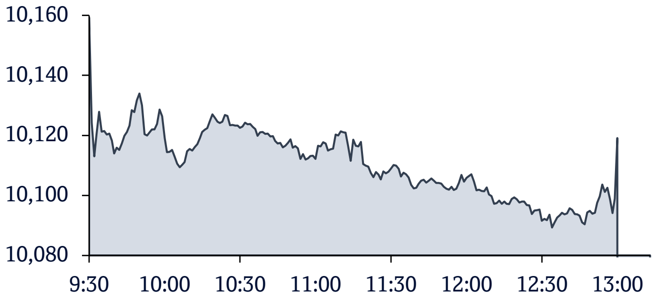
QSE Intra-Day Movement



Market Indicators	21 Aug 24	20 Aug 24	%Chg.
Value Traded (QR mn)	277.2	272.0	1.9
Exch. Market Cap. (QR mn)	585,313.5	587,936.4	(0.4)
Volume (mn)	105.8	101.8	3.9
Number of Transactions	12,590	11,948	5.4
Companies Traded	50	50	0.0
Market Breadth	19:30	29:18	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	23,042.35	0.0	0.3	(0.9)	11.2
All Share Index	3,589.33	(0.0)	0.1	(1.1)	11.6
Banks	4,339.74	(0.3)	(0.6)	(5.3)	9.4
Industrials	4,195.21	0.6	1.2	1.9	15.8
Transportation	5,386.75	(0.9)	(0.5)	25.7	13.9
Real Estate	1,485.91	0.6	2.7	(1.0)	22.1
Insurance	2,286.99	0.2	0.2	(13.1)	167.0
Telecoms	1,717.80	0.3	2.4	0.7	11.1
Consumer Goods and Services	7,613.74	0.2	(0.0)	0.5	17.3
Al Rayan Islamic Index	4,727.24	0.2	1.1	(0.8)	14.2

Qatar Commentary

The QE Index declined 0.4% to close at 10,119.1. Losses were led by the Transportation and Banks & Financial Services indices, falling 0.9% and 0.3%, respectively. Top losers were Widam Food Company and Inma Holding, falling 1.9% each. Among the top gainers, Al Faleh Educational Holding Company gained 9.9%, while Qatar General Ins. & Reins. Co. was up 5.6%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.7% to close at 12,187.4. Gains were led by the Banks and Diversified Financials indices, rising 2.4% and 1.8%, respectively. Red Sea International Co. rose 7.1%, while Tourism Enterprise Co. was up 6.1%.

Dubai: The DFM Index gained 0.9% to close at 4,294.9. The Real Estate index rose 2.8%, while the Industrials index gained 1.5%. National International Holding Company rose 14.6%, while Agility Public Warehousing Company was up 7.7%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 9,347.6. The Real Estate index rose 1.5%, while the Financials Index gained 0.5%. Foodco National Foodstuff rose 4.2%, while Abu Dhabi National Co. For Building Materials was up 3.9%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 7,143.3. The Consumer Staples index rose 1.4%, while the Basic Materials index gained 1.0%. The Real Estate Trade Centers Company rose 12.2%, while Equipment Holding Co. was up 10.8%.

Oman: The MSM 30 Index fell 0.3% to close at 4,679.9. Losses were led by the Financial and Industrial indices, falling 0.5% each. Oman Chromite declined 10.0%, while Galfar Engineering & Contracting was down 2.2%.

Bahrain: The BHB Index gained marginally to close at 1,936.7. Inovest rose 7.9%, while Khaleeji Bank was up 2.3%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Properties	Dubai	8.47	3.9	16,623.0	6.9
Agility Global PLC	Abu Dhabi	1.14	3.6	7,838.8	0.0
The Saudi National Bank	Saudi Arabia	36.85	3.1	8,350.9	(4.7)
Al Rajhi Bank	Saudi Arabia	89.10	3.0	10,209.8	3.0
Saudi Industrial Inv. Group	Saudi Arabia	19.30	3.0	6,912.5	(13.1)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Americana Restaurants Int.	Abu Dhabi	2.78	(2.1)	3,499.6	(10.6)
Industries Qatar	Qatar	12.90	(1.8)	1,527.6	(1.4)
Saudi Arabian Oil Co.	Saudi Arabia	27.75	(1.6)	19,372.4	(14.5)
Qatar Gas Transport Co. Ltd	Qatar	4.42	(1.6)	1,789.4	25.6
Emirates NBD	Dubai	19.45	(1.5)	2,633.2	12.4

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/ losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Al Faleh Educational Holding Company	0.743	9.9	9,459.8	(12.3)
Qatar General Ins. & Reins. Co.	1.013	5.6	352.6	(31.1)
Lesha Bank	1.298	1.7	3,754.4	(1.9)
Vodafone Qatar	1.775	1.7	6,973.2	(6.9)
Estithmar Holding	1.870	1.5	4,441.7	(10.7)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Widam Food Company	2.834	(1.9)	696.2	20.1
Inma Holding	4.051	(1.9)	86.1	(2.3)
Industries Qatar	12.90	(1.8)	1,527.6	(1.4)
Qatar Gas Transport Company Ltd.	4.420	(1.6)	1,789.4	25.6
Salam International Inv. Ltd.	0.677	(1.3)	1,807.4	(0.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Dukhan Bank	3.755	(0.8)	11,175.7	(5.5)
Al Faleh Educational Holding Company	0.743	9.9	9,459.8	(12.3)
Masraf Al Rayan	2.238	(0.2)	7,413.7	(15.7)
Mesaieed Petrochemical Holding	1.638	0.7	7,105.3	(8.4)
Vodafone Qatar	1.775	1.7	6,973.2	(6.9)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Dukhan Bank	3.755	(0.8)	42,148.7	(5.5)
QNB Group	15.59	(0.6)	21,135.2	(5.7)
Industries Qatar	12.90	(1.8)	19,760.0	(1.4)
Masraf Al Rayan	2.238	(0.2)	16,591.9	(15.7)
Ooredoo	10.98	(0.2)	16,129.5	(3.7)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,119.08	(0.4)	(0.1)	(0.3)	(6.6)	76.05	160,493.0	11.2	1.3	4.3
Dubai	4,294.90	0.9	1.8	0.6	5.8	116.82	196,121.5	8.3	1.3	5.6
Abu Dhabi	9,347.61	0.3	1.2	0.1	(2.4)	366.20	702,050.1	16.7	2.6	2.1
Saudi Arabia	12,187.44	0.7	2.3	0.6	1.8	2,373.40	2,713,395.7	20.2	2.4	3.6
Kuwait	7,143.26	0.4	0.5	(1.3)	4.8	181.99	152,505.1	18.8	1.7	3.3
Oman	4,679.94	(0.3)	(0.3)	0.4	3.7	5.38	23,832.3	12.1	0.9	5.3
Bahrain	1,936.73	0.0	(0.0)	(1.7)	(1.8)	2.21	19,989.0	7.3	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 10,119.1. 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.
- Widam Food Company and Inma Holding were the top losers, falling 1.9% each. Among the top gainers, Al Faleh Educational Holding Company gained 9.9%, while Qatar General Ins. & Reins. Co. was up 5.6%.
- Volume of shares traded on Wednesday rose by 3.9% to 105.8mn from 101.8mn on Tuesday. However, as compared to the 30-day moving average of 124.4mn, volume for the day was 14.9% lower. Dukhan Bank and Al Faleh Educational Holding Company were the most active stocks, contributing 10.6% and 8.9% to the total volume, respectively.

Overall Activity	Buy%*	Sell%*	Net (QR)
Qatari Individuals	25.49%	22.72%	7,671,322.68
Qatari Institutions	41.40%	37.57%	10,630,688.85
Qatari	**66.89%**	**60.29%**	**18,302,011.53**
GCC Individuals	0.29%	0.72%	(1,185,822.42)
GCC Institutions	3.61%	6.43%	(7,830,360.64)
GCC	**3.90%**	**7.16%**	**(9,016,183.06)**
Arab Individuals	11.17%	10.79%	1,052,456.75
Arab Institutions	0.00%	0.00%	-
Arab	**11.17%**	**10.79%**	**1,052,456.75**
Foreigners Individuals	3.06%	2.74%	891,656.81
Foreigners Institutions	14.98%	19.04%	(11,229,942.03)
Foreigners	**18.04%**	**21.77%**	**(10,338,285.22)**

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08-21	US	Mortgage Bankers Association	MBA Mortgage Applications	16-Aug	-10.10%	NA	16.80%
08-21	UK	UK Office for National Statistics	Public Sector Net Borrowing	Jul	2.2b	0.4b	12.6b
08-21	Japan	Ministry of Finance Japan	Exports YoY	Jul	10.30%	11.50%	5.40%
08-21	Japan	Ministry of Finance Japan	Imports YoY	Jul	16.60%	14.60%	3.20%

Qatar

- **Qatar's tourism project to boost hospitality sector -** Qatar recently announced a new tourism project in Simaisma as the latest data from the National Tourism Council indicates a robust tourism and hotel industry in 2024. A recent report by Cushman & Wakefield, stated that the QR20bn project, ushered by Qatari Diar Real Estate is launched in order to lead the race as an internationally recognized tourist destination in the country and is aligned with the goals of Qatar's ambitious National Development Strategy 2030, aiming to diversify economic growth. In June, the Prime Minister and Minister of Foreign Affairs H E Sheikh Mohammed bin Abdulrahman bin Jassim Al Thani introduced the Simaisma Project. The project includes 16 tourism zones, a theme park, an international standard golf club, a yacht club and marina, and significant retail and restaurants at Simaisma. During the first quarter of 2024, Qatar reported 1.6mn passenger arrivals, with a 40% increase compared to the same period in 2023.Researchers noted that the demand grew significantly for hotel rooms of 2.6mn, an increase of 37% compared to 2023. Reports state that Saudi Arabia is Qatar's biggest source market for tourists with 28% of overall arrivals flowing in. On the other hand, industry leaders highlight India's significant presence as it represents the second biggest market for Qatar at 7%, while the third highest number of visitors during the first quarter came from Germany at 5%. "The increase in visitors has boosted the performance metrics for the hotel real estate sector with occupancy up from 54% in Q1 2023 to 75% this year," the report said. The monthly occupancy rate was elevated by 85% in February, coinciding with Qatar hosting the AFC Asian Cup and Web Summit Qatar. Data says that "The increase in demand also boosted hotel revenues in Q1 with American Depositary Receipts (ADRs) up 10% y-o-y to QR481 and (Revenue Per Available Room) RevPARs up 53% to QR361. According to data by the Planning and Statistics Authority (PSA) in the second quarter, overall occupancy was recorded at 63%. Meanwhile, ADRs were QR463, up from 47% and QR442 in April 2023 respectively. Although the overall occupancy rates and ADRs have functioned relatively stable during the past months, hotels across the country grappled to gain traction in an increasingly competitive market, with occupancy rates remaining less than 30%. This eventuated the market conditions in a "reluctance" from investors to back hotel enhancements, which resulted in a decline in the pipeline of future supply in Doha. Analysts mentioned that the overall supply of hotel keys in Qatar reached 39,715 of nearly 10,000 hotel apartments, by the month of April. Among them, around 90% of hotel rooms are categorized as four-star of five-star, with the majority of apartments being classed as 'deluxe'. It further added "While the pace of new supply has slowed over the past year, the total number of rooms reflects an increase of more than 45% in five years, putting pressure on hotel occupancies and the performance of hotel restaurants over a sustained period." (Peninsula Qatar)
- **Study: Qatar's IoT sector earning poised to hit QR4.72bn -** Qatar is making significant progress in capitalizing on growth within the Internet of Things (IoT) sector, with projections indicating a revenue generation of QR4.72bn ($1.3bn) for this year. This growth is attributed to a range of diversified enhancements propelled by smart city technologies, as reported by Statista. Among the various sectors, the automotive IoT segment is anticipated to dominate the market, with a projected volume of QR1.2bn ($353.3m) in 2024. The report further indicates that the IoT market is expected to experience a steady increase, with a compound annual growth rate (CAGR) of 6.77% from 2024 to 2029, ultimately reaching a market volume of QR6.54bn ($1.8bn) during the forecast period. The report highlights that Qatar is recognized as one of the "fastest-growing" economies in the Gulf Cooperation Council (GCC) and the broader Middle East, undergoing a significant digital transformation. On a global scale, Statista notes that the United States is projected to lead the IoT market in revenue generation, with an estimated $342.5bn expected in 2024, while China maintains its position as the leading manufacturer of IoT devices. Qatar has been actively pursuing the adoption and implementation of IoT technology, driven by several critical factors, including government initiatives and investments such as the Tasmu Smart Qatar program, which aims to establish Qatar as a smart nation, heavily leveraging IoT for various applications. Additionally, substantial infrastructure development has taken place, with Qatar investing significantly in robust telecommunications infra-structure, including the establishment of 5G networks, which are vital for IoT connectivity. Qatar's swift embrace of smart city technologies establishes it as a prominent market for Internet of Things (IoT) solutions within the Middle East region. The nation's commitment to Smart Cities has led to the development of award-winning initiatives such as Msheireb Downtown, a QR20bn ($5.5bn) mixed-use development spanning 31,000sqm, and Lusail Metropolis, a smart city project estimated at QR164bn ($45bn) that covers 38sqkm. (Peninsula Qatar)
- **The Commercial Avenue and Al Saif Gallery sign long-term lease agreement -** The Commercial Avenue has announced a significant strategic step in its journey by signing a long-term lease agreement with Al Saif Gallery, a leading retailer of household goods and lifestyle products in the Gulf region. The agreement was signed by Chief Executive Officer of The Commercial Avenue Company Abdulla Abdulrazaiq Haidar and Chief Executive Officer of Al Saif Gallery Mohammed bin Suleiman Al

Saif. This agreement marks the launch of Al Saif Gallery's first branch in Qatar, making it the 72nd branch in their Gulf network. Founded in 2006 in Riyadh, Saudi Arabia, Al Saif Gallery quickly gained a strong reputation for its diverse range of high-quality products, becoming a top choice for many families in the region. The company currently operates 71 branches across the Gulf and continues to expand to meet the growing needs of its customers. The opening of this branch in Qatar is part of its ongoing regional expansion strategy. In this context, Chief Executive Officer of Commercial Avenue Abdulla Abdulrazaiq Haidar, expressed pride in the partnership, saying: "At Commercial Avenue, we welcome Al Saif Gallery to our commercial community." Haidar added, "This partnership contributes to enhancing our commercial offerings and reflects our commitment to developing strategic collaborations that support growth and innovation." He concluded, "We are confident that the new branch will be a valuable addition that enriches the shopping experience at The Commercial Avenue." On his part, Chief Executive Officer of Al Saif Gallery Mohammed bin Suleiman Al Saif, said: "We are proud to choose The Commercial Avenue as the strategic location for our first branch in Qatar, enhancing our presence in the Gulf region." Al Saif continued, "This long-term agreement with The Commercial Avenue is a pivotal step in our growth strategy, and we look forward to offering a distinguished shopping experience to our customers in the Qatari market." As part of its ambitious strategy, The Commercial Avenue has successfully attracted investments from Gulf countries to the Qatari market. These investments enhance The Commercial Avenue's position as a leading commercial center and contribute to providing a diverse range of commercial and service options, benefiting the local community and strengthening the Qatari market in the region. "The Commercial Avenue" is a colossal commercial project extending 8.5 kilometers, making it the longest and largest of its kind built in a single phase. Located in the heart of Doha, it features a variety of commercial and residential spaces that cater to the diverse needs of the community. The Commercial Avenue consists of more than 300 fully rented residential units, office spaces, and commercial showrooms of various sizes, equipped with efficient facilities and 24-hour security systems. The Commercial Avenue is committed to delivering an exceptional shopping experience and enhancing its position as a leading commercial center in the region. With its strategic location and modern amenities, it is a key destination for shoppers in Doha and the Gulf region. This agreement marks the beginning of a new chapter in the growth and development of both companies, reflecting their continued efforts to enhance investment opportunities and drive development in the Qatari market and the GCC markets. (Peninsula Qatar)

- **Boost for Qatar's innovation efforts as UN selects Gord as research facility -** Emphasizing Qatar's rising clout as a hub of research and innovation, the United Nations has selected the Gulf Organization for Research and Development (Gord), a Qatar-based research entity, to provide an innovation lab, which is accredited and endorsed by the United Nations Office for South-South Cooperation (UNOSSC). "The Gord Labs at Qatar Science and Technology Park (QSTP) will act as a platform to host young researchers by facilitating them in conducting technical testing, experimental work, as well as exchanging knowledge and forward-looking ideas with Gord's senior researchers," disclosed, Dr Yousef Alhorr, founding chairman of Gord in an exclusive interview with Gulf Times. This new initiative was unveiled recently at a well-attended virtual event, bringing together more than 200 delegates from UN agencies, Member States, and stakeholders from both public and private sectors across various countries, he said. The Gord-UNOSSC Lab aims to accelerate the development and implementation of innovative solutions through South-South and triangular cooperation. Integrated within the broader UNOSSC Strategic Framework 2022–2025, the Lab is designed to foster knowledge exchange, capacity building, and technology transfer to address complex development challenges. Dr Alhorr said that Gord is focused on several activities targeting different sectors at local, regional as well as global level. "We hope that the Gord Labs will help young researchers develop their innovations and get them ready for implementation and commercialization. This collaboration with the UNOSSC is a significant milestone to have Gord as a United Nations-endorsed entity. The project also positions Qatar as a hub for knowledge exchange and innovation," explained the founding chairman of Gord. "Gord's location within QSTP, which is part of Qatar Foundation, positions it as the ideal site for establishing cutting-edge laboratories. Our portfolio of services includes research and development, standards setting, green buildings certification, accreditation services, voluntary carbon markets, performance testing, knowledge dissemination, 3D prototyping and advisory services on sustainability and climate change," continued, Dr Alhorr. The project focuses on increasing the capability of developing countries to make informed, evidence-based decisions, incubating and scaling both existing and new solutions. Additionally, it aims to devise and implement strategic policies tailored to meet emerging global challenges. By fostering a systematic approach to innovation, collaboration, and strategic partnership among countries in the Global South and their triangular cooperation partners, the Lab aspires to drive significant advancements in achieving the Sustainable Development Goals and fulfilling the 2030 Agenda. This involves not only promoting innovative ideas and experiments but also enhancing the visibility and adoption of effective solutions through dynamic communication and robust advocacy strategies. "With respect to research and development, exciting developments are underway and we look forward to greater growth in the near future," added, Dr Alhorr. (Gulf Times)

- **QNA announces expansion in its use of artificial intelligence programs -** As part of the ongoing development and modernization efforts at Qatar News Agency (QNA), the agency has announced an expansion of its artificial intelligence (AI) programs across various departments, in collaboration with Microsoft. This initiative aims to keep pace with global technological advancements, particularly in the media and journalism sectors, where AI is increasingly being utilized. QNA's plan for expanding AI use in the near future will focus on enhancing its news services and other functions. The goal is to streamline operations, increase efficiency, and improve the quality of services provided by the agency. Director-General of QNA, Ahmed bin Saeed Al Rumaihi, emphasized that technology is now a crucial factor in delivering top-tier services across all sectors, with a significant impact on media work. He stressed QNA's commitment to continually adopting technological advancements to enhance its operations and services. Al Rumaihi noted that QNA will be integrating AI programs into its operations, allowing for more efficient and sophisticated service delivery across all stages, including monitoring, analysis, production, publication, and follow-ups. By incorporating AI, QNA aims to introduce new features to its services. Over the past few years, QNA has undergone a comprehensive development in both form and content, significantly expanding its news coverage to include a wide array of local, regional, and international events. The agency has also prioritized delivering its media services in five languages—Arabic, English, French, German, and Spanish—and offers simultaneous translation in 26 languages. Al Rumaihi highlighted the significant advancements in QNA's digital platforms and services, particularly in the areas of news content, photo editing, infographics, and video production. These improvements have been well received by the public and other recipients of QNA's services. In June, QNA was awarded for its innovation in using AI at Microsoft's exclusive event, 'Leading the Era of AI'. This recognition underscores QNA's commitment to leveraging AI technologies to enhance work performance and improve its media services. Al Rumaihi noted that, in alignment with Qatar National Vision 2030, the State of Qatar aims to establish itself as a hub for innovation and technology. The introduction of AI technologies across various sectors is a key part of this strategy, supporting the country's national development goals and accelerating its digital transformation. QNA, as a state institution, is actively working to implement this vision by integrating technology tools to provide the best possible services. In the coming period, QNA staff will be trained to efficiently use AI programs according to specific guidelines and mechanisms. Director of the Technical Affairs Department at QNA, Eng. Khalid Al Mutawaa, explained that integrating AI programs into the agency's operations will speed up the creation of news content in various formats—written, visual, and audio—while ensuring accuracy, saving time and effort, and enhancing the quality of news services. Over the past few years, QNA has significantly expanded its news content production, both through its main news services and its social media platforms. Eng. Al Mutawaa mentioned that AI programs will be used in QNA's daily news monitoring and data analysis operations, supporting multiple languages and various programs like Word, Excel, PowerPoint, and Outlook. (Qatar Tribune)

International

- **Fed steaming toward September rate cut, minutes from meeting show -** The Federal Reserve appears to be very much on track for an interest rate cut in September after a "vast majority" of officials said such an action was likely, according to the minutes of the U.S. central bank's July 30-31 meeting. The minutes, which were released on Wednesday, even showed some policymakers would have been willing to reduce borrowing costs at last month's gathering. The policy-setting Federal Open Market Committee left its benchmark interest rate unchanged in the 5.25%-5.50% range on July 31 but opened the door to a cut at the Sept. 17-18 meeting. Financial markets have been expecting the September meeting to kick off the Fed's policy easing, with as much as a full percentage point worth of rate cuts expected by the end of this year. At the July meeting, most policymakers thought that "if the data continued to come in about as expected, it would likely be appropriate to ease policy at the next meeting," the minutes said. They also noted "many" Fed officials viewed the stance of rates to be restrictive and "a few participants" contended that amid an ongoing cooling in inflationary pressures, no change in rates would mean that monetary policy would increase the drag on economic activity. While all Fed officials were on board with keeping rates steady in July, the minutes revealed that "several" policymakers said progress in lowering inflation amid a rise in joblessness "had provided a plausible case" for a quarter-percentage-point cut in July, "or that they could have supported such a decision" had it been on the table. The minutes also showed that a dwindling camp of policymakers feared a premature easing in monetary policy could restart inflation. Jamie Cox, managing partner at Harris Financial Group, said "the Fed minutes removed all doubt about a September rate cut." He added that "the Fed's communication strategy is to make its meetings less of a market-moving event, and they are following the script to the letter." With the Fed letting the data determine what happens with rates, central bank watchers are already contemplating the future scope of cuts and whether aggressive action is needed at the onset of the easing cycle. "It may not be too heavy a lift for (Fed) Chair (Jerome) Powell to move the Committee now to a baseline of three 25-basis-point cuts in a row" through the end of the year, analysts at Evercore ISI said. They added that there's a "reasonably low bar" for half-percentage-point cuts, but that would likely require a "more pronounced weakening" in the job market relative to the softness seen in hiring data in July. (Reuters)
- **Euro currency emerges a winner from market turmoil -** The euro is trading at its highest this year against the dollar, emerging as a clear winner from the recent ructions in global currency markets that have unsettled a strong dollar and halted a relentless slide in Japan's yen. Having broken decisively above the symbolic $1.10 level, the euro's more than 2.5% gain in August sets the currency up for its best month since November. Traders, distracted up until now by the yen's sudden surge after a surprise July 31 Bank of Japan rate hike and a broad dollar pounding as expectations for U.S. interest rate cuts grow, are paying attention. After all, history shows $1.10 is not an easy level to crack and as recently as April, some analysts speculated the euro could weaken to parity. It's now the second best performing major currency versus the dollar this year after sterling and is at its highest in trade-weighted terms on record, though that is also down to weakness in emerging market currencies. The gains on the dollar, forecast to be modest from here, are nevertheless notable as U.S. Federal Reserve rate cut talk coincides with speculation that further European Central Bank easing could be limited by sticky service-sector inflation. "It's a rate differential story," said Commerzbank currency analyst Volkmar Baur. "Inflation is coming down on both sides (of the Atlantic), but the Fed is expected to move a little bit more aggressively on the way down, and that closes the rate spreads a little bit and gives way for a stronger euro." The ECB, which cut rates in June, could deliver at least two more 25 basis points reductions, market pricing suggests. In contrast, traders see 94 bps of Fed cuts across its three remaining meetings this year -- implying three 25 bps moves, with a good chance of one larger one. That's a change of around 30 bps from early August; ECB pricing has moved much less. This shift followed weak U.S. labor market data, which sparked recession fears and jolted stocks and bonds. Markets have since calmed, but policy easing expectations remain. For sure, it's not just the euro that has strengthened against the dollar in August, but the single currency is where there are the fewest complications for traders looking for a relatively safe FX bet. The yen is volatile after the unwind of a massive carry trade. Sterling has gained less in August after a UK rate cut and French political risks, that hurt the euro in June, have eased. "We've seen some risks taken out from the euro like the French election," said Salman Ahmed, global head of macro and strategic asset allocation at Fidelity International. "It's now becoming a cleaner central bank story." (Reuters)

Regional

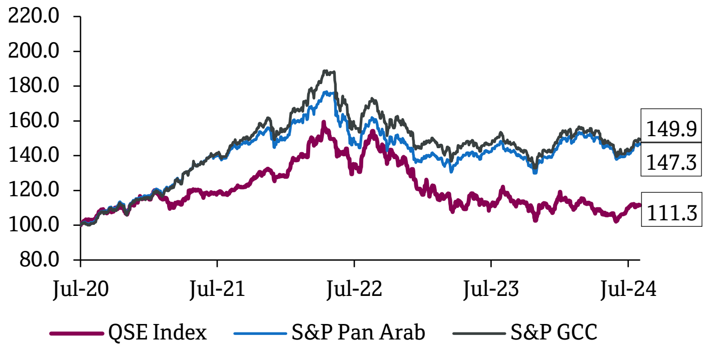
- **Falling interest rates drive 87% of GCC investors to UK -** Falling interest rates are driving some 87% of GCC investors to the UK real estate landscape, said Select Property, a leading UK-based property developer and investment partner. The surge in GCC investment interest in the UK is amplified due to a reduction in interest rates and lower property prices in certain market segments. Market data from BLME shows a notable 87% of GCC interviewees citing falling interest rates as a key influence in their investment decisions in 2024. According to Adam Price, CEO of Select Property, despite global uncertainties, the most evident trends show that investors from Saudi Arabia are increasingly pursuing capital appreciation to generate rental income and diversify their investment portfolios. Earlier this year, a visa waiver for GCC nationals to visit the UK was implemented. This policy reform is making property viewings, real estate transactions, and mortgages more accessible for Middle Eastern investors in the UK. Several factors: These findings align with survey results released by the firm last month, which showed that 73% of KSA investors have considered investing in UK property, 75% are eyeing Birmingham or Manchester, and 65% view real estate as their preferred investment strategy. The synergy between GCC investors and the UK real estate market is apparent as market analysis estimates a staggering AED11.7bn ($3.19bn) influx of investment in 2024 and several factors are contributing to this forecast. For instance, the West Midlands economy, which houses several boroughs including Birmingham, is anticipated to see its economy expand by AED46bn over the next five years. Major regeneration projects like the HS2 high-speed rail project are playing a starring role. Price explained: “GCC investors who lock eyes with the allure of UK real estate are often keen to capitalize on rental income, the city’s well-known economic opportunities, or both. HS2 is improving the city’s connectivity and elevating its stature as a commercial hub to boost its property values while making great educational facilities, job prospects, and affordable housing accessible to benefit homeowners and investors alike.” The number of GCC students in the UK is poised to continue rising as over 8,000 UAE students currently study in the UK, nearly double the number from five years ago. Select Property has similarly seen an uptick in inquiries for their services from KSA investors pursuing educational opportunities in Birmingham, one of the top cities for student investors given its reputation as the largest center of higher education in the UK. Branded residences: Branded residences have particularly been a focus for KSA investors, driven by their preference for high-quality, well-managed properties that offer prestige and reliable returns. With 69% of Saudi households aiming to own a branded property, and this type of residence being accompanied by top-tier amenities in prime locations, many have looked to the UK to realize this vision via secondary investment. Price added: “Supply shortages are positioning the UK’s real estate sector as an attractive option for discerning investors seeking stable returns and long-term growth. Rental yields ranging from 6.6% to 8% make cities like Birmingham demonstrate its potential for strong ROI. Savvy investors who enter the market now, especially while interest rates drop and new developments rise, will be well positioned to capitalize on an ideal scenario for buy-to-let investments. Based on our recent interactions, KSA investors are keen on expanding their investment wallet and we are witnessing this in increasing numbers lately, especially in the branded residences segment.” Since 2004, Select Property has been developing world-class branded residences in some of the UK’s most desirable cities, including Manchester and Birmingham. While Saudi citizens have long regarded the UK as a desirable market for secondary investment, Select Property has observed an uptick in interest recently; specifically, as it relates to investment in luxury-branded residences. Their renowned brands, such as Affinity Living, The Prestige Collection, and One Port Street have been well-received by global clients.

The company's continued efforts are simultaneously assisting GCC investors and solidifying the UK's stature as a cross-border investment hub on the heels of the strong price changes experienced last year and ongoing adjustments. (Zawya)

- **Saudi Arabia completes $1.6bn Sukuk issuance for August 2024 -** The National Debt Management Center has completed the receipt of investor requests for the local Sukuk issuance for August 2024, as part of the Saudi Arabian government's Sukuk program in Saudi Riyals. The total allocation for this issuance was set at SR6.018bn. The center's statement detailed that the issuance was divided into five tranches. The first tranche, amounting to SR2.818bn, is set to mature in 2029. The second tranche, totaling SR1.992bn, is due in 2031, while the third tranche, valued at SR152mn, will mature in 2034. The fourth tranche, amounting to SR415mn, is set to mature in 2036, and the fifth tranche, totaling SR642mn, is due in 2039. Subscription requests for these local government debt instruments were submitted through the primary dealers contracted by the National Debt Management Center. These dealers are responsible for managing investor requests in the primary market on a scheduled monthly basis. (Zawya)
- **Saudi: ZATCA calls on businesses to submit VAT returns for July -** The Zakat, Tax and Customs Authority (ZATCA) has called on businesses subject to Value Added Tax (VAT), whose annual supplies of goods and services exceed SAR40mn, to submit their tax returns for July no later than August 31st. ZATCA urged businesses to submit their tax returns on time through its website (zatca.gov.sa) or via the ZATCA mobile app to avoid a late filing penalty. These penalties range from a minimum of 5% to 25% of the tax amount due. Businesses seeking further information about VAT can contact ZATCA through its 24/7 call center (19993), the "Ask Zakat, Tax and Customs" account on X (@Zatca_Care), by email (info@zatca.gov.sa), or through the live chat feature on the ZATCA website (zatca.gov.sa). VAT is an indirect tax levied on most goods and services supplied or acquired by businesses in the Kingdom, with certain exceptions. (Zawya)
- **Tether to launch stablecoin pegged to UAE's dirham -** Cryptocurrency company Tether said on Wednesday it would launch a new stablecoin pegged to the United Arab Emirates (UAE) dirham as it taps demand for the Gulf currency and seeks to offer alternatives to the U.S. dollar. Stablecoins are digital tokens designed to keep a constant value backed by traditional currencies such as the U.S. dollar or euro. They have seen rapid growth, both as a form of payment and among traders wanting to buy and sell cryptocurrencies such as bitcoin outside of the regulated banking system. Tether runs the world's biggest stablecoin with its eponymous dollar-pegged token (USDT), designed to maintain a value of $1. The roughly $117bn in circulation makes up the bulk of the $169bn stablecoin market, according to CoinGecko data. "The main purpose is actually creating an optionality towards the U.S. dollar," Tether CEO Paolo Ardoino said of the proposed dirham-pegged unit during an event in Dubai, adding that he believed the dirham would become a preferred currency as global trade shifts. "We see a lot of interest in holding AED (dirham) outside of the UAE," he said, citing the stability and safety of both the country and its balance sheet. The dirham, like most Gulf currencies, is pegged to the U.S. dollar. The UAE is pushing to become a global hub for the crypto industry as economic competition heats up in the Gulf region. It has been quick to enable cryptocurrency payments in areas like real estate and school fees, boosting rates of adoption and transaction volumes while developing virtual asset regulation in both the capital Abu Dhabi and in Dubai. Tether also provides stablecoins pegged to the euro, China's yuan, the Mexican peso and to gold. Regulators have long warned about market risks from the adoption of crypto assets. They worry that growing stablecoin reserves expose the broader financial system to bigger risks, with the U.S. saying there could be a rapid outflow if holders rush to exchange tokens back into traditional currencies. (Reuters)
- **Sharjah Ruler approves 400 new jobs for Emirate's citizens -** HH Sheikh Dr. Sultan bin Muhammed Al Qasimi, Supreme Council Member and Ruler of Sharjah, has approved 400 new jobs for the Emirate's citizens in various local government entities, starting next September. Following the approval, job seekers registered with the Sharjah Department of Human Resources will be contacted to nominate them for jobs according to specializations, and to complete various procedures. (Zawya)
- **Bahrain's re-exports jump 22% to $162mn -** Bahrain's non-oil sector continued its upward trajectory in July, with re-exports jumping 22% to BD61mn from the same period last year, according to a report by the Information and eGovernment Authority (iGA) released yesterday. Re-exports, goods brought into a country for subsequent shipment to another, are a key indicator of a nation's role as a trade hub. The Gulf kingdom's strategic location has made it a popular destination for businesses looking to distribute products across the region. The UAE and Saudi Arabia remained Bahrain's top re-export destinations, together accounting for nearly two-thirds of the total. Private cars, gold ingots, and smartphones were the most re-exported items. Meanwhile, the value of Bahrain-made non-oil exports climbed 4pc to BD337m. Saudi Arabia was the largest market for these goods, followed by the US and the UAE. Aluminum products, including ores, concentrates, and alloys, dominated the export basket. Imports also increased, rising 5pc to BD464m. China was the largest supplier, followed by Australia and Brazil. Aluminum oxide, iron ore, and automobiles were among the top imported goods. The trade deficit, the gap between imports and exports, narrowed slightly to BD66m in July from BD68m a year earlier. The iGA's monthly trade report provides valuable insights into Bahrain's economic performance and its position in regional trade flows. (Zawya)
- **Kuwait steps up reforms, prods global allies for robust economy -** The State of Kuwait, under His Highness the Amir's directives, is accelerating reforms to achieve economic development and financial sustainability through building strategic partnerships with major countries. His Highness the Amir Sheikh Mishal Al-Ahmad Al-Jaber Al- Sabah has repeatedly emphasized the importance of ensuring the sustainability of the national economy, a guideline for every government to make major transformations in reforms, economy, production and human resources. The seven agreements signed between Kuwait and the People's Republic of China, in September 2023 constituted one of the most important milestones driving development efforts in Kuwait. Kuwait is working to diligently implement the recommendations that were agreed upon during the visit of His Highness the Amir to China last year. The Kuwaiti government recently intensified discussions with the Chinese side, represented by the Commissioner-General of the representative office for the Middle East and Africa, to overcome obstacles and support efforts to put the agreements into effect as soon as possible. Kuwait Investment Authority (KIA), meanwhile, is moving to seize investment opportunities and enhance its presence in promising markets, especially in Saudi Arabia, as the authority decided on June 25, 2024, to open an office in the Kingdom of Saudi Arabia to enhance cooperation with Saudi and international companies in joint projects. Al-Zour Refinery project, which was inaugurated by His Highness the Amir last May, added a new strategic dimension to Kuwait to advance development and strengthen the country's leading position. The government is also planning to launch major policies and create a solid legislative structure that keeps pace with the process of economic and financial reform and creates an attractive environment for investments. To integrate a vision in this regard, The Council of Ministers assigned the Ministry of Finance to draw up policies about financial and economic reforms in a way that ensures financial sustainability as well as maximizing non-oil revenues. The Council of Ministers also formed a committee to prepare priorities the main theme of for its action plan and a specific execution timetable. The committee is headed by the Minister of Finance with Minister of Public Works, the Minister of Commerce and Industry, the Minister of Electricity, Water and Renewable Energy and members. On July 3, 2024, the Minister of Finance and Minister of State for Economic Affairs and Investments Dr. Anwar Al-Mudhaf, affirmed that the pillars of economic reforms have the support of His Highness the Amir. During the first general budget forum held by the Ministry of Finance of July 14th, 2024, the Ministry confirmed that Kuwait is embarking on comprehensive financial reform to address areas of waste and develop revenues for the state's financial sustainability. The expected reforms in this aspect include improving government procurement contracts, repricing public services, and rents of state-owned lands, in addition to developing the financial performance of government bodies. (Zawya)

- **Fitch: Kuwaiti banking sector benefits from M&A increase -** The recent increase in Kuwaiti bank mergers and acquisitions (M&A) is credit positive for the sector, particularly as the market is overbanked, Fitch Ratings says. Banks have been increasingly turning to M&A as a strategic response to the limited organic growth opportunities, so as to diversify their business models and to strengthen their financial profiles. Despite Kuwait's (AA-/Stable) robust fiscal and external balance sheets, the banking sector's growth potential is impeded by frequent political gridlock and institutional constraints. Delayed reforms, such as the new Public Debt Law, which requires parliamentary ratification to allow government borrowing, and the mortgage law, which would enable banks to provide residential mortgages, further exacerbate these challenges. Boubyan merger plan: Last month, Boubyan Bank, the second-largest Islamic bank and the third-largest bank overall in Kuwait, and Gulf Bank, the fifth-largest bank in Kuwait, announced that they were considering a merger. If completed, the merger would create an Islamic bank with assets of about KWD16bn ($53bn) and about a 15% market share, measured by consolidated assets. Fitch does not expect the transaction to finalize before 2025. In June, Burgan Bank decided to acquire a 100% stake in Bahrain's United Gulf Bank. This followed the sale of 52.2% from its 99.7% stake in Burgan Bank Turkiye to Al Rawabi United Holding Company, and its 51.8% stake in Bank of Baghdad to Jordan Kuwait Bank in 2023. Burgan Bank is aiming to free up capital and focus on GCC business. All these banks are part of Kuwait Projects Company (KIPCO) group, a large and diverse Kuwaiti holding company. In 2023, Gulf Bank and Al Ahli Bank of Kuwait planned a merger that included converting one of the banks to an Islamic bank. However, the deal was cancelled. In 2022, Kuwait Finance House (KFH) acquired Bahrain-based Ahli United Bank. This increased the bank's footprint in Bahrain and gave it a presence in Egypt and the UK, as well as a higher market share in Kuwait. KFH also plans to further expand in Saudi Arabia. The expansion beyond Kuwait opened access to broader business and revenue opportunities, compensating for the Kuwaiti market's limited growth prospects. However, despite this strong appetite for expansion, KFH sold KFH-Bahrain to Al Salam Bank in May 2024 and recently decided to divest from Malaysia. Revenue generation: In 2020, Boubyan Bank acquired a majority stake in the Bank of London and the Middle East to diversify its business model and boost revenue generation. There are ten banks in the Kuwaiti banking sector, all rated by Fitch. Fitch projects modest credit growth of 3%–4% for the sector in 2024 (2023: 2.3%; 1H24: 3.7%) due to high interest rates (the reference rate for lending is 4.25%), modest real GDP growth (-2.1% in 2024; 2.9% in 2025) and political divisions. However, the banks have adequate capital, good funding and liquidity, and strong risk-management practices, which could support faster credit growth if political and institutional hurdles are overcome. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance

Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,512.56	(0.1)	0.2	21.8
Silver/Ounce	29.60	0.6	2.1	24.4
Crude Oil (Brent)/Barrel (FM Future)	76.05	(1.5)	(4.6)	(1.3)
Crude Oil (WTI)/Barrel (FM Future)	71.93	(2.8)	(6.2)	0.4
Natural Gas (Henry Hub)/MMBtu	2.14	(1.8)	3.6	(17.1)
LPG Propane (Arab Gulf)/Ton	76.80	(1.5)	0.0	9.7
LPG Butane (Arab Gulf)/Ton	79.40	(0.3)	0.0	(21.0)
Euro	1.12	0.2	1.1	1.0
Yen	145.21	(0.0)	(1.6)	3.0
GBP	1.31	0.4	1.1	2.8
CHF	1.17	0.3	1.7	(1.2)
AUD	0.67	(0.0)	1.1	(1.0)
USD Index	101.04	(0.4)	(1.4)	(0.3)
RUB	110.69	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	3,630.66	0.4	1.3	14.6
DJ Industrial	40,890.49	0.1	0.6	8.5
S&P 500	5,620.85	0.4	1.2	17.8
NASDAQ 100	17,918.99	0.6	1.6	19.4
STOXX 600	513.95	0.6	1.8	8.1
DAX	18,448.95	0.8	2.0	10.9
FTSE 100	8,283.43	0.6	1.0	9.9
CAC 40	7,524.72	0.8	2.3	0.5
Nikkei	37,951.80	(0.2)	1.6	10.0
MSCI EM	1,100.89	(0.3)	0.7	7.5
SHANGHAI SE Composite	2,856.58	(0.4)	(0.4)	(4.4)
HANG SENG	17,391.01	(0.8)	(0.2)	2.2
BSE SENSEX	80,905.30	0.0	0.6	11.2
Bovespa	136,463.65	0.1	1.5	(10.1)
RTS	1,151.93	(0.0)	0.0	6.3

Source: Bloomberg ($ adjusted returns if any)*

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