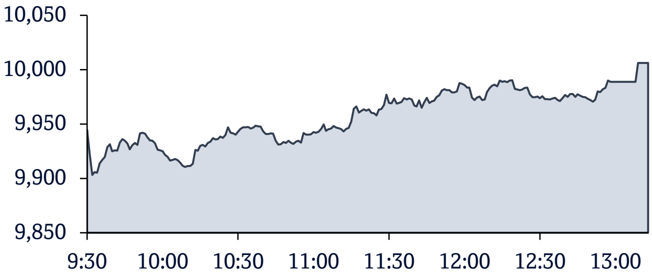
Daily Market Report

Sunday, 26 March 2023

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 10,006.2. Gains were led by the Industrials and Telecoms indices, gaining 0.6% and 0.4%, respectively. Top gainers were Qatar General Insurance & Reinsurance Co. and Qatar German Co for Med. Devices, rising 9.5% and 7.2%, respectively. Among the top losers, Dlala Brokerage & Inv. Holding Co. fell 1.8%, while QLM Life & Medical Insurance Co. was down 1.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.9% to close at 10,446.4. Gains were led by the Commercial & Professional Svc and Insurance indices, rising 3.1% and 2.9%, respectively. Al Kathiri Holding Co. rose 10.0%, while National Medical Care Co. was up 9.9%.

Dubai: The DFM Index fell 0.4% to close at 3,349.5. The Consumer Staples index declined 2.5%, while the Consumer Discretionary index fell 1.6%. Dubai Islamic Bank declined 5.6% while Dar Al Takaful was down 4.2%.

Abu Dhabi: The ADX General Index fell 0.5% to close at 9502.5. The Real Estate index declined 3.1%, while the Energy index fell 0.9%. Abu Dhabi National Co. For Building Construction declined 9.9% while National Marine Dredging was down 4.4%.

Kuwait: The Kuwait All Share Index fell 0.2% to close at 7,050.9. The Insurance index declined 2.3%, while the Utilities index fell 1.1%. Real Estate Trade Centers Company declined 7.6%, while Sultan Center Food Products Co. was down 4.8%.

Oman: The MSM 30 Index fell 0.5% to close at 4,871.0. Losses were led by the Financial and Industrial indices, falling 0.7% and 0.2%, respectively. Bank Muscat declined 5.2%, while Dhofar Generating Company was down 3.8%.

Bahrain: The BHB Index fell 0.2% to close at 1,898.5. The Materials index declined 0.9%, while the Financials index fell 0.1%. Aluminum Bahrain declined 0.9% while National Bank of Bahrain was down 0.5%.

Market Indicators	23 Mar 23	22 Mar 23	%Chg.
Value Traded (QR mn)	428.0	545.0	(21.5)
Exch. Market Cap. (QR mn)	580,395.1	577,876.0	0.4
Volume (mn)	140.8	176.8	(20.4)
Number of Transactions	15,370	19,806	(22.4)
Companies Traded	47	48	(2.1)
Market Breadth	24:18	33:14	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,474.70	0.3	1.2	(1.8)	11.4
All Share Index	3,347.07	0.3	1.3	(2.0)	122.8
Banks	4,229.81	0.3	1.0	(3.6)	11.9
Industrials	3,972.63	0.6	2.2	5.1	11.7
Transportation	3,879.96	(0.4)	(2.6)	(10.5)	11.1
Real Estate	1,394.20	(0.1)	1.3	(10.6)	15.8
Insurance	1,876.33	(0.9)	4.2	(14.2)	15.2
Telecoms	1,417.09	0.4	5.2	7.5	50.7
Consumer Goods and Services	7,556.42	0.0	1.4	(4.5)	20.6
Al Rayan Islamic Index	4,446.20	0.2	0.8	(3.2)	8.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bupa Arabia for Coop. Ins.	Saudi Arabia	165.00	6.5	160.7	14.7
Jarir Marketing Co.	Saudi Arabia	158.00	3.3	379.7	5.3
Arab National Bank	Saudi Arabia	26.70	2.1	1,032.1	(16.7)
Arabian Contracting Services	Saudi Arabia	145.80	2.0	169.5	29.5
Jabal Omar Dev. Co.	Saudi Arabia	20.08	1.8	2,993.6	21.5

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Marine Dredging Co	Abu Dhabi	28.02	(4.4)	1,339.8	14.5
Nahdi Medical Co	Saudi Arabia	172.40	(3.5)	737.2	3.1
Q Holding	Abu Dhabi	2.31	(1.3)	1,323.6	(42.3)
Saudi Investment	Saudi Arabia	16.32	(1.2)	183.9	(5.9)
Kingdom Holding Co.	Saudi Arabia	7.81	(1.1)	116.9	0.9

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%
Qatar General Ins. & Reins. Co.	0.914	9.5	52.3	(37.7)
Qatari German Co for Med. Devices	0.897	7.2	18,517.9	(28.6)
Qatar Industrial Manufacturing Co	2.829	2.9	11.0	(11.9)
Estithmar Holding	1.945	2.1	24,205.3	8.1
Widam Food Company	1.279	2.1	134.1	(37.1)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co.	0.713	(1.8)	1,292.7	(37.6)
QLM Life & Medical Insurance Co.	2.950	(1.7)	5.5	(38.5)
Gulf Warehousing Company	3.650	(1.3)	6.2	(9.8)
Gulf International Services	1.722	(1.3)	1,348.0	18.0
Qatar Insurance Company	1.628	(1.2)	688.8	(15.3)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Estithmar Holding	1.945	2.1	24,205.3	8.1
Qatar German Co for Med. Devices	0.897	7.2	18,517.9	(28.6)
Dukhaan Bank	3.029	1.2	17,940.4	0.0
Masraf Al Rayan	2.609	(0.4)	12,531.7	(17.7)
Qatar Aluminium Manufacturing Co.	1.480	(0.7)	9,452.9	(2.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Islamic Bank	17.65	0.2	69,654.1	(4.9)
Industries Qatar	12.95	0.9	59,880.5	1.1
Dukhaan Bank	3.029	1.2	53,865.3	0.0
Estithmar Holding	1.945	2.1	46,527.6	8.1
QNB Group	15.91	0.7	39,630.5	(11.6)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,006.20	0.3	1.0	(5.3)	(6.3)	116.76	158,680.0	11.4	1.3	5.0
Dubai#	3,349.48	(0.4)	(0.4)	(2.6)	0.4	53.50	160,155.5	8.9	1.1	3.9
Abu Dhabi#	9,502.51	(0.5)	(0.5)	(3.5)	(6.9)	286.20	715,659.0	22.5	2.5	1.9
Saudi Arabia	10,446.39	0.9	4.7	3.4	(0.3)	1,171.40	2,639,288.3	15.7	2.2	3.1
Kuwait	7,050.87	(0.2)	0.1	(2.7)	(3.3)	107.32	147,899.7	16.4	1.1	3.6
Oman	4,871.01	(0.5)	(0.3)	2.5	0.3	15.78	22,865.3	11.3	0.8	3.8
Bahrain	1,898.51	(0.2)	0.1	(1.7)	0.2	7.97	65,535.4	6.1	0.6	6.1

*Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any # Data As of March 24, 2023)*

Qatar Market Commentary

- The QE Index rose 0.3% to close at 10,006.2. The Industrials and Telecoms indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from Arab and Foreign shareholders.
- Qatar General Insurance & Reinsurance Co. and Qatari German Co for Med. Devices were the top gainers, rising 9.5% and 7.2%, respectively. Among the top losers, Dlala Brokerage & Inv. Holding Co. fell 1.8%, while QLM Life & Medical Insurance Co. was down 1.7%.
- Volume of shares traded on Thursday fell by 20.4% to 140.8mn from 176.8mn on Wednesday. However, as compared to the 30-day moving average of 132mn, volume for the day was 6.7% higher. Estithmar Holding and Qatar German Co for Med. Devices were the most active stocks, contributing 17.2% and 13.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	26.18%	28.84%	(11,415,402.0)
Qatari Institutions	32.63%	25.22%	31,709,280.4
Qatari	**58.80%**	**54.06%**	**20,293,878.4**
GCC Individuals	0.02%	0.30%	(1,165,216.0)
GCC Institutions	2.56%	1.33%	5,281,021.2
GCC	**2.58%**	**1.62%**	**4,115,805.1**
Arab Individuals	8.30%	9.26%	(4,095,544.2)
Arab Institutions	0.00%	0.08%	(328,900.0)
Arab	**8.30%**	**9.34%**	**(4,424,444.2)**
Foreigners Individuals	1.96%	2.09%	(592,826.5)
Foreigners Institutions	28.36%	32.89%	(19,392,412.9)
Foreigners	**30.32%**	**34.98%**	**(19,985,239.3)**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03-23	US	Department of Labor	Initial Jobless Claims	Mar	191k	197k	192k
03-23	US	Department of Labor	Continuing Claims	Mar	1694k	1690k	1680k
03-23	US	U.S. Census Bureau	New Home Sales	Feb	640k	650k	633k
03-23	US	U.S. Census Bureau	New Home Sales MoM	Feb	1.10%	-3.10%	1.80%
03-24	US	Markit	S&P Global US Manufacturing PMI	Mar	49.30	47.00	47.30
03-24	US	Markit	S&P Global US Services PMI	Mar	53.80	50.30	50.60
03-24	US	Markit	S&P Global US Composite PMI	Mar	53.30	49.50	50.10
03-23	UK	Bank of England	Bank of England Bank Rate	Mar	4.25%	4.25%	4.00%
03-24	UK	GFK NOP (UK)	GFK Consumer Confidence	Mar	-36.00	-36.00	-38.00
03-24	EU	Markit	S&P Global Eurozone Manufacturing PMI	Mar	47.10	49.00	48.50
03-24	EU	Markit	S&P Global Eurozone Composite PMI	Mar	54.10	52.00	52.00
03-24	EU	Markit	S&P Global Eurozone Services PMI	Mar	55.60	52.50	52.70
03-24	Germany	Markit	S&P Global/BME Germany Manufacturing	Mar	44.40	47.00	46.30
03-24	Germany	Markit	S&P Global Germany Services PMI	Mar	53.90	51.00	50.90
03-24	Germany	Markit	S&P Global Germany Composite PMI	Mar	52.60	51.00	50.70
03-24	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Feb	3.30%	3.30%	4.30%
03-24	Japan	Markit	Bank Japan PMI Composite	Mar	51.90	NA	51.10
03-24	Japan	Markit	Bank Japan PMI Manufacturing	Mar	48.60	NA	47.70
03-24	Japan	Markit	Bank Japan PMI Services	Mar	54.20	NA	54.00

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

Earnings Calendar

Tickers	Company Name	Date of reporting 1Q2023 results	No. of days remaining	Status
QISI	Qatar Islamic Insurance	30-Apr-23	35	Due

Source: QSE

Qatar

- **Ooredoo Group confirms final court ruling issued in favour of the National Mobile Telecommunications Company, Ooredoo Kuwait to receive approx. QR510mn –** Ooredoo Q.P.S.C. has announced the issuance of the decision of the Council Chamber of the Court of Cassation of Kuwait following the hearing of the appeal against the judgment issued in favour of the National Mobile Telecommunications Company - Ooredoo Kuwait - (Respondent) in the case No. 859/2020, related to tariffs on number ranges. The appeal was filed by the Director General of the Communications and Information Technology Regulatory Authority (CITRA) in its capacity as (Appellant) and the Minister of Communication in his capacity as (Appellant). In the ruling, the appeal was rejected, and the court ordered the Appellants to pay the Respondent the total amount of KD43.8mn (approx. QR510mn). (QSE)
- **Widam Food Company discloses the judgment in the lawsuit No. 54/2023 of Court of Cassation –** Widam Food Company discloses the judgment in the lawsuit no 54 2023. The Court Cassation of the Supreme Judiciary Council in judgment No 54/2023 related to an appeal made against a court of appeal decision dated 31/10/2022 - Appeal case No (6) of 2022 - which found that Widam Food Company's AGM did not contravene any legal precepts related to Law No. 11 of 2015 Promulgating the Commercial Companies Law or the Decision No 1 of 2016, or the company's Articles of

Association. The Court of Cassation found that appeal had no legal merit and dismissed it. The Court has adjudicated that the appellant should bear the case cost and forsake the paid financial bail amount. (QSE)

- **Confirmation of credit rating of Mekdam Holding Group at gcBB by S&P Global Ratings -** Mekdam Holding Group has announced that S&P Global Ratings has confirmed the credit rating at gcBB. (QSE)
- **Qatar sells QR1.0bn 7-day bills at yield of 5.005% -** Qatar sold QR1.0bn ($272.4mn) of bills due March 30 on March 23. The bills have a yield of 5.005% and settled March 23. (Bloomberg)
- **Qatar Feb. Foreign Reserves QR234.95bn -** Qatar's foreign reserves were QR234.95bn in February, according to the Qatar Central Bank. (Bloomberg)
- **Qatar sees 4.5 percentage points hike in interest rates in 15 months -** With the Qatar Central Bank (QCB) raising the key rates by 25 basis points (bps), the country has seen a cumulative 4.5 percentage points (ppts) hike in rates since January 2022 in view of the fixed exchange parity with the US dollar. The QCB on Wednesday increased the repo rate, deposit and lending rates by 25 basis points after the US Federal Reserve hiked its reference rate by 25 basis points. The repo rate in Qatar has increased by a cumulative 4.5 ppts or 450 bps from the beginning of 2022. Since January 2022, QCB repo rate has risen from 1% to 1.25% in March, then to 1.75% in May, 2.5% in June, 3.25% in July, 4% in September, 4.75% in November, 5.25% in December and the latest 5.5%. In 2021, the average repo rate was 1%. The central bank's move (in increasing repo rate) has been necessitated by the fixed exchange parity with the greenback; otherwise, higher-yielding dollar-based investments could put downward pressure on the local currency, market sources said, adding it may lead funds flow to bank deposits with higher returns and lower risk. The QCB lending rate has cumulatively increased by 3.25 ppts or 325bps from the beginning of 2022. It was seen jumping from 2.5% in January to 2.75% in May, 3.25% in June, 3.75% in July, 4.5% in September, 5% in November, 5.5% in December and the latest 5.75% in March. The average lending rate in 2021 was 2.5%. On credit facilities, the interest rate (weighted average) on loans less than one year was seen increasing to 6.25% in January 2023 against 3.8% in January 2022; on loans from one to three years to 6.58% (3.39%); on loans of three years and above to 6.72% (4.11%). Similarly, the QCB deposit rate has cumulatively jumped by 4.25 ppts or 425bps, increasing from 1% in January 2022 to 1.5% in May, 2.25% in June, 3% in July, 3.75% in September, 4.5% in November, 5% in December 2022 and 5.25% in March 2023. The average deposit rate stood at 1% in 2021. In terms of customer deposits, time deposits of one-month were seen surging to 4.43% in January 2023 compared to 1.32% in January 2022; three-month deposits to 5.03% (1.41%); six-month deposits to 5.11% (1.55%); one-year to 3.24% (1.89%) and more than one year to 3.78% (1.88%). The weighted average overnight interbank interest rate (on riyal) stood at 4.97% in January 2023 compared to 0.28% in January 2022. The overnight rates noticeably shot up from July 2022 since it was much less than 1% in January-June 2022. In July, it was 1.68% from when it began zooming to 2.62% in August, 2.61% in September, 3.7% in October, 4.31% in November, 4.68% in December and 4.97% in January 2023. (Gulf Times)
- **Estithmar Holding to hold its AGM and EGM on April 16 for 2023 -** Estithmar Holding Q.P.S.C. announces that the General Assembly Meeting AGM and EGM will be held on 16/04/2023, virtually via video call, inviting the shareholders wishing to attend in person to come to the headquarters of the company located in Lusail City - Eighteen Tower - 35th floor and 09:00 PM. In case of not completing the legal quorum, the second meeting will be held on 18/04/2023, virtually via video call, inviting the shareholders wishing to attend in person to come to the headquarters of the company located in Lusail City - Eighteen Tower - 35th floor and 09:00 PM. Agenda of the Ordinary General Assembly: 1. Reviewed the Consolidated Financial Statements for the year ended 31 December 2022 and recommended to the General Assembly to approve it. 2. Recommended to the General Assembly not to distribute dividends for the financial year 2022. 3. Call the Ordinary General Assembly to convene and determine its agenda, after obtaining the necessary approvals, as follows: 1) Review and approve the Board of Directors' report about the Company's activities, financial position during the year ended 31 December 2022, and the auditor's report. 2) Review and approve the Balance Sheet statement and Profit or Loss statement. 3) Review and approve the Governance Report. 4) Recommendation of the Board of Directors not to distribute dividends for the financial year 2022. 5) Review discharging the members of the Board of Directors and determine their remunerations. 6) Review the offers of appointing Auditors and their remuneration. 7) An offer to purchase a property in the State of Qatar by one of the company's subsidiaries. Agenda of the Extraordinary General Assembly: 1. Authorizing the Board of Directors of the company to approve, on behalf of Estithmar Holding Company and its subsidiaries (registered in or outside the State of Qatar) or owned by it, to conclude facilities contracts funded and/or not funded by banks inside or outside the State of Qatar, whatever duration, including those that Its terms exceed three years, without financial ceiling, and under the conditions that the Board deems appropriate for the interest of the group and its subsidiaries and companies owned by it. 2. To authorize the Chairman and his deputy, individually or jointly, to open, close and manage the bank accounts of Estithmar Holding Q.P.S.C. or its subsidiaries or companies owned by it. They also have the right to sign on behalf of Estithmar Holding Q.P.S.C. and any of its subsidiaries, on facilities contracts financed and / or not funded by banks inside and outside the State of Qatar, whatever their duration, including those whose terms exceed three years and without financial ceiling, and on the terms that the Board of Directors deems appropriate for the interest of the group and its subsidiaries or owned companies, and providing guarantees and solidarity guarantees Contracts for transfers of rights and mortgage contracts of all kinds on behalf of the company and its subsidiaries (registered in the State of Qatar or abroad) and signing them. 3. Adding the Chief Executive Officer and Chief Financial Officer of Estithmar Holding Q.P.S.C. as authorized to sign security checks for any borrowing, of any value, whatever the amount, in the interest of the company and any of its subsidiaries and companies owned by the company or any of its subsidiaries, whether inside the State of Qatar or Outside, as well as adding any of the Chief Executive Officer or Chief Financial Officer of Estithmar Holding Company Q.P.S.C. to sign jointly with any member of the Executive Committee to open, close and manage bank accounts for Estithmar Holding Q.P.S.C. or its affiliated or owned companies They also have the right, on behalf of Estithmar Holding Q.P.S.C. and any of its subsidiaries or owned companies (registered in the State of Qatar or abroad), to sign financed and/or unfunded facilities contracts and loans from banks inside and outside the State of Qatar, whatever their duration is. Including those whose terms exceed three years and without financial ceiling, providing guarantees, solidarity guarantees, assignment contracts of rights and mortgage contracts of all kinds on behalf of the company and its subsidiaries and owned companies, and signing them. 4. Amending Article (36) of the Company's Articles of Association to read as follows: The Ordinary General Assembly determines the remuneration of the members of the Board of Directors, provided that the percentage of such remuneration does not exceed (5%) of the net profit after deducting legal reserves and deductions, and distributing a profit of not less than (5%) of the company's paid-up capital to the shareholders. In addition, a lump sum is distributed to the members of the Board of Directors, which is proposed by the Board to the Ordinary General Assembly, in the event that the company does not achieve profits, and in this case the approval of the Ordinary General Assembly is required, and the Ministry may set a limit for this amount. (QSE)
- **Baladna eyeing global footprint expansion -** Qatar's leading food and dairy producer, Baladna is eyeing to export model outside of Qatar and is looking to expand its footprint in the international market, said an official. Speaking to The Peninsula on the sidelines of AgriteQ 2023, Francis J Higgins, Head of Sustainability and Communications, Baladna said, "Baladna is currently looking to expand into Malaysia, Philippines, Indonesia, Algeria, and Uzbekistan. Malaysia is in the advanced stages of discussions. "We have completed our due diligence and feasibility studies there and hopefully we will be able to break ground on the site in Malaysia within this year. Malaysia is currently 97% import dependent and only produces 3% of their own fresh milk. The government to Malaysia is talking to Baladna to replicate that business model there.""Baladna is unique in a way because we have been able to create a dairy industry in a high humidity environment which is quite similar to the temperatures and

the climate in South East Asia. We hope very soon we will be able to provide them fresh milk and dairy for their own country," he said. Higgins explained that Baladna was born in 2017 and "we had to fly 4,000 cows to provide fresh milk to a country that was 90% import dependent. Since then, we have grown exponentially as we have 25,000 cows which provide 70% of Qatar's dairy demand. We are now the only fully integrated dairy farm that is in conversation with foreign governments to export model outside of Qatar which is one of the most interesting things," he said. Baladna is constantly working to improve efficiencies. "We are trying to approach it from a circular economy perspective whereby everything we do is recycled back into the system. All the waste from the cows is sorted and the liquids are separated from the solids and the solids are turned into compost which is used as organic fertilizer which is then sold to local farmers, nurseries, and schools. So, it's a full circular approach," Higgins noted. He added, "It reduces the need for synthetic fertilizer and because of this we get carbon credits for this. We receive 30,000 tonnes of CO2 equivalent carbon credits per year, 130,000 of which we have donated to the Supreme Committee for Delivery and Legacy to offset against the carbon neutrality of the FIFA World Cup. We also recycle our wastewater, so we reduce our water consumption by 50%. These are all sustainability initiatives that we have integrated into our aim and these serve as a model for our farms that we will do as we expand internationally," he added. During the World Cup we saw increase in demand, in the hotels and the restaurants and Baladna was able to provide that demand to satisfy all the customers and people who were visiting from outside and provide healthy and nutritious products to all visiting people. "We pro-vided juices on board to Qatar Airways flights, so lot of people from outside tried Baladna products and we are proud of the Qatari brand, it's the pride of our nation. This is a real success story." He further said, "Going forward we hope to be an inspiration to other countries seeking to provide dairy security for their nations and hopefully in the future we will see more of this kind of model throughout the world." The pavilion of Baladna attracted large number of visitors to the agricultural exhibition which was characterized by high-quality products. The exhibition provided an important platform for Baladna to participate, exchange experiences, and high-light its role as a leading company in dairy and food production. (Peninsula Qatar)

- **GTA extends deadline for submitting tax return till May 31 -** The General Tax Authority (GTA) announced the extension of the deadline for submitting the tax return for 2022 for all entities subject to the income tax law for one additional month to end on May 31, 2023. Excluded from this extension are companies operating in the field of petroleum operations and petrochemical industries. Additionally, taxpayers who have accounting periods different from the tax year defined in Article (1) of the Income Tax Law promulgated by Law (24) of the year 2018 and its amendments, the GTA indicated in its statement. The GTA pointed out that it has always sought to enhance the principle of tax compliance among taxpayers. GTA also stressed the importance of the commitment of all companies in the country to submitting tax returns on time, as that results in the avoidance of being exposed to financial penalties. The GTA explained that companies benefit greatly from the tax system due to the consequent enhancement of their efficiency and governance. (Peninsula Qatar)

- **Despite global inflation, Ramadan a catalyst for local economic recovery -** Ramadan is upon us amid exceptional and unprecedented global economic condition with waves of inflation hitting the globe, accompanied by a record rise in commodity prices at the global level, in addition to disruption in supply chains and an increase in financing and borrowing costs, as well as other factors that put pressure on household budgets. While there were expectations that the holy month will lead to a slowdown in growth in Arab and Islamic countries and will negatively affect production processes in them as a result of reducing work hours, experts polled by Qatar News Agency (QNA) contradicted those expectations. Experts emphasized that there is no correlation between the month and the occurrence of a slowdown or the rise in prices and inflation. On the contrary, Ramadan is an opportunity for recovery, as it contributes to revitalizing economic growth. On the impact of Ramadan on the economies of Muslim and other countries and on the prices of commodities, experts agreed that many investment and industrial companies make huge profits as a result of the increased demand for their products during the holy month. Despite the waves of stagnation and recession that the world previously witnessed, especially in Europe, Islamic companies and restaurants continued to work well, with an increase in demand for halal food. Ramadan created commercial activity in Western countries and other countries with Muslim population. Professor of Accounting at Qatar University Rajab Abdulla al-Esmail explained that consumption rates in Ramadan are very high. Afterward, there is Eid which revives the movement of the markets and increases sales compared to regular days and months. Al-Esmail added that it is very natural for the rate of consumption to rise during Ramadan, but there is a tradition of wrong consumption habits, adding that a balance between income and actual needs, away from extravagance and waste, is required. In light of the current global conditions and the accompanying events that also put pressure on economies and the pockets of families, al-Esmail stressed the importance of distinguishing between necessary and luxury needs, while avoiding extravagance. The Qatar University Professor explained that two people receiving the same salary every month might have a difference in the standard of living due to disparity in managing expenses and indebtedness. Bank loans burden families so they should be avoided as much as possible, especially if they are spent on consumerism; thus, adjusting financial capabilities and investing in real estate and others is necessary in order to adapt to emergency economic crises after retirement. Investment provides good income, which contributes to improving the quality of life in the future. On the impact of Ramadan on price hikes and inflation, he pointed to the alternatives available in the local markets and the various options at different prices, adding that our local market is open, prices are available electronically, and it is possible to compare them. All these things push merchants to present their best promotional offers to attract customers, throughout the holy month, which increases the competitiveness of the markets. Chairman of Qatar Consumers Complex Companies Ali Hassan al-Khalaf said that it is customary to prepare for Ramadan early, adding that purchasing activity usually increases this month, and the entire market is booming in light of the prosperity of life. He added that spending doubles in Ramadan and the demand for goods increases, which is very natural. Ramadan is an economic season as purchases vary from one individual to another and goods are exchanged as gifts. Regarding prices, he pointed to what the authorities are doing in terms of organizing and monitoring the movement of about 500 basic commodities, which contribute to the stability of their prices throughout Ramadan, adding that price increase may appear to be a 'healthy' phenomenon as it is necessary for the merchant, encouraging him to bring more commodities, while it is considered normal for the consumer as more commodities mean lower price. Regarding the perception of slow movement and weak production in Ramadan, he said it is not true, especially as everyone is waiting for the month because the commercial activity flourishes and grows during it, contributing to lowering prices due to the large quantities of goods coming to sales outlets. This applies to all commodities, including vegetables and fruits, which cannot be stored in the first place, he added. (Gulf Times)

- **High spending, consumption rate during Ramadan help markets flourish -** Spending and consumption rates double annually in Ramadan, and as a result, local markets flourish as the holy month moves its cycle and accelerates its growth processes, according to economic experts. Speaking to QNA about the repercussions of the holy month on the national economy, they unanimously agreed that Ramadan is a catalyst for its acceleration, and the increased demand for commodities is a motive for the productive forces. The consumption pattern during Ramadan has become a source of strength for the local economy, and a driver for the market, in which it finds a sufficient opportunity to move inventory before the advent of the holy month, for businesses to make a substantial income. According to economist Fawaz Al Hajri, purchasing habits in Ramadan usually stimulate the performance of eight main sectors, directly related to the occasion, foremost of which are food products, livestock, textiles and clothing, gifts, sweets and nuts, hotels, restaurants, and beauty salons, as they enjoy higher demand from consumers. These sectors collectively benefit from the season, and their sales double during Ramadan, which reflects positively on them, he said. As for the local economy being affected by the policy of reducing working hours, Al Hajri ruled that out, saying: "Fasting and its duration do not affect productivity. On the contrary, the holy month is a catalyst for all its operations." He cited the experience of Qatar during the COVID-19 pandemic, and during its hosting of the FIFA World Cup Qatar 2022, as manpower and working hours were reduced by up to 80%, and production processes were not affected by that. The time reduction does not harm the employee's productivity, whether it is during Ramadan or at other times. Focus and specialization are the decisive factors, not time as some think, he said. Productivity is one of the economic drivers, but it is not the main engine, he said emphasizing the necessity of sales outlets, and channels as well as the demand for these products. Al Hajri believes that Ramadan has a positive impact on the local economy, through the improvement of the 'consumer' purchases index, and the increase in the production of the food sector, which improves the operations of the transport sector, retail markets and the entire industrial sector. Economists point out the difference in the impact of the holy month on the economy of each country based on the structure of its existing economical structure. Businessman Hassan Al Hakim said that the shopping movement is not the only one that thrives in Ramadan, as the flavors of the month are directly reflected in all the economies of Arab and Islamic countries, expecting the local market to continue its momentum and double its gains in the current Ramadan, as a result of the record growth of the movement. The competition and offers presented by companies to attract shoppers to buy their products may push those businesses to reduce their prices, especially in the second half of Ramadan. Increasing demand for goods and services accelerates economic growth and provides new job opportunities, and this will be in the interest of companies, in terms of higher revenues, as a result of increased sales, which will generate more profits, he added. He pointed to the achievements of remote work, during the previous period, in filling any shortcomings that might hinder the progress of production processes and their chains. "In addition, the majority of projects are managed electronically, including the conclusion of contracts, and commercial deals. This is no longer restricted to working hours and working days, and have become more flexible and dynamic than before," he stressed. (Qatar Tribune)

- **Local agricultural markets to continue operations in Ramadan -** With the beginning of the holy month of Ramadan, the local markets are witnessing a great demand from citizens and residents to buy goods, food products, and the requirements of the holy month, amidst a diversity that has become evident in the local market, which allows consumers to choose between goods in terms of prices and quality, and to choose what suits them. Among these food products that citizens and residents demand are agricultural products, whose consumption rate increases during holiday seasons. This increase was matched by an increase in the national production of vegetables during the past few years, according to figures issued by the concerned authorities. Director of the Food Security Department Dr Masoud Jarallah al-Marri told QNA that agricultural production in Qatar covers most of the needs of the local market in terms of some main varieties of vegetables, such as cucumbers and tomatoes. Agricultural production reaches its peak during the months of March and April, which coincides with the month of Ramadan this year. Therefore, local vegetables will be present in the local markets in abundance during the holy month to cover most of the domestic demand. The Director of the Food Security Department added that the holy month of Ramadan usually witnesses an increase in the volume of vegetable consumption compared to the rest of the year, and the local demand for some varieties of Qatari vegetables increases during the month of Ramadan, as they are fresh and of high quality. The agricultural sector at the Ministry of Municipality works to coordinate with producing farms in the country to increase the areas planted with vegetables, to contribute to covering consumers' needs of vegetables during this period of the year. Dr al-Marri said that the Qatari agricultural sector has made a huge leap towards achieving food security. Vegetable production increased from 55,000 tonnes in 2017 to reach about 97,000 tonnes in 2022, an increase of 76%. He explained that in order to support the productive Qatari farms in marketing their products directly and to ensure that consumers obtain their needs of fresh local vegetables, the agricultural product yards will continue to operate during the blessed month of Ramadan, noting that the Qatari agricultural product yards are considered one of the most important marketing programs that the agricultural sector at the Ministry of Municipality launched in recent years. The ministry has opened five yards for the Qatari agricultural product in the areas of Al Mazroua, Al Khor, Al Thakhira, Al Wakra, Al Shamal and Al Sheehaniya. The idea of the yards is to provide an opportunity for the Qatari agricultural product to market its own production without an intermediary, which contributes to reducing marketing costs to the lowest possible extent, as well as reducing vegetable waste. Reports show that Qatar's production of some vegetables exceeds domestic consumption rates, in addition to that the local market needs about 2,000 tonnes of cucumbers and about 6,000 tonnes of tomatoes per month, and these needs are secured through Qatari farms during the agricultural seasons. The demand during Ramadan is witnessing an increase by outlets and shops for local vegetables, as they have become completely dependent on them, especially during the winter season, when it reaches a 100%, as these products now fully cover consumer demand. It is noteworthy that the Qatar National Food Security Strategy 2018-2023, which is entering its final year, focused on four main pillars: international trade and logistics, domestic self-sufficiency, strategic reserves, and enabling factors: local markets. The Ministry of Municipality is currently working on preparing the strategic plan for food security for the agricultural sector until 2030, which will include goals, areas of development, initiatives and outputs, and will be shared with the private sector. In addition, the ministry is working to launch an initiative to develop agricultural services and implement digital transformation projects in the sector, agricultural digitization, and a digital farmer community, which would raise efficiency and support decision-making for this currently vital sector of the country. (Gulf Times)

- **QCAA: Qatar began fully managing Doha Flight Information Region -** The Qatar Civil Aviation Authority (QCAA) announced that the State of Qatar began, at dawn on Thursday, March 23, 2023, fully managing the Doha Flight Information Region (FIR), in implementation of the decision of the International Civil Aviation Organization (ICAO) in its first phase. In a tweet via its official account on Twitter, QCAA said that the first phase of airspace management for the Doha FIR has been fully completed, controlled by Doha from surface level to an unlimited altitude, including over the international waters. QCAA indicated that the historic decision of ICAO of Qatar's obtaining the management of its airspace and the establishment of the Doha Flight Information Region (FIR), is the result of the efforts of the Qatari team led by HE Minister of Transport Jassim bin Saif Al Sulaiti, and evidence of the international confidence enjoyed by the civil aviation system in the country. (Peninsula Qatar)

- **Real estate trading volume exceeds QR359mn last week -** The volume of real estate trading in sales contracts registered in the Real Estate Registration Department at the Ministry of Justice from March 12 to 16, 2023 reached QR 359,090,529. The weekly bulletin issued by the Department shows that the list of real estate properties traded for sale included vacant lands, houses, residential buildings, and commercial shops. Sales operations were concentrated in various municipalities including Doha, Al Rayyan, and Al Wakra. The volume of real estate trading in sales contracts registered in the Real Estate Registration Department at the Ministry of Justice from March 5 to 9, 2023 reached QR 275,113,038. (Peninsula Qatar)

- **Real Estate Regulatory Authority to be established soon -** To further streamline the real estate sector in the country, a Real Estate Regulatory Authority for releasing statement and data about real estate market will be established soon, said an official. "Following the vision of the country to adopt real estate strategy a committee was set up in 2020," said Director of Technical Office at the Ministry of Municipality Eng Tariq Jumaa Al Tamimi. Speaking to Qatar TV recently, he said that international consultancy firms were hired for a year for the development of the strategy. "First the firms were hired for six months then their services were extended for another six months until we reached at a position to adopt the real estate strategy now we are moving to the implementation stage," said Al Tamimi. He said that real estate strategy will be implemented into phases. "First of all is the establishment of Real Estate Regulatory Authority which will be announced very soon after approval from the authorities concerned." He said that within the strategy, a real estate platform will be also launched to provide services to stakeholders of real estate sector including investors, developers, end users, brokers and operators. "The role of the government is to regulator the real estate sector. Real Estate Regulatory Authority will play key role by releasing statement and data about real estate market," said Al Tamimi. He said that the investors will be able to evaluate the available investment opportunities in the market and take the decision accordingly and useful data will be also available for landlords and tenants for their uses. "The availability of real and accurate data of real estate market will boost further the real estate sector of the country," said Al Tamimi. Last week, the Ministry of Municipality had released details of a draft to develop and launch the first phase of the real estate platform for Qatar. The proposed platform will be based on collecting real estate data from its various sources, with the aim of uploading data in a central platform to achieve the future and strategic goals of the real estate sector in the country. The plan aims to develop a real estate central platform that provides indicators for stakeholders in the real estate sector by collecting and analyzing real estate data from the various concerned authorities in the country. The first phase of the platform is the basic foundation upon which the next phases are built to complete the development of the real estate platform. This real estate platform will provide the concerned authorities with an integrated system that can be used by analyzing the data provided by this platform that supports the principle of transparency, with the aim of facilitating guidance in signing contracts for all parties. (Peninsula Qatar)

- **Qatari startup keen to play key role in economic development -** A Qatari startup is keen on developing e-commerce and digital solutions in the exchange and payment space to help entrepreneurs raise work efficiency and increase productivity and profits. Saleh al-Mansouri, CEO and founder of Fatora.io and MaktApp.com, said MaktAPP is working to contribute to Qatar's economic development by providing free opportunities to start working in e-commerce through the establishment of free online stores. He said the company aims to provide the possibility for entrepreneurs to expand their businesses, collect money, and control and manage their companies through secure electronic payment solutions and billing systems, which is directly reflected in the development of Qatar's economy. Al-Mansouri said MaktAPP graduated from the Qatar Science and Technology Park (QSTP) Incubation Centre and moved into QSTP' park and freezone to become a full fledge operating member company. MaktAPP joined QSTP in 2016 and received a lot of support from QSTP as part of the Product Development Fund program, he explained. He said the company developed Fatora, which is seen as one of the fruits of the success and cumulative effort made by the MaktAPP team in the field of technical progress over the past years. "Fatora is constantly seeking to support the work of startups and medium-sized companies by providing high-quality and professional services and providing the necessary information and action steps necessary for the success of these companies. "Fatora issues books, educational videos, and comprehensive blogs that raise awareness of the importance of digitization in the development of business and technology companies and is keen to keep pace with the global development in digital technology," al-Mansouri told Gulf Times. Al-Mansouri said Fatora is an effective system for promoting products and developing methods for presenting them to the customer, making the marketing process easier, especially for beginners. "The effect was positive in terms of independence at work and the development of long-term plans to raise the level of the company's operations," al-Mansouri said. Asked about the challenges MaktAPP is facing in the current market and how the company is addressing them, al-Mansouri said: "One of the challenges we face today is the difficulty of providing one comprehensive service suitable for all categories and needs of the customer." Despite these challenges, al-Mansouri said MaktAPP is currently working on developing artificial intelligence (AI) technologies in the field of e-commerce and billing systems. "A clear vision of the goal makes us focus heavily on monitoring all changes and developments and trying to work on them to show the best result in business development and commercial projects. "We have a collaborative and inspiring work team that masters the successive cumulative work, and each of them knows their tasks well, excels in their specialization, and knows how to be a source of inspiration for others. They are the basis of success," he stressed. Al-Mansouri added: "We always strive to cooperate with all available agencies, especially in conjunction with the expansion of our services in neighboring countries, and our door is open to all partnerships. "As we all know, the world is now heading towards the electronic digital reality, especially in the field of trade, and this is a major reason why Fatora is at the forefront of the pillars of digital economic development, specifically in Qatar, and this is of course what we aspire to, hope for, and strive for." (Gulf Times)
- **Top-notch infrastructures a boon for investments in 2023 -** Qatar's rapidly enhancing state-of-the-art infra-structures has enabled many potential investors arriving in the country to invest and execute business plans in 2023. "The government's initiatives and the business community in the country is one of the primary reasons why I chose to invest in Qatar", Sara Smith, an investor told The Peninsula." As infrastructures develop rapidly in the Middle Eastern hub, potential tourists and expats anticipate better investments", a real estate official said adding that the augmenting establishments in addition to healthcare and tax-free facilities have become a major cause for the rising number of investors and tourists. Rayan, an investor said: "The country is repeatedly reported as one of the finest destinations for investors like me, and the infrastructures here are breathtaking. Qatar's strong economy and safe atmosphere is an added advantage for investing." "Qatar's hosting of major sporting events has opened a window for the world to have a glimpse into the mystique and grandeur of its high life and world-class infrastructure," stated, 25 spaces real estate in a report adding that with a population of 85% expats from over 100 countries, Qatar is "arguably a multi-racial cosmopolitan melting pot." (Peninsula Qatar)
- **Official: GAC keen on developing robust internal audit systems -** The General Authority of Customs (GAC) is committed to developing the best practices for its internal audit to ease workflow and improve efficiency, the Director of the Internal Audit administration, Khaled Hamad Al Kaabi, has disclosed. In the GAC's monthly newsletter, Al Kaabi highlighted the department's responsibility in ensuring the GAC's operations go smoothly but stressed that training and skills development are vital components of its future goals. "The Internal Audit administration is keen to develop and know the best practices for the benefit and improvement of the administration's field of work through pro-viding training courses to provide the employees with more experience and skills, developing the work of the administration through the assistance of a company specialized in the field of information technology auditing and cybersecurity," Al Kaabi stated. He added that there are plans to establish an internal audit program to archive and extract the administration's reports, including a reference library for laws and instructions related to the field. Al Kaabi also disclosed that the internal audit department comprises financial audits and administrative oversight. According to him, the administration monitors compliance with the implementation of laws, regulations and decisions relating to the authority's activities, reviews the financial documents and instructions and proposes the necessary amendments, oversight of staff recruitment procedures and other personnel matters and makes administrative inspections and monitor staff members' obligation to working hours and attendance. It also has audits and reports on fraud and administrative and financial corruption to ensure public funds are not wasted and used for purposes other than those for which they are intended as part of its responsibilities. (Peninsula Qatar)
- **Alpen Capital: Qatar healthcare spend may record 5.1% CAGR to reach $9.3bn by 2027-** Healthcare spending in Qatar is expected to record a CAGR of 5.1% over the five-year forecast period to reach $9.3bn by 2027, Alpen Capital has said in a forecast. This, Alpen Capital said, can be largely attributed to a relatively subdued population growth. The introduction of mandatory health insurance for non-Qatari employees and their family members and the introduction of disease preventive services by the government is expected to augur demand for healthcare services in the country. While Qatar's share of current health expenditure (CHE) to the GCC region's total is expected to remain flat at 6.9% during the forecast period, its healthcare expenditure as proportion of GDP is anticipated to grow marginally from 3.3% in 2022 to 3.6% in 2027. The demand for hospital beds in the country is expected to remain flat over the next five years due to an estimated fall in population as per the IMF during the forecast period. CHE in Qatar is expected to grow by 7% this year and 6.9% by 2025, Alpen Capital noted. Healthcare expenditure in the GCC has been projected to reach $135.5bn in 2027, growing at a CAGR of 5.4% since 2022, it said. The region's expanding population base (estimated to grow

at an annualized rate of 1.9% CAGR between 2022 and 2027), high incidence of non-communicable diseases (NCDs), rising cost of treatment, rising medical inflation, and increasing penetration of health insurance are expected to augur growth. CHE as a proportion of GDP in the GCC is anticipated to grow from 5% in 2022 to 5.8% in 2027, the report noted. CHE in the GCC is estimated to have grown at a CAGR of 9.5% between 2020 and 2022 to reach $104.1bn. The two-year period, when the healthcare sector was primarily combating the pandemic, recorded a high growth in inpatient and outpatient markets. As the Covid crisis started to abate in 2021, the region's CHE as a percentage of GDP is estimated to have normalized and stood at 5.6% as compared to 6.1% in 2020. Between 2022 and 2027, CHE in the GCC countries is anticipated to increase at annual average growth rates of 4.4% to 7.4%. The growth varies widely among the GCC nations largely owing to country-specific population projections, economic conditions, cost of healthcare, and prevalence of underlying diseases among other factors. The UAE is likely to witness the highest growth rate compared to its GCC peers in anticipation of a fast-growing population, increased and wider coverage of mandatory health insurance and high average medical inflation rate. Subsequently, the share of UAE in the GCC's CHE is expected to expand at a faster rate compared to the other countries. However, the market rankings are expected to remain unchanged, with Saudi Arabia and the UAE dominating the region's CHE with a combined share of 79.6% in 2027, Alpen Capital noted. (Gulf Times)

- **GECF: Qatar delivers 12 more LNG cargoes in January, February compared to same period in 2022 -** Qatar delivered 12 more LNG cargoes in the first two months of 2023 compared to same period in 2022, according to Doha-based Gas Exporting Countries Forum (GECF). The number of LNG shipments in the first two months of 2023 reached 1,047, up 4% (or 41 more) than during the same period in 2022, GECF said in its latest monthly report. In February 2023, the LNG spot charter rate for steam turbine carriers averaged $34,600 per day, which was 36% lower month-on-month (m-o-m), but 111% higher year-on-year (y-o-y). Spot charter rates usually observe a seasonal increase at the end of the year, as demand for LNG grows for the upcoming winter. In 2022, the same factors were at play, coupled with further tightness in the market due to European buyers purchasing cargoes as floating storage, resulting in extremely elevated charter rates, GECF said. “As the winter season commenced, these floating cargoes began to be discharged, freeing up carriers and reducing spot charter rates. Additionally, the mild winter conditions helped to ease gas demand somewhat, contributing to fewer inter- basin flows, and thus charter rates softening even further, from January into February,” GECF noted. The average price of the leading shipping fuels in February 2023 was $610 per tonne, which was unchanged from the previous month, and 14% lower y-o-y. The impact of decreases in LNG spot charter rates and delivered spot LNG prices, resulted in a net decrease in the LNG shipping cost, by up to $0.53/MMBtu compared with the previous month, it said. When compared with the same month one year ago, in February 2023 charter rates were greater, but fuel prices and delivered spot LNG prices were lower than in 2022, resulting in LNG shipping costs up to $0.33/MMBtu lower. In February, 1.47 Mtpa of liquefaction capacity were impacted by planned an unplanned outage, which was down from 2.03 Mtpa of liquefaction capacity that were impacted in February, GECF noted. At a project level, the Freeport LNG facility in the US was impacted by the unplanned outage in February, while the Skikda LNG facility in Algeria was undergoing planned maintenance activities. Meanwhile, the force majeure on feedgas supply to the liquefaction facility in Nigeria, which was declared in January, remained in effect in February as well, GECF said. (Gulf Times)

International

- **What’s going on at Deutsche Bank and why is its share price falling?**
  A sudden drop in Deutche Bank’s share price has sparked widespread concern in the banking world Shares in Germany’s biggest bank dropped by as much as 14 per cent on Friday after a big spike in the cost of insuring the bank against it defaulting on its debts. It is not entirely clear why this happened but markets are very nervous after the rescue of Credit Suisse by its local rival UBS a week ago.
  How badly at risk is it?
  The share price fall clearly showed that investors are worrying about the health of the bank. But, as analysts at the Autonomous research firm said: “We are relatively relaxed in the view of Deutsche’s robust capital and liquidity positions”. Investors have been concerned about the bank’s exposure to commercial property loans in America and to complex financial instruments known as derivatives, but Autonomous said any losses from the property loans should be “manageable” and that its derivatives exposure was “not out of kilter with other banks’ portfolios”. They and other analysts point out a key difference with Credit Suisse, which is that it is less dependent on rich private individuals who can be prone to pulling their money out quickly and putting it elsewhere. Rather, Deutsche has more big, corporate clients who tend to be more measured in their approach.
  Hasn’t Deutsche Bank been under pressure before?
  Yes, and that might explain why investors have been jittery. Part of the reason that Credit Suisse got into trouble a week earlier was its record of mismanagement and mishaps — and its inability to make profits. However, Deutsche’s problems were longer ago. It was in 2016 that the bank was scrambling for survival amid concerns that it would not be able to find enough cash to pay a penalty for misselling bonds in the run-up 2008 crisis. At the time, the International Monetary Fund regarded it as the world’s riskiest bank. In the end, the fine was not as large as was feared and a major restructuring of the whole bank stabilised it. Investment banking activities were particularly scaled back. It still employs 7,500 in Britain, mostly in London, but with 1,000 in Birmingham. Last year, the bank recorded its biggest profits since 2007 and the chief executive, Christian Sewing, said it was “significantly more profitable, diversified and efficient”.
  What are the authorities doing?
  German chancellor Olaf Scholz made a public statement to try to calm the market jitters on Friday, saying Deutsche had “fundamentally modernised and reorganised its business and is a very profitable bank”. “There is no reason to be concerned about it,” he said. As one of the biggest banks in the eurozone, the European Central Bank is also watching the situation and its president, Christine Lagarde, said the banking sector was “strong”. The German financial markets regulator, BaFin, said it was watching the situation but stressed that the “German financial system continues to be stable and robust”.
  Is my money safe?
  Deutsche does not hold deposits for customers in Britain and, in any case, experts see no distress in Britain’s banks. The only impact on your finances from the Deutsche Bank share price drama might be that your pensions and savings are invested partly in bank shares. However, the events of the past week are symptomatic of a wider jitteriness in the banking sector, which could result in banks wanting to hold on to more cash and be less willing to lend money to people and businesses. This could make it harder, or more expensive, for you to obtain loans and the Bank of England is raising rates to make this happen anyway. The knock-on effect for the economy could then be to slow the amount businesses spend on investment and employing more staff. However, it is too soon to gauge whether this will happen. (Bloomberg, The Times)

- **S&P Global survey: US business activity accelerates in March -** US business activity gained steam in March as orders rebounded for the first time in six months, according to a survey on Friday, which also suggested that inflation could continue to slow gradually. S&P Global said its flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, increased to 53.3 this month. That was the highest reading since last May and followed a final reading of 50.1 in February. It was the second straight month that the PMI remained above 50, indicating growth in the private sector. A measure of new orders received by private businesses jumped to 51.2 from 48.5 in February. It was the first time since September that business in general reported growth in new orders. "March has so far witnessed an encouraging resurgence of economic growth," said Chris Williamson, chief business economist at S&P Global Market Intelligence. The rise in orders was concentrated in the services sector, with orders in manufacturing still weak, though off the prior months' low levels. A recent tightening in financial conditions in the aftermath of the failure of two regional banks casts a shadow over the outlook for order growth. There are fears that the resulting tightening of lending standards by banks could make credit less available to households and businesses. Federal Reserve Chair Jerome also alluded to this, telling reporters on Wednesday that "the events of the last two weeks are likely to result in some tightening of credit conditions for households and businesses, and thereby weigh on demand on the labor market and inflation." The Fed raised its benchmark overnight interest rate by a quarter of a percentage point, but indicated it was on the verge of pausing further increases in borrowing costs, in a nod to the recent financial market stress. The survey's measure of prices paid by businesses for inputs dipped to 59.8 from 60.4 in February. According to S&P Global, while raw material and supplier price hikes had eased, firms reported that higher wage bills pushed up cost burdens. Even as they complained about higher labor costs, businesses increased headcount this month. Services, which account for a large share of the economy, are driving overall domestic inflation. The survey's flash services sector PMI increased to 53.8 this month, the highest level since last April, from 50.6 in February. Economists polled by Reuters had forecast the services PMI rising to 50.5. The survey's flash manufacturing PMI climbed to a still-subdued 49.3 from 47.3 in February. It has now contracted for five straight months. Economists had forecast the index at 47. New orders dropped for the sixth consecutive month, though the pace of decline slowed. (Reuters)

- **Yellen: US prepared to take more action to keep bank deposits safe -** US Treasury Secretary Janet Yellen reiterated on Thursday that she was prepared to take further action to ensure that Americans' bank deposits stay safe amid turmoil in the banking system. "As I have said, we have used important tools to act quickly to prevent contagion," Yellen said in remarks to the US House of Representatives Appropriations subcommittee hearing. "These are tools we could use again for an institution of any size if we judged its failure would pose a systemic risk," she added. Silicon Valley Bank was taken over by federal regulators on March 10, followed days later by Signature Bank. Multiple federal agencies, including the US Department of Justice and the Securities and Exchange Commission, are probing SVB. Global banking markets have been skittish and investors remain fearful of wider economic repercussions. Given that Congress is divided in control, with Republicans holding a majority in the House of Representatives and President Joe Biden's fellow Democrats leading the Senate, any new legislation in light of the banking crisis would require bipartisan support. House Financial Services Committee Chairman Patrick McHenry, a Republican, said on Wednesday it was too early to tell if new legislation was necessary after the failures of the two banks. Biden said last week the banking crisis has calmed down, and promised Americans that their deposits are safe. On the broader state of the US economy, Yellen said the labor market was "extremely tight," which was contributing to inflation. However, she also added that supply chain pressures and shipping costs were coming down and were eventually likely to bring down inflation. Separately on the issue of the debt ceiling, the Treasury secretary said that a US debt default would undermine the dollar's reserve currency status and that a failure to raise the debt ceiling would lead to a recession or worse. Republicans in the US House of Representatives are working on a "term sheet" of conditions they would want Democrats to agree to in exchange for voting to raise the federal government's $31.4tn debt ceiling later this year, House Budget Committee Chairman Jodey Arrington said on Thursday. Yellen also told lawmakers Russia and China have the motivation to try to develop an alternative to the US dollar but it would be "tremendously difficult" for them to do so. "I certainly want to see the dollar remain as the world's reserve currency and there is a motivation that Russia and China have to try to develop another system that avoids the use of the dollar," Yellen said. (Reuters)
- **US business investment appears weak in first quarter as orders rise moderately -** New orders for key US-manufactured capital goods unexpectedly rose in February, but data for the prior month was revised sharply down, suggesting that business spending on equipment could be struggling to rebound in the first quarter. While a survey from S&P Global on Friday showed business activity gaining steam in March, manufacturing contracted for a fifth straight month. The reports likely confirm that manufacturing is in recession, weighed down by higher borrowing costs. With financial conditions tightening following the recent failure of two regional banks, the outlook for both business investment and manufacturing is cloudy. "We anticipate gloomier times ahead as spending softens, lending standards tighten and higher interest rates than the post-global financial crisis period make it costly to purchase capital goods and finance investment," said Oren Klachkin, lead US economist at Oxford Economics in New York. "The recent bout of banking sector stress will only add to upcoming strains." Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, increased 0.2% last month, the Commerce Department said. Data for January was revised lower to show these so-called core capital goods orders rising 0.3% instead of 0.8% as previously reported. Economists polled by Reuters had forecast core capital goods orders unchanged. Core capital goods orders advanced 4.3% on a year-on-year basis in February. The data is not adjusted for inflation. Producer prices for finished goods, excluding food, have exceeded the monthly gains in core capital goods orders. That means inflation adjusted orders were weak. The report is consistent with regional Federal Reserve bank factory surveys showing business sentiment remaining depressed so far this year. That was reinforced by the S&P Global survey showing its flash manufacturing PMI climbed to a still-subdued 49.3 in March from 47.3 in February. Manufacturing, which accounts for 11.3% of the US economy, has contracted for two straight quarters as higher interest rates undercut demand for goods, which are typically bought on credit. (Reuters)
- **Fed says rising income costs cut payments to US Treasury in 2022 -** Rising interest costs cut into the amount of money the Federal Reserve handed back to the US Treasury last year compared to 2021, the US central bank said in an audited financial statement released on Friday. The Fed returned $76bn to the Treasury last year, down from $109bn in the prior year, according to the document, which updated figures first released in January. The central bank said it earned $58.8bn last year versus $107.9bn in 2021. Higher costs related to interest ate into the bottom line and left the Fed at the end of 2022 with what it calls a $16.6bn deferred asset, which describes what is essentially a loss for the central bank. The Fed has said that even when it operates in a net negative environment, its losses do not impact its ability to operate or conduct monetary policy. A deferred asset will be paid back when the Fed moves back to profitability, but that could take some time, given that analysts expect it to run large losses for an extended period. As of March 22, that deferred asset had risen to $42.2bn. By law the Fed returns profits after covering its operating expenses to the Treasury. Over the last year the central bank has lifted its benchmark overnight interest rate aggressively, which has sharply increased the interest it pays banks, money funds and others to keep cash at the central bank. The largest source of Fed income is the interest income it gets from bonds it owns. The Fed aggressively bought Treasury bonds and mortgage-backed securities to support the economy and financial system during the coronavirus pandemic, and the income it earned from those securities at a time when its policy rate was near zero allowed Fed profits to swell. But in March of last year, the central bank began to hike interest rates to tame high inflation. Soon after, it started to shrink the size of its holdings, in turn creating a pincer movement to erode its earnings. In its statement on Friday, the Fed said that interest it paid to deposit-taking banks via its interest on reserve balances tool hit $60.4bn last year, up $55.1bn from 2021, while interest paid via the reverse repo facility stood at $42.0bn, rising $41.6bn from 2021. The Fed uses the rates paid on these two facilities to control its benchmark overnight interest rate. The Fed also said that in 2022 it earned $170bn in interest income from the bonds it owned, versus $122.4bn in 2021. (Reuters)
- **Small US banks see record drop in deposits after SVB collapse -** Deposits at small US banks dropped by a record amount following the collapse of Silicon Valley Bank on March 10, data released on Friday by the Federal Reserve showed. Deposits at small banks fell $119bn to $5.46tn in the week ended March 15. That was more than twice the previous record drop and the biggest decline as a percent of overall deposits since the week ended March 16, 2007. Borrowings at small banks, defined as all but the biggest 25 commercial US banks, increased by $253bn to a record $669.6bn, the Fed's weekly data showed. "As a result, small banks had $97bn more in cash on hand at the end of the week, suggesting that some of the borrowings was to build war chests as a precautionary measure in case depositors asked to redeem their money," Capital Economics analyst

Paul Ashworth wrote. SVB collapsed after it was unable to meet a swift and massive run by depositors who took out tens of billions of dollars in a matter of hours. Deposits at large US banks rose $67bn in the week to $10.74tn, the Fed data showed. Overall US bank deposits have been in decline after sharply rising in the wake of pandemic aid in 2020 and early 2021. The reversal in the trend for large banks was notable. The rise equates to about half as much as the deposit decline at small banks, suggesting that some of the cash may have gone into money market funds or other instruments. Large banks also increased borrowings in the week, by $251bn. It was unclear if the shift in deposits out of small banks will persist. "Deposit flows in the banking system have stabilized over the last week," Fed Chair Jerome Powell said on Wednesday. (Reuters)

- **Biden: federal deposit insurance could be tapped further if banks fail -** President Joe Biden said on Friday that federal deposit insurance could be tapped for deposits above $250,000 if other US banks fail, expressing confidence that mid-sized US banks would survive strains in the sector. Biden said US banks are in "pretty" good shape, people's savings were secure and he did not see an industry ready to explode. "If we find that there's more instability than appears, we'd be in a position to have the FDIC use the power it has to guarantee those (deposits) above $250,000 like they did already," he told reporters at a news conference in the Canadian capital of Ottawa. Regional lenders in the United States are facing a crisis of confidence after the collapse of Silicon Valley Bank and Signature Bank this month. The turmoil has prompted unprecedented moves by regulators to guarantee the deposits of SVB and Signature. In recent days, Biden, US Treasury Secretary Janet Yellen and other banking regulators have issued statements to reassure the public that the US banking system is safe. (Reuters)
- **UK business survey points to Q1 growth and growing confidence -** British businesses reported a second month of growth in March, suggesting the overall economy expanded in early 2023, and they also turned more upbeat about their prospects in the year ahead, an industry survey showed on Friday. The 'flash' or preliminary reading of the S&P Global/CIPS UK Composite Purchasing Mangers' Index (PMI) - spanning services and manufacturing firms - came in at 52.2 in March, down from 53.1 in February but above the 50 thresholds for growth. Economists polled by Reuters had forecast a reading of 52.8. Bank of England Governor Andrew Bailey said in an interview broadcast on Friday that he expected Britain would now avoid recession this year, although growth prospects remained subdued. Retail sales data also released on Friday showed stronger-than-expected growth for February and January - though Britain's Office for National Statistics said this could reflect cash-strapped households cutting back on takeaways and restaurant meals in favor of eating at home. Many businesses and households are still feeling squeezed. While the services PMI was in positive territory at 52.8, the manufacturing survey slipped to 48.0, representing its eighth month of contraction. Firms across the two sectors were more optimistic about their prospects over the next 12 months, with the degree of confidence hitting its highest since March 2022. S&P Global said this improved confidence largely reflected an easing of post-COVID supply chain difficulties in the manufacturing sector and stronger customer demand. "With the flash PMI surveys signaling a second month of rising output in March, the UK economy looks to have returned to growth in the first quarter," S&P Global's chief business economist, Chris Williamson, said. There was an even bigger upturn in the Eurozone, where the composite PMI rose to a 10-month high of 54.1 from 52.0. "An upturn in companies' expectations for the year ahead indicates that business sentiment has been little affected so far by the banking sector woes and that firms are more focused on growth possibilities," Williamson said, of the situation in Britain. While the rate of growth in the services industry slowed this month compared to February, new business activity rose at the sharpest pace in 12 months. Manufacturing output fell marginally as subdued demand depressed volumes. (Reuters)
- **British retail sales rebound despite cash-strapped consumers -** Cash-strapped British households cut back on eating out and takeaways last month and instead bought food at supermarkets and shopped at discount stores, giving an unexpected boost to retail sales, official data showed on Friday. British retail sales unexpectedly rebounded by 1.2% in February from the month before, returning sales volumes to their pre-pandemic level, the Office for National Statistics said. Economists polled by Reuters had forecast that retail sales volumes in February would be 0.2% higher than in January. January sales growth was also revised up to 0.9% from 0.5%. "In the latest month, discount department stores performed strongly with food shops also doing well as consumers, confronted with cost-of-living pressures, cut back on eating out or purchasing takeaways," ONS statistician Darren Morgan said. British consumers have been squeezed by inflation which hit a 41-year high of 11.1% in October and has remained in double digits since. On Thursday the Bank of England said it expected inflation to fall faster than expected over the coming months, due to lower energy prices and the government's extension of subsidies in last week's budget. However, Friday's data showed that retail sales volumes in February were still 3.5% lower than a year earlier. Sales volumes at food shops have suffered less of a hit and were down by 2.3% on a year earlier - despite official figures on Wednesday showing an 18% rise in food and drink prices in the year to February, the biggest since 1977. "At face value, these data further add to the view that the recent resilience in activity is still holding up. But when households' finances are under pressure, it is possible that any improvement in retail sales will be just be met by a softening in non-retail spending such as restaurants," said Ashley Webb, an economist at Capital Economics. The economy looks on track to avoid a recession which was widely forecast at the turn of the year, and a consumer confidence survey on Friday showed sentiment at a one-year high, though still very weak by historic standards. But even taking these factors into account, government budget forecasters said last week that Britain was still heading for the biggest two-year reduction in living standards since records began in the 1950s. The ONS retail sales volumes data are adjusted for inflation and the time of year. The value of retail sales - which reflects the amount consumers spend, rather than the volume of goods bought - was 5.5% higher than a year earlier. (Reuters)
- **Weil distress index shows UK companies at highest level since June 2020 -** Corporate distress levels in Britain accelerated in the three months to February to their highest since June 2020, an index compiled by law firm Weil Gotshal & Manges shows. But corporate distress across other big European countries slowed marginally as expectations of a deep and prolonged recession eased according to the index, which measures the number of companies facing difficulties in paying their debt. The study, which aggregates data from more than 3,750 listed companies and financial market indicators, is tracked against default rates and shows a roughly 12 month-lag before distressed levels translate into actual default rates. This suggests that default rates will start rising soon. S&P expects default rates to reach 3.75% and 3.25% in the United States and Europe, respectively by September, more than double the 1.6% and 1.4% in September 2022. Weil's quarterly European Distress Index rose to 3.1 in the quarter to February, versus 3.0 in November. The UK Distress Index, a component of the European index, hit a 6.7 peak versus 3.5 the quarter before. A sub-index showed that distress in the European real estate sector was stable at 4.7 versus the prior quarter, but remained higher than a year before, when it was negative 2.4. "The direction of travel is moving away from Europe towards the UK, which is beginning to look much more at risk due to higher inflation as well as increased operating and input costs," said Andrew Wilkinson, senior partner and co-head of Weil's London restructuring practice. Real estate across Europe remains the most distressed sector by some margin, the index showed. Weil said that in Britain, the housing sector is only just recovering from turmoil unleashed by the government's mini-budget in September, and continues to struggle. The mini-budget sparked a surge in government borrowing costs and mortgage rates. The recent collapse in the US of Silicon Valley Bank and rescue of Credit Suisse by UBS in Europe have also put the banking sector under the spotlight. "The financial system certainly has some elements of fragility but we do not expect another banking or sovereign debt crisis," Wilkinson said. (Reuters)
- **UK consumer mood hits one-year high, but financial gloom persists -** British consumer confidence rose this month to its highest level in a year, helped by improving sentiment around the economy and despite persistent gloom over personal finances, a survey showed on Friday. Market research firm GfK's consumer confidence index rose to -36 in March, in line with the consensus in a Reuters poll of economists and up from -38 in February and its highest since March 2022. While still at levels

historically associated with recessions, the improvement chimed with other gauges of Britain's economy that suggest it could sidestep a long-lasting downturn that had been widely predicted last year. Still, the GfK survey showed no improvement in its gauges of personal finances, which are linked most strongly to household expenditure. "A small improvement in the overall index score this month masks continuing concerns among consumers about their personal financial situation," said Joe Staton, client strategy director at GfK. "Wages are not keeping up with rising prices and the cost-of-living crisis remains a stark reality for most," he added. Consumer price inflation rose unexpectedly to 10.4% last month, with food and drink costs rising at the fastest rate since 1977, according to official data earlier this week. The Bank of England raised interest rates on Thursday by another quarter of a percentage point, adding to the strain on budgets for many households. "Just having enough money to live right and pay the bills remains the number one concern for consumers across the UK," Staton said. (Reuters)

- **ECB's Centeno says Eurozone banks not showing signs of tension -** Europe's banking system is not showing signs of the growing financial tensions seen outside the Eurozone, although it is not completely isolated, ECB Governing Council member Mario Centeno said on Friday. "I don't see these signs" of growing tensions, he told a news conference, but noting that the European Central Bank was constantly monitoring financial stability. "These situations are within the framework that would be expected in a turbulence that has been generated outside the euro area." Banking stocks fell sharply again on Friday, with European giants Deutsche Bank and UBS knocked by worries that regulators and central banks have not yet contained the worst shock to the sector since the 2008 global financial crisis. Centeno said there were "no issues in the euro area similar to those that existed in Credit Suisse" , and the balance sheet risk indicators of banks in the Eurozone "aren't comparable to those at the time of the financial crisis". Capital levels and buffers were now higher and European banks' liquidity was "very comfortable", he added. UBS agreed to take over Credit Suisse after the smaller Swiss bank was ensnared by market turmoil unleashed by the collapse of two US lenders. Despite calls by some investors to hold back on policy tightening until turmoil in the banking sector eases, the ECB raised its refinancing rate by 50 basis points to 3.50% last week, leaving the door open to future hikes as it forecast inflation would remain above its 2% target through 2025. "It is necessary to show determination in fighting inflation, but we cannot overreact to the numbers that we have available," Centeno said. "We must be careful." He predicted that the Eurozone would have an interest rate higher than the neutral rate for some time. "The financial tightening situation will not end when the (ECB) interest rate hike cycle ends." A neutral rate is one that neither restricts nor stimulates growth. (Reuters)

- **Flash PMI: Eurozone services firms enjoy buoyant March but factories struggle -** Business activity across the Eurozone unexpectedly accelerated this month as consumers splashed out on services, but weakening demand for manufactured goods deepened the downturn in the factory sector, surveys showed. Friday's data add to evidence the bloc will dodge a recession and indicates the 20-nation region's economy is resilient in the near term at least, potentially giving the European Central Bank room to continue tightening policy. The ECB will fulfil its 2% inflation mandate and monetary policy must be stubbornly tight to get the job done, Germany's Bundesbank President Joachim Nagel said on Friday. But sentiment remains frail as turmoil in the US and European banking sectors in the past two weeks have revived memories of the 2008 global financial crisis. Still, S&P Global's flash Composite Purchasing Managers' Index (PMI), seen as a good gauge of overall economic health, bounced to a 10-month high of 54.1 in March from February's 52.0. That was well above the 50 mark separating growth from contraction and above all forecasts in a Reuters poll which had predicted a dip to 51.9. "The strong batch of Eurozone flash PMIs for March means it is now all but certain that the economy expanded in Q1 while both employment conditions and price pressures remained very strong," said Franziska Palmas at Capital Economics. S&P Global said the survey was consistent with GDP growth of 0.3% in the first quarter and accelerating to an equivalent rate of 0.5% in March alone. A Reuters poll earlier in March predicted a 0.1% contraction in gross domestic product (GDP) this quarter. Solid demand, at a 10-month high, meant firms were unable to complete all orders for the first time since June. The backlogs of work index rose to 50.1 from 49.5, just above breakeven. Growth in Germany expanded for a second month, boosted by a revival in services that more than offset a manufacturing decline in Europe's largest economy, a German PMI showed. It was a similar story in France where business activity strengthened by more than forecast as the Eurozone's second-biggest economy benefited from growth in its dominant services sector. In Britain, outside the Eurozone, services companies reported a second month of growth in March, suggesting the overall economy expanded in early 2023, and businesses also turned more upbeat about their prospects in the year ahead. Cash-strapped British households cut back on eating out and takeaways last month but buying food at supermarkets and shopping at discount stores gave an unexpected boost to retail sales, official data showed. A PMI covering the Eurozone's dominant services industry jumped to 55.6 this month from 52.7, well above all forecasts in the Reuters poll which had predicted a decline to 52.5. To cope with the increase in activity, firms took on additional staff at the fastest pace since May last year. The employment index bounced to 54.3 from 51.9. However, it was a different picture for factories. The headline manufacturing PMI fell to 47.1 from February's 48.5, confounding expectations in the Reuters poll for an uptick to 49.0. An index measuring output, which feeds into the composite PMI, slipped back below breakeven to 49.9 from last month's 50.1. "The growth remains unbalanced, as manufacturing output and new orders fell, while services showed an unexpected uptick," said Paolo Grignani at Oxford Economics. Record improvements to supply chains meant the cost of raw materials fell for the first time since June 2020, when the COVID pandemic was cementing its grip on the world. The Eurozone PMI input costs index slipped to 46.4 from 50.9. That will likely be welcomed by policymakers at the ECB who increased interest rates last week, sticking with their fight against inflation despite recent turmoil in the banking sector. "With the employment index still rising it is clear that price pressures remain high. That leaves us comfortable with our forecast for the ECB to hike by a further cumulative 100bps, taking the deposit rate to 4.00%," Palmas said. (Reuters)

Regional

- **GCC central banks track US Fed moves; hike key rates by 25bps -** Central banks in the GCC raised interest rates on Wednesday night in lockstep with the US Federal Reserve, which raised benchmark overnight interest rate by one quarter of a percentage point, taking the federal funds rate between 4.75% to 5%. The Central Bank of UAE raised its base rate on overnight deposits by 25 basis points (bps) to 4.9% effective from Thursday, the state news agency said. Most central banks in the GCC usually track the Federal Reserve's policy rate moves as their currencies are pegged to the US dollar. The region has seen inflation averaging 5-6% during 2022, higher than in more than a decade but much lower than in many western countries. The Saudi Central Bank, known as SAMA, raised its repo and reverse repo rates by 25 bps to 5.50% and 5%, respectively. Bahrain's central bank also lifted its key interest rates by 25 bps. Its one-week deposit facility rate was raised to 5.75% and the overnight deposit rate to 5.50%. The four-week deposit rate was raised to 6.50% from 6.25%. The central bank of Qatar, which had maintained its rates in the previous cycle, on Wednesday increased the lending and deposit rates by 25bps to 5.75% and 5.25%. The monetary authority also hiked the repo rate by 25bps to 5.50%. (Gulf Times)

- **Musk denies report on SpaceX's plans for new funding from Saudi, UAE -** Elon Musk, the billionaire founder of SpaceX, on Friday denied a media report from earlier this week that said investors from Saudi Arabia and the United Arab Emirates were planning to invest in a multi-bn dollar funding round in the company. A unit of Saudi Arabia's investment fund and an Abu Dhabi-based company are planning to invest in a multi-bn dollar funding round for SpaceX, the Information had reported on Wednesday, citing people familiar with the discussions. Musk tweeted "not true" responding to the report. The funding round is expected to value the rocket maker at about $140bn, the report added. SpaceX raised $2bn in 2022 and $2.6bn in 2020, according to venture capital firm Space Capital. (Reuters)

- **Sources: After Iran, Saudi Arabia to re-establish ties with Syria -** Syria and Saudi Arabia have agreed to reopen their embassies after cutting diplomatic ties more than a decade ago, three sources with knowledge of the matter said, a step that would mark a leap forward in Damascus's return to the Arab fold. Contacts between Riyadh and Damascus had gathered momentum following a landmark agreement to re-establish ties between Saudi Arabia and Iran, a key ally of President Bashar al-Assad, a regional source aligned with Damascus said. The re-establishment of ties between Riyadh and Damascus would mark the most significant development yet in moves by Arab states to normalize ties with Assad, who was shunned by many Western and Arab states after Syria's civil war began in 2011. The two governments were "preparing to reopen embassies after Eid al-Fitr", a Muslim holiday in the second half of April, a second regional source aligned with Damascus told Reuters. The decision was the result of talks in Saudi Arabia with a senior Syrian intelligence official, according to one of the regional sources and a diplomat in the Gulf. The Saudi government's communication office, the kingdom's foreign ministry and the Syrian government did not respond to requests for comment. Saudi state television later confirmed that talks were ongoing with the Syrian foreign ministry to resume consular services, citing a Saudi foreign ministry official. The sources spoke on condition of anonymity due to the sensitivity of the subject. The apparently sudden breakthrough could indicate how the deal between Tehran and Riyadh may play into other crises in the region, where their rivalry has fueled conflicts including the war in Syria. The United States and several of its regional allies, including Sunni-led Saudi Arabia and Qatar, had backed some of the Syrian rebels. Assad was able to defeat the insurgency across most of Syria thanks largely to Shi'ite Iran and Russia. The United States, an ally of Saudi Arabia, has opposed moves by regional countries to normalize ties with Assad, citing his government's brutality during the conflict and the need to see progress towards a political solution. When asked about the rapprochement, a State Department spokesperson said the U.S. "stance on normalization remains unchanged" and that it would not encourage other countries to normalize ties with Assad. (Reuters)

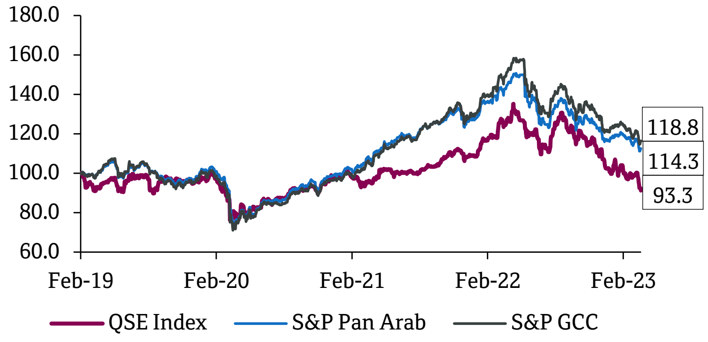
- **India and Saudi Arabia to create investment bridge -** India and Saudi Arabia are jointly working to create an “investment bridge” for accelerating pending bilateral investment projects and facilitating investors. Deliberations towards this objective took place at a meeting in Riyadh between Dr. Ausaf Sayeed, Secretary in charge of the Gulf in the Indian Ministry of External Affairs and Saudi Arabia’s Deputy Minister for International Partnerships, Mohammad Al Hassnah. They discussed opportunities for bilateral investment exchanges, according to a readout of the meeting by the Indian Ministry of External Affairs. Dr. Sayeed met with the Saudi Arabian Vice Minister for Foreign Affairs, Waleed bin Abdul Kareem El Khereiji. “They positively assessed the continued high-level contacts between both countries,” the readout said. Dr. Sayeed and Dr. Faisal Al Sugair, President and CEO of the Saudi Centre for International Strategic Partnerships, reviewed the progress made under the Committee on Economy and Investment of the SPC. “Both sides agreed to make further progress on priority opportunities identified under the Committee including in areas such as renewable energy, grid connectivity, pharmaceuticals, food security, information technology, fintech and water resources,” the Indian Ministry said. The Indian official thanked the Saudi Arabian Minister for Hajj and Umrah, Dr. Tawfiq Al Rabiah, during a courtesy call for restoring India’s Haj quota after the reductions during the COVID-19 pandemic. The quota earmarked for Haj Committee of India for this year under a bilateral Agreement with Saudi Arabia is for 175,025 pilgrims. (Zawya)
- **2.5mn foreign visitors arrived in Saudi Arabia in February -** Minister of Tourism Ahmed Al-Khateeb said that the tourism sector in Saudi Arabia recorded historical figures in terms of occupancy rates and the number of visitors from abroad. The number of visitors who arrived in the Kingdom during the month of January reached 2.4mn, and this number increased to 2.5mn visitors during February. Al-Khateeb said this while addressing the fifth monthly meeting with investors and citizens in the tourism sector in the Kingdom. A large number of owners and investors in the tourism sector from various regions of the Kingdom participated in the virtual session. Al-Khateeb said that the ministry has trained more than 100,000 young Saudi men and women, of whom 10,400 were trained abroad and the state has spent more than SR400mn in this respect. “Their employment is the responsibility of the ministry and hence everyone should cooperate to achieve this goal,” he said. Al-Khateeb lauded the strong performance of the hotel industry in the Kingdom and the high occupancy rates it witnessed in the past. He noted that the great support that the tourism sector enjoys from the wise leadership has had a great impact on achieving successes. The minister highlighted the importance of adhering to the new regulations approved by the ministry to upgrade the sector within the new tourism system. He urged that everyone must quickly correct their status before the deadline set by the ministry that ends on March 25. Al-Khateeb said that the ministry is looking forward to the cooperation of all, especially the owners of the hospitality sector in Makkah and Madinah which will witness a large turnout during the peak Umrah season in Ramadan, and a high occupancy rate that may reach 100%, which requires improving service and commitment to high quality. He stressed that the ministry will be present around the clock through its observers and inspectors to ensure the extent of compliance in providing high-end services to the pilgrims. Al-Khateeb stressed that the regulations issued by the ministry are clear and must be adhered to by all workers in the sector without exception. “The ministry will play its role in terms of monitoring and imposing penalties on violators, especially violations of tourist guides. The ministry is keen to have qualified guides working in this field who must have acquired correct, sufficient, accurate and flawless information,” he said. Al-Khateeb explained that most visitors, whether from within the Kingdom or abroad, want to learn about each region of the Kingdom in terms of history, heritage, culture, customs, ways of trade and living, past and present, which requires licensed and qualified guides. Al-Khateeb stressed that the ministry is keen on ensuring that the tour guides are licensed, and there will be no complacency or negligence in the matter of their competence. This is because the history, culture and civilization of the Kingdom must reach the world in the best way possible either through tourist guides or the websites and platforms that the ministry is working on continuously, which introduce the Kingdom as the “Spirit of Saudi Arabia” that contains comprehensive information about the Kingdom. Al-Khateeb emphasized the ministry’s keenness on implementing Saudization in the vital tourism sector. “Saudization is an issue that will not be accepted for discussion or postponement, and that there are a large number of people in the Kingdom who wish to work in this sector,” he said. The minister called on the participants in the meeting to support the ministry and work with it to achieve common goals, in a way that contributes to improving the sector's performance. He pointed out that the ministry is in the process of establishing a technical support team to facilitate the process of communication between the ministry and workers in the tourism sector. (Zawya)
- **AD Ports Group launches new Ro-Ro Shipping Service to improve commercial connectivity with Kuwait -** AD Ports Group announced the launch of a new direct shipping service dedicated to Ro-Ro, between UAE’s Khalifa Port and Kuwait’s Shuwaikh Port. The new service aims to improve commercial connectivity and facilitates trade with Kuwait. Commenting on the launch of the new shipping service, Captain Ammar Mubarak Al Shaiba, Acting CEO of the Maritime Cluster and SAFEEN Group, AD Ports Group said: “As the region’s premier facilitator of logistics, industry, and trade, AD Ports Group is committed to utilizing its integrated logistics capabilities to meet customers’ requirements, help grow their businesses, and facilitate their access to their target markets with competitive rates and reduced time through Khalifa Port, the strategic gateway to Abu Dhabi." The long-standing bilateral trade ties enjoyed between the two GCC countries in recent years saw a rapid growth in several key commodity markets. During 2022, the Federal Competitiveness and Statistics Centre’s preliminary data shows an increase in non-oil trade exchange between the two countries estimated at AED 43.5bn, compared to AED 38.5bn in 2021, recording 13% growth. In addition, the value of non-oil exports to Kuwait increased from AED 12.7bn to AED 14.2bn. While the value of re-exports to Kuwait increased from AED 20.9bn to AED 21.9bn, coinciding with the increase in imports to the UAE from AED 4.9bn to AED 7.3bn. The volume of trade exchange between the UAE and the countries of the region has recently witnessed significant growth, owing to a set of comprehensive business agreements and strategic partnerships with neighboring countries, including, but not limited to, the agreements AD Ports Group signed with Egypt, Jordan, Iraq and Turkiye. The launch of the new shipping service between Khalifa Port

and Shuwaikh Port is part of AD Ports Group's efforts to enhance trade connectivity and facilitation in the region. (Zawya)

- **UAE: New law to specify violations, penalize retailers that hike prices illegally -** The UAE's Ministry of Economy is working on updating federal law No. 15 of 2022 on consumer protection which will have much more details including specific penalties for retailers and other establishments violating the consumers' rights. "The executive bulletin is being consulted with stakeholders at the local and federal level, private sector and chambers and is expected to be rolled out in the first half of 2023. It shall cover a lot of aspects and give more clarity. For example, when it comes to violations, if there is a defect in the item purchased, so what is the penalty a customer can claim or raise the issue with the authorities if there is no response from the vendor. These kinds of details will be covered in the update for consumers rights," said Abdullah Sultan Al Fan Al Shamsi, Assistant Undersecretary for the Monitoring & Following Up Sector at the Ministry of Economy. The ministry conducted 94,123 inspections in 2022, which found 4,227 violations. In 2023, the number of inspections during the first few months of 2023 stood at 8,170, which resulted in recording 1,030 violations. "Through these inspections, we made sure that price tags are being displayed, quality products are offered to consumers, thus preventing cases of fraud and trademark infringements," he said. (Zawya)
- **Digital economy experts: Dubai's bets on the future are 'bankable' -** Khalfan Belhoul, CEO of DFF, delivered a keynote speech which emphasized the importance of simulating Dubai's innovation ecosystem to strengthen its burgeoning digital economy Dubai Future District Fund (DFDF) hosted its first annual general meeting to discuss technology's increasingly prominent role in Dubai's economy. It was held under the patronage of H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Chairman of the Executive Council and Chairman of the Board of Trustees of the Dubai Future Foundation (DFF). Khalfan Belhoul, CEO of DFF, delivered a keynote speech which emphasized the importance of simulating Dubai's innovation ecosystem to strengthen its burgeoning digital economy. "Our role is to catalyse the innovation ecosystem in Dubai," he said. "This means we look at job creation and try to fill in the gaps. Our role is to generate financial returns and working in partnership with different sectors." With the transactional value of global digital payments set to hit $11.3tn in 2026 and the metaverse market expected to reach $5tn by 2030, he said technology would continue to play an increasingly prominent role in Dubai. "Betting on the digital economy and the fourth industrial revolution is something that needs to happen," he said. "His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum has insisted that we continue this thinking and continue to invest in the digital economy and the fourth industrial revolution." Christian Kunz, Chief Strategy Innovation & Ventures Officer, DIFC, Fadi Ghandour, Managing Partner at Wamda Capital and Founder of Aramex took part in the first panel discussion titled Strengthening the Local Economy, during which they affirmed that Dubai's announcements and investments in the future are "bankable." They were joined by Amer Fatayer, Investment Director, DFDF, and Mohammed Shael Alsaadi, CEO, Dubai Corporation for Consumer Protection and Fair Trade. With the total number of construction workers declining and technology-related professionals rising in Dubai, the Emirate is clearly becoming a more digital, diversified and knowledge-driven economy, they agreed. But while the economy has evolved, more dialogue between venture capitalists, governments and startups is needed to stimulate growth. A regulatory environment that enables startups to hit the ground running with minimal friction is required, especially to boost fintech entrepreneurs, they said. (Zawya)
- **UAE participates in the GCC Common Market Committee meetings -** The Ministry of Finance (MoF) of the United Arab Emirates participated in the GCC Common Market Committee meetings, held from March 19th to 21st at the headquarters of the General Secretariat of the Council in Riyadh, Saudi Arabia. The objective of the meeting was to explore ways to enhance financial and economic cooperation among GCC countries. Representatives from the MoF, Ministry of Industry and Advanced Technology, and Ministry of Economy were part of the UAE delegation that participated in the meetings of the GCC Common Market Committee, the GCC Industrial Development Council, and the technical team concerned with investments in the GCC. Younis Haji Al Khoori, Under-Secretary of the Ministry of Finance, highlighted the significance of the meeting in following up on the updates of the GCC Common Market and finding the best ways to address challenges that could hinder the completion of its requirements, support mechanisms, and activating the Council's committee work. He also emphasized the UAE's commitment to working and coordinating with other GCC countries to enhance joint Gulf economic action, meeting the aspirations of GCC leaders and people. The second joint meeting between the GCC Industrial Development Council and the GCC Common Market Committee was held to review decisions made by the GCC Supreme Council and the GCC Financial and Economic Cooperation Committee regarding the full implementation of the GCC Common Market tracks. The meeting also discussed challenges presented in the Gulf Organization for Industrial Consulting (GOIC)'s studies, ways to enhance government procurement programs and local Gulf content, develop unified strategies and laws in all economic fields, and support the GCC private sector. The second joint meeting was held between the GCC Common Market Committee and the team concerned with investments in the GCC. The meeting sought to provide a detailed explanation of the unified definition of investment within GCC countries, and identify the entities responsible for investment in member states and their specializations and roles. The meeting also explored ways to harmonize investment laws and regulations with the GCC Economic Agreement, and compared the rules and conditions for attracting foreign investments. Additionally, the meeting deliberated devising a mechanism to establish an electronic link between the authorities responsible for investments in the member states and settling disputes in the scope of investment. It also discussed means of setting general frameworks and strategies for supporting, financing and establishing joint strategic public and private projects in the GCC. The GCC Common Market Committee meetings aim to implement the GCC Financial and Economic Cooperation Committee's decision issued during its 113th meeting that was held on 21st April 2021. The decision required the GCC Common Market Committee to hold joint meetings with the working committees to discuss key topics of the GCC Common Market, and to address the challenges facing the completion of the common market's requirements. This meeting came within the framework of implementing the GCC Common Market Committee's work plan 2022-2024, which included holding a number of joint meetings with the technical committees concerned with the GCC Common Market issues. This is based on the GCC Supreme Council's decision that was issued in its 42nd session, on 14th December 2021. The decision was to assign the GCC Financial and Economic Cooperation Committee to finalize the remaining steps for the establishment of the Customs Union and the implementation of the GCC Common Market tracks before the end of 2024, according to a set schedule. (Zawya)
- **Hub71's over 200 startups raise whopping $1.2bn in VC globally -** Hub71, Abu Dhabi's global tech ecosystem, had onboarded over 200 startups that raised a whopping AED4.5bn ($1.2bn) collectively in venture capital (VC) and created more than 900 jobs by the end of 2022. Hub71 thus increased its community 102% with 51 new early-stage companies relocating to the UAE's capital to scale exponentially. In a year dedicated to driving impact for startups and Abu Dhabi, Hub71 facilitated 41 POCs for corporate partners valued at AED160mn ($43.5mn) and enabled founders to save AED81mn ($22mn) in costs through its Incentive Program. In 2022, Hub71 expanded its range of initiatives designed to attract tech startups worldwide to Abu Dhabi and break into the market with access to a growing pool of investors ranging from over 30 VC firms to family offices and commercial partners. The work of Hub71 is enabling the continued economic diversification of Abu Dhabi and technological advancements in the UAE as the nation progresses to become an Entrepreneurial Nation by 2031, said the venture, which published its 2022 Impact Report 'Gaining Traction, Driving Impact'. Badr Al-Olama, Acting Chief Executive Officer of Hub71, said: "Abu Dhabi has arrived at the intersection of transformation and innovation. Hub71 is the driving force behind the growth of so many successful startups and technology companies that are pushing boundaries in more than 20 sectors. By the end of 2022, our startups have raised more than AED4bn. With this achievement, we are now solidifying the impact we generate on a global scale by doubling down on breakthrough technologies that are poised to make transformational impact across multiple sectors." (Zawya)

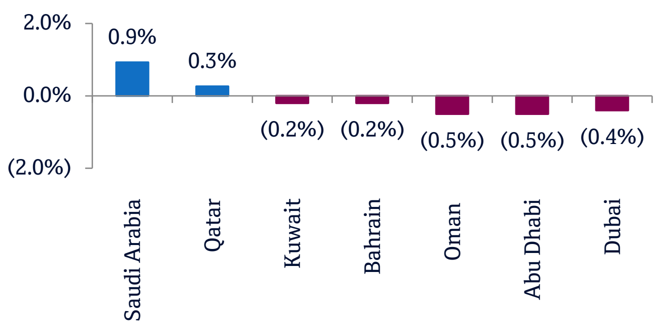
- **Oman Central Bank increases repo rate by 25 bps -** The Central Bank of Oman (CBO) on Thursday increased its repo rate for local banks at the rate of 25 basis points to 5.50%. In a statement, the bank said that this decision was taken following the US Federal Reserve Board's announcement on 22nd March 2023 to increase the Interest on Reserve Balances (IORB) by 25 basis points. The repo rate is the policy rate that allows commercial banks to acquire short-term liquidity from the Central Bank as the lender of last resort. The CBO has cautioned banks not to increase the cost of borrowing to consumers given ample liquidity in the system. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,978.21	(0.8)	(0.6)	8.5
Silver/Ounce	23.23	0.5	2.8	(3.0)
Crude Oil (Brent)/Barrel (FM Future)	74.99	(1.2)	2.8	(12.7)
Crude Oil (WTI)/Barrel (FM Future)	69.26	(1.0)	3.8	(13.7)
Natural Gas (Henry Hub)/MMBtu	2.04	(1.9)	(15.7)	(42.0)
LPG Propane (Arab Gulf)/Ton	75.30	(0.4)	3.9	6.4
LPG Butane (Arab Gulf)/Ton	78.50	(0.5)	(2.8)	(22.7)
Euro	1.08	(0.7)	0.8	0.5
Yen	130.73	(0.1)	(0.8)	(0.3)
GBP	1.22	(0.4)	0.5	1.2
CHF	1.09	(0.4)	0.7	0.5
AUD	0.66	(0.6)	(0.8)	(2.5)
USD Index	103.12	0.6	(0.6)	(0.4)
RUB	110.69	0.0	0.0	58.9
BRL	0.19	1.0	0.6	0.7

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,692.55	(0.2)	1.4	3.5
DJ Industrial	32,237.53	0.4	1.2	(2.7)
S&P 500	3,970.99	0.6	1.4	3.4
NASDAQ 100	11,823.96	0.3	1.7	13.0
STOXX 600	440.11	(2.3)	1.7	4.1
DAX	14,957.23	(2.6)	2.1	7.9
FTSE 100	7,405.45	(1.8)	1.3	0.5
CAC 40	7,015.10	(2.7)	2.1	8.9
Nikkei	27,385.25	(0.0)	1.2	5.2
MSCI EM	972.17	(0.6)	2.2	1.7
SHANGHAI SE Composite	3,265.65	(1.3)	0.7	6.2
HANG SENG	19,915.68	(0.7)	2.0	0.1
BSE SENSEX	57,527.10	(1.0)	(0.6)	(5.1)
Bovespa	98,829.27	1.4	(2.8)	(9.4)
RTS	977.75	(1.2)	3.0	0.7

Source: Bloomberg ($ adjusted returns, Data As of March 24, 2023)*

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