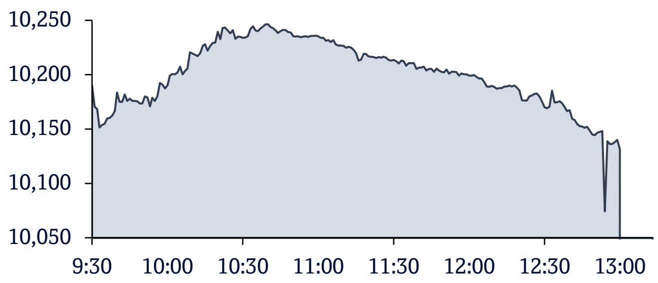
QSE Intra-Day Movement



Market Indicators	04 Sep 23	03 Sep 23	%Chg.
Value Traded (QR mn)	439.1	416.8	5.3
Exch. Market Cap. (QR mn)	598,187.9	601,532.9	(0.6)
Volume (mn)	146.5	168.0	(12.8)
Number of Transactions	18,582	14,553	27.7
Companies Traded	48	49	(2.0)
Market Breadth	05:38	21:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,743.23	(0.5)	(0.6)	(0.6)	12.7
All Share Index	3,411.84	(0.6)	(0.7)	(0.1)	13.3
Banks	4,162.52	(1.1)	(1.5)	(5.1)	13.3
Industrials	3,980.88	0.5	0.6	5.3	14.1
Transportation	4,373.30	(0.2)	(0.3)	0.9	11.3
Real Estate	1,498.64	(0.9)	(0.4)	(3.9)	13.9
Insurance	2,409.72	(0.6)	(0.7)	10.2	143
Telecoms	1,621.39	(0.6)	(0.2)	23.0	12.7
Consumer Goods and Services	7,601.55	(0.6)	(0.4)	(4.0)	20.6
Al Rayan Islamic Index	4,496.87	(0.5)	(0.4)	(2.1)	9.0

Qatar Commentary

The QE Index declined 0.5% to close at 10,131.3. Losses were led by the Banks & Financial Services and Real Estate indices, falling 1.1% and 0.9%, respectively. Top losers were Qatar Industrial Manufacturing Co. and Baladna, falling 3.7% and 3.5%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Co. gained 6.7%, while Industries Qatar was up 1.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 11,430.9. Losses were led by the Pharma, Biotech & Life Science and Software & Services indices, falling 2.1% and 2.0%, respectively. Al-Baha Investment and Development Co. declined 6.3%, while National Company for Learning and Education was down 3.9%.

Dubai: The DFM Index fell 0.5% to close at 4,068.7. The Industrials index declined 1.6%, while the Consumer Staples index fell 1.4%. Shuaa Capital declined 5.6%, while Orascom Construction was down 2.8%.

Abu Dhabi: The ADX General Index fell 0.4% to close at 9,748.2. The Telecommunication index declined 3.0%, while the Consumer Staples index fell 0.8%. Union Insurance Co. declined 9.9%, while Abu Dhabi National Company for Building Materials was down 9.5%.

Kuwait: The Kuwait All Share Index fell 0.7% to close at 6,943.4. The Technology index declined 3.8%, while the Energy index fell 2.3%. Equipment Holding Co. declined 12.6%, while Kuwait and Middle East Financial Investment Co. was down 5.0%.

Oman: The MSM 30 Index fell 0.4% to close at 4,757.6. Losses were led by the Financial and Industrial indices, falling 0.9% and 0.5%, respectively. Construction Materials Industries & Contracting declined 9.8%, while Dhofar Foods and Investment was down 9.6%.

Bahrain: The BHB Index gained 0.3% to close at 1,962.0. The Materials Index rose 0.8%, while the Financials index gained 0.2%. Aluminum Bahrain rose 0.8%, while Bank of Bahrain and Kuwait was up 0.6%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Acwa Power Co.	Saudi Arabia	201.80	6.8	588.3	32.8
Mouwasat Medical Services	Saudi Arabia	111.20	1.8	197.4	6.4
Industries Qatar	Qatar	12.63	1.8	1,859.8	(1.4)
Saudi Tadawul Gr. Holding	Saudi Arabia	201.60	1.7	241.9	11.4
Dar Al Arkan Real Estate	Saudi Arabia	19.00	1.4	2,036.6	63.5

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
ADNOC Drilling Co.	Abu Dhabi	3.95	(3.4)	2,374.5	32.6
Savola Group	Saudi Arabia	36.35	(3.3)	556.0	32.4
Saudi Industrial Inv. Group	Saudi Arabia	24.90	(3.1)	853.0	13.3
Emirates Telecommunications Gr.	Abu Dhabi	19.00	(3.1)	2,627.6	(16.9)
Saudi Telecom Co.	Saudi Arabia	38.95	(2.4)	3,896.4	6.4

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.	1.280	6.7	146.2	(12.8)
Industries Qatar	12.63	1.8	1,859.8	(1.4)
Estithmar Holding	2.209	0.7	6,044.6	22.7
Al Meera Consumer Goods Co.	13.93	0.2	20.7	(9.1)
Gulf Warehousing Company	3.251	0.1	371.8	(19.7)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Industrial Manufacturing Co	2.986	(3.7)	3.3	(7.0)
Baladna	1.355	(3.5)	15,753.6	(11.5)
Qatar Oman Investment Company	0.841	(2.4)	1,472.1	52.9
National Leasing	0.788	(1.9)	3,866.4	11.9
Doha Insurance Group	2.076	(1.7)	19.1	4.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	2.185	(1.6)	17,103.7	(31.1)
Baladna	1.355	(3.5)	15,753.6	(11.5)
Qatar Aluminum Manufacturing Co.	1.320	(0.4)	12,830.4	(13.2)
Gulf International Services	2.619	(0.0)	12,797.2	79.5
Ezdan Holding Group	1.034	(1.1)	8,044.4	3.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	15.33	(1.1)	65,015.3	(14.8)
Masraf Al Rayan	2.185	(1.6)	37,711.3	(31.1)
Gulf International Services	2.619	(0.0)	33,384.3	79.5
The Commercial Bank	5.570	(0.9)	32,885.7	11.4
Dukhan Bank	4.140	(1.1)	26,016.4	3.5

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,131.32	(0.5)	(0.6)	(0.6)	(5.1)	122.27	164,082.9	12.7	1.4	4.9
Dubai	4,068.65	(0.5)	(0.3)	(0.3)	22.0	84.27	186,967.6	9.3	1.3	4.5
Abu Dhabi	9,748.23	(0.4)	(0.6)	(0.6)	(4.5)	265.36	743,730.4	31.6	3.0	1.7
Saudi Arabia	11,430.87	(0.2)	(0.5)	(0.5)	9.1	1,433.36	3,029,923.0	19.1	2.2	3.2
Kuwait	6,943.35	(0.7)	(0.9)	(0.9)	(4.8)	136.36	144,656.8	16.3	1.5	4.0
Oman	4,757.62	(0.4)	(0.9)	(0.9)	(2.1)	9.04	22,509.8	13.1	0.9	4.6
Bahrain	1,961.98	0.3	0.5	0.5	3.5	7.28	56,410.9	7.4	0.7	8.5

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

Qatar Market Commentary

- The QE Index declined 0.5% to close at 10,131.3. The Banks & Financial Services and Real Estate indices led the losses. The index fell on the back of selling pressure from GCC and Arab shareholders despite buying support from Qatari and Foreign shareholders.
- Qatar Industrial Manufacturing Co. and Baladna were the top losers, falling 3.7% and 3.5%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Co. gained 6.7%, while Industries Qatar was up 1.8%.
- Volume of shares traded on Monday fell by 12.8% to 146.5mn from 168.0mn on Sunday. Further, as compared to the 30-day moving average of 155.3mn, volume for the day was 5.6% lower. Masraf Al Rayan and Baladna were the most active stocks, contributing 11.7% and 10.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	31.57%	25.76%	25,502,391.26
Qatari Institutions	33.07%	32.10%	4,274,127.53
Qatari	**64.64%**	**57.86%**	**29,776,518.79**
GCC Individuals	0.73%	0.40%	1,414,778.60
GCC Institutions	3.77%	9.68%	(25,953,633.42)
GCC	**4.50%**	**10.09%**	**(24,538,854.82)**
Arab Individuals	8.35%	10.69%	(10,243,108.57)
Arab Institutions	0.00%	0.00%	-
Arab	**8.35%**	**10.69%**	**(10,243,108.57)**
Foreigners Individuals	3.24%	3.07%	726,899.89
Foreigners Institutions	19.28%	18.30%	4,278,544.71
Foreigners	**22.51%**	**21.37%**	**5,005,444.60**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04-09	Germany	Deutsche Bundesbank	Exports SA MoM	Jul	-0.90%	-1.50%	0.20%
04-09	Germany	Deutsche Bundesbank	Imports SA MoM	Jul	1.40%	0.50%	-3.20%

Qatar

- **FTSE Semi-Annual Review final results –** The finalized results of FTSE's semi-annual index review show that Dukhan Bank will be added to the mid-cap index and we expect inflows of more than $60mn. Meanwhile, Medicare will be deleted from the small-cap index and we expect outflows of around $10mn. The changes will be effective after the close of business on Thursday, 14 September 2023. (FTSE, QNBFS)
- **NBK: Qatar's economic activity to remain modest on 'expectedly steady' hydrocarbon output -** Qatar's economic activity could remain modest on expectedly steady hydrocarbon output, National Bank of Kuwait said in its report released Monday. NBK's 2023 growth forecast for Qatar remains unchanged from the May estimate, at 2%. In its report, NBK noted Qatar's economy expanded by 2.7% year-on-year (y-o-y) in first quarter (Q1, 2023), down from the "exceptional" World Cup-driven growth of 6.2% in Q4, 2022, and below the consensus forecast of 4.2%. The "slower" expansion was mostly on a marked deceleration in non-oil growth, which plunged to 1.9% y-o-y from 7% in the previous quarter, with the manufacturing (11%), motor vehicle repair (9.1%), transportation and storage (17%), and accommodation and food (17%) components expanding the most. Meanwhile, hydrocarbon sector growth eased to 4.1% from 4.8% previously, but remained the largest contributor to GDP (more than half). Looking forward, economic activity could remain modest on expectedly steady hydrocarbon output and as non-oil activity moderates post World Cup amid lower visitor numbers, softer credit growth, and higher interest rates; NBK said its 2023 growth forecast for Qatar remains unchanged from the May estimate, at 2% from 4.8% in 2022. The report also noted that Brent crude snapped a two-week losing streak on September 1, closing up at its highest level since last November at $88.6/barrel (+4.8% week over week) amid expectations of tighter supply. "All the indications are that Saudi Arabia will extend its voluntary 1mn barrels per day (bpd) production cut, in effect since July, into October, while Russia could also reduce its exports further after Russian deputy prime minister promised to unveil a new OPEC+ supply cut deal this week," NBK said. In the US, commercial oil inventories fell for a third consecutive week (crude stocks have declined in five of the last six weeks), by 8mb in the week ending August 25, on higher domestic (refinery throughputs) and overseas demand (exports). "Prices were little changed this morning (September 4) in Asian trading," NBK noted. (Gulf Times)
- **Moody's: Qatar H1 sukuk volumes supported by $1.3bn issuance by government -** Qatar sukuk issuance was supported in the first half of the year by a $1.3bn issuance by the government, Moody's said in a report Monday. GCC sukuk issuance fell 33% to $29.8bn in the first half of 2023 compared with the year-earlier period, mostly reflecting a steep decline in Saudi Arabian sovereign volumes, Moody's Investor Service noted. Despite the decline, however, the kingdom remained the leading contributor to GCC issuance activity in the first half of the year, with around 50% of total volume, it said. Oman was the only GCC country not to register any issuance activity during the period. Supportive hydrocarbon prices continued to strengthen the fiscal balances of hydrocarbon- exporting GCC sovereigns and will translate into budget surpluses this year, considerably reducing the need to issue sukuk. Unfavorable financing conditions and increased market volatility also reduced opportunities for sovereign actors to refinance debt or to prefinance expected borrowing needs. Long-term issuance by GCC corporate and financial institutions during the period followed an opposite trajectory to regional sovereign issuance, Moody's said. Long-term volumes from corporates and banks rose threefold to a combined $12.6bn (H1 2022: $2.9bn), partly offsetting the decline in sovereign volumes. Sustained economic growth and diversification agendas in GCC countries gave rise to increased issuance activity to support balance sheet growth. On the corporate side, cross-border issuance made up the bulk of activity, with $7.4bn issued in the GCC, almost three times the volume for 2022 as a whole. High demand for sukuk instruments and current scarcity in the market offered opportunities for private-sector actors to issue, Moody's said. Globally, sukuk issuance fell 28% to $66bn in the first half of 2023 from $92bn a year earlier, largely reflecting lower volumes from major sovereign issuers, most notably Saudi Arabia. Moody's expects global sukuk issuance to decline for a third consecutive year in 2023 after peaking at $205bn in 2020. "We anticipate issuance of between $150bn and $160bn for the year as a whole, down from $178bn in 2022. Lower volumes from key sovereign issuers directly stemming from ongoing improving fiscal positions explain most of the decline we anticipate for this year. "In the GCC, as well as Southeast Asia, robust commodity prices associated with sustained economic growth have translated into stronger

fiscal positions and lower issuance needs," Moody's said. Lower sovereign volumes contrast with stronger activity on the part of private-sector issuers, which returned to the market in the first half of the year despite unfavorable market conditions. A significant increase in private-sector volumes was driven by companies completing postponed issuances or seeking to refinance upcoming maturities, as well as first-time issuers looking to diversify their funding sources. Increasing appetite for sustainable instruments, encouraged by GCC governments ahead of the COP28 summit, also pushed several corporates and financial institutions to issue green sukuk. "Overall, we remain positive on the long-term prospects for sukuk. These instruments offer access to the Gulf region, where significant financial reserves and solid economic prospects are attracting investors in increasing numbers. "As sukuk markets in core Islamic countries become more mature and economies continue to develop, we expect the sukuk market's growth prospects to remain solid," Moody's noted. (Gulf Times)

- **PSA: Private vehicles sales jump despite lull in automobile sector in July -** Qatar saw a robust double-digit year-on-year growth in sales of new private vehicles this July, even as the automobile sector on the whole was on a reverse gear, according to figures published by the Planning and Statistics Authority (PSA). The registration of new private vehicles stood at 4,283, which surged 15% on an annualized basis but fell 4.1% month-on-month in June 2023. Such vehicles constituted 75.71% of the total new vehicles registered in the country in the review period. The country saw a total of 5,657 new vehicles registered in July 2023, declining 2.9% and 14.2% year-on-year and month-on-month respectively in the review period. The registration of new private transport vehicles stood at 958, which declined 28.4% and 16% on a yearly and monthly basis respectively in July 2023. Such vehicles constituted 16.93% of the total new vehicles in the review period. The registration of new private motorcycles stood at 205 units, which plummeted 64.7% and 6% year-on-year and month-on-month respectively in July 2023. These constituted 3.62% of the total new vehicles in the review period. The registration of new heavy equipment stood at 156, which constituted 2.76% of the total in June 2023. Their registrations saw a 4.7% and 32.2% expansion on an annualized and monthly basis respectively in the review period. As many as 40 trailers were registered in July 2023, which soared 73.9% and 37.9% year-on-year and month-on-month respectively. They constituted 0.71% of the total new vehicles in the review period. The new registration of other non-specified vehicles stood at 15 units, which soared 50% on a yearly basis but decreased 97.6% month-on-month this July. They constituted 0.27% of the total new vehicles registered in the country in the review period. The renewal of registration was reported in 65,164 units, which saw 17.1% growth year-on-year but shrank 3.1% on a monthly basis in July 2023. It constituted 57.86% of the clearing of vehicle-related processes in the review period. The transfer of ownership was reported in 30,130 vehicles in July 2023, which grew 15.8% on an annualized basis but fell 9.1% month-on-month. It constituted 26.75% of the clearing of vehicle-related processes in the review period. The modified vehicles' registration stood at 3,868, which declined 35.8% and 12.3% year-on-year and month-on-month respectively in July 2023. They constituted 3.43% of the clearing of vehicle-related processes in the review period. The number of lost/damaged vehicles stood at 3,308 units, which tanked 55% and 5.3% year-on-year and month-on-month respectively in July 2023. They constituted 2.94% of the clearing of vehicle-related processes in the review period. The number of cancelled vehicles was 2,030, surging 39% and 43.1% year-on-year and month-on-month respectively in July 2023. They constituted 1.8% of the clearing of vehicle-related process in the review period. The number of vehicles meant for exports stood at 1,912 units, which shot up 44.3% on annualized basis but was down 7.9% on monthly basis in July 2023. It constituted 1.7% of the clearing of vehicle-related processes in the review period. The re-registration of vehicles stood at 87, which expanded 42.6% year-on-year but declined 14.7% month-on-month in July 2023. They constituted 0.08% of the clearing of vehicle-related process in the review period. The clearing of vehicle-related processes stood at 112,633 units, which was up 8.4% on a yearly basis but shrank 4.9% month-on-month in the review period. (Gulf Times)
- **QCB opens application process for BNPL service providers -** In line with the Financial Sector Strategy and the Fintech Strategy, as well as Qatar Central Bank's (QCB) permanent endeavor to regulate and develop the financial sector in the country, and to stimulate innovation in the Fintech sector, QCB has officially started receiving applications for "Buy Now Pay Later" service providers, knowing that applications will be accepted until November 3, 2023.Qatar Central Bank aims to regulate BNPL service providers in the country, in order to establish a suitable regulatory framework for emerging Fintech companies and develop smart solutions for this service, which has witnessed remarkable growth in recent years. The BNPL service provides customers with the flexibility to settle their purchases by installments over a specified period of time. It also represents a quantum leap in the field of e-commerce in the country and creates a favorable environment to explore digital opportunities and services in this field, while adhering to the regulatory standards set by Qatar Central Bank. Qatar Central Bank is keen to provide effective and valuable initiatives that help create a favorable environment for Fintech companies to shape the future of the financial technology in the State of Qatar. All companies wishing to provide this service may submit their application to obtain a license via the following electronic link: Sandbox.qcb.gov.qa For further inquiries, you can send an e-mail to the following address: SandboxSupport@qcb.gov.qa (Peninsula Qatar)
- **Qatar's labor market dynamics driven by swift economic growth -** Several industries in Qatar have had stronger labor market dynamics post-Covid and will persist, said Fitch Solutions in its recent report adding that these are driven by swift economic recoveries locally and globally. "Governments have been supportive of local labor markets, resulting in a tightening that has pushed up nominal wages. While inflation is eroding real gains in incomes, the strong labor market was a major driver behind the growth in consumer spending in 2022 and was protective from the full force of heightened inflation in 2023," Fitch stated. However, as major markets and economies slow over the second half of 2023 until the next year, Fitch Solutions anticipates some "upticks" in unemployment rates across the board. The report notes that lower levels of personal savings, previously functioning as an option to support current consumption patterns, will mean households will have to reorient their purchasing patterns and cut back on their spending. The data indicates that Qatar, forecast for unemployment (as a percentage of the total labor force) will average 0.30% this year, a slight decrease from the 0.32% average in 2022. The tight labor market is expected to support the wage and employment prospects of Qatari consumers in the years ahead. Fitch highlighted that the authorities last month-initiated measures to curb the rising inflation including a food security program in which the government regulates the prices of essential food commodities in addition to the medium fiscal policies that control government spending. Wider economic challenges facing families and buyers will continue to stem from the reopening of economies post-Covid, the report outlines. Inflationary pressures are driven by demand-pull and cost-push inflation. It further said, "In an attempt to rein in inflation, central banks have hiked their policy rates at some of the quickest rates historically, making the debt issued during the historically low-interest rate period of 2015-2019 less valuable." "Combined with the tightening of quantitative easing, financial institutions face liquidity issues and severe interest rate risks. While this is a relatively new issue, ongoing factors, such as labor market dynamics and the Russia-Ukraine conflict, continue to place downward pressure on our consumer outlook," the report added. However, the economic trajectory of various markets' post-Covid recovery underlines the risk of rising unemployment and its impact on Fitch Solution's consumer outlook in the short term. (Peninsula Qatar)
- **Qatar-Malaysia trade hit record high in 2022 -** The trade volume between Qatar and Malaysia reached a record high in 2022, exceeding $1bn, mainly attributed to the country's successful hosting of the FIFA World Cup, Malaysian ambassador Zamshari Shaharan said. Speaking to reporters Monday, the envoy noted the surge in trade was driven by increased demand for various Malaysian products, particularly food items such as palm oil, as well as electrical and electronic products, processed food, machinery, and petroleum products. "Due to the organization of the World Cup in Qatar, we have seen a significant increase, of course, because of Covid-19 (pandemic), it went down, and it reached a certain level. But

what is important is to note that last year (2022), it (total trade volume) reached (over) $1bn, that is a record even for us," he said. Based on figures given by the Malaysian embassy, the total trade volume in 2022 marked a remarkable 79.5% growth compared to the previous year. Apart from palm oil, Malaysian exports to Qatar include palm oil-based agriculture products ($49.7mn); electrical and electronic products ($48.9mn); processed food ($32.7mn); machinery, equipment and parts ($32.5mn); and petroleum products ($31.8mn). Major Malaysian imports from Qatar, on the other hand, include crude petroleum ($353mn); chemicals and chemical products ($187.7mn); petroleum products ($155.8mn); manufactures of metal ($39.8mn, mainly aluminum); other vegetable oil ($3.3mn). While total bilateral trade between Qatar and Malaysia witnessed a substantial increase in 2022, embassy figures noted that exports saw a slight decrease of 1.2% to $0.33bn, while imports surged by 184.9% to $0.75bn. This resulted in Malaysia registering a trade deficit of $0.42bn with Qatar in 2022. The envoy noted that a significant partnership was formed between Qatari dairy producer Baladna and Malaysian companies FGV Holdings Berhad and Touch Group Holdings Sdn Bhd. This joint venture aims to develop an integrated dairy farming business in Malaysia. It is expected to be commercially operational by 2025, capable of producing 100mn litres of fresh milk per year within the first three years, and eventually reaching 300mn liters. According to ambassador Shaharan, Malaysia offers several sectors where collaboration with Qatar could be mutually beneficial. These include food security and hospitality, leveraging the excellent connectivity between Doha and Kuala Lumpur. "May be hospitality is another that we can offer in Malaysia, given the good connectivity between Doha and Kuala Lumpur," he said, adding there are currently three daily flights between Doha and Kuala Lumpur. (Gulf Times)

International

- **Central banks' rate hike push slips into August lull, EM diverging -** Central banks across major developed and emerging economies took a breather in August with the pace and scale of interest rate hikes shifting another gear lower as diverging growth outlooks and inflation risks muddied the outlook ahead. August - often a more quiet month for monetary policy decisions - saw only four of the central banks overseeing the 10 most heavily traded currencies hold rate setting meetings. Two of them - Norway and United Kingdom - delivered a total of 50 basis points of rate hikes in the lowest such tally since January. Australia and New Zealand kept their benchmarks unchanged, Reuters data showed. The moves compare to three hikes across six meetings in July, and takes the total 2023 year-to-date tally for G10 central banks to a total of 1,075 bps across 33 hikes. But the outlook ahead was murky, with surprisingly resilient US data contrasting with disappointing numbers from China and much of Europe and markets searching for clues when major central banks could embark on easing rates. "This downbeat growth story does have an upbeat consequence; inflationary pressure should ease further," said ING's global head of macroeconomics Carsten Brzeski. He added that while this was likely not enough to bring inflation back to target for many central banks, it should be low enough to see the peak in policy rate hikes. "Central bankers would be crazy to call an end to those hikes officially; they don't want to add to speculation about when the first cuts might come," Brzeski said. Across developing economies, more evidence emerged that the turn of the rate cycle was well established in some regions. Brazil's central bank kicked off its rate-cutting cycle with a more aggressive-than-expected 50 basis point rate cut. Latin America's biggest economy followed in the footsteps of Chile in July and smaller peers Costa Rica and Uruguay in recent months. China was the second country out of the 18 central banks in the Reuters sample of developing economies to lower interest rates in August, of which 12 held rate setting meetings. However, other developing nations were far from being able to cut rates, instead finding themselves battling currency weakness and stubbornly high inflation that forced policy makers into raising rather than cutting rates. Turkey delivered a super-sized 750 bps rate rise in August while Russia lifted its benchmark by 350 bps and Thailand added 25 bps. The year-to-date tally for emerging markets stands at 2,850 bps of tightening across 27 hikes - well below the pace and scale seen the 2022, where central banks in developing economies delivered 7,425 bps across 92 rate increases. On the easing side, emerging markets banks delivered 220 bps of cuts since the start of the year across five reductions, the data showed. With major central banks expected to maintain restrictive policy through 2024, room for maneuver for many developing economies might be limited, analysts predicted. "Major central banks will maintain a restrictive policy stance through 2024," said Madhavi Bokil, senior vice president strategy and research at Moody's. "Significant easing by emerging market central banks is unlikely with advanced economy central banks still battling elevated inflation, and uncertainty around the US interest rate outlook." (Reuters)
- **UK consumer spending growth slows in August despite 'Barbenheimer' boost -** British consumer spending growth lost pace last month, adding to signs of a weakening economy, despite a doubling in cinema takings after the release of the films "Barbie" and "Oppenheimer", Barclays data showed on Tuesday. Annual growth in consumer spending on credit and debit cards slowed to 2.8% in August from 4.0% in July, which the bank blamed on a continuation of the previous month's rainy weather. Part of the slowdown also reflected falling inflation - and in particular a 20% year-on-year drop in the cost of vehicle fuel - as spending on essentials such as food and fuel grew just 1.0%, the least since April 2020. Spending on cinema tickets was up 101% on a year earlier, driving a broader rise in spending on entertainment. However, with consumer price inflation still running at 6.8% in July - the highest of any major economy - the data suggests overall household consumption continues to fall in real terms. Muted spending growth in August is in line with other data sources, such as soft PMIs and stalling consumer confidence, suggesting that the bite from monetary tightening is starting to be felt more acutely," Barclays economist Abbas Khan said. (Reuters)
- **Think-Tank: Raise pension contributions to combat UK capital market decline -** Higher minimum contributions to pension schemes and turning the regulatory screw would help plug shortfalls in retirement income and reverse shrinkage in Britain's capital market, think-tank New Financial said in a report on Tuesday. A welter of regulatory reforms to bolster London's capital market and boost the flow of money from pensions into investments is a good start, but more is needed to avoid pensioners having too little to live on, said New Financial CEO William Wright. "This isn't something that we can keep kicking down the road," Wright told reporters. The report, written in partnership with Citi bank and abrdn asset management, said there is a "parallel crisis" in Britain's pensions and capital market as too little investment flows into UK-based companies and asset managers play safe with government bonds. (Reuters)
- **German exports fall less-than-expected 0.9% in July -** German exports fell a less-than-expected 0.9% in July from a month earlier as global demand continued to falter, data from the federal statistics office showed on Monday. The result compared with a forecast 1.5% decline in a Reuters poll. "Trade is no longer the strong resilient growth driver of the German economy that it used to be, but rather a drag," said Carsten Brzeski, global head of macroeconomics at ING. Supply-chain friction, a more fragmented global economy and China increasingly being able to produce goods it previously bought from Germany were all factors weighing on exports in June, Brzeski said. Imports rose 1.4% on the month, the data showed. The foreign trade balance showed a surplus of 15.9bn euros ($17.15bn) in July, versus 18.7bn euros the previous month. With July's drop in retail sales and July's disappointing export data, the third quarter for the German economy has started on a very weak footing, indicating that the risk of sliding back into contraction remains high, Brzeski said. Exports to European Union countries rose 0.5% from a month earlier, whereas those to non-EU countries declined 2.5%, the office said. "It is not only the global weakness in demand that is causing companies more and more problems," said economist Bastian Hepperle at Hauck Aufhaeuser Lampe Privatbank. "They are also suffering from the erosion of their competitiveness on the global sales markets." German export expectations have deteriorated slightly due to weak foreign demand, an Ifo survey showed in August. "As long as the global economic environment remains weak, German exports will also remain depressed," said Thomas Gitzel, chief economist at VP Bank. (Reuters)
- **Survey: Eurozone investor mood darkens in Sept -** Investor morale in the euro zone fell more than expected at the start of September as Germany's economic weakness remained a major drag on the region, a survey showed

on Monday. Sentix's index for the euro zone declined to -21.5 points in September from -18.9 in August, weaker than the -20.0 estimate in a Reuters poll of analysts. "The situation in Germany remains particularly precarious. Here we are measuring the weakest situation ... since July 2020, when the economy was slowed by the first coronavirus lockdown," Sentix Managing Director Manfred Huebner said. "Germany is also weighing heavily on the economy in the euro zone as a whole ... The tipping point of a global recession is less distant than one might think." The sub-index for future expectations in the euro zone also fell to -21.0 points, from -17.3 in the previous month. The current situation index declined to -22.0 points, its lowest level since November 2022. Singling out Germany, Huebner said the "complete lack of economic competence in the political leadership and the enormous uncertainties for the economy caused by the energy and electricity crisis are dragging the German economy deeper and deeper into recession". He said that the current situation sub-index for Germany was at the lowest level since the coronavirus crisis in July 2020, adding the only time it had been lower was during the 2008/2009 financial crisis. The poll of 1,220 investors was conducted between Aug. 31-Sept. 2. (Reuters)

- **Caixin PMI: China's August services activity slows amid sluggish demand -** China's services activity expanded at the slowest pace in eight months in August, a private-sector survey showed on Tuesday, as weak demand continued to dog the world's second-largest economy and stimulus failed to meaningfully revive consumption. The Caixin/S&P Global services purchasing managers' index (PMI) dropped to 51.8 in August from 54.1 in July, the lowest reading since December when COVID-19 confined many consumers to their homes. The 50-point mark separates expansion from contraction in activity. The data broadly aligned with the official services PMI released last week, which showed the sector continued to trend downwards. Even the record number of passenger railway trips and stellar box office earnings during the summer failed to drive up the reading. Although both the official and the Caixin manufacturing PMIs beat market expectations and showed an increase from July to August, softening services activity still weighs on the economy amid sluggish demand and a property downturn. Caixin/S&P's composite PMI, which includes both manufacturing and services activity, edged down to 51.7 from 51.9 in July, marking the eighth straight month of expansion, albeit the weakest since January. (Reuters)
- **Country Garden faces second debt challenge in days as offshore payment comes due -** China's largest private property developer, Country Garden, faces a deadline for making interest payments on two US dollar bonds on Tuesday, just days after dodging an onshore debt default with a last-minute payment extension deal. Country Garden failed to pay coupons on the bonds totaling $22.5mn due on Aug. 6, exacerbating market fear of the developer's cash situation. Both payments had 30-day grace periods, ending on the global Tuesday. But since Aug. 6 was a non-working Sunday, the developer may wire funds a day or two after the "technical" grace period, bondholders said. The deadline looms after Country Garden on Friday won approval from onshore creditors to extend a private bond worth 3.9bn yuan ($536mn). Failure to make the latest payments raises the risk of default and demand by holders of other dollar bonds to accelerate payments, bondholders and lawyers said. Country Garden did not immediately respond to a request for comment. (Reuters)
- **PMI: Japan Aug service activity growth fastest in 3 months -** Japan's service sector activity expanded at its quickest pace in three months in August, underpinned by robust consumer spending as inbound tourism regained momentum, a private-sector survey showed on Tuesday. The relatively upbeat service sector conditions contrast with the manufacturing industry's shrinking activity and subdued business sentiment amid slowing global demand. The final au Jibun Bank Japan Services purchasing managers' index (PMI) grew to 54.3 last month from 53.8 in July, in line with the flash reading and stayed above the 50-benchmark dividing expansion from contraction for 12 consecutive months. "A stronger improvement in new orders received by Japanese service firms underpinned an acceleration in business activity growth," said Usamah Bhatti, an economist at S&P Global Market Intelligence. "That said, service providers signaled a steeper increase in inflationary pressures during August," he said, underlining some of the challenges faced by the broad business sector across the country. The subindex measuring outstanding businesses swung back above the 50.0 threshold in August helped by the re-acceleration of new orders. Survey respondents noted stronger consumption thanks to higher customer numbers and demand on the back of a surge in inbound tourists. The number of visitors to Japan in July rose to its highest since the pandemic at 2.32mn people. Employment also regained strength last month, as service providers were inclined to take on additional staff to meet booming demand and amid a rise in confidence. Business expectations remained strong, fueled by hopes of long-term business expansion following the winding down of COVID-19 restrictions. On the flip side, input prices were high and rose at the fastest pace since February due to soaring raw material, fuel and electricity cost. The composite PMI, which combines the manufacturing and service activity figures, rose to 52.6 in August from 52.2 in July, staying above the break-even 50 mark for eight consecutive month. (Reuters)
- **Ex-Board Member Kataoka: Reaching 2% inflation goal necessary for BOJ easy policy exit -** The Bank of Japan (BOJ) will be able to gradually shift away from its easy monetary policy only after ensuring its 2% inflation goal has been sustainably achieved, former board member Goushi Kataoka said on Monday. Kataoka expected the Spring 2024 wage negotiations to be key for the BOJ's inflation mission, Kataoka, currently chief economist at PwC Japan, told the Reuters Global Markets Forum. "Next year's wage negotiations will require nominal wages to rise at least as much as this year's to confirm a virtuous cycle of income, spending and prices," he said, adding an exit from easy policy won't be possible "until after next year." Once it begins exiting policy, Kataoka expects the BOJ to first remove the peg on the 10-year Japanese government bond (JGB) yield, then exit its negative interest rate policy, and finally scrap the YCC policy. Kataoka described the central bank's move in July to allow long-term rates to rise more as a "bad decision," saying there were no particular distortions observed in the bond market, unlike in December 2022, when the BOJ made a surprise tweak to its bond yield control under then governor Haruhiko Kuroda. (Reuters)
- **Japan household spending suffers biggest drop in 2-1/2 yrs; outlook not as gloomy -** Japanese household spending suffered its biggest drop in nearly 2-1/2 years squeezed by rising prices, although volatility in some items meant the outlook might not be as gloomy as the headline figures suggested. Japan's economy grew much faster than expected in the second quarter, helped by the end of COVID-19 curbs and a resurgence in inbound tourism, and analysts expect private consumption to support overall growth amid weakness in global demand. The household spending fell 5.0% in July from a year earlier, official data showed on Tuesday, sliding for five consecutive months and more than the median market forecast for a 2.5% decline. On a seasonally adjusted month-on-month basis, household spending was down 2.7%, versus an estimated 0.5% gain. (Reuters)

Regional

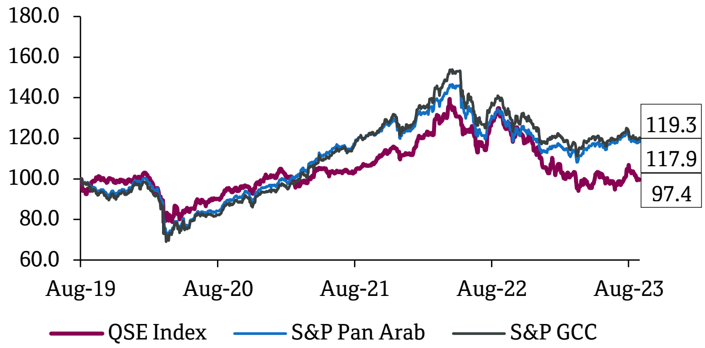
- **AMF Director-General: Projected growth rate for Arab economies 3.4% in 2023, 4% in 2024 -** Dr. Abdul Rahman bin Abdullah Al Humaidi, the Director-General and Chairman of the Board of the Arab Monetary Fund (AMF), has announced that the AMF's projections indicate a forecasted growth rate of approximately 3.4% for Arab economies in 2023, with expectations of this figure increasing to 4% in 2024. Speaking at the opening of the Arab Banking Conference 2023, which began today in Riyadh, under the theme, "Arab Economic Outlook in Light of International Changes", Al Humaidi highlighted the need for Arab governments to accelerate their efforts to achieve digital transformation and shift towards a knowledge-based economy, noting that Arab countries that quickly recovered from the COVID-19 fallout were those with higher levels of digital readiness. He also underscored the importance of intensifying efforts to develop the financial and banking sector in Arab countries, increase access to financing and financial services, enhance domestic capital markets, and promote regional financial integration. The Arab banking system has become more prepared to absorb and withstand financial and economic shocks and risks due to its improved liquidity and solvency levels, compliance with Basel III capital and liquidity requirements, and adherence to International Financial Reporting Standard (IFRS) 9, while effective banking supervision capacities have been improved to be in line with the best international standards and practices, he explained. Al Humaidi affirmed that the banking sector in Arab countries is their primary source of economic liquidity, with assets totaling some US$4.1tn, equivalent to 124% of the combined Gross Domestic Product (GDP) of Arab nations. The sector has generally remained stable and capable of withstanding shocks due to its good levels of capital, asset quality, and profitability, reflecting the role of Arab central banks in maintaining financial stability, he added, noting that the Arab banking sector is distinguished by its high solvency, with the average capital adequacy ratio reaching 17.4% at the end of 2022. (Zawya)

- **Saudi crude exports to India rise 69% in August -** Saudi Arabia’s crude exports to India jumped 69% to 820,000 barrels per day (bpd) in August 2023 from 484,000 bpd in July. However, oil exports from the UAE to the South Asian country fell nearly 6% to 273,000 bpd in August from 290,000 bpd a month ago, state-owned Press Trust of India (PTI) reported, quoting data from energy cargo tracker Vortexa. The world’s third largest oil consumer also trimmed imports from Russia for a third straight month to 1.46mn bpd in August, down from 1.91mn barrels a month earlier. India’s total crude imports declined 7% to 4.35mn bpd during the period but is likely to pick up from October as demand is expected to surge in the fourth quarter. “Refiners have raised imports from Saudi Arabia off the back of strong refinery runs and lower refinery supplies from Russia," said Vortexa’s head of Asia-Pacific analysis Serena Huang. Given tight crude supplies from Saudi Arabia, it remains to be seen whether imports from the Kingdom can be sustained at this level, she added. Last month, Riyadh said it would extend a voluntary oil output cut of 1mn barrels per day for another month to include September. It could be extended beyond that or deepened. In August, India and the UAE started settling bilateral trade in their local currencies, with refiner Indian Oil Corporation paying rupees to purchase a million barrels of oil from Abu Dhabi National Oil Company (ADNOC). New Delhi and Abu Dhabi signed in July an agreement to settle trade in local currencies instead of US dollars. (Zawya)
- **Saudi’s ACWA Power signs deals with six Italian firms -** Saudi-listed ACWA Power has signed strategic agreements with six Italian partners at the Saudi-Italian Investment Forum in Milan to boost cooperation in the fields of green hydrogen, water desalination, and research and development. The six Italian entities include the small, medium, and large enterprises federation Confindustria, major energy firm Eni, utility and waste management firm A2A, industrial solutions provider Industrie De Nora, specialty additives manufacturer Italmatch Chemicals and classification and engineering solutions provider RINA, a press statement by the Saudi developer and operator of utility and green hydrogen plants said. The agreements with Confindustria, Industrie De Nora and Italmatch mainly relate to desalination and water treatment while those with Eni, A2A and RINA cover green hydrogen and renewables, according to the statement. (Zawya)
- **Italy, Saudi Arabia sign off agreement to boost investments -** Italy and Saudi Arabia on Monday signed a Memorandum of Understanding (MoU) to boost economic relations and investments deemed of strategic importance, the Italian industry ministry said. Since taking office last October, Prime Minister Giorgia Meloni has sought to forge closer ties with the Gulf countries, shrugging off the concerns of previous coalitions over human rights in the region. She has already lifted an embargo on arms sales to Saudi Arabia and United Arab Emirates. The memorandum, seen by Reuters, lasts two years and will automatically be renewed for a further 24 months unless one of parties notifies the other of its intention to decline renewal six months before the expiry date. "Dialogue can help companies develop a technological and industrial partnership," Industry Minister Adolfo Urso told reporters at the Investment Forum between Italy and Saudi Arabia in Milan. Among several initiatives being discussed, Italy is courting sovereign wealth funds from the Gulf to invest in a new scheme to provide resources to firms operating in strategically important sectors. (Zawya)
- **Pakistan's interim PM says Saudi Arabia to invest $25bn over next five years -** Saudi Arabia will invest up to $25bn in Pakistan over the next two to five years in various sectors, Pakistan's caretaker Prime Minister Anwaar-ul-Haq Kakar said on Monday, adding his government would also revive a stalled privatization process. The South Asian nation is embarking on a tricky path to economic recovery under a caretaker government after a $3bn loan program, approved by the International Monetary Fund (IMF) in July, averted a sovereign debt default. Kakar, speaking to journalists at his official residence, said Saudi Arabia's investment would come in the mining, agriculture and information technology sectors, and was a part of a push to increase foreign direct investment in Pakistan. There was no immediate response to a Reuters request to the Saudi Arabian government for comment on Kakar's remarks. If confirmed, a series of investments worth $25bn would be the biggest ever by the kingdom in Pakistan. A longtime ally of Riyadh, Pakistan is dealing with a balance of payments crisis and requires billions of dollars in foreign exchange to finance its trade deficit and repay its international debts in the current financial year. Kakar did not specify projects Riyadh was looking at for investment, but last month Barrick Gold Corp (ABX.TO) said it was open to bringing in Saudi Arabia's wealth fund as one of its partners in Pakistan's Reko Diq gold and copper mine. Pakistan's untapped mineral deposits are conservatively valued at about $6tn, said Kakar, whose government is meant to be an interim set up to oversee national elections scheduled for November but are expected to be delayed by months. Barrick considers the Reko Diq mine one of the world's largest underdeveloped copper-gold areas and it owns a 50% stake, with the remaining 50% owned by the governments of Pakistan and the province of Balochistan. Kakar also said his government would push to complete two privatization deals, probably for state-run power sector entities, in the next six months, and would also look to privatize another government owned enterprise outside the energy sector. Pakistan's state-owned enterprises have long been an area of concern with bleeding financials adding to financial stress. Recently Pakistan added struggling state-run Pakistan International Airlines to the privatization list again. The privatization process has largely stalled in the country with selling of state assets a politically sensitive issue that many elected governments have shied away from. (Reuters)
- **Saudi Arabia considering investing in 'Made in Italy' fund -** Italy and Saudi Arabia are in talks about a potential Saudi investment in Rome's new strategic fund, Italy's Industry Minister Adolfo Urso said on Monday, as the two signed a deal to forge closer economic relations, particularly in energy. The "Made in Italy" fund, which was approved in May, will have an initial endowment of 700mn euros ($756mn) in 2023 and an additional 300mn next year in state cash. Sources have previously told Reuters that Italy's Prime Minister Giorgia Meloni is courting sovereign wealth funds to increase the fund's firepower. The scheme would support Italian companies operating in key supply chains, while also aiming to boost procurement and reuse of "critical raw materials". The fund would help support Italian manufacturing and make the country less reliant on external suppliers, but Meloni's coalition government is battling to contain a budget deficit. Meloni has pursued tighter ties with Gulf countries since taking office last October, shrugging off the human rights concerns of previous governments. Rome and Riyadh said on Monday they had signed an agreement to strengthen economic ties and boost investments in areas of strategic importance such as energy, where possible M&A deals were discussed, Urso told reporters in Milan. "We have to start from the premise that the world is very different from the values to which we remain firmly committed," Urso said at an investment event. Saudi Arabia will focus on energy, sustainability, supply chains and sport to expand its presence in Italy, Investment Minister Khalid al-Falih said at the same event. The Kingdom, which has invested in sports such as soccer in other countries, already hosts the Italian Super Cup event, but has no direct investment in a major soccer club in Italy. (Reuters)
- **UAE: PJSCs, PSCs with financial year starting on 1 June urged to register for corporate tax -** The Federal Tax Authority (FTA) has again called on Public Joint Stock Companies (PJSCs), Private Shareholding Companies (PSCs), limited liabilities companies and private companies’ resident in the UAE to register for Corporate Tax. The call is especially important for companies and juridical persons with taxable income whose financial year started on 1st June 2023, as the Corporate Tax Law applies to financial years beginning on or after that date. The FTA has been gradually opening up Corporate Tax registration since January 2023, and in May 2023, it

opened registration to PJSCs and PSCs. The FTA has committed to providing taxpayers with sufficient time to complete registration and meet their legal obligations, and it will prioritize Taxable Persons whose financial year started on 1st June, 2023 as part of its strategy to ease the registration process. (Zawya)

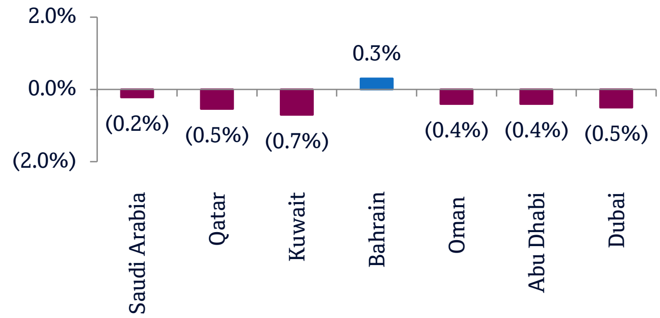
- **Abu Dhabi's Mubadala Capital, Brazil's Petrobras sign MoU to explore biofuel opportunities -** Mubadala Capital has signed an MOU with Brazilian state-owned petroleum company Petrobras for a potential investment in a biofuel project in Bahia, Brazil. The agreement follows the development of biorefinery project to produce renewable and sustainable aviation fuel derived from the native Brazilian crop Macauba. Oscar Fahlgren, chief investment officer and head of Brazil, Mubadala Capital, said the production of renewable energy from crops has the potential to positively transform Brazil and the global energy landscape for generations to come. "This agreement underscores Mubadala Capital and Petrobras' shared commitment to energy transition, and we are excited to work alongside Petrobras to create a novel, carbon neutral, product that will speed up the transition into a sustainable future." Mubadala Capital is the wholly owned asset management subsidiary of Abu Dhabi sovereign investor Mubadala Investment Company. (Zawya)
- **UAE space sector enhances global competitiveness, contributes to diversifying economy -** The UAE has achieved continuous accomplishments in the space economy sector, which enhances its global competitiveness and contributes to diversifying its economy. The country's investment in the space sector has already surpassed the AED22bn mark, encompassing satellite communications systems, Earth and space exploration, data transmission services, satellite broadcasting, and mobile satellite communications, among others. For the UAE, space economy is a pivotal pillar in its ambitious journey towards the next fifty years, laying the foundation for a diversified economy bolstering its competitiveness. The global space sector is expected to soar beyond the trillion-dollar mark by 2040, representing a monumental leap in the new space economy. The UAE has emerged as a regional hub for space services, events, and specialized educational programs in the space domain. The commitment to investing in cutting-edge sciences, advanced technologies, and space technology has propelled commercial spending on the space economy to AED10.9bn by the end of 2020, a remarkable increase over the past seven years. Also, the contractual agreements for space services and applications increased by 40% in 2020, according to the UAE Space Agency. The UAE's space economy spans ten sectors, offering significant investment potential, including space mining, space stations, space companies, sustainability and recycling in space, settlements, space tourism, manufacturing and space academies. The UAE's space economy exhibits promising growth prospects, with 57 companies and space entities currently operating. Public and private sector support for the UAE space program has exceeded $5.4bn. On Sunday, the Mohammed bin Rashid Space Centre (MBRSC) announced the successful undocking of Crew-6, including astronaut Sultan AlNeyadi, from the International Space Station (ISS). This marks the beginning of the crew's return journey after the 6-month-long space mission. The Dragon Endeavour spacecraft carrying onboard Sultan AlNeyadi along with his Crew-6 crewmates, NASA astronauts Stephen Bowen and Woody Hoburg, and Roscosmos cosmonaut Andrey Fedyaev autonomously undocked from the ISS at 3:05 pm (UAE time), following which a series of departure burns were executed to distance itself from the orbiting laboratory. (Zawya)
- **Israel and Bahrain agree to boost trade ties -** Israel's foreign minister agreed Monday with his Bahraini counterpart to boost trade relations, during his first visit to one of the two Gulf Arab states to establish ties with Israel. "The foreign minister and I agreed that we should work together to increase the number of direct flights, the tourism, the trade volume, the investment," Eli Cohen said during a ceremony to inaugurate Israel's new embassy. The embassy in the capital Manama will replace the first embassy Israel opened in 2021, a year after it established diplomatic relations with Bahrain as part of the US-brokered Abraham Accords. Under the accords, Israel also established ties with the United Arab Emirates and Morocco. Monday's ceremony was attended by Bahraini Foreign Minister Abdullatif Al Zayani, who said the event signified a "shared commitment to strengthening and cultivating bilateral relations". "As we build into deeper diplomatic endeavors and engage in bilateral cooperation across various sectors, the establishment of this new embassy assumes a pivotal role in our collaboration," he told reporters. Cohen arrived in Bahrain on Sunday, accompanied by a business delegation of more than 30 companies working in high-tech, logistics and real estate. Earlier on Monday, he met Crown Prince Salman bin Hamad Al-Khalifa and discussed "the importance of advancing a free trade agreement and projects to connect youths in Israel and Bahrain", Cohen posted on X, formerly Twitter. "We look forward to expanding the circle of peace and normalization to other states in the area," he said. (Zawya)
- **Oman's OQ Gas Networks plans Muscat's biggest IPO in almost two decades -** Oman's OQ Gas Networks (OQGN), the pipelines business of state oil giant OQ, said on Monday it planned to float up to 49% of its shares, in what is expected to be the biggest initial public offering in the sultanate in almost two decades. The offering, which begins this month, will give investors access to growth in the company that holds a natural monopoly over essential gas transport in the country, the company said in a statement. As the exclusive operator of Oman's gas transport system, OQGN supplies natural gas to power plants, free zones, industrial clusters, LNG complexes and other customers. The IPO could raise between $700mn and $800mn, a source with knowledge of the matter told Reuters, which would make it the largest since Oman Telecommunications (Omantel) raised 288mn rials ($748mn) by selling a 30% stake in 2005. OQGN's managing director Mansoor Al Abdali declined to comment on how much the IPO is expected to raise but said the largest IPO in Oman's history was Omantel. "We might be competing with that level," he said in a call with reporters. OQ, directly and indirectly through Oman Energy Trading Company Limited and Oman Oil Services Limited, is offering up to 49% of the shares, the document said. The selling shareholders reserve the right to amend the size at any time before the end of the subscription period. Immediately after the offering, OQ will continue to hold a minimum of 51%. OQGN will not receive any proceeds from the sale of the shares in the offering, according to the statement. The shares are expected to list on the Muscat Stock Exchange in October. The company plans to pay a semi-annual dividend in cash to investors after the offering. A first dividend of 33mn rials for the first nine months of 2023 is estimated to be paid around next January, and a second dividend of 11mn for the last three months of 2023 will be paid around April next year. Reuters first reported the IPO plans last May. The plan follows the flotation of OQ's oil drilling business, Abraj Energy Services, in March which raised $244mn by selling a 49% stake. Oman follows Abu Dhabi and Saudi Arabia in looking at sales of stakes in energy assets, capitalizing on a rebound in crude prices to attract foreign investors and boost interest on their respective exchanges. OQGN's IPO is part of a divestment program by the Sultanate's sovereign wealth fund, the Oman Investment Authority, Monday's statement quoted OQ's Group Chief Executive Talal Al Awfi as saying. "The listing of OQGN, which owns and operates critical gas transportation infrastructure in Oman, is in line with this ambition, while enriching the dynamically developing Omani stock market," Al Awfi said. Seen as one of the Gulf's weaker economies, Oman is primarily reliant on hydrocarbon revenue despite some reforms and plans to diversify its economy. The reforms and a shake-up of state entities are being driven by Sultan Haitham bin Tariq al-Said, who took the throne in early 2020 after the death of Sultan Qaboos, who ruled the small oil producer for nearly five decades. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,942.69	0.1	0.1	6.5
Silver/Ounce	23.99	(0.8)	(0.8)	0.2
Crude Oil (Brent)/Barrel (FM Future)	89.00	0.5	0.5	3.6
Crude Oil (WTI)/Barrel (FM Future) #	85.55	2.3	7.2	6.6
Natural Gas (Henry Hub)/MMBtu#	2.57	0.0	4.5	(27.0)
LPG Propane (Arab Gulf)/Ton#	72.50	4.6	6.9	2.5
LPG Butane (Arab Gulf)/Ton#	65.00	4.0	8.3	(36.0)
Euro	1.08	0.1	0.1	0.9
Yen	146.47	0.2	0.2	11.7
GBP	1.26	0.3	0.3	4.5
CHF	1.13	0.1	0.1	4.5
AUD	0.65	0.1	0.1	(5.2)
USD Index	104.24	0.0	0.0	0.7
RUB	110.69	0.0	0.0	58.9
BRL	0.20	0.2	0.2	7.0

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,990.17	0.0	0.0	14.9
DJ Industrial#	34,837.71	0.3	1.4	5.1
S&P 500#	4,515.77	0.2	2.5	17.6
NASDAQ 100#	14,031.81	(0.0)	3.2	34.1
STOXX 600	457.96	0.1	0.1	8.6
DAX	15,824.85	(0.0)	(0.0)	14.5
FTSE 100	7,452.76	0.2	0.2	4.4
CAC 40	7,279.51	(0.1)	(0.1)	13.3
Nikkei	32,939.18	0.5	0.5	12.9
MSCI EM	995.50	1.0	1.0	4.1
SHANGHAI SE Composite	3,177.06	1.3	1.3	(2.5)
HANG SENG	18,844.16	2.6	2.6	(5.1)
BSE SENSEX	65,628.14	0.3	0.3	7.8
Bovespa	117,776.62	0.4	0.4	15.5
RTS	1,063.41	0.8	0.8	9.6

Source: Bloomberg ($ adjusted returns if any #, Data as of September 01, 2023)*

Contacts

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

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

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

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

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

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