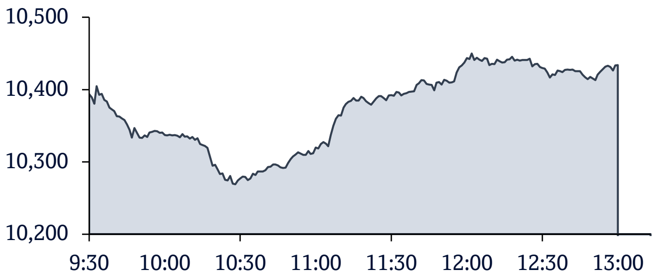
Sunday, 07 January

QSE Intra-Day Movement



Market Indicators	04 Jan 24	03 Jan 23	%Chg.
Value Traded (QR mn)	450.8	595.2	(24.3)
Exch. Market Cap. (QR mn)	608,660.5	606,202.2	0.4
Volume (mn)	145.0	198.0	(26.8)
Number of Transactions	17,259	19,691	(12.4)
Companies Traded	49	50	(2.0)
Market Breadth	28:17	9:38	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,392.51	0.5	(1.5)	(3.7)	12.4
All Share Index	3,509.66	0.4	(1.2)	(3.3)	12.5
Banks	4,398.70	0.1	(1.4)	(4.0)	11.7
Industrials	4,025.54	1.5	(0.7)	(2.2)	15.5
Transportation	4,233.85	(0.6)	0.2	(1.2)	11.2
Real Estate	1,492.04	0.4	0.5	(0.6)	15.5
Insurance	2,520.84	0.8	(3.7)	(4.2)	56
Telecoms	1,591.10	(0.6)	(3.2)	(6.7)	11.6
Consumer Goods and Services	7,424.67	0.6	(0.8)	(2.0)	20.5
Al Rayan Islamic Index	4,608.79	0.5	(1.5)	(3.3)	14.2

Qatar Commentary

The QE Index rose 0.5% to close at 10,433.9. Gains were led by the Industrials and Insurance indices, gaining 1.5% and 0.8%, respectively. Top gainers were Ahli Bank and Qatar Electricity & Water Co., rising 3.7% and 2.9%, respectively. Among the top losers, Meeza QSTP fell 1.6%, while Doha Bank was down 1.4%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.8% to close at 12,145.5. Gains were led by the Diversified Financials and Food & Beverages indices, rising 5.4% and 4.4%, respectively. Saudi Tadawul Group Holding Co. rose 9.9%, while Saudi Arabian Amiantit Co. was up 9.8%.

Dubai: The DFM Index gained marginally to close at 4,087.9. The Consumer Discretionary index rose 3.3%, while the Real Estate index gained 0.1%. BHM Capital Financial Services rose 14.6%, while Taaleem Holdings was up 3.4%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 9,660.8. The Telecommunication and Energy indices rose 0.6% each. Al Khaleez Investment rose 11.1%, while Gulf Cement was up 7.8%.

Kuwait: The Kuwait All Share Index gained 0.2% to close at 6,965.5. The Technology index rose 2.5%, while the Financial Services index gained 0.6%. Real Estate Trade Centers Company rose 9.8%, while Almadar Investment was up 8.9%.

Oman: The MSM 30 Index fell 0.1% to close at 4,577.0. Losses were led by the Industrial and Financial indices, falling 1.0% and 0.1%, respectively. Muscat Gases Company declined 9.5%, while A'Saffa Foods was down 7.5%.

Bahrain: The BHB Index gained 0.5% to close at 1,972.6. The Materials index rose 1.3%, while the Communications Services index gained 0.4%. Aluminum Bahrain rose 1.3%, while Bank of Bahrain and Kuwait was up 1.0%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Tadawul Gr. Holding	Saudi Arabia	212.60	9.9	1,800.4	13.8
The Saudi National Bank	Saudi Arabia	42.75	6.9	15,489.2	10.6
Almarai Co.	Saudi Arabia	61.00	5.7	2,500.9	9.3
Savola Group	Saudi Arabia	43.20	5.4	3,582.2	15.4
Jabal Omar Dev. Co.	Saudi Arabia	23.90	4.8	6,523.2	6.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Marine Dredging Co.	Abu Dhabi	27.80	(4.2)	1,603.2	(6.7)
Saudi Kayan Petrochem. Co	Saudi Arabia	10.86	(2.0)	5,382.2	(0.9)
Americana Restaurants Int.	Abu Dhabi	3.07	(1.9)	3,128.2	(1.9)
Saudi Basic Ind. Corp.	Saudi Arabia	80.60	(1.7)	2,841.3	(3.5)
Saudi Industrial Inv. Group	Saudi Arabia	22.04	(1.7)	2,069.9	(0.7)

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%
Ahli Bank	4.167	3.7	113.9	15.0
Qatar Electricity & Water Co.	17.95	2.9	514.4	(4.5)
Mesaieed Petrochemical Holding	1.878	2.6	14,341.4	5.0
Doha Insurance Group	2.450	2.1	364.9	2.5
Qatar International Islamic Bank	10.59	1.8	622.4	(0.9)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Meeza QSTP	2.786	(1.6)	155.1	(2.9)
Doha Bank	1.730	(1.4)	2,425.5	(5.5)
Ooredoo	10.49	(0.9)	933.9	(8.0)
Baladna	1.206	(0.9)	6,029.8	(1.5)
United Development Company	1.036	(0.9)	3,428.3	(2.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	2.479	(0.4)	24,427.0	(6.6)
Mesaieed Petrochemical Holding	1.878	2.6	14,341.4	5.0
Ezdan Holding Group	0.885	(0.1)	11,836.1	3.1
Vodafone Qatar	1.856	0.3	7,915.8	(2.7)
Qatar Aluminum Manufacturing Co.	1.364	0.2	6,306.0	(2.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.17	(0.4)	67,864.3	(2.2)
Masraf Al Rayan	2.479	(0.4)	60,479.8	(6.6)
Qatar Islamic Bank	20.35	0.2	38,400.4	(5.3)
Industries Qatar	12.65	1.2	31,015.7	(3.3)
Mesaieed Petrochemical Holding	1.878	2.6	26,740.0	5.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,433.85	0.5	(1.5)	(3.7)	(3.7)	123.81	166,894.7	12.4	1.4	4.7
Dubai^	4,087.99	0.0	0.0	0.7	0.7	49.68	189,829.9	9.2	1.3	4.2
Abu Dhabi^	9,660.75	0.1	0.1	0.9	0.9	249.38	743,104.7	27.4	3.0	1.6
Saudi Arabia	12,145.45	1.8	1.8	1.5	1.5	2,668.05	3,016,656.7	20.6	2.4	3.0
Kuwait	6,965.45	0.2	2.2	2.2	2.2	176.37	145,385.2	14.9	1.5	4.0
Oman	4,576.98	(0.1)	2.0	1.4	1.4	10.74	23,428.4	14.0	0.9	4.8
Bahrain	1,972.62	0.5	0.6	0.1	0.1	7.38	56,017.6	7.0	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, ^ Data as of January 5, 2024)*

Qatar Market Commentary

- The QE Index rose 0.5% to close at 10,433.9. The Industrials and Insurance indices led the gains. The index rose on the back of buying support from Arab and Foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- Ahli Bank and Qatar Electricity & Water Co. were the top gainers, rising 3.7% and 2.9%, respectively. Among the top losers, Meeza QSTP fell 1.6%, while Doha Bank was down 1.4%.
- Volume of shares traded on Thursday fell by 26.8% to 145.0mn from 198.0mn on Wednesday. Further, as compared to the 30-day moving average of 157.9mn, volume for the day was 8.2% lower. Masraf Al Rayan and Mesaieed Petrochemical Holding were the most active stocks, contributing 16.8% and 9.9% to the total volume, respectively.

Overall Activity	Buy%*	Sell%*	Net (QR)
Qatari Individuals	26.02%	22.76%	14,706,547.39
Qatari Institutions	32.38%	36.17%	(17,082,883.57)
Qatari	**58.40%**	**58.93%**	**(2,376,336.18)**
GCC Individuals	0.45%	0.41%	180,643.36
GCC Institutions	3.69%	8.77%	(22,915,173.44)
GCC	**4.14%**	**9.18%**	**(22,734,530.08)**
Arab Individuals	13.34%	10.72%	11,804,121.64
Arab Institutions	0.00%	0.00%	-
Arab	**13.34%**	**10.72%**	**11,804,121.64**
Foreigners Individuals	3.15%	2.18%	4,384,536.04
Foreigners Institutions	20.97%	18.99%	8,922,208.58
Foreigners	**24.12%**	**21.17%**	**13,306,744.62**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04-01	US	Challenger, Gray and Christmas	Challenger Job Cuts YoY	Dec	-20.20%	NA	-40.80%
04-01	US	Automatic Data Processing, Inc	ADP Employment Change	Dec	164k	125k	101k
04-01	US	Department of Labor	Initial Jobless Claims	Dec	202k	216k	220k
04-01	US	Department of Labor	Continuing Claims	Dec	1855k	1881k	1886k
04-01	US	Markit	S&P Global US Services PMI	Dec	51.40	51.30	51.30
04-01	US	Markit	S&P Global US Composite PMI	Dec	50.90	NA	51.00
05-01	US	Bureau of Labor Statistics	Unemployment Rate	Dec	3.70%	3.80%	3.70%
04-01	UK	Markit	S&P Global UK Services PMI	Dec	53.40	52.70	52.70
04-01	UK	Markit	S&P Global UK Composite PMI	Dec	52.10	51.70	51.70
04-01	EU	Markit	HCOB Eurozone Services PMI	Dec	48.80	48.10	48.10
04-01	EU	Markit	HCOB Eurozone Composite PMI	Dec	47.60	47.00	47.00
05-01	EU	Eurostat	CPI Estimate YoY	Dec	2.90%	2.90%	2.40%
05-01	EU	Eurostat	CPI MoM	Dec	0.20%	0.20%	-0.60%

Earnings Calendar

Tickers	Company Name	Date of reporting AR2023 results	No. of days remaining	Status
QNBK	QNB Group	11-Jan-24	4	Due
QIBK	Qatar Islamic Bank	16-Jan-24	9	Due
QFLS	Qatar Fuel Company	17-Jan-24	10	Due
ABQK	Ahli Bank	18-Jan-24	11	Due

Qatar

- **Qatar Fuel Co. to hold its investors relation conference call on January 18 to discuss the financial results -** Qatar Fuel Co. announces that the conference call with the Investors to discuss the financial results for the Annual 2023 will be held on 18/01/2024 at 11:00 AM, Doha Time. (QSE)
- **Qatar General Insurance & Reinsurance: Announces the closure of nominations for board membership -** Qatar General Insurance & Reinsurance announces the closure of the period for nomination for the membership of its Board of Directors for 2024 - 2026 on 04/01/2024 at 02:00 PM. (QSE)
- **National Leasing Holding to hold its EGM on January 21 -** National Leasing Holding announces that the General Assembly Meeting EGM will be held on 21/01/2024, Alijarah building – Al Hilal D-ring road Al Wajbah Hall and 06:30 PM. In case of not completing the legal quorum, the second meeting will be held on 24/01/2024, Alijarah building – Al Hilal D-ring road Al Wajbah Hall and 06:30 PM. 1- The restructuring of the company's equity by setting off the entire accumulated losses, amounting to QAR 152,573,224 as of 31 December 2022, from the legal reserve's balance of QAR 350,158,059 as of 31 December 2022. (QSE)
- **Lesha Bank announce the exit from its existing building in Mesila Area -** Lesha Bank is pleased to announce the completion of the exit from its existing building in Mesila Area with total value of 278,250,000 Qatari riyals. (QSE)
- **QCB issues treasury bills worth QR3.5bn -** The Qatar Central Bank (QCB) has issued treasury bills worth QR3.5bn for maturities of one week, one month, three months, six months, and nine months, reports QNA. The QCB said on its website that the treasury bills were issued as follows: QR500mn for one week at an interest rate of 5.7550%; QR500mn for one month with an interest rate of 5.8125%; QR500mn for three months at an interest rate of 5.8950%; QR1bn for six months with an interest rate of 5.9525%; and QR1bn for nine months with an interest rate of 6.0000%. (Gulf Times)
- **Football fever returns to Qatar with AFC Asian Cup, festive events -** Following the immensely successful delivery of the FIFA World Cup Qatar 2022, voted the best this century, the country is gearing up to welcome the world once more with the AFC Asian Cup 2023 from January 12 - February 10, 2024. The AFC Asian Cup 2023 demonstrates Qatar's ongoing sporting legacy and showcases the ability to host large-scale events and welcome visitors from across the globe with its world-class tourism infrastructure, which includes an award-winning airport Hamad

International Airport and national airline Qatar Airways, metro and tram network (which carried over 18.2mn passengers during the FIFA World Cup2022, hotels, and leisure attractions. In addition, Qatar will be abuzz with some of the biggest events of the year during the AFC Asian Cup 2023, providing visitors and residents with a packed itinerary of things to do and see pre- and post- matches. Qatar Tourism (QT) chairman Saad bin Ali al-Kharji, said: "We are pleased to host the AFC Asian Cup Qatar 2023, from January 12 to February 10. Visitors will have the opportunity to enjoy exciting times and explore many tourist attractions in Qatar. "Qatar Tourism will offer a rich array of exciting events and festivals that will amuse both Qatar's residents and its visitors. The kickoff of the AFC Asian Cup Qatar 2023 coincides with the organization of various festivals and events, including Shop Qatar, Doha Jewelry and Watches Exhibition (DJWE), Qatar International Food Festival (QIFF), Qatar Kite Festival, and International Horticultural Doha Expo 2023, which continues until late March. Additionally, there will be a series of musical and entertainment events that together form an unforgettable and exceptional experience. "Over the past years, Qatar has successfully become a distinguished sports tourism destination, due to its advanced infrastructure, sports facilities, and medical facilities. This is in addition to the diversity of sports events it hosts, especially FIFA World Cup Qatar 2022™. Qatar has demonstrated to the world its hospitality, exceptional organization, complemented by the presence of luxurious tourist facilities and the picturesque landscapes that characterize the destination," the QT chairman added. Shop Qatar 2024 is running until January 27, with incredible discounts in stores, raffle draws, and entertainment spread out in malls. (Gulf Times)

- **Qatar figures among most affordable tax-free countries to relocate in 2024 -** Qatar has figured among the 'most affordable' tax-free countries to relocate in 2024, according to research findings of William Russell, which specializes in expat insurance. "Coming in seventh and making yet another appearance for the Middle East is Qatar, earning a relocation score of 5.6 out of 10," said the report. The country has a population of approximately 2.7mn. A one-way economy ticket to the country's capital, Doha, will cost expats around $356 from London and $551 from New York, it said. On an average, buying an apartment in Qatar, costs around $403 per sq m. "It is the fourth most affordable tax-free country for monthly utilities, costing approximately $112. The average monthly net salary in Qatar is $4,327," the report said. Oman is the most affordable tax-free country to relocate to in 2024, with a relocation score of 7.92. Oman is the cheapest country to purchase or rent an apartment, as it has the lowest monthly living costs. It is also the third cheapest country for monthly utility bills, costing around $103. Another Gulf country Kuwait is the second most affordable tax-free country to move to this year, with a relocation score of 6.49. It is also the second most affordable country for both monthly costs and utility bills. Bahrain ranks in third place as the most affordable tax-free country to relocate to in 2024, earning a relocation score of 6.36. Bahrain is the second cheapest country to purchase an apartment in, costing $173 per sq m, on average. It is also the fifth most affordable country for both monthly costs and utility bills. The UAE was ranked as the fourth most affordable tax-free country, with monthly costs of around $959, while the average monthly net salary is around $3,474. William Russell said besides insurance, expatriates also need to consider various other costs, such as flights, rent, and utility bills. In fifth place is Brunei, earning a relocation score of 5.58/10. The country is a tiny nation in Asia and has a population of almost 454,000 people. A one-way economy ticket to the country's capital city, Bandar Seri Begawan, will cost expats around $942 from London and $1,236 from New York. Brunei is the second cheapest country to rent an apartment, costing around $492 per month, on average. It is also the second most affordable country for both monthly costs and utility bills, joint with Kuwait. The average monthly net salary in Brunei is $1,715. The Maldives is the sixth most affordable tax-free country, receiving a relocation score of 5.32/10. The country is located in South Asia and has a population of approximately 518,700 people. Expats can expect to pay around $530 for a one-way economy ticket from London to the country's capital, Malé. Those flying from New York can expect to pay around $722 for the same ticket. The Maldives is the third cheapest country to both buy and rent an apartment in, costing around $197 per sq m and $740 per month respectively. It is also the third cheapest tax-free country in terms of monthly costs, with expats having around $791 worth of expenses each month. The average monthly net salary in the Maldives is $926. (Gulf Times)

- **4 firms under Belt and Road Group to boost Chinese investments in Qatar -** The recent Qatar launch of four Hong Kong and China-based international companies under the Belt and Road Group is seen to attract more Chinese investments into the country, according to a top official. Pegasus Wong, chairman of the Belt and Road Group, said Qatar is an ideal gateway to the region due to the proximity to its Gulf neighbors and other countries beyond the region. "After the 2022 FIFA World Cup, we saw that Qatar is an excellent hub and it is near Saudi Arabia, thus we realized that it is ideal to start our businesses here now," Wong told Gulf Times on the sidelines of the international launch of the Belt and Road Trading and Contracting, Gallery Five International, Fangda Partners, and SW International. Wong also said: "The timing is right. We have come to Qatar to support the country's enterprises, projects, and government initiatives, as well as to serve as a link between Asia, Hong Kong, China, and Qatar. "Owing to Qatar's advanced infrastructure, upcoming events, and the business opportunities it would offer both here and in other GCC countries, we believe Qatar is a strategic location for our future development." Wong emphasized that the Middle East is "a very important region" for China, which intends to promote its Belt and Road Initiative and collaborate not only in infrastructure-related projects but also in the areas of new energy, high technology, artificial intelligence (AI), electric vehicles (EV) and EV chargers, among others. "China has already developed many advanced technologies and we would like to share this with all countries and the Middle East is one of our major partners. We share a strong relationship with countries in this region, so we expect to forge many collaborations going forward," Wong explained. He noted that the group has already forged partnerships with LuLu Group and Qatar Post. Still, future collaboration is expected in the fields of airport and port development, and business opportunities with middle-sized companies. In a speech, Wong further explained: "We are committed to excellence across various industries, including investment, infrastructure, trading and contracting, engineering design, new energy, high technology, education, e-commerce, culture, professional services, and more. "With 12 subsidiary companies taking pride in our diverse portfolio and international reach, our primary mission is to foster cooperation between enterprises in China, Hong Kong, and Qatar, aligning seamlessly with the Belt and Road Initiative." Wong added: "We also play an important role in supporting the Qatar government's economic and local enterprises, facilitating connections and business opportunities between China and Hong Kong. Today, as we come together, let us celebrate the spirit of partnership, innovation and mutual growth. We intend to serve as a bridge connecting nations and industries." The event's guest speaker, Qaiser Nawab, president of the Belt and Road Initiative for Sustainable Development (BRISD), stated: "Since its inception in 2013, we have achieved great success, embodying principles like coexistence, mutual benefit, and sustainability. These principles deeply resonate with Pakistan, creating and connecting beyond borders. "China's remarkable strides in economic growth and poverty alleviation serve as a beacon in illuminating paths for nations facing similar challenges. The six pivotal roots of the BRI hold the key to uplifting communications along the path, impacting global dignity, happiness, and sustainability." Nawab added: "Qatar's geo-economic significance offers potential for global business expansion. Through partnerships, we envision playing a significant role in fostering global economic prosperity, creating employment opportunities and elevating poverty. Collaborations across high technology, artificial technology, AI, sustainability, and cultural arts signify a commitment to innovation and global progress." During the event, Wong and Nawab signed a co-operative agreement between BRISD and the Belt and Road Trading and Contracting for initiatives in the areas of emerging technologies, IT, climate change and environment technologies, and renewable energy, among others. (Gulf Times)

- **Qatar Dec. Financial Center PMI 49.8 vs 51.5 in Nov -** Qatar's December financial center purchasing managers' index falls to 49.8 from 51.5 in Nov.: year ago, 49.6. New orders fall to 49.7 vs 52.7 in Nov. (Bloomberg)

- **Oxford Economics: Qatar's fiscal balance to GDP forecast at 5.9%; current account at 12.6% in 2024 -** Qatar's fiscal balance as a percentage of the country's GDP has been forecast at 5.9% this year, according to a report by Oxford Economics. The researcher has forecast Qatar's current account (as a percentage of its GDP) at 12.6% this year. Qatar's real GDP growth has been forecast to grow 2.5% year-on-year; Oxford Economics noted. The country's inflation has been forecast to fall to 2.2% this year from 2.9% last year. According to Oxford Economics, the Purchasing Managers Index (PMI) for Saudi Arabia remained at 57.5 in December, indicating a strong expansion in non-oil activity. PMI is a measure of the prevailing direction of economic trends in manufacturing. Throughout 2023, the PMI indicated non-oil output increased every month, helped in part by an aggressive purchasing strategy by the Public Investment Fund (PIF). The fund spent $31.6bn in 2023, the most amount disbursed by any sovereign wealth fund worldwide as the government continued their push towards Vision 2030 goals. In the UAE, the PMI rose to 57.4, the second highest reading since June 2019. A resilient domestic market supported purchasing, sales, and new orders as cost pressures eased due to slowing purchase price inflation. The survey indicated that activity contracted in Qatar during December, with the PMI at 49.8, down from 51.5 in November. This was the first contraction since January 2023, when output adjusted following the World Cup, Oxford Economics noted. Following three months of relatively steady price rises, inflation in Turkey rose in December to 64.8% from 62% in November. Assuming the central bank (CBRT) remains steadfast in its fight to curb price pressures, we project inflation will fall below 40% by the end of 2024. But risks to Oxford Economics' 2024 inflation estimate are skewed to the upside, given the likely fiscal loosening ahead of the local election. Elsewhere, inflation in Bahrain fell to -0.4% in November and Kuwait's remained steady at 3.8%. (Gulf Times)
- **QSE index sees positive performance of telecom, insurance sectors in 2023 -** The Qatar Stock Exchange (QSE) wrapped up 2023 at 10,830.6 points with a minimal gain of 1.4%. Comparatively, the broad-based Qatar All Share Index reported a yearly gain of 5.2% to close at 3,629.57 points. The primary market in Qatar remained fairly active during the year. The exchange saw three new listings during the year namely, Dukhan Bank in the banking sector, Damaan Islamic Insurance Co in the insurance sector and MEEZA in the consumer goods and services sector, according to Kamco Invest GCC equity markets analysis. The telecom index was the best performing index in 2023 with a gain of 29.4% led by the shares of Ooredoo and Vodafone Qatar which were up by 23.9% and 20.3%, respectively. The insurance index followed with a gain of 20.4% led by the positive performance of most of the constituent stocks. Qatar Insurance Co SAQ (+34.7) and Al Khaleej Takaful Group QSC (+29.1) witnessed strong gains during the year. While the industries sector was the third-best performing sector during the year with a gain of 8.9%. On the other hand, the consumer goods and services index during the year declined by 4.3% y-o-y, followed by real estate and transportation indices that receded by 3.8% and 1.2%, respectively. The decline in the consumer goods and services index came after eight out of twelve constituents of the index reported declines during the year. Gulf International Services topped the gainers chart for the year with a gain of 89.1% followed by Qatar Oman Investment Co QSC and Qatar Insurance Co SAQ with gains of 72.9% and 34.7% respectively. On the economic front, Qatar approved the state general budget for 2024 with an oil price assumption of $60 per barrel as compared to $65 per barrel as the basis for the 2023 budget. The 2024 budget forecasts revenues to decrease by 11.4% to QR202bn ($55.5bn), while expenses are expected to rise by 1% to reach QR200.9bn ($55.2bn). According to the Finance Ministry, Qatar posted a budget surplus of QR12bn ($3.3bn) for the third quarter of last year. (Peninsula Qatar)
- **Agriculture sector projected to amount over QR622mn in 2024 -** Qatar's agriculture industry is expected to witness buoyant growth this year, as the market size is anticipated to reach $170.95mn (QR622.34mn), according to analysts at Mordor Intelligence. The report states that by 2029, the market size will amount to $223.10mn (QR812.20mn), surging at a compound annual growth rate (CAGR) of 5.47% during the forecast period. Last year, analysts at the research group noted that the market size reached about $162.08mn (QR 590.09mn) and will total an amount of $211.53mn (QR 770.13mn) by 2028, growing at the same CAGR. According to market experts, some of the trends shaping the sector include the expansion in the adoption of high-technology farming products. "Qatar's climate is characterized by low rainfall and high temperatures. Despite these challenges, the country has made tremendous efforts over the past few years by adopting sustainable and smart agriculture techniques such as hydroponics, smart irrigation, and aquaponics that have improved the optimum utilization of arable land and the quality of fruits and vegetables," the report said. However, Hydroponics, a predominant system, is commonly used by Qatari farmers, especially to grow local fruits and vegetables with minimal water resources. Qatar also launched a national agriculture project in 2021, which was developed through an aquaponic system that utilizes aquaculture and hydroponics. The data indicated that the project's production capacity will reach 32,000 metric tons per year, and it applies the horizontal farming system. The Minister of Municipality and Environment said that Qatar is planning to achieve self-sufficiency in vegetable production in the forthcoming years. Several data remarks that Qatari produce cover approximately 70% of the market's needs in 2024. "As a result, a plan to achieve complete self-sufficiency is expected to be implemented in cooperation with farm owners. This has led to the development of vegetable production," it mentioned. Qatar launched a food security program last year, to assert that around 70% of the number of vegetables consumed by citizens will grow at the local level, which will be four times the amount produced at present. The latest Food Security Strategy is poised to focus on innovative solutions and sustainable systems to enhance the sector swiftly. The report emphasized that "Using modern production methods applied to both outdoor and indoor cultivation, local farms are making considerable efforts to improve their vegetable production." "This also includes the rapid development of equipment and practices suitable for use in hot, arid climates, such as greenhouses, water-conserving irrigation techniques, and cooling technologies that enable the availability of vegetables all year round, thereby boosting Qatar's domestic production," it added. This is further supporting the growth of the market and contributing to the overall GDP growth of the country. Various agricultural farms are also augmenting their vegetable production in Qatar." (Peninsula Qatar)
- **Demand for electronics increases in Qatar -** The demand for Qatar's consumer electronics sector is poised for an expeditious surge this year. With the rising competition of online and in-store outlets in the country, the market revenue optimistically drives the growth of the economy. According to the global data and business intelligence platform, Statista, the sector anticipates growing significantly as the revenue is estimated to amount to $721mn (QR2.6bn). The market is also expected to rise annually by 1.1% at a compound annual growth rate (CAGR) from 2024 to 2028. The report highlights that the largest segment in this industry is Telephony, with a market volume of $334.2mn (QR1.2bn) in 2024. However, when compared worldwide, China continues to generate the most revenue in the industry this year, totaling $218.6bn (QR795.81bn) in 2024. With regards to per-person revenues, an average of $263.40mn (958.91mn) is generated in Qatar this year. Earlier, the report that online sales will contribute at least 42.3% of the total revenue in the consumer electronics market. Apart from that, the market is anticipated to exhibit a volume of 0.5% growth next year. The report also states, "Qatar's consumer electronics market is booming, driven by high disposable incomes and a strong demand for premium brands." Experts noted that in 2022, the consumer electronics sector encountered a minor contraction mainly due to the market saturation of smartphones and a rebound in the demand for computing devices compared to the previous year. This was also attributed to the global economic slowdown, rising inflation rates across the world, and surging energy prices, which contributed to decreased consumer spending. The market, however, generated a total revenue of $987bn in the same year, indicating a 4.4% decrease from 2021. Researchers underscored that various trends in the market are expected to fuel further growth especially the emergence of 5G networks, the surging popularity of smart homes, and advancements in augmented and virtual reality technologies. These trends are anticipated to transform a world that is becoming increasingly digital and interconnected and create a plethora of opportunities for the expansion of the market. (Peninsula Qatar)

- **Ministry: 20,000 beneficiaries obtained social security in 2023 -** The Ministry of Social Development and Family has said the number of beneficiaries of social security reached nearly 20,000 citizens. Commenting on its annual accomplishments, the ministry stated in a report that 19,918 people have benefited from social security during 2023, while 132 people have been assisted to obtain jobs. The report pointed out that 222 persons with disabilities (PWDs) benefited from the ministry's programs in meeting their needs that best suited the type of disability. The employees' applications for housing reached 486, of which 283 applications fulfilled the required conditions. The number of transactions submitted to municipalities reached 102 to issue building licenses, the ministry reported. The report added that the number of dwellings detected for maintenance, demolition and reconstruction reached 16 buildings, while the number of applications for housing PWDs reached 379, with the number of transactions submitted to Qatar Development Bank (QDB) reaching 225. The number of beneficiaries of furniture reached 311 people. In addition, the data demonstrated that the number of national production projects reached 730 in 2023, while the number of families who benefited from training and development reached 135 families, with the number of ancillary and supportive services for productive project stakeholders reaching 342 services. (Qatar Tribune)

International

- **US economy cranks out jobs at brisk clip in December; wages increase -** US employers hired more workers than expected in December while raising wages at a solid clip, casting some doubt on financial market expectations that the Federal Reserve would start cutting interest rates in March. There were, however, some cracks in the closely watched employment report from the Labor Department on Friday. The economy added 71,000 fewer jobs in October and November than previously reported. While the unemployment rate held at 3.7% last month, that was because 676,000 people left the labor force, almost erasing all the gains in participation since February. Household employment fell sharply and the workweek was on average slightly shorter than in November. Nonetheless, the report indicated that the economy avoided a recession last year and would likely continue to grow through 2024 as labor market resilience supports consumer spending. "A gradual labor market cooldown remains in place," said Scott Anderson, chief US economist at BMO Capital Markets in San Francisco. "However, the lingering labor market resilience and strength in wage growth could keep the Fed on the sidelines for longer than the markets currently expect." (Reuters)
- **Sluggish UK economy gathers a bit of pace at the end of 2023 -** Britain's economy ended 2023 on a stronger footing than previously thought, according to a survey of businesses, amid other signs that the Bank of England's high interest rate campaign might not trigger a recession. With Prime Minister Rishi Sunak hoping for better economic news before an election expected later this year, Thursday's data suggested businesses and households are weathering the storm of high inflation and borrowing costs at a 15-year peak. The final S&P Global/CIPS UK Services Purchasing Managers' Index (PMI) rose to 53.4 in December, showing the sector grew more strongly in December than an initial reading of 52.7 and November's 50.9. Expectations for future activity rose to the highest since May. "The further rebound in December's PMI suggests a recession should be narrowly avoided," Gabriella Dickens, senior UK economist at Pantheon Macroeconomics, said. "The survey, however, adds weight to our view that activity should rise gradually over the course of 2024." Data from the Bank of England also released on Thursday showed net borrowing by British consumers was the highest in nearly seven years in November - when retail sales leapt - and lenders approved the most mortgages since June. Sterling rose against the dollar and the euro after the PMI and the BoE data was published. Investors continued to expect a first BoE interest rate cut in May. (Reuters)
- **Halifax: UK house prices rise for first time in eight months -** British house prices rose in annual terms in December for the first time in eight months, data from mortgage lender Halifax showed on Friday, adding to signs of a stabilization in the property market after a hit from higher borrowing costs. House prices were 1.7% higher than in December 2022 when the market was hammered by the "mini-budget" crisis of former Prime Minister Liz Truss. In monthly terms, prices rose by 1.1% from November, Halifax said. Britain's housing market boomed during the COVID-19 pandemic before demand fell as the Bank of England pushed up interest rates to counter a surge in inflation across the economy. However, a fall in mortgage rates in recent weeks has prompted some buyers to return to the market. BoE data published on Thursday showed lenders approved the most mortgages in November since June. Kim Kinnaird, director at Halifax Mortgages, said December's price rise was probably driven mostly by a lack of properties on sale but the fall in mortgage rates raised the possibility of increased confidence among buyers in early 2024. (Reuters)
- **Euro zone inflation jump cools case for ECB rate cuts -** Euro zone inflation jumped as expected last month, supporting the European Central Bank's case to keep interest rates at record highs for some time, even as markets continued to bet on a rapid fall in borrowing costs. Inflation across the 20-nation bloc jumped to 2.9% in December from 2.4% in November, just shy of expectations for a 3.0% reading, mostly on technical factors, such as the end of some government subsidies and low energy prices getting knocked from base figures. The data is in line with the ECB's prediction that inflation bottomed out in November and will now hover in the 2.5% to 3% range through the year, well above its 2% target, before falling to target in 2025. Still, figures suggested that the structure of inflation is changing and while base and fiscal effects could yank around the headline figure, overall pressures may be easing. The focus now turns to how wage settlements and global political tensions are impacting prices, two factors that could have longer-term consequences. Wage deals are finalized in the first quarter in much of the euro bloc but data is not available until May, so policymakers will need perhaps until mid-2024 to get a reliable picture. Geopolitical tensions are harder to predict. While the war in Gaza has had little effect on energy prices so far, the more recent disruption of shipping via the Suez Canal has pushed up transportation costs. This in itself is not a big factor for prices but it could lift inflation if goods take longer to reach Europe over an extended period and shortages develop. "Where higher costs are shipping specific, as at the moment, the inflation impact is very small," Paul Donovan at UBS Wealth Management said. "It is not the value of goods shipped, but the changing cost of shipping the goods that matters. Globally, shipping by sea accounts for less than 0.3% of global economic activity." (Reuters)

Regional

- **Saudi Arabia approves $23bn borrowing plan for 2024 -** Saudi Arabia's Minister of Finance Mohammed bin Abdullah Al-Jadaan has approved the kingdom's borrowing plan to cover this year's financing needs of 86bn riyals ($23bn), the National Debt Management Centre (NDMC) said on Thursday. The country requires SAR86bn in financing this year to settle debt maturities and fund the projected deficit of the 2024 budget, the NDMC said in a statement. By the end of 2024, the country's debt portfolio is projected to reach SAR1.115tn. Saudi's borrowing plan includes public debt developments, as well as a calendar of domestic sukuk issuances. "The 2024 annual borrowing plan includes meeting the kingdom's financing activities both locally and international to finance [deficit]… and payment of debt maturing in 2024 and in the medium term, in addition to seizing available opportunities according to market conditions to implement additional financing activities to pay debt maturing in the coming years," the statement said. The borrowing plan is also "committed to leveraging market opportunities to execute alternative government financing activities that promote economic growth, such as financing development and infrastructure projects," it added. Saudi Arabia has rolled out various giga projects as part of its ambitious Vision 2030 plan to transform its economy and reduce its dependence on oil revenues. The kingdom intends to continue funding this year the implementation of initiatives and projects in line with the Vision 2030 plan. It has anticipated a budget deficit of SAR79bn this year, representing about 1.9% of its gross domestic product (GDP). Total expenditures are expected to reach SAR1.25tn, with revenues forecast to hit SAR1.172tn. (Zawya)
- **Saudi Arabia sets record with 2100 new investment licenses in Q3 of 2023 -** The Saudi Ministry of Investment has revealed that it issued more than 2100 investment licenses in the third quarter of 2023, with a growth rate of 135.4% on an annual basis. This does not include licenses issued as part of the campaign to combat violators of the Anti-Commercial Concealment (tasattur) Law The ministry said that the growth in the volume of issued

licenses reflects the Kingdom's position as an attractive investment destination that enjoys strong competitive advantages represented by a stable and supportive business environment. The ministry issued on Wednesday the monthly bulletin on the performance of the most prominent economic and investment indicators in the Kingdom, showing positive growth rates in the third quarter of 2023. The social and personal services activity achieved the highest growth rate at 11.8%, followed by the wholesale and retail trade, restaurants and hotels with a rate of 5.4% while transportation, storage and communications activity recorded a growth of 5.1%. According to the ministry's bulletin, the real estate price index recorded an increase of 0.7% during the third quarter of 2023, impacted by a 1.1% increase in residential real estate prices. The decline in both commercial real estate by 0.1% and agricultural real estate by 0.3% has contributed to reducing the rise in price index. The bulletin revealed that the market value of shares issued in the main market in the third quarter of 2023 reached about SR11.4tn ($3tn), an increase of 5.3%, compared to the same quarter of the previous year. The volume of foreign trade registered a decline of 14.1% at the end of the third quarter last year, on an annual basis, and the trade balance witnessed a decline of 53.8% during the same period, as a result of a decrease in total exports by 24.9%. (Zawya)

- **Saudi: Over 95,000 commercial registers issued in 4Q of 2023, totaling 1.4mn registers -** The Saudi Ministry of Commerce revealed that more than 95,000 commercial registers have been issued during the fourth quarter of 2023, an increase of 23% year-on-year, bringing the total commercial registers to more than 1.4mn by the end of the year. This information was contained in the Business Sector Bulletin for the fourth quarter of 2023, issued by the Ministry of Commerce on Wednesday. The bulletin covers the most important developments in the sector, the growth of commercial registers and promising sectors. The category of young Saudi men and women accounted for 38.6% of the total existing commercial registers of establishments, while the percentage of women reached 38% of the total existing commercial registers of establishments. The bulletin highlighted commercial registers in e-commerce, which represents an important tributary to the national economy, as the number of commercial registers for this sector reached 37400 by the end of the fourth quarter of 2023, with a growth rate of 24% on an annual basis. It is noteworthy that strengthening the e-commerce business system is one of the goals of the National Transformation Program in support of achieving Vision 2030, due to the importance of the sector and its role in strengthening the economy, especially since the Kingdom is one of the top 10 growing countries in the field of e-commerce. Five regions topped the list in terms of e-commerce registers. Riyadh topped with 15,000 registers, and it is followed by Makkah with 9500 registers while the Eastern Province came third with 6000 registers, and it is followed by Madinah with 1800, and Qassim region with about 1200 commercial registers. The Ministry of Commerce said that Saudi Arabia is among the top 10 developing economies in e-commerce, holding 8th rank among 152 countries, according to the index of the United Nations Conference on Trade and Development (UNCTAD). The bulletin disclosed that the total revenues from e-commerce is estimated at about SR260bn ($69.3bn) by 2025, and an expected compound annual growth rate of 15%. The value of bold investment in emerging companies operating in the system during the year 2022 reached about SR446mn ($118.9mn). The bulletin dealt with the most prominent economic activities in promising sectors related to technology, entertainment, transportation, tourism, and other sectors. The bulletin highlighted the growth in activities such as providing cloud computing services, software publishing, resorts, land transportation of goods, maritime clubs, and the manufacture of medical tools and equipment, which provides the local and foreign business sector with opportunities for business development and expansion of partnerships. The ministry cited that the number of existing commercial registers in providing cloud computing services reached about 1700 at the end of the fourth quarter, compared to 1200 registers in the same period of 2022, posting a growth of 40%. The existing commercial registers for the software sector amounted to about 4000 at the end of the fourth quarter of 2023, compared to 3100 in the same period of 2022, with a growth rate of 28%. With regard to visual arts activities, the number of existing commercial registers by the end of the fourth quarter reached 822 registers, a growth rate of 103%, on an annual basis. The ministry bulletin added that the number of existing commercial registers for resorts was about 3300 at the end of the fourth quarter, an increase of 51%, compared to the same period in 2022. As for boutique hotels, the existing commercial records for this sector witnessed an increase of 74% during the fourth quarter, on an annual basis, after reaching about 1900 registers. The existing registers at the end of the fourth quarter for maritime clubs accounted for 580 registers, compared to about 389 in the last quarter of 2022, with a growth rate of 49%. According to the bulletin, the total commercial registrations for land transport and goods by the end of the fourth quarter reached about 33400 registers, compared to 27600 registers in the same period in 2022, an increase of 21%. Regarding the medical tools and equipment industry, the volume of existing commercial registers in the fourth quarter of 2023 jumped 28%, on an annual basis, bringing the total number to more than 1300 registers. (Zawya)
- **Saudi businesses told: Pay tax on time to avoid 1% fine -** The Saudi government is urging businesses to file their tax returns on time to avoid paying fines that will be charged every 30 days after the deadline. The Zakat, Tax and Customs Authority (ZATCA) has advised companies in the kingdom that are subject to withholding tax (WHT) that they have until January 10, 2024, to file their tax returns for December, the Saudi Press Agency (SPA) reported on Thursday. Those who fail to meet the deadline are liable to pay a 1% fine for unpaid taxes every 30 days after the due date. The withholding tax is levied on the total income of non-resident establishments that provide services in Saudi Arabia, as specified in Article 68 of the Income Tax Law and Article 63 of its Implementing Regulations. (Zawya)
- **Saudi: 60 firms participate in Tuwaiq Employment Program -** The two-day Tuwaiq Employment Program, organized by Tuwaiq Academy, concluded at its headquarters in Riyadh on Wednesday. More than 60 entities from the governmental, private and non-profit sectors participated in the program that aimed at contributing to empower and employ graduates of the academy's camps and programs from various technical fields and specializations. Through this program, the academy sought to provide more than 1,100 job opportunities through partner agencies in the fields of programming and applications, cybersecurity, data and artificial intelligence, cloud computing, virtual worlds and game development, networks and technical support, user experience, software and applications, and systems administration, networking, support and operation. This is to bridge the gap between the development of modern technologies and the requirements of the labor market, by developing candidates with the necessary skills and abilities through intensive camps and programs. Among the most notable numbers achieved by the academy in this program include conducting more than 4,000 job interviews for 700 male and female graduates from the academy's camps and programs in more than 60 different entities. It is noteworthy that Tuwaiq Academy is the first of its kind in providing educational programs in the fields of advanced technologies in the Kingdom to qualify national cadres with the necessary technical skills in accordance with the goals of the Kingdom's Vision 2030. The academy offers many professional programs and camps that meet the needs of technical jobs in the labor market, in partnership with major entities and global giants such as Apple, Meta, Amazon and Alibaba. (Zawya)
- **Saudi firms say Aramco's new price hikes to increase production costs -** Saudi-listed producers in Saudi Arabia said on Wednesday that Saudi Aramco's new price increases for the year will increase production costs and impact corporate financial results. The world's largest oil exporter has sent out notices to businesses in the kingdom, informing them that the cost of Aramco's feedstock and fuel products will increase effective January 1, 2024, according to multiple filings on the Saudi Stock Exchange (Tadawul). The price adjustments, imposed on products used to operate plants of various manufacturers, including cement and petrochemical makers in the kingdom, were confirmed by Saudi Kayan Co., Saudi Cement Company, Yanbu Cement Company, Hail Cement Company and Umm Al-Qura Cement Co. The price hikes could affect corporate results as early as the first quarter of the year, but businesses are assuring shareholders they are looking for ways to mitigate the financial impact. "The impact of changing the price of fuel products will lead to an increase in the production's cost," Yanbu Cement said in a disclosure. Unprecedented: The oil producer has increased retail diesel rates for the

year by 53% to 1.15 riyals ($0.30) a litre, which EFG Hermes Research considers unprecedented. However, the impact on certain consumer goods producers is likely to be insignificant, EFG had said. In its disclosure on Wednesday, Saudi Kayan said the financial impact of higher feedstock prices imposed by Aramco will show on their financial results starting from the first three months of 2024. "The expected financial impact… is estimated at an increase equivalent approximately to 1.2% of the company's annual cost of sales according to the latest audited annual financial statement," it said. Saudi Cement Company said it is currently working out the extent of the financial impact, adding that it will "study ways" to mitigate the same. Umm Al-Qura Cement Co said that higher prices of fuel used in producing cement will increase their production costs. "The company will also work during the coming period to explore ways to reduce the financial impact of this amendment on the company's profit," it said. (Zawya)

- **Saudi Arabia's PIF outpaces Singapore's GIC with $31.6bn splurge -** Saudi Arabia's Public Investment Fund emerged as the world's most active sovereign investor last year, boosting its deal activity even as most global peers including GIC Pte and Temasek Holdings Pte slashed spending. PIF, as the Saudi fund is known, deployed $31.6bn in 2023, according to research consultancy Global SWF. That was higher than the $20.7bn it invested the previous year, an increase that contrasts with a wider trend — globally state-owned investors deployed $124.7bn, about a fifth less than the prior year. The declines were led by GIC, which cut the amount of capital deployed by 46% to $19.9bn and lost its spot as the world's most active sovereign wealth fund for the first time in six years. Temasek also reduced new investments by 53% to $6.3bn against a backdrop of volatile markets, which led the two Singapore based investors to report worsening returns. Global SWF said much of GIC's decline related to investments across developed markets. Singapore's state investors continued to be active in emerging markets like India, with deals including GIC's $1.4bn joint venture with Brookfield India REIT and Temasek's increased stake in Manipal Health Enterprises. "Singaporean investors are being more cautious and we've seen that reflected in the numbers," Global SWF said. "Gulf sovereign wealth funds have increased their domination of the global transaction activity, to the detriment of Singaporean and Canadian funds, and now represent almost 40% of all investment value deployed by sovereign investors." Overall, sovereign wealth funds controlled by the hydrocarbon-rich governments of Abu Dhabi, Saudi Arabia and Qatar took five spots on a list of the top 10 most active funds last year. That trend could be set to continue. The governments of the United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Oman and Bahrain are set to control about $4.4tn in gross foreign assets by the end of 2024, two-thirds of which will likely be managed by sovereign wealth funds, according a report issued by the Institute of International Finance in December. The region is home to a gamut of sovereign funds, which have become an increasingly prominent source of cash for international deals after a surge in energy prices in 2022 left most Gulf government budgets in surplus. The PIF was behind the largest sovereign backed deals of the year, either directly or through its subsidiaries. These include its nearly $5bn acquisition of US gaming company Scopley through Savvy Games Group and a $3.6bn acquisition of Standard Chartered's aviation leasing business through Avilease. The Saudi fund was also behind significant domestic deals to help support the diversification of the economy under a plan by Crown Prince Mohamed bin Salman, who is also PIF chairman. In September, the fund acquired the steel business of Sabic Basic Industries Corp in a $3.3bn deal that helped push PIF's domestic investment to around 42% of total deployment in 2023. "The variety of deals shows the unparalleled bandwidth and reach of PIF and its subsidiaries," Global SWF said in the report. (Gulf Times)

- **UAE market cap soars as top 16 companies hit $735bn -** As of January 2024, the aggregate market capitalization of the top 16 national companies listed on local exchanges stood at AED2.7tn. Driven by planned market expansions and existing valuations exceeding AED 3.6tn, this figure is anticipated to experience significant growth, potentially reaching AED 6tn in the coming years. According to official figures, 16 listed companies accounted for about 74%, or AED 2.709tn, of the total market capitalization of the local stock markets, which was AED 3.656tn at the close of trading. International Holding Company (IHC) came in first place with a market capitalization of more than AED897.5bn, equivalent to 24.5% of the market capitalization of the local markets, followed by Abu Dhabi National Energy Company (Taqa) with a market capitalization of more than AED369.9bn and a share of 10.1%; then ADNOC Gas L.C. with about AED238.6bn, representing 6.5% of the total market capitalization of the local markets. The market value of Alpha Dhabi Holding reached about AED187.2bn, equivalent to a share of about 5.12%, followed by Etisalat by e& with a market value of AED 169bn and a share of 4.62%; then First Abu Dhabi Bank (FAB) with AED153.3bn in market value, equivalent to 4.2%; then Dubai Electricity and Water Authority (DEWA) with AED124.5bn; and Emirates NBD with more than AED110.5bn. The market value of Borouge amounted to more than AED74.5bn; Emaar Properties AED68.1bn; Abu Dhabi Commercial Bank AED 64.6bn; PureHealth Holdings AED62bn; ADNOC Drilling AED60bn; ADNOC Distribution AED45.7bn; Dubai Islamic Bank AED41.7bn; and Aldar Properties AED41.6bn. The market value of the local stock markets significantly strengthened in the past year, primarily supported by the strength and resilience of the national economy, along with strong gains by listed stocks, increased demand from international investors, and new listings. The new listings included ADNOC Gas, Presight AI, Al Ansari Financial Services, ADNOC Logistics, Dubai Taxi, Investcorp Capital, Phoenix Group, and PureHealth. The market value of listed stocks gained over AED444.5bn in the past year of 2023, increasing the market capitalization from AED3.206tn at the end of 2022 to AED3.651tn by the end of 2023, distributed as AED2.963tn for the Abu Dhabi Securities Exchange and AED687.5bn for the Dubai Financial Market. (Zawya)

- **UAE non-oil GDP grew 5.9% in 9 months of last year -** The UAE's non-oil gross domestic product (GDP) rose 5.9% in the first nine months of 2023, Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, said on Friday. The Dubai ruler, who chaired the UAE Cabinet's first meeting of the year in Abu Dhabi, noted that the past 12 months have been "exceptional", with the country witnessing "unprecedented economic growth" and dominating various global indices. "The year 2023 was exceptional… It was a year during which the UAE witnessed unprecedented economic growth, massive global political presence, scientific advancement, new educational and healthcare developments," the Dubai ruler said on Twitter and in a statement. "The UAE was ranked first globally in more than 215 indices related to development, economy and human capital, according to international reports." The first Cabinet session of the year reviewed the UAE's performance in the past 12 months and approved the work plan for 2024, which will focus on implementing the national priorities announced by UAE President Sheikh Mohamed bin Zayed Al Nahyan during Union Day. "We gave our directives to all federal government entities to implement government plans, initiatives and projects that serve the national priorities announced [by the UAE president," the ruler said. Achievements in the past year: In the housing sector, the UAE provided housing support worth around AED3.2bn for Emiratis. The UAE citizens' home ownership rate grew to 90%, the second highest in the world, Sheikh Mohammed said. With regards to Emiratization efforts, the UAE's Emirati Talent Competitiveness Program, NAFIS, increased the total number of UAE nationals working in the private sector to approximately 92,000. In the legislative space, the year 2023 was also "the most active" in the country's history, with a total of 73 federal laws issued in 12 months. The International Monetary Fund (IMF) said in October that the UAE's economic growth had been strong, supported by robust domestic activity, while fiscal and external surpluses remained high on the back of high oil prices. The country's non-hydrocarbon GDP growth was expected to exceed 4% during the year and to remain at a similar pace this year. (Zawya)

- **UAE's per capita GDP to hit $52,407 this year -** The UAE's broad economic prospects remain bullish, looking set for two more years of strong growth driven by its export-oriented non-oil sectors, analysts at a leading global bank said. The UAE is expected to retain its growth momentum, led by trade, transport, and tourism, with the broader service sector performing well as the population continues to expand, Ehsan Khoman, MUFG Head of Research – Commodities, and Ramya RS, analyst, wrote in the bank's Middle East 2024 Outlook. "We are upbeat on the outlook for the UAE, where we expect non-oil activity to remain strong. The economy's wellestablished infrastructure does not call for a surge in capital outlays of the same quantum that will boost growth in Saudi Arabia. With services exports a driver of growth, there is also a greater exposure to global weakness, particularly with demand for travel and tourism now above pre-Covid levels," they wrote. As per the bank's research data, the UAE is on track to post a real gross domestic product growth of 4.0% in 2024 after clocking 3.4% growth in 2023. In 2024, the size of the Arab world's second-largest economy will grow to $536.8bn from $509.2bn in 2023, and surge to $561.2bn in 2025. The economic expansion will have a positive impact on the nation's per capita GDP, an economic metric that breaks down a country's economic output per person. Economists use GDP per capita to determine how prosperous countries are based on their economic growth. As per MUFG research, the UAE's per capita GDP is poised to grow to $52,407 in 2024 from $50,602 last year. In 2025, the GDP per capita will jump to 53,813. The Central Bank of the UAE has revised the country's 2024 growth projection from 4.3% to 5.7% as Opec+ announced significant increases in oil production next year. The International Monetary Fund has forecast that the UAE's real GDP will grow by 4.0% in 2024 — a projection in line with that of the World Bank's estimate. The IMF expects that the UAE's current account balance to be about 7.7% of GDP in 2024. There has been a marked increase in capital spending awards over the past two years. The government has no financing needs over the next two years, given healthy surpluses as well as significant cash excess. It is likely to continue to finance any upcoming bond maturities from these, although the possibility of some issuance for debt management purposes is not ruled out entirely, the MUFG research report said. "The cyclical expansion is underpinned by a raft of structural reforms that we judge have already pushed sustainable non-oil growth rates toward five%. Though focused on the domestic operating environment, the changes are reinforced by a renewed openness to trade and capital flows – a stance underscored by the decision to join Brics," said Khoman. Across the Middle East, the outlook is shielded by global uncertainties while growth remains well-anchored by rapid diversification agendas, with inflation low, public finances strong and balance of payments robust. "Coupled with ample balance sheet strength and resilient creditworthiness, the region has considerable access to international capital markets as well as policy flexibility that few other emerging (and certainly developed) markets, enjoy. However, as external headwinds will likely stiffen in 2024, the divergence in regional prospects will become apparent," the bank said. In the GCC, analysts continue to see Saudi Arabia as the most compelling economic story. "The kingdom is undergoing an unprecedented transformation with $1.0tn in Vision 2030 project commitments and rapid demographic shifts. We look for the state to draw down its balance sheet to meet any initial funding gaps as with debt so low, policymakers will enjoy considerable flexibility even if oil prices drop." On Qatar, the analysts remain positive on a performance that will continue to be anchored by its well-advanced plans for the next phase of its gas development. "Near term, this should see investment continue to push higher, with the strength of support from international partners ensuring global conditions will not constrain access to capital." The outlook for Oman is nuanced. A change in leadership in 2020 coupled with the shock of Covid triggered significant institutional reform and a focus on restoring control to public finances – delivering marked returns with the debt stock falling from 70% in 2020 to 40% in 2023. The headwinds facing Bahrain are pronounced, they said. "Encouragingly, strong current account surpluses over the past two years have allowed it to rebuild reserves that were close to exhaustion three years ago," they said. The biggest questions, Khoman and Ramya say, hang over the outlook for Kuwait. "Having seen the standoff between parliament and the executive stall most aspects of policy for so long that development has been left lagging the rest of the region, any improvement in governance could yield quick gains, particularly given the vast wealth the sovereign commands." (Zawya)

- **PMI: New business activity, robust sales drive growth in UAE's non-oil sector in December -** The UAE's non-oil sector reported its second-best performance in nearly five years, with 2023 closing on a strong note according to the S&P Global Purchasing Managers' Index. Favorable economic trends, coupled with an upturn in new business intakes drove the UAE's PMI up from 57.0 in November to 57.4 in December, the second-highest reading since June 2019. Businesses witnessed a surge in trade with increased order book volumes and improved sales pipelines. The rise in output was somewhat supported by firms' ability to complete work on time, evidenced by slight uptick in backlogs. Companies in the non-oil sector also recorded a moderation of inventory growth in December, reflecting efforts among some businesses to optimize input holdings and costs, which further helped to soften the rate of purchase price inflation to its lowest level in nearly a year. Purchasing activity continued to rise at a sharp pace in response to positive demand trends, although some businesses opted to streamline stocks amid cost considerations. Subsequently, after reaching a near six-year record, the rate of inventory growth slowed in December to a three-month low. Companies also expanded their staffing levels to keep up with the uptick in business, with the pace of job creation equaling the series long-run trend. According to data, economic projections indicate robust growth in the UAE is expected to continue into the New Year, reaching pre-COVID highs in terms of future activity. (Zawya)

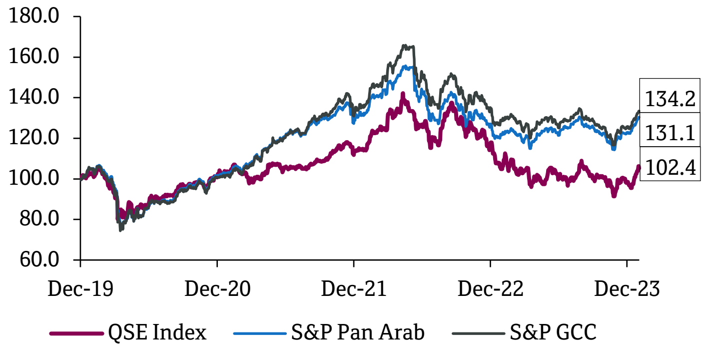
- **Number of Emiratis working in private sector reached 92,000 by 2023 end -** Under the leadership and support of His Highness Sheikh Mansour bin Zayed Al Nahyan, Vice President, Deputy Prime Minister, Chairman of the Presidential Court and Chairman of the Board of Directors of the Emirati Talent Competitiveness Council, the Ministry of Human Resources and Emiratization (MoHRE) announced that the number of Emiratis working in the private sector had reached nearly 92,000 by the end of the 2023. The announcement marks a significant milestone, representing a jump of nearly 157% compared to the number of Emiratis working in the private sector since the launch of the Nafis program in September 2021. This figure represents the highest historical record for Emirati participation in the private sector, serving as a clear testament to the effectiveness of Emiratization policies and initiatives. MoHRE has applauded the commitment of over 19,000 private companies that have actively contributed to this impressive growth. This, the ministry said, has contributed to the unprecedented increase in the number of Emiratis joining the private sector workforce. This comes as companies with 50 or more employees continue to achieve the 2024 Emiratization targets. They have to achieve a 2% Emiratization growth rate of their skilled employees on a semi-annual basis, or 1% in the first half of the year and 1% in the second half of 2024. To encourage continued progress, financial contributions were implemented in January 2023 for companies that fell short of the 2023 targets, in implementation of Emiratization policies and decisions. MoHRE is also actively implementing the recent Cabinet decision to expand the scope of companies subject to Emiratization targets, where more than 12,000 companies, across 14 specific key economic activities, with 20-49 employees, are required to hire at least one Emirati citizen in 2024 and another in 2025. The decision includes imposing annual financial contributions on companies that do not meet their required targets, amounting to AED96,000 for each UAE citizen not appointed in 2024, which will be collected starting January 2025. Meanwhile, financial contributions of AED108,000 will be imposed for failure to meet 2025 targets, to be collected in January 2026. Companies will be allowed to pay their contributions in instalment plans, in agreement with MoHRE. The Ministry noted the benefits and privileges granted to companies that join the Nafis partners club, including a reduction in Ministry fees of up to 80% and priority in the government procurement system in cooperation with the Ministry of Finance. Companies are encouraged to benefit from the Nafis program platform, which connects them with highly skilled Emirati jobseekers across diverse fields. MoHRE reiterates its stance against attempts to circumvent Emiratization targets. The Ministry of Human Resources and Emiratization has put in place a number of commitments and regulations that reinforce compliance with the Emiratization policy. (Zawya)

- **UAE: GPSSA announces pension disbursement dates during 2024 -** The General Pension and Social Security Authority (GPSSA) has announced the pension disbursement dates for the year 2024. GPSSA said that pension disbursements will take place on the 27th of each month, with exceptions to months such as January, April and July, where pension will be disbursed on the 26, in addition to October, where pension will be disbursed even earlier. GPSSA emphasizes that announcing the dates early allows pensioners to proactively manage their financial plans throughout the year and make necessary arrangements. (Zawya)

- **Abu Dhabi's ADQ weighs bid for stake in Dubai's largest office tower -** An Abu Dhabi-based wealth fund is considering joining a list of bidders vying for a minority stake in Dubai's largest office tower, people familiar with the matter said, seeking to grab a slice of one of the world's hottest commercial property markets. The $157bn ADQ, part of Sheikh Tahnoon bin Zayed al-Nahyan's sprawling empire, is interested in buying into ICD Brookfield Place, the people said, asking not to be identified as the talks are private. The tower in the heart of Dubai's financial district could be worth as much as $1.5bn, they said. Owners Brookfield Asset Management and state-owned Investment Corp of Dubai are looking to sell a stake of as much as 49%. They have drawn interest from bidders including China Investment Corp and Malaysia's KLCC Property Holdings Bhd, Bloomberg has reported. Some bidders have expressed concerns over the price in a high interest rate environment, the people said. No final decisions have been made. Representatives for ADQ, Brookfield and Investment Corp of Dubai declined to comment. The Abu Dhabi fund's interest comes against a backdrop of booming demand for office space in Dubai — amid an influx of high profile businesses drawn by the city's proximity to deep-pocketed funds, ease of doing business, tax free status and a favorable time zone. ICD Brookfield Place has seen rents soar since it opened in the middle of the pandemic in 2020. Strong demand has meant the tower is nearing full occupancy while commanding some of the city's highest commercial rents. That's in stark contrast to similar properties in London and New York where rising interest rates and slower return to the office have hurt occupancy. Sheikh Tahnoon is the United Arab Emirates' National Security Adviser and brother to the country's president. Over the years, he's emerged as one of the world's most influential businessmen, and now helms two wealth funds, a $300bn private investment firm as well as the nation's largest lender. Last year, ADQ and another firm linked to the royal consolidated key real estate assets under one entity to create a $12bn property giant. (Gulf Times)
- **Oman most affordable tax-free country to relocate -** Oman is the most affordable tax-free country to relocate to in 2024, with a relocation score of 7.92. according to research by award-winning expat insurance provider William Russell. Oman is the cheapest country to purchase or rent an apartment in, as it boasts the lowest monthly living costs. It is also the third cheapest country for monthly utility bills, costing around £83 ($103). The team at William Russell has ranked popular tax-free destinations based on relocation cost factors such as flights, rent and utility bills to reveal the world's most affordable tax-free countries to relocate to this year. Kuwait is the second most affordable tax-free country to move to this year, with a relocation score of 6.49. Single economy flights to the country range from £131 to £544 and Kuwait is also the second most affordable country for both monthly costs and utility bills. Bahrain in third place: Bahrain ranks in third place as the most affordable tax-free country to relocate to in 2024, earning a relocation score of 6.36. Bahrain is the second cheapest country to purchase an apartment in, costing £139 ($173) per square meter, on average. It is also the fifth most affordable country for both monthly costs and utility bills. Vanuatu is the least affordable tax-free country for expats to live in 2024, with a relocation score of 2.08. Monthly costs are around £896 ($1,113) and utility bills are approximately £160 ($198) per month on average. However, the average monthly net salary in Vanuatu is just £496 ($616). Popular relocation spot the UAE ranked as the fourth most affordable tax-free country, with monthly costs of around £772 ($959), while the average monthly net salary in the UAE is around £2,797 ($3,474). Desired holiday destinations, the Maldives and the Bahamas are also among the most affordable tax-free countries. The Maldives ranked in 6th place, with the Bahamas following behind in 8th place. (Zawya)
- **Oman's population registers 1.2% growth -** The National Centre for Statistics and Information (NCSI) announced on Wednesday that Oman's population registered a growth of 1.2%, surpassing 5mn at the end of 2023. This marks a significant milestone for the Sultanate and reflects its continued economic growth and development. According to the NCSI statement, Omanis now constitute 56.7% of the total population, with a figure of 2,236,645. Expatriates make up the remaining 43.3%, totaling 2,928,957. Muscat Governorate remains the most populated area, housing 29.7% of the national total, or 1,546,667 residents. Al Dakhiliyah Governorate follows with 20.3% of the population, equivalent to 1,044,388 individuals. (Zawya)
- **Oman's public debt drops to 35% of GDP in 2023 -** Helped by fiscal reforms and elevated oil prices, Oman's public debt has substantially decreased to 35% of gross domestic product (GDP) in 2023 from nearly 70% of GDP in 2020 when the dual-shock of the pandemic and oil price collapse severely impacted the government finances. The sultanate's debt-to-GDP ratio also declined significantly in 2023 compared to 2022 when it stood at 40%, attributed to the government's spending restraints and higher than budgeted oil prices. This improved debt situation has also contributed to an enhancement in Oman's sovereign credit ratings. Due to the fall in oil prices since 2014, Oman's general budgets recorded deficits for more than eight years, forcing the country to finance these deficits by borrowing from local and external institutions. Consequently, public debt increased to nearly 70% of GDP in 2020. In August last year, the Ministry of Finance estimated that Oman's safe debt limit is at 30% of GDP, allowing the government to meet debt obligations and sustain economic growth. As part of the government's initiatives for Liability Management Exercise and Public Debt Reduction, the preliminary results of the 2023 budget showcase significant achievements. The government successfully reduced public debt from RO17.6bn in 2022 to RO15.2bn at the end of 2023, effecting a repayment of approximately RO2.4bn, the Ministry of Finance said in its 2024 budget statement released on Tuesday. 'Consequently, the public debt ratio, calculated as a percentage of GDP, declined to 35% at the end of 2023. Additionally, the public debt servicing cost underwent a substantial reduction from the approved budget of RO1.2bn to about RO1.06bn in 2023,' the ministry noted. The preliminary results of Oman's 2023 budget reveal a substantial surplus of approximately RO931mn, in stark contrast to the initially projected deficit of RO1.3bn. 'Several factors have contributed to this positive shift, including an upturn in oil prices, the persistent implementation of the government's fiscal consolidation measures, in addition to the reduction in public debt service,' the ministry said. Oman sold its crude oil at an average price of $82 per barrel during 2023, substantially higher than the $55 per barrel price on which the 2023 budget was based. Govt to pay off more debt in 2024: Oman's 2024 budget aims to maintain financial, economic, and social stability in line with the financial framework of the 10th Five-Year Development Plan (2021-2025) and Oman Vision 2040. In accordance with the directives of His Majesty Sultan Haitham bin Tariq to prioritize reducing public debt, the sultanate's 2024 budget aims to pay off 'a portion' of the public debt. According to the 2024 budget estimates, the fiscal deficit for the 2024 budget is projected at RO640mn, i.e., 6% of total revenue and 1.5% of GDP. The deficit will be financed through internal and external borrowing by RO240mn. The remaining deficit, estimated at approximately RO400mn, will be covered through drawing on reserves, according to the Ministry of Finance. The ministry said that Oman will neither borrow nor withdraw on reserves to finance the 2024 budget deficit in case of generating higher public revenue, resulting in a fiscal surplus. Nevertheless, the government may borrow to replace high-cost loans with low-cost loans. (Zawya)
- **Oman set to deliver budget surplus for second consecutive year in 2023 -** Preliminary results for fiscal 2023 show the Sultanate of Oman on track to turning around a budgeted deficit of RO 1.3bn into a surplus of RO 931mn for the year – only the second such surplus in a decade. After successive deficits starting in Fiscal 2014, Oman recorded its first surplus in 2022 with a sizable RO 1.1bn in additional revenue for the year. According to well-known audit and accounting firm KPMG, it marked the first time since 2013 that a surplus budget was delivered that year – an achievement repeated in 2023 as well. "Owing to an increase in oil prices, at the end of 2023 Oman is expected to record a surplus of RO 931mn compared to a budgeted deficit of RO 1.30bn. This is the second consecutive year Oman is expected to record a fiscal surplus since 2013. The surplus has been directed towards enhancing social spending, stimulating economic growth and liability management exercise and public debt reduction," KPMG noted in its analysis of the 2023 State Budget. With oil prices averaging $82 per barrel in 2023 (versus a budgeted price of $55 per barrel), oil export revenues are expected to soar to RO 6.88bn, which is up a hefty 29% over the projected revenue of RO 5.320bn for the year. Likewise, gas revenues topped RO 2bn, entailing a robust 43% increase over the budgeted revenue of RO 1.4bn. Alongside significant increases in

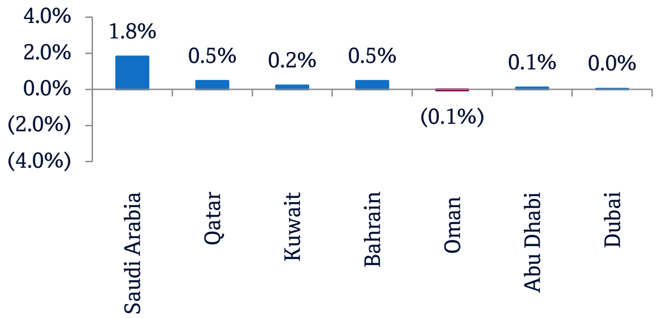
tax collections, non-oil revenue and fees, actual revenues for 2023 rose 21.5% to RO 12.21bn, compared to the budgeted revenue of RO 10.05bn. Public expenditure, on the other hand, dipped 0.6% to RO 11.28bn in 2023, compared to the budgeted expenditure of 11.35bn. KPMG attributed this decline to: (i) a decrease of RO 524mn in public debt servicing expenses and deferral of the implementation of the social protection system, and (ii) Increase in civil ministries expenditures and subsidies by RO 465mn. In line with well-defined commitments to paring public debt, the higher earnings from hydrocarbon export revenues were utilized to bring down Oman's sizable debt burden to RO 15.2bn at the end of 2023, down from 17.6bn a year earlier. In the upshot, the debt to GDP ratio declined to 35% compared to 43% in 2022. At the same time, debt servicing costs for the year declined 11.6% to RO 1.06bn, down from a budgeted RO 1.2bn. According to the Ministry of Finance, the additional revenue also helped enhance social spending and stimulate economic growth. Consequently, allocations were enhanced towards: Oil products subsidy; Development and housing loan interest subsidies; Utility, transport and waste sector subsidies; and social security and low income households. Furthermore, the surplus helped boost allocations towards the health and education sectors, notably by covering the expansion of service delivery to the community. A significant number of SMEs were also exempted from paying outstanding loans owed to the Development Bank and SME Development Authority. Additionally, to help mitigate the impact of global inflation on Omani students on international scholarships overseas, a 25% increase in their allocations was instituted during the year. Besides, a further 150 international scholarships were funded during the year, taking the total to 550 for the year, the Ministry stated. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,045.45	0.1	(0.8)	(0.8)
Silver/Ounce	23.19	0.8	(2.5)	(2.5)
Crude Oil (Brent)/Barrel (FM Future)	78.76	1.5	2.2	2.2
Crude Oil (WTI)/Barrel (FM Future)	73.81	2.2	3.0	3.0
Natural Gas (Henry Hub)/MMBtu	2.75	(2.8)	6.6	6.6
LPG Propane (Arab Gulf)/Ton	70.00	2.3	0.0	0.0
LPG Butane (Arab Gulf)/Ton	93.30	(0.7)	(7.2)	(7.2)
Euro	1.09	(0.0)	(0.9)	(0.9)
Yen	144.63	0.0	2.5	2.5
GBP	1.27	0.3	(0.1)	(0.1)
CHF	1.18	0.0	(1.0)	(1.0)
AUD	0.67	0.1	(1.5)	(1.5)
USD Index	102.41	(0.0)	1.1	1.1
RUB	110.69	0.0	0.0	58.9
BRL	0.21	0.5	(0.5)	(0.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,120.55	0.2	(1.5)	(1.5)
DJ Industrial	37,466.11	0.1	(0.6)	(0.6)
S&P 500	4,697.24	0.2	(1.5)	(1.5)
NASDAQ 100	14,524.07	0.1	(3.2)	(3.2)
STOXX 600	476.38	(0.3)	(1.6)	(1.6)
DAX	16,594.21	(0.2)	(2.0)	(2.0)
FTSE 100	7,689.61	(0.1)	(0.9)	(0.9)
CAC 40	7,420.69	(0.4)	(2.7)	(2.7)
Nikkei	33,377.42	0.2	(3.0)	(3.0)
MSCI EM	1,002.08	(0.2)	(2.1)	(2.1)
SHANGHAI SE Composite	2,929.18	(0.7)	(2.2)	(2.2)
HANG SENG	16,535.33	(0.7)	(3.0)	(3.0)
BSE SENSEX	72,026.15	0.3	(0.2)	(0.2)
Bovespa	132,022.92	1.3	(2.0)	(2.0)
RTS	1,087.35	0.5	0.4	0.4

Source: Bloomberg ($ adjusted returns if any, Data as of January 5, 2024)*

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