QNB FINANCIAL SERVICES

FIFA WORLD CUP Qatar2022

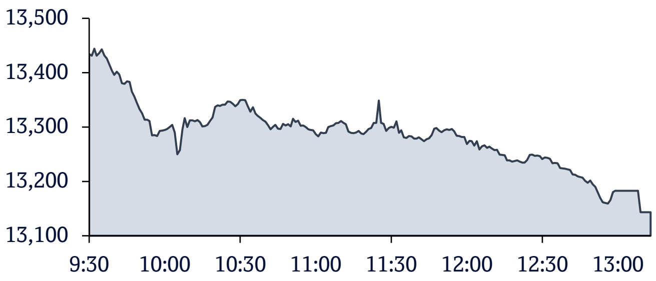
الداعم الرسمي لكأس العالم FIFA 2022™ في الشرق الأوسط وإفريقيا

Official Middle East and Africa Supporter of the FIFA World Cup 2022™

Daily Market Report

Sunday, 15 May 2022

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 2.4% to close at 13,143.5. Losses were led by the Industrials and Banks & Financial Services indices, falling 3.5% and 2.1%, respectively. Top losers were Qatar International Islamic Bank and Qatar Aluminum Manufacturing Co., falling 5.0% and 4.8%, respectively. Among the top gainers, Qatari German Co. for Med. Devices gained 3.0%, while Ahli Bank was up 1.0%.

GCC Commentary

Saudi Arabia: The TASI Index fell 4.1% to close at 12,835.3. Losses were led by the Banks and Software & Services indices, falling 6.3% and 4.3%, respectively. Banque Saudi Fransi declined 10.0%, while Riyad Bank was down 8.6%.

Dubai: The DFM Index gained 2.8% to close at 3,418.6. The Investment & Financial Services index rose 4.1%, while the Transportation index gained 4.0%. Agility Public Warehousing Company was gained 11.4%, while Dubai Investments was up 4.9%.

Abu Dhabi: The ADX General Index gained 3.1% to close at 9,429.7. The Telecommunications index rose 6.2%, while the Basic Materials index gained 2.7%. National Marine Dredging Co. rose 8.1%, while Rak Ceramics was up 7.0%.

Kuwait: The Kuwait All Share Index fell 3.4% to close at 7,868.8. The Industrials index declined 5.3%, while the Telecommunications index fell 4.4%. Ajwan Gulf Real Estate Co. declined 29.2%, while Tijara & Real Estate Investment Co. was down 20.9%.

Oman: The MSM 30 Index fell 0.3% to close at 4,145.7. Losses were led by the Industrial and Services indices, falling 0.5% each. Takaful Oman declined 8.8%, while Oman Reit Fund was down 5.0%.

Bahrain: The BHB Index fell 2.6% to close at 1,959.7. The Materials and Financials Indices declined marginally. Ithmaar Holdings declined 8.3%, while GFH Financials Group was down 7.3%.

Market Indicators	12 May 22	11 May 22	%Chg.
Value Traded (QR mn)	825.3	856.0	(3.6)
Exch. Market Cap. (QR mn)	743,181.7	758,894.0	(2.1)
Volume (mn)	180.3	171.3	5.3
Number of Transactions	25,012	25,626	(2.4)
Companies Traded	46	46	0.0
Market Breadth	3:40	20:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	26,922.22	(2.4)	(3.3)	17.0	16.3
All Share Index	4,235.92	(2.1)	(3.0)	14.5	167.3
Banks	5,886.19	(2.1)	(1.9)	18.6	18.2
Industrials	4,666.68	(3.5)	(6.9)	16.0	13.4
Transportation	3,857.23	(1.5)	(1.0)	8.4	13.5
Real Estate	1,797.09	(0.9)	(2.3)	3.3	18.9
Insurance	2,628.71	(0.4)	(1.4)	(3.6)	16.7
Telecoms	1,115.94	(1.2)	(2.7)	5.5	34.2
Consumer	8,550.85	(0.9)	(1.6)	4.1	23.9
Al Rayan Islamic Index	5,326.80	(2.4)	(3.7)	12.9	13.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates Telecom. Group Co.	Abu Dhabi	31.50	6.3	2,193.6	(0.6)
First Abu Dhabi Bank	Abu Dhabi	19.50	3.7	12,705.7	4.7
Emirates NBD	Dubai	13.65	3.4	6,009.4	0.7
Abu Dhabi Islamic Bank	Abu Dhabi	7.62	3.3	1,361.0	10.9
Emaar Properties	Dubai	5.66	2.9	19,663.7	15.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Riyad Bank	Saudi Arabia	35.20	(8.6)	3,708.2	29.9
Saudi British Bank	Saudi Arabia	38.40	(7.5)	2,069.6	16.4
Al Rajhi Bank	Saudi Arabia	100.20	(6.5)	14,150.7	13.1
Mabanee Co.	Kuwait	0.75	(5.5)	1,654.3	0.1
Rabigh Refining & Petro.	Saudi Arabia	28.35	(5.3)	3,725.8	37.0

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%
Qatari German Co for Med. Devices	2.09	3.0	6,708.5	(34.3)
Ahli Bank	3.99	1.0	14.2	9.4
Doha Insurance Group	1.90	0.1	31.3	(0.9)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar International Islamic Bank	10.75	(5.0)	1,672.0	16.7
Qatar Aluminum Manufacturing Co.	2.04	(4.8)	28,472.3	13.0
Industries Qatar	17.09	(4.4)	7,884.9	10.3
The Commercial Bank	7.20	(3.4)	7,090.1	6.7
Mesaieed Petrochemical Holding	2.50	(3.3)	6,096.4	19.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminum Manufacturing Co.	2.04	(4.8)	28,472.3	13.0
Salam International Inv. Ltd.	0.95	(1.5)	15,262.2	15.4
Gulf International Services	1.96	(2.3)	14,220.0	13.9
Masraf Al Rayan	5.29	(2.8)	13,812.4	14.0
Baladna	1.66	(2.9)	10,114.7	14.9

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	23.00	(1.3)	146,819.2	13.9
Industries Qatar	17.09	(4.4)	135,508.1	10.3
Qatar Islamic Bank	24.50	(1.6)	78,305.8	33.7
Masraf Al Rayan	5.29	(2.8)	74,187.6	14.0
Qatar Aluminum Manufacturing Co.	2.04	(4.8)	58,926.3	13.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	13,143.53	(2.4)	(3.3)	(3.3)	13.1	226.36	203,483.1	16.3	1.9	3.3
Dubai	3,418.57	2.8	2.8	(8.1)	7.0	125.93	116,362.6	13.8	1.2	3.0
Abu Dhabi	9,429.70	3.1	2.9	(5.8)	11.8	473.44	488,173.6	19.8	2.7	2.1
Saudi Arabia	12,835.30	(4.1)	(6.5)	(6.5)	13.8	2,727.24	3,247,341.9	23.4	2.7	2.2
Kuwait	7,868.83	(3.4)	(7.0)	(5.9)	11.7	441.05	149,583.2	19.3	1.8	2.6
Oman	4,145.74	(0.3)	(0.3)	(0.3)	0.4	7.19	19,428.6	11.9	0.8	4.9
Bahrain	1,959.67	(2.6)	(4.6)	(4.7)	9.0	10.27	31,461.7	7.5	0.9	5.7

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

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Qatar Market Commentary

- The QE Index declined 2.4% to close at 13,143.5. The Industrials and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and Arab shareholders despite buying support from Qatari and Foreign shareholders.
- Qatar International Islamic Bank and Qatar Aluminum Manufacturing Co. were the top losers, falling 5.0% and 4.8%, respectively. Among the top gainers, Qatari German Co. for Med. Devices gained 3.0%, while Ahli Bank was up 1.0%.
- Volume of shares traded on Thursday rose by 5.3% to 180.3mn from 171.3mn on Wednesday. However, as compared to the 30-day moving average of 236.6mn, volume for the day was 23.8% lower. Qatar Aluminum Manufacturing Co. and Salam International Inv. Ltd. were the most active stocks, contributing 15.8% and 8.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	31.07%	22.42%	713,38,909.4
Qatari Institutions	19.83%	28.40%	(70,767,323.1)
Qatari	**50.90%**	**50.83%**	**571,586.3**
GCC Individuals	0.73%	0.69%	335,896.6
GCC Institutions	1.12%	4.86%	(30,909,975.9)
GCC	**1.84%**	**5.55%**	**(30,574,079.3)**
Arab Individuals	8.20%	8.94%	(6,099,370.1)
Arab Institutions	0.01%	0.02%	(88,834.5)
Arab	**8.20%**	**8.95%**	**(6,188,204.6)**
Foreigners Individuals	2.85%	1.61%	10,217,064.1
Foreigners Institutions	36.22%	33.07%	25,973,633.5
Foreigners	**39.06%**	**34.68%**	**36,190,697.6**

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

Earnings Releases and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2022	% Change YoY	Operating Profit (mn) 1Q2022	% Change YoY	Net Profit (mn) 1Q2022	% Change YoY
Oman & Emirates Inv(Emir)50%	Abu Dhabi	AED	1.4	204.8%	N/A	N/A	1.1	1815.6%
Al Wathba National Insurance	Abu Dhabi	AED	39.7	0.6%	N/A	N/A	36.7	0.9%
Response Plus Holdings	Abu Dhabi	AED	87.6	21388.7%	N/A	N/A	14.3	1303.8%
Foodco Holding	Abu Dhabi	AED	24.0	-40.4%	13.5	-87.2%	10.9	-89.2%
Abu Dhabi Ship Building Co.	Abu Dhabi	AED	178.8	214.2%	N/A	N/A	1.9	-87.7%
Emirates Insurance Co.	Abu Dhabi	AED	2.5	-4.0%	N/A	N/A	1.0	518.8%
Al Buhaira National Insurance Company	Abu Dhabi	AED	67.8	21.7%	N/A	N/A	19.6	-5.0%
Eshraq Investments	Abu Dhabi	AED	11.5	117.1%	17.5	34.8%	14.4	39.9%
Sharjah Insurance Company	Abu Dhabi	AED	4.4	-46.3%	N/A	N/A	25.9	782.1%
ARAM Group Company	Abu Dhabi	AED	2.5	-4.0%	N/A	N/A	0.6	-54.7%
Emaar Properties	Dubai	AED	6,635.4	12.1%	N/A	N/A	2,239.1	240.9%
Emaar Development	Dubai	AED	3,568.1	-7.3%	N/A	N/A	1,050.4	34.5%
Dubai National Insurance & Reinsurance	Dubai	AED	90.3	6.8%	N/A	N/A	19.5	-21.4%
Al Firdous Holdings	Dubai	AED	N/A	N/A	N/A	N/A	(1.5)	N/A
Dubai Electricity and Water Authority	Dubai	AED	5,067.8	15.1%	877.9	83.8%	1,816.9	232.0%
Orient Insurance	Dubai	AED	1,757.0	11.7%	N/A	N/A	195.6	3.4%
Gulf General Investments Company	Dubai	AED	119.6	-20.6%	N/A	N/A	(20.1)	N/A
Dubai Refreshments Company	Dubai	AED	178.3	33.5%	29.9	85.0%	33.8	85.2%
Alliance Insurance	Dubai	AED	90.1	-3.9%	N/A	N/A	8.5	-18.6%
National Cement Company	Dubai	AED	39.0	-14.3%	(12.9)	N/A	59.0	33.3%
Islamic Arab Insurance Company	Dubai	AED	305.0	-28.7%	N/A	N/A	9.9	-55.3%
Emirates Refreshments Company	Dubai	AED	7.6	-99.8%	(1.1)	N/A	(3.3)	N/A
Union Properties	Dubai	AED	105.7	7.6%	4.5	-2.2%	(12.5)	N/A
Dubai Insurance Co.	Dubai	AED	420.8	21.6%	N/A	N/A	28.6	7.6%

*Source: Company data: DFM, ADX, MSM, TASI, BHB. (#Values in Thousands, *Financial for 1Q2022)*

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/13	US	Bureau of Labor Statistics	Import Price Index MoM	Apr	0.00%	0.60%	2.60%
05/12	UK	UK Office for National Statistics	Monthly GDP (MoM)	Mar	-0.10%	0.00%	-0.10%
05/12	UK	UK Office for National Statistics	GDP QoQ	1Q P	0.80%	1.00%	1.30%
05/12	UK	UK Office for National Statistics	GDP YoY	1Q P	8.70%	8.90%	6.60%
05/12	UK	UK Office for National Statistics	Private Consumption QoQ	1Q P	0.60%	0.90%	0.50%
05/12	UK	UK Office for National Statistics	Government Spending QoQ	1Q P	-1.70%	0.50%	1.50%
05/12	UK	UK Office for National Statistics	Gross Fixed Capital Formation QoQ	1Q P	5.40%	1.50%	1.10%
05/12	UK	UK Office for National Statistics	Exports QoQ	1Q P	-4.90%	0.00%	6.90%
05/12	UK	UK Office for National Statistics	Imports QoQ	1Q P	9.30%	7.20%	0.30%

05/12	UK	UK Office for National Statistics	Industrial Production MoM	Mar	-0.20%	0.00%	-0.60%
05/12	UK	UK Office for National Statistics	Industrial Production YoY	Mar	0.70%	0.60%	1.60%
05/12	UK	UK Office for National Statistics	Manufacturing Production MoM	Mar	-0.20%	0.00%	-0.40%
05/12	UK	UK Office for National Statistics	Manufacturing Production YoY	Mar	1.90%	2.30%	3.60%
05/13	France	INSEE National Statistics Office	CPI MoM	Apr F	0.40%	0.40%	0.40%
05/13	France	INSEE National Statistics Office	CPI YoY	Apr F	4.80%	4.80%	4.80%
05/12	Japan	Ministry of Finance Japan	BoP Current Account Balance	Mar	¥2549.3b	¥1737.5b	¥1648.3b
05/12	Japan	Ministry of Finance Japan	BoP Current Account Adjusted	Mar	¥1555.9b	¥628.2b	¥522.5b

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

Qatar

- **MSCI Semi-Annual Index Review Result – QIBK, MARK and QNBK weights increased due to implementation of 100% FOL.** MSCI announced on 12 May 2022, the results of the Semi-Annual Index Review. For the MSCI Qatar Indices the outcome of the review is as follows: Addition(s) of Qatari companies - None. Deletion(s) of Qatari companies – None. However, weights of QIBK (from 0.12% to 0.17%), MARK (from 0.11% to 0.13%) and QNBK (from 0.45% to 0.45%) have been increased due to the increases in their foreign inclusion factors and these three stocks should enjoy inflows of roughly $350mn. Nine other Qatari stocks will face minor outflows given minor weight decreases. The changes to the MSCI Qatar index will become effective on Close of May 31, 2022. (QSE)
- **QNB Group signs agreement with IGRD to sponsor Doha Winter Wonderland –** QNB Group signed a sponsorship agreement with Investment Holding Group (IGRD) whereby QNB Group will be one of the main sponsors of Doha Winter Wonderland. Doha Winter Wonderland and other attractions in Al Maha Island are set to become a hotspot for Qatar tourism - attracting over 1.5mn visitors per year. The sponsorship agreement was signed by Mrs. Heba Ali Al-Tamimi, Group Communication General Manager of QNB, and Mr. Henrik Christiansen, Group Chief Executive Officer of IGRD, in presence of Mr. Abdulla Nasser Salem Al-Khalifa, Group Chief Executive Officer of QNB Group, and Mr. Moataz Al Khayyat, Vice Chairman of IGRD, accompanied by a group of executives from the two companies Last week, IGRD announced its latest projects, Al Maha Island, the entertainment and leisure destination that will transform Qatar tourism. The world-class project is led by the association of IGRD, IMG, in collaboration with Qatar Tourism Authority and Qatari Diar. Al Maha's key attraction, Doha Winter Wonderland, will be managed by IMG, a global leader in events and media. IMG is the producer and operator of the London's famous Hyde Park Winter Wonderland. Doha Winter Wonder Land is a 93,000 m2 theme park that will have something for everyone. The park will host 50 amusement rides including 10 thrill rides with a 395-roller coaster, 25 family rides with a giant 150 ft Ferris Wheel, and 15 children's rides. Commenting on the sponsorship, Mr. Abdulla Nasser Salem Al-Khalifa, Group Chief Executive Officer of QNB Group said: "We are delighted to be a part of the major tourism projects in Qatar, in support of the national strategy for tourism within Qatar Vision 2030. Doha Winter Wonderland is one of the most important tourist destinations that is operated by reputable international companies in the field of class-A entertainment, which contributes significantly to attracting tourists and improving the tourism and entertainment experience in Qatar. He added: "through sponsoring Doha Winter Wonderland, we aim to enhance the presence of QNB Group brand among tourists from the region and the world." Mr. Henrik Christiansen, Group Chief Executive Officer of IGRD, said: "Doha Winter wonderland is a unique attraction for both domestic and external tourism, expected to attract tourists from around the world, while being especially popular with citizens and residents of the GCC countries in the region. With our unparalleled capabilities and experience we aim to effectively contribute to the development of domestic and external tourism in Qatar, consolidating its position on the global tourism scene in line with Qatar National Vision 2030, especially with the continuous major sporting events in Qatar such as the FIFA World Cup 2022 and the Asian Games 2030." (QSE)
- **FocusEconomics: Qatar's GDP expected to rise 4.3% in 2022 –** QATAR'S GDP growth should speed up this year due to improved private consumption, ongoing gas sector investment, warming relations with Gulf neighbors and the boost to tourism coming from the FIFA World Cup scheduled for late 2022, FocusEconomics has said in a recent report. FocusEconomics panelists see a 4.3% rise in GDP in 2022, which is unchanged from last month's forecast, and 2.7% growth in 2023. After mild overall GDP growth in the fourth quarter of 2021 driven by the non-energy sector, the report said, available indicators in Qatar suggest a further solid non-energy performance in the first quarter of 2022. The report said, "The private-sector PMI averaged well in expansionary territory in the quarter. March's reading was strong in particular, driven by accelerated expansions in output and new orders. Moreover, visitor arrivals soared in annual terms in January– February thanks to milder COVID-19 restrictions." The report, however, said that the energy sector seemed to perform less well as February saw a double-digit decline in oil and gas extraction output. "In geopolitics, the Ukraine war has boosted Qatar's position in global gas markets at the expense of Russia, boding well for the energy sector in the longer term. Moreover, in April, Qatar and Saudi Arabia formed a joint business council, with a view to boosting trade ties which were severely weakened by the Saudi-led embargo," it said. "Inflation rose to 4.4% in March from 4% in February. Price pressures are expected to be notably higher this year compared to last, on elevated global commodity prices and stronger domestic consumption. The possible implementation of a VAT is an upside risk, although the tax is increasingly likely to be delayed amid already-elevated inflation and booming oil revenues," the report said. A reinstatement of restrictions due to new COVID-19 variants remains a key risk, as are higher consumer prices stemming from the war in Ukraine. FocusEconomics panelists see inflation averaging 4% in 2022, which is up 0.3%age points from last month's forecast, and 2.5% in 2023. (Qatar Tribune)
- **Petronet In Talks with Qatar for LNG Deal Renewal amid turbulent markets –** India's Petronet LNG has begun talks with Qatar to renew a multiyear gas deal despite market "turbulence", making new long-term contracts difficult as sanctions on Russian fuel have squeezed an already tightly supplied market. India's top gas importer has till end-2023 to renew its long-term liquefied natural gas (LNG) deal with Qatar Gas to beyond 2028, its head of finance Vinod Kumar Mishra told an analyst call after the Petronet announced quarterly earnings. He said it was not a "perfect environment" to initiate new long-term deals as market was tight and European companies were aggressively scouting for contracts to cut dependence on Russia after Moscow's invasion of Ukraine. Qatar is already in talks with Germany for long-term gas supplies, helping Europe's biggest economy cut dependence on Russian energy sources. Petronet, however, hopes Qatar would lower gas prices for India, mirroring contracts signed with Bangladesh, Pakistan and China, where prices are linked to a slope of 10.2% of the Brent crude. In contrast, India's existing LNG deal with Qatar is based on a slope of about 12.67% of the Brent price. "We have already started negotiations but the environment is not like that people may agree to it because of lot of turbulence in the market," he said, adding his company would buy more volumes if Qatar offered favorable pricing terms. Due to high spot LNG prices LNG-AS some Indian customers have switched to alternative fuels, he said. India's gas demand is set to surge as Prime Minister Narendra Modi aims to raise the share of natural gas in the country's energy mix to 15% from 6.7%. (Bloomberg)
- **Disclosure about GWC Q.P.S.C -** GWC would like to disclose the incorporation of Flag Logistics Services W.L.L at KSA, owned by GWC 100%, and Flag LLC under QFC Doha, which is indirectly owned by GWC.

- **Change of the representative of Al-Ruba Al-Khali Trading & Services in the membership of Medicare Group's BOD -** Medicare Group announced that Al-Ruba Al-Khali Trading & Services appointed HE Sheikh Abdullah Bin Thani Bin Abdullah Al-Thani instead of HE Sheikh Khalifa Bin Thani Bin Abdullah Al-Thani in the membership of the Board of Directors of Medicare Group. The Board of Directors convened and approved this appointment and elected HE Sheikh Abdullah Bin Thani Bin Abdullah Al-Thani – the representative of Al-Ruba Al-Khali Trading & Services, as Chairman of the Board of Directors for the remaining period of the current term. (QSE)

- **Weekly realty deals reach over QR500mn –** Helped by a mega deal of over QR100mn in Al Rayyan Municipality, the total real estate deals in the country during the week (April 24 to 28) reached over QR569mn, according to the data released by the Ministry of Justice. The deal value is substantially higher than the previous week as real estate transactions worth QR207.8mn were registered during the period April 17 to 21. Al Rayyan Municipality came at the top in terms of value of deals, as deals worth QR221 were signed during the week in this municipality. The largest deal of the week was also witnessed in this municipality. A deal worth QR105mn for 'multiple commercial lands' in Muaither zone in Al Rayyan Municipality was signed during the week. This municipality was host to another big deal of QR30mn for a vacant land measuring 10,000 square meters in Rawdat Egdaim. Another major deal of the week was signed in Al Ebb zone in Al Daayen Municipality amounting QR30mn for apartment complex. In terms of number of deals, Doha Municipality ranked on the top as total 46 transactions were signed here. (Peninsula Qatar)

- **QCB: Insurers' net premium grow, net claims fall in Q1, 2022 –** Qatar's insurance companies witnessed a robust growth in net premium, while their net claims declined stupendously in the first quarter (Q1) of 2022, indicating healthy trends in the country's risk cover sector. The net premium of Islamic insurance and foreign branches was seen growing faster than total net premium income of the overall insurance industry as well as the conventional peers in the review quarter, according to the Qatar Central Bank (QCB) data. Total net premium grew 12.87% year-on-year to QR1.27bn in Q1, 2022. The premium from the domestic market was seen expanding 11.67% to QR1.09bn during the review period. The net (domestic) premium from the conventional insurance companies was up 9.08% to QR819.7mn at the end of March 31, 2022. The net (domestic) premium from takaful operators grew faster at 20.28% year-on-year to QR272.8mn in January-March 2022. The net insurance premium of the foreign branches amounted to QR178.5mn, which shot up 20.79% on an annualized basis in the first three months of this year. The country's massive infrastructure portfolio has been a pillar of strength for the insurance companies as their insurable assets expanded exponentially, reflecting in higher gross written premiums, an analyst said, adding the proposed mandatory health insurance would augur well for the sector in the future. The insurance companies reported a 30.5% plunge year-on-year to total net claims to QR379.2mn at the end of March 31, 2022. The total net (domestic) claims was seen declining 21.05% to QR350.5mn in Q1, 2022. Net claims in the conventional segment registered 23.94% year-on-year contraction to QR273.5mn in January-March 2022. Net claims in the takaful segment were down 8.77% year-on-year to QR77mn in Q1, 2022. (Gulf Times)

- **FocusEconomics: Qatar's merchandise trade balance may scale up to $83.7bn in 2026 –** Qatar's merchandise trade balance, which denotes the difference between exports of goods and imports of goods, may scale up to $83.7bn in 2026, FocusEconomics has said in a report. Merchandise trade balance this year will be $81.2bn and $79.6bn (in 2023), $77.6bn (2024) and $78.9bn (2025). The current account balance, the researcher said will scale down to $27.9bn in 2026 from $41.3bn in 2022. The country's GDP, FocusEconomics noted, will reach $232bn in 2026 from $206bn this year. Next year, it is estimated to stay at $206bn, followed by $211bn (2024) and $222bn (2025).Qatar's public debt (as a%age of the GDP) has been estimated to fall to 41.7 in 2026 from 46.4 in 2022. Next year, it is estimated at 42.4, and 43.6 (in 2024) and 42.6 (2025). Fiscal balance (as a percentage of the GDP), FocusEconomics noted, will be 8.4 this year, followed by 5.7 (2023), 3.0 (2024), 3.6 (2025) and 4.2 (2026). GDP per capita will scale up to $91,484 in 2026 from $77,154 this year. Next year, it will be $78,590, and $81,384 (2024) and $86,400 (2025). After a mild overall GDP growth in Q4, 2021 driven by the non-energy sector, available indicators suggest a further solid non-energy performance in Q1, 2022, FocusEconomics said. (Gulf Times)

- **Source Global Research: Qatar's consulting market grew 16.6% to $321mn in 2021 –** Qatar's consulting market grew 16.6% in 2021 to $321mn; joint second only to Saudi Arabia in the GCC region, a new report by Source Global Research has shown. Like other countries in the region, Qatar experienced a boost to its economy and public sector budget due to higher oil prices and a successful post-Covid reopening, which generated a surge in consulting demand across a number of sectors. Consultants in Qatar also saw opportunities created by the end of the diplomatic and economic blockade on Qatar by some of its GCC neighbors, Source Global Research noted. Preparations for the FIFA World Cup Qatar 2022 also drove continued infrastructure and services investments. These trends translated into high growth in strategy consulting in particular, which grew 24.1%, while operations and human resources, change and people strategy consulting grew 15.7% and 16.5%, respectively. From a sector perspective, the rollout across Qatar of the 5G network continued at pace, driving strong consulting demand in the technology, media, and telecom (TMT sector — up 21.8%), Source Global Research said. The markets for manufacturing and retail consulting in Qatar also grew strongly as both sectors enjoyed substantial recovery upon emerging from the pandemic, the report noted. (Gulf Times)

- **Qatar participates in GCC Standardization Organization meeting –** Qatar participated in the 52nd meeting of the Technical Council of the GCC Standardization Organization, which was held in Riyadh, Saudi Arabia. Qatar was represented in the meeting by Chairperson of Qatar General Organization for Standardization and Metrology (QGOSM) Mohammed bin Saud Al Musallam. The meeting discussed the Memorandum of the Presidency of the Standardization Organization regarding the follow-up to the decisions of the 51 technical council meetings, the Memoranda of the Presidency of the Commission regarding the adoption of standard specifications and Gulf technical regulations and their amendments, and the plans of the Gulf technical committees for the year 2022 (work programs of the technical committees), and the unified report of the workflow of the Gulf technical committees. The meeting also touched on the memorandum of the Presidency of the GCC Standardization Organization regarding technical work evidence, the report of the Chairman of the Gulf Metrology Association for the period from (October 2021 to March 2022), and the memorandum of the Presidency of the Standardization Organization regarding the outcomes of the 33rd meeting of the Gulf Committee for Conformity Assessment Scheme. (Qatar Tribune)

- **The Peninsula Praises Strength of Banking Sector in Qatar –** The Peninsula said in its daily editorial that Qatar's banking sector has continued to demonstrate resilience. Banks in Qatar have delivered strong performance during the first quarter of this year as their net profit has gone up. Qatar's banking sector total assets have increased by 0.8% Month-on-Month in March 2022 to reach QR1.832tn, according to a report by QNB Financial Services. The banking sector's Total Loan Book increased by 0.4% and deposits went up by 0.3% in the month of March 2022. The Peninsula added that according to the report, the Private and Public sector pushed the credit higher (up 0.4% and 0.6% respectively MoM in March). As deposits went up by 0.3% in March, the LDR went slightly up to 125.6% vs. 125.5% in February 2022. Public sector deposits went up by 4.2% for the month of March 2022 resulting in the overall gain in deposits. Looking at segment details, the government segment increased by 12%, while the semi-government institutions segment moved up by 4.9%. The newspaper said that this impressive performance illustrates that Qatari banks implemented prudent measures to cut their costs and increase their efficiency. The banks have played a crucial role in the economic growth of Qatar by supporting the private sector. At the time when private companies and entrepreneurs were struggling last year due to the outbreak of coronavirus pandemic, the banks helped them by giving loans. The financial provided by the banks to the private sector proved immensely important in the strong recovery of businesses. (Bloomberg)

- **Huawei highlights its commitment to the region's telecom and other sectors –** Steven Yi, President of Huawei Middle East, highlighted Huawei's commitment to support governments across the region achieve their digital transformation visions with 5G networks and other advanced technologies as an enabler. This took place during an exclusive media roundtable from Qatar and 9 other Middle East countries held on the sidelines of the SAMENA Leaders' Summit 2022, the top telecom industry event hosted by Huawei for the 9th consecutive year and attended by industry leaders, experts and decision makers from telecom companies, regulatory bodies, industry organizations and related stakeholders from SAMENA Region (South Asia, Middle East North Africa). Steven Yi highlighted that Huawei is supporting the Fifa World Cup 2022 in Qatar with 5G, AR, VR, and 8K technologies to provide a great and an unprecedented experience for audiences. Yi also stressed the importance of the telecom sector as an enabler for other industries' sustainable development and growth in light of the evolving 5G landscape and the immense opportunities for enterprises in the 5G era. Yi also noted that Huawei, together with carriers and partners, has signed 3,000 5G commercial contracts, and that 5G saw large-scale commercial deployment in many industries, including manufacturing, mining, steel, port, chemical, cement, power grid, and healthcare. "Middle East countries are leading globally in 5G deployment. As an end-to-end leader in 5G, cloud, AI, devices and chips, Huawei will continue its commitment to help countries in the Middle East achieve their visions with digitization and sustainable development as key drivers. Yi highlighted. (Peninsula Qatar)
- **QIBK wins four prestigious awards from Digital Banker Magazine –** Qatar Islamic Bank (QIBK) announced its recognition with four prestigious awards at The Digital Banker's - Middle East and Africa Innovation Awards 2022, and Digital Customer Experience Awards 2022 - for its outstanding leadership in digital innovation. QIBK was awarded "Best Bank for Cash Management" and "Outstanding Account Opening and Onboarding Initiative in Qatar" at The Digital Banker Middle East and Africa Innovation Awards for its efforts in supporting customers' cash management requirements, as well as its leading digital cash management solutions for SMEs and large corporations, in addition to its best-in-class Mobile App and digital onboarding initiatives for new individual and corporate customers. (Peninsula Qatar)
- **Minister, Belgian Deputy PM review ties in labor field –** Minister of Labor HE Dr. Ali bin Smaikh Al Marri met Belgian Deputy Prime Minister and Minister of Economy and Employment HE Pierre-Yves Dermagne in Brussels. Aspects of cooperation in issues related to labor and ways to support and develop them were reviewed. Dr. Al Marri also met separately with HE Margaritis Schinas, Vice-President of the European Commission. They reviewed issues of common interest in the labor sector. (Peninsula Qatar)
- **High performing QA Cargo gets recognition from Brussels Airport –** Qatar Airways Cargo, the world's leading international air cargo carrier, has won 'Cargo Airline Performance Award 2021' at the 15th Brussels Airport Aviation Awards. The airline has won this award for the third consecutive year. "With these awards Brussels Airport wants to honor those airlines and partners who in 2021 have excelled in the areas of punctuality and performance, network development, and safety and environment," said Brussels Airport on its website. The Performance and Punctuality Awards are presented to passenger and cargo airlines that excel in punctuality and performance. Punctuality is the best on-time performance that is with an arrival or departure within 15 minutes of the scheduled time. The performance for cargo is calculated using the number of weekly flights, number of destinations, total quantity of cargo flown, cargo per flight and the growth in cargo tonnage. (Peninsula Qatar)
- **Exhibitors see impressive rise in sales at DJWE –** As the Doha Jewelry & Watches Exhibition (DJWE) drew to a close at Doha Exhibition and Convention Center (DECC), exhibitors revealed that their sales, particularly the wedding jewelry collection, have increased. Kiswah Heritage Art & jewelry Managing Director, Yasir Kantarci told The Peninsula that there is an increased demand from people for jewelry compared to the previous years. "We have been participating for the past three years and each year, we saw an increase of sales. Aside from the diamond, the wedding jewelry is boosting sales drastically. And we can also notice the trend for customized jewelry pieces especially here in Doha. "Nouf Al Meer, owner, founder and designer of Nouf jewelry, said that people are investing more in jewelry, especially as the wedding season has started. Sameera Almulla, founder of Hessa Jewels, said that although the country is still recovering from the pandemic, the number of jewelry buyers are growing. (Peninsula Qatar)
- **PSA: Qatar's four-star hotels record fastest expansion in room yield in March –** Qatar's four-star hotels witnessed the fastest growth in average revenue per room on an annualized basis in March this year, according to figures released by the Planning and Statistics Authority (PSA). The country's hospitality sector witnessed an overall improvement in the room yield this March despite decline in occupancy. This comes amidst 759.1% year-on-year surge in visitor arrivals to Qatar in the review period. The properties that have been utilized as quarantine/Covid-19 response facilities have been removed from the full market data set from March 2020, the PSA said. The average revenue per available room in the four-star category saw more than doubling year-on-year to QR224 in March 2022. The average room rate in four-star hotels surged 37.85% to QR295 and the occupancy improved to 76% in March 2022 against 51% the previous-year period. The country's overall hospitality sector saw only a 2.03% year-on-year increase to QR352 in March 2022. The average room rate went up 17.5% to QR556 even as the occupancy declined to 63% compared to 73% in March 2021.In the case of five-star hotels, the average revenue per available room gained 5.39% on annualized basis to QR430 in March this year. The average room rate in five-star hotels jumped 4.5% year-on-year to QR674 and the occupancy marginally improved to 64% against 63% in March 2021. (Gulf Times)
- **Tehran, Doha discuss expansion of trade ties –** During a meeting between Alireza Peyman-Pak, the head of Iran's Trade Promotion Organization (TPO), and Ahmed Ahen, the director of Department of International Cooperation of Qatar's Ministry of Commerce and Industry, the two sides explored the ways for the expansion of trade relations between the two countries. Qatar's Ministry of Commerce and Industry, the two sides explored the ways for the expansion of trade relations between the two countries. In the mentioned meeting held at the place of TPO in Tehran on Thursday, the two sides also discussed the pivots of trade and industrial cooperation between Iran and Qatar, which are to be explored in the eight meeting of the two countries' Joint Economic committee, which is due to be held in Doha next month. Iran and Qatar have signed six memorandums of understanding to cooperate in various areas of transportation including air and maritime as well as in the preparations for the World Cup 2022. The MOUs were endorsed by Iranian Minister of Transport and Urban Development Rostam Qasemi and Qatar's Minister of Transport and Communications Jassim bin Saif Al Sulaiti in Iran's southern Kish Island on April 11. The documents included an agreement previously approved by Iran's President Ebrahim Raisi during his visit to Qatar, as well as, three cooperation MOUs on air transportation, an MOU on maritime transportation, and a document on cooperation regarding Qatar World Cup 2022. As reported, the maritime agreement was signed by the heads of the two countries' maritime organizations. Heading a high-ranking delegation, Jassim bin Saif Al Sulaiti arrived on Kish Island on April 10 to hold talks with his Iranian counterpart. During the talks, the two sides discussed cooperation in a variety of areas including collaboration in free trade zones and also finalized some previously reached agreements on economic cooperation. (Bloomberg)
- **Four Seasons announces luxury development in Doha, private residences and serviced apartments –** Four Seasons Hotels and Resorts continues to expand its diverse offering of hotels, resorts and residences in the Middle East with the announcement of a new project currently under construction in The Pearl-Qatar landmark development in Doha. The new property is in partnership with Q Bayraq Real Estate Investments, a specialized real estate investment development company focused on high-end projects in Qatar. "As Four Seasons continues to grow and diversify its development pipeline in the Middle East, we are proud to be part of The Pearl-Qatar development, an innovative project that will perfectly complement our existing hotel in the city," says Bart Carnahan, President, Global Business Development and Portfolio Management, Four Seasons Hotels and Resorts. "Four Seasons at The Pearl-Qatar offers a

unique opportunity to be part of a community of residents and guests enjoying incredible on-site amenities and the unparalleled luxury service for which our company is renowned worldwide." (Bloomberg)

International

- **US consumer sentiment approaches 11-year low, monthly import prices unchanged –** US consumer sentiment slumped to its lowest level in nearly 11 years in early May as worries about inflation persisted, but household spending remains underpinned by a strong labor market and massive savings, which should keep the economy expanding. The University of Michigan's survey on Friday showed the deterioration in sentiment, which some economists said pushed it into recessionary territory, was across all demographics, as well as geographical and political affiliation. Gasoline prices and the stock market have a heavy weighting in the survey. Gasoline prices resumed their upward trend this month, setting an average record high of $4.432 per gallon on Friday, according to AAA. Fears that the Federal Reserve will have to aggressively tighten monetary policy to bring down inflation have unleashed a massive equities sell-off on Wall Street. "But confidence has been a poor guide to consumption growth in recent years, so we would not read too much into that signal," said Michael Pearce, a senior US economist at Capital Economics in New York. "Just because consumers resent paying higher prices and are suffering limited availability doesn't mean they aren't still making those purchases." The University of Michigan's preliminary consumer sentiment index tumbled 9.4% to 59.1 early this month, the lowest reading since August 2011. Economists polled by Reuters had forecast the index dipping to 64. The sharp decline is in stark contrast with the Conference Board's consumer confidence survey, whose index remains well above the COVID-19 pandemic lows. The Conference Board survey places more emphasis on the labor market, which is generating jobs at a brisk clip. Wages are also rising as employers scramble to fill a record 11.5mn job openings as of the end of March. The University of Michigan survey's gauge of current economic conditions dropped 8.4% to 63.6. That was the lowest reading since 2013, and 36% of consumers attributed their negative assessment to inflation. Its measure of consumer expectations declined 9.9% to 56.3. Consumers viewed buying conditions for long-lasting manufactured goods as the worst since the survey started tracking the series in 1978. Economists were unfazed, noting that consumers were sitting on at least $2tn in excess savings accumulated during the pandemic. "But consumer spending keeps rising, and with savings high, household debt low and the jobs market strong, that spending should continue until the economy falters," said Robert Frick, corporate economist with Navy Federal Credit Union in Vienna, Virginia. Even as consumers stressed about high prices, long-term inflation expectations appeared to be well anchored. The survey's one-year inflation expectations were at 5.4% for the third straight month. Its five-year inflation expectations were unchanged at 3.0% for the fourth consecutive month. A separate report from the Labor Department showed import prices were unexpectedly flat in April as a decline in the cost of petroleum offset gains in food and other products. Import prices had surged 2.9% in March. Economists had forecast import prices, which exclude tariffs, would climb 0.6%. In the 12 months through April, import prices rose 12.0% after accelerating 13.0% in the year through March. Government data this week showed monthly consumer prices increased at the slowest pace in eight months, while the gain in producer prices was the smallest since last September. With oil prices drifting higher in May, monthly import, consumer and producer prices are likely to pick up. Annual inflation rates are expected to continue edging lower, though likely to stay above the Fed's 2% target. The deceleration is mostly the result of last year's big increases dropping out of the calculation. The US central bank last week raised its policy interest rate by half a percentage point, the biggest hike in 22 years, and said it would begin trimming its bond holdings next month. Imported fuel prices dropped 2.4% last month after soaring 17.3% in March. Petroleum prices declined 2.9%, while the cost of imported food increased 0.9%. Prices of imported capital goods rose 0.4%. The cost of imported consumer goods excluding motor vehicles was unchanged. Prices of imported motor vehicles and parts climbed 0.3%. Excluding fuel and food, import prices rose 0.4%. These so-called core import prices advanced 1.3% in March. They increased 6.9% on a year-on-year basis in April. Some of the slowdown in the monthly core import price gains reflect the dollar's strength against the currencies of the United States' main trade partners. The greenback has gained about 2.65% on a trade-weighted basis since the Fed started raising interest rates. (Reuters)

- **US labor market still tightening; producer price gains moderate –** The number of Americans filing new claims for unemployment benefits unexpectedly rose last week, touching the highest level in three months, but there is no material shift in labor market conditions amid strong demand for workers. The report from the Labor Department on Thursday also showed that the number of people on state unemployment rolls was the smallest in more than 52 years at the end of April. Companies, scrambling to fill record job openings, are boosting wages, contributing to keeping inflation elevated. "There is no change in the underlying message of a very tight labor market and employers unwilling to lay off existing workers in the face of extreme labor scarcity," said Conrad DeQuadros, senior economic advisor at Brean Capital in New York. Initial claims for state unemployment benefits increased 1,000 to a seasonally adjusted 203,000 for the week ended May 7, the highest level since mid-February. Data for the prior week was revised to show 2,000 more applications received than previously estimated. Economists polled by Reuters had forecast 195,000 applications for the latest week. Claims have been largely treading water since hitting more than a 53-year low of 166,000 in March. Economists blamed the second straight weekly increase on residual volatility in the data around moving holidays like Easter, Passover and school spring breaks. Big rises in filings in California, Virginia and Illinois offset a decline of 9,811 in New York. There were a record 11.5mn job openings on the last day of March, and nonfarm payrolls rose by 428,000 in April, the 12th straight month of employment gains in excess of 400,000. Claims have dropped from an all-time high of 6.137mn in early April 2020. The number of people receiving benefits after an initial week of aid dropped 44,000 to 1.343mn during the week ending April 30. That was the lowest level for the so-called continuing claims since January 1970. The Federal Reserve last week raised its policy interest rate by half a percentage point, the biggest hike in 22 years, and said it would begin trimming its bond holdings next month. The US central bank, which started raising rates in March, hopes to bring the demand and supply of labor back in alignment, and cool wages and inflation, while avoiding high unemployment as well as an abrupt economic slowdown or recession. While inflation remains above the Fed's 2% target, there are encouraging signs it has probably peaked, at least when measured on an annual basis. Last year's high inflation readings are dropping out of the calculation of annual inflation rates. In another report on Thursday, the Labor Department said the producer price index for final demand rose 0.5% in April as gains in energy products slowed. That marked a sharp deceleration from March, when the PPI surged 1.6%. April's increase was in line with economists' expectations. Energy prices rose 1.7% after shooting up 6.4% in March. Food prices climbed 1.5%. As a result, goods prices advanced 1.3% after jumping 2.4% in March. The cost of services was unchanged after vaulting 1.2% in March. But energy prices have since accelerated while demand is reverting back to services from goods, which suggests the monthly PPI will pick up in May. In the 12 months through April, the PPI increased 11.0% after accelerating 11.5% in March. "While inflation is still looking strong, there are some signs that we may have moved past peak rates," said Daniel Silver, an economist at JPMorgan in New York. The slowdown in monthly producer price gains follows a similar trend in consumer prices last month. Data on Wednesday showed that consumer prices logged their smallest rise in eight months in April. The annual increase in consumer prices also slowed for the first time since last August. (Reuters)

- **US Treasury's Yellen says Fed can bring down inflation without causing recession –** US Treasury Secretary Janet Yellen said that she believes the Federal Reserve can bring down inflation without causing a recession because of a strong US job market and household balance sheets, low debt costs and a strong banking sectorYellen told a US House of Representatives Financial Services Committee hearing on Thursday that "all of those things suggest that the Fed has a path to bring down inflation without causing a recession, and I know it will be their objective to try to accomplish that." Yellen said during the hearing on the Financial Stability Oversight Council's work that inflation was the "No.1 economic issue" facing the nation and the Biden administration. "It's having a substantial adverse impact on many vulnerable households And we are laser-focused on addressing inflation," Yellen said, repeating the Biden administration's initiatives to hold down gasoline prices through large releases of crude oil from the Strategic Petroleum Reserve and efforts to unblock congested US ports. She deflected several attempts from Republican lawmakers to try to coax her to blame high inflation on the Biden administration's $1.9tn COVID-19 relief spending package last year. Yellen said that various factors were fueling inflation, including spikes in energy prices due to Russia's invasion of Ukraine and continued pandemic-driven supply chain problems, and other countries were also experiencing high inflation. "It does show that there are factors beyond spending in the United States that are critical to inflation," she said. Data on Thursday showed that the US labor market remained tight, as producer price inflation has started to decelerate, rising 0.5% in April compared to a 1.6% surge in March, the Labor Department said. (Reuters)

- **UK minister says: Tighter monetary policy right response to inflation –** Britain's minister for Brexit opportunities, Jacob Rees-Mogg, said on Friday that a tighter monetary policy and constrained fiscal policy would be the right response to control inflation and help ease a cost-of-living crisis. "The right responses are tighter monetary policy, which is the responsibility of the Bank of England, and constrained fiscal policy," the pro-Brexit lawmaker told Times Radio. "An emergency budget is not likely to be an answer to this. What is going to be an answer are essentially long-term measures combined with the immediate help that's been given to people who are particularly affected." (Reuters)
- **UK PM Johnson says economic data is encouraging –** British Prime Minister Boris Johnson said economic data published on Thursday was encouraging and he told his ministers they needed to focus on a jobs-led recovery. "The most extraordinary thing about the way the country came back from the pandemic was the strength of the employment position...that is the single most important thing we need to focus on: a strong jobs-led recovery," Johnson said at the start of a cabinet meeting. "I am encouraged by some of the growth figures I just saw this morning ... jobs, jobs, jobs is the answer." The data showed gross domestic product fell 0.1% in March from February. That left growth in the first three months at 0.8%, weaker than the Bank of England's 0.9% forecast and the 1.0% median forecast by economists polled by Reuters. (Reuters)
- **UK seeks labour market solutions to ease cost-of-living crisis –** Britain launched a review into its labour market to find ways to ensure workers benefit from Brexit, "Levelling Up" policies and its net zero ambitions, seeking longer-term solutions to a cost-of-living crisis. "Tackling the economic challenges of today means helping more people into high-wage, high-skilled jobs and this review will look at how we can equip people with the skills they need to thrive in the workplace no matter where they're from," Prime Minister Boris Johnson said. The government said the review would be led by minister Matt Warman and look into how the government can create a highly-skilled workforce that would lead to better wages and help deal with the cost-of-living issue. Johnson is under pressure to act quickly and bring about policies to ease the pressure on households, with a survey reporting Millions of Britons had to skip meals last month because they could not afford it. Pay rises have lagged the spike in prices of food and other essentials. Inflation is set to peak at over 10% this year due in part to the war in Ukraine as well as supply chain problems caused by the COVID-19 pandemic and Brexit. Data earlier on Thursday showing an unexpected contraction in Britain's economy in March did little to lift fears of a recession. (Reuters)
- **UK economy shrinks in March as recession risks mount –** Britain's economy unexpectedly shrank in March, marking a weak end to the first quarter of a year when the risk of recession is looming and increasing pressure on the government to offer more support to inflation-hit households. Gross domestic product fell 0.1% from February, hurt by a slump in car sales due to supply-chain problems, the Office for National Statistics said. That left growth in the first three months at 0.8%, weaker than the Bank of England's 0.9% forecast and the 1.0% median forecast by economists polled by Reuters. The January-March period is likely to mark a high point for the year, with households facing their biggest squeeze on disposable income in decades as the policy dilemma facing a BoE intent on keeping a lid on inflation - while not choking off prospects for growth altogether - deepens. Last week, the central bank forecast inflation will surpass 10% in the final quarter of 2022, up from 7% in March, already more than three times its 2% target. "The economy had less momentum than we thought even before the full hit from the cost-of-living crisis has been felt," Paul Dales, chief UK economist at Capital Economics, said. "The risk of recession has just risen." (Reuters)
- **Ramsden says: BoE is not yet done with rate hikes –**The Bank of England will have to push borrowing costs higher to control fast-rising inflation and there are risks that inflation pressures from rising wages will prove stronger than the BoE thinks, Deputy Governor Dave Ramsden told Bloomberg News. "I don't think we've gone far enough yet on Bank Rate, but I do think that what we've already done is having an impact," he said in an interview published on Thursday. Last week the BoE raised Bank Rate to 1.0%, its highest since 2009, and said further increases "may still be appropriate in the coming months" as it forecast that inflation was likely to go above 10% later this year, possibly causing a recession. "Given what we know about the UK labour market, I wouldn't be surprised if it turned out to be a bit tighter," Ramsden said. "I think there are upside risks on inflation (in) the medium term." He also said he assumed the BoE would handle the process of selling government bonds as it reverses its quantitative easing programme, not the Debt Management Office. (Reuters)
- **Party official: China to roll out new policies when needed to support economy –** China will not hesitate to introduce new policies to prop up growth, a senior Communist Party official said on Thursday, as the economy feels the pinch of protracted COVID-19 lockdowns. China aims to implement existing policies in the first half of the year and is ready to take new steps when the need arises, Han Wenxiu, deputy head of the party's office for financial and economic affairs, told a news conference in Beijing. "We will waste no time in planning and rolling out incremental policies. There is sufficient room for fiscal, monetary policy and other policies, and we have various policy tools," Han said. "We will step up policy adjustments, we will take actions when necessary," Han said without giving details. China must control COVID in a "scientific, precise and effective" way, to create a vital pre-condition for normal economic operations, Han said. The government has moved to cushion a deepening economic slowdown as authorities race to stop the spread of COVID cases with full or partial lockdowns in dozens of cities, including the commercial hub of Shanghai. The COVID-19 resurgence is having a "huge impact" on China's economy, but such impact will be short-lived, the official Xinhua news agency quoted Sheng Laiyun, deputy head of the National Bureau of statistics, as saying. Some economists expect China's year-on-year economic growth to slow sharply in the second quarter from 4.8% in the first quarter, or even shrink. The government has been cutting taxes for businesses and channelling more funds into infrastructure projects, while the central bank has been pumping more cash into the economy and increasing support for some sectors. Some government economists have been calling for additional policy stimulus, including expanding the annual budget deficit and issuing special treasury bonds. The People's Bank of China will step up financial support for the real economy, including lowering financing costs, deputy central bank governor Chen Yulu told the same news conference. (Reuters)
- **China looks to spur job prospects for record number of new graduates –** China will offer subsidies, tax breaks and easier loans to boost prospects for college graduates, the cabinet said on Friday, as a record number prepare to enter the workforce this year amid downside risks to economic growth stemming from COVID-19 curbs. The subsidies are aimed at small firms, while graduates launching start-ups stand to get tax breaks, easier loan terms and even rent-free premises, the general office of the State Council, or cabinet, said in a notice. "China ... encourages employers in COVID-hit regions to sign labour contracts with college graduates online," it said, promising support for smaller and medium-size enterprises that hire more college graduates. China wants to promote healthy development of the online platform economy, it added, referring to a sector that is a big source of jobs, crucial at a time when a record 10.76mn are set to finish college this year. "'Red lights' and 'green lights' will be set up in order to promote healthy development of the platform economy and drive more jobs," the notice said, referring to a system of incentives. But the worst COVID-19 outbreaks since 2020 have added to the pressures

students face, and put at risk the small firms that are a mainstay of the world's second largest economy. China's "dynamic clearance" policy against the Omicron variant of coronavirus has led to full or partial lockdowns in dozens of cities, including a six-week halt citywide in the commercial centre of Shanghai. Small businesses, in particular, suffered in the accompanying disruptions to services and logistics. China wants to add more than 11mn urban jobs this year, rising to as many as 13mn, Premier Li Keqiang said in March. But recently he has called the employment situation "complicated and grim." Li added, "Stabilising employment is critical to people's livelihood, and is the key support for the economy to operate within a reasonable range," in remarks prepared for a teleconference with provincial leaders on Saturday. China's surveyed urban jobless rate hit its highest in nearly two years in March at 5.8%, while the rate for job seekers aged between 16 and 24 reached 16.0%, the highest since July 2021, official data showed. Policymakers should aim to get the labour market back on track to keep the economy growing, even if the annual GDP growth target could be hard to meet, analyst Julian Evans-Pritchard, of Capital Economics, said in a note on Thursday. (Reuters)

- **Govt: Japan April service sector sentiment improves –** Japan's service sector sentiment index rose in April for a second month, a Cabinet Office survey showed on Thursday. The survey of workers such as taxi drivers, hotel workers and restaurant staff, called "economy watchers" for their proximity to consumer and retail trends, showed their confidence about current economic conditions increased 2.6 points to 50.4. (Reuters)
- **Kuroda rules out near-term chance of tweaking BOJ's dovish guidance –** Bank of Japan Governor Haruhiko Kuroda said on Friday the central bank will maintain its dovish guidance on the future path of interest rates for the time being, as the coronavirus pandemic continues to weigh on the fragile economy. Under the current forward guidance, the BOJ says it "won't hesitate to take additional easing steps," and expects short- and long-term policy interest rates to "remain at their present or lower levels." As central banks across the globe eye interest rate hikes, markets have been rife with speculation that the BOJ may also change its guidance to one with a more hawkish tilt such as by removing the reference on its readiness to ease further. "The coronavirus pandemic is a major risk that could further hurt Japan's economy," Kuroda told a seminar. "As such, it's appropriate to maintain ... the dovish bias of our guidance for the time being," he said. Kuroda also said an expected, near-term rise in inflation would lack sustainability as it will be driven mostly by energy costs, stressing the need to keep monetary policy ultra-loose. "For inflation to heighten as a trend, Japan must see a shift from inflation caused by energy prices, to one that is driven by increasing corporate profits and wage growth," he said. Under a policy dubbed yield curve control, the BOJ sets its short-term interest rate target at -0.1% and that for 10-year government bond yields around 0%. With inflation seen accelerating to around its 2% target due largely to surging fuel and commodity costs, the BOJ has been struggling to convince markets that such cost-driven price rises won't prompt it to raise interest rates. (Reuters)
- **Japan April consumer inflation seen exceeding central bank's 2% goal –** Japan's core consumer inflation in April is expected be slightly higher than the central bank's 2% target, hitting a seven-year peak as sharp climbs in fuel and global commodity costs push up the cost of living. Analysts expect consumer inflation to hover around 2% in the coming months as stubbornly high raw material costs force more firms to hike prices, complicating the Bank of Japan's efforts to convince markets it will keep monetary policy ultra-loose. The nationwide core consumer price index (CPI), which excludes volatile fresh food costs but includes energy costs, is projected to have risen 2.1% in April from a year earlier, a Reuters poll showed. Also driven by the dissipating effect of past cellphone fee cuts, the figure marks fastest pace of increase since March 2015, when the index jumped 2.2%. It follows a 0.8% rise in the previous month. BOJ Governor Haruhiko Kuroda has repeatedly said the central bank will be in no rush to withdraw its massive stimulus on the view that the expected cost-push rise in inflation will be temporary. Some analysts disagree, arguing that public perceptions of future price moves could change sharply if the cost-driven increase in inflation persists. "Even if the BOJ keeps saying it will keep monetary policy ultra-loose, markets will read ahead and may start pricing in the chance of a future policy tweak," said Naomi Muguruma, senior market economist at Mitsubishi UFJ Morgan Stanley Securities. Separate data is likely to show Japan suffered a trade deficit of 1.15tn yen ($8.9bn) in April due to the surging cost of raw material imports, the poll showed. It would be the ninth straight month of deficits, highlighting worsening terms of trade for a country heavily reliant on fuel and food imports. Imports likely surged 35.0% in April from a year earlier, outpacing a 13.8% increase in exports, according to the poll. (Reuters)

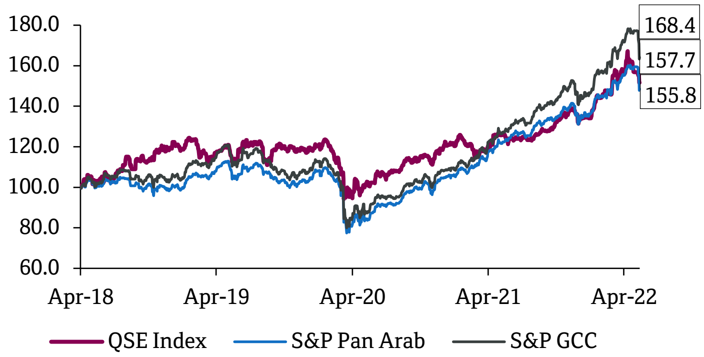
Regional

- **OBG: GCC Railway could transform trade, connectivity across Gulf –** The Oxford Business Group said in a report that the long-awaited GCC Railway looks likely to be revitalized, noting that such a move could transform trade and connectivity across the Gulf. On its website, the Oxford Business Group affirmed that the project was given a significant boost in December last year when leaders of the six GCC countries approved the establishment of the GCC Railways Authority, the body expected to oversee the project's coordination. "The proposed project aims to connect all six GCC countries via a 2,177-km railway. Starting in Kuwait City in the north, the rail line will pass through the coastal cities of Jubail and Dammam in Saudi Arabia, before heading through Bahrain's capital Manama and Doha, the capital of Qatar. The line would then cut back into Saudi Arabia before moving to the UAE, where it would pass through major cities Abu Dhabi, Dubai and Fujairah, before reaching its terminal station in Muscat, the capital of Oman," said the report. The development of the railway would significantly improve regional connectivity by reducing transportation times and costs between major GCC cities and ports, improving trade flows across the bloc and attract more investment. The proposed project aims to connect all six GCC countries via a 2,177-km railway. (Peninsula Qatar)
- **Emirates partners with DCT Abu Dhabi to encourage more visits and boost tourism to the emirate –** Emirates and the Department of Culture and Tourism – Abu Dhabi (DCT Abu Dhabi), have signed a Memorandum of Understanding (MoU) to boost tourist numbers across the airline's global network. The new partnership is part of the airline's commitment to promote tourism to the UAE by aligning activities with other tourism partners and capitalizing on opportunities to encourage visitors to experience more than one destination in the UAE during their stay. The MoU was signed at Arabian Travel Market by Adnan Kazim, Emirates' Chief Commercial Officer and Saleh Mohamed Al Geziry, Director-General for Tourism, at DCT Abu Dhabi. Under the MoU, the parties will work closely to explore and implement promotional activities as well as bespoke packages for tour operators and the wider travel trade in key markets across the airline's network to encourage visits to Abu Dhabi as part of their overall UAE holiday. The two partners will also collaborate on advertising and cross promotional marketing campaigns, familiarization programs for travel trade and media, as well as promotional competitions. (Zawya)
- **PMI: Dubai's non-oil private sector businesses marked robust growth in April –** Business conditions in Dubai's non-oil private sector economy maintained a strong pace of improvement in the first month after the Expo 2020 ended, led by a sharp increase in output levels, a survey showed on Friday. The seasonally adjusted S&P Global Dubai Purchasing Managers' Index (PMI) registered at 54.7 in April, down from 55.5 in March, its first drop since January. The indicator stayed above the 50 no-change mark for the 17th consecutive month, "The Dubai PMI dropped only slightly from March's 33-month high in April, as businesses indicated that the relaxing of COVID-19 measures continued to have a positive impact on demand. The upturn was also encouraging considering that the Expo 2020 has now finished and that overall new business growth, including in the travel & tourism industry, remained strong," said David Owen, economist at S&P Global. The Output Index remained strong in April, and despite a slight softening from the previous month, the rate of growth was the second-quickest seen since July 2019. This was due to a sharp rise in customer sales as the economy recovered further from COVID-19 measures, said the survey panelists. (Zawya)
- **CEPA to increase UAE imports from India by $14.3bn by 2030 –** Mohamed Ali Al Shorafa, Chairman of Abu Dhabi Department of Economic Development (ADDED), has said that the UAE and India are exploring

mutual business opportunities with an unwavering commitment to further build on bilateral economic and trade relations. As part of his participation in the state delegation visiting India, Al Shorafa noted that the Comprehensive Economic Partnership Agreement (CEPA) - signed recently between the two nations - will guide the next phase of growth and development for both countries' economies. Speaking to the Emirates News Agency (WAM), he added that India is one of Abu Dhabi's and the UAE's top trade partners, and with the CEPA covering 11 service sectors and over 110 sub-sectors, it is expected to boost trade benefits further, increasing the UAE imports from India by US$14.3bn by 2030. "India based businesses and regional markets will benefit from the resulting ripple effect, affirming the UAE's leading reputation as a gateway to the Middle East and Africa," ADDED Chairman stated. (Zawya)

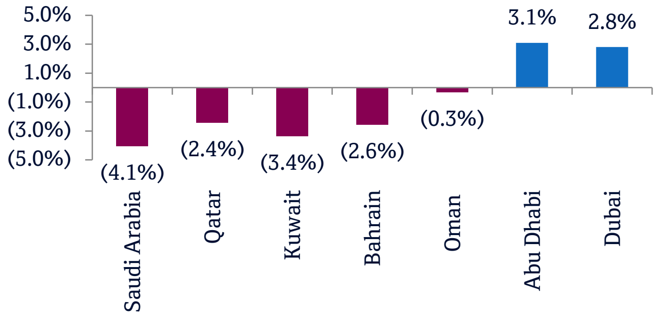
- **UAEICC: Nine main sectors for Emirati investment in India –** Jamal Saif Al Jarwan, Secretary-General of the UAE International Investors Council (UAEIIC), affirmed that the UAE's foreign investments in India are focused across nine significant current and future sectors. He explained that these sectors include programming and information technology, health, medicine, services, maritime transport, communications, infrastructure and real estate development, Al Jarwan said in a statement to Emirates News Agency (WAM), during the UAE's delegation visit to India to activate the Comprehensive Economic Partnership Agreement (CEPA). Al Jarwan highlighted the two countries' aspiration to foster the volume of foreign investments and trade cooperation by committing to increasing flows and capital to future sectors such as artificial intelligence, agricultural technology, green environment and clean energy. He added that India is a strategic trading partner for the UAE, representing 9% of the total foreign trade and approximately 13% of non-oil exports. Al Jarwan pointed out that CEPA will support the increase and quality of the volume of non-oil trade exchange to about $100bn over the next five years. He stated that the Comprehensive Economic Partnership Agreement is based on long-term decades of cooperation, as the UAE ranks the ninth largest investor in India with a total investment of more than $18bn. However, India invests nearly $8bn, representing 6% of the volume of foreign investments in the UAE. (Zawya)
- **OPEC highlights positive expectation for UAE economy –** The OPEC Monthly Oil Market Report (MOMR) has maintained its positive momentum with regard to the UAE's economic recovery. The MOMR, issued on Thursday, stated that the economic outlook remained positive, thanks to improving economic conditions supported by the easing of COVID-19-related constraints and the improvement in fossil fuel prices. The report indicated that the recent S&P Global UAE PMI stood at 54.8 in March 2022, unchanged from a month earlier, yet the reading pointed the 16th straight month of non-oil private-sector expansion. It also added that this month the Central Bank of the UAE (CBUAE) increased the base rate of the overnight deposit facility by 50bps to 2.25%, tracking the increase in the federal funds rate. Moreover, the bank indicated that the rate on borrowing short-term liquidity from the CBUAE through all standing credit facilities would stand at 50 bps above the base rate. (Zawya)
- **Bahrain-Swiss business ties discussed –** Bahraini-Swiss economic affairs and strengthening of bilateral relations were highlighted during a meeting between Industry, Commerce and Tourism Ministry Under-Secretary Iman Al Dosari and members of a Swiss economic delegation. The meeting stressed on the government's keenness to strengthen its relations with various global and economic institutions. Swiss Confederation accredited Ambassador to Bahrain Massimo Badji, ministry assistant under-secretary for domestic and foreign trade Shaikh Hamad bin Salman Al Khalifa, attended. (Zawya)
- **Investments in Bahrain's telecom sector reach $2.08bn –** Transportation and Telecommunication Ministry said that Bahrain has a strong digital infrastructure that supports the growth of the digital economy within the government's priorities and vision, which was translated in the Fifth National Telecommunications Plan. The ministry noted that Bahrain is among the first countries to achieve comprehensive coverage of 5G services with high download speeds exceeding 2GB to ensure that the majority of consumers in Bahrain benefit from access to 5G networks across the country. Minister Kamal Ahmed highlighted that there are already many necessary factors to achieve the government's vision regarding 5G services. "The kingdom has succeeded in attracting investments in the telecommunications and information technology sector and witnessed the entry of major content companies and technology service providers," he said. "The volume of investments in the telecommunications sector amounted to BD72.8mn during 2020, and the total investments amounted to BD787mn in the period between 2010 to 2020, and BD313m in the period between 2016 and 2020." (Zawya)
- **Oman-India trade to cross $5bn –** Trade between Oman and India is expected to cross $5bn in the coming years as both countries make efforts to push bilateral relations forward. According to Redha bin Juma Al Saleh, Chairman of the Oman Chamber of Commerce and Industry (OCCI), direct interactions between Omani business owners and their Indian counterparts are crucial to forging valuable partnerships that will help both sides understand the needs of each other. Al Saleh is part of a business delegation travelling to India along with Qais Al Yousef, Minister of Commerce, Industry and Investment Promotion, as well as a number of business owners and other key figures involved with trade and economy. "I call on the two sides to make strong efforts to develop our bilateral trade, as we hope that the volume of trade exchange will exceed $5bn during the coming years, in view of various attractions that the two countries enjoy and the remarkable geographical location that provides great ways to enhance trade and investment relations," said Al Saleh, during a meeting with his Indian counterparts. "I urge businesses in India to take advantage of the investment opportunities and advantages that are offered by Oman, as our country allows 100% foreign direct investment," he added. While in India, Minister Qais Al Yousef attended the 10th Oman – India Joint Commission Meeting on Wednesday, holding discussions with Piyush Goyal, India's Minister of Commerce and Industry and Raj Kumar Singh, Minister of Power and New and Renewable Energy. With the goal of forging a new business agenda to help drive growth for both Oman and India, the highly productive meeting took place on the second day of a five-day trade and investment mission to India, one of the world's fastest growing economies and a country with which Oman has historic cultural and commercial ties. (Zawya)
- **Real estate trading in Oman touched OMR600mn in 2022 first quarter –** Real estate worth nearly OMR600mn was traded in the first quarter of 2022, according to a report issued by the Ministry of Housing and Urban Planning (MOHUP). Furthermore, more than 60,000 title deeds were also issued during this timeframe. Of the OMR587.5mn worth of real estate traded, OMR284.5mn were mortgages, OMR 99.1mn accounted for sales contracts, and OMR3.9mn worth of swap contracts were executed. The value of real estate traded decreased by 15% compared to the fourth quarter of 2021, when OMR691.2mn worth of transactions were recorded. Much of the real estate activity was concentrated in Muscat, which accounted for 45% of the total trading volume, followed by South Batinah (15.3%). The remaining trades were distributed among the rest of the governorates. At wilayat level, it was Wilayat Seeb that accounted for most real estate mortgages at OMR44.4mn, while Wilayat Bousher led in terms of sales, at OMR75.6mn. The real estate bulletin released by MOHUP and published by Oman News Agency added that the value of the average real estate contract rose to reach OMR15,500 in this quarter, compared to OMR14,300 in the previous quarter. However, the average value of a mortgage contract declined from OMR60,300, down from OMR93,400. More than 60,000 title deeds were issued in the first four months of 2022. At more than 12,000 deeds issued, the highest number of title deeds were in both Muscat and South Al Batinah. More than 10,000 deeds were issued in North Al Batinah, and more than 4,000 apiece in Ad Dhahirah and North Al Sharqiyah. Nearly 2,800 deeds were sold in Dhofar, and more than 1,200 in Buraimi. Al Dakhiliyah accounted for more than 7,600 deeds, and South Al Sharqiyah for more than 3,500. Nearly 600 property deeds were issued in Musandam, and nearly 700 in Al Wusta. Furthermore, 212 properties were issued in the names of citizens from the Gulf Cooperation Council (GCC) countries. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,811.79	(0.6)	(3.8)	(1.0)
Silver/Ounce	21.11	2.1	(5.6)	(9.4)
Crude Oil (Brent)/Barrel (FM Future)	111.55	3.8	(0.7)	43.4
Crude Oil (WTI)/Barrel (FM Future)	110.49	4.1	0.7	46.9
Natural Gas (Henry Hub)/MMBtu	7.78	7.3	(7.5)	112.6
LPG Propane (Arab Gulf)/Ton	124.25	0.8	(2.7)	10.7
LPG Butane (Arab Gulf)/Ton	125.38	0.5	(3.7)	(10.0)
Euro	1.04	0.3	(1.3)	(8.4)
Yen	129.22	0.7	(1.0)	12.3
GBP	1.23	0.5	(0.7)	(9.4)
CHF	1.00	0.1	(1.3)	(8.9)
AUD	0.69	1.2	(1.9)	(4.4)
USD Index	104.56	(0.3)	0.9	9.3
RUB	118.69	0.0	0.0	58.9
BRL	0.20	1.4	0.4	10.1

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,701.33	2.3	(2.2)	(16.4)
DJ Industrial	32,196.66	1.5	(2.1)	(11.4)
S&P 500	4,023.89	2.4	(2.4)	(15.6)
NASDAQ 100	11,805.00	3.8	(2.8)	(24.5)
STOXX 600	433.48	2.6	(0.7)	(18.8)
DAX	14,027.93	2.6	1.0	(18.8)
FTSE 100	7,418.15	2.9	(0.6)	(9.2)
CAC 40	6,362.68	3.0	0.1	(18.7)
Nikkei	26,427.65	1.9	(1.3)	(18.3)
MSCI EM	1,004.52	1.7	(2.6)	(18.5)
SHANGHAI SE Composite	3,084.28	0.9	0.9	(20.7)
HANG SENG	19,898.77	2.7	(0.5)	(15.5)
BSE SENSEX	52,793.62	(0.3)	(4.3)	(12.8)
Bovespa	106,924.18	2.4	1.2	11.7
RTS	1,132.23	(0.7)	4.1	(29.0)

Source: Bloomberg ($ adjusted returns)*

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