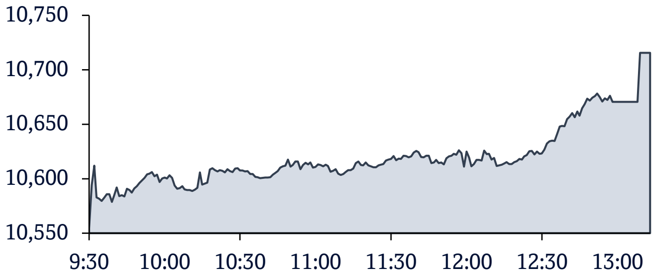
الخدمات المالية

Financial Services

Daily Market Report

Tuesday, 09 May 2023

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.4% to close at 10,715.6. Gains were led by the Insurance and Telecoms indices, gaining 1.8% and 1.0%, respectively. Top gainers were Doha Insurance Group and Mazaya Qatar Real Estate Dev., rising 10.0% each. Among the top losers, Gulf International Services fell 4.5%, while Qatar Aluminum Manufacturing Co. was down 2.6%.

GCC Commentary

Saudi Arabia: The TASI Index fell marginally to close at 11,256.4. Losses were led by the Health Care Equipment & Svc and Utilities indices, falling 1.0% and 0.9%, respectively. Tihama Advertising and Public Relations Co. declined 10.0%, while Arabian Centers Co. was down 2.9%.

Dubai: The DFM Index fell marginally to close at 3,582.8. The Financials index declined 0.7% while the Consumer Staples index fell 0.6%. Al Mazaya Holding Company and Orascom Construction both were down 10.0% each.

Abu Dhabi: The ADX General Index fell 0.2% to close at 9,691.4. The Industrial index declined 1.6%, while the Energy index fell 0.7%. Foodco National Foodstuff declined 8.6% while Ras Al Khaimah Poultry & Feeding Co. was down 6.4%.

Kuwait: The Kuwait All Share Index fell 0.5% to close at 7,000.8. The Telecommunications index declined 2.4%, while the Financial Services index fell 1.0%. Dar AL Thuraya Real Estate Co. declined 18.0%, while IFA Hotels & Resorts Co. was down 7.2%.

Oman: The MSM 30 Index fell 0.8% to close at 4,680.6. Losses were led by the Services and Industrial indices, falling 0.8% and 0.7%, respectively. Barka Water and Power declined 10%, while Gulf International Chemicals was down 6.7%.

Bahrain: The BHB Index gained 0.7% to close at 1,913.7. The Materials index rose 4.0% while the Real Estate index gained 0.5%. Aluminum Bahrain rose 4.0% while Bank of Bahrain and Kuwait was up 2.4%.

Market Indicators	08 May 23	07 May 23	%Chg.
Value Traded (QR mn)	703.3	534.2	31.6
Exch. Market Cap. (QR mn)	626,140.8	624,702.8	0.2
Volume (mn)	338.0	244.9	38.1
Number of Transactions	22,120	14,557	52.0
Companies Traded	48	48	0.0
Market Breadth	33:14	26:20	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,997.17	0.4	0.7	5.1	12.8
All Share Index	3,590.06	0.3	0.9	5.1	137.6
Banks	4,500.98	0.4	1.4	2.6	13.8
Industrials	4,082.98	(0.5)	(0.9)	8.0	13.7
Transportation	4,658.07	0.8	0.2	7.4	13.3
Real Estate	1,575.85	1.0	2.5	1.0	18.9
Insurance	2,134.48	1.8	5.6	(2.4)	173.5
Telecoms	1,625.03	1.0	(0.1)	23.2	14.4
Consumer Goods and Services	7,936.27	0.7	1.4	0.3	22.0
Al Rayan Islamic Index	4,722.60	0.4	0.7	2.9	8.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Q Holding	Abu Dhabi	2.79	4.5	11,556.4	(30.3)
Aluminum Bahrain	Bahrain	1.05	4.0	2,196.6	(3.7)
BBK	Bahrain	0.51	2.4	387.4	7.0
Qatar Electricity & Water Co.	Qatar	17.80	2.1	508.9	0.6
Arabian Drilling Co	Saudi Arabia	149.80	2.0	122.1	33.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Al-Jazira	Saudi Arabia	17.84	(2.0)	16,115.4	(6.5)
Saudi Arabian Mining Co.	Saudi Arabia	68.10	(1.7)	775.4	5.3
Abu Dhabi National Oil Co.	Abu Dhabi	4.34	(1.6)	5,793.4	(1.6)
Acwa Power Co.	Saudi Arabia	161.20	(1.3)	274.7	6.1
Dr. Sulaiman Al Habib Med.	Saudi Arabia	293.00	(1.3)	173.3	32.8

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%
Doha Insurance Group	2.092	10.0	2,515.7	5.7
Mazaya Qatar Real Estate Dev.	0.696	10.0	48,490.7	0.0
Qatar German Co for Med. Devices	1.450	8.6	28,224.8	15.4
National Leasing	0.865	7.1	28,648.2	22.9
Al Khaleej Takaful Insurance Co.	2.764	5.6	2,613.5	20.1

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Gulf International Services	2.070	(4.5)	21,487.1	41.9
Qatar Aluminum Manufacturing Co.	1.524	(2.6)	32,937.8	0.3
Zad Holding Company	13.73	(1.9)	44.2	(1.3)
Estithmar Holding	2.100	(1.3)	20,138.2	16.7
Inma Group	4.285	(1.3)	342.7	4.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mazaya Qatar Real Estate Dev.	0.696	10.0	48,490.7	0.0
Qatar Aluminum Manufacturing Co.	1.524	(2.6)	32,933.9	0.3
Salam International Inv. Ltd.	0.648	3.8	31,491.1	5.5
National Leasing	0.865	7.1	28,648.2	22.9
Qatar German Co for Med. Devices	1.450	8.6	28,224.8	15.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Industries Qatar	12.99	(0.8)	68,398.9	1.4
QNB Group	17.00	(0.8)	63,401.9	(5.6)
Qatar Aluminum Manufacturing Co.	1.524	(2.6)	49,740.0	0.3
Dukhaan Bank	3.328	1.2	46,983.8	0.0
Gulf International Services	2.070	(4.5)	44,828.4	41.9

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,715.60	0.4	0.7	5.2	0.3	192.86	171,186.9	12.8	1.5	4.6
Dubai	3,582.84	(0.0)	(0.2)	1.1	7.4	117.73	170,394.7	9.0	1.2	5.0
Abu Dhabi	9,691.35	(0.2)	0.2	(1.0)	(5.1)	279.12	727,124.8	29.6	2.6	1.8
Saudi Arabia	11,256.39	(0.0)	1.2	(0.5)	7.4	1,485.27	2,908,217.8	17.8	2.2	2.9
Kuwait	7,000.80	(0.5)	(0.5)	(2.0)	(4.0)	112.95	146,899.5	16.5	1.5	4.1
Oman	4,680.61	(0.8)	(0.9)	(0.8)	(3.6)	9.50	22,528.8	13.1	1.1	4.5
Bahrain	1,913.74	0.7	0.4	0.5	1.0	26.01	65,208.7	6.1	0.7	9.0

*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 rose 0.4% to close at 10,715.6. The Insurance and Telecoms indices led the gains. The index rose on the back of buying support from GCC and Foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Doha Insurance Group and Mazaya Qatar Real Estate Dev. were the top gainers, rising 10% each. Among the top losers, Gulf International Services fell 4.5%, while Qatar Aluminum Manufacturing Co. was down 2.6%.
- Volume of shares traded on Monday rose by 38.1% to 338mn from 244.8mn on Sunday. Further, as compared to the 30-day moving average of 157mn, volume for the day was 115.3% higher. Mazaya Qatar Real Estate Dev. and Qatar Aluminum Manufacturing Co. were the most active stocks, contributing 14.3% and 9.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.94%	37.74%	(12,673,445.57)
Qatari Institutions	20.95%	23.95%	(21,108,484.83)
Qatari	**56.88%**	**61.69%**	**(33,781,930.40)**
GCC Individuals	0.30%	0.42%	(884,260.25)
GCC Institutions	11.47%	6.04%	38,206,013.29
GCC	**11.77%**	**6.46%**	**37,321,753.04**
Arab Individuals	12.98%	13.78%	(5,607,808.16)
Arab Institutions	0.00%	0.00%	(9,204.14)
Arab	**12.98%**	**13.78%**	**(5,617,012.30)**
Foreigners Individuals	2.84%	3.76%	(6,485,653.37)
Foreigners Institutions	15.53%	14.31%	8,562,843.03
Foreigners	**18.37%**	**18.08%**	**2,077,189.66**

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

Earnings Releases, Earnings Calendar and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q 2023	% Change YoY	Operating Profit (mn) 1Q 2023	% Change YoY	Net Profit (mn) 1Q 2023	% Change YoY
Air Arabia	Dubai	AED	1429.18	26.6%	NA	NA	341.7	17.5%
Dubai Electricity and Water Authority	Dubai	AED	5435.81	7.3%	891.7	1.6%	763.2	10.5%
Al Yah Satellite Communications Company	Dubai	USD	100.36	1.7%	24.9	12.3%	25.8	38.7%
Invictus Investment Co.	Dubai	AED	2313.70	31.0%	NA	NA	93.1	NA
National Shipping Company	Saudi Arabia	SR	2375.22	50.4%	609.2	411.7%	492.5	658.8%
Jarir Marketing Co.	Saudi Arabia	SR	2717.60	18.8%	264.5	-1.3%	247.8	-1.4%
Dur Hospitality Co.	Saudi Arabia	SR	168.15	15.4%	39.0	67.3%	17.0	-47.5%
Arriyadh Development Co.	Saudi Arabia	SR	69.30	13.4%	30.0	-6.8%	32.4	-76.7%
Middle East Specialized Cables Co.	Saudi Arabia	SR	218.60	16.5%	17.0	335.9%	12.4	12300.0%
The National Company for Glass Industries	Saudi Arabia	SR	37.10	31.1%	7.1	343.8%	8.6	-75.6%
Al-Jouf Agricultural Development Co.	Saudi Arabia	SR	104.44	72.9%	21.4	19.7%	20.1	31.8%

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08-05	Germany	Deutsche Bundesbank	Industrial Production SA MoM	Mar	-3.40%	-1.50%	2.10%
08-05	Japan	Markit	Jibun Bank Japan PMI Composite	Apr	52.90	NA	52.50
08-05	Japan	Markit	Jibun Bank Japan PMI Services	Apr	55.40	NA	54.90

Qatar

- **Qatar Stock Exchange listed companies reported QR12.54bn Net Profits for Q1, 2023 -** Qatar Stock Exchange 50 listed companies reported their financial results for the period ending on March 31, 2023, the value of their net profits for that period amounted to QR12.54bn, compared to QR13.94bn for the same period last year 2022, a decrease of 10.04%. It is worth noting that all the financial statements of the listed companies are available on QSE's website. (QSE)
- **QLM Life & Medical Insurance Company QPSC to hold its investors relation conference call on May 11 to discuss the financial results -** QLM Life & Medical Insurance Company QPSC announces that the conference call with the Investors to discuss the financial results for the Quarter 1 2023 will be held on 11/05/2023 at 01:00 PM, Doha Time. (QSE)
- **Mekdam Holding Group: Obtains no-objection from Qatar Financial Markets Authority (QFMA) to increase the company's capital -** Mekdam Holding Group announced that the company obtained a no-objection letter from Qatar Financial Markets Authority (QFMA) to increase the capital of Mekdam Holding Group by offering 30mn ordinary shares for subscription to the shareholders of Mekdam Holding Group. Mekdam Holding Group will coordinate with Qatar Stock Exchange, Qatar Central Depository for Securities, Ministry of Commerce and Industry and the relevant regulatory authorities to take the necessary measures to complete the capital increase process after considering all relevant legislation, laws and instructions. (QSE)
- **'Qatar CSR Summit' to kick off on May 16 -** Qatar University (QU) revealed yesterday the details of the upcoming 'Qatar CSR Summit', which is set to be held under the Patronage of HE Sheikh Mohammed bin Abdulrahman bin Jassim Al Thani, Prime Minister, and Minister of Foreign Affairs of the State of Qatar at the Students Affairs Building (I11) in QU from May 16 to 18. During a press conference held at the College of Business and Economics in QU, Dr. Rana Sobh, Dean of the College, and Chairman of the steering committee for the conference said: "We have made sure that this event acts as an accelerator for the university's goals in pushing forward a sustainable business model in Qatar." "The conference's agenda with the topics it covers and the speakers that will be contributing raises awareness about corporate social responsibility among all stakeholders, including academics and scholars, students, business owners, and the community in general," she added. In addition to the academic exchange

it will allow, the conference will also provide a platform for the pioneering national companies leading the CSR efforts in the country to introduce their activities in this field and showcase the best practices that allowed such companies to integrate CSR into their core business. Commenting on QNB Group's leading position as the Official Bank, Abdullah Mohammed Arbabi, Senior Manager – CSR at QNB Group said: "We are pleased to be the Official Sponsor of Qatar CSR National Program's latest initiative, as it strongly reflects our vision to provide long-term value creation and emphasizes on our continuous efforts to support various CSR initiatives. "This sponsorship comes as a true testimonial to the Group's efforts in maintaining its CSR initiatives and projects, and reflects it being an important pillar of the Group's long-term strategy in delivering a better business performance and building an even stronger brand." (Peninsula Qatar)

- **Hamad Port Visitors Centre, a new tourist destination -** The Hamad Port Visitors Center is one of the new tourist destinations in Qatar for knowledge and adventure lovers and is a distinctive addition to the recreational facilities in the country, Mwani Qatar has said. Highlighting this on social media, Mwani Qatar said it is welcoming the public from Sunday to Thursday, between 8am and 3pm, to visit the center. The Hamad Port Visitors Center was inaugurated in November last year. The facility will help educate current and future generations – and introduce visitors and the world – to the history and heritage of Qatar in the field of maritime navigation and trade, HE the Minister of Transport Jassim bin Saif al-Sulaiti had affirmed. "Unique in design, Hamad Port Visitors Center is purpose-built to showcase the maritime history and achievements of Qatar. The center includes a maritime museum, a 4D cinema, virtual simulators, auditorium, a kids' play area and an oceanic aquarium, the first of its kind in Qatar," the Hamad Port Visitors Center website (https://visitorscenter.mwani.com.qa/) says. The Hamad Port Visitors Centre aquarium is "second to none" in Qatar, according to the website. Featuring 17 basins of different sizes, the aquarium displays 80 species of fishes and aquatic creatures – 3,063 in total. It will be a fun destination for students and all types of visitors of all ages to learn more about Qatari marine life and the Umm Al Houl environment in general. The Maritime Museum at the visitors' center was built on an area of 1,284sq m to tell fascinating stories; "the story of the shipping containers and container ships, the story of Hamad Port and its importance to our lives, how the port operates and how Qatari maritime heritage and trade evolved over the years." The 4D cinema is distinguished by its technology, where the seats move with effects in the film, highlighting the "big picture" of the nation's prestigious port and demonstrating the vision, resources and commitment required to deliver the mega-project – Hamad Port – in a fun and enjoyable way. The gift shop offers the visitors a wide selection of special aquatic gifts and souvenirs, while the auditorium is uniquely designed with a high-quality sound system and 200 tiered seats in a fixed theatre-style set-up designed to provide an optimal experience for visitors. The center also offers an outdoor kids' play area that allows them to spend the most enjoyable times of fun and entertainment through many things that they can do, in addition to recreational games such as riding games and others. Commitment to sustainability was a major goal in all phases of the construction of the Hamad Port Visitors Centre, which is characterized by its landscapes and green spaces, which provide a relaxed marine related environment for visitors to enjoy the exceptional experience in the center's facilities. Tickets can be booked at https://visitorscenter. mwani.com.qa/#buy-tickets. The ticket prices are as follows: QR50 for individuals above 12 years; and QR30 for children aged five to 12 years. Entry is free for children below five years of age. For group booking (schools, companies, etc), those interested should contact Mwani Qatar. (Gulf Times)
- **Ministry of Labor to launch International occupational heat stress conference today -** The International Conference on Occupational Heat Stress with focus on "Implementation, Practices and Sharing of Experience" will kick off today, under the auspices of Minister of Labor HE Dr. Ali bin Samikh Al Marri. The Ministry of Labor, in collaboration with the International Labor Organization, is hosting the conference that will focus on the effects of heat stress in the workplace. The event will explore current and future measures, challenges, and opportunities in mitigating the impact of heat stress on the work environment. It will also provide a valuable platform for participants, specialists, and those interested in exchanging knowledge and experiences. The conference will highlight successful strategies for reducing occupational heat stress and hold discussions on how to enhance workers' protection, as well as methods to improve occupational safety and health in the workplace. The two-day meet will also address topics related to the Qatari experience, the regulatory mechanisms it has implemented to reduce heat stress and legislation regulating working hours in summer, in addition to reviewing experiences in the Arab region on reduction and prevention of heat stress. International and regional heat stress prevention experts from the International Labor Organization and academics from major universities in the USA, the European Union, Singapore, Mexico, Greece and South Africa will participate in the conference. (Qatar Tribune)
- **Qatar and Saudi Arabia discuss cooperation in transportation field -** Minister of Transport HE Jassim bin Saif bin Ahmed Al Sulaiti yesterday held a video conference meeting with Minister of Transport and Logistic Services of the Kingdom of Saudi Arabia Eng. HE Saleh Bin Nasser Al Jasser. They discussed aspects of cooperation between the two fraternal countries in the fields of transport and transportation and ways to promote them. (Peninsula Qatar)
- **French magazine explores smart city innovations at Msheireb -** Representatives from the renowned French magazine Transitions & Energies paid a visit to Msheireb Downtown Doha (MDD) yesterday to gain insights and inspiration from the smart city's remarkable achievements, with the aim of incorporating them into their upcoming project. Director Gil Mihaely and chief editor Eric Leser were present at a special presentation hosted by the Msheireb Properties team who showcased the cutting-edge smart and sustainable features of MDD, solidifying its position as one of the world's foremost smart and sustainable city districts. As key figures leading a project focused on promoting realistic transition strategies away from fossil fuels, Leser and Mihaely expressed their deep admiration for the innovative smart city concept realized in Msheireb Downtown Doha. They underscored the pivotal role of effective technology utilization in achieving a sustainable future, further emphasizing the significance of MDD's achievements. Acknowledging the tireless efforts and forward-thinking vision of Msheireb Properties, the two distinguished experts commended the company's dedication to incorporating the latest smart solutions into urban developments while simultaneously preserving the authenticity and heritage of the national architectural language, a press statement noted. Transitions & Energies, led by Eric Leser, is an ambitious project encompassing a website and a quarterly magazine. Its content is dedicated to promoting effective and realistic transition strategies aimed at gradually shifting away from fossil fuels. (Gulf Times)

International

- **Fed survey: Banks tighten credit terms, see loan demand drop -** Credit conditions for US business and households continued tightening in the first months of the year, according to a Federal Reserve survey of bank loan officers, but the results seemed to mark the accumulating impact of Fed monetary tightening rather than the cliff-like decline in credit some feared after the March collapse of Silicon Valley Bank. The Fed's quarterly Senior Loan Officer Opinion Survey, or SLOOS, among the first measures of sentiment across the banking sector since the recent run of bank failures, showed a net 46.0% of banks tightened terms of credit for a key category of business loans for medium and large businesses compared with 44.8% in the prior survey in January - a modest, stepwise change. For small firms, conditions were slightly more stringent with a net 46.7% of banks saying credit terms were stiffer now versus 43.8% in the last survey. Banks reported that firms of all sizes were showing less demand for credit than three months earlier. Credit access may be just part of the story, with banks also reporting they were capping loans sizes and raising the cost of borrowing. On the consumer side, banks said soft demand prevailed again for credit card, automobile and other forms of household credit, although not to the degree seen at the end of last year. Banks on balance showed diminished willingness to provide consumer installment loans and were also limiting the size of auto loans for example. "It wasn't a sea change…The tightening in standards probably wasn't as severe as one might imagine given the banking stress," wrote J.P. Morgan Chief US

Economist Michael Feroli. But the drop in demand, particularly the more than half of banks seeing a drop in small firms wanting to borrow, "appears to paint a grim picture about the outlook." The tightening also reflected modestly rising concerns among banks about the need to conserve capital and maintain adequate liquidity amid a weaker economic outlook. Mid-sized banks, the Fed said in reporting the survey results, seemed particularly stretched. "Banks most frequently cited an expected deterioration in the credit quality of their loan portfolios and in customers' collateral values, a reduction in risk tolerance, and concerns about bank funding costs, bank liquidity position, and deposit outflows as reasons for expecting to tighten lending standards over the rest of 2023," the release said. "Mid-sized banks reported concerns about their liquidity positions, deposit outflows, and funding costs more frequently than the largest banks." (Reuters)

- **Yellen: 'no good options' if Congress fails to raise debt ceiling -** Treasury Secretary Janet Yellen said on Monday that a failure by Congress to raise the $31.4tn federal debt limit would cause a huge hit to the US economy and weaken the dollar as the world's reserve currency. Asked whether the US Treasury could prioritize payouts to bondholders in the event of a default, Yellen told CNBC that President Joe Biden would be forced to make decisions on what to do with Treasury's resources if the debt ceiling was not raised but declined to discuss or rank the options. "There are a variety of different options, but there are no good options. Every option is a bad option," she said. "The only option that really leaves our economy in good shape - and our financial system - is raising the debt ceiling." She said Biden hoped to establish a process for discussing and compromising on fiscal-policy issues and his budget proposal with congressional Republicans but would not do it "with a gun" to his or the American people's heads. Biden insists that Congress has a constitutional duty to raise the debt ceiling, which reflects previously spent federal money, without conditions, but Republicans have tied any increase to sweeping budget cuts that Democrats oppose. Biden will meet on Tuesday with Republican House Speaker Kevin McCarthy, Senate Minority Leader Mitch McConnell and top congressional Democrats at the White House to try to break the impasse. Yellen conceded there was "a very big gap" between Biden's position and that of many Republicans, warning that their proposed spending cuts were "draconian." Risking default to secure budget cuts could bring "enormous harm to American households," and even the current brinkmanship would harm financial markets and could jeopardize US government credit ratings and undermine the US currency. "The dollar is regarded - and Treasury securities - as the bedrock safe asset in the entire global financial system," she said. "It's trusted, and it is the ultimate safe asset and a failure to raise the debt ceiling, impairing the US credit rating, would put that at risk. So that is a real concern. Yellen told lawmakers last week that Treasury will likely be unable to pay all the government's bills as early as June 1 without an increase in the federal debt limit. Yellen, other economists and analysts have repeatedly warned that a default on US debt would result in millions of job losses, while driving household payments on mortgages, auto loans and credit cards higher. Unlike most other developed countries, the US puts a hard limit on how much it can borrow. Because the government spends more than it takes in, lawmakers must periodically raise the debt ceiling. (Reuters)
- **Yellen is calling CEOs personally to warn on US debt ceiling -** Treasury Secretary Janet Yellen is reaching out to US business and financial leaders to explain the "catastrophic" impact a US default on its debt would have on the US and global economies, two sources familiar with the matter said on Monday. The Treasury secretary is having one-on-one conversations with individual CEOs to warn them about the "dangerous consequences of the current brinkmanship," one of the sources said. The sources declined to name the CEOs with whom Yellen had spoken in recent days, or provide any other details about their conversations, but one said they included executives in the financial sector and broader economy. While the sources did not spell out her purpose, Biden administration officials have been speaking to business owners about pressuring Republicans to raise the debt ceiling without conditions. The Treasury secretary delayed a planned trip to Japan for this week's Group of Seven finance ministers meeting to appear on the ABC News program "This Week" on Sunday, where she warned the failure of Congress to raise the $31.4tn debt ceiling could trigger a "constitutional crisis." Talks on the issue should not take place "with a gun to the head of the American people," Yellen said in a pointed reference to Republican lawmakers' insistence on tying a debt-ceiling increase to sweeping spending cuts that Democrats oppose. Yellen is now slated to leave for Japan this week and will hold a news conference in Niigata, Japan, on Thursday before the G7 meeting. President Joe Biden insists that Congress has a constitutional duty to raise the debt ceiling, which reflects previously spent federal money, without conditions. He will meet on Tuesday with Republican House Speaker Kevin McCarthy, Senate Minority Leader Mitch McConnell and top congressional Democrats at the White House to try to break the impasse. Yellen told lawmakers last week that Treasury will likely be unable to pay all the government's bills as early as June 1 without an increase in the federal debt limit. Yellen, other economists and analysts have repeatedly warned that a default on US debt would result in millions of job losses, while driving household payments on mortgages, auto loans and credit cards higher. Unlike most other developed countries, the US puts a hard limit on how much it can borrow. Because the government spends more than it takes in, lawmakers must periodically raise the debt ceiling. (Reuters)
- **NY Fed report: US consumers' inflation expectations mixed in April -** US consumers said last month they expected slightly lower inflation in a year's time, the New York Federal Reserve said in a report that also showed the bank stresses that kicked off in March weren't weighing heavily on the moods of Americans. The regional Fed bank reported as part of its April Survey of Consumer Expectations that respondents see inflation one year from now at 4.4%, down from 4.7% in the March survey. Inflation three years from now was seen at 2.9%, compared to 2.8% in March, while five years from now it was expected to be at 2.6%, versus 2.5% in the prior month. The Fed has been pressing forward aggressively with interest rate rises to lower some of the highest inflation pressures in decades. The US central bank raised rates last week in an action that may be the last of its current tightening campaign, as inflation pressures have started to ease. At his press conference after the release of the policy decision, Fed Chair Jerome Powell said, "despite elevated inflation, longer-term inflation expectations appear to remain well-anchored," a sign he believes the public remains confident the central bank will bring price pressures back to its 2% target. The New York Fed report also found that the banking sector stress that began nearly two months ago, spurring fears about the health of the financial system and forcing the central bank to provide extensive liquidity to the financial system, hasn't left much of a mark on consumers attitudes so far. The April survey found "mixed" views on credit access, noting "both the share of households reporting it is easier and the share reporting it is harder to obtain credit now than one year ago declined." The report also found that perceptions in April surrounding respondents' current financial situation improved, while their expectations "deteriorated slightly, with fewer respondents expecting to be better off a year from now." It also said that households still expected to see rising earnings, although spending was projected to moderate to a 5.2% gain, the weakest since September 2021, from the 5.7% forecast in March. Survey respondents also said they expect higher unemployment and a greater probability of losing their jobs, as well as a harder time finding new work. (Reuters)
- **German industrial output slumps, recession fears rise -** German industrial production fell more than expected in March, partly due to a weak performance by the automotive sector, spurring again recession fears in Europe's largest economy. Production decreased by 3.4% on the previous month following a slightly revised increase of 2.1% in February, the federal statistical office said on Monday. In a Reuters poll, analysts had pointed to a 1.3% fall. "After a buoyant performance by industrial production at the beginning of the year, there was an unexpectedly sharp decline in March," the economics ministry said. The manufacture of motor vehicles and automotive parts fell by 6.5% on the previous month. Production in machinery and equipment fell by 3.4% and output in the construction sector decreased by 4.6% on the month. In the first quarter, production was 2.5% higher than in the last quarter of 2022, according to the statistics office. In March, German industrial orders fell by 10.7% from the previous month on a seasonally and calendar adjusted basis, posting the largest month-on-month decline since 2020 at the height of the COVID-19 pandemic. "German manufacturing is suffering more and more from the global rate hikes, which are increasingly applying the brakes on

the economy," said Commerzbank's chief economist Ralph Solveen. "The risks of a recession in Germany are rising." Retail sales and exports also dropped sharply in March, increasing the odds of a downward revision to first-quarter gross domestic product, ING's global head of macro Carsten Brzeski said. GDP was unchanged quarter on quarter in adjusted terms in the first quarter, following a 0.5% contraction in the fourth quarter of 2022. A recession is defined as two consecutive quarters of contraction. "A downward revision would mean the economy fell into recession after all," Brzeski said. (Reuters)

Regional

- **Oxford Economics: GCC interest rates may stay elevated until year-end -** GCC interest rates are expected to stay elevated until the end of the year, dampening growth in the region's non-oil sectors to 3.9% this year from 5.6% in 2022, Oxford Economics said in a report. Central banks in the GCC followed the US Fed by raising their policy rates by 25 bps, in what the researcher thinks "is the final hike in this tightening cycle." Oxford Economics said central banks in GCC countries matched the 25-bps interest rate hike delivered by the US Fed on May 3, taking the cumulative increase in interest rates to 500 bps in just over a year in most countries. Rates are now at, or above previous peaks posted in 2007/08. In its baseline, Oxford Economics now assumes banks to pause tightening, with rates remaining at current levels through year-end, weighing on lending. In Saudi Arabia, annual private sector credit growth slowed down to 10.3% in March, the weakest since early 2020. This underpins the researcher's expectations of GCC non-oil growth falling to 3.9% this year from 5.6% in 2022. In April, Purchasing Managers' Indices (PMIs) across the GCC were close to recent peaks, highlighting the ongoing resilience of economic performance in the region. Firms have been able to shrug off global headwinds so far, with strong domestic demand a key driver of activity. Egypt's PMI rose to a six-month high, but business conditions are still contracting, with sentiment at a record low. "The April PMI surveys for the GCC region show that domestic demand is still the key driver of growth, while export orders ease amid global headwinds," Oxford Economics noted. It seems UAE companies have less pricing power than their Saudi and Qatari counterparts and have been absorbing the rise in input costs. Nevertheless, inflationary pressures are softening, which alongside stronger employment and wage growth will support private consumption and overall activity, Oxford Economics said. At a country level, Saudi Arabia PMI rose to 59.6 in April, and in the UAE the index rose to 56.6, both close to recent peaks, while a surge in new orders lifted Qatar PMI to 54.4, the highest since July 2022. By contrast, firms in Egypt's non-oil sector show little optimism for the future. After falling slightly in March, the PMI rose to 47.3 in April, albeit staying well below the 50-mark level, as sentiment slid to a record low. Turkish inflation slowed down to 43.7%, marking the first print below 50% in more than a year. With prices trending down ahead of the May 14 elections, President Recep Tayyip Erdogan may gain votes in his re-election bid. Still, with rents as the main driving force, services inflation is hovering at about 60%. Moreover, Oxford Economics thinks the nationwide CPI index likely understates inflation woes. The Istanbul cost-of-living index, which historically tracks the nationwide gauge closely, continues to rise at a faster rate, at 62.5% year-on-year (y-o-y) in April. The outlook for inflation is for double-digit price-growth unless policies change after the election, it said. (Gulf Times)
- **PwC: GCC non-energy sector recovery aided by tourism in Qatar, Saudi Arabia -** GCC economies have bounced back since the 2020 pandemic, PwC said and noted the region's non-energy sector recovery has been aided by tourism, notably in Qatar and Saudi Arabia. This positive outlook is attributed to high oil prices and strong balance sheets at the sovereign and corporate levels, as well as continued diversification and economic resilience as countries pursue their national visions, PwC said in its 'Middle East economy watch'. However, the wider Middle East remains more vulnerable to these global trends, PwC noted. The sectors that were hardest hit in the region during 2020 were the same as experienced globally, including hospitality, transportation and retail/wholesale trade. Hospitality declined by nearly a third, transportation by a sixth and trade by nearly a tenth. These sectors are all partly driven by domestic demand and partly by tourism. The dip in domestic demand was largely temporary, with tourism slower to recover, but the gap has been closing quickly. In 2022, the five states for which regular tourism data is available, lagged 2019 levels by -8%. However, by Q4, three of the five were well above Q4-19. "Although Qatar's surge was a temporary boost from the World Cup, its monthly numbers have remained solid in early 2023," PwC noted. Recovery in expat numbers: In Oman, Qatar, Saudi Arabia and Bahrain, where the population data is most readily available, there has been a strong rebound over the last 18 months, the report noted. By end-2022, expat numbers were above pre-pandemic levels in Bahrain, Qatar, the Saudi Arabia and Oman. In Oman and Bahrain this boost has largely been due to renewed hiring thanks to higher oil prices and other economic drivers, and elsewhere in the GCC recent initiatives such as new visa legislation, alongside geo-political migration drivers from outside the region, will continue to attract more expatriates to the GCC. Indeed, across the region as a whole expat numbers rebounded by 2.8% in 2022 and should surpass the 2019 level later this year, the report said. According to the report, the GCC is especially well placed to implement their long-term National Vision transformation plans due to substantial financial resources to direct to their objectives, and the leadership continuity and commitment to see them through. Overall, progress on key KPIs across the region is promising, with some room for improvement on others. Richard Boxshall, partner and chief economist commented: "The GCC as a whole is making good progress towards achieving its countries' National Visions, with areas of common focus including non-oil diversification, improving infrastructure, advancing digitalization, creating competitive business environments and workforce nationalization targets for the private sector. "Most GCC countries are also advancing towards their sustainability objectives, such as investing in solar generation capacity. With COP28 on the horizon, we expect the momentum and reinvestments driving this transformation to increase". The report highlights that the region has been quick to secure the non-oil recovery, even in the hardest-hit sectors of hospitality, transportation and retail/wholesale trade. In 2022, the five GCC states for which regular tourism data is available, Saudi Arabia, UAE, Qatar, Bahrain, and Oman, showed a lag of -8% behind 2019 levels. However, by Q4, Qatar, Saudi and Bahrain were well above Q4, 2019 levels. Stephen Anderson, partner, Middle East Strategy and Markets Leader, said, "The GCC economies have shown great resilience in the face of many obstacles being experienced globally, with the growth of the non-oil economy and increased focus on sustainability enabling them to lead the diversification agenda on a larger scale. "Continued government investment in strategic sectors and projects in pursuit of their National Visions will underpin future growth, allowing us to weather the worst of the global slowdown throughout 2023." (Gulf Times)
- **ECM Watch: Saudi Arabia's IPO Market Creeps Back to Life -** The Persian Gulf's initial public offerings market has had a notable absence this year: Saudi Arabia. That may be about to change. Jamjoom Pharmaceuticals Factory Company announced plans for a Riyadh listing on Thursday, almost five months after winning regulatory approval. Having received it, companies have just six months to launch their offerings. Non-bank financing firm Morabaha Marina Financing Company also published its IPO prospectus last week, with the listing slated to kick off next week. Saudi Arabia, typically one of the Gulf's biggest and busiest listing markets, has been very quiet this year amid concerns over global economic growth, while other exchanges like Abu Dhabi have stepped into the limelight. Just $72mn has been raised from listings in Riyadh, the least since 2014, data compiled by Bloomberg show. This time last year the IPO haul stood at almost $4bn. The Tadawul All Share Index, the kingdom's benchmark, has fallen about 19% the past year as oil prices have come down from 2022 highs on fears a possible recession could crimp demand. Last week the commodity briefly touched the lowest level since late 2021. "The recent IPO issues in the Saudi market have been on the smaller side, as we gradually make our way to the tail of the IPO pipeline," said Dahlia Sabaayon, senior investment analyst at Al Dhabi Capital. "It's not surprising that there has been a slowdown in equity issues, with concerns about a recession taking root in financial markets globally." "What's interesting about the next leg of Saudi IPOs is that we may see representation of sectors on the equity market which have so far been underrepresented, or do not have any presence at all," she said. Investor sentiment already began turning at the end of last year, as a number of IPOs fell on their debuts, a rare occurrence in Saudi Arabia. Saudi Aramco

Base Oil Co., which raised $1.3 billion in December, ended its first day 4% below its offer price, although it is now up about 20% from that level. Similarly, Riyadh Cables Group closed down 12% on its debut in December but is now trading around 35% above the IPO price. There are some larger deals in the pipeline, too. Olam Group Ltd.'s agricultural business is expected to go public in a dual listing in Riyadh and Singapore in the first half, Bloomberg News has reported. That deal could raise about $1bn. (Bloomberg)

- **Saudi Red Sea Developer Weighs Public Offering as Soon as 2026 -** The company behind a major tourism destination on Saudi Arabia's Red Sea coast, a cornerstone of the kingdom's push to attract tourists and diversify its economy, is considering a possible public market offering as soon as 2026. "There will be some kind of public market event, whether it's an initial public offering, whether it's an establishment of a REIT, those are things that we're currently studying," John Pagano, chief executive of Red Sea Global, said in an interview in Dubai. The firm is in early talks with banks and stakeholders, Pagano said, without disclosing details on advisers, banks or valuation. An offering is likely by 2026 or 2027 once the hotels have been operational for about two years, with a track record of occupancy, cash flow and profitability. The main focus now is to establish a revenue stream that helps underpin value, he said. "If you look at real estate markets around the world, the idea of public real estate companies has disappeared to a large extent," Pagano said. "Everybody's converted into REITs, in large part because of tax efficiency, but also because it gives you access to a broader universe of investors." The Red Sea project, first announced in 2017, covers 28,000 square kilometers (11,000 square miles) — an area about the size of Belgium — and will target regional and international luxury travelers. The Red Sea coast includes an archipelago of 90 islands and the government is building new resorts in the region, as well as on the green mountains in the south near Yemen. The development is key to Saudi Arabia's plans to transform itself into a top tourism destination. To help achieve its ambitious targets, the kingdom has pledged to spend billions of dollars — including on a new airline and a fresh airport. It's also planning an entertainment hub near the capital and a new city in the north-west, called Neom, that's expected to cost $500bn. Saudi Arabia's sovereign wealth fund created Red Sea Global by combining two state-controlled developers in 2021, with the Red Sea Development Co. taking over Amaala. The first phase of the project is expected to be completed by the end of 2024 and will include hotels and an international airport. The firm borrowed 14.1bn riyals ($3.8bn) in 2021, which will fund construction for the first phase, and Pagano said the company wouldn't need to raise funds until it starts developing the second phase of the project. Three resorts are set to open on the Red Sea this year and 13 resorts in 2024. Including other planned properties — part of Amaala project — the hotels will add about 4,200 rooms on the western coast of Saudi Arabia. The kingdom's tourism industry has historically consisted of millions of pilgrims traveling to Islam's holiest sites in Mecca and Medina. Even if a fraction of these visitors were to extend their stays and explore other parts of the kingdom, that could provide an important feeder market, Pagano said. "Some of those tourists are making a once-in-a-lifetime trip and today they come, and they go," he said. "When we open our destinations, they have a reason to actually make it a once-in-a-lifetime trip: take care of the religious piece, which is obviously important to them, but also add a leisure component." (Bloomberg)

- **Half of Abu Dhabi's 2022 GDP came from non-oil sectors -** Non-oil sectors made up half of Abu Dhabi's 2022 real gross domestic product, which came to more than 1tn dirhams ($272bn), Abu Dhabi Department of Economic Development Chairman Ahmed Jasim Al Zaabi told a conference on Monday. By 2031 Abu Dhabi wants to increase its non-oil exports by 140% to 179bn dirhams ($49bn), he added. (Zawya)

- **Abu Dhabi financial center expands in non-oil growth push -** The Abu Dhabi Global Market (ADGM) financial free zone said on Monday it will expand its area of jurisdiction by ten times, part of a push to make the sector a major economic contributor. Abu Dhabi's Statistics Centre said separately on Monday that the emirate's economy grew by 9.3% last year and that non-oil sectors made up half of gross domestic product (GDP). The expansion of the international financial center of the UAE capital Abu Dhabi comes as the UAE vies with a rapidly opening Saudi Arabia to be the go-to destination for economic activity in a region moving away from oil. ADGM said the addition of al-Reem Island to its current location on al-Maryah Island would create one of the largest concentrated financial districts in the world. Founded in October 2015, ADGM said it has 5,500 business licenses operating within it. Abu Dhabi wants to increase its non-oil exports by 143% to 178.8bn dirhams ($49bn) by 2031, Abu Dhabi Department of Economic Development Chairman Ahmed Jasim Al Zaabi told a conference. (Zawya)

- **India, UAE in 'high-level talks' over pricing norms for pharma exports -** India is in high-level talks with the UAE to find a solution for pricing norms, which restrict Indian generic drugs and vaccine exports, Mint, an Indian financial daily reported, citing two informed sources. The UAE and other Gulf countries use external reference pricing (ERP) to regulate pharmaceutical prices. Under this policy, manufacturers specify a basket of countries whose prices they use to inform the price of medical supplies in the country. The reference price is being discussed at the "highest level" as the issue is a cause for concern for Indian drug manufacturers, which dominate the affordable generic drug industry, a source said. The UAE's pharma market is estimated at $3.5bn, with imports at 80%. Moreover, the emirate is a global hub that provides Indian drugmakers access to other international markets, especially the GCC. The free trade deal India signed with the UAE last February has managed to get fast-paced drug approval, but pricing barriers continue. As per the agreement, the UAE agreed to allow market access for Indian medicines within 90 days of approval in the US and UK, the newspaper said. (Zawya)

- **UAE-India bilateral non-oil trade surges 7% to hit $45.5bn in CEPA's 11 months -** The UAE-India bilateral non-oil trade has increased by 7% to reach $45.5bn in 11 months since Comprehensive Economic Partnership Agreement came into effect on May 1, 2022, a minister revealed in Abu Dhabi. Dr Thani bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, announced the latest figures while marking the first anniversary of the UAE-India CEPA at a special event during the opening day of Annual Investment Meeting (AIM). "One of the central goals of the UAE-India CEPA was to increase the flow of goods and services between our nations – and, by doing so, stimulate key export sectors, drive industrial output and kick-start an exciting new era of prosperity." "The latest figures, which I'm revealing today for the first time, underline the pace of our progress. Between May 1, 2022, and March 31, 2023 – the first 11 months of the CEPA, bilateral non-oil trade reached 45.5bn dollars. That is a 7% increase on the corresponding period 12 months earlier," the minister said during the event titled CEPA Beyond Trade. Al Zeyoudi said that the trade figures have been achieved amid a sharp decline in global trade in the third and fourth quarters of last year, proving that UAE and India are a "new center of growth". "Even more impressive are the figures from Q1, 2023. In the first three months of the year, total bilateral trade reached $13.3bn – a 24.7% increase on the previous quarter. It's also 5.4% higher than Q1, 2022, which was a record quarter for global trade. And those gains are in every metric: UAE's non-oil exports climbed 33% compared to Q4, 2022. Re-exports from India rose 31.5%. All this means we are on course to easily surpass the $50bn mark by the end of the year – and take a significant stride towards our $100bn target by 2030," Al Zeyoudi noted. (Zawya)

- **UAE-Iran Business Council holds inaugural meeting in Tehran -** The UAE-Iran Business Council held its inaugural meeting in the Iranian capital Tehran on the sidelines of the Iran Expo, which runs from 7th to 10th May. The UAE side was chaired by Abdullah Mohammed Al Mazrouei, Chairman of the Federation of UAE Chambers of Commerce and Industry and President of the Abu Dhabi Chamber of Commerce and Industry. The Iranian side was chaired by Dr.Mahdi Safari, Deputy Foreign Minister for Economic Diplomacy ,with the participation of a number of senior businesspeople from both sides. In opening the meeting, Al Mazrouei commended efforts by the organizing committees of both sides in establishing and activating the Council, which will greatly contribute to strengthening cooperation between both countries' business sectors. He said that the establishment of the UAE-Iran Business Council comes at a time when bilateral relations are witnessing economic growth and provides notable opportunities for the private and public sectors in both countries to enhance flourishing trade, investment and economic ties. He added, "The UAE is confident that the Business Council will serve as a vital platform to further enhance partnerships between the UAE and Iran's business sectors." Al Mazrouei also stressed that the launch of the UAE-Iran Business Council "embodies the joint keenness of both sides to enhance and elevate economic and trade cooperation between the two countries to new horizons while widening engagement for the Emirati and Iranian business communities." He explained that UAE-Iran economic relations have experienced significant development and continued growth in various fields, pointing out that economic cooperation in these sectors has contributed to increasing joint trade and investment exchange. For his part, Dr. Safari expressed his appreciation for the attendance of the UAE side and coordination in holding the Council's inaugural meeting in Tehran, which represents an additional step towards bolstering economic relations between the two countries. He also stressed that the meeting contributes to fostering an environment for consultation, discussion, and the exchange of views on issues that serve the two countries' business communities. The UAE economic delegation, which includes representatives of various entities, held a series of meetings with officials from diverse Iranian economic institutions and sectors. The UAE-Iran Business Council was established in accordance with the Memorandum of Understanding signed between the Federation of UAE Chambers of Commerce and Industry and the Iran Chamber of Commerce, Industries, Mines and Agriculture in 2014. It aims to explore avenues for mutually beneficial economic opportunities between the two sides in a range of fields, including food, health, and tourism. The Council also serves as a platform for senior business leaders in both the UAE and Iran to facilitate exchange and business partnerships. (Zawya)

- **Annual Investment Meeting 2023 kicks off at ADNEC in Abu Dhabi -** Under the patronage of H.H. Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council, the Annual Investment Meeting (AIM Global 2023) was inaugurated today at the Abu Dhabi National Exhibition Centre (ADNEC) in Abu Dhabi. Held in collaboration with the Ministry of Industry and Advanced Technology and the Abu Dhabi Department of Economic Development, this year's edition of the Annual Investment Meeting is anchored on the theme "The Investment Paradigm Shift: Future Investment Opportunities to Foster Sustainable Economic Growth, Diversity and Prosperity." The global event witnessed a remarkable attendance of vast number of government ministers, decision-makers, and industry leaders from various countries around the world, as well as investors, senior representatives of multinational and large companies, startups, small and medium-sized enterprises, smart cities solutions providers, technology services vendors, and a large number of visitors from over 170 countries worldwide. The first day of AIM Global 2023 kicked off with a series of keynote speeches and live panel discussions with top policy makers and business leaders as they shared their experiences and expertise with the participating delegations focusing on the current economic conditions and potential investment opportunities. The list of speakers included prominent officials and economic figures, such as Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, and Ahmed Jasim Al Zaabi, Chairman of Abu Dhabi Department of Economic Development (ADDED). (Zawya)

- **Sharjah: GDP grows by over 5%; top sectors revealed -** Sharjah's GDP grew by 5.2%, reaching Dh136.9bn in 2022, compared to Dh130.1bn in 2021. The Department of Statistics and Community Development (DSCD) announced the "significant upswing" in the emirate's economy, as per its preliminary estimates based on comprehensive economic survey results from 2017-2021. The non-oil sector has reported a 5.2% increase, bringing the total to Dh133.4bn in 2022, compared to Dh126.8bn in 2021. The preliminary estimates factored in results from all independent bodies and the public sector. Sheikh Mohammed bin Humaid Al Qasimi, Chairman of the DSCD, said: "The preliminary estimates for 2022 indicate a positive economic performance in the emirate. The economic diversification of the emirate has been a driving force behind the growth that we are currently witnessing, which aligns with the emirate's development plans." The preliminary estimates revealed the most prominent economic activities that contributed to the growth of the emirate's GDP. Wholesale and retail trade; repair of motor vehicles and motorcycles sector was the highest contributor, with Dh32.9bn (24%), followed by manufacturing, which contributed with Dh22.9bn (16.7%). The real estate sector came third at 9.7%. The construction sector contributed 9%, while public administration, defense and compulsory social security ranked fifth with 7.5%. Accommodation and food services activities registered the highest growth rate at 18%. The electricity, gas, and water supply sector grew by 5.9%. (Zawya)

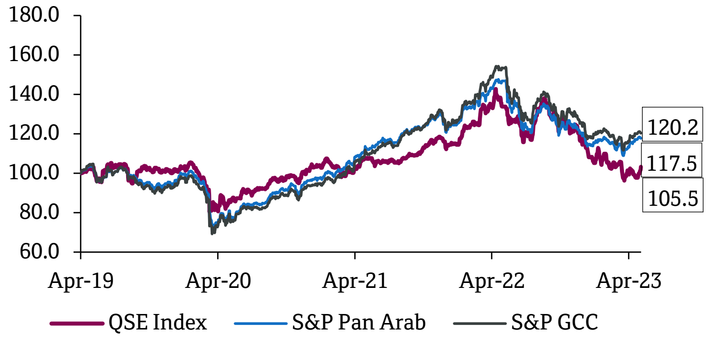
- **Abu Dhabi's financial center plans expansion, to include Reem Island -** Abu Dhabi Global Market (ADGM), located on Al Maryah Island, is set to undergo a huge expansion to include Reem Island as the UAE capital's financial center accommodates increased demand from global firms looking to set up businesses there. The newly expanded jurisdiction will make the market one of the world's largest financial centers and be more than 10 times the size of its current footprint, a statement from the market said. Following the expansion ADGM will have a combined space of 1,438 hectares, or 14mn sq.m. For comparison, Dubai International Financial Centre (DIFC) is around 44 hectares, according to its official website, The move to expand ADGM was decided by UAE Cabinet Resolution 41 for 2023. An ADGM statement said it is part of the economic vision of the UAE, which lists the capital's financial center as a key focus for diversification. "The resolution expands ADGM's jurisdiction as a Financial Free Zone to Al Reem Island, adjacent to its current home of Al Maryah Island, following increased demand from a wide range of international companies choosing Abu Dhabi as a preferred destination to expand and grow their businesses globally," the statement said. By being based within there, a business entity can benefit from the preferential corporate tax rate of 0% on their qualifying income, it added. Ahmed Jasim Al Zaabi, chairman of Abu Dhabi Department of Economic Development and ADGM said the existing ADGM has an occupancy of 95% with demand from international companies wanting to be established there. The market is currently home to 1,400 operating entities, 5,500 business licenses and has a workforce of 11,000 people in ADGM Square, the statement added. It saw an increase of 56% in assets under management last year and a 30% increase in active licenses. (Zawya)

- **US, UAE climate-friendly farming fund grows to $13bn -** Funding for a U.S. and United Arab Emirates-led initiative to make the world's farming more environmentally friendly and resilient to climate change has grown to more than $13bn, a US official said on Monday. The Agriculture Innovation Mission for Climate (AIM for Climate) was launched in 2021 and achieved commitments of $8bn last November. "Climate change continues to impact longstanding agricultural practices in every country and a strong global commitment is necessary to face the challenges of climate change head-on," U.S. Agriculture Secretary Tom Vilsack said in a statement. He announced the latest funding figures alongside UAE Minister for Climate and the Environment Mariam Almheiri and former US vice president Al Gore at the AIM for Climate summit in Washington, D.C. on Monday the UAE will host the COP28 climate change conference in November and December this year. "We will make sure that COP28 will be a game-changer for food systems," Almheiri told the Washington summit, which continues through Wednesday and brings together officials from Canada, the Netherlands and the United Kingdom as well as academics and company executives. Gore said it was important that funding for climate change innovation is disbursed equitably. "Black farmers, indigenous farmers, low-income farmers, they need access to this innovation as well. We need to loop them into this," he said. About $10bn of the $13bn of investment in the agricultural fund is from governments. The rest is from non-government parties funding initiatives to support smallholder farmers, emerging technologies and methane reduction, a US Department of Agriculture spokesperson said. The fund seeks to unite nations to cut agriculture emissions, which account for about 10% to 12% of greenhouse gas emissions. These emissions are from sources including livestock manure, machinery and fertilizer application, according to the Intergovernmental Panel on Climate Change. (Reuters)

- **Atlantis Dubai Plots Global Expansion to Cash in on Travel Boom -** Dubai's Atlantis is looking to build as many as four additional hotels across the world, hoping to cash in on a leisure travel boom that's so far proved resistant to concerns over inflation and a darkening economic outlook. "We're very interested in growth and looking at a lot of different markets and opportunities," Timothy Kelly, Managing Director of Atlantis Dubai said in a recent interview. "We're hoping this year to earmark a couple of deals," he said, adding that the company is looking at Southeast Asia, the Middle East and North America. The comments come amid a sustained rebound in leisure travel that's boosted prices for everything from plane tickets to hotels and rental cars. Results from Booking Holdings Inc. and Expedia Group Inc. to Royal Caribbean Cruises and TUI AG point to consumers' willingness to continue spending on services and experiences even if they're paring back on physical goods. Atlantis Hotels, owned by Dubai's sovereign wealth fund, operates two large properties in the emirate and one in Hainan, China. Its hotels include the recently opened $1.5bn Atlantis the Royal, where the top suite can go for $100,000 a night. (Bloomberg)

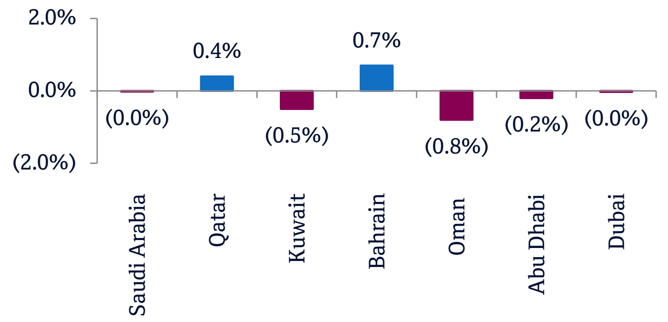
- **Oman: Revenue of star hotels up 50% to $189.6mn -** Revenues of 3- to 5-star hotels increased 50% to RO73.4mn till the end of March this year, compared to RO48.9mn in the same period in 2022. According to the latest figures of the National Centre for Statistics and Information (NCSI), the number of hotel guests in star hotels registered an increase of 25.6% to 522,753 till March 2023, compared to 416,287 in March 2022, while occupancy rate was 56.4%. According to NCSI, in terms of number of guests, Omanis topped the list with 181,369, a decline of 1.5% from 184,060. Guests from Oceania recorded the highest growth while Europeans were among the top nationalities that visited the sultanate till the end of March 2023. The NCSI data shows that the number of visitors from Europe during this period witnessed a growth of 41.8% – from 119,432 at the end of March 2022 – to 169,334 till the end of March 2023, followed by Asian guests whose number grew by 53.4% to 64,686 from 42,157. The number of guests from Oceanian countries was 12,558 registering an increase of 210.2% compared to the same period in 2022, while the number of guests from GCC and other Arab countries was 33,021 and 21,639 respectively, growing by 30.9% and 38.1% respectively. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,021.16	0.2	0.2	10.8
Silver/Ounce	25.55	(0.4)	(0.4)	6.7
Crude Oil (Brent)/Barrel (FM Future)	77.01	2.3	2.3	(10.4)
Crude Oil (WTI)/Barrel (FM Future)	73.16	2.6	2.6	(8.8)
Natural Gas (Henry Hub)/MMBtu	2.12	14.6	14.6	(39.8)
LPG Propane (Arab Gulf)/Ton	70.40	0.4	0.4	(0.5)
LPG Butane (Arab Gulf)/Ton	74.00	1.6	1.6	(27.1)
Euro	1.10	(0.1)	(0.1)	2.8
Yen	135.10	0.2	0.2	3.0
GBP	1.26	(0.1)	(0.1)	4.4
CHF	1.12	0.2	0.2	3.9
AUD	0.68	0.5	0.5	(0.5)
USD Index	101.38	0.2	0.2	(2.1)
RUB	110.69	0.0	0.0	58.9
BRL	0.20	(1.2)	(1.2)	5.5

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,827.38	0.2	0.2	8.6
DJ Industrial	33,618.69	(0.2)	(0.2)	1.4
S&P 500	4,138.12	0.0	0.0	7.8
NASDAQ 100	12,256.92	0.2	0.2	17.1
STOXX 600	466.94	0.3	0.3	13.1
DAX	15,952.83	(0.1)	(0.1)	18.0
FTSE 100	7,778.38	0.0	0.0	9.1
CAC 40	7,440.91	0.1	0.1	18.3
Nikkei	28,949.88	0.6	0.6	7.9
MSCI EM	989.44	0.8	0.8	3.5
SHANGHAI SE Composite	3,395.00	1.8	1.8	9.7
HANG SENG	20,297.03	1.2	1.2	2.0
BSE SENSEX	61,764.25	1.1	1.1	2.7
Bovespa	106,042.15	(0.3)	(0.3)	2.2
RTS#	1,019.29	(1.4)	(1.4)	5.0

Source: Bloomberg ($ adjusted returns)*

Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA
Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa

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