the highest-level talks since the countries reconciled in March after years of bitter rivalry that destabilized the

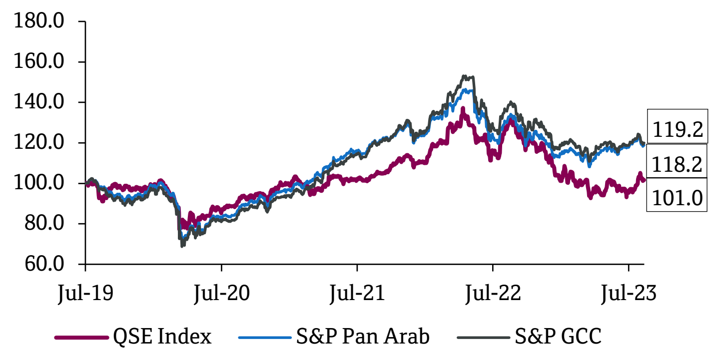
region. The unscheduled meeting in Jeddah comes a day after Amirabdollahian arrived in the kingdom and declared ties between the countries were "on the right track" following talks with his Saudi counterpart Prince Faisal bin Farhan. "Discussions were frank, beneficial and productive," Amirabdollahian said in a social media post after meeting the de facto Saudi ruler, adding that the countries "agree on the security and development of all in the region". Mohammed bin Salman, widely known as MbS, has pushed to reorient Saudi foreign policy in recent years amid troubles in its historically close relationship with the United States. Footage of the meeting on Iranian state media showed MbS and Amirabdollahian smiling as they spoke, while Prince Faisal and the Iranian delegation looked on. Saudi state news agency SPA said they discussed international and regional developments. China brokered a rapprochement in March leading to a resumption of full diplomatic relations, which Saudi Arabia had broken off in 2016. Prince Faisal visited Tehran in June and said he hoped Iranian President Ebrahim Raisi would visit the kingdom at the "appropriate time". Prince Faisal also spoke by phone with U.S. Secretary General Antony Blinken, with the pair discussing more coordination to boost "security and stability in the Middle East region," Saudi state media reported on Friday. (Zawya)

- **Thani Al Zeyoudi: Emirati investments in Ethiopia totaled US$2.9bn at end of 2022 -** Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, said that the UAE's leadership had directed the country to strengthen its relations with African nations, especially Ethiopia. Ethiopia is the second-largest country in Africa by population, with over 120mn people, and is a major market for the UAE's non-oil exports and re-exports, he added. Al Zeyoudi told the Emirates News Agency (WAM) that Ethiopia and the UAE have strong trade and investment relations and noted that the two countries traded non-oil goods worth US$1.4bn in 2022, and the UAE invested $2.9bn in Ethiopia. These investments cover four main sectors, which are chemicals, food and beverages, aluminum and pharmaceuticals, he added, affirming that the UAE also invests in other sectors with potential, such as ports, logistics services, storage, warehouses and real estate. The UAE's non-oil exports to Ethiopia expanded by 4.5% year-on-year to reach $210.3mn in 2022, showing a robust recovery from the COVID-19 pandemic-induced slump in 2020, when they fell by 22%, while the figure in 2022 also exceeded the pre-pandemic level of 2019 by 8.5%, he explained. Meanwhile, the UAE's re-exports to Ethiopia grew by 8.6% year-on-year to $553.3mn in 2022, continuing a strong upward trend since 2018, when they increased by 22.5%, while re-exports rose by 39% and 9.6% compared to 2020 and 2019, respectively, he further added. Al Zeyoudi also stressed that the UAE and Ethiopia have a strong base for boosting their mutual trade, given their friendly relations and the variety of products and services they can offer each other, which could lead to a more comprehensive trade partnership. The UAE can help Ethiopian exports reach new markets through its global network of trade partners, while Ethiopia can act as a key entry point for Emirati exports and re-exports to East Africa and other African countries, he added. The UAE values its trade and investment ties with Ethiopia and wants to take them to new heights, as Ethiopia is a key trade partner in Africa and a promising place to invest, with many opportunities in its fast-growing emerging economy, he further added. Ethiopia also plays a vital role in the stability and development of the African continent, and the UAE aims to strengthen its bilateral relations based on its developmental role through working with partners around the world on projects that promote sustainable development and mutual interests, Al Zeyoudi said in conclusion. (Zawya)
- **UAE-Ethiopia non-oil trade exchange surges with 180% increase over 10 years -** The UAE and Ethiopia have seen a remarkable rise in their non-oil trade over the past ten years reaching 180%, with the total value of their non-oil trade exceeding AED34bn between 2013 to 2022. In 2022 alone, the two countries recorded AED5.113bn in non-oil trade, more than double the figure in 2013. Breakdown of UAE-Ethiopia trade in 2022 The UAE exported non-oil products worth AED773mn to Ethiopia, with re-exports reaching AED2.033bn, and imports totaling AED2.307bn. Ethiopia's top imports from the UAE included mineral oils with a total value of AED183mn, raw gold at AED58mn, pulses at AED48mn, pre-fabricated buildings at AED38mn, and iron and steel structures and parts at AED28mn. The UAE also re-exported certain goods to Ethiopia, such as automobiles (AED334mn), jewelry and ornaments (AED225mn), medical vaccines (AED199mn), self-processing information and communication machinery (AED159mn), and communication devices and equipment (AED125mn). The UAE's top three imports from Ethiopia in the previous year were raw gold, meat and coffee. Raw gold imports amounted to more AED2bn, while meat and coffee imports were valued at AED207mn and AED43mn, respectively. (Zawya)
- **Dubai is the number one city for executive nomads; Abu Dhabi takes fourth place -** Dubai has emerged as the top destination of choice for remote workers who have ranked the city high for its quality of life, air connectivity and digital infrastructure. The emirate scored 34.18 points on the Savills Executive Nomad Index, which grades 20 of the most desirable destinations around the world, based on their appeal and ease of access for long-term remote workers. Dubai wasn't the only city from the UAE that scored high on the list; Abu Dhabi is making its first-time entry on the index, coming in at fourth place with a score of 31.12. Lisbon, which topped last year's rankings, dropped to fifth place due to soaring rents in the Portuguese capital. Rents in prime residential areas grew by 5.4% in Dubai during the first half of 2023, while Lisbon saw a 13.9% rise over the same period, according to the real estate services company. Andalucian economic capital Malaga came second on the index, with the cosmopolitan city getting a boost following the launch of Spain's digital nomad visa in 2022. Miami came in at number three, being the only US city to make it to the list. Remote and hybrid working has been gaining ground over the past few years, with a report by American technological research and consulting firm Gartner projecting that by the end of 2023, 39% of global knowledge workers will work hybrid, with remote workers representing 9% of all employees worldwide. (Zawya)
- **UAE-Indonesia CEPA to be implemented in September -** The UAE-Indonesia Comprehensive Economic Partnership Agreement (CEPA) will be implemented next month, a top envoy said in Abu Dhabi. Celebrating the 78th Indonesian Independence Day, Husin Bagis, Ambassador of Indonesia to the UAE, expressed hope for enhanced bilateral cooperation. "I hope Indonesia this year will be more progressive, stronger, and prosperous compared to the previous years. For Indonesia and UAE, I hope the cooperation in all sectors could be more powerful. This year we already have CEPA that will be implemented around September 2023," the ambassador noted. It was in July last year that President His Highness Sheikh Mohamed bin Zayed Al Nahyan witnessed the signing of the UAE-Indonesia CEPA, alongside Indonesian President Joko Widodo in Abu Dhabi. The landmark deal is expected to increase annual bilateral trade to $10bn within five years by removing trade barriers on a wide range of goods and services, creating new opportunities for UAE exporters. The deal has the potential to increase the total value of trade in services between the UAE and Indonesia to $630mn by 2030. Streamlined customs procedures and an emphasis on digital trade will make it easier than ever for UAE companies to do business with Indonesia. "Previously, with the support of the UAE government, Indonesia Investment Authority (INA) has been well established, which I believe has attracted many more global investors," Bagis said. (Zawya)
- **UAE offloaded $4bn US treasury bonds in June -** The UAE offloaded $4bn worth of US treasury bonds in June, making it the second consecutive month the country sold US government debt. Its holding fell to $65.2bn from $69bn in May 2023, the monthly report from the US Treasury showed. The OPEC member's GCC neighbors Saudi Arabia and Kuwait also sold US treasury bonds last month. Saudi Arabia's pile of US treasuries fell to $108bn, as it jettisoned $3.2bn worth of holdings. Kuwait shares of the US debt instrument fell to $40.6bn in June from $41.4bn in May. However, total foreign holdings of US Treasuries rose in June, as Japan increased its purchase to $7.563tn from $7.521tn in May. Japan is the largest foreign holder of the bonds. (Zawya)
- **Bahrain real estate transactions continue to grow amid moderate performance -** Real estate transactions in Bahrain totaled 5,279 in Q2 2023, according to SLRB data. This marks an increase of 7.1% year-on-year, but a decrease of 16.7% compared to last quarter, which is likely due to Ramadan and both Eid holidays falling during Q2. Looking at Bahrain's residential sector, average quoted apartment rents increased by 2.1% in Q2 across governorates compared to Q1, while quoted apartment sales

rates fell by 1.1%. The highest rates continue to be seen in the Capital Governorate, although the Muharraq Governorate is beginning to close the gap, with newly delivered quality assets achieving higher rates in the likes of Diyar Al Muharraq and Dilmunia. In terms of villas, there were marginal changes in rates in Q2, with quoted rents falling by 1.0% and sales increasing by 0.6% compared to Q1. In the office sector, we have seen an uptick in registered leases in CBRE's managed properties in H1 2023. The Grade A & B commercial office market continues to serve two main demand drivers: government and quasi-government entities seeking larger floor plates, and international firms requiring small-to-medium-sized units. While rental rates remain relatively stable, vacancy rates have begun to fall for the first time in recent years, reaching their lowest rate since 2019, now estimated to be standing at 26.3%. Within the hospitality sector, STR data shows that Manama's average occupancy rate sits 11.2% higher year-on-year in the year to date to June 2023, increasing from 46.1% in 2022 to 51.3% in 2023. Over the same period, Manama's ADR increased only marginally by 1.8%, while RevPAR increased by 13.1%. In June, Bahrain signed a Memorandum of Understanding with Saudi Arabia to promote the two countries as one regional and global tourist destination. The agreement establishes a framework to collaborate in efforts to market tourism programs and activities in both countries. In the retail sector, CBRE Bahrain's biannual retail occupancy survey recorded increases in the majority of the surveyed set of malls in H1 2023. Of the 20 malls surveyed, 70% recorded occupancy growth, with the most notable seen at Dana Mall in the Capital, which benefited from recent store openings and the launch of Epix Cinemas. Average occupancy across the set increased 3.6 percentage points compared to H2 2022, now sitting at 70%. The highest occupancy rates have been recorded at Dragon City, the Avenues, and City Centre. While the current occupancy level is at its highest level since the onset of the COVID-19 pandemic, the average occupancy rate still sits some 10 percentage points below its 2019 levels. Heather Longden, Director - Advisory & Transactions, at CBRE in Bahrain comments: "CBRE has recorded an uptick in registered leases within our managed office properties and a minor reduction in vacancy rates to 26.3%. All key performance indicators in the hospitality sector have shown signs of improvement year-on-year and according to the BTEA, Bahrain International Airport welcomed 4,098,582 passengers during the first six months of 2023, up 43.2% from the same period in 2022. While retail occupancy rates have improved marginally to reach 70%, average rental rates have dropped in the first half of 2023 as supply of shopping center space continues to grow." (Zawya)

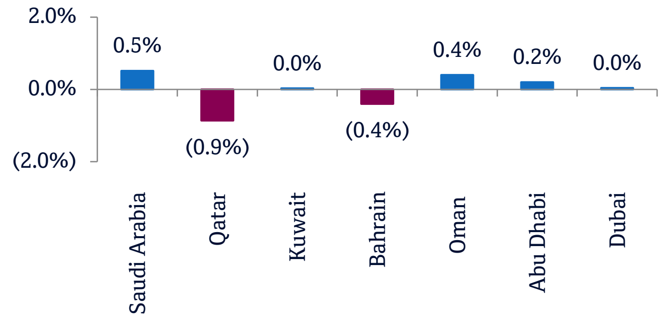
- **HSBC: Bahrain hard currency assets rise $800mn in June, still modest -** Bahrain's central bank foreign currency assets rose by almost $800mn in June from May, recovering further from pandemic lows but still modest for an oil-led economy with a currency pegged to the dollar, HSBC said on Thursday. "However, the rise means that reserves have risen 50% in the space of a year to their highest level since Q4 2015, continuing the recovery from COVID-19-era lows when holdings fell to just $770m," Simon Williams, HSBC chief economist for Central and Eastern Europe, Middle East and Africa, said in a research note. It was the third consecutive month-on-month rise in foreign currency assets, to 1.95bn dinars ($5.17bn), he said. "Subsequent to the June data, Bahrain repaid a $1.5bn Eurobond which could have required the authorities to tap reserves, but Bloomberg data also show there was a $1bn private placement that may have preserved liquidity," Williams said. A small oil producer, Bahrain is one of the most heavily indebted of the hydrocarbon-rich Gulf Cooperation Council countries and is rated "junk" by credit rating agencies. The rise in reserves reflects a strong current account performance, with eight straight quarterly surpluses notched since the second quarter of 2021 worth a cumulative $3.8bn, or 8% of HSBC's estimate for gross domestic product this year, Williams said. "The performance has been driven by higher oil earnings, but non-oil exports have also gained and services credits have risen as the tourism sector strengthened, buoyed by demand from Saudi Arabia," he said. "While the external position has improved, other challenges persist." Bahrain was the only one of the six GCC countries to post a budget deficit last year amid a windfall for the others from booming oil prices. GDP growth slowed in the first quarter to 2% from 4% in the fourth quarter and almost 5% for 2022. "The dip primarily reflects maintenance work that saw oil output fall and the hydrocarbon GDP contract by nearly 6% y-o-y," Williams said. "However, while non-oil growth was stronger at 3.5% y-o-y, the pace is well down on close to 6% recorded last year, with strong gains in transport and tourism in Q1 offset by a contraction in manufacturing and construction," he added. (Zawya)
- **Kuwait chairs Greater Arab Free Trade Area facilitation meeting -** Trade facilitation committee for the Greater Arab Free Trade Area held Wednesday its 14th meeting chaired by Kuwaiti Finance Ministry Acting Undersecretary Talal Al-Nemash. Chief of economic integration directorate at the League of Arab States, Bahjat Abu Al-Nasser, affirmed in inaugural speech the league's continual support to efforts developing the free trade area. Last September, the league's economic and social council issued a decision approving several complimentary appendices to the executive program, clarified Abu Al-Nasser, adding that trade facilitation is part of these appendices. The meeting is set to handle, over two days, observing commitments of Arab members of the World Trade Organization, providing technical support to non-members, and examining state models in implementing the trade facilitation agreement presented by Oman, Qatar and Egypt. The congregation is set to file a report with outcomes and recommendation to the forthcoming economic social council meeting. (Zawya)
- **Oman-China bilateral trade tops $40bn in 2022 -** In commemoration of the 10th anniversary of the Belt and Road Initiative, Li Lingbing, China's Ambassador to the Sultanate of Oman, addressed the Omani-Chinese Forum, delving into the historical ties and promising prospects between the two nations. Highlighting the symbiotic nature of the Belt and Road Initiative, China and Oman have forged a path of mutual benefit and success, said Ambassador Lingbing. This partnership, solidified by the signing of a Memorandum of Understanding (MOU) on the Silk Road Economic Belt and the 21st Century Maritime Silk Road during their 40th diplomatic anniversary in May 2018, has burgeoned over the past five years. The fusion of the Belt and Road Initiative (BRI) with Oman Vision 2040 has yielded profound policy alignment and elevated trade engagement, she stated. Underscoring this collaboration, bilateral trade between the two countries soared to $40.45bn in 2022, recording an impressive 25.8% year-on-year growth. China's imports from Oman amounted to $36.24bn, a 26.7% increase from the previous year. Chinese direct investments into Oman rose 116.75%, culminating in an aggregate of $21.74mn. The synergy established under the "Belt and Road" framework has nurtured thriving cooperation between China and Oman, the Ambassador pointed out. PetroChina's substantial contributions to Oman's Block 5 since 2002 have catalyzed remarkable growth in oil and gas production, culminating in a remarkable 2022 output of 2.7mn tonnes, with a daily average of 49,200 barrels. In tandem, Huawei's commitment has materialized in an impressive 97% Omanization in its workforce, coupled with robust expansion of its ICT training infrastructure across Oman. The collaboration extends into Oman's national grid, with the State Grid of China participating in the network since March 2020. On the educational and vocational fronts, over 150 training courses in China have benefitted more than 850 Omanis during 2022. Noteworthy are the 86 Omani students granted Chinese government scholarships for advanced studies in China, Ambassador Lingbing said. In 2023, an array of Chinese enterprises spanning manufacturing, mining, new energy, and satellite communications have initiated novel investment and engineering ventures in Oman. Huaxin Cement's infusion into Oman's building materials production seeks to refine cement manufacturing processes, catering to domestic and regional consumption. Besto Hengda Oman's commitment, with an investment of $230mn, converges on ferrous alloys and premium recycled wrapping paper, while Starvision's collaboration in remote sensing satellites underscores the dynamic tech engagement. The fisheries sector is also witnessing increased investments from multiple Chinese firms, fostering increased production and broader fishing cooperation. Various Chinese speakers also highlighted the successes of the "Belt and Road" initiative in Oman. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,889.31	(0.0)	(1.3)	3.6
Silver/Ounce	22.75	0.3	0.3	(5.0)
Crude Oil (Brent)/Barrel (FM Future)	84.80	0.8	(2.3)	(1.3)
Crude Oil (WTI)/Barrel (FM Future)	81.25	1.1	(2.3)	1.2
Natural Gas (Henry Hub)/MMBtu	2.44	(4.3)	(6.5)	(30.7)
LPG Propane (Arab Gulf)/Ton	63.40	2.3	(9.2)	(10.4)
LPG Butane (Arab Gulf)/Ton	55.90	0.2	(9.5)	(44.9)
Euro	1.09	0.0	(0.7)	1.6
Yen	145.39	(0.3)	0.3	10.9
GBP	1.27	(0.1)	0.3	5.4
CHF	1.13	(0.4)	(0.6)	4.8
AUD	0.64	0.0	(1.4)	(6.0)
USD Index	103.38	(0.2)	0.5	(0.1)
RUB	110.69	0.0	0.0	58.9
BRL	0.20	0.1	(1.3)	6.3

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,897.50	(0.1)	(2.5)	11.3
DJ Industrial	34,500.66	0.1	(2.2)	4.1
S&P 500	4,369.71	(0.0)	(2.1)	13.8
NASDAQ 100	13,290.78	(0.2)	(2.6)	27.0
STOXX 600	448.44	(0.7)	(3.0)	7.1
DAX	15,574.26	(0.7)	(2.3)	13.5
FTSE 100	7,262.43	(0.8)	(3.1)	2.7
CAC 40	7,164.11	(0.4)	(3.1)	12.3
Nikkei	31,450.76	0.2	(3.6)	8.8
MSCI EM	964.44	(1.0)	(3.3)	0.8
SHANGHAI SE Composite	3,131.95	(1.0)	(2.4)	(3.9)
HANG SENG	17,950.85	(2.1)	(6.1)	(9.6)
BSE SENSEX	64,948.66	(0.3)	(0.8)	6.2
Bovespa	115,408.52	0.6	(3.6)	12.0
RTS	1,047.03	1.8	4.6	7.9

Source: Bloomberg ($ adjusted returns if any, Data as of August 18, 2023)*

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