

TOP NEWS

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- Egypt signing \$1.24 billion light rail deal with AVIC, China Railway Group: Xinhua

MARKETS

- Most Gulf stock markets ended lower this week as an impressive earnings seasons continued to weigh on investor sentiment, in addition to weaker oil prices along with global equity retreat.
- The Saudi index rose slightly extending its weekly gains.
- The UAE markets slumped for the second week. Dubai index traded near 3-week lows while the Abu Dhabi index hit a 1-month low. In major company news, GFH Financial Group shares dipped 8% this week weighed by big share dilution for minority shareholders after a capital increase.
- The Qatari index posted its 3rd weekly loss in a row while hitting 1-month lows.
- The Egyptian stock markets also had a bad week. Its stock index hit almost 3-month lows.

EQUITIES

	Price	% 1 W
Saudi Arabia	7179.34	0.21%
Abu Dhabi	4492.66	-1.28%
Dubai	3601.20	-1.26%
Qatar	9106.19	-1.48%
Oman	4889.28	-2.05%
Egypt	13119.44	-2.55%
Kuwait	6885.84	0.60%
Bahrain	1298.94	-1.91%
Jordan	2116.78	-1.11%

more data in PAGE 2

FX Rates

	vs USD	vs EUR
SAR	3.75	4.40
AED	3.67	4.31
QAR	3.67	4.26
OMR	0.385	0.451
EGP	17.743	20.801
KWD	0.302	0.354
BHD	0.377	0.442
JOD	0.709	0.831

more data in PAGE 3

LEBANON

BEIRUT S.E.

	Price*	% 1 W
SOLIDERE A	8.05	2.03%
SOLIDERE B	7.78	0.65%
BANK OF BEIRUT	18.80	-
BoB Priority	21.00	-
BANK AUDI	5.99	0.17%
BLOM BANK	11.30	-0.88%
BYBLOS BANK	1.62	-0.61%
BLC BANK	0.99	-
BEMO BANK	1.64	-

* August 18, 2017

BONDS

	Mat	YTM*
LEB 5.45	Nov-19	5.29
LEB 6.15	Jun-20	5.73
LEB 6.10	Oct-22	6.22
LEB 6.65	Apr-24	6.52
LEB 6.60	Nov-26	6.69
LEB 6.75	Nov-27	6.83
LEB 6.65	Feb-30	6.95
LEB 7.05	Nov-35	7.20
LEB 7.25	Mar-37	7.29

*MID Value

more data in PAGE 3

BANK OF BEIRUT FUNDS

NAME	CY	NAV*	YTD (%)	SINCE INCEPTION
BEIRUT PREFERRED FUND II	USD	997.55	3.24%	22.44%
OPTIMAL INVESTMENT FUND	LBP	100,567.03	4.41%	56.19%
BOB LBP GROWTH FUND A	LBP	122,404.13	4.43%	22.40%
BOB LBP GROWTH FUND B	LBP	100,891.68	4.32%	19.93%

* NAV as of August 16, 2017

(click for more details)

TOP NEWS

Saudi Arabia and Iraq to re-open border crossing

Saudi Arabia and Iraq plan to open the Arar border crossing for trade for the first time since 1990, when it was closed after the countries cut ties following Saddam Hussein's invasion of Kuwait, Saudi local media reported on Tuesday. Saudi and Iraqi officials toured the site on Monday and spoke with Iraqi religious pilgrims, who for the past 27 years had access to the crossing only once annually during the haj season, the Mecca newspaper reported. The governor of Iraq's southwestern Anbar province, whose staff was on hand for the ceremonies, said the Iraqi government had deployed troops to protect the desert route leading to Arar and called its opening a "significant move" to boost ties. "This is a great start for further future cooperation between Iraq and Saudi Arabia," said Sohaib al-Rawi. The announcement follows a decision by the Saudi cabinet on Monday to establish a joint trade commission with Iraq.

Saudi Arabia's Budget deficit narrow as Crude revenue rises

Saudi Arabia's second-quarter budget gap narrowed to 46.5 billion riyals (\$12.4 billion) after income from oil advanced. Total revenue climbed 6% in the second quarter to 163.9 billion riyals after income from crude jumped 28%, the finance ministry said in a statement. That helped narrow the deficit from 58.4 billion riyals in the same period last year, even though revenue from non-oil sources fell by 17%. Spending dropped 1.3%, to 210.4 billion riyals. "It's really a story of stronger oil revenue and ongoing fiscal restraint," said Monica Malik, chief economist at Abu Dhabi Commercial Bank. "Much of the narrowing in the deficit seen in the first half of 2017 is due to higher oil revenue, versus in 2016." Saudi Arabia is reporting quarterly budget figures for the first time this year in an effort to increase government transparency, part of Crown Prince Mohammed bin Salman's "Vision 2030" plan for life after oil. He has promised to overhaul the Saudi economy by cutting energy subsidies, privatizing state entities and selling shares in state giant Saudi Arabian Oil Co., known as Aramco. Raising non-oil revenue through taxes and fees is central to that plan. The government said in December that it planned to spend a total of 890 billion riyals this year, with an expected end-of-year deficit of 198 billion riyals. The budget deficit for the first quarter was 26.2 billion riyals.

Yemen's central bank floating rial currency

Yemen's central bank has floated the country's currency, instructing banks to use the market rate for the rial instead of a fixed rate, according to a circular issued on Monday. The circular said that the decision was taken at a meeting on Saturday, ditching the 250 rial rate to the U.S. dollar currently in use. It told commercial and Islamic banks to "use the exchange rate prevalent in the market for the U.S. dollar and other foreign currencies in accordance with the exchange rate lists issued by the central bank", adding that a floating rate will be adopted as of Aug. 15. The currency is changing hands at around 350 riyals to the dollar in the black market, according to traders. The central bank in April last year devalued the exchange rate to 250 riyals to the dollar from 215 riyals.

Egypt's quarterly tourism revenue tripling as FX crisis eases

Egypt's tourism receipts almost tripled and worker remittances rose in the last 3 months of its fiscal year, marking another step in the country's economic recovery from a crippling dollar shortage. Tourism revenue rose to \$1.5 billion in the fourth quarter that ended June 30, from \$510 million in the same period a year ago, according to initial central bank data that it shared with Bloomberg. Full-year receipts rose 16% to \$4.4 billion. Remittances grew 9% to \$4.8 billion in the fourth quarter, and rose 2% to \$17.4 billion for the year. The data is further evidence of a gradual improvement in Egypt's external finances since November, when authorities embarked on an economic program that included floating the currency and cutting subsidies as a prelude to securing a \$12 billion IMF loan. The deficit in the current account narrowed 12.4% to \$13.2 billion in the first 9 months of the fiscal year.

Qatar to tell banks to seek overseas funding

(Bloomberg) Qatar is telling its banks to tap international investors to raise financing, instead of mainly relying on government funding, people familiar with the matter said, as the impact of the ongoing Saudi-led boycott puts pressure on liquidity. The central bank is holding regular meetings with lenders to gauge how the standoff is affecting liquidity, and is encouraging banks to borrow internationally through bonds and loans to avoid further depletion of foreign reserves and credit rating downgrades, said the people, asking not to be identified because the matter is private. Banks have been told they should ask for government funding as a last resort, they said. Some banks and government-related entities are planning fundraising deals to help with tightening liquidity, the people said. Most borrowers plan to target investors in Asia to fill the gap left by Gulf lenders, they said. Qatar Islamic Bank SAQ recently raised financing in Yen and Australian dollars through private placements, one of the people said. The central bank couldn't immediately comment.

Qatar voting stake in Credit Suisse falling to 15.91%

The Qatar Investment Authority has reduced its direct shareholding in Credit Suisse Group AG to 4.94% in one of the sovereign wealth fund's rare sales of the Swiss bank's stock. The QIA previously held 5.01% in voting rights and is reporting a sale of shares for the first time since 2008. Qatar's overall holding – including bonds which convert into equity if capital levels fall below a certain threshold – declined to 15.91% from 17.98% after a rise in the number of outstanding Credit Suisse shares because of its capital increase. Credit Suisse, halfway through a 3-year strategy revamp, raised about 4.1 billion francs in June after tapping shareholders for a second time since CEO Tidjane Thiam took over in mid-2015. The fresh funding will increase its common equity Tier 1 capital to 13.4% of risk-weighted assets, up from 11.7% in the first quarter. The Qataris haven't sold any of the convertible v

Dubai's Emaar Properties posting 14% rise in Q2 profit

Emaar Properties, which is planning a partial listing of its UAE development operation, reported a 14.4% increase in second-quarter profit on Monday. Emaar, in which Dubai's government owns a minority stake, made 1.45 billion dirham (\$394.8 million) of profit attributable to the owners of the company for Q2, it said in a bourse filing, on revenue that rose 1.9% to 3.79 billion dirhams. Dubai's largest listed property developer and builder of the world's tallest tower floated its retail unit, Emaar Malls, in 2014, valuing the business at 37.7 billion dirhams. The retail operation last week reported a 5% increase in second-quarter profit. The IPO of up to 30% of the UAE development business is expected to launch by November, the company's chairman said in June.

Saudi Telecom offering \$750 million in Turkey debt talks

(Bloomberg) Saudi Telecom is offering to inject \$750 million into Turk Telekomunikasyon AS's owner as Turkey steps up pressure to resolve debt talks on a \$4.75 billion loan, people familiar with the matter said. In a new proposal presented to creditors at the end of July, STC said it's willing to inject \$750 million of additional equity into Otas, which owns 55% of Turk Telekom, and restructure the remaining \$4 billion in two new loans with tenures of up to 10 years, said the people. STC is also offering to acquire Otas, an Ankara-based SPV, or all its stake in Turk Telekom, one of the people said. STC currently holds an indirect stake in Otas through its ownership of a 35% stake in Oger Telecom, which fully owns Otas.

Shuaa Capital planning to sell non-core assets

Shuaa Capital plans to sell non-core assets in the second half as the biggest shareholder of the Dubai-based bank implements a turnaround plan. The company is seeking to raise more than Dh100 million by selling investments in a private equity fund and water infrastructure services company, said the general manager Fawad Tariq Khan in Dubai. Shuaa also aims to expand its capital markets business and cut costs after Abu Dhabi Financial Group bought a 48.36% stake last November.

Air Berlin filing for Insolvency as Etihad Pulls Funding Plug

Air Berlin filed for insolvency after leading shareholder Etihad Airways withdrew its financial support, marking the second failure of a major European airline in four months after the Persian Gulf carrier pulled the plug on funding Italy's Alitalia SpA in May. While Air Berlin, which has 8,600 staff, will continue flying with the help of a government loan likely to last it until mid-November, Tuesday's filing puts German jobs at risk weeks before German Chancellor Merkel stands for re-election. Lufthansa said it may buy parts of its biggest national rival. Air Berlin has racked up more than 2.7 billion euros of losses in a little over six years and has net debt of 1.2 billion euros. Etihad bought a 29% stake in 2012 as part of a plan to feed more passengers through its Abu Dhabi hub by building a network of minority investments, a strategy that it is now unraveling after itself suffering losses of \$1.87 billion in 2016.









Oman's Sohar Aluminium assessing restart after interruption

Sohar Aluminium plant said on Tuesday it was assessing how soon production could resume from the 350,000-tonnes-per-year smelter after an "incident" interrupted operations this month. "The \$2.4 billion Sohar Aluminium joint venture is 20% owned by Alcan, the Canadian aluminium-producing unit of Australia-based Rio Tinto. Oman Oil Co and the Abu Dhabi Electricity and Water Authority each hold 40%. Sohar is one of only three aluminium producers in the Gulf Arab region.

Egypt sign \$1.24 bln rail deal with AVIC, China Railway Group

Two Chinese state companies have signed a \$1.24 billion deal with Egypt to build a light rail system around Cairo, state news agency Xinhua reported on Wednesday. Under the agreement signed with Egypt's National Authority for Tunnels (NAT), China's AVIC International and China Railway Group will build a 66-km network with 11 stations, on which trains will run at speed of up to 120 kilometres per hour to Cairo's surrounding districts, it said. Xinhua, citing NAT chief Tarek Gamal El-Din, said the project would start within two or three months and would be able to carry 340,000 passengers daily once completed.

EQUITIES

			Price	As at	Δ 1 W NET	Δ 1 W %	High	Low
	TADAWUL ALL SH INDEX	SA	7179.34	17-Aug	14.70	0.21%	7,180.44	7,091.63
	ADX GENERAL INDEX	UA	4492.66	17-Aug	-58.27	-1.28%	4,563.01	4,451.20
	DFM GENERAL INDEX	UA	3601.20	17-Aug	-46.13	-1.26%	3,647.27	3,560.04
	QE Index	QA	9106.19	17-Aug	-136.63	-1.48%	9,257.15	9,018.33
	MSM30 Index	OM	4889.28	17-Aug	-102.23	-2.05%	4,993.45	4,879.07
	EGX 30 INDEX	EG	13119.44	17-Aug	-342.94	-2.55%	13,462.63	13,102.19
	KUWAIT SE PRICE INDEX	KW	6885.84	17-Aug	40.83	0.60%	6,887.04	6,803.00
	BB ALL SHARE INDEX	BH	1298.94	17-Aug	-25.34	-1.91%	1,327.37	1,298.94
	AMMAN SE GENERAL INDEX	JO	2116.78	17-Aug	-23.76	-1.11%	2,140.79	2,116.04

TOP MOVERS

GAINERS			
1	KUWAIT CABLE VISION SAK	KU	31.70%
2	AMANA COOPERATIVE INSURANCE	SR	24.77%
3	ABU DHABI NATIONAL ENERGY CO	UA	24.00%
4	GULF INSURANCE GROUP KSC	KU	19.70%
5	KUWAIT REMAL REAL ESTATE CO	KU	17.33%
6	NOOR FINANCIAL INVESTMENT CO	KU	16.17%
7	JORDAN PRESS FOUNDATI/AL-RAI	JO	15.38%
8	FUTURE KID ENTERTAINMENT AND	KU	14.95%
9	MUNSHAAT REAL ESTATE PROJECT	KU	13.87%
10	NATIONAL MARINE DREDGING CO	UA	12.60%

LOSERS			
1	AUTOMATED SYSTEMS CO KSCC	KU	-24.66%
2	MEDITERRANEAN & GULF INSURAN	SR	-15.86%
3	GFH FINANCIAL GROUP BSC	BJ	-15.60%
4	MIDDLE EAST HEALTHCARE CO	SR	-14.97%
5	AL EZZ CERAMICS & PORCELAIN	EG	-13.78%
6	RAYA HOLDING FOR FINANCIAL I	EG	-13.53%
7	ABU DHABI AVIATION CO	UA	-12.71%
8	AL-MADAR FINANCE & INVT CO	KU	-11.63%
9	PIONEERS HOLDING	EG	-11.28%
10	GOLDEN COAST COMPANY	EG	-11.22%

TOP MARKET CAPS

1	SAUDI BASIC INDUSTRIES CORP	SR	0.38%
2	EMIRATES TELECOM GROUP CO	UA	0.28%
3	SAUDI TELECOM CO	SR	-0.20%
4	QATAR NATIONAL BANK	QA	1.80%
5	AL RAJHI BANK	SR	1.05%
6	NATIONAL COMMERCIAL BANK	SR	0.88%
7	SAUDI ELECTRICITY CO	SR	1.90%
8	DP WORLD LTD	UA	-1.00%
9	JABAL OMAR DEVELOPMENT CO	SR	0.12%
10	ALMARAI CO	SR	2.51%

TOP TRADING VOLUMES (WEEKLY AVG)

(in MILLIONS)			
1	UNION PROPERTIES PJSC	UA	50.79
2	PORTO HOLDING SAE	EG	47.86
3	ESHRAQ PROPERTIES CO PJSC	UA	36.79
4	CITADEL CAPITAL SAE	EG	29.59
5	ABU DHABI NATIONAL ENERGY CO	UA	28.42
6	AMER GROUP HOLDING	EG	26.98
7	ALINMA BANK	SR	22.18
8	DAR AL ARKAN REAL ESTATE DEV	SR	22.01
9	ORASCOM TELECOM MEDIA AND TE	EG	20.79
10	DRAKE & SCULL INTERNATIONAL	UA	20.44

TOP SECTORS MOVERS (where index is officially priced)

SAUDI ARABIA		ABU DHABI		KUWAIT	
REITs	3.82%	Insurance	1.69%	Insurance	5.15%
RE Mgmt & Dev	1.92%	Services	0.77%	Parallel Mkt	2.95%
Tel Svc (L2)	0.99%	Industrial	-0.24%	Telecom	1.94%
Media	-8.41%	Fin Svs & Investment	-4.27%	Technology	-6.17%
HC Equip & Svc	-3.13%	Real Estate	-3.82%	Oil&Gas	-3.23%
Phar, Bio & LS	-2.88%	Consumer Staples	-3.39%	Consumer Goods	-1.46%

CURRENCIES

Cross Rates



USD



EUR



GBP



AUD



JPY*



CHF



Saudi Riyal

SAR

3.75

4.40

4.83

2.96

29.22

3.89



UAE Dirham

AED

3.67

4.31

4.73

2.90

29.83

3.81



Qatari Riyal

QAR

3.67

4.26

4.68

2.87

30.14

3.78



Omani Riyal

OMR

0.385

0.451

0.495

0.304

284.60

0.400



Egyptian Pound

EGP

17.743

20.801

22.827

13.988

6.18

18.421



Kuwaiti Dinar

KWD

0.302

0.354

0.389

0.238

362.80

0.314



Bahraini Dinar

BHD

0.377

0.442

0.485

0.297

290.62

0.392



Jordanian Dinar

JOD

0.709

0.831

0.912

0.559

154.62

0.728

- Thursday's closing prices are used to calculate the cross rates
- USD/EUR/GBP/AUD/CHF are base currencies

BONDS

Sovereign Eurobonds (USD)

LEBANON

Maturity Range (yrs)	Maturity	YTM
1 - 2	Nov-18	4.52
	May-19	5.18
2 - 4	Nov-19	5.29
	Mar-20	5.49
	Apr-20	5.64
	Jun-20	5.73
	Apr-21	6.02
4 - 7	Oct-22	6.22
	May-23	6.33
	Apr-24	6.52
	Nov-24	6.49
7 - 10	Dec-24	6.54
	Feb-25	6.53
	Jun-25	6.57
	Nov-26	6.69
	Mar-27	6.80
	Nov-27	6.83
	May-29	6.91
	Feb-30	6.95
	Apr-31	7.04
	Mar-32	7.07
10 - 30	Nov-35	7.20
	Mar-37	7.29

GULF

Maturity Range (yrs)	Country	Maturity	YTM
1 - 2	DUBAI	Dec-18	1.82
	DUBAI	Feb-19	1.89
	ABU DHABI	Apr-19	1.83
	QATAR	Apr-19	2.19
	QATAR	Jan-20	2.43
2 - 4	DUBAI	Oct-20	2.55
	ABU DHABI	May-21	2.17
	QATAR	Jun-21	2.63
	DUBAI	Jun-21	2.87
4 - 7	QATAR	Jan-22	2.87
7 - 10	ABU DHABI	May-26	2.88
	QATAR	Jun-26	3.31
	QATAR	Jun-30	3.88
	QATAR	Jan-40	4.34
10 - 30	QATAR	Jan-42	4.33
	DUBAI	Jan-43	5.07
	QATAR	Jun-46	4.36

Yields are MID values and shown strictly for information purpose and subject to change at any time

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