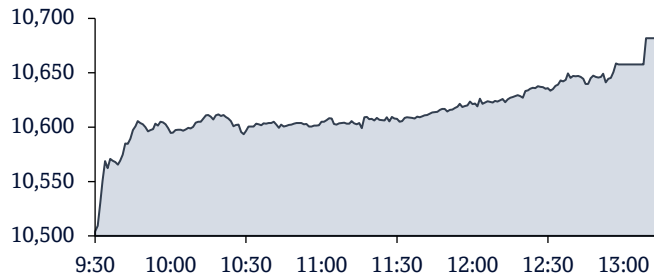


### QSE Intra-Day Movement



### Qatar Commentary

The QE Index rose 2.0% to close at 10,681.8. Gains were led by the Banks & Financial Services and Real Estate indices, gaining 3.5% and 0.9%, respectively. Top gainers were Dlala Brokerage & Inv. Holding Co. and Qatar Oman Investment Company, rising 10% and 9.4%, respectively. Among the top losers, Qatar Insurance Company fell 4.8%, while Zad Holding Company was down 1.4%.

### GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.6% to close at 11,277.6. Gains were led by the Food & Beverages and Insurance indices, rising 2.4% and 1.7%, respectively. Al Hassan Ghazi Ibrahim Shaker Co. rose 9.8% while Allied Cooperative Insurance Group was up 5.8%.

**Dubai:** The DFM Index gained 1.6% to close at 3,565.8. The Industrials index rose 1.8%, while the Utilities index gained 1.7%. Gulf Navigation Holding rose 11.8%, while Ajman Bank was up 4.4%.

**Abu Dhabi:** The ADX General Index gained 0.5% to close at 9,526.0. The Real Estate and Industrial indices rose 2.7% each. Bayanat PLC rose 6.3% while Multiply Group was up 4.8%.

**Kuwait:** The Kuwait All Share Index fell 1% to close at 6,745.6. The Energy index declined 2.7%, while the Basic Materials index fell 2.6%. OSOUL Investment Co. declined 9.7%, while National Petroleum Services was down 8.9%.

**Oman:** The MSM 30 Index fell 0.3% to close at 4,695.2. Losses were led by the Financial and Services indices, falling 0.4% and 0.2%, respectively. Dhofar Cattle Feed Company declined 9.4%, while Al Madina Investment Company was down 4.3%.

**Bahrain:** The BHB Index gained 0.1% close at 1,940.3. The Communications Services index rose 0.4% while the Financials index gained 0.1%. Esterad Investment Company rose 9.9% while Bank of Bahrain and Kuwait was up 0.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co.	1.265	10.0	5,071.1	10.8
Qatar Oman Investment Company	0.685	9.4	8,267.7	24.5
Qatar German Co for Med. Devices	1.840	5.6	20,572.5	46.4
Salam International Inv. Ltd.	0.660	5.1	35,108.9	7.5
Qatar International Islamic Bank	10.20	4.7	1,261.6	(1.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.660	5.1	35,108.9	7.5
Mazaya Qatar Real Estate Dev.	0.712	3.8	27,010.2	2.3
Qatar German Co for Med. Devices	1.840	5.6	20,572.5	46.4
Dukhaan Bank	3.609	0.1	15,596.6	0.0
Masraf Al Rayan	2.741	1.9	14,664.1	(13.6)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,681.79	2.0	(0.6)	4.9	0.0	184.02	171,836.1	12.5	1.4	4.6
Dubai	3,565.82	1.6	(0.1)	0.6	6.9	169.26	169,625.6	8.7	1.2	5.0
Abu Dhabi	9,525.97	0.5	(1.5)	(2.7)	(6.7)	240.12	708,541.9	29.0	2.6	1.9
Saudi Arabia	11,277.60	0.6	(1.0)	(0.3)	7.6	1,604.49	2,881,910.2	16.8	2.2	3.0
Kuwait	6,745.55	(1.0)	(2.9)	(5.6)	(7.5)	138.27	142,618.8	16.6	1.5	4.3
Oman	4,695.16	(0.3)	0.6	(0.5)	(3.3)	10.24	22,441.4	15.3	1.1	4.4
Bahrain	1,940.35	0.1	0.2	1.9	2.4	8.10	65,601.4	6.7	0.7	8.9

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

Market Indicators	17 May 23	16 May 23	%Chg.
Value Traded (QR mn)	669.0	386.9	72.9
Exch. Market Cap. (QR mn)	628,515.2	616,464.6	2.0
Volume (mn)	249.5	134.3	85.8
Number of Transactions	25,163	16,554	52.0
Companies Traded	48	48	0.0
Market Breadth	41:7	26:20	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,924.63	2.0	(0.6)	4.8	12.5
All Share Index	3,589.20	2.0	(0.4)	5.1	138.2
Banks	4,464.07	3.5	0.2	1.8	13.2
Industrials	4,099.13	0.8	(0.7)	8.4	13.6
Transportation	4,709.58	0.8	(1.7)	8.6	13.3
Real Estate	1,573.59	0.9	(2.7)	0.9	18.7
Insurance	2,212.63	(2.1)	(2.5)	1.2	178.7
Telecoms	1,651.39	0.8	0.9	25.2	14.5
Consumer Goods and Services	7,974.82	0.5	(0.9)	0.8	22.8
Al Rayan Islamic Index	4,746.39	1.5	(0.8)	3.4	8.7

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Multiply Group	Abu Dhabi	3.06	4.8	21,543.9	(34.1)
Qatar Int. Islamic Bank	Qatar	10.20	4.7	1,261.6	(1.9)
Savola Group	Saudi Arabia	35.65	4.5	2,706.0	29.9
Qatar Islamic Bank	Qatar	18.70	4.5	4,582.0	0.8
Jabal Omar Dev. Co.	Saudi Arabia	24.44	4.0	9,529.5	47.9

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli United Bank	Kuwait	0.25	(3.1)	155.8	(11.6)
HSBC Bank Oman	Oman	0.15	(2.5)	41.8	(7.8)
Boubyan Bank	Kuwait	0.58	(2.5)	5,698.1	(23.1)
Gulf Bank	Kuwait	0.26	(2.3)	2,877.7	(14.7)
Burgan Bank	Kuwait	0.19	(2.1)	4,817.7	(10.3)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Company	1.951	(4.8)	1,082.2	1.5
Zad Holding Company	14.00	(1.4)	14.1	0.7
Inma Holding	5.920	(1.3)	1,949.4	44.0
Qatar National Cement Company	3.951	(0.9)	128.4	(18.4)
Qatar Navigation	10.30	(0.6)	353.3	1.5

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
QNB Group	16.85	3.9	102,496.9	(6.4)
Qatar Islamic Bank	18.70	4.5	84,128.3	0.8
Dukhaan Bank	3.609	0.1	56,265.6	0.0
Masraf Al Rayan	2.741	1.9	40,047.9	(13.6)
Qatar German Co for Med. Devices	1.840	5.6	37,618.1	46.4

### Qatar Market Commentary

- The QE Index rose 2.0% to close at 10,681.8. The Banks & Financial Services and Real Estate 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.
- Dlala Brokerage & Inv. Holding Co. and Qatar Oman Investment Company were the top gainers, rising 10.0% and 9.4%, respectively. Among the top losers, Qatar Insurance Company fell 4.8%, while Zad Holding Company was down 1.4%.
- Volume of shares traded on Wednesday rose by 85.8% to 249.5mn from 134.3mn on Tuesday. Further, as compared to the 30-day moving average of 171.2mn, volume for the day was 45.8% higher. Salam International Inv. Ltd. and Mazaya Qatar Real Estate Dev. were the most active stocks, contributing 14.1% and 10.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.08%	33.51%	(36,364,634.44)
Qatari Institutions	22.19%	27.53%	(35,703,533.30)
<b>Qatari</b>	<b>50.27%</b>	<b>61.04%</b>	<b>(72,068,167.74)</b>
GCC Individuals	0.32%	0.54%	(1,465,170.39)
GCC Institutions	9.92%	3.08%	45,766,907.99
<b>GCC</b>	<b>10.24%</b>	<b>3.62%</b>	<b>44,301,737.60</b>
Arab Individuals	11.51%	11.81%	(1,961,093.79)
Arab Institutions	0.00%	0.00%	-
<b>Arab</b>	<b>11.51%</b>	<b>11.81%</b>	<b>(1,961,093.79)</b>
Foreigners Individuals	2.63%	2.48%	1,010,882.02
Foreigners Institutions	25.35%	21.05%	28,716,641.90
<b>Foreigners</b>	<b>27.98%</b>	<b>23.53%</b>	<b>29,727,523.93</b>

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
Agthia Group	Abu Dhabi	AED	1182.36	12.3%	127.3	24.9%	96.7	6.6%
Yanbu Cement Company	Saudi Arabia	SR	224.01	-7.3%	55.7	38.7%	51.0	31.1%
Saudi Advanced Industries Co	Saudi Arabia	SR	25.35	-26.4%	22.6	-27.2%	22.1	-28.7%

#### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05-17	EU	Eurostat	CPI YoY	Apr	7.00%	7.00%	7.00%
05-17	EU	Eurostat	CPI MoM	Apr	0.60%	0.70%	0.70%
05-17	Japan	Economic and Social Research I	GDP Annualized SA QoQ	1Q P	1.60%	0.80%	-0.10%
05-17	Japan	Economic and Social Research I	GDP SA QoQ	1Q P	0.40%	0.20%	0.00%
05-17	Japan	Economic and Social Research I	GDP Nominal SA QoQ	1Q P	1.70%	1.30%	1.10%
05-17	Japan	Economic and Social Research I	GDP Deflator YoY	1Q P	2.00%	2.10%	1.20%

### Qatar

- Restructuring of Doha Bank operations in the UAE** - The Board of Directors of Doha Bank has approved the transfer of operations of its Abu Dhabi branch to its Dubai branch. It will coordinate with the regulatory and legislative authorities to obtain the necessary approvals. This is part of management's strategy to consolidate branches and streamline operations in order to manage expenses efficiently. (QSE, QNBFS)
- Qatar International Islamic Bank holds its second ordinary general assembly meeting during the year 2023** - QIIB held its Second Ordinary General Assembly meeting during the year 2023, (The alternative appointment - the second due to the lack of a quorum in the first meeting on 7-5-2023) today, Wednesday (17/5/2023) at 5:30 pm corresponding to, in the Bank's main building on Grand Hamad Street. The General meeting approved the agenda for the assembly meeting as follows: 1) Approved the board of directors' recommendation to extend last General Assembly approval of the \$2.0bn based on a study for each issuance and different scales of bank needs after getting all necessary approvals from supervisory authorities. The Sukuk should not exceed the bank's capital and reserves. 2) Two additional members of the Board of Directors were elected from among the shareholders to complete the current period, which ends on 13/3/2026, so that the number of members of the Board of Directors to 11 members, and the new members are the following: Al-Tayebin Trading And Services Co. Represented by Mr. Dr. Ayedh Dabsan E A Al-Qahtani Fasil for Business and Real Estate Co And adopting Fasil for Business and Real Estate Co as a reserve member. (QSE)

- Mazaya Real Estate Development: The EGM endorses items on its agenda** - Mazaya Real Estate Development announces the results of the EGM. The meeting was held on 17/05/2023 and the following resolution were approved the first item: The reduction of the company's capital and the cancellation of 157,625,000 shares, equivalent to QR157.6mn, which represents 13.61% of the total capital, so that the new capital of the company becomes 1bn shares, equivalent to QR1.0bn by extinguishing the equivalent of QR157.6mn of accumulated losses. Additionally, QR39.6mn from the legal reserve will be used to extinguish the remaining losses, which amount to QR39.6mn. Thus, the total extinguished losses will be QR197.2mn. The approvals of the regulatory authorities will be obtained, and the date of the capital reduction will be determined at a later time. The second item: Approval to issue up to 299,000,000 shares, equivalent to 29% of the capital (after completing the capital reduction process to QR1.0bn), in exchange for in-kind shares through one or more tranches over one year, in accordance with the rules of the Qatar Financial Markets Authority, the Ministry of Commerce and Industry, and applicable regulations. The nominal value of each share shall be QR1.00 plus an issuance premium, if any. The General Assembly authorizes the Board of Directors to determine the amount of the premium at the start of any share issuance process. The third item: Authorizing the Chairman of the Board of Directors to issue, sign and publish the amended Articles of Association after the approval of the Ministry of Commerce and Industry and the Extraordinary General Assembly. (QSE)

- Reuters: QIA explored claims against Switzerland for CS losses** - The Qatar Investment Authority explored claims against Switzerland in an attempt to seek redress for its losses that came after UBS took over Credit Suisse at a fraction of its market value, Reuters reports, citing two unidentified people familiar with the matter. QIA sought legal advice on if it had a claim against Swiss authorities, even though international arbitration. QIA's exploration of legal options remains in an exploratory phase and a claim is not being pursued currently. QIA, UBS, the Swiss Finance Ministry, and Credit Suisse declined to comment to Reuters. (Bloomberg)
- Volume of real estate trading reaches QR947mn in April** - The volume of real estate trading in sale contracts registered with the Real Estate Registration Department at the Ministry of Justice during April 2023 amounted to QR947.3mn. The data of the real estate analytical bulletin issued by the Ministry of Justice revealed that 157 real estate transactions were recorded during the month. Al Daayen, Doha, and Al Rayyan Municipalities topped the most active transactions in terms of financial value during April 2023, according to the real estate market index, followed by Umm Slal, Al Wakrah, Al Khor & Dhakira, Al Shamal and Al Sheehaniya Municipalities. The real estate market index for the month of April revealed that the financial value of Al Daayen Municipality's transactions amounted to QR395.1mn. The financial value of Doha Municipality's transactions amounted to QR293.6mn. The financial value of Al Rayyan Municipality's transactions amounted to QR157.4mn, the financial value of Umm Slal Municipality's transactions amounted to QR48.9mn. Al Wakrah Municipality recorded transactions with a value of QR21.8mn, and Al Khor & Dhakira Municipality recorded transactions with a value of QR21.7mn. Al Shamal Municipality recorded trading with a value of QR7.0mn. In terms of the traded space index, indicators reveal that Al Rayyan, Doha, and Al Dhaayen Municipalities recorded the most active municipalities in terms of traded real estate spaces during the month of February, with 30% for Al Rayyan Municipality, followed by Doha Municipality with 25%, Al Dhaayen with 21%, while Umm Slal recorded 11%, Al Shamal recorded 6%, Al Wakrah recorded 5%, Al Khor & Dhakira Municipalities recorded 5%, and Al Shamal recorded 3% of the total traded spaces each. In terms of the index of the number of real estate transactions (sold properties), trading indices revealed that the most active municipalities during the month of April were Doha Municipality (30%), followed by Al Rayyan Municipality (28%), Al Dhaayen Municipality (16%), and Umm Slal Municipality (11%), Al Wakrah Municipality (7%), while Al Khor & Dhakira Municipality recorded (6%) and Al Shamal and Al Sheehaniya Municipalities recorded (1%) each of the total real estate transactions. Average per square foot prices for the month of April ranged between (487-864) in Doha, (274-331) in Al Wakrah, (335-403) in Al Rayyan, (252-473) in Umm Slal, (297-716) in Al Dhaayen, (217-700) in Al Khor & Dhakira, (142) in Al Shamal, and (212) in Al Sheehaniya. The trading volume revealed that the highest value of (10) properties sold was recorded for the month of April, recording 6 properties in Doha Municipality, and two properties in Al Rayyan and Al Dhaayen Municipalities. As for the volume of mortgage transactions that took place during the month of April 2023, the number of mortgage transactions amounted to 43 transactions, with a total value of QR2.23bn. (Peninsula Qatar)
- GECF: Uptick in Qatari LNG contributes to higher LNG imports in India, Pakistan in April** - Uptick in LNG imports from Qatar contributed to higher LNG imports in India and Pakistan in April this year, GECF' latest data show. In April 2023, Asia Pacific's LNG imports continued to recover and increased by 5% (1.05mn tonnes) y-o-y to 20.5mn tonnes, which was slightly lower than the imports in April 2021. China, India, Thailand, and Pakistan contributed to the bulk of the incremental increase in LNG imports and offset weaker imports in Japan. Asia Pacific's cumulative LNG imports from January to April this year rose by 3% (2.6mn tonnes) y-o-y to 89.12mn tonnes, Doha-headquartered Gas Exporting Countries Forum said. China's LNG imports continued to recover in April and recorded the highest year-on-year increase since September 2021. The rebound in economic and industrial activity boosted gas consumption, driving LNG imports higher. Pipeline gas imports to the EU increased by 3% month-on-month, to reach 14 bcm in April. Global LNG imports surged by 10% y-o-y to 34.4mn tonnes, setting a new record high for imports in April. The

increase was driven by stronger LNG imports across all regions, especially in Asia Pacific and Europe. In Europe, the rise in LNG imports continues to compensate for the lower pipeline gas imports into the region. Meanwhile, the rebound in gas consumption in China, opportunistic buying in India due to lower spot LNG prices, and declining gas production and pipeline gas imports in Thailand contributed to the increase in the Asia Pacific's LNG imports. Furthermore, Philippines joined the ranks of LNG importers in April, GECF noted. As of April, the restocking of gas storage sites has commenced. In the EU, the average level of gas in underground storage was 59.4bcm, which amounts to 57% of the region's storage capacity. In the US, the level of underground gas storage increased to 55.6bcm, representing 42% of its capacity. A slower stock build is expected in both the EU and US this summer due to the high levels of gas already in storage. The combined LNG in storage in Japan and South Korea was estimated at 9.8bcm. According to GECF, gas and LNG spot prices in Europe and Asia continued their downward trend for the fourth consecutive month. In April, the Title Transfer Facility (TTF), which is the main reference virtual market for gas trading in Europe and Northeast Asia (NEA) LNG spot prices, averaged \$13.69/MMBtu and \$12.10/MMBtu, respectively, representing a 1% and 9% decrease compared to the previous month. The TTF spot price was 57% lower y-o-y, while the NEA LNG spot price experienced a decline of 58% y-o-y. With the arrival of the shoulder season, the market witnessed a decrease in tightness as a result of ample storage levels and strong LNG supply. However, in Asia, there was some emerging buying activity in anticipation of the summer season, which helped limit the decline in spot LNG prices, GECF said. (Gulf Times)

- PM: Qatar looks to enhance energy cooperation with Germany** - The PM added Qatar views the only way to normalize relations with the Syrian regime will be by finding a fair and comprehensive solution to the Syrian issue, noting that there are issues that joint Arab work agrees on the goals in terms of having a safe return for refugees, and finding a political solution based on UN resolution no. 2254. The PM also touched on the coordination between GCC countries, in addition to Egypt, Jordan and Iraq on Syria, adding that the difference was in the stances rather than goals, noting that it was normal to have different views over how to achieve those goals. He stressed that Qatar supports all constructive efforts to achieve those goals, and that the normalization of relations with the regime serves as a step to achieve them as well. He said that the issue was between the Syrian regime and its people, and that there must be a solution that regains Syria's stability and satisfies its people who struggled with war over the past 12 years. He reiterated that Qatar does not give weight to criticism directed at it haphazardly. With regard to the Afghan file, the PM said, in response to a question by Al-Jazeera news channel, he discussed with the German foreign minister the developments in the Afghan arena and its latest developments, in both its security and political aspects, where it was emphasized the necessity to continue with the international community to cooperate to strengthen the capabilities of the people and enable them to avoid any internal crises, as well as moving forward in building peace, respecting human rights, especially women's rights, providing education for girls and achieving development for all segments of Afghan society. With regard to Afghanistan, the PM responded to a question by Al Jazeera on the issue and said he discussed with the German Minister of Foreign Affairs developments in Afghanistan in terms of security and political aspects of the issue. Both sides stressed the importance of having the international community continue cooperating to enhance the capabilities of the people and empower them against any internal crises, and the importance of moving forward in building peace, respecting human rights, especially women's rights, providing education for girls and achieving development for all segments of Afghan society. On Qatar-German partnership in the field of gas and the signing of long-term deals and whether there are negotiations with other European Union countries, the PM said the partnership between Qatar and Germany was a commercial one between companies. He noted this was Qatar's energy policy. QatarEnergy signed an agreement with a group of German companies to provide energy. The PM said that Qatar looks forward to enhancing cooperation in this field, and at the governmental level to enhance dialogue over cooperation in the energy field general and energy transition policies. He said that energy transition is global priority, but that standards may be different from one country to the other. He also noted that there is an opportunity for

cooperation and building the capabilities of all countries to ensure a safe energy transition with agreed upon frameworks to achieve the national interests and international interests for the European Union countries. For her part, Baerbock praised the bilateral relations and said that both sides agreed to intensify cooperation by establishing a new strategic dialogue. She said that talks with the Prime Minister and Minister of Foreign Affairs dealt with various political and economic issues, in addition to peace, stability and the Russian-Ukrainian war. She pointed out that there are many points that unite Qatar and Germany, including concern about stability in the Middle East and not just Europe, in addition to developments in Sudan, Syria and Yemen. The German minister said Doha and Berlin will cooperate to secure energy supplies, adding that the two countries are keen for this economic partnership to prevail. She also called for expanding global cooperation in the renewable energy sector. She also thanked Qatar for its repatriation operation in Afghanistan, praising also the progress made by the State of Qatar in the field of human rights, adding that was a role model in this field, particularly due to its cooperation with the International Labor Organization. She said that reforms don't happen suddenly, but that having a clear political direction is important in this regard, noting that it was something Germany and Europe senses. She also said that the improvement of human rights conditions is something that benefits all workers. In a related aspect, she pointed out that her country is carrying out reforms to immigration law, and therefore it is in need of people and minds to help it in the areas of care, communication and others, indicating that all this will only be achieved by providing attractive working conditions. She also indicated that Germany seeks to organize and strengthen European relations with GCC, noting that her current visit to the region confirms this, just as she indicated her country's need for new foreign investments based on fair rules, and within the framework of the rule of law, the rules of the World Trade Organization and the laws of the United Nations, to make those investments reliable and sustainable. (Qatar Tribune)

- German FM lauds Qatar's labor reforms** - German Foreign Minister Annalena Baerbock has praised Qatar's labor reforms, noting that government reforms have improved the legal situation for around 2.6mn migrant workers in Qatar. She also thanked Qatar for its repatriation operation in Afghanistan. Addressing a joint press conference at the Amiri Diwan along with HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohamed bin Abdulrahman bin Jassim alThani after the signing of a memorandum of understanding between Qatar and Germany, Baerbock said there is progress in the efforts made by Qatar in the field of workers' rights. She praised the progress made by Qatar in the field of human rights, adding that Qatar was a role model in this field, particularly due to its cooperation with the International Labor Organization. She said reforms don't happen suddenly, but that having a clear political direction is important in this regard, noting that it was something Germany and Europe senses. She also said that the improvement of human rights conditions is something that benefits all workers. The German minister called for further efforts for the welfare of laborer's while ensuring their rights. "Berlin is monitoring the development of Qatar's reforms," she said, explaining that imbalances are recorded even in Germany while it comes to the wage gap. HE the Prime Minister rejected allegations of labor rights violations in Qatar. He explained that the reforms adopted by his country in the field of labor laws stem from desire and self-will. "Doha welcomes any constructive advice to achieve further progress in this field," HE the Prime Minister said. (Gulf Times)

### International

- Institute of International Finance: Global debt on the rise, emerging markets cross \$100tn mark** - A measure of debt across the globe rose in the first quarter to almost \$305tn, and the rising cost to service that debt is triggering concern about the financial system's leverage, a widely tracked study showed. The Institute of International Finance, a financial services trade group, said on Wednesday global debt rose by \$8.3tn in the first three months of this year compared to the end of 2022 to \$304.9tn, the highest since the first quarter of last year and second-highest quarterly reading ever. "Global debt is now \$45tn higher than its pre-pandemic level and is expected to continue increasing rapidly," said the IIF in its quarterly Global Debt Monitor. After peaking near 360% in 2021 the debt-to-output ratio has stabilized around 335%, above pre-pandemic

levels. Aging populations and rising healthcare costs continue to put spending pressure on governments, while "heightened geopolitical tensions are also expected to drive further increases in national defense spending over the medium term," wrote IIF researchers. The report partly focused on the effects of last year's rapid rise in rates in some bank balance sheets. "Although recent bank failures appear more idiosyncratic than systemic," the report said, "fear of contagion has prompted significant deposit withdrawals from US regional banks." The IIF voiced its concern that tighter lending practices among smaller banks would hurt some businesses and households harder. "Given the central role of regional banks in credit intermediation in the US, worries about their liquidity positions could result in a sharp contraction in lending to some segments." The IIF also noted the growth of shadow banking, or credit intermediation from non-bank financials. "Shadow banks now account for more than 14% of financial markets, with the majority of growth stemming from a rapid expansion of US investment funds and private debt markets." Specifically, the report mentioned the "large portion" of corporate debt held by life insurance companies, "raising concerns over their increased exposure to less liquid assets." The report showed 75% of the IIF's emerging market (EM) universe saw an increase in debt levels in dollar terms in the first quarter, with the overall figure crossing over \$100tn for the first time. China, Mexico, Brazil, India and Turkey posted the biggest increases, the data showed. Some of the larger EMs have benefited from the relative weakness of the dollar, which has attracted investors to their local currency debt. But for others access to markets has been harder or non-existent on either tighter spreads as rates rose in developed markets or fast-rising borrowing costs. "With the interest rate differential between EMs and mature markets diminishing, EM local currency debt is less appealing for foreign investors," the IIF said. (Reuters)

- NY Fed report finds decline in downside economic risks** - Risks to the economic outlook in a time of a rapid Federal Reserve rate increases remains high, even as it eased a bit, according to a report Wednesday from the Federal Reserve Bank of New York. The regional central bank arm made its finding as part of a new data series that seeks to measure the various risks facing the economy, which it explained in a blog post on its website. The bank said changing financial conditions are key to the work and noted that "downside risk to real activity have receded over the course of 2023 but remains elevated." It also said upside risks to higher unemployment rose substantially last year but this year have also abated, while still remaining "elevated." The report also said Fed actions have reduced the risk of higher inflation. (Reuters)
- Biden, McCarthy push forward towards deal on US debt ceiling** - President Joe Biden and top US congressional Republican Kevin McCarthy on Wednesday underscored their determination to reach a deal soon to raise the federal government's \$31.4tn debt ceiling and avoid an economically catastrophic default. After a monthslong standoff, the Democratic president and the speaker of the House of Representatives on Tuesday agreed to negotiate directly on a deal. An agreement needs to be reached and passed by both chambers of Congress before the federal government runs out of money to pay its bills, as soon as June 1. "We're going to come together because there's no alternative," Biden told reporters at the White House, saying he would cut short his trip to Asia and return to Washington on Sunday, but staff-level discussions would continue in Washington. "To be clear, this negotiation is about the outlines of the budget, not about the whether or not we're going to (pay our debts)," Biden said. "The leaders (of Congress) have all agreed: We will not default. Every leader has said that. (Reuters)
- Nomura, Barclays cut China 2023 GDP forecasts as recovery sputters** - Nomura has cut its forecast for China's 2023 gross domestic product (GDP) growth to 5.5% from 5.9% previously, after April data showed a post-COVID recovery in the world's second-largest economy is losing steam. Data on Tuesday showed China's April factory output and retail sales growth undershot forecasts, adding pressure on policymakers to shore up wobbly activity. Nomura lowered its forecast for second-quarter GDP growth to 7.8% year-on-year from 8.4%, analysts at the bank said in a note. The economy grew 4.5% in the first quarter from a year earlier. The government aims for 2023 growth of around 5%. Nomura expects China's central bank to cut its benchmark lending rate - loan prime rate (LPR) - by 10 basis points in mid-June. "As China's economy moves out of the post-

COVID sweet spot, Beijing may have to introduce other supportive measures, including adding transfers to local governments and SOEs (state-owned enterprises) via its policy banks," analysts at the investment bank said in a research note. "However, unlike previous cycles, we see no easy fix this time around as, in our view, the real barrier to sustaining the growth recovery is a lack of confidence." Barclays cut its forecast on 2023 GDP growth forecast to 5.3% from 5.6%, analysts at the bank said in a note. Barclays lowered its forecast for second-quarter GDP growth to 7.8% year-on-year from 8.4% due to weakening housing demand and consumption, analysts at the bank said in a note. (Reuters)

## Regional

- World Bank: GCC economies to grow at slower pace on lower energy income, global conditions** - The GCC economies will grow at a slower pace in 2023 compared to the previous year weighed by lower earnings from oil and gas and a global economic slowdown, according to the World Bank. In its latest World Bank Gulf Economic Update (GEU), the financial institution said the GCC is expected to grow by 2.5% in 2023 and 3.2% in 2024, compared with a GDP growth of 7.3% in 2022, which was fueled by a strong increase in oil production for most of that year. The weaker performance is driven primarily by lower hydrocarbon GDP, which is expected to contract by 1.3% in 2023 after the OPEC+ April 2023 production cut announcement and the global economic slowdown. However, robust growth in the non-oil sectors, which is anticipated to reach 4.6% in 2023, "will dampen the shortfall in hydrocarbon activities, driven primarily by private consumption, fixed investments, and looser fiscal policy in response to 2023's relatively high oil revenues". The UAE's economic growth in 2023 is expected to slow compared to 2022 due to a decline in global economic activity, contraction in oil production, and tightening financial conditions. Accordingly, real GDP is projected to grow by 2.8% in 2023 as oil activity growth declines 2.5%. However, a strong non-oil sector growth of 4.8% will soften the "contraction in oil activities, driven by robust domestic demand, particularly in the tourism, real estate, construction, transportation, and manufacturing sectors". Meanwhile, the UAE Central Bank in March said the economy expanded 7.6% in 2022, about double that in the previous year. According to earlier World Bank reports, the UAE economy grew 3.9% in 2021. Saudi Arabia, which was the fastest growing economy among the Group of 20, will see GDP growth fall to 2.2 in 2023 as oil production retreats on the back of OPEC+ agreed production cuts and oil sector GDP contracts by 2%, according to the GEU. "However, with oil prices remaining at relatively high levels, loose fiscal policy and robust private credit growth are expected to cushion the contraction in the oil sector." As a result, non-oil sectors are anticipated to grow by 4.7% in 2023. In Qatar, real GDP is estimated to slow down to 3.3% in 2023 after the strong performance registered in 2022, with the hydrocarbon sector expanding by 0.8%. Kuwait's economic growth is expected to slow to 1.3% in 2023 in response to a more cautious OPEC+ production approach and sluggish global economic activity. The oil sector is anticipated to contract by 2.2% in 2023. In Bahrain, growth is projected to moderate to 2.7% in 2023 before averaging 3.2% during 2024-25 as fiscal adjustments continue. Oman's economy is forecast to continue to grow, but at a slower pace, driven primarily by accelerated implementation of structural reforms under Vision 2040. Overall growth is projected to moderate to 1.5% in 2023 reflecting softening global demand, the report said. (Zawya)
- Over 2,000km railway on track: GCC train feasibility, traffic studies complete** - The 2,117km GCC Railway that will connect key cities in each of the six GCC (Gulf Cooperation Council) member states is on track. All feasibility and traffic studies have been completed and the regional rollout will materialize soon. A Gulf railway expert shared this with Khaleej Times on the sidelines of the two-day Middle East Rail Exhibition and Conference that concluded in Abu Dhabi on Tuesday. Nasser AlQahtani, GCC Railway Authority expert, said the GCC Railway Authority – that was created by the Supreme Council of the GCC to oversee and manage the implementation of region's railway network – is actively supporting all member states for the regional railway project. AlQahtani also gave updates on the individual efforts by GCC member states to expand their local transport infrastructure in line with GCC Railway. He added both the UAE and Saudi Arabia are the front runners of the project. (Zawya)

- 'GCC leads global 5G deployment waves and commercialization'** - In his opening keynote at the SAMENA Leaders' Summit, where the leading telecom and ICT leaders in the region gathered, Steven Yi, President of Huawei Middle East and Central Asia, addressed the audience with futuristic but also pragmatic ICT industry viewpoint, reflecting on the company sustainable approach. He reiterated that the Gulf countries continue to lead the global 5G deployment and commercialization and offer a fertile environment for the development of 5.5G. Steven said: "It is widely acknowledged that the digital economy plays a pivotal role in driving global economic growth. AI as the key technology, will help to build an intelligent world and boost digital economic progress. The rapid rise of AI technology has significantly increased computing power demand. To train and increase accuracy, AI systems need large volumes of data, which must be transmitted rapidly, processed efficiently, and stored safely." It is estimated that by 2030, the thriving digital economy. Huawei believes that sustainable digital economic growth will be based on three powers, the transmission power that can support over 200bn global connections, the computing power that can meet 500 times increased AI computing demands, and the storage power that can store an impressive 1 Yottabyte (a quadrillion Gigabytes) of data yearly. He stressed that building these three powers involves continuous investment in connectivity infrastructure, green deployment and local digital talents. "Today's connected world demands network connectivity investment. These networks are essential in connecting people with people, people with things, things with things, and transmitting data rapidly and accurately. Advanced connectivity infrastructure can bridge the digital divide and unlock digital economy benefits," Steven added. Continuous evolution to the 5.5G era is the way to ensure that the infrastructure will meet demands for a more immersive experience and unleash the potential powers for sustainable digital economic growth. He highlighted that 5G/5.5G as the crucial ICT connectivity technology can create tangible values toward a digital economy represented in many key outcomes such as reaching the top rate in internet access for more social benefits, contributing to GDP, driving better economic growth and energy saving through 5G networks. "A sustainable digital economy will require more than connectivity. Green ICT solutions must also be prioritized. We must consider the environmental impact as we embrace technology and extend digital networks. We can protect the environment and preserve the digital economy by incorporating eco-friendly and energy-efficient ICT infrastructure. Furthermore, ICT will also boost industry-wide green practices," Steven added. It is estimated that adapting ICT-enabled digital solutions will help reduce 20% of global carbon emissions by 2030. He further elaborated that a sustainable digital economy demands a large pool of local talents that is proficient in the latest technologies and able to adapt to new developments quickly. Governments and businesses must continue to invest in training and education programs to ensure that workers have the skills they need to succeed in the digital economy, he explained. Steven said that "Over the last decades, we have put a lot of effort into creating social values for each country by creating hundreds and thousands of job opportunities for the local people, actively working with local partners, and cultivating over 100,000 local ICT talents through our different training certification programs. We will continue working with our partners to bring pioneering new technologies to the region that will enrich people's lives with immersive digital services and enable smart solutions to accelerate the industry's digital transformation and related social value," he added. (Peninsula Qatar)
- IATA: Second highest passenger growth expected in Middle East during summer travel season** - Second highest passenger growth is expected in the Middle East region during the summer travel holiday season, IATA's forward bookings data indicate. An IATA survey covering 4,700 travelers in some 11 countries shows that 79% said they were planning a trip in the June-August 2023 period. While 85% said that peak travel season disruptions should not be a surprise, 80% said that they expected smooth travel with post pandemic issues having been resolved. Forward bookings data indicates that greatest growth is expected in the Asia Pacific region (134.7%) followed by Middle East (42.9%), Europe (39.9%), Africa (36.4%), Latin America (21.4%) and North America (14.1%). IATA survey has seen "high levels of confidence" among travelers for the peak Northern summer travel holiday season. This corresponds with the first quarter of 2023 forward bookings data for May – September, which is

tracking at 35% above 2022 levels. IATA's senior vice-president (Operations, Safety and Security) Nick Careen said, "Expectations are high for this year's peak Northern summer travel season. For many this will be their first post-pandemic travel experience. While some disruptions can be expected, there is a clear expectation that the ramping-up issues faced at some key hub airports in 2022 will have been resolved. "To meet strong demand, airlines are planning schedules based on the capacity that airports, border control, ground handlers, and air navigation service providers have declared. Over the next months, all industry players now need to deliver." Collaboration, sufficient staffing and accurate information sharing are all essential to minimize operational disruptions and their impact on passengers. The key is ensuring that the capacities which have been declared and scheduled are available. "A lot of work has gone into preparing for the peak Northern summer travel season. Success rests on readiness across all players in the supply chain. If each player delivers on what has been declared, there should be no last-minute requirements to reduce the scale of the schedules that travelers have booked on," said Careen. Labor unrest, particularly in France, is cause for concern. Euro control data on the impact of French strikes earlier this year shows that cancellations can spike by over a third. "We need to keep a very careful eye on Europe where strike actions have caused significant disruptions earlier this year. Governments should have effective contingency plans in place so that the actions of those providing essential services like air traffic control maintain minimum service levels and do not disrupt the hard-earned vacations of those travelling or put at risk the livelihoods of those in the travel and tourism sectors," Careen added. (Gulf Times)

- Saudization decisions lead to create over 500,000 jobs since 2019** - Minister of Human Resources and Social Development Eng. Ahmed Al-Rajhi emphasized that all employment market strategy initiatives will be completed before the end of 2025. "The localization decisions for professions and activities have been instrumental in creating jobs for more than 500,000 male and female citizens in the private sector since 2019," he said. The minister made the remarks while delivering a lecture on "Strategic transformations in the Saudi employment market" at the Saudi Economic Association on Monday. Al-Rajhi noted that the strategy has scored many achievements that contributed to the flourishing of the Saudi labor market, and its results manifested in the economic indices of unemployment rates, economic participation of the labor force, and worker productivity. "All the goals of empowering women planned for 2025 have been accomplished by the end of the year 2022," he said while praising the role of women as an active and important partner in national development and proving their competence in work and responsibility. The minister noted that the patterns of work in terms of freelance, flexible, and remote will move the economy from the shadows to participation in increasing the gross domestic product (GDP) and contribute to increasing the sources of income for individuals, specifically university students, and provide job opportunities for women in a significant way. Al-Rajhi said the participatory economy is an important topic and affects citizens in various fields. "Our goal is to limit the exploitation of workers who violate the participatory electronic platforms, and to provide job opportunities for Saudis," he said. He also talked about the ministry's integration with the education system to align the outputs with the labor market as the journey of harmonization begins with understanding and identifying the skills required in the labor market and their levels, through the Supply and Demand Foresight Unit, the Skills Strategy, programs and initiatives to qualify Saudi youth for work, and this journey ends with following up the employment of young people according to the requirements and available skills. "There are many indices through which performance is measured in this context, most notably the unemployment rate, the labor force participation rate, the private sector participation rate in employment, the ranking in the human capital index, the employment rate of higher education graduates within six months, and other relevant indices," he said. Al-Rajhi stated that a workshop was organized with the participation of representatives of 45 public and private universities during last March. The workshop reviewed reports and data on supply and demand in the labor market until the end of 2025. "These reports and data indicated that we have specializations that the labor market does not need, and some of them we need with

specific numbers of graduates, other majors are still needed, such as majors in health and technical fields," he added. (Zawya)

- UAE: Over 2mn sign up for unemployment insurance** - More than 2mn people, including 40,000 Emiratis, have subscribed to the unemployment insurance scheme. Abdulrahman Al Awar, Minister of Human Resources and Emiratization, addressed the Federal National Council (FNC) on Tuesday, bringing these facts to light. Eligible workers in the UAE have to subscribe to the scheme before June 30 to avoid penalties. It's an ultra-low-cost security net that protects workers if they lose their jobs. Al Awar told the FNC that employees can negotiate and get additional benefits from their insurance companies. This is among three main flexible policies aimed at increasing the stability and flexibility in the labor market. Others include Under this system; employers are required to provide insurance coverage to protect workers in the event of company insolvency or inability to pay employee dues. The insurance covers various contingencies, including repatriation expenses, end-of-service benefits, transportation costs in case of death or work-related injuries, and unpaid salaries. The Ministry of Human Resources and Emiratization reported that 96% of registered workers are currently covered by this insurance. Another innovative mechanism known as the wage protection system ensures timely and secure payment of employee salaries. This system requires companies and establishments to fulfil wage obligations through authorized financial institutions. The Ministry of Human Resources and Emiratization announced a 3.34% growth in the number of companies registered in the system during the first quarter of 2023, compared to the previous year. Moreover, 98% of workers registered with the ministry have enrolled in the system during the same period. Developed by the UAE Central Bank, the wage protection system uses cutting-edge technology to facilitate seamless wage payments and maintain a comprehensive database of wage-related information within the private sector. This development enhances transparency and accountability in salary transactions, ultimately benefiting both employers and employees. Meanwhile, the minister highlighted that the first quarter of 2023 witnessed an increase of 11% in the number of Emiratis employed in the private sector. This brings the total to over 66,000. The number of companies that have hired UAE nationals has increased by 13%. Emiratis now work in more than 16,000 companies. More UAE nationals will get private sector jobs as the semi-annual target to achieve Emiratization rates nears. At the end of last year, firms with 50 employees or more were required to hire at least 2% Emiratis in skilled roles. This year, by June 30, companies have to increase this by 1%. By the end of the year, they need to have 4% Emiratis in skilled roles. (Zawya)
- UAE jobs: Travel and tourism sector to create 7,000 employment opportunities this year** - The UAE's travel and tourism sector will reach its 2019 peak this year, contributing Dh180.6bn to the emirate's economy in 2023, close to the 2019 high of Dh183.4bn. According to World Travel and Tourism Council's (WTTC) latest report, the recovery is driven by overseas travelers flocking back to Dubai and Abu Dhabi after the pandemic. It said the travel and tourism sector in UAE represents nearly 10% of the total economy. It projected that the sector will create nearly 7,000 jobs this year, surpassing the pre-pandemic peak of 745,100, to reach more than 758,000 employed by travel and tourism companies. The UAE's travel and tourism sector has been one of the first sectors to recover during the post-pandemic period, driven by strong demand for inbound and outbound travel. As a result of "revenge travel", Dubai International (DXB) passenger traffic more than double to over 66mn in 2022 on the back of a strong recovery. Following strong results, the world's busiest international airport raised its forecast for 2023 to 78mn. During the first quarter, DXB registered a 55.8% increase in passenger traffic in the first quarter of this year to reach 21.3mn as compared to last year, reaching 95.6% of the 2019 pre-pandemic level. Similarly, Dubai received 4.6mn overnight tourists during the January-March period, up 17%. "The national travel and tourism sector is recovering at a rapid pace, proving the UAE continues to grow in popularity amongst international travelers. The future for the sector looks positive. By the end of this year, the sector's contribution will level that of 2019, and over the next decade, growth will outstrip the national GDP and create more than 114,000 new jobs, representing one in nine jobs," said Julia Simpson, president and CEO of WTTC. It said the visitors' spending is set to jump from Dh164.5bn in

2022 to Dh258bn this year. The global tourism body is forecasting that the sector will grow its GDP contribution to Dh235.5bn by 2033, representing 10.2% of the UAE economy. Over the next decade, the sector will employ more than 872,000 people across the country, representing nearly 12% of all jobs, it added. 2022 performance In 2022, the travel and tourism sector's GDP contribution grew more than 60% to nearly Dh167bn, representing nine% of the country's economy. The sector also created more than 89,000 more jobs from the previous year to reach more than 751,000 jobs nationally, surpassing 2019 levels by an additional 6,000 jobs. 2022 saw the return of international travelers to the UAE, with India, Oman, Saudi Arabia, and the UK leading as source markets for international arrivals. According to the data, in 2022, international visitors contributed Dh117.6bn to the national economy, representing year-on-year growth of 65.3%, although 19% behind 2019 levels. In terms of domestic spending, 2022 saw a 35.7% year-on-year jump, reaching Dh46.9bn, 10.6% above its pre-pandemic counterpart. The WTTC Cities Economic Impact Report showed that Dubai's travel and tourism sector is forecast to have reached Dh46bn in 2022, only 10% below 2019 levels. While Abu Dhabi's travel and tourism sector is expected to have grown to Dh11bn last year, just 12% below 2019 levels. Simpson said city destinations in the UAE continue to grow in popularity for travelers from around the world. "Although these key cities were heavily affected by the pandemic, they have shown incredible resilience and signs of growth." In 2022, the Middle East's travel and tourism sector contributed more than Dh1.2tn to the regional economy, 25.3% below the 2019 peak. By the end of this year, WTTC forecasts the regional sector's GDP contribution will reach more than Dh1.5tn and be within touching distance of the 2019 highpoint. According to WTTC, the sector employed more than 6.8mn people across the region last year, an increase of 865,000 from the previous year, but still 8.7% behind the 2019 peak. The sector will nearly recover the jobs lost during the pandemic by the end of this year. Over the next decade, the Travel & Tourism sector is projected to reach a contribution of nearly Dh2.5tn and employ more than 9.8mn people. (Zawya)

- UAE's Aldar launches 10-yr \$500mn green sukuk** - Aldar Investment Properties, a unit of Abu Dhabi's largest developer Aldar Properties, launched a \$500mn 10-year debut green Islamic bond, or sukuk, on Wednesday, according to a bank document seen by Reuters. The company held investor calls on Tuesday ahead of a potential issue, the proceeds of which will be used to finance or invest in eligible projects under its Green Framework. The sukuk was launched at a spread of 150 basis points over U.S. Treasuries, tightening from guidance released earlier in the day of 185 bps over Treasuries, as order books topped \$2.2bn. HSBC and Standard Chartered Bank were mandated joint global coordinators, along with Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank and Mashreq as joint lead managers and joint bookrunners. Earlier this month, a senior Aldar executive said the company would only tap debt markets opportunistically, and was in a comfortable liquidity position, with 6.1bn dirhams (\$1.66bn) in free cash and 4.4bn dirhams available in undrawn facilities. There has been a pickup in Islamic debt issuance from Gulf credits recently as borrowers look to tap a broader investor base and meet demand for an under-supplied asset class. (Reuters)
- UAE announces key tax rule update for resident, non-resident entrepreneurs** - The UAE Ministry of Finance has updated corporate tax rules for resident and non-resident individuals undertaking a business or business activity. The new move is expected to enable the growth of SMEs and startups in the Emirates Individuals conducting business or business activities will be subject to corporate tax and registration requirements only if their combined turnover exceeds 1mn UAE dirhams (\$272,000) in a calendar year, the Ministry of Finance said in an update. Last year, the UAE introduced corporate tax with a standard statutory rate of 9% for taxable profits up to AED 375,000. Corporate tax on business profits will be effective for financial years starting on or after 1 June 2023. "For example, if an individual who is a UAE Resident operates an online business and the combined annual turnover from this business exceeds AED1mn, under the new decision, the UAE Resident business income from the online business would be subject to Corporate Tax," the Ministry of Finance clarified. Related content: VIDEO: UAE corporate tax will

increase transparency, change company structures - KPMG CEO "However, if the UAE Resident also earns income from a rental property and personal investments, these sources of income would not be subject to Corporate Tax as they fall under the out-of-scope categories," it said. (Zawya)

- Ministry of Finance announces UAE Cabinet Decision on treatment of natural persons in business activities** - The Ministry of Finance announced the issuance of UAE Cabinet Decision No. (49) of 2023 on the treatment of resident and non-resident individuals undertaking a business or business activity, for the Corporate Tax Law purposes. Younis Haji Al Khouri, Undersecretary of the Ministry of Finance, said, "The new Cabinet Decision demonstrates the UAE's commitment to maintaining a clear and competitive tax framework for both local and foreign individual investors. "By simplifying the Corporate Tax system, the UAE continues to foster an attractive business environment that supports the growth of small businesses, startups, and the overall economy. The decision aims to clarify the application of the Corporate Tax regime for natural persons ('individuals' in this context) and ensure that only business or business-related activity income is taxed, whilst clarifying that personal income notably from employment, investments and real-estate (without licensing requirements) is not subject to corporate tax. Individuals conducting business or business activities will be subject to Corporate Tax and registration requirements only if their combined turnover exceeds AED1mn in a calendar year. For example, if an individual who is a UAE Resident operates an online business and the combined annual turnover from this business exceeds AED1mn, under the new decision, the UAE Resident business income from the online business would be subject to Corporate Tax. However, if the UAE Resident also earns income from rental property and personal investments, these sources of income would not be subject to Corporate Tax as they fall under the out-of-scope categories. (Zawya)
- Al Zeyoudi boosts trade and investment ties with Bosnia-Herzegovina** - Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, has led a UAE delegation of leading trade and finance officials to Bosnia-Herzegovina to identify strategic opportunities for UAE businesses in the region and establish stronger greater trade and investment links with this increasingly important economic region. Al Zeyoudi held a series of bilateral meetings with ministers and senior government officials from Bosnia-Herzegovina to identify areas of potential collaboration between the two nations. This included a meeting with Borjana Kristo, Chairwoman of the Council of Ministers, in which they discussed the latest developments in efforts to combat climate change globally, and with Stasa Kosarac, Minister of Foreign Trade and Economic Relations explore potential bilateral trade opportunities. Al Zeyoudi also witnessed a presentation from Elmedin Konakovic, Minister of Foreign Affairs of Bosnia and Herzegovina, in which he showcased leading projects in the country's high-growth industries such as agriculture, healthcare, metals, oils and construction. Initial meetings were followed by discussions with representatives from the Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA), to advance the UAE's direct investment in the nation, and with Vjekoslav Vukoslav and Ahmet Egrlic, vice-presidents of the Foreign Trade Chamber of Bosnia and Herzegovina, where Al Zeyoudi highlighted the UAE's role as a leading logistics hub that can support the country's agriculture, manufacturing and automotive parts exports. On 17th May, Dr. Thani bin Ahmed Al Zeyoudi opened the 12th Sarajevo Business Forum, addressing business leaders, entrepreneurs and investors in one of the most important investment events in south-eastern Europe. The annual event, organized by Bosna Bank International (BBI), showcases more than 200 investment projects across emerging fields such as energy efficiency, electromobility, energy storage, technology and communications. During his opening remarks, Al Zeyoudi heralded the UAE's blossoming economic ties with Bosnia-Herzegovina and highlighted the potential for both parties to deepen their relationship. "Bosnia-Herzegovina is a nation of considerable promise. Its strategic location ensures it is a vital bridge between Central and Eastern Europe, a status that is boosted by its attractive investment climate, pro-growth policies, high-skilled workforce and its ongoing pursuit of European Union membership. It is also an emerging trade and investment partner for the UAE, with bilateral non-oil trade reaching \$50mn in 2022, an increase of

50% on 2021 – and more than double the total achieved in 2020. Our FDI now exceeds \$170mn. “There is, however, considerable scope to elevate these figures. Events such as the Sarajevo Business Forum provide the ideal platform for our business leaders and investors to meet prospective partners and understand high-growth sectors to ensure we are maximizing the opportunities presented by this exciting part of Europe. I look forward to the new projects and partnerships this visit will establish,” he added. (Zawya)

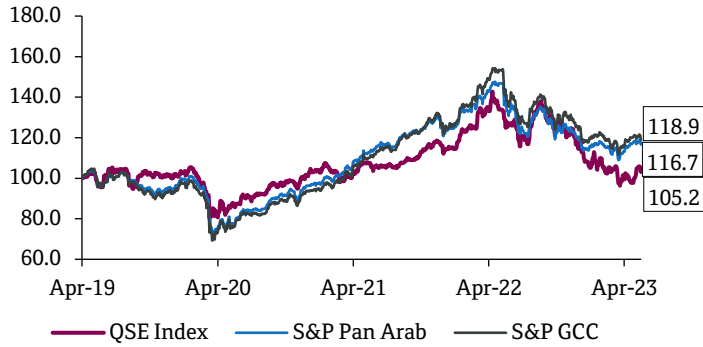
- Experts: Corporate tax regime to boost UAE economy** - The impending introduction of corporate tax in the UAE will further enhance the country’s position as a global business hub, experts said at a session on Monday. A joint session was conducted on corporate tax at India Club on May 15 by India Club, IBPC and Taxation Society, which was attended by over 450 businessmen and professionals. Siddharth Balachandran, chairman of India Club, said the new corporate tax legislation is an important milestone in UAE’s March towards holistic excellence and becoming a major financial megalopolis. “We at the India Club are united in our efforts, with the Government of Dubai and the UAE, in making the implementation of this landmark development a seamless and successful one. This series of seminars is one such effort and I hope it goes a long way in the complete understanding of the proposed tax legislation,” he added. Suresh Kumar, chairman IBPC highlighted that the corporate tax will impact several sectors. “Given its implications, what is also needed apart from these awareness educational series is a constant dialogue and some level of policy advocacy. We are gearing ourselves up to create a task force that can take care of policy advocacy,” he said. Naveen Sharma, chairman of Taxation Society and director events of India Club, said that the UAE has one of the lowest tax rates. “Coupled with minimal compliance requirements and a crystal-clear law, it will further enhance UAE’s position as a global business hub,” he added. Nimish Makvana, senior partner of Crowe UAE and president & co-founder of Taxation Society, stressed on compliance in the new corporate tax era, set to begin on June 1, 2023. “The business houses — who have grown in this prosperous country — it’s time for them to remain compliant with the expectations of the authority and support the initiatives by the government,” he said. Nilesh Ashar, senior managing director and head of Middle East tax, FTI Consulting, highlighted the relief measures in the new law. “The UAE CT law provides significant administrative relief for UAE taxable persons by allowing taxable persons that are part of 95% direct, indirect and common ownership that meet certain additional criteria to form a single tax group and file one tax return, thereby simplifying the compliance burden,” he said. T.P. Anand, chief strategist, Leap Business Excellence Advisory FZE elaborated how the small business relief package is a great boon for start-ups and SMEs in the UAE, which constitutes a large majority in the country. “The relief is available to business entities with less than Dh3mn annual revenue subject to certain conditions,” he said. (Zawya)
- Consortium plans to develop \$5bn UAE-Oman-India undersea pipeline** - South Asia Gas Enterprise (SAGE), a consortium of companies in deepwater pipeline projects, is planning a \$5bn undersea liquefied natural gas (LNG) pipeline from the Gulf to India. The consortium has sought help from India’s Ministry of Petroleum to develop the pipeline, Financial Express reported, citing SAGE director Subodh Kumar Jain. The project’s technical and financial feasibility has been carried out successfully, he said, seeking diplomatic and political support to take it forward. The proposed 2,000-km energy corridor connecting the Middle East and India will lead to an annual saving of about Rs 70bn (\$849.60mn). The route will run via Oman and UAE through the Arabian Sea, allowing import from Oman, UAE, Saudi Arabia, Iran, Turkmenistan and Qatar, a region with 2,500tn cubic feet of gas reserves. Last month, Raj Kumar Singh, Indian Union minister for power and new and renewable energy, said the country plans to link its power grid with the UAE and Saudi Arabia through undersea cables. Once approved by the cabinet, bilateral agreements will be signed with Saudi Arabia and the UAE for the mega projects, he told Mint, an Indian financial news outlet. SAGE is promoted by the New Delhi-based Siddho Mal Group, in joint venture with a UK-based Deepwater Technology Company, according to its website. (Zawya)
- Oman: Finance, Economy ministries issue rules to prepare 2024 budget estimates** - The Ministry of Finance and the Ministry of Economy have issued Financial Circular No. (1/2023) on rules for preparing 2024 budget

estimates. The step comes in line with the implementation of national strategies and programs of five-year development plans for achieving comprehensive development as per the goals of Oman Vision 2040. The financial circular requires all ministries and government departments to prepare estimates for their respective budgets (current budgets and development budgets). The government departments are expected to submit their proposed annual plan drafts that include the following: general goals and indices for accomplishing them, programs and initiatives that achieve those goals, the proposed budgets set for them and the time plan for their implementation and criteria on which the 2024 budget estimates are designated, compared to the 2023 budget. The departments are also required to present their medium-term plans in line with the respective revenue and expenditure schedules. The circular stresses that all government units must submit the estimated budgets (current and development) for the fiscal year 2024 electronically and enter the required budget estimates (revenues and expenditures) for existing budgets, the additional budget and the budget set for operating new projects. The budget estimates are required to be sent before the end of July 2023. The circular indicates that it is necessary to submit a list of disbursement (liquidity) estimates expected during the year 2024 and the expected disbursement for the remainder of the year 2023. These are required for each development project within the context of the ongoing implementation stages and based on the entity’s records. The expected date for completing the project implementation have to be specified. This is in addition to submitting a list of the progress made in strategic programs cited within the “Strategic Programs Folder” of the 10th Five-Year Plan until the date of the report. Also, the percentages of achievement of each program have to be specified. The required statements are required to be dispatched via the 2024 Development Budget System. (Zawya)

- Oman's Ahli Bank mulls offer from Ominvest to acquire entire share capital** - Oman's Ahli Bank is considering a letter of intent it received from Oman International Development & Investment S.A.O.G (Ominvest), to acquire its entire issued share capital. Ominvest, one of the largest investment firms in the region, will subsequently merge the lender with Oman Arab Bank, Ahli Bank said in a regulatory filing on the Muscat Securities Exchange on Wednesday. In a separate statement, Ominvest said the offer will be made by a consortium made up of Ominvest and Arab Bank along with "certain other investors" who desired to join. The consortium will make a base price cash offer of 185 baiza (\$0.48) per share, which offers a premium of approximately: 28% over Ahli Bank's one year market price of 144 baiza. 13% over Ahli Bank's average six-month market price of 164 baiza. 8% premium over the bank's closing stock price as of 31 March. 20% over Ahli Bank's net book value as of 31 March 2023. Ominvest said Ahli Bank's stakeholders comprised of long-term strategic investors, who held more than 25% shareholding, financial investors who held between 10% and 25% and others who held less than 10% of the shareholding. Long-term strategic investors will receive a base price offer plus 15 baiza while financial investors will receive base price offer plus 7 baiza. Other investors with less than 10% holding will receive the base price. The potential acquisition will be funded by members of the consortium from their own funds and will result in "positive foreign direct investment" in Oman, Ominvest said. Last month, Al Ahli Bank said it rejected the non-binding offer it received from Bank Dhofar S.A.O.G, Oman's second-largest lender by assets, which explored the possibility of a merger. (Zawya)
- CEO: Kuwait Oil Company's capital spending will be between 11bn and 13bn Dinars over next 5 years** - The value of Kuwait Oil Company’s capital projects in the next five years is estimated between 11bn and 13bn dinars (\$35.90bn to \$42.43bn), the company’s CEO, Ahmed Jaber al-Aydan, told Kuwait’s Al Rai newspaper in an interview. The company’s capital spending will be distributed among projects for drilling wells, building new production facilities, improving others, and projects for water treatment and injection, al-Aydan added. (Reuters)

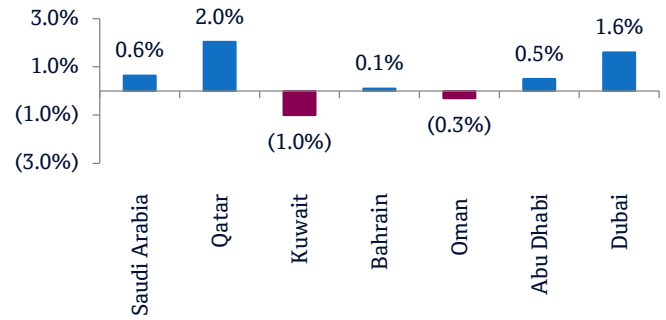


### Rebased Performance



Source: Bloomberg

### Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,981.84	(0.4)	(1.4)	8.7
Silver/Ounce	23.75	0.0	(0.9)	(0.9)
Crude Oil (Brent)/Barrel (FM Future)	76.96	2.7	3.8	(10.4)
Crude Oil (WTI)/Barrel (FM Future)	72.83	2.8	4.0	(9.3)
Natural Gas (Henry Hub)/MMBtu	2.26	(0.9)	14.1	(35.8)
LPG Propane (Arab Gulf)/Ton	65.30	1.6	2.0	(7.7)
LPG Butane (Arab Gulf)/Ton	60.40	4.5	(3.4)	(40.5)
Euro	1.08	(0.2)	(0.1)	1.3
Yen	137.68	0.9	1.5	5.0
GBP	1.25	(0.0)	0.2	3.3
CHF	1.11	(0.2)	(0.1)	2.9
AUD	0.67	0.1	0.2	(2.2)
USD Index	102.88	0.3	0.2	(0.6)
RUB	110.69	0.0	0.0	58.9
BRL	0.20	0.0	(0.3)	7.0

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,820.92	0.7	0.4	8.4
DJ Industrial	33,420.77	1.2	0.4	0.8
S&P 500	4,158.77	1.2	0.8	8.3
NASDAQ 100	12,500.57	1.3	1.8	19.4
STOXX 600	463.98	(0.4)	(0.4)	10.5
DAX	15,951.30	0.1	0.1	16.0
FTSE 100	7,723.23	(0.2)	0.0	7.1
CAC 40	7,399.44	(0.3)	(0.3)	15.7
Nikkei	30,093.59	0.2	1.1	9.9
MSCI EM	975.83	(0.3)	0.3	2.0
SHANGHAI SE Composite	3,284.23	(0.5)	(0.2)	4.8
HANG SENG	19,560.57	(2.0)	(0.2)	(1.5)
BSE SENSEX	61,560.64	(0.7)	(0.9)	1.6
Bovespa	109,459.95	1.6	0.9	7.0
RTS	1,039.58	0.9	0.1	7.1

Source: Bloomberg (\*\$ adjusted returns if any #)

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