

## Bank Audi

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Aramco, one of the world's leading integrated energy and chemicals companies, awarded Engineering, Procurement and Construction (EPC) contracts worth US\$ 7.7 billion for a major expansion of its Fadhili Gas Plant in the Eastern Province of Saudi Arabia, as indicated in a company's statement.

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**p.9 MARKETS IN BRIEF: MENA EQUITY PRICES UP WEEK-ON-WEEK, BOND MARKETS DIP INTO RED**

MENA equity markets ended the week on a positive note, as reflected by a 0.6% rise in the S&P Pan Arab Composite Index, mainly as an oil price rally stoked by OPEC+ members' decision to extend oil output cuts through June 2024 overshadowed global equity weakness (-0.9%) and rising bets about higher for longer US interest rates. In contrast, MENA bond markets came under downward price pressures, mainly tracking US Treasuries move after slew of strong US economic data fueled speculation that the US Federal Reserve may delay interest rate cuts this year, with some traders setting the odds of a first rate cut in June below 50%.

## MENA MARKETS: MARCH 31 - APRIL 6, 2024

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+0.6%	Weekly Z-spread based bond index	-2.1%
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+1.6%	YTD Z-spread based bond index	-5.0%

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## ECONOMY

### IMF EXECUTIVE BOARD APPROVED AN AUGMENTATION OF THE ORIGINAL PROGRAM FOR EGYPT BY ABOUT US\$ 5 BILLION

The Executive Board of the International Monetary Fund (IMF) completed the first and second reviews of Egypt's Extended Fund Facility arrangement with Egypt and approved an augmentation of the original program by about US\$ 5 billion (SDR 3.76 billion). This enables the authorities to immediately draw about US\$ 820 million (SDR 618.1 million). Egypt's 46-month EFF arrangement was approved on December 16, 2022.

In completing the review, the Executive Board assessed that all but one of the quantitative performance targets for end-June 2023 were met. The Board approved the authorities' request for a waiver for non-observance of the June performance criterion on Net International Reserves on the basis of corrective actions.

Macroeconomic conditions since the approval of the program have been challenging, with rising inflation, foreign exchange shortages and elevated debt levels and financing needs. The difficult external environment generated by Russia's war in Ukraine was subsequently aggravated by the conflict in Gaza and Israel, as well as tensions in the Red Sea. These developments increased the complexity of macroeconomic challenges and called for decisive domestic policy action supported by a more robust external financing package, including from the IMF.

Within this context, external shocks and delayed policy adjustment weighed on economic activity. Growth slowed to 3.8 percent in FY2022/23 due to weak confidence and foreign exchange shortages and is projected to slow further to 3 percent in FY2023/24 before recovering to about 4½ percent in FY24/25. Inflation remains high but is expected to ease over the medium term as the policy tightening takes hold.

The recently announced US\$35 billion investment deal from an Abu Dhabi-based investment and holding company in Ras El-Hekma has alleviated near-term balance of payment pressures and, if used judiciously, will help Egypt rebuild buffers to deal with future shocks. Nonetheless, steadfast implementation of the economic policies under the program remains critical to sustainably address Egypt's macroeconomic challenges, as does robust delivery on structural reforms to allow the private sector to become the engine of growth.

At the conclusion of the Executive Board's discussion, Ms. Kristalina Georgieva, Managing Director and Chair made the following statement:

"Egypt is facing significant macroeconomic challenges that have become more complex to manage given the spillovers from the recent conflict in Gaza and Israel. The disruptions in the Red Sea are also reducing Suez Canal receipts, which are an important source of foreign exchange inflows and fiscal revenue."

"The authorities have significantly strengthened the reform package underlying the Extended Fund Facility arrangement supported by an augmentation of access. Recent measures toward correcting macroeconomic imbalances, including unification of the exchange rate, clearance of the foreign exchange demand backlog, and significant tightening of monetary and fiscal policies, were difficult, but critical steps forward, and efforts should be sustained going forward. The authorities' commitment to use a large part of the new financing from the Ras El-Hekma deal to improve the level of reserves, fast-track the clearance of foreign currency backlogs and arrears, and reduce government debt upfront is prudent."

"The authorities' policies are well calibrated to entrench macroeconomic stability while protecting the vulnerable. The Central Bank of Egypt's resolve to focus squarely on reducing inflation and to tighten further, if necessary, is key to preventing further erosion of the purchasing power of households. Implementation of the newly established framework to monitor and control public investment will help manage excess demand. The pursuit of a revenue-based fiscal consolidation

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will put debt firmly on a downward path and provide resources for expanding the social safety net. In this regard, it remains essential to replace untargeted fuel subsidies with targeted social spending as part of a sustained fuel price adjustment package.”

“With policies to restore macroeconomic stability in place, the stage is set for accelerating implementation of the structural reform agenda intended to deliver inclusive and sustainable growth. Withdrawing the state and military from economic activity and leveling the playing field between the public and private sectors is key to attracting foreign and domestic private investment in Egypt.”

“Achieving these goals is subject to risks. Externally, uncertainty remains high. Domestically, sustaining the shift to a liberalized foreign exchange system, maintaining tight monetary and fiscal policies, and integrating transparently off-budget investment into macroeconomic policy decision making will be critical. Managing the resumption of capital inflows prudently will be important to contain inflationary pressures and limit the risk of future external pressures.”

## SAUDI ARABIA'S TRADE INDUSTRY COMMERCIAL REGISTRATIONS JUMP BY 59% IN Q1

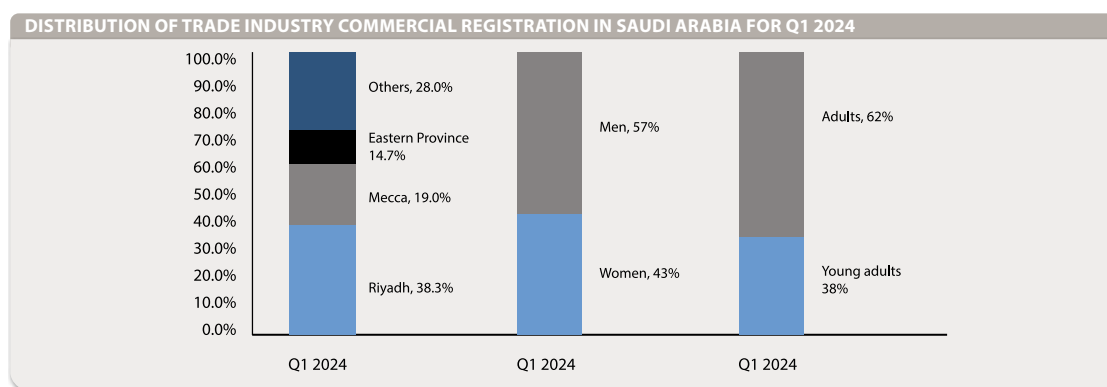
The Saudi trade industry's commercial registration in the first quarter (Q1) of 2024 reported a 59.1% jump year-on-year against the same period of the year prior. Commercial registration in Q1 2024 reached 104,000, up from 65,636 in Q1 2023. This spike brings the total number of registration to over 1.5 million across the whole country, as per the Saudi Ministry of Commerce (MoC).

In details, looking at the distribution of registrations by location, Riyadh took the lion's share with 38.3% of the total (39,821 registrations) in Q1 2024. Mecca and the Eastern Province followed with 19.0% (19,811 registrations) and 14.7% (15,236 registrations) of the total respectively in Q1 2024.

This increase in licenses signals progress in Saudi Arabia's trade sectors as well as an expansion in the country's business sphere. Additionally, this spike comes as a result of Saudi Arabia's implementation of Vision 2030's diversification plan.

It is worth noting that in Q1 2024, young adults accounted for 38.0% of total registrations while women accounted for 43.0% of the total.

According to the report by the Saudi MoC, a growth in permits was noted in the technological sectors (such as application development, electronic game development, online delivery services, etc.) as well as activities relating to entertainment, tourism and business development sectors. E-commerce stands as a growing trend in the country with e-commerce registrations accounting for 38,850 registrations (37.4% of the total) in Q1 2024, up by 17.5% from 33,074 registrations in Q1 2023.



Source: Saudi Ministry of Commerce, Bank Audi Group's Research Department

## UAE'S NON-OIL PRIVATE SECTOR SHOWS ROBUST PERFORMANCE AT SLIGHTLY SLOWER PACE IN MARCH

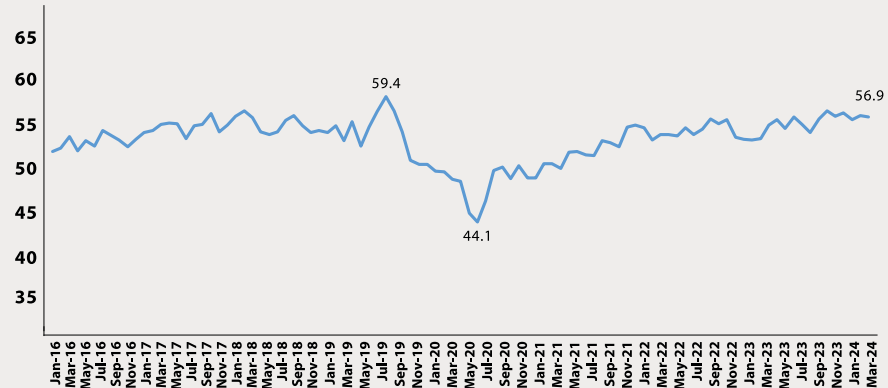
Business conditions in the UAE non-oil private sector strengthened at a sharp pace in March albeit at a slower pace than in the month prior. This comes as another steep rise in new order inflows drove a sustained increase in output levels. However, companies faced considerable pressure on their workloads

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amid reports of administrative delays and increased supply constraints due to the Red Sea shipping crisis. As a result, the survey data signaled the joint-fastest accumulation of backlogs of work in the survey's near 15-year history.

The seasonally adjusted S&P Global UAE Purchasing Managers' Index (PMI) recorded 56.9 in March 2024, down marginally by 0.2 points from the month prior. However, business optimism ticked up to its highest level in six months and firms experienced a softer increase in their expenses.

## COMPOSITE PMI UAE



Source: S&P Global, Bank Audi's Group Research Department

## MWANI QATAR PORTS TEUS HANDLED INCREASED BY 4% IN Q1

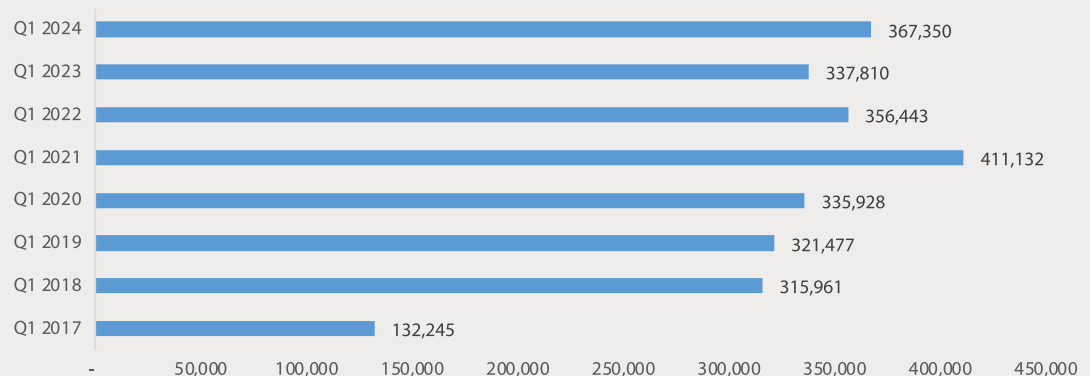
Qatar's Mwani ports (Hamad Port, Doha Port and Ruwais Port) have handled 351,564 Twenty-foot Equivalent Units (TEUs) containers in the first quarter (Q1) of 2024. This comes in contrast to 337,810 TEUs containers in Q1 2023 showing an increase of 4.1% year-on-year, as per data from Mwani Qatar.

In details, 647 ships entered the ports in Q1 2024 noting a marginal decrease of 2.6% against the same period of the year prior. Mwani ports received a total of 367,350 tons of general and bulk cargo shipments in Q1 2024, dropping down by 40.5% from 617,641 tons in the same period of 2023. On the other hand, increases of 4.5%, 46.3% and 6.1% in units of Roll-On Roll-Off (RORO) vehicles, heads of livestock and tons of building materials were recorded respectively in Q1 2024 against Q1 2023.

In March 2024 alone, the Mwani ports handled 136,851 TEUs containers up by 20.0% against levels recorded in the same month of the year prior. The ports received 232 vessels in March 2024 remaining somewhat at the same level as March 2023. Heads of livestock and tons of building materials registered increases of 122.9% and 2.5% year-on-year respectively in March 2024. RORO vehicles recorded a drop of 14.8% year-on-year in the same period, as per data from Mwani Qatar.

It is worth noting that the container terminals were designed to tackle the increasing trade volume in Qatar, enhancing the ease of doing business as well as supporting the achievement of the country's economic diversification plan as part of the Qatar National Vision 2030.

## TEUS CONTAINERS HANDLED AT QATAR'S MWANI PORTS



Source: Mwani Qatar, Bank Audi Group's Research Department

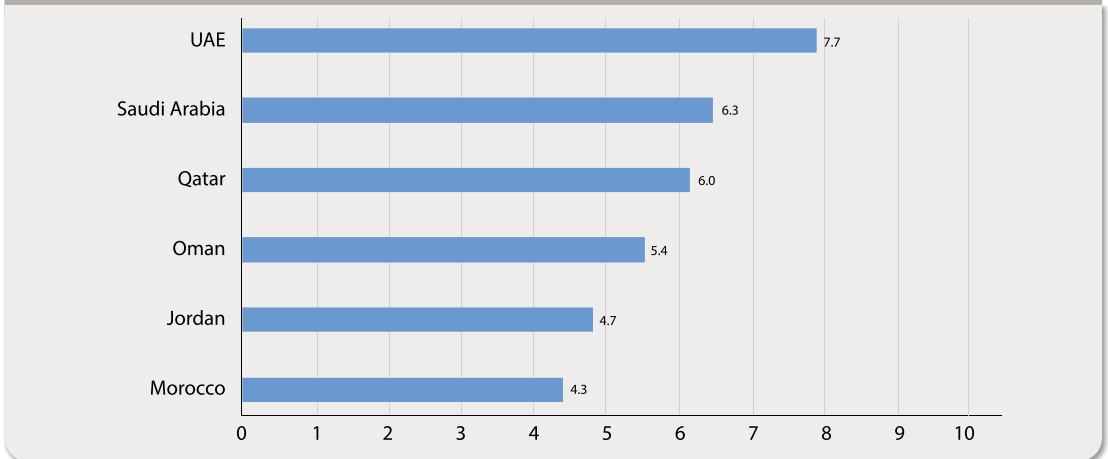
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## SURVEYS

### UAE RANKS 1ST GLOBALLY IN NATIONAL ENTREPRENEURSHIP CONTEXT INDEX

The UAE ranked 1st globally across 49 economies for the third consecutive year in the National Entrepreneurship Context Index (NECI), as revealed in the Global Entrepreneurship Monitor (GEM) report for the year 2023-2024.

#### NECI 2023 - 2024 IN MENA REGION



Sources: Global Entrepreneurship Research Association (GERA), Bank Audi's Group Research Department

The report's methodology focuses on achieving three goals: measuring differences in entrepreneurial activity across the world's economies, understanding the entrepreneurial ecosystem and revealing the factors affecting it, and proposing policies to enhance and develop the level of entrepreneurial activity.

The Global Entrepreneurship Monitor (GEM) is considered one of the most important global references in entrepreneurship for countries and international organizations such as the World Bank, the International Monetary Fund, the Organization for Economic Co-operation and Development (OECD), the World Intellectual Property Organization (WIPO) and United Nations affiliated organizations.

The GEM National Entrepreneurship Context Index (NECI) assesses the entrepreneurial ecosystem of each economy by assessing Entrepreneurship Framework Conditions (EFCs).

#### ENTREPRENEURSHIP FRAMEWORK CONDITIONS IN NECI 2023 - 2024

Country	Global rank	Financing for entrepreneurs	Governmental support & policies	Taxes & bureaucracy	Governmental programs	basic school entrepreneurial education & training	Post school entrepreneurial education & training	R&D transfer	Commercial & professional infrastructure	Internal market dynamic	Internal market	Physical & services	Cultural & social norms
UAE	1	7.28	7.92	7.46	7.46	7.65	7.81	7.75	7.76	8.01	7.34	7.60	8.12
Saudi Arabia	3	6.47	6.57	6.38	6.39	4.44	5.54	5.14	6.34	7.17	6.01	7.96	7.40
Qatar	5	5.14	5.75	6.30	5.91	6.31	6.49	5.35	6.00	6.07	5.13	7.23	6.69
Oman	11	4.71	5.88	5.11	5.18	4.97	5.58	4.67	5.43	5.76	4.57	6.66	6.77
Morocco	20	3.72	5.72	4.55	4.40	2.11	4.13	3.16	5.26	4.91	3.45	6.18	4.47
Jordan	30	4.25	4.95	4.74	5.07	2.87	3.71	3.69	5.58	5.12	4.43	6.92	5.05

Sources: Global Entrepreneurship Research Association (GERA), Bank Audi's Group Research Department

In details, the UAE was recognized as the best place worldwide to start and conduct new business ventures, surpassing many advanced economies. Other Gulf countries have also improved their entrepreneurial environment, including Oman and Qatar, as well as Saudi Arabia.

The report highlighted that the UAE excelled in 12 out of 13 indicators globally, including areas such as funding for entrepreneurial projects, access to financing, market entry ease, infrastructure, research and development, knowledge transfer, government programs, supportive policies, taxation, education and cultural standards. The UAE also ranked 3rd globally in the indicator of physical infrastructure.

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The report pointed out that the UAE has made significant investments to enhance the competitiveness of its entrepreneurship environment, doubling the levels of entrepreneurial activity in the early stages. Moreover, it provided ideal support for women entrepreneurs, creating an entrepreneurial and stimulating environment for them, enhancing their access to resources and capabilities, leading the country to be among the top 5 economies globally in supporting female entrepreneurship.

The report further explained that the UAE has made significant progress in the entrepreneurship education indicator in schools, particularly in stimulating skills such as creative thinking, problem-solving, opportunity recognition, and risk assessment among students. The country ranked among the top 5 out of 49 countries in this aspect.

The results align with the targets of the UAE Vision 2031 to become the global hub for the new economy by the next decade, given the importance of the entrepreneurship model in developing projects and activities in various sectors of the new economy, such as technology, artificial intelligence, renewable energy, space, financial technology and others.

On the other hand, Saudi Arabia has invested heavily in its entrepreneurial environment as an important component in its diversification strategy. Recent legislation has sought to encourage entrepreneurship, safeguard private investment and lower the expense of doing business. Private investment was boosted by the Saudi Public Investment Fund (PIF).

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## SAUDI ARABIA AFFIRMED AT “A/A-” WITH “STABLE” OUTLOOK, AS PER S&P GLOBAL RATING

S&P Global Ratings affirmed its “A/A-” long-term and short-term foreign and local currency sovereign credit ratings on Saudi Arabia. The outlook remains “stable”.

The “stable” outlook reflects S&P’s expectation that the government’s wide-ranging reforms would continue to underpin the development of the non-oil sector and support non-oil growth and fiscal receipts. This is balanced against the cyclical nature of a still hydrocarbon-focused economy, and fiscal pressures tied to the country’s transformation plan and expanding population.

Saudi Arabia has embarked on a significant, rapid economic and social transformation program under the Vision 2030. In the lead up to 2030, S&P expects to see an acceleration of investment projects that seek to establish new industries, such as tourism, and diversify the economy away from its primary reliance on the upstream hydrocarbon sector.

Over the long term, the credit rating agency anticipates that Vision 2030 projects would bear fruit by creating more diversified economy and revenue base, jobs for a young population, and broader workforce participation. However, S&P believes risks to execution could arise from funding pressures, tight supply and increasing cost of materials, skills shortages, and developing basic infrastructure like housing.

On the other hand, large hydrocarbon reserves and low cost of production provide Saudi Arabia some resilience to a global energy transition to low-carbon alternatives, especially in future scenario where fossil fuel demand would largely be met by a smaller number of the most efficient producers.

The country also maintains its unique position as the world’s largest swing oil producer (with spare installed production capacity permitting it to cut or raise production levels relatively quickly), as well as its leadership role in OPEC+ and its consequent ability to influence global oil price trends.

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## CORPORATE NEWS

### ARAMCO AWARDS US\$ 7.7 BILLION DEALS FOR FADHILI GAS PLANT EXPANSION

Aramco, one of the world's leading integrated energy and chemicals companies, awarded Engineering, Procurement and Construction (EPC) contracts worth US \$7.7 billion for a major expansion of its Fadhili Gas Plant in the Eastern Province of Saudi Arabia, as indicated in a company's statement.

The project is expected to increase the plant's processing capacity from 2.5 to up to 4.0 billion standard cubic feet per day (bscfd).

This additional 1.5 bscfd of processing capacity is expected to contribute to the company's strategy to raise gas production by more than 60% by 2030, compared to 2021 levels.

The Fadhili Gas Plant expansion, which would be completed by November 2027, is expected to add an additional 2,300 metric tons per day to sulphur production.

Aramco awarded the EPC contracts for the Fadhili Gas Plant increment project to SAMSUNG Engineering Company, GS Engineering & Construction Corporation and Nesma & Partners.

### STATEVOLT TO BUILD US\$ 3.2 BILLION BATTERY CELL GIGAFACTORY IN UAE

Statevolt, a global leader in green industrialization headquartered in the US, plans to build a new state-of-the-art technology-agnostic battery cell Gigafactory in Ras Al Khaimah in the UAE, at an investment of US\$ 3.2 billion, through its local subsidiary, as mentioned in a company's statement.

The Gigafactory is designed to deliver battery solutions that are adaptable to a wide range of climates and conditions.

With an expected annual production capacity of up to 40 GWh upon full operation, Statevolt is well-positioned to address the growing need for sustainable energy management.

The Gigafactory, positioned to meet the surging global demand for ESS, which is crucial for stabilizing the grid, enhancing renewable energy integration, and improving energy efficiency, is strategically focused on key export markets such as Africa, India, the UAE and the broader Middle East region.

This project, with a site spanning 60 hectares in Al Hamra Industrial Zone at Ras Al Khaimah Economic Zone (Rakez), is anticipated to generate up to 2,500 direct job opportunities, fostering significant economic development in Ras Al Khaimah and the surrounding region.

Following the land agreement, Statevolt would be applying for building permits, and expects to have the first production line fully operative by the end of 2026.

### ACWA POWER SEALS US\$ 263 MILLION UZBEK WIND POWER PURCHASE DEAL

Saudi-based ACWA Power, a leading developer of power and desalination projects, signed a US\$ 262.7 million (SR 985.13 million) Power Purchase Agreement (PPA) with the National Electric Grid of Uzbekistan, for a 200 MW wind project in the Central Asian country, as mentioned in a company's statement.

The 25-year agreement, structured as a public-private partnership, includes the integration of a Battery Energy Storage System (BESS) within Uzbekistan. The contract follows the Build, Own, Operate and Transfer (BOOT) model.

The financial impact of the project is anticipated to become evident after the first half of 2026.



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## QATARENERGY TO CHARTER 19 LNG MORE VESSELS EXPANDING FLEET FURTHER

QatarEnergy, the State-owned petroleum company of Qatar, signed long-term Time Charter Party (TCP) agreements with four international ship owners for the operation of 19 new, ultra-modern conventional size LNG vessels, as part of the second ship-owner tender under QatarEnergy's historic LNG fleet expansion program, as reported in a company's statement.

The agreements cater for the operation of six vessels by CMES LNG Carrier Investment, six vessels by Shandong Marine Energy (Singapore) Ltd., and three vessels by MISC Berhad, in which all are being constructed at Samsung Heavy Industries in South Korea.

The remaining four vessels would be operated by a joint venture of Kawasaki Kisen Kaisha Ltd. (K-Line) and Hyundai Glovis Company Ltd. and are being constructed at Hanwha Ocean (formerly Daewoo Shipbuilding & Marine Engineering), also in South Korea.

The 19 conventional LNG vessels have a capacity of 174,000 cubic meters each and would be equipped with the latest LNG shipping technologies in order to achieve optimal fuel efficiency and reduce carbon emissions.

## AD PORTS GROUP IN DEAL TO DEVELOP IRAQ PORT

UAE-based AD Ports Group, a leading facilitator of global trade, logistics and industry, entered into a preliminary agreement with the General Company for Ports of Iraq (GCPI), as revealed in a company's statement.

Under the terms of the agreement, both parties would establish a joint venture to develop Al-Faw Grand Port and its economic zone, as well as any future expansions. The agreement also encompasses the potential investment, management, and operation of ports, economic zones and related infrastructure in other cities in the Republic of Iraq.

The preliminary agreement aims to provide the necessary expertise for Al-Faw Port and Economic Zone, using advanced management and operating models, in addition to studying the mechanism of developing, financing, managing, operating and maintaining the project, with an aim to enhance overall efficiency and operational capabilities.

## RIYADH AIR AND ARTEFACT SIGN STRATEGIC PARTNERSHIP TO INNOVATE AI SOLUTIONS

Riyadh Air, a planned second flag carrier of Saudi Arabia, and Artefact, a leading global consultancy in data and AI transformation services, signed a strategic partnership aimed at revolutionizing the aviation industry through AI applications, as revealed in a company's statement.

Utilizing cutting edge cloud and AI technologies, the partnership would focus on building Riyadh Air's data analytics platform and developing AI solutions across its main business and corporate functions.

Through these AI solutions, Riyadh Air would be able to hyper-personalize its guest experience and elevate its guest service through intelligent channels, optimize its flight and ground operations through real-time data insights and predictions, and launch fit-for-purpose offerings of Air and non-Air products through highly efficient and targeted sales channels.

It is worth noting that Riyadh Air is currently scheduled to commence operations in early 2025.



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## CAPITAL MARKETS

### EQUITY MARKETS: MENA EQUITIES CLOSE THE WEEK ON POSITIVE NOTE, ON EXTENDED OIL PRICE RALLY AND FAVORABLE MARKET-SPECIFIC FACTORS

MENA equity markets ended the week on a positive note, as reflected by a 0.6% rise in the S&P Pan Arab Composite Index, mainly as an oil price rally stoked by OPEC+ members' decision to extend oil output cuts through June 2024 overshadowed global equity weakness (-0.9%) and rising bets about higher for longer US interest rates following stronger-than-forecast US economic readings.

The Saudi Exchange, whose market capitalization represents about two-thirds of the total regional market capitalization, bounced back this week, as reflected by a 1.2% increase in the S&P Saudi index, mainly driven by extended oil price gains. In fact, Brent prices hit US\$ 91.17 per barrel on Friday compared to US\$ 87.00 per barrel at the end of last week, after OPEC+ members, led by Saudi Arabia and Russia, agreed to extend voluntary oil output cuts of 2.2 million barrels per day into the second quarter of 2024, keeping global markets tight.

A glance on individual stocks shows that Advanced Petrochemical Company's share price jumped by 16.1% week-on-week to SR 45.50. Saudi Kayan Petrochemical Company's share price surged by 11.5% to SR 10.06. Petro Rabigh's share price rose by 3.9% to SR 7.69. Sipchem's share price climbed by 16.9% to SR 36.05. Yansab's share price went up significantly by 8.9% to SR 40.55. SABIC's share price expanded by 13.2% to SR 88.40. Morgan Stanley raised its recommendation on SABIC's stock to "Overweight" from "Equalweight" with a price target of SR 100, which implies a 16% increase from last price.

Concomitantly, SNB's share price closed 1.0% higher over the week at SR 41.20. Al Rajhi Bank's share price rose by 1.7% to SR 84.50. Alinma Bank's share price increased by 1.5% to SR 44.45. Zain's share price moved 2.5% higher to reach SR 12.94. Etihad Etisalat's share price went up by 3.6% to SR 54.50. Saudi Cement's share price expanded by 1.4% to SR 47.25. East Pipes' share price surged by 4.0% to SR 130.0. Saudi Paper Manufacturing Company's share price went up by 4.4% to SR 80.0. Riyadh Cables' share price jumped by 5.0% to SR 75.80. Maaden's share price closed 4.0% higher at SR 52.50. Jarir Marketing's share price increased by 1.4% to SR 14.90.

The Egyptian Exchange bounced back this week, as reflected by a 3.3% expansion in the S&P Egypt index, mainly supported by some favorable market-specific and company-specific factors. The Executive Board of the IMF confirmed a deal with Egypt to increase its bailout loan from US\$ 3 billion to US\$ 8 billion, with an immediate disbursement of about US\$ 820 million. Also, recent data showed that Egypt's net international reserves hit US\$ 40.4 billion at end-March 2024, their highest level since February 2022, which marks an expansion of US\$ 5 billion relative to end-February 2024 after the UAE has led a US\$ 57 billion international bailout in March and following a currency devaluation of 38%.

#### EQUITY MARKETS INDICATORS (MARCH 31 - APRIL 6, 2024)

Market	Price Index	week-on-week	Year-to-Date	Trading Value	week-on-week	Volume Traded	Market Capitalization	Turnover ratio	P/E*	P/BV*
Lebanon	158.1	-0.6%	-13.2%	1.4	-44.0%	0.0	17,869.9	0.4%	-	0.47
Jordan	368.1	-3.1%	-0.5%	19.8	-9.8%	15.5	23,628.1	4.4%	8.6	1.19
Egypt	253.2	3.3%	-25.0%	237.6	-6.1%	3,401.5	39,289.7	31.4%	8.5	2.64
Saudi Arabia	550.9	1.2%	5.3%	10,409.1	5.6%	1,749.7	2,919,027.1	18.5%	16.7	4.36
Qatar	158.4	-1.3%	-10.4%	550.1	3.3%	955.5	156,543.6	18.3%	12.7	1.45
UAE	135.4	0.5%	-1.8%	2,108.7	-10.9%	2,716.1	956,416.1	11.5%	13.8	2.53
Oman	256.1	-0.2%	2.1%	38.0	-11.2%	154.6	23,855.7	8.3%	13.0	1.01
Bahrain	235.4	-2.6%	4.8%	10.7	-1.3%	31.2	20,520.1	2.7%	13.0	1.38
Kuwait	134.1	-1.3%	6.7%	402.4	-29.7%	934.8	137,897.3	15.2%	17.7	1.89
Morocco	277.7	1.1%	5.5%	132.5	35.7%	16.3	66,970.9	10.3%	20.1	3.36
Tunisia	65.0	0.6%	1.2%	17.8	3.8%	4.6	7,965.4	11.6%	11.8	2.11
Arab Markets	995.6	0.6%	2.2%	13,928.0	1.1%	9,979.9	4,369,984.1	16.6%	15.8	3.68

Values in US\$ million; volumes in millions

\* markets cap-weighted averages

Sources: S&P, Bloomberg, Bank Audi's Group Research Department.

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international reserves hit US\$ 40.4 billion at end-March 2024, their highest level since February 2022, which marks an expansion of US\$ 5 billion relative to end-February 2024 after the UAE has led a US\$ 57 billion international bailout in March and following a currency devaluation of 38%.

A closer look at individual stocks shows that EDITA Food Industries' share price rose by 1.4% week-on-week to LE 32.44. EDITA Food Industries would distribute dividends for 2023 at a rate of LE 0.43 per share on April 24, 2024. QNB Al Ahli' share price increased by 1.2% to LE 32.40. CIB's share price moved 1.6% higher to close at LE 81.25. Abu Qir Fertilizers & Chemical Industries' share price went up by 3.7% to LE 65.4. Alexandria Container and Cargo Handling Company's share price surged by 7.3% to LE 36.69. Ezz Steel's share price closed 2.3% higher at LE 60.60. Sidi Kerir Petrochemicals Company's share price skyrocketed by 18.0% to LE 32.11. Palm Hills Development's share price jumped by 6.8% to LE 3.61. EISewedy Electric Company's share price expanded significantly by 8.7% to LE 33.76 this week.

In contrast, the Qatar Stock Exchange nosedived further this week, as reflected by a 1.3% decline in the S&P Qatar index, mainly tracking a global sell-off mood after strong US economic data fueled bets interest rates would stay higher for longer, and due to some profit taking operations before Fitr holidays. 26 out of 52 traded stocks posted price contractions, while 25 stocks registered price gains, and one stock saw no price change week-on-week.

A glance on individual stocks shows that QNB's share price retreated by 0.7% over the week to QR 14.100. Qatar Islamic Bank's share price dropped by 2.5% to QR 18.520. The Commercial Bank's share price plunged by 8.8% to QR 4.499. Qatar International Islamic Bank's share price shed 8.0% to QR 10.060. Also, Medicare Group's share price fell by 6.1% to QR 4.017. Zad Holding's share price closed 1.0% lower at QR 13.530. United Development's share price went down by 1.6% to QR 1.112. Ooredoo's share price decreased by 5.1% to QR 10.060. Vodafone Qatar's share price declined by 3.3% to QR 1.689. Qatar Navigation's share price retreated by 2.8% to QR 10.230. Qatar Gas Transport's share price plummeted by 4.9% to QR 3.788.

## FIXED INCOME MARKETS: MENA BOND MARKETS UNDER DOWNWARD PRICE PRESSURES, MAINLY TRACKING US TREASURIES MOVE

MENA bond markets came under downward price pressures this week, mainly tracking US Treasuries move after slew of strong US economic data fueled speculation that the US Federal Reserve may delay interest rate cuts this year, with some traders setting the odds of a first rate cut in June below 50%.

In the Saudi credit space, sovereigns maturing in 2026, 2027, 2030 and 2031 registered price contractions of 0.30 pt to 0.73 pt week-on-week. SABIC'28 traded down by 0.07 pt. SEC'28 posted price falls of 0.10 pt.

In the Dubai credit space, sovereigns maturing in 2029 recorded weekly price contractions of 0.22 pt. Prices of Majid Al Futtaim'29 declined by 0.19 pt. Emirates Airlines'28 closed down by 0.18 pt. Emaar'26 posted price retreats of 0.15 pt. DP World'30 was down by 0.24 pt. Amongst financials, Emirates NBD Perpetual (offering a coupon of 6.125%) registered prices declines of 0.28 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2026, 2027 and 2031 recorded price decreases of 0.21 pt, 0.31 pt and 0.58 pt this week. ADNOC'29 was down by 0.32 pt. Prices of Taqa'28 contracted by 0.13 pt. Amongst financials, FAB'25 traded down by 0.11 pt. In contrast, Mubadala'26 closed up by 0.08 pt.

In the Qatari credit space, sovereigns maturing in 2026 and 2030 saw weekly price drops of 0.30 pt and 1.04 pt respectively. Prices of Ooredoo'26 stood unchanged week-on-week. Fitch Ratings upgraded Ooredoo's long-term Issuer Default Rating to "A" from "A-", with a "stable" outlook. The upgrade of the IDR follows the upgrade of Qatar's sovereign rating to "AA"/stable from "AA-" in March 2024. Ooredoo's rating is supported by the strength of its links with Qatar, as per Fitch.

Amongst financials, QNB'25 traded up by 0.17 pt over the week. As to new issues, QNB raised US\$ 1 billion this week from the sale of a five-year formosa bond, under its Euro Medium Term Note program.

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In the Omani credit space, sovereigns maturing in 2026, 2027 and 2029 posted price contractions of up to 0.40 pt this week. In the Bahraini credit space, sovereigns maturing in 2026, 2027, 2031 and 2032 saw price decreases of 0.22 pt to 0.65 pt this week.

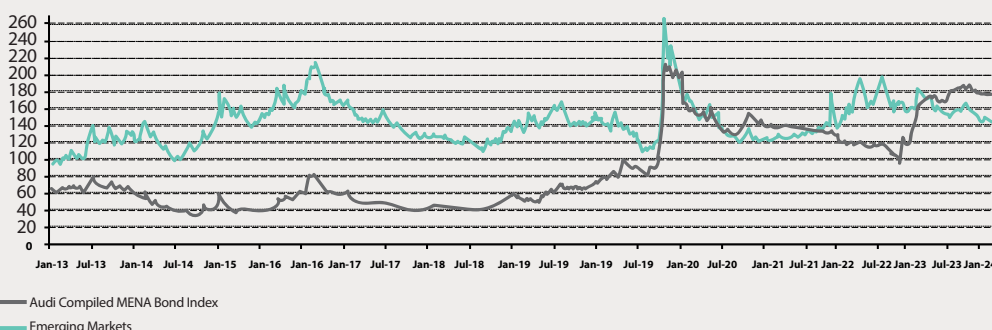
In the Egyptian credit space, US dollar-denominated sovereigns maturing in 2027, 2030 and 2040 posted price contractions of 0.14 pt, 1.00 pt and 0.78 pt respectively, while sovereigns maturing in 2032 recorded price gains of 0.31 pt this week. Euro-denominated sovereigns maturing in 2026 and 2031 registered price falls of 0.55 pt and 0.05 pt respectively.

In the Moroccan credit space, sovereigns maturing in 2028, 2032 and 2033 saw weekly price contractions of 0.27 pt, 0.26 and 0.24 pt respectively. S&P Global Ratings revised its outlook on Morocco to "positive" from "stable". S&P also affirmed its "BB+/B" long-term and short-term local and foreign currency sovereign credit ratings on Morocco. The "positive" outlook reflects S&P's expectations that Morocco would build on its recent track record of implementing socioeconomic and budgetary reforms, paving the way for stronger and more inclusive growth, and a reduction in budget deficits.

All in all, regional fixed income markets saw across-the-board price contractions this week, mainly tracking declines in US Treasuries after a gauge of US manufacturing activity showed expansion in March 2024 for the first time since 2022, and following stronger-than-surveyed data on US job openings and factory goods orders in February 2024, which have added to skepticism about the pace of US Federal Reserve easing, prompting bond traders to price in two rate cuts this year instead of three forecasted by the US Fed.

## Z-SPREAD BASED AUDI MENA BOND INDEX V/S INTERNATIONAL BENCHMARKS

Base Jan 2010 = 100



Sources: Bloomberg, Bank Audi's Group Research Department

## MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	05-Apr-2024	29-Mar-24	31-Dec-23	Week-on-week	Year-to-date
Abu Dhabi	43	37	41	6	2
Dubai	69	63	63	6	6
Kuwait	58	58	46	0	12
Qatar	45	38	46	7	-1
Saudi Arabia	57	51	54	6	3
Bahrain	194	188	204	6	-10
Morocco	86	98	111	-12	-25
Egypt	586	562	1,152	24	-566
Iraq	387	376	450	11	-63
Middle East	170	163	241	7	-71
Emerging Markets	55	61	42	-6	13
Global	304	305	379	-1	-75

Sources: Bloomberg, Bank Audi's Group Research Department

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## SOVEREIGN RATINGS & FX RATES

### SOVEREIGN RATINGS

#### LEVANT

	Standard & Poor's	Moody's	Fitch
Lebanon	SD/-/SD	C/Stable	RD/-/C
Syria	NR	NR	NR
Jordan	B+/Stable/B	B1/Positive	BB-/Stable/B
Egypt	B-/Negative/B	Caa1/Positive	B-/Stable/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B

#### GULF

Saudi Arabia	A/Stable/A-1	A1/Positive	A+/Stable/F1+
United Arab Emirates	AA/Stable/A-1*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA/Stable/A-1+	Aa2/Stable	AA/Positive/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Stable/B	B2/Stable	B+/Stable/B
Oman	BB+/Positive/B	Ba1/Stable	BB+/Stable/B
Yemen	NR	NR	NR

#### NORTH AFRICA

Algeria	NR	NR	NR
Morocco	BB+/Positive/A-3	Ba1/Stable	BB+/Stable/B
Tunisia	NR	Caa2/Stable	CCC-/C
Libya	NR	NR	NR
Sudan	NR	NR	NR

NR= Not Rated

RWN= Rating Watch Negative

RUR= Ratings Under Review

\* Emirate of Abu Dhabi Ratings

FX RATES (per US\$)	05-Apr-24	29-Mar-24	31-Dec-23	Weekly change	Year-to-date
<b>LEVANT</b>					
Lebanese Pound (LBP)	89,500.00	89,500.00	15,000.00	0.0%	496.7%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	47.38	47.40	30.89	-0.1%	53.4%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%
<b>GULF</b>					
Saudi Riyal (SAR)	3.75	3.75	3.75	0.0%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	0.0%	-0.6%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	0.0%	0.0%
Yemeni Riyal (YER)	250.28	250.30	250.27	0.0%	0.0%
<b>NORTH AFRICA</b>					
Algerian Dinar (DZD)	134.44	134.47	134.17	0.0%	0.2%
Moroccan Dirham (MAD)	10.06	10.08	9.88	-0.3%	1.8%
Tunisian Dinar (TND)	3.12	3.13	3.07	-0.3%	1.5%
Libyan Dinar (LYD)	4.84	4.84	4.77	0.0%	1.3%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

NR = Not Rated

RWN = Rating Watch Negative

RUR = Ratings Under Review

\*Emirate of Abu Dhabi Ratings

Sources: S&amp;P, Bloomberg, Bank Audi's Group Research Department.

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