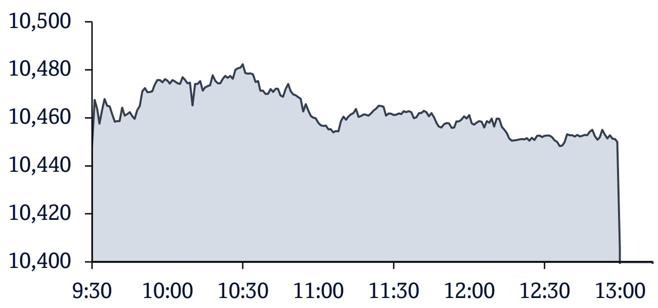
QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.4% to close at 10,405.5. Losses were led by the Transportation and Banks & Financial Services indices, falling 0.7% and 0.4%, respectively. Top losers were Doha Bank and Qatar Navigation, falling 1.7% and 1.1%, respectively. Among the top gainers, National Leasing gained 10.0%, while Ahli Bank was up 4.4%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 11,885.6. Gains were led by the Consumer Durables & Apparel and Media and Entertainment indices, rising 1.5% and 1.3% respectively. Naseej International Trading Co. rose 9.6%, while Saudi Arabian Mining Co. was up 6.6%.

Dubai: The DFM Index fell marginally to close at 4,395.2. The Real Estate index declined 0.5%, while the Financials index fell 0.2%. Drake & Scull International declined 2.3%, while Union Properties was down 1.7%.

Abu Dhabi: The ADX General Index gained 0.4% to close at 9,427.7. The Consumer Staples index rose 4.2%, while the Utilities index gained 2.2%. Apex Investments rose 12.3%, while Ghitha Holdings was up 5.0%.

Kuwait: The Kuwait All Share Index fell 0.4% to close at 7,128.3. The Financial Services index declined 2.1%, while the Utilities index fell 1.3%. Inovest declined 26.9%, while International Financial Advisers Holding was down 7.2%.

Oman: The MSM 30 Index fell 0.4% to close at 4,713.4. Losses were led by the Industrial and Services indices, falling 1.7% and 0.4%. Dhofar Foods declined 10.0%, while AlJazzera Services was down 9.1%.

Bahrain: The BHB Index gained 3.8% to close at 2,017.9. Aluminum Bahrain rose 20.0%, while National Bank of Bahrain was up 0.6%.

Market Indicators	17 Sep 24	16 Sep 24	%Chg.
Value Traded (QR mn)	435.9	336.4	29.6
Exch. Market Cap. (QR mn)	604,295.5	604,514.2	(0.0)
Volume (mn)	263.9	137.3	92.1
Number of Transactions	14,917	12,661	17.8
Companies Traded	49	50	(2.0)
Market Breadth	21:25	24:20	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	23729.90	(0.4)	0.1	2.1	11.5
All Share Index	3705.78	(0.3)	0.1	2.1	12.0
Banks	4562.35	(0.4)	(0.0)	(0.4)	9.8
Industrials	4236.14	(0.2)	0.3	2.9	16.1
Transportation	5359.69	(0.7)	(1.1)	25.0	13.9
Real Estate	1551.94	0.2	0.4	3.4	23.6
Insurance	2348.85	(0.2)	(0.2)	(10.8)	167.0
Telecoms	1777.57	1.2	3.2	4.2	11.4
Consumer Goods and Services	7686.31	(0.4)	0.4	1.5	17.5
Al Rayan Islamic Index	4838.94	(0.3)	0.4	1.6	14.6

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Aluminum Bahrain	Bahrain	1.27	20.0	2784.8	11.1
Saudi Arabian Mining Co	Saudi Arabia	41.95	6.6	8977.0	(13.6)
ADNOC Logistics & Services	Abu Dhabi	5.38	2.7	4107.5	40.5
Abu Dhabi National Energy	Abu Dhabi	2.76	2.2	9509.9	(21.1)
Emirates Telecom Group	Abu Dhabi	18.46	2.0	2052.3	(6.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
GFH Financial Group	Bahrain	0.34	(2.9)	250.0	38.7
National Bank of Oman	Oman	0.28	(2.8)	1302.3	(1.8)
National Shipping Co	Saudi Arabia	27.2	(1.8)	584.6	23.3
Almarai Co	Saudi Arabia	54.6	(1.6)	513.5	(2.2)
Saudi Industrial Investment	Saudi Arabia	18.86	(1.6)	1194.0	(15.1)

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%
National Leasing	0.790	10.0	40,808.2	8.9
Ahli Bank	3.890	4.4	10.0	7.3
Mazaya Real Estate Development	0.630	3.8	39,706.0	(13.6)
Al Faleh Educational Holding Co	0.850	2.2	22,850.2	0.8
Salam International Investment	0.710	1.9	17,139.2	3.2

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Doha Bank	1.760	(1.7)	4785.5	(3.7)
Qatar Navigation	11.27	(1.1)	793.4	16.2
Masraf Al Rayan	2.420	(1.0)	5272.0	(8.9)
Qatar International Islamic Bank	10.90	(1.0)	813.0	2.0
Qatar Islamic Bank	20.25	(1.0)	388.7	(5.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
National Leasing	0.790	10.0	40,808.2	8.9
Mazaya Real Estate Development	0.630	3.8	39,706.0	(13.6)
Al Faleh Educational Holding Co	0.850	2.2	22,850.2	0.8
Ezdan Holding Group	0.770	1.9	18,767.0	(10.7)
Qatar Aluminum Manufacturing Co	1.280	0.6	17,755.3	(8.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.45	0.2	37,793.8	(0.5)
National Leasing	0.790	10.0	31,213.9	8.9
Mazaya Real Estate Development	0.630	3.8	24,591.8	(13.6)
Qatar Aluminum Manufacturing Co	1.280	0.6	22,685.5	(8.6)
Al Faleh Educational Holding Co	0.850	2.2	19,784.6	0.8

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,405.45	(0.4)	0.0	2.0	(3.9)	119.7	165,697.8	11.6	1.3	4.1
Dubai	4,395.20	(0.0)	0.3	1.6	8.3	72.3	200,652.7	8.5	1.3	5.5
Abu Dhabi	9,427.71	0.4	0.8	1.5	(1.6)	362.7	708,253.5	17.1	2.7	2.1
Saudi Arabia	11,885.66	0.1	0.4	(2.1)	(0.7)	1,523.0	2,659,677.3	19.7	2.4	3.6
Kuwait	7,128.32	(0.4)	(0.4)	(0.7)	4.6	199.9	152,691.0	19.0	1.7	3.3
Oman	4,713.40	(0.4)	(0.7)	(0.7)	4.4	4.9	24,016.0	12.2	0.9	5.3
Bahrain	2,017.98	3.8	3.4	3.1	2.4	10.5	20,833.0	7.6	0.7	8.9

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

Qatar Market Commentary

- The QE Index declined 0.4% to close at 10,405.5. The Transportation and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and Foreign shareholders despite buying support from Qatari and Arab shareholders.
- Doha Bank and Qatar Navigation were the top losers, falling 1.7% and 1.1%, respectively. Among the top gainers, National Leasing gained 10.0%, while Ahli Bank was up 4.4%.
- Volume of shares traded on Tuesday rose by 92.1% to 263.9mn from 137.4mn on Monday. Further, as compared to the 30-day moving average of 123.7mn, volume for the day was 113.3% higher. National Leasing and Mazaya Real Estate Development were the most active stocks, contributing 15.5% and 15.0% to the total volume, respectively.

Overall Activity	Buy%*	Sell%*	Net (QR)
Qatari Individuals	37.87%	37.65%	942,768.96
Qatari Institutions	23.37%	22.05%	5,758,746.23
Qatari	**61.24%**	**59.70%**	**6,701,515.19**
GCC Individuals	0.77%	0.84%	(318,024.02)
GCC Institutions	2.65%	3.18%	(2,307,298.46)
GCC	**3.41%**	**4.02%**	**(2,625,322.48)**
Arab Individuals	15.38%	14.52%	3,758,563.31
Arab Institutions	0.00%	0.00%	-
Arab	**15.38%**	**14.52%**	**3,758,563.31**
Foreigners Individuals	4.20%	3.85%	1,527,961.98
Foreigners Institutions	15.77%	17.92%	(9,362,718.00)
Foreigners	**19.97%**	**21.77%**	**(7,834,756.02)**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09-17	US	Federal Reserve	Industrial Production MoM	Aug	0.80%	0.20%	-0.90%
09-17	US	Federal Reserve	Capacity Utilization	Aug	78.00%	77.90%	77.40%
09-17	US	Federal Reserve	Manufacturing (SIC) Production	Aug	0.90%	0.20%	-0.70%

Qatar

- **Fitch Upgrades 24 Turkish Banks on Sovereign Upgrade; including QNB Finansbank and Alternatifbank –** Fitch Ratings has upgraded 12 Turkish banks' Long-Term Foreign-Currency (LTFC) Issuer Default Ratings (IDRs) to 'BB-' from 'B', seven banks' LTFC IDRs to 'B+' from 'B' and five banks' LTFC IDRs to 'B' from 'B-'. The Outlooks for banks with 'BB-' LTFC IDRs have been revised to Stable from Positive, while banks with 'B+' LTFC IDRs driven by their Viability Ratings (VRs) remained on Positive Outlooks, and the Outlooks for banks driven by government support were revised to Stable. Most 'B' LTFC IDRs remained on Positive Outlooks. Fitch has also upgraded the VRs of 16 banks. Along with the sovereign upgrade, the removal of the one notch for government intervention risk drives the two-notch upgrade of seven foreign-owned support driven banks' LTFC IDRs to 'BB-' from 'B'. The banks include: Denizbank A.S. (Denizbank), ING Bank A.S. (INGBT), Kuveyt Turk Katilim Bankasi A.S (Kuveyt Turk), **QNB Finansbank A.S. (QNBF)**, Turk Ekonomi Bankasi A.S. (TEB), Turkiye Finans Katilim Bankasi A.S. (Turkiye Finans) and Turkiye Garanti Bankasi A.S. (Garanti BBVA) as well as three large privately owned banks (VR-driven) Akbank T.A.S.(Akbank), Turkiye Is Bankasi A.S. (Isbank) and Yapi ve Kredi Bankasi A.S. (YKB). The Outlooks are Stable mirroring the sovereign. Fitch Ratings has also upgraded **Alternatifbank A.S.'s** Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to 'BB-' from 'B' and Long-Term Local-Currency (LTLC) IDR to 'BB-' from 'B+'. The Outlooks are Stable. Fitch has also upgraded the bank's Viability Rating (VR) to 'b' from 'b-'. The rating actions follow the upgrade of Turkiye's Long-Term IDR to 'BB-' from 'B+'. The sovereign upgrade reflects improved external buffers evidenced by Turkiye's strengthened foreign-exchange (FX) reserves position, underpinned by reduced financial dollarisation and FX demand, capital inflows and increased access to external borrowing. Positive real interest rates, low current account deficits and the orderly and gradual decline in FX-protected deposits will likely support the durability of the improvement in external buffers. (Bloomberg and Fitch)
- **Al Faleh Educational Holding joins main Index of Qatar Exchange -** Al Faleh Educational Holding, a leading provider of educational services in Qatar, is pleased to announce its inclusion in the main index of the Qatar Stock Exchange. The company will join the prestigious QE All Share Index and the Consumer Goods and Services Index. This milestone underscores Al Faleh Educational Holding's strong market performance and growing presence. The inclusion reflects the company's commitment to delivering value to its shareholders. Dr. Sheikha Aisha Al Faleh, Chairperson of Al Faleh Educational Holding, commented, "We are proud of this achievement. This inclusion further solidifies our position in the QSE and enhances our visibility among investors." (QSE)
- **Damaan Islamic Insurance Company: To disclose its Quarter 3 financial results on October 29 -** Damaan Islamic Insurance Company (BEMA) to disclose its financial statement for the period ending 30th September 2024 on 29/10/2024. (QSE)
- **QCB: Qatar PoS transactions total QR6.94bn; e-commerce at QR3.4bn in August -** Point of sale transactions (PoS) were valued at QR6.94bn in Qatar in August, according to the Qatar Central Bank (QCB). In August last year, the PoS valuations stood at QR6.74bn. And in August 2022, these totaled QR6.19bn. The total number of PoS transactions in Qatar stood at 32.24mn in August compared with 27.7mn in the same period last year and 24.02mn in August 2022. QCB data showed that there were 74,621 PoS devices in Qatar (as of August this year) compared with 68,898 in August last year and 53,241 in the same period in 2022. A point-of-sale transaction is a payment for goods or services, usually made in a retail setting. PoS transactions can be conducted in person or online and are typically completed using credit or debit cards. According to the QCB, debit cards far outnumbered credit cards in the country. As of August this year, the number of debit cards in Qatar exceeded 2.32mn while credit cards stood at 731,514 and pre-paid cards at 712,870. E-commerce transactions in Qatar totaled QR3.4bn in August this year compared to QR3.19bn in August 2023 and QR2.65bn in August 2022. The volume of e-commerce transactions in the country exceeded 6.98mn in August this year compared with 5.46mn in August last year and 4.51mn in August 2022. The QCB introduced the National Network System for ATMs and Points of Sale (NAPS), which is the central payment system, in 1996 to facilitate the acceptance of cards transactions (debit cards and prepaid) on ATM, PoS and e-commerce terminals throughout the GCC region and Egypt. Additionally, the system accepts cards issued by the QCB, GCC and Egypt regulated banks. According to the QCB, NAPS is one of the first switches in the region to achieve full (EMV) compliance both as an acquirer and issuer. The system was upgraded in 2023 in line with the latest global standards in cards industry. It is a round-the-clock service, which supports card tokenization and card-less payments. All banks in Qatar are members of the National Network System for ATMs and Points of Sale. (Gulf Times)

- **Ooredoo Qatar enters multi-year partnership with Oracle to drive digital transformation -** Ooredoo has announced a transformative multi-year collaboration with Oracle to elevate its database infrastructure and accelerate its digital transformation journey. This strategic partnership includes a comprehensive upgrade and migration of Ooredoo's Oracle Database estate to Oracle Exadata Cloud@Customer (ExaCC), a robust Oracle Cloud Database fully deployed within the Ooredoo Data Centre. The inclusion of Database 23c AI introduces advanced AI capabilities, enabling seamless app development and enhancing mission-critical workloads with AI-driven insights. Through the integration of Oracle ExaCC, Ooredoo Qatar will enhance data quality management, ensure superior compliance with data residency requirements, and achieve substantial reductions in operational costs. The platform's artificial intelligence (AI) capabilities, combined with Database 23c AI, allow Ooredoo Qatar to efficiently develop, scale, and optimize applications based on dynamic customer needs. This integration not only streamlines operations but also provides deeper insights into core service processes, setting a new standard for operational efficiency and customer experience. Oracle ExaCC's multi-tenant capabilities enable Ooredoo Qatar to serve its B2B customers more effectively, offering a unified platform that supports both existing data centers and future cloud co-location sites with minimal latency. This flexibility empowers Ooredoo Qatar to rapidly adapt to market changes, drive AI-led innovations, and deliver advanced services with agility while ensuring compliance, security, and data residency for its B2B customers. Thani Ali al-Malki, chief business officer, Ooredoo Qatar, stated, "This collaboration marks a pivotal moment in our digital transformation journey. The integration of Oracle Exadata Cloud@Customer will redefine our service delivery and position us at the forefront of innovation in the telecommunications sector." Together, Ooredoo Qatar and Oracle are redefining digital innovation, operational excellence, cybersecurity, and customer-centric solutions in the telecommunications industry, creating a foundation for sustainable growth and leadership in a new era of connectivity and efficiency. (Gulf Times)

- **Cyber Security Strategy 2024-2030 launched -** Under the patronage of HE the Prime Minister and Minister of Foreign Affairs Sheikh Mohammed bin Abdulrahman bin Jassim al-Thani, the National Cyber Security Agency launched the National Cyber Security Strategy 2024-2030 Tuesday, in the presence of several ministers, heads of authorities, and senior officials. The National Cyber Security Strategy aims to contribute to achieving Qatar National Vision 2030 and position Qatar as a global leader in the secure adoption of emerging technologies. In his opening remarks, HE President of the National Cyber Security Agency, Eng. Abdulrahman bin Ali Al Farahid al-Malki, expressed his pride in Qatar's recognition by the United Nations' International Telecommunication Union (ITU) as a model and pioneering nation in the field of cybersecurity, achieving the highest ranking in the Global Cybersecurity Index. He emphasized the importance of unified efforts across both government and private sectors. "This collaborative spirit is captured in the slogan and vision of the Second National Cyber Security Strategy, which envisions a shared commitment to building trust in cyberspace, ensuring Qatar's continued progress and prosperity." He added, "We have been keen to adopt this approach during the preparation phase of this strategy. We worked closely with a broad range of organizations and coordinated intensively with working groups responsible for the preparation of the Third National Development Strategy to ensure to unified efforts in line with Qatar National Vision 2030". He highlighted that the guiding principles of the National Cyber Security Strategy are based on values of Shared Responsibility, Risk Based Approach, Results Oriented, Individual Human Rights, Economic Prosperity and Coordination and Collaboration. These principles form the backbone for achieving national cybersecurity and provide necessary direction for guidance and implementation. He further added that the Second National Cyber Security Strategy serves as a roadmap to address evolving cyber challenges and focuses on building strong foundations for co-operation and collaboration locally, regionally, and internationally. Al-Malki reaffirmed the National Cyber Security Agency's commitment to providing a secure cyberspace that benefits all individuals and organizations across Qatar, supports sustainable national development, and maintains Qatar's position as a leader in cybersecurity, both regionally and internationally. During the ceremony, Director of National Cyber Governance and Assurance Affairs at the National Cyber Security Agency, Engineer Dana Yousef al-Abdulla, provided an in-depth overview of the strategy's objectives and its comprehensive development process. She outlined the risks, opportunities, and vision that underpin the National Cyber Security Strategy 2024-2030, and emphasized its crucial role in achieving the objectives of Qatar National Vision 2030. The National Cyber Security Strategy outlines five key pillars, the first of which is Cyber Security and Resilience in the Qatar Ecosystem that focuses on enhancing the security and resilience of Qatar's cyber environment, with particular emphasis on critical national infrastructure and based on evolving cyber risks while aligning with national priorities. The second pillar is Legislation, Regulations, and Law Enforcement that aims to develop national legal and regulatory frameworks, governance models and operational approaches. The third one is Thriving, Innovative, and Data-Driven Economy that supports the development of national cybersecurity capabilities through research, development, and innovation across both public and private sectors. It also promotes investments for fostering a dynamic electronic industry. The fourth pillar is Cyber Culture and Workforce Talent Development that seeks to cultivate a qualified cybersecurity workforce and embed cybersecurity awareness throughout society. The fifth pillar on International Co-operation and Trusted Partners, aims to play an active role in international collaboration and cyber diplomacy, enhancing cooperation at both regional and global levels for a secure and resilient cyberspace. The National Cyber Security Strategy 2024-2030 represents a comprehensive, resilient, and forward-looking framework. As cybersecurity emerges as one of the most significant challenges of our time, this strategy addresses its critical role in safeguarding national security and shaping the everyday lives of individuals. (Gulf Times)

- **QDB to act as adviser on strategic investment, partnership between Fingular and Tess Payments -** Qatar Development Bank (QDB) will orchestrate a strategic investment and partnership between Singapore-based global financial group Fingular and Qatar's leading FinTech company, TESS Payments, through its subsidiary, Qatar FinTech Hub (QFTH). QFTH, a key initiative under QDB, will serve as the exclusive strategic and financial adviser for both parties, leveraging its deep expertise in facilitating and advancing enterprises in critical economic sectors that contribute to Qatar's long-term socio-economic development. Fingular recently announced its plans to launch in Qatar by investing in TESS Payments, a company registered in the Qatar Financial Centre, with ambitious long-term goals of establishing a comprehensive digital retail banking presence. The partnership between Fingular and TESS aims to create Qatar's premier customer-centric neobank, featuring one of the Middle East's first versatile digital retail banking ecosystems. The parties intend to exceed $600mn in loans issued to Qatari residents within three years, providing financing to over 2mn people in minutes entirely online. Saad Ishfaq, CEO, TESS, emphasized the historical essence of the deal: "The collaboration between TESS and Fingular signals a new era for international investment in Qatar's fintech sector. As one of the first foreign fintech firms to invest significantly in the local market, Fingular's involvement exemplifies the confidence in Qatar's economic and regulatory environment, paving the way for future foreign investments and partnerships. "The deal of TESS and Fingular is not only recognized as a significant milestone in Qatar's fintech history but also celebrated as a visionary move that will shape the future of the company». Maxim Chernuschenko, CEO, Fingular, stated: "We are excited to leverage the strengths of Qatar's robust financial ecosystem providing unprecedented opportunities for growth and innovation, benefiting consumers and strengthening the financial sector as a whole. This deal underscores the strong confidence in Qatar's economic and regulatory environment, paving the way for increased foreign investments and partnerships in the country." "This partnership is not just about achieving immediate financial goals but is a testament to long-term vision for the financial sector, where innovation, responsibility, and customer satisfaction drive every decision," added Vadim Gurinov, a Cypriot investor and strategic backer of Fingular. Dr Hamad Salem Mejegheer, Executive Director, Advisory and Incubation at QDB, commented on the partnership, "This collaboration between Fingular and TESS Payments marks a significant step in the ongoing transformation of Qatar's financial landscape. By integrating global expertise with local innovation, this partnership is set to introduce unique services tailored to the Qatari market. At QDB, we are committed to supporting local companies by providing advisory services and encouraging strategic partnerships with leading global firms. This ensures that these companies can scale, thrive, and compete effectively within the Qatari market and beyond. We are confident that such alliances will flourish within the resilient business ecosystem we are cultivating in Qatar, and QDB, through QFTH, is proud to have orchestrated this strategic partnership and investment." This strategic partnership between Fingular and TESS Payments underscores Qatar's growing influence as a hub for financial innovation. This collaboration is set to drive significant advancements in the digital banking landscape, reflecting the broader vision of Qatar's economic diversification, as the country continues to embrace cutting-edge financial technologies. (Gulf Times)

- **Labor ministry, Doha Institute sign agreement to prepare nationals for employment in private sector -** The Ministry of Labor (MoL), represented by the Department of Qualification Skills Development of the National Workforce Affairs in the Private Sector, on Tuesday signed a cooperation document with the Doha Institute for Graduate Studies (DIGS) to develop job qualification programs for nationals seeking employment in the private sector and to enhance the skills of job seekers with secondary school diplomas. The document was signed by Shaikha Abdulrahman Al Badi, assistant undersecretary of the Ministry of Labor for National Workforce Affairs in the Private Sector, and Eman Abdullah Al Sulaiti, executive director of the Administrative and Financial Division at the Doha Institute for Graduate Studies. The document aligns with the Ministry of Labor's goal of empowering citizens, making them competitive in the job market and supporting the development process in line with the Third National Development Strategy 2024–2030. Badi stated that the cooperation document aims to prepare and train job seekers registered in the 'Kawader' platform for employment in private companies through training programs provided by experts from the Doha Institute for Graduate Studies. The agreement stipulates that the Ministry of Labor and the Doha Institute for Graduate Studies will collaborate to develop and plan training programs for Qatari nationals and the children of Qatari women and to conduct training programs set up by the Excellence Centre for the public. Additionally, the Ministry of Labor's Qualification Department will benefit from sharing expertise and knowledge in training, as some private sector employees will take part in job qualification and training initiatives. (Qatar Tribune)

International

- **Japan's exports slow sharply, machinery orders shrink in blow to economic recovery -** Japan's export growth slowed sharply in August as shipments to the U.S. dropped for the first time in three years, while machinery orders unexpectedly shrank in July in a worrying sign for an economy struggling to mount a solid recovery. The frail external demand undermines Japan's quest to drive sustainable economic growth, analysts say, especially given a growing risk of a slowdown in the U.S. and further weakness in China's economy, two major trading partners. "Japan's exports are bound to struggle as the global economy is failing to pick up momentum, with growth in both the U.S. and China economies seen slowing down next year," said Takeshi Minami, chief economist at Norinchukin Research Institute. He said a boost from the weak yen to exports has faded as the Japanese currency rebounded sharply in August. Total exports rose 5.6% year-on-year in August, up for a ninth straight month, data showed on Wednesday, well below a median market forecast for a 10% increase and following a 10.3% rise in July. Exports to the United States dipped 0.7%, the first monthly decline in nearly three years, as auto sales slumped 14.2%. Those to China, Japan's biggest trading partner, rose 5.2% in August from a year earlier. The overall picture in terms of volume also provided for sombre reading, with shipments down 2.7% last month from the year-ago period, the seventh consecutive month of declines. The value of imports grew 2.3% in August from a year earlier, versus a 13.4% increase expected by economists. As a result, the trade balance stood at a deficit of 695.3bn yen ($4.90bn), compared with the forecast of a deficit of 1.38tn yen. Separate data from the Cabinet Office showed core machinery orders unexpectedly declined 0.1% in July from the previous month, confounding a 0.5% rise expected by economists in a Reuters poll. Compared with a year earlier, core orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, rose 8.7%, blowing past a 4.2% increase seen by economists. The government stuck with its assessment on machinery orders that recovery is at standstill. A rise in personal consumption helped Japan's economy rebound strongly in the second quarter from a slump at the start of the year, but the growth was revised down slightly last week. In a sign of the economic fragility, a Reuters monthly poll showed last week that business confidence at big Japanese manufacturers sank to a seven-month low in September, with managers across a wide range of sectors citing soft Chinese demand as a concern. The Bank of Japan is expected to keep monetary policy steady at a two-day meeting that ends on Friday, but signal that further interest rate hikes are coming and highlight progress the economy is making in sustaining inflation around its 2% target. Norinchukin's Minami said economists generally expect consumption to support Japan's growth but "with little hope for a boost from exports, the momentum of recovery would be weak." (Reuters)

Regional

- **GCC non-oil growth remains robust this year -** This year has seen relatively positive economic developments for countries in the GCC with strong non-oil growth amid looming uncertainties. However, the year has still been challenging for the broader Middle East region, with the economic impact of the war in Gaza extending to neighboring countries, said the latest Middle East Economy Watch released by PwC Middle East. In June, Opec+ overcame internal tensions and agreed to extend its cooperation agreement at least through 2025 and a further adjustment was made in September, reflecting renewed supply-demand dynamics in the oil market. Additionally, non-oil sector growth indicators look solid this year. Deal making, for example, continues with 214 deals in H1 2024 as localization, sovereign wealth fund investment and transformation continues apace. Fiscal outturns have also been positive, with the UAE, Qatar and Oman achieving surpluses and Saudi Arabia narrowing its deficit, the report said. Uncertainty looms over the region, fueled by ongoing conflicts, disruptions in the Red Sea, and reduced oil production. However, as interest rates ease, especially in countries with currencies pegged to the US dollar, access to credit should improve, fostering growth in the non-oil economy. GDP forecasts from the IMF indicate an accelerating growth rate for the wider region to 2.8% in 2024 (up from 2% in 2023) and 4.2% in 2025. For the GCC members, non-hydrocarbon sectors are poised to be primary drivers of growth as these countries continue to diversify their economies. The region also stands to benefit from shifting trade patterns by reducing trade barriers, diversifying products and markets and developing alternative trade corridors, the report said. Richard Boxshall, Partner and Chief Economist, PwC Middle East, commented: "While Opec+ decisions and oil price fluctuations remain important factors, the region's strong non-oil sector growth provides a buffer against global volatility. Looking ahead, continued diversification and a focus on innovation will be key to achieving sustainable growth." (Zawya)
- **Saudi Arabia approves first ETFs tracking Hong Kong-listed equities -** Saudi Arabia has granted approval for its first exchange-traded funds (ETFs) tracking equities listed in Hong Kong on Tuesday, the Capital Market Authority (CMA) said, marking the debut of such a product in the Middle East. The move follows efforts by Beijing and Hong Kong to deepen ties with Arab countries in response to escalating tensions with the West. Saudi Arabia's CMA said in a statement it approved local asset manager AlBilad Investment Company's request to offer "Albilad CSOP MSCI Hong Kong China Equity ETF" units on the Saudi Stock Exchange (Tadawul). However, the regulator did not disclose the fund's launch schedule. The ETF is a collaborative effort with Hong Kong's CSOP Asset Management and focused on Hong Kong-listed companies including Chinese firms traded in the city. Last November, Hong Kong launched Asia's first ETF tracking Saudi equities - CSOP Saudi Arabia ETF (2830.HK), opens new tab - and has been actively seeking cross-listing opportunities in both capital markets. The Hong Kong-listed ETF's size has expanded to nearly HK$10bn ($1.28bn). In June, Julia Leung, CEO of Hong Kong's Securities and Futures Commission (SFC), visited Saudi Arabia to meet officials and discuss the potential listing of the ETFs on each other's exchanges. China

also approved its first two mainland listed ETFs tracking Hong Kong's CSOP Saudi Arabia ETF in June, seeking to further strengthen financial sector cooperation between the two regions and provide Chinese investors exposure to Middle East companies. (Reuters)

- **Saudi Arabia to focus on emerging industries as diversification gains pace -** Saudi Arabia is expected to accelerate investments in emerging industries, such as tourism, diversifying the economy away from its primary reliance on the upstream hydrocarbon sector, according to S&P Global. The outlook on the kingdom was upgraded to "positive" from "stable", with "A/A-1" long- and short-term foreign and local currency unsolicited sovereign credit ratings affirmed. "The outlook revision reflects our view of Saudi Arabia's strong non-oil growth outlook and economic resilience against ongoing volatility stemming from the hydrocarbon sector," S&P said. The kingdom's economy continues to undergo a significant and rapid economic and social transformation under Vision 2030. Current investments will spur consumption, thanks to the kingdom's more than 35mn young population and increase the productive capacity of sectors such as manufacturing, logistics, and mining. Over the longer term, Saudi Arabia will likely emerge as a more diversified economy, with more jobs created for the youth and broader workforce participation. However, execution risks may arise from a sharper fall in oil prices and volumes and the ensuing impact on public finances, tight supply, skills shortages, and developing basic infrastructure such as housing. In addition, the sheer scale and size of projects - estimated at above $1tn - suggest large funding requirements across the government and government-related enterprises, particularly the Public Investment Fund (PIF). The government is undergoing a recalibration exercise to prioritize projects based on economic returns and reassess timelines to avoid economic overheating and funding pressures. "We, therefore, project a more gradual execution of investments and that the government's net asset position will gradually fall, but remain comfortably strong, through to 2027," the report added. Lower oil production due to OPEC+ production cuts, despite non-oil growth momentum, will drive overall economic expansion to 1.4% in 2024, relative to last year's 0.8% contraction. "We expect to see a pick-up in construction for Vision 2030 projects and the services sector, supported by consumer demand and an expanding workforce." The kingdom is projected to see a stronger growth averaging 4.3% over 2025-2027, S&P added. (Zawya)

- **Saudi Industry Minister: SMEs account for 90% of the industrial sector -** Minister of Industry and Mineral Resources Bandar Alkhorayef said that 90% of companies operating in the industrial sector are small and medium enterprises (SMEs). At a dialogue session held as part of the industry and mineral resources pioneers' week activities, organized by the Small and Medium Enterprises General Authority (Monsha'at), Alkhorayef said that pioneering projects play a significant role in the sector. He said that industrial technical applications have proven their feasibility in solving many large industries problems, and that innovative technologies in the mining sector address the industry's need to preserve mines, protect the environment and safety, and increase productivity. Alkhorayef also emphasized that the industrial sector should not only facilitate investor and entrepreneur entry but also ensure the sustainability of their projects. This involves assisting investors in overcoming challenges and providing clear guidance throughout their investment journey. He highlighted the mining sector as a prime opportunity for entrepreneurs, corroborated by the surge in investor interest, and encouraged entrepreneurs to explore the potential of this sector. Alkhorayef pointed out that the ministry has granted incentives and came up with initiatives in the industrial and mining sectors that entrepreneurs and owners of SMEs should take advantage of. (Zawya)

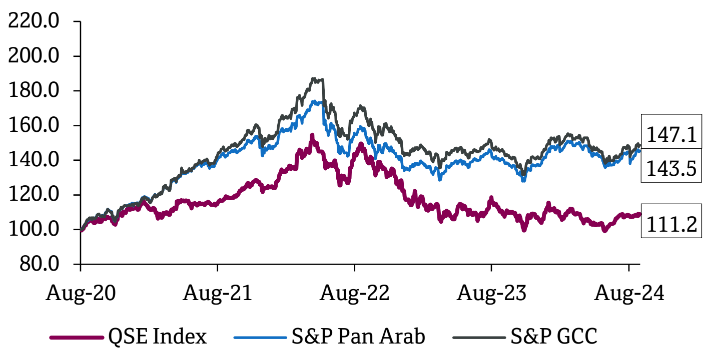
- **Saudi Crown Prince pledges $5bn investment in Egypt -** Saudi Crown Prince Mohammed bin Salman announced a $5bn investment in Egypt by the Public Investment Fund (PIF) during a meeting with Egyptian Prime Minister Mostafa Madbouly in Riyadh on Tuesday. The announcement was made as part of a broader effort to bolster economic ties between the two countries. Madbouly, who conveyed greetings from Egyptian President Abdel Fattah Al-Sisi to King Salman bin Abdulaziz and the Crown Prince, praised the strong relationship between Cairo and Riyadh. "We are currently working on finalizing the agreement on the protection of joint investments, which will contribute to increasing investments between the two countries," Madbouly said. "A significant number of Egyptian investment companies operate in Saudi Arabia, in addition to Saudi investments in Egypt." Madbouly commended the progress made in Saudi Arabia under Vision 2030, describing the country's development as unprecedented. He also highlighted the Crown Prince's crucial role in driving this development and serving the interests of the Arab nation. The Egyptian Prime Minister also stressed the importance of leveraging the African Continental Free Trade Area to penetrate African markets with both Egyptian and Saudi products. He highlighted the potential for cooperation in the automotive sector, given Saudi Arabia's substantial progress in this area and Egypt's current incentives for the industry. "Egyptian products have already established a successful presence in African markets," Madbouly said. "We believe that through collaboration and understanding between Egypt and Saudi Arabia, and with the support of the Egyptian-Saudi Business Council, a strategic objective can be achieved: establishing a significant presence in the African market within the next three years across specific sectors, with a clear focus on priorities." Madbouly's visit to Saudi Arabia included meetings with several ministers, including a meeting with Saudi Minister of Industry and Mineral Resources Bandar bin Ibrahim Alkhorayef, aimed at discussing joint cooperation initiatives. The meeting was attended by Egyptian Minister of Finance Ahmed Kojak, Minister of Investment and Foreign Trade Hassan El-Khatib, Egyptian Ambassador to Riyadh Ahmed Farouk, and Saudi Ambassador to Cairo Saleh bin Eid Al-Hussaini. Alkhorayef highlighted the importance of fostering industrial integration and expanding the trade exchange base between the two countries. He noted that Egypt was among the most significant countries engaged with following the launch of Saudi Arabia's industrial strategy in 2023. "We are currently identifying areas for collaboration to achieve partnerships between investors from both sides," Alkhorayef said. "We believe that industrial integration between Egypt and Saudi Arabia will serve as a catalyst for sustainable cooperation between the two nations." The visit to Saudi Arabia aimed to explore investment opportunities between the two countries, as well as discuss ways to address challenges faced by Saudi investors in Egypt. Madbouly assured investors that any remaining issues would be resolved within the next two to three months. He highlighted significant efforts made in 2024 to address these concerns. The Crown Prince also highlighted Saudi Arabia's efforts in implementing Vision 2030 and praised the vital role of Egyptian workers in the country's current progress. He expressed his hope to visit Egypt soon and meet with President el-Sisi. He also underscored the importance of the power grid connection between Egypt and Saudi Arabia, expressing his desire to provide further support for companies working in the field of renewable energy in Egypt. The Crown Prince announced the PIF's planned investment of $5bnin Egypt as a first step, expressing his hope for the first meeting of the joint coordinating council to take place in October after coordination between both sides. He praised the efforts made to address the concerns of Saudi investors in the past and emphasized the importance of resolving remaining trade disputes, encouraging further Saudi investment in Egypt. He spoke about Saudi Arabia's collaborative efforts with Egypt in managing regional crises, including the war in Gaza, the situation in Yemen, and Red Sea security, affirming a shared vision on these issues. The Crown Prince expressed his support for Egypt's efforts to reach a ceasefire in Gaza, emphasizing the important roles played by both Egypt and Saudi Arabia in serving Arab causes. (Zawya)

- **UAE banking sector's liquid assets rise to $218bn by end of Q2-24 -** The liquid assets of the UAE's banking sector exceeded AED800bn by the end of Q2 2024, according to the latest statistics of the Central Bank of the UAE (CBUAE). The value of liquid assets recorded AED801.52bn at the end of Q2 2024, a year-on-year (YoY) increase of 20.2%, or AED135bn, compared to AED666.6bn at the end of Q2-23, the Central Bank said in its Core Financial Soundness Indicators - Q2 2024 report, issued today. According to the report, the value of liquid assets in the UAE banking sector increased quarter-on-quarter (QoQ) by 2%, or AED14.9bn, compared to AED786.6bn at the end of the Q1-2024. The bank said in its report that the value of liquid assets in the banking sector accounted for 18.9% of the banking sector's total assets of AED4.244bn at the end of Q2 2024, up from 18.8% at the end of Q1 2024. The bank noted that the UAE banking system is well-capitalized, with a total capital adequacy ratio of

18.3% at the end of Q2 2024, up from 18% at the end of Q1 2024 and 17.9% at the end of Q4 2023. The bank explained that the capital adequacy ratio remains well above the minimum capital adequacy ratio of 13%, which includes a capital buffer of 2.5% and a minimum Tier 1 capital ratio of 8.5%, as stipulated in the Central Bank's regulations based on compliance with the Basel III Capital Guidelines, which banks in the UAE have been following since December 2017. Regulatory Capital Ratios measure the amount of a bank's capital expressed as a percentage of risk-weighted assets. A high capital adequacy ratio provides protection for depositors and promotes the stability and efficiency of the economy's financial system. According to the Core Financial Soundness Indicators report, the banking sector's Tier 1 Capital Ratio reached 17% at the end of Q2 2024, compared to 16.7% at the end of Q1 2024 and 16.6% at the end of Q4 2023. The report indicated that the Common Equity Tier 1 capital ratio rose to 15.3% at the end of Q2 2024, compared to 15% at the end of Q1 2024 and 14.9% at the end of Q4 2023. (Zawya)

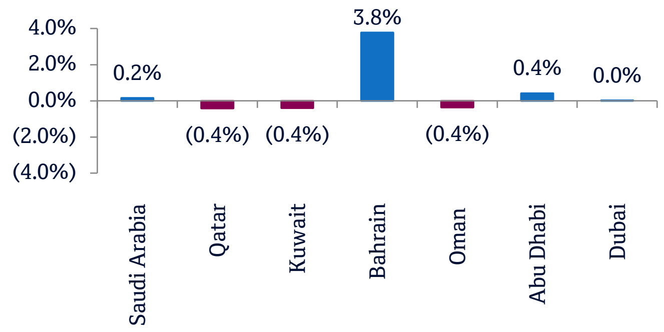
- **UAE, Australia conclude negotiations on Comprehensive Economic Partnership Agreement -** The UAE and Australia have finalized negotiations on a landmark Comprehensive Economic Partnership Agreement (CEPA) between the two countries that will, once ratified and implemented, represent Australia's first trade deal with a country in the MENA region. The UAE-Australia CEPA will streamline trade processes, eliminate tariffs on a wide range of goods and services, create new opportunities for investment, and encourage private-sector collaboration in priority sectors. The negotiations built on the growing economic relations between the UAE and Australia, with bilateral non-oil trade reaching $2.3bn in H1 2024, an increase of 10% from H1 2023. The UAE is Australia's leading trade partner in the Middle East and its 20th largest partner globally. As of 2023, the two countries have also committed a combined $14bn to each other's economies, with more than 300 Australian businesses operating in the UAE in sectors such as construction, financial services, agriculture, and education. Upon the conclusion of negotiations, Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, stated, "With strong economic, social, and cultural ties between our nations, Australia has long been a valued partner for the UAE. This CEPA will unlock significant opportunities for UAE businesses and provide Australian companies with a gateway to new markets across the MENA region. I look forward to collaborating with my Australian counterpart to swiftly ratify the CEPA and deliver its benefits. This milestone not only reaffirms our commitment to building strong relations with key partners but to expanding the reach of our trading network into key regions such as Asia-Pacific." Australia's Minister for Trade and Tourism, Don Farrell, stated, "As a trading nation, we are committed to opening up new opportunities for our exporters, farmers, producers, and businesses. Under this trade agreement, Australian exports are expected to increase by $460mn per year, but this deal means more for Australia than just numbers. A trade agreement with the UAE will facilitate investment into key sectors, which is important to achieving our ambition of becoming a renewable energy superpower." Foreign trade remains the cornerstone of the UAE's economic agenda. In 2023, the UAE's non-oil trade in goods reached an all-time high of $712bn, a 14.3% increase compared to 2022 – and 36.8% more than 2021. A CEPA with Australia will be a significant addition to the UAE's foreign trade network, which is helping to propel non-oil foreign trade towards its target of AED4tn ($1.1tn) by 2031. (Zawya)
- **Microsoft, UAE's AI firm G42 to set up two new centers in Abu Dhabi -** Microsoft (MSFT.O), opens new tab and United Arab Emirates-based artificial intelligence company G42 will open two centers in Abu Dhabi to work on "responsible" AI initiatives, the companies said on Tuesday. The UAE, led by government-backed firm G42, is striving to become a global leader in AI and is investing heavily in it to diversify away from oil. The push comes amid rising competition in the region as Qatar and Saudi Arabia pitch themselves as potential AI hubs outside the United States, as well as Washington's concerns over deepening ties between China and Gulf states over potential technology transfers to Beijing. The companies said the deal built on their April partnership, under which Microsoft is investing $1.5bn in the Emirati firm. The first center will bring together academic researchers and AI practitioners from the private sector to develop and share best practices in responsible AI. The other center will focus on tasks including developing large language models - computer programs that draw from vast amounts of text to generate responses to queries - for "underrepresented languages". Abu Dhabi sovereign wealth fund Mubadala and U.S. private equity firm Silver Lake hold stakes in G42, whose chairman, Sheikh Tahnoon bin Zayed Al Nahyan, is the UAE's national security advisor and the president's brother. G42 said earlier this year it had divested its investments in China and at the time of the Microsoft partnership, both firms noted that the deal was backed by assurances to the U.S. and UAE governments over security. Microsoft and G42 said on Tuesday the centers will work to ensure "generative AI models and applications are developed, deployed and used safely." G42 and its affiliates do not conduct business with any entity listed on a U.S. government list of parties for which Washington maintains restrictions on certain exports, re-exports, or transfers of items, the firms said. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,572.0	0.1	(0.2)	24.7
Silver/Ounce	30.4	(0.9)	(0.9)	27.9
Crude Oil (Brent)/Barrel (FM Future)	73.5	(0.3)	2.6	(4.7)
Crude Oil (WTI)/Barrel (FM Future)	71.0	(0.3)	3.4	(1.0)
Natural Gas (Henry Hub)/MMBtu	2.3	16.4	3.7	(9.3)
LPG Propane (Arab Gulf)/Ton	66.3	0.8	7.3	(5.3)
LPG Butane (Arab Gulf)/Ton	81.8	3.5	9.7	(18.6)
Euro	1.1	0.1	0.5	0.8
Yen	141.5	0.6	(0.5)	(0.4)
GBP	1.3	0.0	0.3	3.4
CHF	1.2	(0.2)	(0.4)	0.5
AUD	0.7	0.1	0.9	(0.7)
USD Index	100.8	(0.3)	(0.3)	(0.6)
RUB	1,10.69	0.0	0.0	58.9
BRL	0.19	0.8	0.8	(10.0)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,640.7	0.2	0.2	14.9
DJ Industrial	41,606.2	(0.0)	0.5	10.4
S&P 500	5,634.6	0.0	0.2	18.1
NASDAQ 100	17,628.1	0.2	(0.3)	17.4
STOXX 600	517.2	0.4	0.2	8.0
DAX	18,726.1	0.5	0.1	11.8
FTSE 100	8,309.9	0.4	0.4	7.5
CAC 40	7,487.4	0.5	0.3	(0.7)
Nikkei	36,441.9	0.7	(0.4)	8.9
MSCI EM	1,086.0	0.3	0.8	6.5
SHANGHAI SE Composite	2,705.6	0.1	0.1	(9.1)
HANG SENG	17,660.0	1.4	1.7	3.6
BSE SENSEX	83,079.7	0.1	0.2	15.0
Bovespa	134,960.2	(0.1)	0.1	0.6
RTS	1,151.93	(0.0)	0.0	6.3

Source: Bloomberg ($ adjusted returns if any)*

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