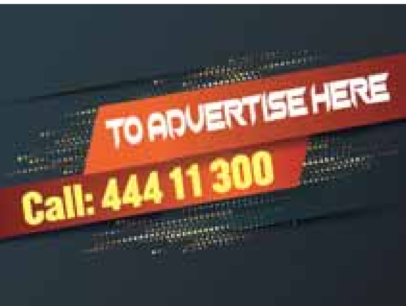
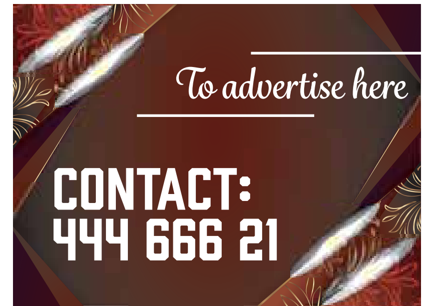


**YOUTH INNOVATION** | Page 4

Qatar Chamber hosts 'Future Entrepreneurs Camp' to run until August 11




Wednesday, July 31, 2024
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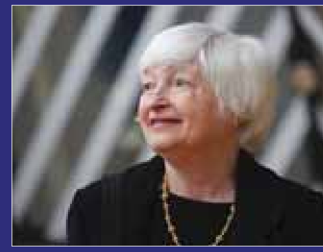

**BROADER CONTEXT : Page 3**

Yellen rebuffs Trump argument on dollar hurting US manufacturing

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# Ooredoo Group 'normalised net profit' jumps 14% to QR1.9bn in H1

- **Group revenue increases 3% YoY to QR11.8bn underpinned by 'solid' operational performance and continued commercial momentum across its markets**

Ooredoo Group delivered a double-digit normalised net profit growth of 14% year-on-year (YoY) to QR1.9bn for the six-month period ended on June 30.

Normalised net profit is adjusted for foreign exchange, impairments, and exceptional items.

Reported net profit also reached QR1.9bn, up 4% YoY, the company announced last night.

Revenue for the Ooredoo Group increased by 3% YoY to QR11.8bn underpinned by the solid operational performance and continued commercial momentum in Iraq, Algeria, Kuwait, Tunisia and the Maldives. This was partially offset by lower revenues in Qatar and Oman.

Capital expenditure (Capex) spend increased by 16% YoY to QR1bn. This increase was driven by a ramp-up of investment in Algeria, Iraq, Qatar, Tunisia and Kuwait.

Ooredoo Group maintained a robust financial and liquidity position while preserving an investment-grade rating. As of 30 June 2024, the Group's net-debt-to-EBITDA ratio stood at 0.6x, below the Board's guidance of 1.5x to 2.5x.

The group's financial position remains secure against interest rate risks as approximately 97% of the debt is structured on a fixed-rate basis.

Liquidity remains strong, with QR11bn in cash reserves (net of restricted cash) and QR5.2bn available in undrawn facilities.

The Group's customer base decreased by 12% YoY (increased by 4% YoY excluding Ooredoo Myanmar) to 49.7mn customers for H1, 2024.

Ooredoo Group Chairman Sheikh Faisal bin Thani al-Thani; and Group CEO Aziz Aluthman Fakhroo.

Including IOH, the customer base reached a total of 150.6mn, up by 2% (excluding Myanmar).

Commenting on the results, Ooredoo Group Chairman Sheikh Faisal bin Thani al-Thani said, "Ooredoo Group delivered a solid set of results for the first half of 2024. Revenue grew by 3% to QR11.8bn with a noteworthy increase in normalised net profit of 14%. The sustained investment in our networks, strong market position and our commitment to customer excellence supported the performance.

"In May, we completed the sale of Ooredoo Myanmar to Nine Communication Pte. This transaction is aligned to the 'value focused pillar' of our strategy to maintain leading market positions in the countries that we operate in.

"Ooredoo continued to make good progress in executing its disciplined strategy aiming to unlock value through operational efficiencies and key strategic initiatives while navigating industry complexities.

"Looking ahead as we strategically evolve toward becoming the leading digital infrastructure player in the region, we remain focused on efficiencies and value creation with a forward-thinking approach to navigate industry dynamics with resilience and adaptability."

Aziz Aluthman Fakhroo, CEO, Ooredoo Group said, "The strong commercial and operational momentum carried into the first half of 2024, resulting in another strong quarter with growth across all key financial metrics.

"In H1, 2024, revenue grew by 3% to QR11.8bn, while EBITDA increased by 6% to QR5.1bn, resulting in an EBITDA margin of 43%, improving by 1 percentage point YoY. This growth reflects healthy operational performances in Iraq, Algeria, Qatar, Tunisia and Maldives.

"Our clear focus on driving profitability has led to a normalised net profit growth of 14% to QR1.9bn while normalised free cash flow grew by 6% to QR4.1bn.

"We continued to deliver on our strategic priorities with tangible progress in the first half of the year. In May, we completed the sale of our Myanmar operation after receiving all required approvals. On the fintech front, OFTI launched 'walletii', a mobile money app. Additionally, we established MENA Digital hub, our carrier-neutral data centre company.

"We also strategically positioned Ooredoo at the forefront of AI innovation by collaborating with NVIDIA to become a NVIDIA Cloud Partner. This marks NVIDIA's first major launch in the region, enabling us to deploy advanced AI technology across our data centres and accelerate digital transformation in the Mena region.

"These achievements are thanks to the diligence, dedication and invaluable contribution of all Ooredoo colleagues. Looking ahead, we are on track to meet our full-year targets. We remain committed to boosting profitability across our operations while advancing our strategic priorities as we forge ahead to become the leading digital infrastructure provider in the region."

Ooredoo Group said it is making steady progress towards achieving its FY 2024 targets. Revenue is expected to remain stable with an EBITDA margin in the low 40s% range.

Additionally, full-year Capex is expected to reach approximately QR3.5bn as spend ramps up in the second half of the year.

## Ooredoo Qatar customer base rises 1% to 3mn

Ooredoo Qatar closed the first-half of the year with a customer base of 3mn, up 1% YoY "supported by continuous enhancements of value propositions and digital innovation".

Reported revenue decreased by 5% YoY to QR3,579mn. H1,2023 included revenue from data centres, FIFA 2022 contracts for B2B services and one-off project revenue. Normalising for these items, revenue was 1% below prior year due to lower mobile services, fixed services and device revenue.

EBITDA increased by 5% YoY to QR1,900mn on a reported basis mainly due to a one-off bad debt provision in H1, 2023.

On a normalised basis, EBITDA increased by 1% from H1, 2023. EBITDA margin expanded by 5pp to 53%.

## TotalEnergies Qatar appoints new general manager for marketing

TotalEnergies has appointed Melanie Fresto as the new general manager for the TotalEnergies Marketing Qatar (TEMQ) branch. With over 15 years of experience in the lubricants industry across various market segments in the GCC, Melanie brings a wealth of expertise and a customer-centric approach to her new role.

Melanie, a Chemical Engineering graduate from Mapua University in Philippines, has demonstrated exceptional leadership in her previous roles as national sales manager B2B in the commercial, industrial, marine and special fluids segment in both Dubai and Abu Dhabi.

Prior to that, she was responsible for B2B business in commercial, industrial and special fluids division in Qatar, as well as the marine division.

Her strategic approach and initiatives have consistently created sustainable value for both customers and stakeholders.

Under her leadership, TEMQ will continue to expand its presence in Qatar, focusing on key segments such as automotive, industrial, marine, and specialty fluids.

She is committed to expanding partnerships, enhancing customer-centric solutions, and innovating product offerings in alignment with Qatar's sustainable development goals.

Melanie Fresto.

"Returning to Qatar in this new capacity is both an honour and an exciting challenge. Qatar is where I started my career at TotalEnergies, and I look forward to building on our successes, and to continue to deliver exceptional results, and further strengthen our market position, through collaboration with our esteemed partners and customers," Melanie said.

TotalEnergies Marketing Qatar has been a significant player in the Qatari market, known for its high-quality lubricants and specialty chemicals.

# Qatar records 543 building permits issued in June: NPC

**By Santhosh V Perumal**
Business Reporter

Qatar saw as many as 543 building permits issued this June with Al Rayyan, Doha, Al Daayen and Al Wakra municipalities together constituting 82% of the total, according to the data collated by the National Planning Council (NPC).

The total building permits issued in June 2024 however saw a 14.8% and 31% decline on an annualised and monthly basis respectively, according to NPC data.

Permits issued in Al Wakra fell 34.8% year-on-year, Al Rayyan (21.2%), Al Khor (18.2%), Al Shahaniya (15%), Umm Slal (14.6%) and Doha (2.6%); whereas those in Al Shamal and Al Daayen grew 12.5% and 2.7% respectively.

The building permits data is of particular importance as it is considered an indicator for the performance of the construction sector, which in turn occupies a significant position in the national economy.

The PSA data showed that of the total number of new building permits issued, Al Rayyan constituted 145 permits or 27% of the total, Doha 114 (21%), Al Daayen 114 (21%), Al Wakra 73 (13%), Umm Slal 35 (6%), Al Khor 36 (7%), Al Shahaniya 17 (3%) and Al Shamal 9 (2%).

On a monthly basis, the total permits in Umm Slal tanked 44%, Al Rayyan (42%), Al Wakra (33%), Al Shahaniya (32%), Al Daayen (31%), Doha (11%) and Al Shamal (10%); while there was a 13% jump in the case of Al Khor.

The new building permits (residential and non-residential) constituted 40% (218 permits) of the total issued in June 2024, additions 56% (302 permits) and fencing 4% (23 permits).

Of the new residential buildings permits, villas topped the list, accounting for 83% (136 permits) of the total, apartments 14% (23) and other residential building permits 3% (five).

Among the non-residential sector, service/infrastructure buildings accounted for 43% or 23 permits, the industrial buildings as workshops and factories 28% (15 permits) and the commercial and administration buildings 13% (seven permits) in the review period.

Qatar saw a 6% year-on-year decline in the total building completion certificates issued in June with Al Wakra witnessing a 50.6% plunge, Al Shamal (41.7%), Al Khor (38.9%), Al Daayen (38.8%), Umm Slal (21.4%) and Al Rayyan (2.2%); even as Doha and Al Shahaniya reported 92.1% and 28.6% surge respectively.

Qatar saw a total of 375 building completion certificates issued in June, of which 326 or 87% was for the new buildings (residential and non-residential) and 49 or 13% for additions.

On a monthly basis, the building completion certificates issued in the country fell 4% with Al Khor registering 560% plunge, Al Wakra (41%), Al Daayen (31%), Umm Slal (27%) and Al Rayyan (11%); while Al Shamal recorded 600% growth, Doha (66%) and Al Shahaniya (13%) in June 2024.

Of the total number of new building completion certificates issued in the review period, Doha constituted 39% or 146 certificates, Al Rayyan 23% or 87, Al Daayen 13% or 49, Al Wakra 12% or 44, Umm Slal 6% or 22, Al Khor 3% or 11, Al Shahaniya 2% or 9 and Al Shamal 2% or 7 certificates.

Of the 288 residential buildings completion certificates issued, as many as 271 or 94% were for the villas and 16 or 6% for apartments.

Of the 271 villas completion certificates issued this June, as many as 113 were in Doha, 69 in Al Rayyan, 35 in Al Daayen, 21 in Umm Slal, 15 in Al Wakra, eight in Al Khor, six in Al Shamal and four in Al Shahaniya in the review period.

In the case of 16 apartments, as many as 11 certificates were issued in Doha, two in Al Rayyan and one each in Al Wakra, Al Khor and Al Shamal.

# Yellen rebuffs Trump's argument on dollar hurting US manufacturing

**Bloomberg**
Washington

In former president Donald Trump's view, a strong dollar is walloping US manufacturers. For Treasury Secretary Janet Yellen, it's just not that simple.

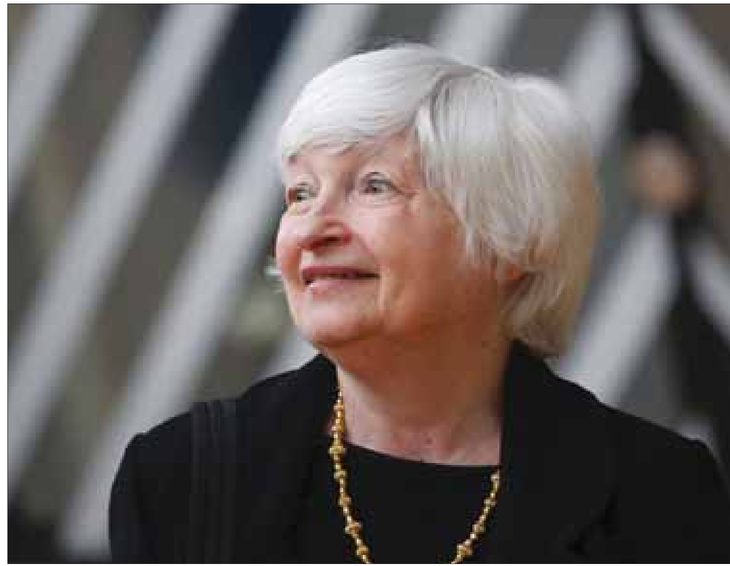
Yellen, who consistently hews to the longstanding Group of Seven commitment to market-set exchange rates, said in an interview last week that a muscular US dollar needs to be considered in a broader context when assessing its impact. She also played down the role of international trade in undermining American factory jobs.

"A very strong dollar can discourage exports and contribute to imports," Yellen said in an interview with Bloomberg News. "But there's a lot more that's involved. And I think you have to ask, why is the dollar strong?"

Coming off a series of meetings with global finance chiefs in Rio de Janeiro, Yellen reflected in the interview on what's become a hot topic in the run-up to the November presidential election, as Republicans rail against a strong dollar.

The Treasury chief said that legislation enacted by President Joe Biden — dubbed Bidenomics — to bolster infrastructure, semiconductors and clean energy and, through the Inflation Reduction Act, electric vehicles, has offered countervailing support for manufacturing.

"We have a very strong economy. Consumer spending and investment spending are robust. The programs that we've put in place — the IRA, infrastructure and then the rest of it — all of that is contributing a lot of manufacturing jobs," she said.



Janet Yellen, US Treasury Secretary.

US economic strength has, in turn, pulled in foreign capital and elevated the dollar's value, Yellen said last week.

Moves by the Federal Reserve to tamp down inflation have left interest rates higher than in other countries, also contributing upward pressure. "We believe that's how the system should work," she said in a press conference. Trump, by contrast, told Bloomberg Businessweek in an interview that "we have a big currency problem" and that "nobody wants to buy our product because it's too expensive."

The 2024 Republican presidential nominee also has revived his claims that some of America's biggest trading partners have conspired to keep their currencies cheap against the dollar, giving them an unfair advantage. His running mate, Ohio Senator J D Vance, has suggested weakening the US currency would give American manufacturers a shot in the arm.

US industrial output, three-quarters of which is manufacturing, last month climbed to the highest level since 2018, capping a quarter in which the US posted an unexpected pickup in economic growth. Business investment increased at the fastest pace in almost a year, led by the strongest advance in equipment since the start of 2022.

Yellen said that while US factory jobs have steadily dropped over the decades, manufacturing as a share of GDP has held relatively steady. The employment losses have been more due to productivity gains than to trade, she said.

At the same time, the Treasury chief has repeatedly expressed concerns about the threat to US manufacturing from large-scale subsidies from China's government to its producers.

In the interview, she suggested disappointment with the Chinese leadership's twice-a-decade economic policy planning confab held earlier this month — where Beijing made clear it will continue to prioritise high-tech manufacturing, even if it means facing international fire.

"I didn't see anything about addressing structural imbalances, boosting consumer spending," Yellen said. "Nothing that I saw about boosting spending on services, and very much continued to stress high-tech advanced manufacturing."

Speaking a week before the July US employment report, Yellen said that the overall labour market looks good.

"I would describe it as a strong, solid labour market, not overheated, operating in the vicinity of the natural rate," she said, referring to the level above which employment spurs inflation.

With the Fed slowly bringing inflation closer to its 2% target, Yellen said she believes the risks to inflation and employment have now come into balance.

# Wall Street banks amp up rate risk on preferred share sales

**Bloomberg**
New York

Morgan Stanley and Citigroup Inc are turning rate-cut fever to their advantage by selling investors preferred shares with the heaviest dose of rate risk in years.

The Wall Street banks are reviving dormant formats to raise capital with a lot more duration than usual, playing into bets that the Federal Reserve is on the cusp of an easing cycle.

In one of the most striking examples, Morgan Stanley this week sold preferred shares with a fixed-for-life rate rare for a major bank, a feature that makes the security vulnerable to rate gyrations indefinitely. The same day a deal from Citigroup foisted rate risk on investors for a decade.

Speculation that the Fed may end up cutting interest rates faster or deeper than planned has led investors to bet on duration-heavy assets that typically notch price gains when rates are falling, and it's paving the way for deals that all but vanished in recent years.

"Issuers are taking advantage of the demand," said Mark Lieb, founder and CEO of Spectrum Asset Management.

For investors, the bet has delivered early gains. Morgan Stanley's issue is trading at an indicated price of 103% of face value; Citigroup's is close to 101%. Both were issued at par on Tuesday.

But down the road, investors accepting extra duration risk could face losses under US policies that may fan inflation. Preferred shares are subordinated securities that count toward a bank's regulatory capital.

Bloomberg contacted Morgan Stanley for comment, while a representative for Citigroup declined to comment.

Banks are bringing back duration risk to preferred shares as conviction runs high the Fed will unleash its first quarter-point cut in September. A second cut is expected by the end of the year, based on data compiled by Bloomberg. Two months ago, money-market odds pointed to single cut this year.

Even though they are perpetual, issues from big banks nowadays tend to reset to a floating rate after their first optional repayment date, making their prices much less sensitive to moving interest rates. And the time to the first call date is usually only five years, limiting volatility.

While short term rates are set to be pushed down by Fed cuts, long term rates aren't expected to follow suit. Traders betting on the return of Donald Trump as US president next year expect his policies to drive up inflation, which would force up yields on longer-dated instruments. This widening gap between short and long-term rates, a key part of the so-called "Trump trade," is called steepening.

"A Trump election win may steepen the yield curve which may lead to higher long-term rates," said Arnold Kakuda, senior financials credit analyst at Bloomberg Intelligence.

# Big Tech trade shudders just as stock pickers make a comeback

**Bloomberg**
New York

Wall Street's sure-fire, money-minting trade of 2024 - going all-in on Big Tech - was upended this week, sparking stock volatility across the board and thrashing momentum-chasing investors along the way.

An earnings flop from Tesla Inc and fears about Alphabet Inc spending landed just as popular bets in bonds and commodities misfired, adding to the cross-asset disruptions. Yet for all noise, one trend is unmissable: Unloved fringes of the equity landscape - from small caps to banks - are suddenly on a tear and stock picking is back in vogue.

With the so-called Magnificent Seven accounting for a historic share of this year's equity rally, the blind love affair with capitalisation-weighted indexes appears to be on shaky ground. Retail and institutional investors are looking to diversify into new market winners by sinking cash into everything from consumer stocks to healthcare - regardless of the sorry track record for anyone trying to beat the tech-driven market.

"Big Tech valuations are very stretched, raising the risk of AI disappointment," said Michael O'Rourke, chief market strategist at JonesTrading. "This will be a good time for stock pickers as the corrections and consolidation of the mega caps will create opportunities elsewhere."

July's wild ride underscores how betting on seven large tech companies is no longer a simple, slam-dunk trade, and their sheer heft has been weighing on indexes in recent sessions. As a result, investors have jumped into other corners of the market as concerns about a potential downturn dissipate.

While the S&P 500 tumbled 0.8% this week, more than 300 of its members ended the week with gains. The Russell 2000, which tracks small caps, scored its third week of wins and outperformed the benchmark by the most in 24 years in July. The biggest Russell 2000 ETF posted inflows at the second-fastest monthly pace on record.

The rotation into small caps is supported by economic data, the thinking goes. The latest GDP report highlighted the resilience of American consumers and businesses. The Federal Reserve's preferred gauge of inflation published on Friday rose at a tame pace, cementing expectations for an interest-rate cut in September.

All that is giving succour to investors betting on market laggards to catch up. As investors look for opportunities beyond tech, all but one of 10 equity ETF sectors have seen inflows in July for the first time since 2022.

At the same time the trading volume represented by equity ETFs recently fell to as low as 14% of all exchange volume, below the five-year 30% average. That implies investors are preferring to trade individual stocks over broader indexes, according to Bloomberg Intelligence's Athanasios Psarofagis. Stock picking has fallen out of favour for more than a decade, as index-tracking funds performed better at much lower costs. Nowadays though, active managers — in theory — should be thriving given low correlations between equities. An S&P 500 gauge tracking their co-movements has been hovering around decade lows. It's a sign that companies are trading on the basis of their own business fundamentals, like the outlook for profits.

Yet with only a handful of megacaps names gobbling up gains for most of this year, active managers haven't managed to win big despite the benign theory.

"Outperforming through stock picking when market returns are so dominated by such a small number of huge firms is essentially impossible," said James Athey, a portfolio manager at Marlborough. "I do not believe that Big Tech can or will dominate 'forever' and thus, in the end, stock pickers will once again have their day."

Going forward then, the big question is whether tech companies — whose earnings are supposedly less tethered to the business cycle — will be able to reprise their role as safety trades like they did in the pandemic slowdown. The bar is higher in this cycle with high valuations for the biggest winners and an already outsized investor positioning in these names heading into an expected economic cooling.

"We have seen over the past weeks that passive investors are exposed to that concentration risk," Jeff Schulze, head of economic and market strategy at ClearBridge Investments, said in an interview. "But in the next six months, when we see a step down in the growth rates of the US economy, investors will go back to what was working — the perceived safety trade, which is the largest companies in the S&P 500, the Magnificent Seven, the more tech, more growth-oriented companies that are well tied to this AI theme."

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# Qatar's CPI inflation edges up 1% year-on-year in June

By Santhosh V Perumal
Business Reporter

Higher expenses towards recreation and education led Qatar's cost of living, based on consumer price (CPI) index, rise about 1% year-on-year in June 2024, according to the official data.

Qatar's core inflation was seen rising faster than the general CPI levels in June 2024 on yearly basis, according to the estimates of the National Planning Council.

The CPI of April 2024, excluding housing, water, electricity, gas and other fuels, shot up 1.95% and 0.02% year-on-year and month-on-month respectively.

Meanwhile, Qatar's cost of living, based on general CPI inflation, rose 0.98% on an annualised basis but was down 0.07% month-on-month this June.

Headline inflation is expected to ease to 2.5% in 2024 and gradually converge to 2% over the medium term, the International Monetary Fund had recently said.

The index of recreation and culture, with an 11.1% weight in the CPI basket, zoomed 14.09% and 1.24% on yearly and monthly basis respectively in the review period.

Education, with a 5.78% weight, saw its index gain 3.42% and 0.04% year-on-year and month-on-month respectively this June.

Miscellaneous goods and services, with a 5.7% weight, saw its index jump 2.83% on an annualised basis but down 0.18% on monthly basis in June 2024.

The index of clothing and footwear, which has a 5.6% weight in the CPI basket, jumped 0.98% year-on-year, even as it shrank 0.86% month-on-month in June 2024.

Food and beverages, which has a weight of 13.5% in the CPI basket, was up 0.09% year-on-year but plunged 3.12% month-on-month in June 2024. However, Communication, which carries a 5.2% weight, saw its group index plummet 4.62% on a yearly basis even as it zoomed 9.29% on monthly basis in the review period.

The index of housing, water, electricity and other fuels - with a weight of 21.2% in the CPI basket – saw 3.1% and 0.47% contraction on yearly and monthly basis respectively this June.

The index of restaurants and hotels, which has a 6.6% weight, reported 1.79% plunge year-on-year but was up 0.13% month-on-month in June 2024.

The health index, which has a 2.7% weight, tanked 1.77% year-on-year, even as it remained flat month-on-month in the review period.

In the case of furniture and household equipment, which has a 7.9% weight in the CPI basket, the index shrank 1.71% on a yearly basis but was up 0.07% in June this year.

The index of transport, which has a 14.6% weight, was seen declining 0.32% and 0.61% year-on-year and month-on-month respectively in June 2024.

The sector has the direct linkage to the dismantling of the administered prices of petrol and diesel as part of the government measures to lower the subsidies. In June 2024, the price of super, premium gasoline and diesel was unchanged both year-on-year and month-on-month.

# Mena witnesses 321 M&A deals of $49.2bn in first half of 2024: EY

The Middle East and North Africa (Mena) region witnessed a slight increase in merger and acquisition (M&A) activity with a total of 321 deals amounting to $49.2bn in the first half (H1) of 2024, according to Ernst and Young (EY).

When compared to H1-2023, deal volume this year grew by 1%, while deal value saw a rise of 12%, EY said in a report.

The UAE and Saudi Arabia were the preferred destinations for investors with 152 deals reaching a total disclosed value of $9.8bn, it said, adding they were also among the top Mena bidder countries in terms of deal volume and value, indicating their active participation in the region's M&A landscape.

Sovereign wealth funds (SWFs), such as Abu Dhabi Investment Authority (ADIA) and Mubadala from the UAE and the Public Investment Fund (PIF) from Saudi Arabia, continued to lead the deal activity in the region to support their countries' economic strategies.

"Deal making got off to a promising start in 2024 despite oil price fluctuations. We saw a surge in cross-border M&A value as companies made investments to further build synergies, expand market presence, and gain strategic advantages on a global scale," said Brad Watson, EY Mena Strategy and Transactions Leader. The Mena countries continued to strengthen regional relationships with Asian and European countries, alongside existing ties with the US, enabling them to gain access to larger and growing markets, according to him.

During H1-2024, cross-border M&As played a significant role, contributing to 52% of the overall volume and 87% of the value, marking a 15% year-on-year growth in value. Meanwhile, domestic M&A activity accounted for 48% of the total number of deals.

The US remained the preferred target destination for Mena outbound investors with 19 deals amounting to $16.6bb. As many as 10 of the Mena region's highest-valued M&As in H1-2024 were concentrated in the GCC. The first half of 2024 saw 155 domestic deals with a combined disclosed value of $6.4bn, marking a 13% increase in M&A activity.

The GCC players were involved in 85% of the deals, reflecting a high level of intra-regional M&A activity. There were 94 deals within and between the UAE and Saudi Arabia, accounting for 61% of the overall domestic M&A deal volume.

The real estate (including hospitality and leisure) sector became the main contributor to deal value with 15 deals amounting to $1.3bn, driven by increasing tourism, upcoming mega projects and a growing middle-class income. The consumer products and technology sectors witnessed 47 deals in the domestic market, representing 30% of the total volume.

The first six months of 2024 recorded 70 inbound deals with a total disclosed value of $6.4bn. Europe led in terms of deal volume with 80%, and North America made the highest contribution to deal value at 98.

During H1-2024, outbound activity was the largest contributor to total deal value with 96 deals that amounted to $36.3bn, marking a 19% increase in value compared to H1-2023. Insurance and real estate accounted for 57% of the deal value in this space, mainly resulting from two deals involving Mena-based SWFs. The US and China contributed 75% of the total outbound deal value.

"M&A, in the recent past, has been the beneficiary of significant tail winds such as low cost of capital.

It is heartening to see regional M&A activity remain robust despite the higher cost of capital. The resilience of the regional M&A markets is underpinned by stable oil price and continued infrastructure spending by local governments," according to Anil Menon, EY Mena Head of M&A and Equity Capital Markets Leader.

Qatar Chamber's 'Future Entrepreneurs Camp' targets youths to develop entrepreneurship and innovation in the country.

# Qatar Chamber hosts 'Future Entrepreneurs Camp'; to run until August 11

Qatar Chamber is currently hosting the 'Future Entrepreneurs Camp', which will run until August 11, aiming at developing entrepreneurship and innovation for youth.

The event is being organised by the Qatar Chamber in co-operation with the Youth Entrepreneurs Club (under the umbrella of the Ministry of Sports and Youth) and the Center for Entrepreneurship and Organisational Excellence at Qatar University.

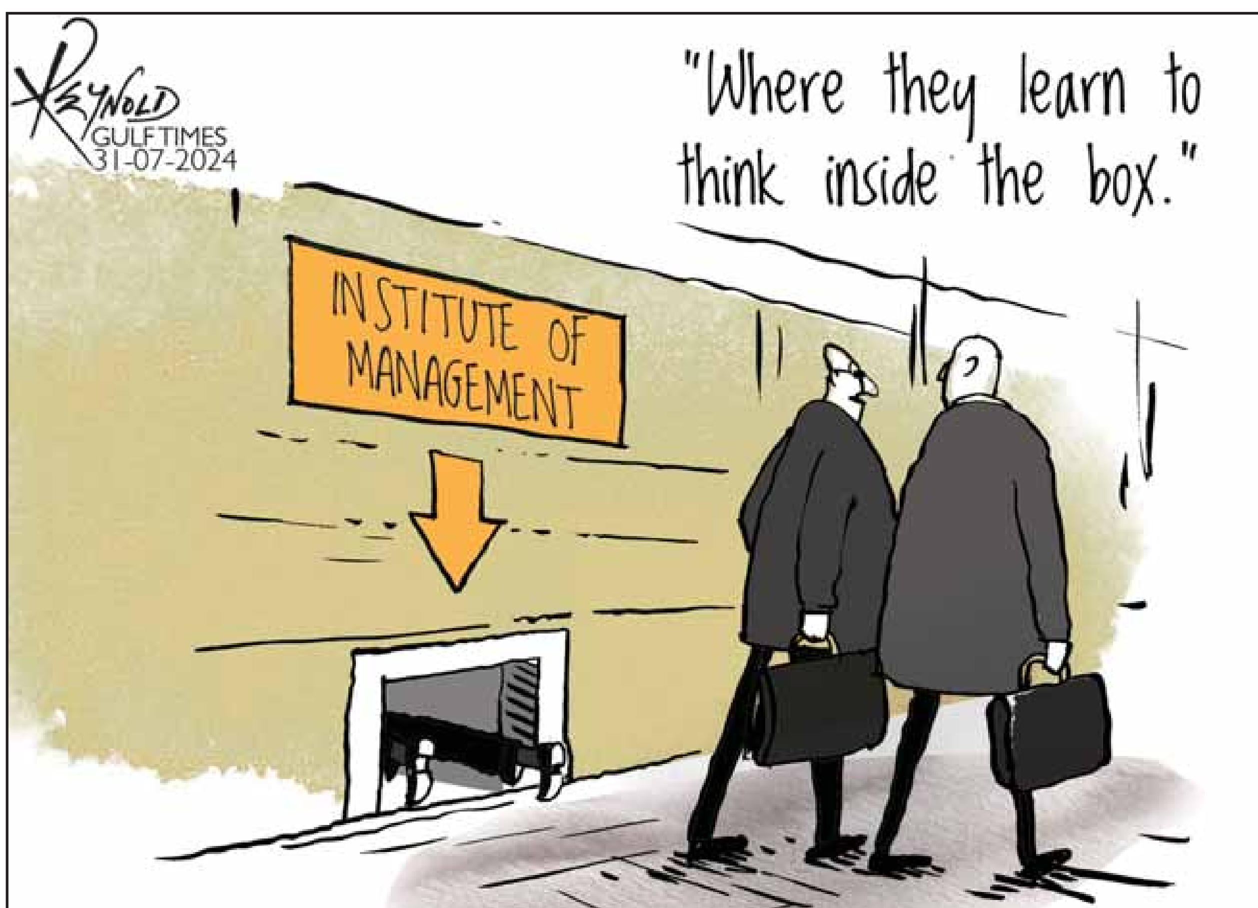
The event provides an interactive and educational environment to develop entrepreneurial ideas, enhance leadership skills and teamwork, and encourage effective communication and critical thinking.

In addition, it offers a good opportunity for participants to connect with entrepreneurs and professionals in this field.

Noora al-Awlan, Director of the Research and Studies Department, took special note of the club's role in supporting entrepreneurs, developing their skills, and transforming their ideas into enterprises that benefit the national economy.

She said the chamber's commitment to supporting young entrepreneurs stems from its role as a representative of the private sector and due to the fact that it aligns with its interest in bringing up a generation of innovative and qualified youth who will be successful entrepreneurs in the future.

Dr Ibrahim Khalid al-Sulaiti, President of the Youth Entrepreneurs Club, said the camp represents an excellent opportunity for exchanging expertise, gaining skills, and exploring talents encouraging entrepreneurs to achieve their ambitions.




# Eurozone bond yields rise after economic data

Reuters
London

Eurozone government bond yields edged up yesterday after economic data from several countries in the region confirmed a mixed backdrop and did not change market bets on the European Central Bank (ECB)'s monetary easing path.

Germany's two-year bond yield, sensitive to ECB interest rate expectations, briefly hit a six-month low earlier in the session, supported by encouraging inflation data from Spain.

Investors are cautious as they await the outcomes of policy meetings at the Federal Reserve, the Bank of England (BoE), and the Bank of Japan (BoJ), which could significantly impact the market.

Figures showed Spain's inflation rate slowed by more than expected in July, to 2.9% year-on-year from 3.6% in June.

German inflation rose to 2.6% in July, while analysts polled by Reuters had forecast no change, after consumer prices rose by 2.5% on the year in June.

"This week's data looks unlikely to give a major new dovish impulse to the ECB but should also not stand in the way of a second rate cut in September," said Christian Schulz, deputy chief European economist at Citi.

"Growth and inflation are slightly more resilient than anticipated, despite some dovish details," he added, flagging "the decline in service sector price expectations to the lowest level since mid-2021." Data showed Germany's gross domestic product (GDP) contracted by 0.1% in the second quarter, although economies grew in Italy, France and Spain.

Germany's two-year bond yield fell to 2.568%, its lowest since early February, after the Spanish data and was last up 0.5 basis points (bps) at 2.65%.

"Surveys suggest a further slowdown may lie ahead. The Composite PMI was consistent with GDP stagnating in July," said Franziska Palmas, senior Europe economist at Capital Economics.

"If this trend persists in the rest of the quarter, the third quarter gross domestic product (GDP) could be even weaker than our below-consensus forecast of 0.2%."

Traders priced in 55 bps of further easing from the current 3.75% level, according to derivative market pricing.

Germany's 10-year yield, the benchmark for the eurozone bloc, was flat at 2.36%, just above a six-week low.

The main focus will be the Fed policy meeting's outcome today.

"As rate cuts become more of a reality, we see potential for the yield curve to re-steepen through falling yields at the front-end," said Brendan Murphy, head of global fixed income, North America at Insight Investment, who sees the Fed setting the stage for a rate cut in September.

"We expect cash investors to increasingly look further out the curve to lock in higher yields for longer and reduce the reinvestment risks." Italy's 10-year yield rose one basis point to 3.72%, and the gap between Italian and German bond yields stood at 135 bps.

The Bank of England will hold its policy meeting on Thursday with analysts saying the vote on a possible 25 bps rate cut appears almost too close to call. Markets priced in a 60% chance of such a move.

The gap between French and German yields — a gauge of the risk premium investors demand to hold French government bonds — was at 70.6 bps.

It hit its highest since after the elections at 72.20 bps last week, on concerns the parliament could reverse President Emmanuel Macron's pension reform, increasing the country's public spending.

# Global rate decisions loom large for fragile EM carry trades

Bloomberg
London

Carry traders active in emerging markets are preparing for a week of global interest-rate decisions that could upend the popular strategy across developing economies.

Barclays strategists noted in a report on Monday that recent market movements have been unusually volatile, largely due to global political surprises. That volatility has been detrimental to carry trades, they say, which typically involve traders borrowing at lower rates in developed markets to invest in higher-yielding assets in the emerging world.

Uncertainty surrounding potential interest rate hikes by the Bank of Japan, and the Federal Reserve's monetary policy announcement today, have further exacerbated the risks.

"Although volatility may decrease in August following the central bank meetings, the appeal of carry trades remains weak," Barclays strategists including Themistoklis Fiotakis wrote in a note to clients. "With ongoing market noise, investors are expected to limit their carry trades to tactical opportunities rather than committing to longer-term positions."

All yen-funded trades in emerging markets have registered losses in July, with Chile's peso and the Taiwanese dollar most affected, according to data compiled by Bloomberg. Trades funded in dollars have been mixed, but high yielders such as Mexico's peso and South Africa's rand have generated losses.

As investors try to navigate a gradually slowing US economy and the uncertainties of the upcoming US presidential elections, the market is likely to remain turbulent, Barclays said. The potential for volatility spikes means that carry gains can quickly be erased, making it difficult for investors to maintain positions. And with emerging currencies already priced to erode and limited cushion from US rate spreads, the case for carry is weak, they said.

MSCI's index for developing-world currencies eked out only its second gain in nine sessions in London yesterday, rising less than 0.1%. The emerging-market stocks gauge fell 0.4%, led by a drop in tech shares including Tencent Holdings Ltd and Taiwan Semiconductor Manufacturing Co.

An unwind of crowded positions has dominated price action over the last two weeks, Gustavo Medeiros, head of research at Ashmore, said in a note to clients.

Many cross-over investors have been forced to unwind long exposure to emerging-market currencies – such as the Mexican peso – against their shorts in yen, Medeiros said. "We expect further short-term volatility in EM currencies as carry trades are unwound," and "although the Japanese yen's recent strength is a result of the unwinding of carry trades, the outlook for these trades depends on broader market stability and interest rate movements," Medeiros said.