

TOP NEWS

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MARKETS

- The Gulf stock markets were mixed this week. Oil prices were volatile after a more than 1% gain last week.
- The Saudi index snapped a 6-day winning streak by closing lower on Thursday, but managed to post its 3rd weekly gain in a row. The index hit on Wednesday a 5-week high. The main support came from jump real estate investment trusts (REITS) along with gains in banking sector. The insurance sector had a setback earlier in the week after the central bank said it was temporarily banning some companies from selling vehicle policies because of "serious breaches" in their car insurance practices. However, the insurance index ended up this week by 1%.
- UAE markets had mixed performance. Dubai ended up while Abu Dhabi closed flat amid thin trading volume.
- The Qatari index posted its 4th weekly consecutive loss while hitting a 6-week low. The index has been in a downtrend since late July, reversing some of the gains made that month after a June sell-off that was triggered by political tensions with major GCC countries. On Monday, the trading volume was the lowest since November (9-month low).
- The Egyptian index dropped again this week taking its 2-week losses to -4%, while hitting on Thursday a 3-month low.

EQUITIES

	Price	% 1 W
Saudi Arabia	7245.66	0.92%
Abu Dhabi	4493.81	0.03%
Dubai	3624.49	0.65%
Qatar	8951.82	-1.70%
Oman	4946.89	1.18%
Egypt	12926.40	-1.47%
Kuwait	6885.17	-0.01%
Bahrain	1302.13	0.25%
Jordan	2105.71	-0.52%

more data in PAGE 2

FX Rates

	vs USD	vs EUR
SAR	3.75	4.43
AED	3.67	4.33
QAR	3.67	4.36
OMR	0.385	0.454
EGP	17.694	20.882
KWD	0.302	0.356
BHD	0.377	0.445
JOD	0.710	0.837

more data in PAGE 3

LEBANON

BEIRUT S.E.

	Price*	% 1 W
SOLIDERE A	8.41	4.47%
SOLIDERE B	8.28	6.43%
BANK OF BEIRUT	18.80	-
BoB Priority	21.00	-
BANK AUDI	5.95	-0.67%
BLOM BANK	11.40	0.88%
BYBLOS BANK	1.61	-0.62%
BLC BANK	0.93	-6.06%
BEMO BANK	1.64	-

* August 25, 2017

BONDS

	Mat	YTM*
LEB 5.45	Nov-19	5.10
LEB 6.15	Jun-20	5.63
LEB 6.10	Oct-22	6.20
LEB 6.65	Apr-24	6.52
LEB 6.60	Nov-26	6.69
LEB 6.75	Nov-27	6.84
LEB 6.65	Feb-30	6.97
LEB 7.05	Nov-35	7.20
LEB 7.25	Mar-37	7.30

*MID Value

more data in PAGE 3

BANK OF BEIRUT FUNDS

NAME	CY	NAV*	YTD (%)	SINCE INCEPTION
BEIRUT PREFERRED FUND II	USD	1,000.79	3.56%	22.77%
OPTIMAL INVESTMENT FUND	LBP	100,743.83	4.58%	56.36%
BOB LBP GROWTH FUND A	LBP	122,599.53	4.60%	22.60%
BOB LBP GROWTH FUND B	LBP	101,048.74	4.48%	20.09%

* NAV as of August 24, 2017

(click for more details)

TOP NEWS

Saudi to open health, education sectors to foreign ownership

KSA will allow foreign investors to take 100% ownership of companies in its health and education sectors, the head of the kingdom's investment authority told Reuters. It is the latest move by the country to gradually ease ownership restrictions on foreign firms, which have previously been required to set up a joint venture with a local partner. "We are opening up education centers to have ownership 100%, all types of education even from primary school. This is something new for Saudi," Ibrahim al-Omar, governor of Saudi Arabian General Investment Authority, said. In the health sector, the ministry will "just be a regulator and not a service provider anymore". This will open up \$180 billion of investment opportunities in that sector over the next five years.

Saudi raising 13 billion riyals in second local Sukuk sale

(Bloomberg) Saudi Arabia raised 13 billion riyals (\$3.5 billion) from its second local Islamic bond sale this year as the gov't taps domestic banks to fill a budget gap caused by falling oil prices. The kingdom received offers in excess of 38 billion riyals, according to a statement on the Ministry of Finance's website. It raised more money at longer maturities compared to last month's bond sale, selling 2.1 billion of 5-year bonds, 7.7 billion riyals of 7-year notes, and 3.2 billion riyals of 10-year securities, the ministry said. The 5-year sukuk was priced at 2.70%, the 7-year at 3.20% and the 10-year securities at 3.50%, according to people familiar with the sale who asked not to be identified. The gov't has forecast a budget deficit of 198 billion riyals this year, or 7.7% of economic output, although it appears on course to improve on that after reporting a first-half fiscal gap of 72.7 billion riyals, data showed this month.

Saudi foreign reserves resume falling in July

Saudi Arabia's foreign reserves resumed falling in July, central bank data showed on Thursday, suggesting the gov't may remain under pressure to draw them down to cover a budget deficit caused by low oil prices. Riyadh began liquidating the reserves in late 2014 and they dropped sharply from a record \$737 billion in August that year. In June 2017, they rose MoM for the first time in over a year, prompting speculation that Riyadh might have cut its deficit enough to no longer need cash from the reserves. But Thursday's data showed the central bank's net foreign assets fell by \$6.3 billion from June to \$487 billion in July, their lowest level since early 2011. The reserves shrank 12.8% from a year earlier. The fall occurred despite the gov't's launch of monthly domestic issues of Islamic bonds in July, which raised 17 billion riyals. Riyadh has said it wants to cover the deficit through debt sales as much as possible rather than by running down the reserves. Riyadh sold foreign securities in July to raise money, the data showed. The central bank's holdings of foreign securities shrank by \$4.3 billion from June to \$333 billion, while deposits with banks abroad edged up by almost \$1 billion to \$95 billion.

Saudi to transfer airports to sovereign fund

Saudi Arabia plans to transfer ownership of all its airports to its main sovereign wealth fund, the Public Investment Fund, as part of a drive to privatize them, a senior aviation official said on Monday. Companies will be set up for each airport under Saudi Civil Aviation Holding, a spin-off from the General Authority of Civil Aviation (GACA), which will continue to regulate the industry, state news agency SPA quoted Mohammed al-Shetwey, aide to GACA's president for financial affairs, as saying. The process of establishing companies will continue for all airports, and the civil aviation holding company in the future will be 100% owned by the Public Investment Fund," Shetwey said. He added that a company had already been established for Dammam's main airport, while an expanded King Abdulaziz International Airport in Jeddah would start operating in the second half of 2018 under the management of Singapore's Changi Airport Group.

U.A.E. excise tax to be implemented from October

(Zawya) A new excise tax on tobacco, fizzy and energy drinks will be implemented in the UAE starting from October, according to the new presidential decree approving the tax, which was published on the Ministry of Finance's website on Monday. The director-general of the UAE's Federal Tax Authority, Khalid Al Bustani, announced in a press conference last week that the country will start implementing an excise tax at a rate of 100% on tobacco and energy drinks and 50% on fizzy drinks (excluding carbonated water) starting from Q4 of the year. He said the excise tax law will be signed by the gov't in Q3, with regulations coming into force in Q4. The new tax is part of an economic plan adopted by the UAE and other GCC countries to diversify revenue sources following a decline in oil prices which started in 2014. Saudi Arabia began implementing a similar excise tax in June. Both the kingdom and the UAE will introduce a 5% VAT next January.

Bahrain may need to boost interest rates, IMF warns

Bahrain may need to raise its market interest rates to protect its currency and must refrain from having its central bank lend money to cover the gov't's budget deficit, the IMF said on Monday. In a statement released after annual consultations

with the Bahraini gov't, the IMF repeated earlier warnings that more steps by Bahrain to cut its deficit were "urgently needed" to stabilize state finances and support the Bahraini dinar's peg to the US dollar. It then went further, saying: "Gradually raising interest rate differentials vis-a-vis the United States through the stepped-up issuance of gov't securities could also help discourage capital outflows and rebuild reserves." The spread of Bahrain's 3-month interbank offered rate over the US dollar Libor rate has already expanded to 113 bps from 74 bps since the end of 2014. The IMF did not say how wide the spread might need to become.

Tunisia's currency reserves recovering slightly

Tunisia's foreign currency reserves have risen slightly to 13.22 billion dinars, benefiting from the World Bank's disbursement of a \$500 million loan, a week after they fell to lows not reached for nearly three decades. Last week, reserves had fallen to 11.59 billion dinars (\$4.76 billion), enough for just 90 days of imports, which officials and experts said was the weakest level since 1986. But according to figures posted on the central bank's website late on Wednesday, the reserve has now recovered to 13.22 billion dinars (\$5.43 billion), equal to 103 days of imports. The reserve is still lower than it was a year ago, when it covered 117 days of imports.

Saudi Aramco receive bids for contracts in gas expansion

Saudi Aramco has received bids from international engineering companies to build gas booster compressor stations at Haradh and Hawiyah, industry sources said, as the country plans to diversify its energy mix. The contracts are part of a \$4 billion scheme to increase gas production in the country for domestic consumption. Saudi Arabia's domestic gas demand has been rising mainly due to the growth of industrial sectors, which the country wants to develop further. Last week, Asian and European companies submitted bids for the expansion of the Hawiyah gas plant. Aramco plans to expand the processing capacity at Hawiyah by 1.3 billion standard cubic feet per day (scfd). It currently processes 2.5 billion scfd of gas.

Abu Dhabi's Taqa is said to seek \$1.5 billion to refinance debt

(Bloomberg) Abu Dhabi National Energy Co., the state-controlled oil and gas investor, approached local and international banks to explore options on raising about \$1.5 billion, part of which will help refinance bonds coming due in October, according to two people familiar with the matter. The company, known as Taqa, is considering a potential syndicated loan, bond sale or a combination of both, said the people, asking not to be identified because the information is private. A Taqa spokesman said the company doesn't comment on market speculation. Abu Dhabi-based Taqa, which produces oil and natural gas from Canada to North Africa, is seeking to refinance \$500 million of bonds maturing in October. Taqa's acting chief financial officer, Mohammed Al Ahababi, said earlier this month that the firm was preparing to approach the market to refinance the securities.

DP World says confident of meeting FY view

DP World, one of the world's largest port operators, said on Thursday it was confident it would meet full-year market expectations as it reported a flat half-year net profit. The Dubai-headquartered firm made a profit of \$606 million attributable to the owners of the company in the six months to June 30, according to a bourse statement. The earnings, which were in line with analyst estimates, according to Thomson Reuters data, compare with a \$608 million profit in the same period a year earlier. Revenue increased 9.6% to \$2.29 billion, and in July the company said gross container volumes rose 8.2% in the first half to 34 million twenty-foot equivalent units (TEUs).










Omantel buying nearly 10% of Kuwait's Zain Group

Oman Telecommunications (Omantel) on Thursday completed its previously announced purchase of 9.84% of Kuwait's Zain Group, which it had said would be performed via a public auction of treasury shares. Zain's Group Chief Executive Bader Nasser al-Kharafi told reporters in Kuwait that proceeds from the transaction would be used to reduce debt and improve its operations. Zain operates in eight countries in the Middle East and Africa, including Saudi Arabia, Iraq and Jordan.

Goldman Sachs get approval for Saudi equities trading license

Goldman Sachs received approval on Sunday to trade equities in Saudi Arabia, joining the growing band of western investment banks and fund managers expanding in the kingdom. Western financial institutions have been looking to tap new opportunities in Saudi Arabia since the gov't unveiled plans for oil giant Saudi Aramco's \$100 billion initial public offering and introduced reforms to attract foreign capital as part of moves to reduce the economy's dependence on oil. Goldman, which has been operating in the kingdom since 2009 as an agent and underwriter, applied to the Saudi Capital Market Authority (CMA) for a license to trade equities, sources told Reuters in June. In a statement on Sunday, the regulator said it had approved a request by Goldman to amend its business in the kingdom and that the bank was now authorized for principal dealing, fund and portfolio management and advisory and custody activities.

EQUITIES

			Price	As at	Δ 1 W NET	Δ 1 W %	High	Low
	TADAWUL ALL SH INDEX	SA	7245.66	24-Aug	66.32	0.92%	7,289.22	7,174.90
	ADX GENERAL INDEX	UA	4493.81	24-Aug	1.15	0.03%	4,506.76	4,465.05
	DFM GENERAL INDEX	UA	3624.49	24-Aug	23.29	0.65%	3,639.01	3,594.25
	QE Index	QA	8951.82	24-Aug	-154.37	-1.70%	9,144.62	8,951.82
	MSM30 Index	OM	4946.89	24-Aug	57.61	1.18%	4,977.86	4,889.26
	EGX 30 INDEX	EG	12926.40	24-Aug	-193.04	-1.47%	13,169.67	12,925.90
	KUWAIT SE PRICE INDEX	KW	6885.17	24-Aug	-0.67	-0.01%	6,942.18	6,875.35
	BB ALL SHARE INDEX	BH	1302.13	24-Aug	3.19	0.25%	1,314.18	1,298.94
	AMMAN SE GENERAL INDEX	JO	2105.71	24-Aug	-11.07	-0.52%	2,116.85	2,103.90

TOP MOVERS

GAINERS			
1	GULF INSURANCE GROUP KSC	KU	20.25%
2	INDUSTRIAL COMMERCIAL & AGRI	JO	20.00%
3	BURGAN CO FOR WELL DRILLING	KU	19.72%
4	LIVESTOCK TRANSPORT & TRADNG	KU	18.00%
5	KUWAIT CO FOR PROCESS PLANT	KU	17.02%
6	AMANA COOPERATIVE INSURANCE	SR	13.85%
7	AL ANWAR HOLDINGS SAOG	OM	13.57%
8	COMMERCIAL BANK OF KUWAIT	KU	11.11%
9	SAUDI ENAYA COOPERATIVE INSU	SR	10.43%
10	ALJAZIRA MAWTEN REIT FUND	SR	10.34%

LOSERS			
1	GULF MEDICAL PROJECTS	UA	-16.67%
2	JORDAN PRESS FOUNDATI/AL-RAI	JO	-13.33%
3	BELTONE FINANCIAL HOLDING	EG	-13.29%
4	RAYA HOLDING FOR FINANCIAL I	EG	-11.73%
5	ABU DHABI SHIP BUILDING CO	UA	-10.00%
6	UNITED ARAB BANK PJSC	UA	-9.94%
7	AL EZZ CERAMICS & PORCELAIN	EG	-9.76%
8	INSURANCE HOUSE	UA	-9.64%
9	FAWAZ ABDULAZIZ ALHOKAIR & C	SR	-9.60%
10	NATIONAL REAL ESTATE BANK	EG	-9.36%

TOP MARKET CAPS

1	SAUDI BASIC INDUSTRIES CORP	SR	0.63%
2	EMIRATES TELECOM GROUP CO	UA	-0.28%
3	SAUDI TELECOM CO	SR	1.53%
4	QATAR NATIONAL BANK	QA	-3.61%
5	AL RAJHI BANK	SR	4.47%
6	NATIONAL COMMERCIAL BANK	SR	5.12%
7	SAUDI ELECTRICITY CO	SR	-1.99%
8	DP WORLD LTD	UA	-0.60%
9	ALMARAI CO	SR	3.13%
10	JABAL OMAR DEVELOPMENT CO	SR	-1.02%

TOP TRADING VOLUMES (WEEKLY AVG)

(in MILLIONS)			
1	PORTO HOLDING SAE	EG	36.51
2	UNION PROPERTIES PJSC	UA	31.40
3	CITADEL CAPITAL SAE	EG	31.08
4	ALINMA BANK	SR	21.56
5	AMER GROUP HOLDING	EG	21.00
6	DANA GAS	UA	18.92
7	DRAKE & SCULL INTERNATIONAL	UA	18.71
8	GULF NAVIGATION HOLDING PJSC	UA	14.36
9	ESHRAQ PROPERTIES CO PJSC	UA	12.47
10	ORASCOM TELECOM MEDIA AND TE	EG	12.08

TOP SECTORS MOVERS (where index is officially priced)

SAUDI ARABIA		ABU DHABI		KUWAIT	
Banks	2.64%	Energy	5.84%	Consumer Goods	5.15%
REITs	1.22%	Fin Svs & Investment	1.57%	Insurance	2.95%
Insurance	1.03%	Real Estate	1.08%	Basic Materials	1.94%
Media	-3.98%	Services	-3.57%	Health Care	-6.17%
Utilities (L2)	-1.85%	Telecommunication	-0.28%	Industrials	-3.23%
Retailing	-1.79%	Insurance	-0.26%	Technology	-1.46%

CURRENCIES

Cross Rates



USD



EUR



GBP



AUD



JPY*



CHF

	Saudi Riyal	SAR	3.75	4.43	4.80	2.96	29.21	3.88
	UAE Dirham	AED	3.67	4.33	4.70	2.90	29.83	3.80
	Qatari Riyal	QAR	3.67	4.36	4.67	2.92	29.65	3.78
	Omani Riyal	OMR	0.385	0.454	0.493	0.304	284.57	0.399
	Egyptian Pound	EGP	17.694	20.882	22.658	13.988	6.19	18.335
	Kuwaiti Dinar	KWD	0.302	0.356	0.387	0.239	362.87	0.313
	Bahraini Dinar	BHD	0.377	0.445	0.483	0.298	290.57	0.391
	Jordanian Dinar	JOD	0.710	0.837	0.908	0.561	154.45	0.732

- 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	4.36
	May-19	4.99
2 - 4	Nov-19	5.10
	Mar-20	5.41
	Apr-20	5.57
	Jun-20	5.63
4 - 7	Apr-21	5.97
	Oct-22	6.20
	May-23	6.30
7 - 10	Apr-24	6.52
	Nov-24	6.52
	Dec-24	6.53
	Feb-25	6.54
	Jun-25	6.57
	Nov-26	6.69
	Mar-27	6.79
10 - 30	Nov-27	6.84
	May-29	6.92
	Feb-30	6.97
	Apr-31	7.06
	Mar-32	7.08
	Nov-35	7.20
	Mar-37	7.30

GULF

Maturity Range (yrs)	Country	Maturity	YTM
1 - 2	DUBAI	Dec-18	1.79
	DUBAI	Feb-19	1.86
2 - 4	ABU DHABI	Apr-19	1.72
	QATAR	Apr-19	2.13
	QATAR	Jan-20	2.38
	DUBAI	Oct-20	2.52
4 - 7	ABU DHABI	May-21	2.17
	QATAR	Jun-21	2.63
	DUBAI	Jun-21	2.86
7 - 10	QATAR	Jan-22	2.85
	ABU DHABI	May-26	2.87
10 - 30	QATAR	Jun-26	3.28
	QATAR	Jun-30	3.81
	QATAR	Jan-40	4.30
	QATAR	Jan-42	4.29
	DUBAI	Jan-43	5.06
	QATAR	Jun-46	4.30

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

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