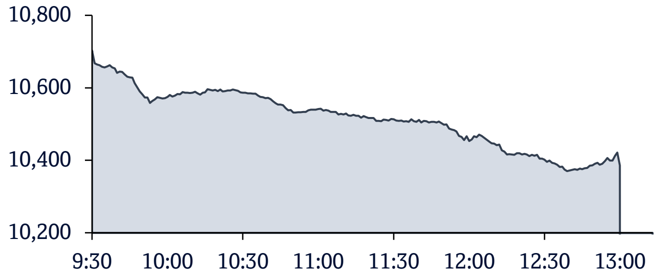
QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 3.0% to close at 10,385.6. Losses were led by the Telecoms and Banks & Financial Services indices, falling 3.3% and 3.2%, respectively. Top losers were Qatar General Insurance & Reinsurance Co. and The Commercial Bank, falling 10.0% and 6.5%, respectively. Among the top gainers, Ahli Bank gained 5.0%, while Gulf Warehousing Company was up 2.9%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.6% to close at 11,928.9. Losses were led by the Utilities and Commercial & Professional Svc indices, falling 3.8% and 3.4%, respectively. ACWA Power Co. declined 5.4%, while Catrion Catering Holding Co. was down 5.2%.

Dubai: The DFM Index fell 0.3% to close at 4,077.6. The Consumer Staples index declined 2.6%, while the Consumer Discretionary index fell 0.8%. Dubai Islamic Insurance and Reinsurance Co. declined 4.4%, while Orascom Construction was down 4.3%.

Abu Dhabi: The ADX General Index gained 1.3% to close at 9,715.5. The Financials Index rose 2.2%, while the Basic Materials index gained 0.9%. Hayah Insurance rose 14.4%, while Gulf Pharmaceutical was up 10.7%.

Kuwait: The Kuwait All Share Index gained 0.6% to close at 6,950.7. The Energy index rose 2.2%, while the Technology index gained 1.5%. Real Estate Trade Centers Company rose 10.7%, while National Cleaning Co. was up 9.4%.

Oman: The MSM 30 Index fell 0.2% to close at 4,579.5. Losses were led by the Services and Industrial indices, falling 0.9% and 0.1%, respectively. Al Maha Ceramics Company declined 10.0%, while Dhofar Insurance was down 9.6%.

Bahrain: The BHB Index gained 0.3% to close at 1,963.5. The Materials index rose 0.9%, while the Financials index gained 0.3%. Kuwait Finance House rose 3.0%, while Arab Banking Corporation was up 1.7%.

Market Indicators	03 Jan 24	02 Jan 23	%Chg.
Value Traded (QR mn)	595.2	576.0	3.3
Exch. Market Cap. (QR mn)	606,202.2	621,144.5	(2.4)
Volume (mn)	198.0	189.7	4.4
Number of Transactions	19,691	18,522	6.3
Companies Traded	50	51	(2.0)
Market Breadth	9:38	20:28	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,288.88	(3.0)	(1.9)	(4.1)	12.4
All Share Index	3,496.36	(2.8)	(1.6)	(3.7)	12.4
Banks	4,393.76	(3.2)	(1.5)	(4.1)	11.7
Industrials	3,967.99	(2.9)	(2.1)	(3.6)	15.3
Transportation	4,260.18	(1.3)	0.8	(0.6)	11.3
Real Estate	1,486.13	(0.9)	0.1	(1.0)	15.4
Insurance	2,499.91	(1.3)	(4.5)	(5.0)	55
Telecoms	1,601.18	(3.3)	(2.5)	(6.1)	11.6
Consumer Goods and Services	7,380.77	(2.3)	(1.4)	(2.6)	20.4
Al Rayan Islamic Index	4,583.65	(2.7)	(2.0)	(3.8)	14.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Research & Media Gr.	Saudi Arabia	180.00	4.7	394.5	5.0
Ominvest	Oman	0.470	4.4	18.0	11.9
Q Holdings	Abu Dhabi	3.260	3.8	14,925.0	4.2
Emirates Central Cooling Sys	Dubai	1.730	3.0	3,858.8	4.2
Al Ahli Bank of Kuwait	Kuwait	245.00	2.9	4,739.2	5.2

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	5.599	(6.5)	5,354.9	(9.7)
Acwa Power Co.	Saudi Arabia	240.20	(5.4)	490.9	(6.5)
Qatar Electricity & Water Co.	Qatar	17.44	(4.4)	334.0	(7.2)
Masraf Al Rayan	Qatar	2.490	(4.2)	20,834.6	(6.2)
Co. for Cooperative Ins.	Saudi Arabia	136.00	(3.7)	322.9	4.5

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%
Ahli Bank	4.018	5.0	566.7	10.9
Gulf Warehousing Company	3.273	2.9	3,315.0	4.5
Ezdan Holding Group	0.886	2.4	33,496.4	3.3
National Leasing	0.749	2.0	6,818.1	2.7
Doha Insurance Group	2.399	1.9	11.7	0.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.886	2.4	33,496.4	3.3
Mesaieed Petrochemical Holding	1.830	(1.3)	21,852.2	2.3
Masraf Al Rayan	2.490	(4.2)	20,834.6	(6.2)
Mazaya Qatar Real Estate Dev.	0.719	(0.6)	13,358.5	(0.6)
Qatar Aluminum Manufacturing Co.	1.361	(1.7)	10,386.3	(2.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	1.323	(10.0)	98.7	(10.0)
The Commercial Bank	5.599	(6.5)	5,354.9	(9.7)
Qatar Electricity & Water Co.	17.44	(4.4)	334.0	(7.2)
Masraf Al Rayan	2.490	(4.2)	20,834.6	(6.2)
Doha Bank	1.755	(3.6)	1,286.4	(4.1)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.23	(2.7)	93,725.9	(1.8)
Industries Qatar	12.50	(3.3)	72,000.1	(4.4)
Masraf Al Rayan	2.490	(4.2)	52,625.6	(6.2)
Mesaieed Petrochemical Holding	1.830	(1.3)	40,841.9	2.3
Dukhan Bank	3.952	(1.2)	34,663.3	(0.6)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,385.56	(3.0)	(1.9)	(4.1)	(4.1)	163.51	166,220.6	12.4	1.4	4.7
Dubai	4,077.58	(0.3)	0.7	0.4	0.4	102.68	187,701.6	9.1	1.3	4.2
Abu Dhabi	9,715.51	1.3	1.6	1.4	1.4	360.76	747,057.5	27.5	3.1	1.6
Saudi Arabia	11,928.89	(1.6)	(0.0)	(0.3)	(0.3)	2,928.50	2,994,500.3	20.2	2.4	3.0
Kuwait	6,950.70	0.6	2.0	2.0	2.0	166.15	145,065.7	14.8	1.5	4.0
Oman	4,579.54	(0.2)	2.1	1.5	1.5	6.32	23,396.9	14.1	0.9	4.8
Bahrain	1,963.51	0.3	0.1	(0.4)	(0.4)	9.75	55,769.1	7.0	0.7	8.5

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

Qatar Market Commentary

- The QE Index declined 3.0% to close at 10,385.6. The Telecoms and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and Foreign shareholders despite buying support from Qatari and Arab shareholders.
- Qatar General Insurance & Reinsurance Co. and The Commercial Bank were the top losers, falling 10.0% and 6.5%, respectively. Among the top gainers, Ahli Bank gained 5.0%, while Gulf Warehousing Company was up 2.9%.
- Volume of shares traded on Wednesday rose by 4.4% to 198.0mn from 189.7mn on Tuesday. Further, as compared to the 30-day moving average of 157.0mn, volume for the day was 26.1% higher. Ezdan Holding Group and Mesaieed Petrochemical Holding were the most active stocks, contributing 16.9% and 11.0% to the total volume, respectively.

Overall Activity	Buy%*	Sell%*	Net (QR)
Qatari Individuals	29.78%	25.20%	27,274,660.04
Qatari Institutions	32.30%	29.78%	15,013,018.23
Qatari	**62.08%**	**54.98%**	**42,287,678.27**
GCC Individuals	0.58%	0.33%	1,495,063.69
GCC Institutions	7.01%	13.32%	(37,551,776.06)
GCC	**7.59%**	**13.65%**	**(36,056,712.37)**
Arab Individuals	11.39%	11.32%	433,180.26
Arab Institutions	0.00%	0.00%	-
Arab	**11.39%**	**11.32%**	**433,180.26**
Foreigners Individuals	2.52%	2.41%	616,117.15
Foreigners Institutions	16.42%	17.64%	(7,280,263.31)
Foreigners	**18.94%**	**20.06%**	**(6,664,146.16)**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03-01	US	Mortgage Bankers Association	MBA Mortgage Applications	Dec	-10.70%	NA	1.40%
03-01	US	Institute for Supply Management	ISM Manufacturing	Dec	47.40	47.10	46.70
03-01	US	Institute for Supply Management	ISM Prices Paid	Dec	45.20	49.50	49.90
03-01	US	Institute for Supply Management	ISM Employment	Dec	48.10	46.50	45.80
03-01	US	Institute for Supply Management	ISM New Orders	Dec	47.10	49.10	48.30
03-01	Germany	Deutsche Bundesbank	Unemployment Change (000's)	Dec	5.0k	20.0k	21.0k
03-01	Germany	Deutsche Bundesbank	Unemployment Claims Rate SA	Dec	5.90%	5.90%	5.80%

Earnings Calendar

Tickers	Company Name	Date of reporting AR2023 results	No. of days remaining	Status
QNBK	QNB Group	11-Jan-24	7	Due
QIBK	Qatar Islamic Bank	16-Jan-24	12	Due
QFLS	Qatar Fuel Company	17-Jan-24	13	Due
ABQK	Ahli Bank	18-Jan-24	14	Due

Qatar

- **India's Petronet likely to renew Qatar LNG contract in January -** Petronet LNG Ltd, India's largest liquefied natural gas buyer, will likely renew a big supply contract with Qatar by the end of January, a senior government official said Wednesday. Petronet's 25-year contract with Qatar for 7.5mn tons of LNG a year is supposed to be renewed five years before expiration in 2028, said the official, who is familiar with the contract and asked not to be identified because the information isn't public. The deal got delayed beyond an end-of-December target due to its complex nature, the official added. A new deal could last for decades, which is often a requirement when buying from Qatar. Qatar is building an enormous expansion to its LNG export facility, which will start later this decade, and extending its commitment to India will help to lock in a key buyer. QatarEnergy didn't immediately respond to an emailed request for comment. (Bloomberg)
- **Kamco Invest: QCB seen to cut repo rate by 1.56% this year -** The Qatar Central Bank (QCB) is expected to cut repo rate by 1.56% or 156 basis points in 2024 with the end of year rate reaching 4.44%, according to Kamco Invest. Quoting Bloomberg consensus estimates, Kamco also said the lending rate in Qatar is expected to be slashed by 1.56% to 4.69% by end-2024. The move could greatly help the private sector, which is on its path of recovery, as reflected from the Qatar Financial Centre's purchasing managers' index surveys. Qatar had seen a 0.75% hike in repo rate to 6% in 2023. Since January 2022, there has been a 5% increase in repo rate in the country. The QCB had been maintaining that it would continue to assess economic conditions, taking into account all aspects that may affect financial stability and will review its monetary policy when necessary to address any changes in economic requirements. Finding that the trend in interest rates in the Gulf Co-operation Council (GCC) is almost in line with the US Federal Reserve, the Kamco report said for the region, "we have forecasted rates based on US Fed rate cuts." As a result, most central banks in the GCC would slash rates in line with the US Fed due to the pegged currencies, even as Kuwait has its currency pegged to a basket of currencies. Forecasting a 1% cut by the Kuwait Central Bank in its discount rate, it said this is lower than the cuts in the rest of the GCC countries as Kuwait has made the smallest aggregate rate hike in the GCC since 2022 (275 bps) and since the start of the year (75 bps). "We believe that the rollback of rates would also be smaller than the rest of the GCC," the report said. On the international front, it said the consensus estimates on policy rates by major central banks shows cuts across the globe in 2024, ranging from over 200bps to 50bps. The Fed is forecasted to lower rates by 156bps in 2024 with end of year rates to be at 3.82%. The eurozone is slated to make "more aggressive" rate cuts, slashing policy rates by 219bps with end of year rates reaching 2.31%. Similarly, the UK, Canada and New Zealand are forecasted to lower rates by around 100bps this year. The slowing inflation seen over the last few months have "drastically" altered investor and trader's expectation for the fixed income market, it said. The last meeting of the year was instrumental in changing the rate cut/pause forecasts for 2024. From a scattered expectation of one or two hikes in 2024 during the later half of the year just a few months ago, the consensus forecast now shows at least 150bps cuts during 2024, according

to Kamco. Some economists see earlier rate cuts in the US as against second half of 2024 cuts as per previous expectations. (Gulf Times)

- **Six from Qatar named in Forbes Middle East Top 100 CEOs 2023 -** Six individuals from Qatar have been named among 'Top 100 CEOs 2023' list in the Middle East by Forbes magazine. Minister of State for Energy Affairs, the President and CEO of QatarEnergy HE Eng. Saad bin Sherida Al Kaabi ranked fourth and QNB Group CEO Nasser Abdulla Mubarak Al Khalifa ranked 11th among the Middle East's Top 100 CEOs 2023. While Ooredoo Group CEO and Managing Director Aziz Aluthman Fakhroo ranked 35; Qatar Islamic Bank CEO Bassel Gamal ranked 58; Nakilat CEO Abdullah Al Sulaiti ranked 81; Al Rayyan Tourism Investment Company (ARTIC) CEO and Managing Director Tarek El Sayed ranked 83. In 2023 the region's top CEOs have focused on sustainability, consolidation, and growth. Accelerated corporatization boosted economies, and the consolidation of government companies saw larger corporations emerge. A number of large IPOs in the region also unlocked value for companies. Global events also contributed to burgeoning corporate profits, including the FIFA World Cup Qatar 2022 and COP28 in Dubai. The 2023 cohort represents leaders from 22 nationalities. Emiratis dominated with 23 entries, followed by Egyptians with 19 and Saudis with 18. These three groups comprise 60% of the ranking, signaling positive momentum for localization. With 17 CEOs, the banking sector claimed the most entries, followed closely by real estate and construction with 14 and telecommunications with nine. Among the top 10 alone, six different industries are represented, illustrating the sector diversity in top leadership. Against the recurring priority of sustainability this year, the leaders on this ranking have accelerated their corporate sustainability measures to align with global commitments. According to Forbes, among the CEOs on this year's list are the head of the world's largest oil company, the head of the world's largest LNG producer, the head of the world's busiest international airport, and the head of the world's largest international airline. Combined, the 100 CEOs managed revenues of over $1tn in 2022. The companies are collectively worth more than $5tn.To construct this ranking, Forbes Middle East assessed the CEOs using various metrics, including the individual's accomplishments and implemented innovations over the past year, size of their company, and their impact on their firm and the wider industry. Only CEOs of companies headquartered in MENA were considered. (Peninsula Qatar)
- **Cabinet nod for move to exempt national products from certain licensing fees -** HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohamed bin Abdulrahman bin Jassim al-Thani chaired the Cabinet's regular meeting at the Amiri Diwan Wednesday. After the meeting, HE the Minister of State for Cabinet Affairs issued the following statement: The Cabinet considered the topics on its agenda as follows: First: Approval of a draft decision of the Minister of Commerce and Industry regarding exempting national products from certain licensing fees imposed by the Ministry of Commerce and Industry during promotional periods. Second: Taking necessary actions to ratify the co-operation agreement in tourism and business events between the governments of Qatar and Uzbekistan. Third: Approval of the draft memorandum of understanding (MoU) on co-operation in the youth field between the government of Qatar and the Philippines. Fourth: Approval to host the 11th meeting of Arab Committee of UN Experts on Geospatial Information Management from Feb. 4 to 8, 2024. Fifth: The Cabinet reviewed the following topics and took appropriate decisions regarding them: 1- Draft decision of the Minister of Environment and Climate Change regarding regulating the manufacture, installation and monitoring of artificial coral reefs. 2- The annual report of the Civil Service and Government Development Bureau. 3- A report on the results of participation in the 33rd meeting of the Ministers of Justice of the GCC held in Muscat, October 2023. 4- A report on the results of participation in the 27th Meeting of GCC Culture Ministers held in October 2023. (Gulf Times)

International

- **Fed minutes cite lower inflation risks, concern about 'overly restrictive' policy -** Federal Reserve officials in December launched an expansive debate about a coming turn in US monetary policy, with fresh concerns voiced about how long the economy could hold up under current high interest rates and at least initial discussion about when to halt the rundown of its balance sheet, according to minutes of the Dec. 12-13 meeting. Fed Chair Jerome Powell had laid out the broad contours of the meeting at a press conference held at its conclusion, noting that the central bank was likely done raising interest rates and expected to begin reducing borrowing costs by the end of 2024. While the minutes did not provide direct clues about when rate cuts might commence, they reflected a growing sense that inflation is under control and growing concern about the risks that "overly restrictive" monetary policy may pose to the economy. The document caps a year that began with the Fed still uncertain about how much harm it might have to inflict on the economy to control inflation and Powell warning of "pain" to come, but ended with inflation falling faster than anticipated and policymakers becoming increasingly hopeful that they could tame inflation while skirting the recession even staff members thought was sure to come. Initial debate about when to stop the rundown in the Fed's asset holdings showed policymakers edging towards reversal of a separate policy that, with less impact but in similar fashion to rate hikes, has also been restricting economic activity as part of the Fed's battle against the worst breakout of inflation in 40 years. "Participants pointed to the decline in inflation seen during 2023, noting the recent shift down in six-month inflation readings in particular," the minutes said. (Reuters)
- **US bankruptcies surged 18% in 2023 and seen rising again in 2024 -** US bankruptcy filings surged by 18% in 2023 on the back of higher interest rates, tougher lending standards and the continued runoff of pandemic-era backstops, data published Wednesday showed, although insolvency case volumes remain well below the level seen before the outbreak of COVID-19. Total bankruptcy filings - encompassing commercial and personal insolvencies - rose to 445,186 last year from 378,390 in 2022, according to data from bankruptcy data provider Epiq AACER. Commercial Chapter 11 business reorganization filings shot up by 72% to 6,569 from 3,819 the year before, the report said. Consumer filings rose 18% to 419,55 from 356,911 in 2022. For the final month of the year, total filings dipped to 34,447 from 37,860 in November, though they were up 16% from a year earlier. Bankruptcy case counts are expected to keep climbing in 2024, though there is still some distance to go to top the 757,816 bankruptcies filed in 2019, the year before the pandemic struck. (Reuters)
- **German unemployment edged up in December -** The number of unemployed people in Germany rose slightly in December, though by much less than analysts had expected, and the 2023 rate was one of the lowest since German reunification, labor office figures showed on Wednesday. The Federal Employment Agency said the number of people out of work increased by 5,000 in seasonally adjusted terms to 2.703mn. Analysts polled by Reuters had expected the total to rise by 20,000. "The labor market is still holding up well in terms of the extent of the burdens and uncertainties," said Andrea Nahles, chairwoman of the agency. The seasonally adjusted jobless rate grew slightly in December to 5.9%. "Looking back at 2023, we can see that the weak economy has not left the labor market unscathed," Nahles said, while noting that the year had one of the lowest unemployment rates since reunification. The number of unemployed people in Germany increased by 191,000 to 2.6mn in 2023 compared to the previous year. Labor demand weakened noticeably in the second half of 2022 and this trend continued in 2023. Nevertheless, demand for labor remains high in a long-term comparison. In 2023, there were on average 761,000 job openings, 84,000 fewer than a year ago, the agency said. (Reuters)
- **Caixin PMI: China's Dec services activity expands at quickest pace in 5 months -** China's services activity expanded at the fastest pace in five months thanks to a solid rise in new business, a private-sector survey showed on Thursday, lifting the degree of optimism in the sector to a three-month high. The data, offering a snapshot of business sentiment, was in contrast to an official survey on Sunday which showed a sub-index of services activity shrank again at the end of 2023, raising calls for more stimulus measures in the new year. The Caixin/S&P Global services purchasing managers' index (PMI) rose to 52.9 in December from November's 51.5, above the 50-mark separating growth from contraction and posting the highest reading since July. Aided by robust new business which expanded at the fastest rate since May, firms attributed the improvement to rising customer numbers and spending. "The overall

number of customers rose slightly in December compared with November," said a restaurant owner surnamed Jin, based in Hangzhou, a city in eastern Zhejiang province. (Reuters)

- **PMI: Japan Dec factory activity extends declines on market uncertainty -** Japan's factory activity contracted at the steepest pace in 10 months in December as output and new orders slid on market uncertainty, a private-sector survey showed on Thursday. The final au Jibun Bank Japan manufacturing purchasing managers' index (PMI) shrank to 47.9 in December from 48.3 in November. It was the weakest reading since the index hit 47.7 in February and stayed below the 50.0 threshold that separates growth from contraction for a seventh straight month. (Reuters)

Regional

- **Higher corporate issuances seen to drive aggregate GCC bonds to reach $58bn in 2023 -** Aggregate GCC bond issues had gone up by 43.7% or $17.6bn to reach $58bn in 2023 compared to $40.4bn in 2022, a new report has shown. Aggregate issuances from January 1, 2023, until the third week of December 2023 stood at $107.8bn compared to $90bn during 2022, resulting in an increase of $17.8bn or 19.7%, Kamco Invest said in a report. The increase was mainly led by higher corporate issuances that went up from $40.5bn in 2022 to $66.2bn in 2023 On the other hand, government issuances dropped by 15.9% or $7.9bn in 2023 to reach $41.6bn compared to $49.5bn in 2022. In terms of type of issuance, both bond and sukuk issuances witnessed growth during the year. Aggregate GCC bond issues went up by 43.7% or $17.6bn to reach $58bn as compared to $40.4bn in 2022. Sukuk issuances, on the other hand, witnessed marginal growth during the year to reach $49.8bn. At the country level, Kuwait, Qatar and Oman reported declines in issuances in 2023 compared with 2022 while the rest of the GCC countries witnessed growth. UAE issuers reported the biggest absolute growth in fixed Income issuances this year with an increase of $18.4bn or 77.4% to reach $42.2bn in issuances. Saudi Arabia reported a small growth of $0.8bn or 1.5% but remained the biggest issuer this year with aggregate bonds and sukuk issuances reaching $52.1bn in 2023. (Gulf Times)

- **GCC sovereign wealth funds' assets top $4.1tn in 2023 -** The sovereign wealth funds (SWFs) in the Gulf Cooperation Council (GCC) reached a historical peak of $4.1tn (Dh15tn) in 2023, investing $75.6bn (Dh277bn) in 2023, slightly lower than the previous year, said a report. The "Oil Five" sovereign wealth funds of the Gulf region – which include the UAE's Abu Dhabi Investment Authority (Adia), Mubadala and ADQ; Saudi Arabia's Public Investment Fund (PIF) and Qatar Investment Authority (QIA) – were more active than any other group globally, investing $68bn (Dh250bn) in 2023, according to the Global SWF's annual report released on Monday. PIF was the lead investor with $31.5bn deployed in 48 deals, 33% more than in 2022. While the other top four Gulf funds were also again among the top 10 most active dealmakers globally. "Gulf SWFs have reaped the rewards of the fiscal windfalls and recovered quicker than others from the 2022 financial markets debacle. The other reason is the maturity of the investment landscape, with a wide range of players entering domestic and global markets with a level of sophistication never seen before," it said in its annual report. Going forward, Diego López, founder and managing director of Global SWF, said the Gulf SWFs will surely continue to amaze with new developments and grand plans. "The formation of Dubai's new SWF will send shock waves and we will see plenty of movement of personnel from other SWFs, just like we saw a few years ago with ADQ's formation. There have also been rumors of rotation of CEOs at some of the largest funds in the region, and we believe some of them may finally happen in 2024," he added. López said the recovery of financial markets and sustained high oil prices boosted the industry's assets under management. "Sovereign wealth funds (SWFs) recovered markedly and peaked at $11.2tn; Public Pension Funds (PPFs) increased their assets to $23.1tn," he said in the Annual 2024 Annual Report. Globally, sovereign funds deployed 21% less in 2023 than the previous year to $123.8bn in 317 transactions. (Zawya)

- **Saudi's 2024 GDP to expand by 4.4% on non-oil growth -** Saudi Arabia's economic outlook will be positive this year on the back of strong non-oil activities, including higher consumer spending, according to a new analysis. The kingdom's gross domestic product (GDP) is on track to expand by 4.4% in 2024 despite lower oil revenues, as the non-oil economy continues to get a boost from the Saudi Vision 2030 programs, AlJazira Capital said in its report. "Increase in consumer spending, low unemployment levels and expansion in non-oil private sector activity point towards favorable economic conditions for the kingdom," the Saudi investment firm's report said. "[The GDP will expand] on the back of growth in the private sector amid implementation of programs under Saudi Vision 2030. Weak oil revenues would be offset by growth in non-oil revenues." Saudi's forecast GDP for the full year is slightly lower than China's (4.6%), but higher than emerging economies (4%), Euro area (1.2%) and the United States (1.5%). Revenues from oil for the full year 2023 are forecast to fall to SAR752bn ($200.5bn) from a year earlier due to output cuts, but non-oil revenues are expected to climb to SAR441bn from SAR411bn over the same period. The government's expansionary spending over the medium term through the Public Investment Fund (PIF) will also support non-oil activity GDP and mitigate the decline in oil income. AlJazira also noted that, compared to other economies, Saudi Arabia's debt levels are moderate and remain comfortable at 25.9% of the expected GDP. "However, significant funding requirements to meet Vision 2030 targets would result in the budget deficit for FY 23-24 need to be covered with most part by debt and we believe, a comfortable debt profile would help support the government's spending plans." (Zawya)

- **PMI: Saudi non-oil private sector activity improved in December -** Business conditions continued to improve across Saudi Arabia's non-oil private sector in December as a surge in sales growth led to new orders, a new survey showed on Wednesday. The seasonally adjusted Riyad Bank Saudi Arabia Purchasing Managers' Index was at 57.5 for the second month running in December. The index has remained above the 50.0 no-change mark for over three years, the report said. However, employment growth and business activity expectations slipped from November, after hitting a nine-year record in October. "Despite evidence of firms hiring skilled staff to reduce workloads, the overall rise in employment was only modest," the report noted. The increased demand and expansion of the non-oil sector have also had a positive impact on employment, said Naif Al-Ghaith PhD, Chief Economist at Riyad Bank. "With the growing need for skilled workers to meet rising demand, employment has witnessed a noticeable increase. To attract and retain talent, wages have also seen an upward trend. This positive employment outlook reflects the success of the government's efforts to create a diverse and robust economy, offering job opportunities and improving the standard of living for its citizens." Businesses stepped up purchases as activity levels rose, benefitting from a reduction in average supplier delivery times, which was one of the sharpest recorded since the survey began 14 years ago. Selling prices rose for the second month in a row in December. However, firms said the higher demand gave them greater confidence to pass on higher input costs to customers. Nevertheless, the overall rate of charge inflation remained slower than that of input costs, with the latter staying sharp despite easing from November, the report said. Looking ahead, non-oil sector companies were upbeat about expectations for the next 12 months. However, the degree of confidence softened and was below the trend recorded this year. Construction firms were more optimistic about their growth prospects than the other three main sectors. (Zawya)

- **Saudi Arabia is set to open first financial center with unified policies and guides -** Abdul Aziz Al-Furaih, chairman of the Steering Committee at the Ministry of Finance, revealed on Tuesday that Saudi Arabia is set to opening the first financial center based on an integrated system of unified and harmonized standards, policies and guides at the national level. This is regarded as a step that increases the efficiency of the government's financial and accounting performance, he said. Al-Furaih made the remarks while opening the Leadership Forum for the Transformation to Accrual Accounting," organized by the Ministry of Finance in Riyadh on Tuesday. He said that switching to the accrual basis of accounting in its form and subject matter provides benefits and returns that exceed the time and effort invested. He indicated that converting the entity and issuing its financial reports, according to the new system, provides accurate and comprehensive financial information that supports decision-making. "It also enables performance evaluation, setting targets and accountability, objectivity, and other benefits that improve the capabilities of the entity and the system in all financial and economic fields," he said. Al-Furaih highlighted the most prominent achievements of the transformation, which includes issuing more than 190 opening balance lists for the year 2022, equivalent to 95% of the target in the number of lists, and more than 180 transitional financial lists for the same year, which constitutes 90% of the target. In addition to the number of known assets with the greatest value reaching more than 2mn assets, in addition to the Kingdom's selection for international representation within the "International Accounting Standards Board" in the public sector, and in the work teams associated with it. Al-Furaih stressed that the transformation achievements that have been made are a first step that will be followed by inevitable steps to confirm the sustainability of business on an accrual basis and enhance the gains achieved. For his part, Deputy Minister of Finance for Financial Affairs and Accounts Hamad Al-Kanhal said that the shift to the accrual basis is one of the Vision 2030 initiatives, which is a strategic national project that achieves many goals and benefits and constitutes the appropriate basis for building financial information that supports the official in decision-making. He pointed out that the Accounting Merit Pioneers program is one of the transformation management tools that was launched at the Merit Center to support and create competitiveness among government agencies with the aim of stimulating and accelerating the transformation work in these entities and achieving them with the appropriate quality and time. Abdullah Al-Mahathal, head of the Accounting Entitlement Center, confirmed that today's meeting comes within the process of change management, and culminates in the progress achieved by government agencies in the program of transformation to accrual-based accounting at all levels. He noted the necessity of business sustainability to preserve the gains that were achieved during the last phase. (Zawya)

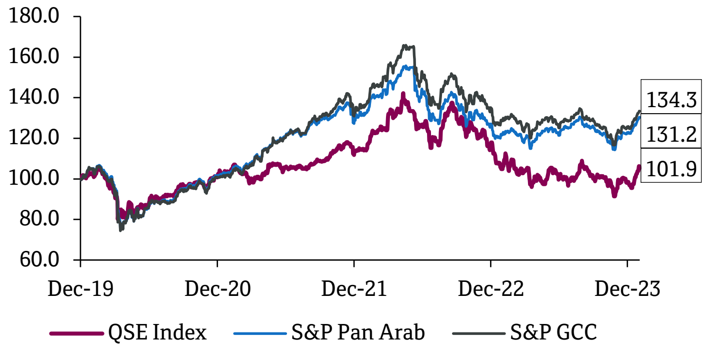
- **Modon plans $145mn projects in six industrial cities -** The Saudi Authority for Industrial Cities and Technology Zones (Modon) has unveiled plans for 10 new development projects across six industrial cities, collectively valued at over SAR538mn ($145mn), Saudi Press Agency said in a report. These projects, to be carried out in collaboration with several national companies, aim to foster opportunities for value chain initiatives and bolster local content. This initiative aligns with Modon's steadfast commitment to crafting an exemplary investment environment that aligns with investor expectations within the industrial sector. It forms a crucial part of their mission to empower the private sector in diversifying income sources, as outlined in the National Industrial Strategy and the National Industrial Development and Logistics Program (NDLP). Among the agreements, Modon has inked a contract for establishing 80 factories and ready-made products in Al-Ahsa and Taif's industrial cities, along with the Modon Oasis in Al-Ahsa. These spaces, spanning 350 and 450 sqm, aim to provide solutions that facilitate business operations, empowering entrepreneurs and SME owners to augment their contributions to the GDP in line with Saudi Vision 2030 objectives. Additionally, Modon has finalized three contracts for constructing advanced infrastructure, covering an area exceeding 5.7mn sq m in the eastern expansion of the Hail Industrial City and Al Madina Al Munawwara Industrial City. These efforts are geared towards sustaining production processes and meeting the quality industry standards within these industrial hubs. The enhancement of basic services in these industrial cities has been a focus for Modon. Contracts for the implementation of medium and low voltage networks in Taif Industrial City and the establishment of a conversion plant in the Tabuk Industrial City further solidify efforts to bolster operational efficiency and production capacity. Furthermore, Modon has committed to improving connectivity by signing an additional road contract linking the Dammam Third Industrial City and the King Salman Energy Park (Spark), aiming for seamless integration and leveraging Spark's logistical services and upcoming dry port. They've also inked a contract for establishing a civil defense station to fortify the security of industrial cities and surrounding communities. Continuing its mission to develop integrated infrastructure and support industrialists, Modon provides upgraded land and prefabricated factory products across its industrial cities in the kingdom. These efforts align with its goal of balanced development, leveraging geographical, human, and structural advantages while fostering private sector participation and sustainable economic growth. As the entity responsible for integrated industrial land development and overseeing private industrial complexes and cities, Modon aims to elevate the investment landscape to meet the Quality-of-Life Program standards, empowering entrepreneurship, and SME growth. With over 209mn sqm of developed areas, 6,443 factories, and 1,323 ready-made factories, Modon stands among the world's largest industrial cities, leveraging its industrial, investment, and logistical assets. (Zawya)
- **Saudi Arabia transfers grant worth $38.6mn to Jordan -** Saudi Arabia's Embassy in Amman and the Jordanian Ministry of Planning and International Cooperation announced the transfer of the last part of the fifth and final tranche, amounting to $38.6mn. This comes as part of the grant provided by the Kingdom to Jordan to support the general budget amounting to SR250mn over a period of five years from 2018 to 2022 within the framework of the outcomes of the Makkah summit that were agreed upon during the year 2018. Jordan's Minister of Planning and International Cooperation Zeina Toukan welcomed Saudi Ambassador Nayef Al-Sudairi and Director of the General Department of International Development Cooperation at the Ministry of Finance Abdul Mohsen Al-Mutawa. She praised the depth of the bilateral relations linking the two countries, the foundations of which were laid by King Abdullah II and Custodian of the Two Holy Mosques King Salman and Crown Prince and Prime Minister Mohammed bin Salman. Toukan expressed the Jordanian government's appreciation to Saudi Arabia for the continuous development support it provided to Jordan through years of strong and distinguished bilateral relations, and for the contribution to the Gulf grant and the aid package provided to Jordan within the framework of the Makkah Summit and the rapid response of Saudi Arabia with contributing to support the development efforts made by the Jordanian government to provide necessary services to Syrian refugees and host communities. "We are meeting today to announce the transfer of the last part of the fifth tranche, amounting to $38.6mn, which comes within the framework of the grant provided to Jordan to support its general budget with a value of $250mn as part of the pledges of the Makkah Summit," Toukan said while stressing the importance of the Saudi support and its role in supporting the development priorities, expressing its constant aspiration to strengthen and develop these relations for the benefit and good of the people of the two countries. On his part, Ambassador Al-Sudairi said that the transfer of support comes as an extension and continuation of Saudi Arabia's commitment to stand by Jordan, within the framework of the outcomes of the Makkah Summit, convened by King Salman in 2018, which aims to support the Jordanian economy, which enjoys strength, resilience and diversity and is awaited by a promising and bright future, under the leadership of King Abdullah II and Crown Prince Al-Hussein bin Abdullah II of Jordan. "The Jordanian economy is strong and capable of growth despite the challenges and regional repercussions that have affected the region, and Jordan has been able to adapt to events and keep the negative impacts as much as possible within their potential limits, and maintain the wheel of construction, growth and production," he added. (Zawya)
- **UAE: 'Sample Article of Association for Family Businesses' unveiled -** The Dubai Centre for Family Businesses, which operates under the Dubai Chambers umbrella, has released a 'Sample Article of Association for Family Businesses' to outline effective management and governance procedures, as well as corporate best practices, in a bid to promote growth and continuity among family businesses in the Emirate of Dubai. The Sample Article of Association for Family Businesses can be used as a starting point for families who wish to draft a new Article of Association for Family Businesses or revive their existing ones to align with the family business vision and incorporate sections of the family constitution into the Sample Article of Association for Family Businesses. Mohammad Ali Rashed Lootah, President and CEO of Dubai Chambers, said, "The Dubai Centre for Family Businesses continues to enhance its efforts and services, striving to achieve its strategic goals, ensure sustainable growth among family businesses in Dubai, enhance their contribution to the national economy, and promote the adoption of governance and best practices." The 'Sample Article of Association for Family Businesses' outlines a set of options for companies to update their Article of Association and assesses the role these contracts play in mitigating risks associated with disputes, while ensuring business continuity, in line with the long-term vision for both families and companies, and with the

specific needs of each company. The Article of Association takes into account the requirements and conditions of family businesses that are registered as limited liability companies (LLCs). Family businesses make up around 90% of the total number of private companies in the UAE, contributing significantly to Dubai's non-oil GDP, in addition to employing a large number of workers in the country. Most family businesses in Dubai are 55 to 70 years old, founded in the 1950s and 1960s. The majority of these companies are expected to undergo a smooth generational transition in the next five to 10 years. The Dubai Centre for Family Businesses was launched under the Dubai Chambers umbrella in May 2023 to ensure the sustainability and growth of family businesses in the emirate, all the while developing this vital sector and enhancing its economic contribution, in line with Dubai's future development plans. (Zawya)

- **UAE: UBF and HKAB sign deal to enhance cooperation -** UAE Banks Federation (UBF) and Hong Kong Association of Banks (HKAB) have signed a Memorandum of Understanding (MoU) to enhance cooperation and exchange expertise in order to support the banking and financial sector. Jamal Saleh, Director General of UBF and Stephen Chan, Acting Chairman of HKAB, signed the MoU on December 28, 2023, aiming to further enhance cooperation between the two parties, member banks, and the banking and financial sector, under the direct supervision of the Central Bank of the UAE and the Hong Kong Monetary Authority (HKMA). UBF and HKAB will share knowledge and experience to develop banking and financial sector, organizing workshops and programs to banking and financial institutions at both parties to ensure keeping pace with latest developments in the banking industry as well as compliance with international regulations, rules, and principles especially on governance, transparency, and sustainability. Since its establishment in 1981, HKAB, which represents over 160 banks and financial institutions operating in Hong Kong, has been working to develop the sector and promote the interests of licensed banks in Hong Kong, under the supervision of the Hong Kong Monetary Authority (HKMA). Leading position: The agreement with HKAB is part of UBF ongoing efforts to strengthen relations with banking associations and associations in friendly countries to support relations, trade and investment between the UAE and these countries, and to ensure compliance with regulations, policies and best practices to fortify the UAE's financial and banking sector leading position and develop it in line with country's strategies. Saleh said: "Since its establishment in 1982, UBF has strived to strengthen relations with relevant stakeholders in the UAE and abroad to share knowledge and experiences as part of its initiatives to develop the banking industry and contribute to the UAE's social and economic development, under the direct supervision of the Central Bank of the UAE". He added: "Hong Kong is a leading global financial and banking center, and home to regional headquarters and branches of many of the world's largest banks. Our cooperation will contribute to the development of the financial and banking sector and consolidate the UAE's position among the most prominent financial and banking centers in the world. This agreement will also enable us to share experiences in legislative and regulatory aspects, best practices in governance, transparency, risk management, sustainability, digital transformation, and the use of advanced technologies to provide a safe and seamless banking experience for different segments of banking clients." (Zawya)
- **$2.3bn allocated for development projects in Oman -** A sum of OMR900mn has been allocated for development projects in Oman. The percentage allocation is distributed as follows: 9.6% for the commodity production sector, 13.5% for services, 32.7% for social segments, 33.9% for infrastructure, and 10.3% for other sectors. The estimated amount will be paid during the year as per the actual work in progress for the projects. (Zawya)
- **MPs approve 2% tax on expat remittances in Bahrain -** Parliament has unanimously approved a legislation to tax expatriate remittances despite strong opposition from the government. During its weekly session yesterday, Parliament Speaker Ahmed Al Musallam led the "yes" vote to impose a two% levy on the total amount remitted each time by an expatriate individual. It will be now reviewed and voted on by the Shura Council after Mr Al Musallam referred it urgently to the upper chamber. The government was obliged by law to draft the Parliament-presented legislation within six months. However, it has asserted that a remittance tax would be unfair and 'unconstitutional'. In an explanatory letter attached to the bill, the government said that the levy would contradict the basic principles of freedom of money transfer. It would also violate the concept of tax as referenced by the Constitutional Court, as such levies should be inclusive, without anyone being singled out, which is not the case with this legislation, the government pointed out. "Bahrain has signed many international agreements and mutual pacts with countries across the world on the freedom of money transfer, which it is committed not to breach," the government said in a written reply to the MPs. The proposed law also stipulates that the tax shall be paid during the transfer process at authorized financial institutions, with the National Bureau of Revenue collecting this tax from those institutions. "The move will have a negative impact on the economy, in general, and the financial and commercial sectors, in particular," said the government. "Imposing such a tax would cause massive damage as it will lead to the emergence of illegal transfer channels. "The World Bank and the International Monetary Fund have, in numerous studies, shown that countries that took the approach have faced trouble controlling transfers and we do not want the same situation here." The government added that such taxes wouldn't be paid by workers and would be forced on sponsors which would add to the burden on businessmen. "Such taxes will hugely affect expatriates in leadership positions in companies and banks in Bahrain and it could even lead to them moving to other countries," it said. "Bahrain is working towards being a more competitive regional hub. There are also companies that make regular transfers every day, in bulk, and such tax is just illogical and frustrating for them. "Also, it is very difficult to differentiate between transactions – whether they are for purchases, services or money sent to families or relatives." Parliament second deputy speaker Ahmed Qarata said the government came up with every excuse possible in the book to defend expatriates' rights. "The government came up with countless constitutional and legal clauses as excuses to ensure it protects expatriates' rights and stop the legislation from going ahead," he said. "So, where was the government in its strong defense to the welfare of people when it imposed 5pc and then 10pc VAT in Bahrain? "OK, let's say it is not a tax and it is fees, in both cases it is Parliament's right to impose or not to impose such payments, so their defense is pointless." Parliament and Shura Council Affairs Minister Ghanim Al Buainain said the government didn't say the move was "unconstitutional" but stated "possible unconstitutionality". However, Dr Ali Al Nuaimi read out the government letter that clearly stated: "Unconstitutional legislation". "Imposing tax on financial transfers for foreigners is constitutionally sound," said Dr Al Nuaimi, who runs his own legal consultancy firm. "Such interpretation of law is a right with only the Constitutional Court and government justifications for rejecting the legislation are unrealistic," he explained. "If the government's justifications are considered, the 5pc VAT, which has now become 10pc, is not compatible with the Constitution. "The remittances law does not affect the freedom of capital in investments, as stated in the government's justifications, but rather aligns with the constitutional texts of Parliament deciding on whether to impose or not to impose taxes or fees." He mentioned that the government, in its response, stated that if this law is implemented, the private sector will face financial obligations on business owners, leading to an increase in prices. "However, it is surprising that this opinion was not included when new pension rules were approved with obligatory monthly contributions increasing to exceed 24pc." Strategic Thinking Bloc spokesman Khalid Bu Onk said the government was tailoring constitutional and legal texts to match its opinions. "Now expats are poor and the economy will suffer, so where was that defense when VAT got imposed on everyone?" Jalila Al Sayed commented that the tax on remittances had more negatives than positives. "Channels for black market transactions will be created, financial and economic problems will arise, amongst several other negatives. "But, they can be overcome if there are precise implementation mechanisms which address all loopholes in the legislation." The Bahrain Chamber and Bahrain Businessmen's Association also rejected the proposal. (Zawya)
- **Oman's non-oil exports to Saudi Arabia surge 25.5% -** Non-oil exports from Oman to Saudi Arabia climbed by 25.50% to OMR 774mn year-on-year (YoY) until September 2023, according to the Omani Ministry of Commerce, Industry, and Investment Promotion (MoCIIP). Jassim bin Saif

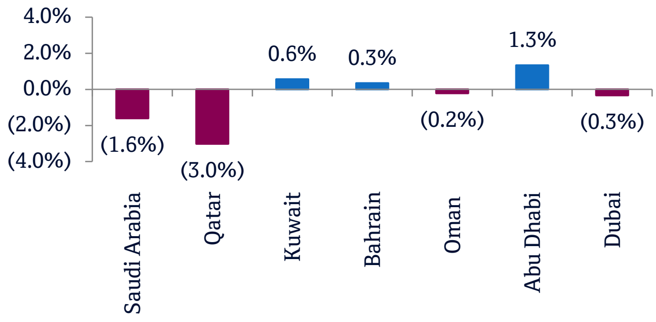
Al Jadidi, Technical Director of MoCIIP's Undersecretary Office, attributed the increase to a growth in the exports of metal products, electrical machinery and equipment, and food products. Al Jadidi highlighted that in September alone, the value of Oman's non-oil exports to the Kingdom reached OMR 146.70mn, marking a 44% increase compared to OMR 101.90mn in the same month of 2022. Additionally, exports shipped through the Empty Quarter port, the first border checkpoint established on the Oman–Saudi Arabia border, rose annually to OMR 18.55mn during September 2023 from OMR 14.67mn. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,041.49	(0.8)	(1.0)	(1.0)
Silver/Ounce	22.99	(2.8)	(3.4)	(3.4)
Crude Oil (Brent)/Barrel (FM Future)	78.25	3.1	1.6	1.6
Crude Oil (WTI)/Barrel (FM Future)	72.70	3.3	1.5	1.5
Natural Gas (Henry Hub)/MMBtu	2.61	0.0	1.2	1.2
LPG Propane (Arab Gulf)/Ton	69.30	1.3	(1.0)	(1.0)
LPG Butane (Arab Gulf)/Ton	95.50	3.8	(5.0)	(5.0)
Euro	1.09	(0.2)	(1.1)	(1.1)
Yen	143.29	0.9	1.6	1.6
GBP	1.27	0.4	(0.5)	(0.5)
CHF	1.18	0.2	(0.9)	(0.9)
AUD	0.67	(0.4)	(1.2)	(1.2)
USD Index	102.49	0.3	1.1	1.1
RUB	110.69	0.0	0.0	58.9
BRL	0.20	(0.0)	(1.4)	(1.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,115.68	(0.9)	(1.7)	(1.7)
DJ Industrial	37,430.19	(0.8)	(0.7)	(0.7)
S&P 500	4,704.81	(0.8)	(1.4)	(1.4)
NASDAQ 100	14,592.21	(1.2)	(2.8)	(2.8)
STOXX 600	474.40	(1.3)	(2.4)	(2.4)
DAX	16,538.39	(1.8)	(2.7)	(2.7)
FTSE 100	7,682.33	(0.4)	(1.6)	(1.6)
CAC 40	7,411.86	(2.0)	(3.1)	(3.1)
Nikkei	33,464.17	0.0	-	-
MSCI EM	1,003.13	(1.3)	(2.0)	(2.0)
SHANGHAI SE Composite	2,967.25	0.1	(0.9)	(0.9)
HANG SENG	16,646.41	(0.8)	(2.3)	(2.3)
BSE SENSEX	71,356.60	(0.8)	(1.3)	(1.3)
Bovespa	132,833.95	(0.2)	(2.3)	(2.3)
RTS	1,073.14	(1.0)	(1.0)	(1.0)

Source: Bloomberg ($ adjusted returns if any)*

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