



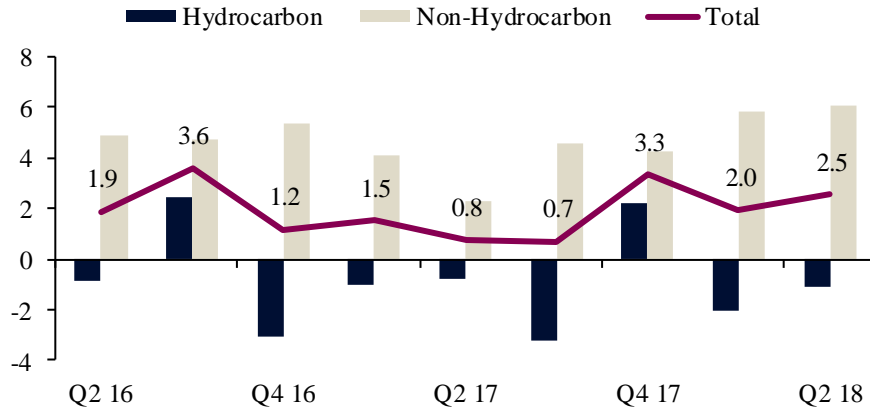
# QNB Qatar Monthly Monitor November 2018

# Highlights

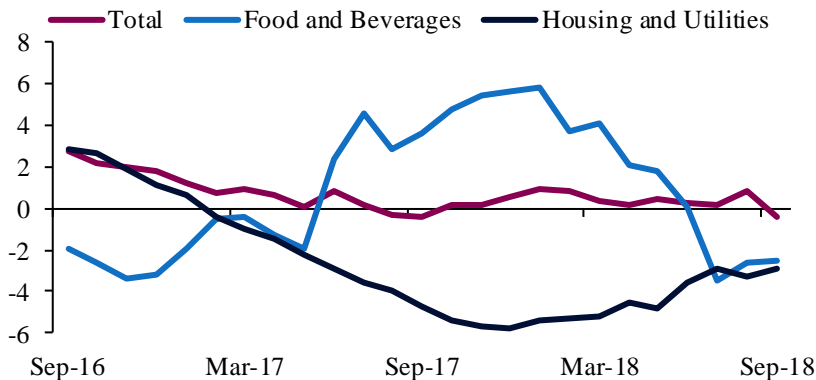
- **Brent crude prices rose to an average of USD 80.6/b in October; Qatar's oil production fell to 570 kb/d in September from 612 kb/d in August**
- **The fiscal account surplus widened to 3.5% of GDP in Q2 due to higher oil prices**
- **Exports grew 30.2% y/y in September as a result of higher oil prices, while imports grew 37.0% y/y**
- **QCB foreign exchange reserves rose 1.7% m/m to reach USD 46.5 Bn in September, equating to 7 months of import cover**

# Economic Activity

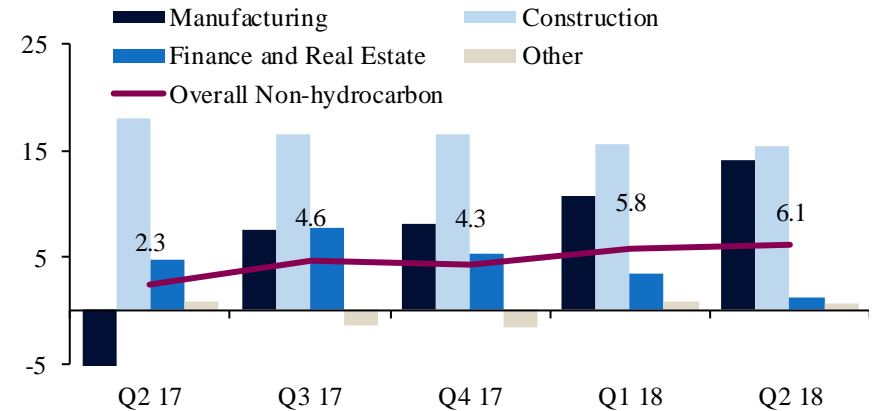
**Real GDP growth picked up in Q2. Non-hydrocarbon GDP growth was a solid 6.1% y/y**  
 (% year on year)



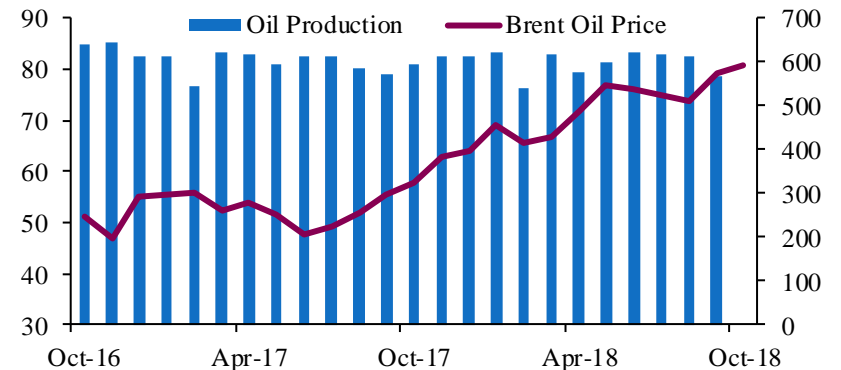
**CPI inflation was broadly flat at -0.4% y/y in September; housing inflation slightly picked up<sup>1</sup>**  
 (% year on year)



**Booming construction output, up 15.3% y/y, remained the key driver of activity in the non-hydrocarbon sector. Manufacturing gained 14.1% y/y**  
 (% year on year)

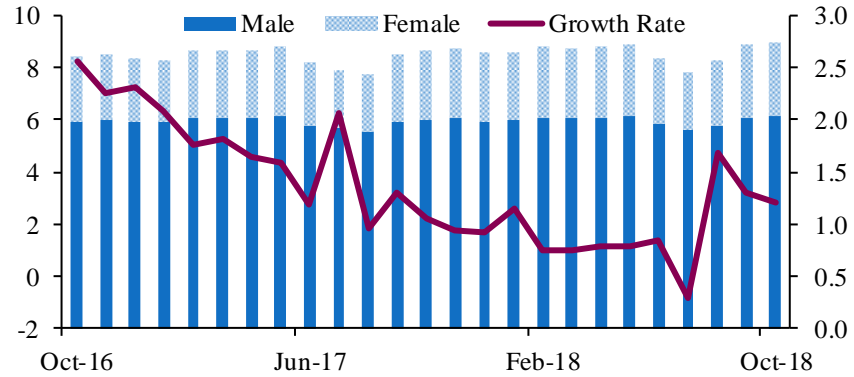


**Brent crude prices rose to an average of USD 80.6/b in October; Qatar's oil production fell to 570 kb/d in September from 612 kb/d in August**  
 (average prices (USD/b), left axis; oil production (k b/d), right axis)

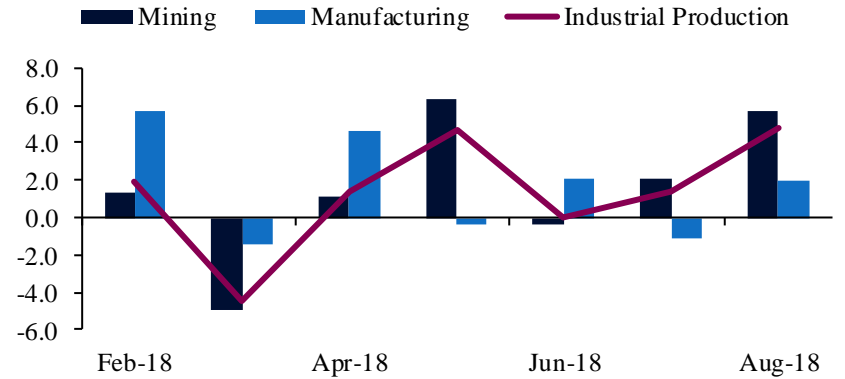


# Economic Activity

**Qatar's population increased 2.8% y/y to stand at 2.74 Mn in October; women made up close to 25.5% of the population**  
*(m, male and female right axis; % year on year, left axis)*

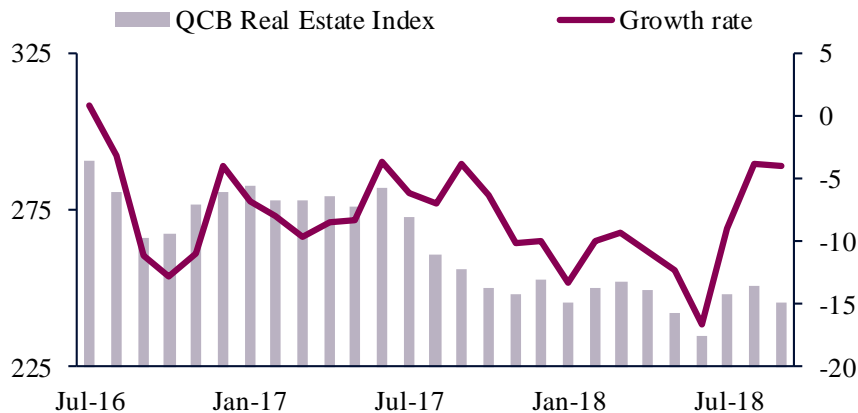


**Industrial Production rose 4.7% y/y in August from 1.4% the previous month**  
*(% year on year)*

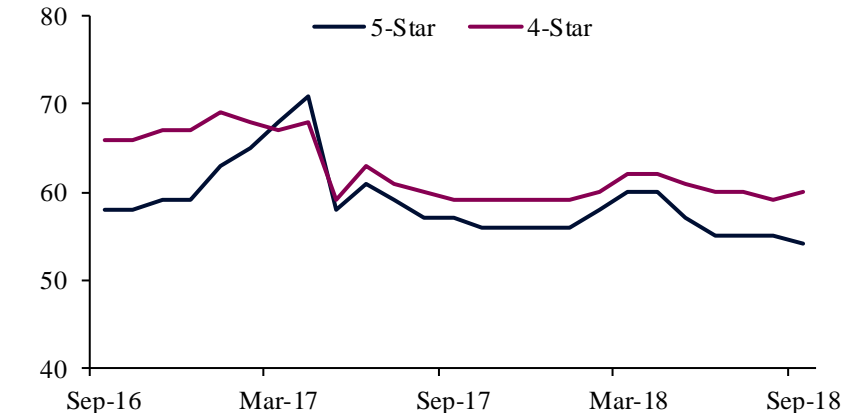


**The real estate price index is signaling prices are stabilizing**

*(Index, left axis; % year on year, right axis)*

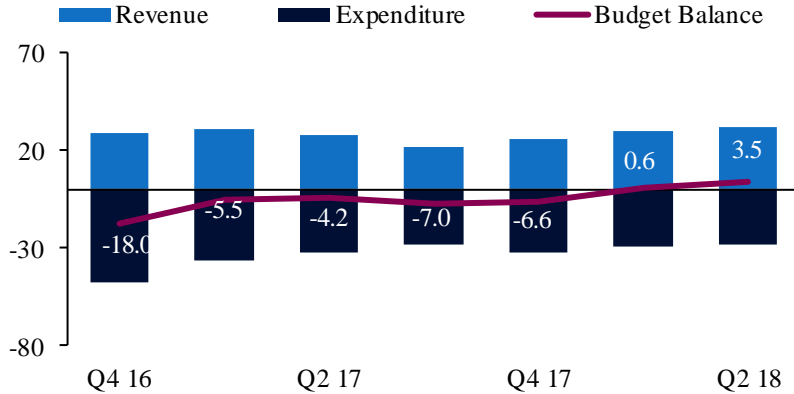


**5-star and 4-star hotel occupancy rates stabilized in September to stand at 54% and 60% respectively**  
*(%, occupancy rate)*

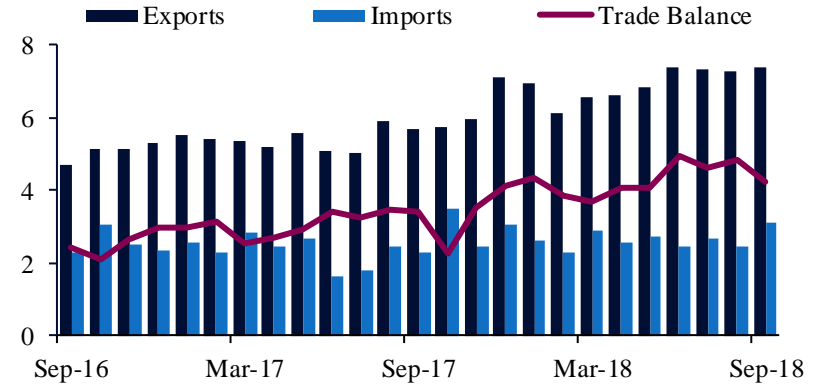


# Fiscal and External Balances

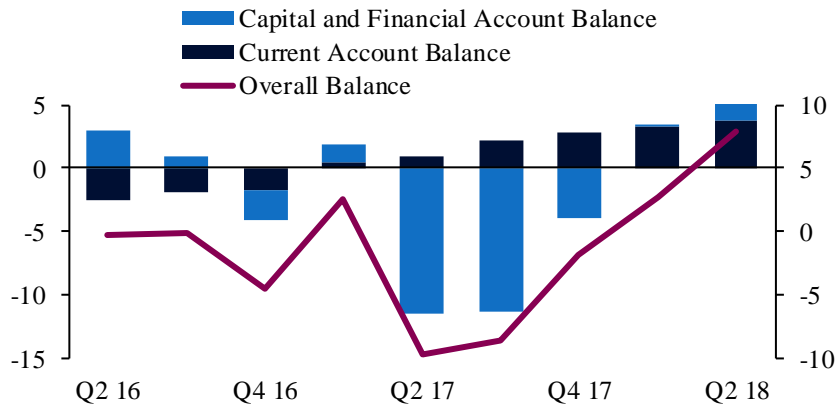
The fiscal account surplus widened to 3.5% of GDP in Q2 due to higher oil prices  
(% of GDP)



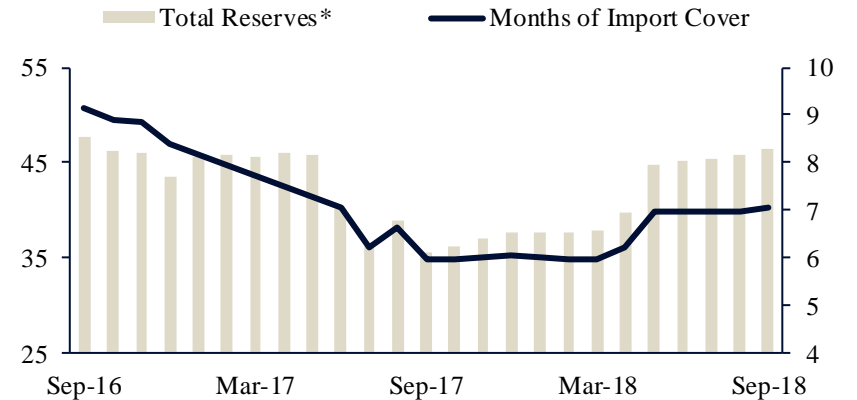
Exports grew 30.2% y/y in September as a result of higher oil prices, while imports grew 37.0% y/y  
(USD Bn)



The current account surplus widened while net capital and financial flows were positive in Q2  
(USD Bn, balances, left axis; USD Bn, change in overall balance, right axis)



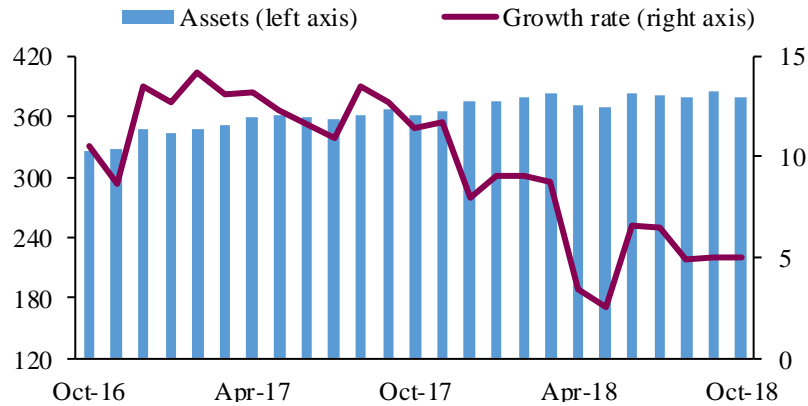
QCB foreign exchange reserves rose 1.7% m/m to reach USD 46.5 Bn in September, equating to 7 months of import cover  
(USD Bn; reserves, left axis; months of import cover, right axis)



# Money and Banking

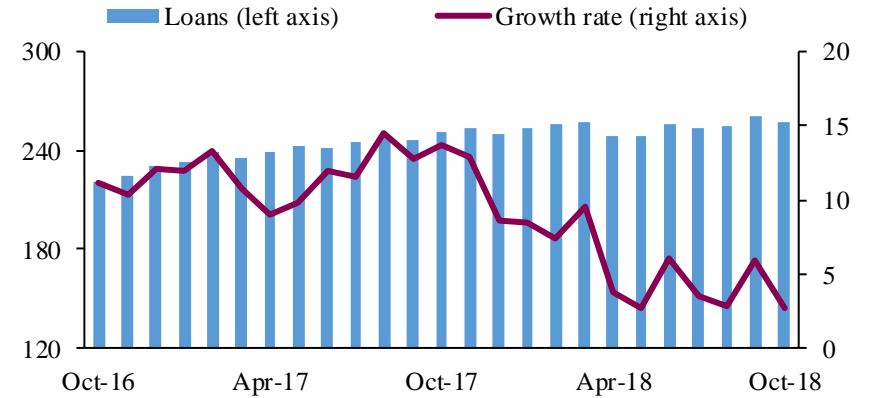
**Bank asset growth was 5.0% y/y in October**

*(USD Bn and % year on year)*



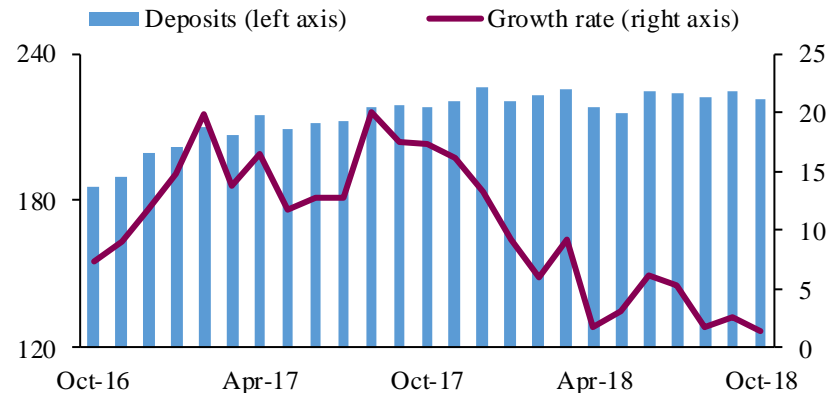
**Credit growth was 2.7% y/y in October**

*(USD Bn and % year on year)*

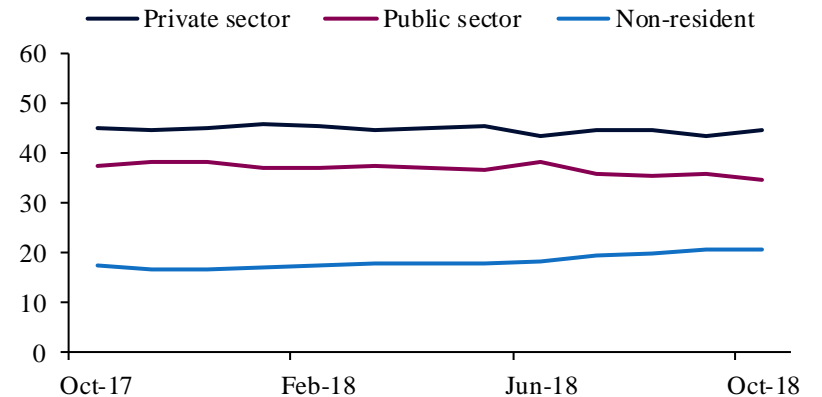


**Bank deposit growth was 1.5% y/y in October**

*(USD Bn and % year on year)*



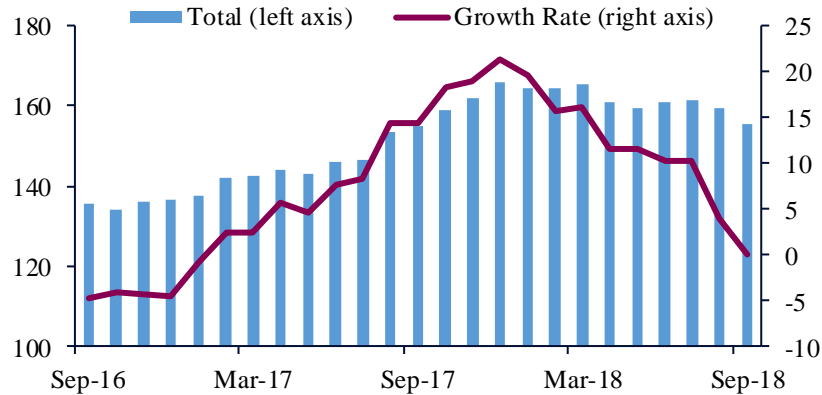
**Private sector deposits grew 1.2% m/m in October, while the public sector and non-resident deposits declined 4.5% and 1.7% m/m respectively**  
*(% of total)*



# Money and Banking

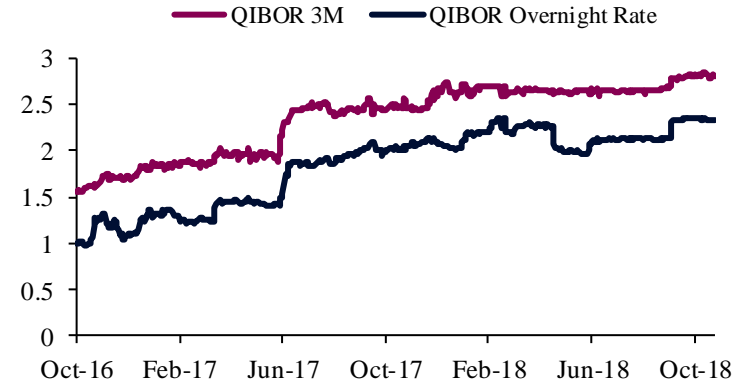
**Broad money supply (M2) grew marginally by 0.1% y/y in September**

*(USD Bn and % year on year)*



**Interbank rates went slightly up following global monetary tightening**

*(%, latest data as at 21<sup>th</sup> November)*



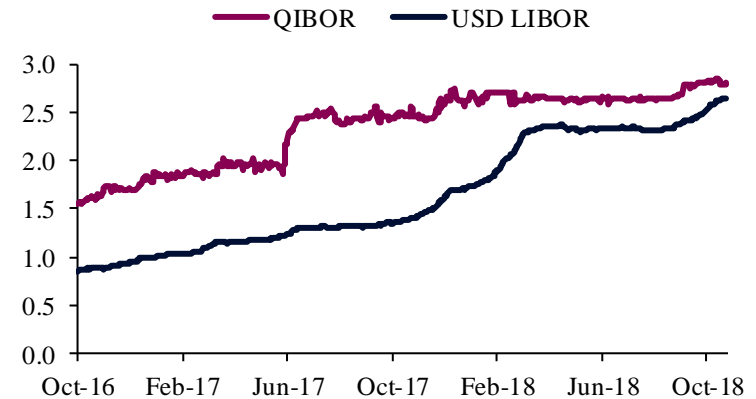
**Qatar Sovereign 5-year CDS Spreads remained stable at around 75 bps**

*(Basis points, latest data as at 21<sup>th</sup> November)*



**QIBOR and LIBOR 3-month interest rates converged further**

*(%, latest data as at 21<sup>th</sup> November)*



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