SIGNIFICANT DEMAND | Page 8

QIIB lists its $300mn Tier 1 capital sukuk on London Stock Exchange

Sunday, September 29, 2024
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GULF TIMES
BUSINESS

STRATEGIC PARTNERSHIP : Page 7

Ooredoo, Schneider Electric collaborate on major digital transformation plan

QNB Group obtains regulatory approvals for share buyback

QNB Group has announced that it has obtained all applicable regulatory approvals from the Qatar Central Bank (QCB) and the Qatar Financial Market Authority (QFMA) to proceed with its share repurchase.

As permitted under Article 10 of QNB's Articles of Association and based on QNB Board of Directors' decision (dated September 11, 2024), QNB will conduct its share buyback up to an amount of QR2.9bn in accordance with QFMA decision numbers 3 and 4 of 2024.

"QNB Group intends to fund its share buyback from its existing cash resources available with QNB. The share buyback will be conducted using an Open-Market Repurchase (OMR) mechanism as per applicable QFMA rules and regulations.

"The buyback will commence after the publication of interim financial statements for the nine-month period ending September 30, 2024, subject to market conditions and in accordance with QFMA share buyback rules and regulations," QNB said yesterday.

The decision to initiate a repurchase of QNB's own shares arose after careful consideration of several factors including current and future shareholders expectations, strength of QNB Group's financial position, growth strategy, strong return on equity, high quality and superior earnings, financial ratios associated with equity and liquidity, and continued confidence of the investor community.

QNB Group will continue to hold robust capital buffers, well above regulatory minimums of the QCB and Basel III requirements, and does not anticipate any material impact on its capital and other ratios because of its intended share buyback.

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BUSINESS

Jobs data set to test US stock market's soft-landing hopes

Reuters
New York

Investor hopes for a soft landing for the US economy will be put to the test next week, as the government releases closely watched labour market data following a series of disappointing jobs reports.

Wall Street's benchmark S&P 500 index is up 20% year-to-date near a record high. With the third quarter ending on Monday, the index is on track for its strongest January-September performance since 1997.

Hopes for a soft landing in which the Federal Reserve tames inflation without badly hurting growth, have helped drive those gains, along with a 50 basis point rate cut the central bank delivered at its monetary policy meeting this month.

Some worry that the rate cuts may not be enough to avert a downturn, and Wall Street views the monthly employment report as one of the more critical reads on the economy. The prior two monthly reports have shown weaker-than-expected job increases, raising the stakes for the Oct 4 data.

"Stocks are priced for a Goldilocks/soft landing-type scenario," said Wasif Latif, president and chief investment officer at Sarmaya Partners. "The jobs report could potentially either confirm that or derail that."

Some recent payrolls reports have roiled markets, particularly data showing an unexpected slowdown that helped spark a sharp, days-long selloff in the S&P 500 in early August. The index has since recovered those losses and gone on to make fresh highs.

For the September report due out next week, nonfarm payrolls are expected to have increased by 140,000, according to Reuters data on Friday.

The labour data could help solidify views on the Fed's next move at its November 6-7 meeting. Futures tied to the Fed funds rate currently show bets almost evenly split between a 25 basis point cut or another 50-basis-point reduction.

"While the totality of the data will always be important, the burden will be on incoming labour market data to provide the Fed with greater confidence that the softening trend is stabilizing," economists at Deutsche Bank said in a recent note.

Investors will also watch an address from Fed Chairman Jerome Powell, set to speak on the economic outlook before the National Association for Business Economics on Monday.

Hefty gains in US stocks so far this year bode well for the rest of 2024, if history is any indication.

Since 1950, the S&P 500 has gained at least 15% through September in 17 instances, according to Keith Lerner, co-chief investment officer at Truist Advisory Services. In the fourth quarter of those years, the index rose a median of 5.4% and posted a gain in all but three of them, Lerner found.

Still, the state of US growth is a focus for investors. A survey of fund managers earlier this month named a US recession as the top "tail risk" for markets, according to BofA Global Research.

Garrett Melson, portfolio strategist at Natixis Investment Managers Solutions, said the recent strength in defensive sectors such as utilities and consumer staples reflect concerns over a looming downturn.

Strong economic data, on the other hand, could provide a boost for economically sensitive groups such as industrials and financials, he said. The S&P 500 industrial sector has gained nearly 11% in the quarter, and the financial sector is up around 10%.

"There's still probably a case to be made that we've priced in too much recession risk at this point," Melson said. "There's plenty of scope for further upside into year-end."


Traders work on the floor of the New York Stock Exchange. The Wall Street's benchmark S&P 500 index is up 20% year-to-date near a record high.

Assets in actively managed ETFs top $1tn worldwide

Reuters
London

Assets in actively managed exchange-traded funds (ETFs) worldwide hit a record $1tn at the end of August, according to data provider ETFGI, boosted by easier regulations and a wave of product innovation.

Active ETFs seek to outperform the indexes they are benchmarked to, including the S&P 500, the Nasdaq 100 and the Russell 1000 Growth Index. Bear Stearns launched the first active ETF in 2008.

While they make up just 7% of all global ETFs, active ETFs have accounted for 30% of all inflows into the funds as a whole for the last several years, Matthew Bartolini, head of SPDR Americas Research at State Street Research, told Reuters in the latest episode of Inside ETFs.

A key growth catalyst, analysts said, was the 2019 regulation popularly known as the "ETF rule," which streamlined the complex process of winning approval for active ETFs from the US Securities and Exchange Commission. Assets in the active ETF category have grown about 10-fold since 2019, according to data from ETF.com.

Growth has continued this year. As of August 31, active ETF assets soared 42%, data from ETFGI showed.

The more relaxed regulations have also fuelled innovation, Bartolini said, encouraging issuers to take novel approaches to products as they vie for investor dollars.

Active ETFs run the gamut from the plain vanilla, such as the BlackRock Large Cap Value ETF to more niche offerings, like the AdvisorShares Vice ETF, which invests in shares of companies involved in the alcohol, tobacco and cannabis industries.

"These regulatory rule changes have actually accelerated some of the more novel approaches that ETF issuers can bring to the marketplace," Bartolini said.

Active ETFs include products that have been wildly volatile, such as Ark Innovation ETF, which soared 152% in 2020, only to slump 23% the following year. So far in 2024, it has lost 9.74%, compared with a 20% gain in the S&P 500. Some can also magnify risk, such as leveraged ETFs tied to the performance of individual stocks like Nvidia.

Nor are all active ETF issuers faring well.

Bloomberg QuickTake Q&A

OpenAI may turn into a public benefit company: What does that mean?

By Yazhou Sun

OpenAI's managers are weighing whether to turn the fast-growing artificial intelligence (AI) pioneer into a public benefit Corp (PBC) that would no longer be controlled by its nonprofit board. The deliberations follow a string of executive departures as the company grapples with explosive growth and intense interest from investors.

So what is a PBC, and how would the status change affect OpenAI's operations?

What is a public benefit Corp?

This corporate structure, created under Delaware law, allows for-profit entities to commit to pursuing goals bettering society. Directors and managers of PBCs must balance the interests of shareholders with the interests of those "materially affected by the corporation's conduct" and the public benefits identified in the company's charter. Directors have no obligation to prioritise one set of interests over another.

Why set up a PBC?

Because a PBC structure gives companies the freedom to pursue social and financial goals in parallel. That could allow a company to more easily fund its heavy investments while still taking a stand against investors lobbying for the company to depart from its social mission and prioritise higher financial returns. It could also pave the way for OpenAI to potentially raise more capital via an initial public offering.

How is that different from operating as a nonprofit?

The key difference is its ownership structure. A traditional nonprofit has no owners or shareholders. A PBC is owned by shareholders who expect the company to bring them a return on their investment. OpenAI currently operates under a hybrid structure in which OpenAI Inc is a nonprofit and OpenAI LLC, of which Microsoft is a minority owner, serves as its for-profit subsidiary. This structure includes a "capped-profit" model whereby investors agree to limit their maximum financial returns while adhering to the nonprofit's charitable goals.

A PBC structure could simplify OpenAI's governance after a messy year that included the brief removal of Chief Executive Officer Sam Altman.

In a statement, a spokesperson said OpenAI remains "focused on building AI that benefits everyone," adding, "the nonprofit is core to our mission and will continue to exist."

What are the drawbacks of a PBC?

PBCs aren't required to use any independent standards to evaluate compliance with their social or environmental goals, so it can lead to accusations of "ethics washing." This is a sensitive topic for OpenAI, which is under conflicting pressures to balance its goal of building "safe and beneficial artificial intelligence for the benefit of humanity" while still making a return on its heavy investments in computing capacity.

PBCs are a fairly new type of legal entity, so it's unclear how courts will interpret and measure the mandates of increasing both profits and social goods when it comes to OpenAI. Only stockholders with at least 2% of the company's shares can sue the company if it doesn't uphold its commitment to be of public benefit.

Who else operates as a PBC?

The structure has been popular among emerging AI companies whose managers want to earn a profit, while responding to public concerns that the technology poses a threat to humanity. Anthropic, an AI company formed in 2021 as a PBC, has a public mission to "build reliable, interpretable, and steerable AI systems."

Elon Musk's xAI is also a PBC.

Other prominent examples of PBCs outside of tech industry are shoe brand Allbirds and eyewear company Warby Parker.

Taubman's PJT eyes Saudi Arabia growth after deNovo deal

Wall Street advisory firm PJT Partners plans to increase its headcount in Saudi Arabia following the acquisition of Dubai-based deNovo Partners, founder Paul Taubman told Bloomberg TV in an interview.

DeNovo earlier this year secured a license to operate in the kingdom, joining prominent boutique firms including Moelis & Co and Rothschild & Co to formally enter a market that increasingly plays a major role in global finance.

The combined PJT-deNovo entity would "absolutely" move staff to Riyadh, Taubman said. "That will follow that license and we will, in a very patient way, continue to build out our capabilities."

Saudi Arabia has increasingly become a draw for Wall Street's top banks looking to advise the kingdom's sovereign wealth fund on its overseas acquisitions or one of many domestic companies considering a share sale on the local bourse.

Lazard Inc recently received a so-called regional headquarters license from the Saudi Ministry of Investment, the latest Wall Street firm to comply with Saudi Arabia's rules for foreign firms to set up their Middle Eastern base in the kingdom, Bloomberg reported earlier this month.

PJT last week announced it was taking over deNovo, a deal that reunited ex-Morgan Stanley dealmaker Taubman with former colleague May Nasrallah who set up her own boutique in 2010.

BUSINESS

The Qatar Stock Exchange (QSE) index increased by 117.51 points or 1.12% during the week to close at 10,581.66. Market capitalisation went up by 1.6% to reach QR618.1bnbn from QR608.6bn at the end of the previous trading week.

Of the 52 traded companies, 30 ended the week higher, 19 ended lower and three were unchanged. Ezdan Holding Group (ERES) was the best performing stock for the week, rising 19.6%. Meanwhile, Inma Holding Company (IHGS) was the worst performing stock for the week, moving down by 2.6%.

Qatar Islamic Bank (QIBK), Commercial Bank (CBQK) and Qatar Fuel Company (QFLS) were the main contributors to the weekly index gain. QIBK and CBQK added 35.04 and 14.35 points to the index, respectively. Further, QFLS contributed another 12.91 points.

Traded value during the week moved lower by 3.0% to QR2,055.1mn from QR2,117.7mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR215.4mn.

Traded volume moved up 6.5% to 983.9mn shares compared with 923.6mn shares in the prior trading week. The number of transactions shot up by 17.2% to 76,583 vs 65,344 in the prior week. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 165.3mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR153.8mn vs net buying of QR11.1mn in the prior week. Qatari institutions turned bearish with net selling of QR53.6mn vs net buying of QR47.4mn in the week before. Foreign retail investors ended the week with net selling of QR24.1mn vs net selling of QR2.1mn in the prior week. Qatari retail investors recorded net selling of QR76.1mn vs net selling of QR56.3mn the week before.

YTD (as of Thursday's closing), global foreign institutions were net buyers by $23.6mn, while GCC institutions were net sellers of Qatari stocks by $305.1mn.

DISCLAIMER

QNB FINANCIAL SERVICES

Weekly Market Report

Market Indicators	Week ended. Sept 26, 2024	Week ended. Sept 19, 2024	Chg. %
Value Traded (QR mn)	2,055.1	2,117.7	(3.0)
Exch. Market Cap. (QR mn)	618,074.9	608,557.0	1.6
Volume (mn)	983.9	923.6	6.5
Number of Transactions	76,583	65,344	17.2
Companies Traded	52	51	2.0
Market Breadth	30:19	40:10	-

Source: Qatar Exchange (QE)

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	24,131.75	1.1	3.9	3.8
ALL Share Index	3,773.39	1.1	4.1	4.0
Banks and Financial Services	4,662.60	1.1	6.2	1.8
Industrials	4,257.58	0.5	1.3	3.4
Transportation	5,389.87	0.8	(1.6)	25.8
Real Estate	1,647.24	5.5	7.6	9.7
Insurance	2,409.40	1.0	2.0	(8.5)
Telecoms	1,816.54	1.5	5.1	6.5
Consumer Goods & Services	7,827.84	1.0	3.1	3.3
Al Rayan Islamic Index	4,928.84	1.4	3.4	3.5

Source: Qatar Exchange (QE)

QSE Index and Volume

Source: Qatar Exchange (QE)

Weekly Index Performance

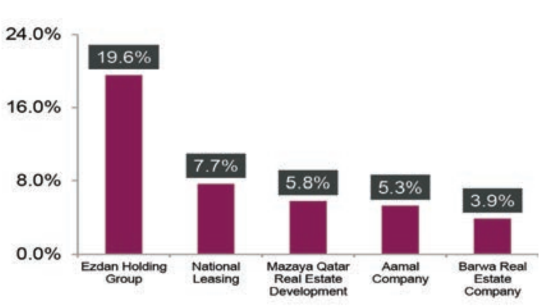
Source: Bloomberg

Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value ($ mn)	Exchange Mkt. Cap. ($ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,581.66	1.1	3.7	(2.3)	564.71	169,537.9	11.7	1.3	4.0
Dubai	4,526.61	2.4	4.7	11.5	396.23	205,819.8	8.7	1.4	5.3
Abu Dhabi	9,513.90	0.1	2.5	(0.7)	1,813.07	727,071.2	17.3	2.7	2.1
Saudi Arabia#	12,343.72	2.2	1.6	3.1	7,624.52	2,736,246.5	20.5	2.4	3.5
Kuwait	7,197.07	0.3	0.2	5.6	1,158.57	154,040.8	19.1	1.7	3.3
Oman	4,701.92	(0.5)	(0.9)	4.2	55.20	23,867.2	12.2	0.9	5.3
Bahrain	2,013.88	(0.7)	2.9	2.2	106.20	20,780.8	7.9	0.7	3.6

Source: Bloomberg

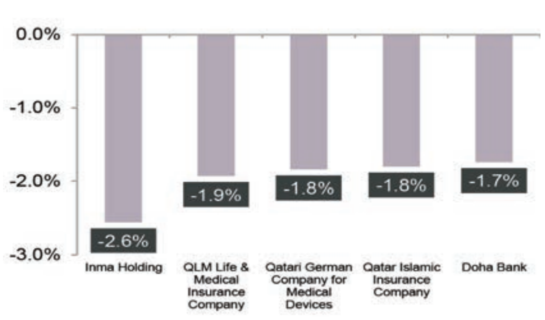
Qatar Stock Exchange

Top Five Gainers



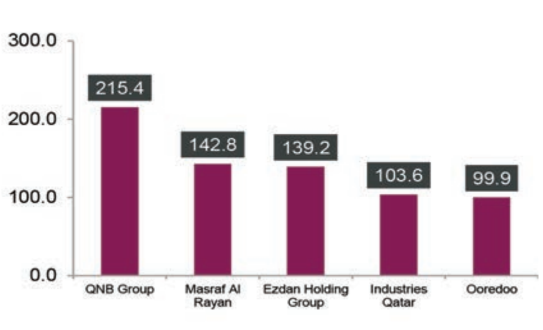
Source: Qatar Stock Exchange (QSE)

Top Five Decliners



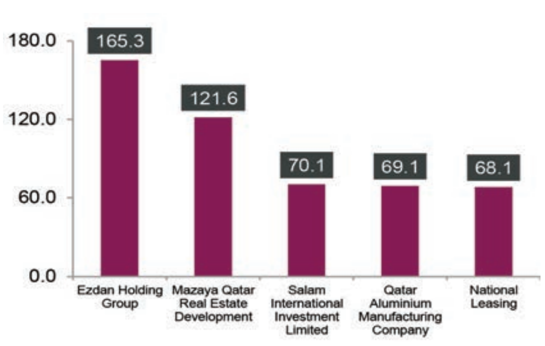
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



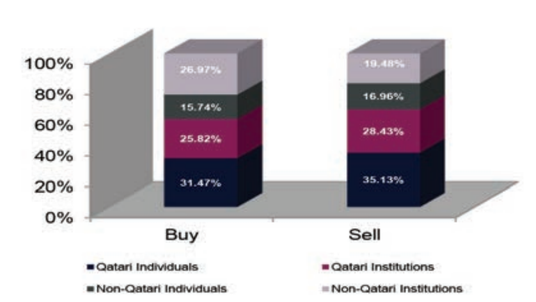
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



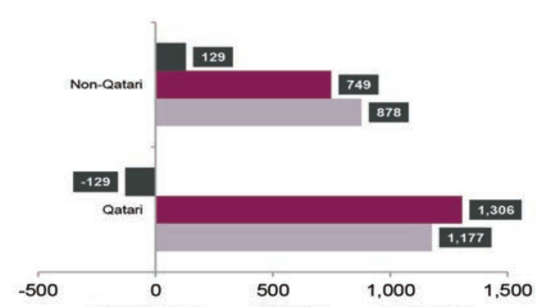
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

Company Name	Price September 26	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	16.89	0.54	2.18	156,003	10.5	1.8	3.9
Qatar Islamic Bank	20.73	2.32	(3.58)	48,984	11.7	1.9	2.4
Commercial Bank of Qatar	4.45	2.53	(28.23)	18,010	6.3	0.9	5.6
Doha Bank	1.75	(1.74)	(4.43)	5,423	6.8	0.5	4.3
Al Ahli Bank	3.75	(0.03)	3.53	9,567	11.7	1.4	6.7
Qatar International Islamic Bank	11.00	(0.45)	2.90	16,651	16.2	2.3	4.2
Masraf Al Rayan	2.46	1.44	(7.19)	22,915	16.0	1.0	4.1
Lesha Bank	1.41	0.21	6.42	1,577	14.2	1.2	N/A
National Leasing	0.83	7.65	13.85	411	24.9	0.6	3.6
Dlala Holding	1.24	1.56	(6.36)	235	483.2	1.3	N/A
Qatar & Oman Investment	0.77	3.77	(19.03)	243	N/A	1.1	N/A
Islamic Holding Group	4.39	(2.56)	5.74	248	15.4	1.5	1.1
Dukhan Bank	3.85	0.84	(3.09)	20,162	16.3	1.6	4.2
Banking and Financial Services				**300,428**			
Zad Holding	13.75	(1.43)	1.85	3,952	20.0	3.1	4.7
Qatar German Co. for Medical Devices	1.76	(1.84)	21.30	203	1073.8	5.5	N/A
Salam International Investment	0.73	2.83	6.44	831	13.0	0.6	4.1
Baladna	1.39	(1.07)	13.56	2,642	15.8	1.1	5.0
Medicare Group	4.51	(0.49)	(17.85)	1,269	17.0	1.3	4.9
Qatar Cinema & Film Distribution	2.66	0.00	(8.17)	167	39.6	1.3	2.6
Qatar Fuel	15.34	2.82	(7.48)	15,252	14.9	1.7	5.2
Widam Food	2.77	(0.93)	17.25	498	90.6	3.1	N/A
Mannai Corp.	3.87	1.05	(7.97)	1,764	N/A	1.9	6.5
Al Meera Consumer Goods	14.30	(1.38)	3.70	2,946	16.1	1.9	5.9
Mekdam Holding Group	3.62	(0.77)	(9.80)	597	12.8	2.3	N/A
Meeza QSTP	3.43	(1.04)	19.38	2,223	36.8	3.2	2.4
Al Faleh Education Holding	0.84	(1.06)	(0.59)	202	16.8	0.8	3.7
Consumer Goods and Services				**32,547**			
Qatar Industrial Manufacturing	2.56	0.35	(14.53)	1,218	8.9	0.7	5.1
Qatar National Cement	3.69	0.00	(6.56)	2,410	12.9	0.8	8.1
Industries Qatar	12.99	0.00	(0.69)	78,590	15.1	2.1	4.8
Qatari Investors Group	1.55	2.79	(5.96)	1,921	12.3	0.6	9.7
Qatar Electricity and Water	15.78	1.41	(16.06)	17,358	11.7	1.2	3.2
Aamal	0.89	5.33	5.33	5,607	14.4	0.7	N/A
Gulf International Services	3.26	(1.42)	18.16	6,058	12.3	1.5	4.6
Mesaieed Petrochemical Holding	1.65	0.79	(7.55)	20,767	23.3	1.3	3.3
Estithmar Holding	1.86	(0.21)	(11.22)	6,332	17.1	1.3	N/A
Qatar Aluminum Manufacturing	1.31	1.78	(6.29)	7,321	16.6	1.1	4.6
Industrials				**147,582**			
Qatar Insurance	2.20	2.19	(15.17)	7,176	11.6	1.2	4.6
QLM Life & Medical Insurance	2.19	(1.93)	(12.57)	765	10.7	1.2	5.7
Doha Insurance	2.50	0.04	4.64	1,251	6.9	1.0	7.0
Qatar General Insurance & Reinsurance	1.26	(0.79)	(14.42)	1,101	N/A	0.3	N/A
Al Khaleej Takaful Insurance	2.38	0.38	(19.97)	607	9.3	1.0	5.0
Qatar Islamic Insurance	8.23	(1.80)	(7.51)	1,235	7.8	2.3	6.1
Damaan Islamic Insurance Company	4.10	1.66	2.81	820	10.5	1.6	4.4
Insurance				**12,953**			
United Development	1.18	3.59	11.08	4,189	11.7	0.4	4.6
Barwa Real Estate	2.92	3.91	0.90	11,362	9.2	0.5	6.2
Ezdan Real Estate	0.91	19.55	6.18	24,164	210.4	0.7	N/A
Mazaya Qatar Real Estate Development	0.65	5.83	(9.68)	653	N/A	0.7	3.8
Real Estate				**40,369**			
Ooredoo	11.60	2.11	1.75	37,157	12.0	1.4	4.7
Vodafone Qatar	1.88	(0.32)	(1.26)	7,959	13.9	1.7	5.8
Telecoms				**45,117**			
Qatar Navigation (Milaha)	11.25	0.90	15.98	12,782	12.7	0.8	3.3
Gulf Warehousing	3.47	0.55	10.89	204	10.1	0.8	3.2
Qatar Gas Transport (Nakilat)	4.40	0.66	24.97	24,372	15.1	2.0	3.2
Transportation				**37,357**			
Qatar Exchange				**618,075**			

Source: Bloomberg

Technical analysis of the QSE index

The QSE index closed up (+1.1%) for the week at 10,581.7 points. As expected last week, an uptick was seen on the index inside the broader flat price-range. We expect further travel north from current levels in the short term. We keep our weekly resistance level at the 10,650-point level and the support remains at 9,600 points.

Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator – RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart – A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

Private sector exports reach 105 countries in Q2: Qatar Chamber

The value of Qatar's private sector exports in the second quarter of 2024 stood QR2.62bn, up 3.5% compared to QR2.53bn in the first quarter, a Qatar Chamber quarterly report stated.

According to the type of certificates of origin issued by the chamber in Q2, exports through the General Model and the Unified GCC Model increased, while exports through the Unified Arab showed a decrease compared to Q1-2024.

Exports through the General Model rose by 2.2% from QR2bn to QR2.04bn. Similarly, exports through the Unified GCC Model increased by 15.3% from QR438mn to QR505mn. On the other hand, exports through the Unified Arab Model decreased by 24% from QR92.9mn to QR70.6mn.

The report stated that fuel exports in Q2 2024 amounted to QR435mn, marking a 17.7% decrease compared to QR528mn in Q1-2024. Similarly, aluminium exports reached QR302mn, registering a 31% decline compared to Q1-2024, which amounted to QR438mn.

Essential and industrial oils amounted to QR427.6bn, with a year-on-year increase of 9%, while steel exports totalled QR218.18mn, 20.8% lower compared to QR275.3mn in Q1-2024.

The report noted that industrial gases exports amounted to QR200.3mn in Q2-2024, recording a 20.6% decline. Lotrene exports reached QR44.42mn in Q2-2024, registering a decrease of 66.1% compared to QR131.2mn in Q1-2024. Chemical substances exports, which amounted to QR90.1mn in Q2-2024, dropped 3.4%. Petrochemical exports, which amounted to QR52.9mn in Q2-2024, were also lower by 41.7%.

Paraffin exports amounted to QR29.5mn, which were 4.9% lower compared to QR28.12mn in Q4-2023, while chemical fertilisers exports amounted to QR339.5mn, recording a sharp increase of 3,139% compared to QR10.48mn in Q1-2024.

The 10 commodities exported by the private sector represent 81.6% of the total value of private export exports, according to the certificates of origin issued by Qatar Chamber during Q2-2024.

As for economic blocs and groupings, Asian countries, excluding GCC and Arab countries, were at the top of economic blocs that received private sector exports during Q2-2024, which amounted to QR1.2bn with a share of 45.6% of the total exports, followed by GCC countries, which received exports worth QR625.62mn or a 23.9% share of the total value.

In third place is the EU group, with exports totalling QR543.43mn, representing 20.7% of the total value. This was followed by Arab countries, excluding Arab countries and GCC states, which received QR145.96mn, or a share of 5.6%, and the Other European countries with exports amounted to QR76.82mn, or a share of 2.9% of the total exports.

The group of African countries came in sixth place, which received 0.8% of the total exports, with a value of QR21.06mn, followed by the US, which received exports estimated at QR6.75mn or a share of 0.3%, and Other American countries with a value of QR0.2% or QR5.43mn. The grouping of Oceania countries registered exports worth QR1.53mn, or 0.06% of the total exports.

According to the report, 105 countries in the previous economic groupings received Qatari exports in Q2-2024. The African grouping topped the list with 27 countries, followed by Asia (23 countries), Other American countries (14), Arab countries excluding GCC states (13), the EU (12), other European countries (9), the GCC (5), and the US and Australia in the Oceania grouping.

In Q2-2024, India topped the countries of destination of private sector exports with QR475.5mn, or an 18.1% share of the total exports, followed by the Netherlands with QR354.5mn (13.6%), the UAE (QR251.55mn, 9.6%), China (QR241.60mn, 9.2%), Oman (QR163.4mn, 6.2%), Saudi Arabia (QR130.9mn, 5%), Germany (QR109.7mn, 4.2%), Bangladesh (QR103mn, 3.9%), Morocco (QR84.7mn, 3.2%), and Turkey (QR82.2mn, 3.1%).

Together, these 10 countries accounted for 76% and a value of QR2bn of private sector exports according to the certificate of origin in Q2 -2024, totalling around QR2.6bn, the report further stated.


Officials of Ooredoo Qatar with Schneider Electric after the signing the MoU at CONTEQ Expo 2024.

Ooredoo Qatar, Schneider Electric collaborate on major digital transformation programme

Ooredoo Qatar has announced the signing of a memorandum of understanding (MoU) with Schneider Electric at CONTEQ Expo 2024.

The strategic partnership marks a significant milestone in Qatar's journey towards digital transformation, as both companies aim to collaborate on a comprehensive programme designed to accelerate the deployment of advanced technologies across key sectors.

The partnership will focus on integrating cutting-edge solutions, such as cloud computing, artificial intelligence (AI), and green data centres, driving efficiency and sustainability across industries like utilities, healthcare, energy, and infrastructure.

Hassan Ismail Alemadi, senior director, Business Accounts at Ooredoo Qatar, said: "This collaboration with Schneider Electric aligns perfectly with our commitment to driving digital transformation in Qatar. By leveraging our combined expertise, we are poised to introduce innovative solutions that will elevate Qatar's digital future."

The signing ceremony, attended by senior management, highlights the shared vision of Ooredoo and Schneider Electric to foster innovation and sustainability within Qatar's digital landscape, positioning the country as a leader in the Middle East's digital economy.

Aligning with key national initiatives, such as the Qatar National Vision 2030 and Tasmu Smart Qatar 2030, this collaboration reinforces Ooredoo's commitment to driving digital progress and sustainable innovation in the country.

QICCA participates in China Arbitration Summit 2024

The Qatar International Centre for Conciliation and Arbitration (QICCA) board member for International Relations Sheikh Dr Thani bin Ali al-Thani led the centre's delegation participating in the China Arbitration Summit 2024 and events of the China Arbitration Week, which conclude today in Beijing.

QICCA's delegation also participated in the China-Mena Arbitration Summit, which focused on means to further strengthen communication and co-operation in international commercial arbitration and to promote collaboration in dispute resolution between China and the Middle East and North Africa (Mena) region.

On the sidelines of the summit, Sheikh Dr Thani signed a memorandum of understanding (MoU) with China International Economic and Trade Arbitration Commission (CIETAC) vice-chairman and secretary-general Wang Chengjie. The agreement aims to enhance co-operation between both parties in the field of arbitration and aligns with QICCA's efforts to strengthen its international relations with prominent and prestigious arbitration centres worldwide.

In a statement, Sheikh Dr Thani underscored the importance of signing the agreement in strengthening co-operation and communication between both sides in various fields.

During the summit, QICCA's delegation participated in several events to promote the development of arbitration in Qatar and highlight the role QICCA plays in Qatar.

At the China-Mena Arbitration Summit, Sheikh Dr Thani emphasised the importance of arbitration in Qatar as an alternative means of resolving commercial disputes, highlighting the vital role played by QICCA in the Qatari business community.

He thanked CIETAC for organising the summit and expressed hope that the MoU would contribute to strengthening co-operation between the two entities and facilitating the exchange of expertise and collaboration in organising arbitration-related events.

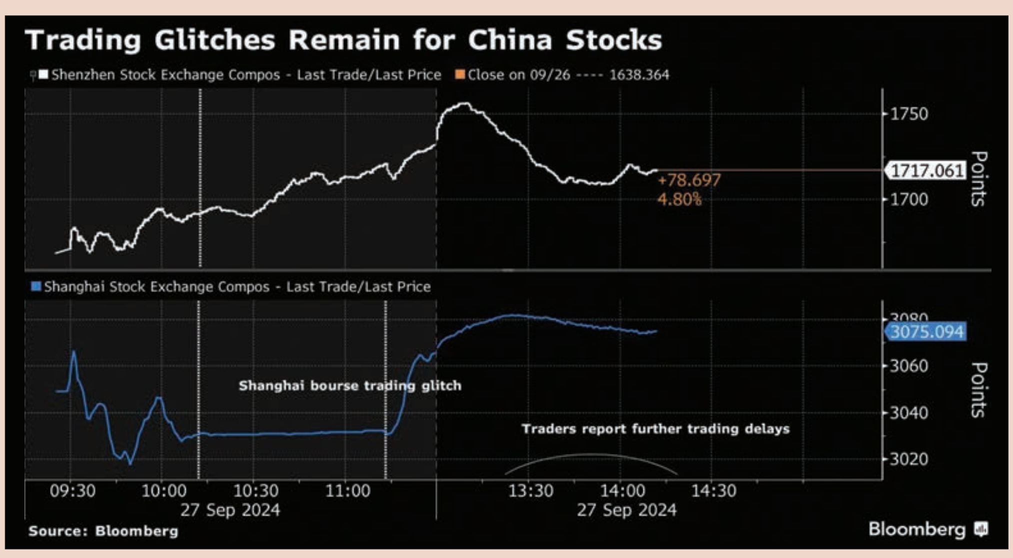
The summit is co-hosted by CIETAC, the UN Commission on International Trade Law (UNCITRAL), the International Federation of Commercial Arbitration Institutions (IFCAI), and the All-China Lawyers Association (ACLA).

The summit focused on the theme 'International Arbitration Transcending Eras' and brought together arbitration and legal experts from across the globe to share their views on cutting-edge and topical issues in the new era, explore the future direction of international arbitration, and jointly develop international arbitration that transcends eras.


QICCA board member for International Relations Sheikh Dr Thani bin Ali al-Thani during the event.

China's market marred by glitches as frenzy grips stocks

Bloomberg
Hong Kong



China's long-awaited stimulus measures may have been too much for the markets to handle.

With shares soaring and turnover reaching 710bn yuan ($101bn) in the first hour of trading on Friday, Shanghai's stock exchange was marred by glitches in processing orders and delays, according to messages from brokerages seen by Bloomberg News. The Shanghai Stock Exchange is investigating reasons for delays, it said in a statement.

The Shanghai Composite Index stayed roughly unchanged from 10.10am for about an hour even as the Shenzhen composite gained 4.4% over the period. As trading resumed, the Shanghai index surged.

Some continued to experience delays in getting orders through in the afternoon session, multiple traders told Bloomberg News. Onshore turnover was fairly muted after 1pm local time.

"I only recall a trading delay like this one during the 2015 rally, but generally it sends a positive signal," said Du Kejun, fund manager at Shandong Camel Asset Management Co. "While it was but a small disruption to our trading, it would have been a big annoyance for firms that were eager to increase their positions today." China's stock markets erased losses for the year, following a blitz of stimulus measures introduced this week. That has sparked a frenzy of trading, with the volume turnover nearing 1tn yuan in the morning session. That's more than the total for a full day seen in recent months.

Investors are rushing in amid a fear of missing out as China's most daring policy campaigns in decades sparked a rally of about 15% in the onshore benchmark this week.

That makes this five-day period through Friday the busiest prior to a national day holiday on record.

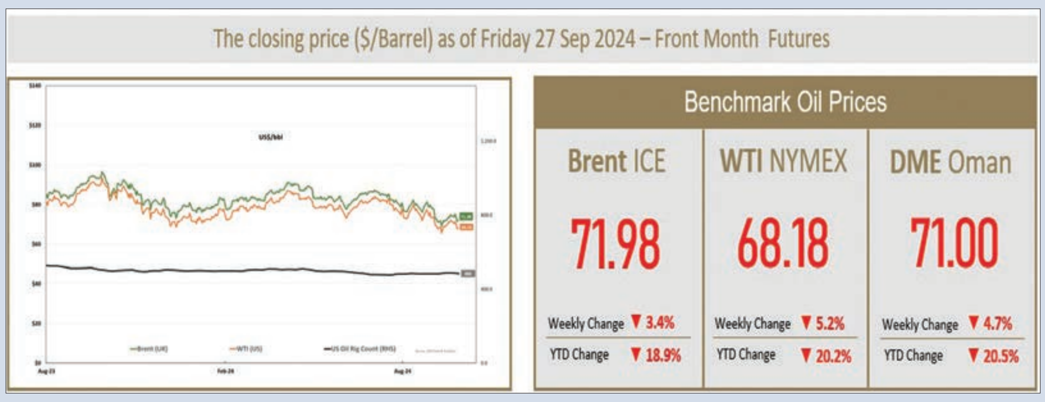
The Politburo, comprising the ruling Communist Party's 24 most-senior officials including President Xi Jinping, vowed to strengthen fiscal and monetary policies and pledged to "strive to achieve" the annual goal, according to a Thursday statement. They also committed to action to make the property sector "stop declining," their strongest vow yet to stabilize the crucial industry.

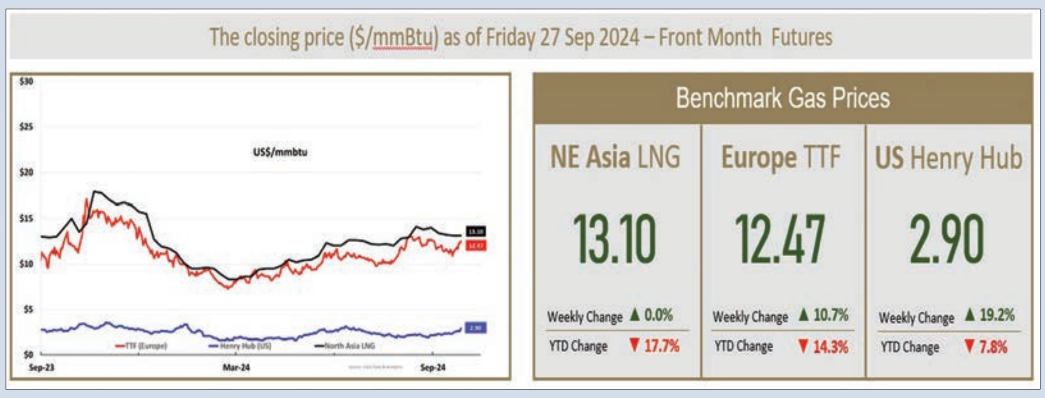
WEEKLY ENERGY MARKET REVIEW

Oil settles higher, but falls in week on firmer supply outlook

www.abhafoundation.org

Energy Liberty and Izumi Maru No 3 anchor off the Port of Hakodate, Japan. Oil prices settled higher on Friday but fell on the week as investors weighed expectations for higher global supply against fresh stimulus from top crude importer China. *Picture supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*





Oil

Oil prices settled higher on Friday but fell on the week as investors weighed expectations for higher global supply against fresh stimulus from top crude importer China. Brent crude futures settled up 38 cents, or 0.53%, at $71.89 per barrel. Front-month US West Texas Intermediate crude futures settled up 51 cents, or 0.75%, at $68.18. On a weekly basis, Brent settled down around 3%, while WTI fell by around 5%. China's central bank on Friday lowered interest rates and injected liquidity into the banking system, aiming to pull economic growth back toward this year's target of roughly 5%. More fiscal measures are expected to be announced before Chinese holidays starting on October 1 after a meeting of the Communist Party's top leaders showed an increased sense of urgency about mounting economic headwinds. The Organization of the Petroleum Exporting Countries and its allies, together known as Opec+, will go ahead with plans to increase production by 180,000 bpd each month starting from December, two Opec+ sources said. A Financial Times report on Wednesday said the planned increase is due to Saudi Arabia's decision to abandon a $100 oil price target and gain market share.

Gas

Asian spot liquefied natural gas (LNG) prices were flat last week amid tepid demand in northeast Asia, though hot weather in Japan weighed on inventories held by major utilities. The average LNG price for November delivery into north-east Asia was at $13.10 per million British thermal units (mmBtu), industry sources estimated. Market sentiment has remained bearish last week, with comfortable inventory levels in China and overall limited prompt spot activities in Northeast Asia. Northeast Asian buyers like Taiwan's CPC and South Korea's Kogas had procured some cargoes for November and December delivery, analysts said. In Europe, underground gas storage is also at about 93% full, reducing the immediate need for LNG cargoes in the prompt market. Europe benchmark gas prices were impacted last week by a colder weather forecast for the end of the month and October, and changes to Norwegian maintenance outages and supply. In the US, natural gas futures jumped about 5% to a 14-week high on Friday as Hurricane Helene battered the US Southeast after causing Gulf of Mexico producers to cut output and knocking out power to millions of customers in Florida, Georgia and the Carolinas.

■ *This article was supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

Sheikh Dr Khalid bin Thani bin Abdullah al-Thani, QIIB chairman.

QIIB successfully listed its $300mn Tier 1 capital sukuk on the LSE during a bell-ringing ceremony attended by Dr Abdulbasit Ahmad al-Shaibei, CEO, QIIB and Abdulla al-Ghanim, Qatar's Commercial Attaché in the UK among other dignitaries.

QIIB 'successfully' lists its $300mn Tier 1 capital sukuk on LSE

QIIB has successfully listed its $300mn Tier 1 capital sukuk on London Stock Exchange (LSE) during a bell-ringing ceremony attended by Dr Abdulbasit Ahmad al-Shaibei, CEO, QIIB and Abdulla al-Ghanim, Qatar's Commercial Attaché in the UK among other dignitaries.

The ceremony was also attended by distinguished officials from the LSE, alongside Sheikh Mohammed bin Ali al-Thani, chief of the Treasury and Investment Sector; Hossam Khattab, chief of the Financial Sector; and Mahmoud al-Ahmad, head of Treasury and Investment at QIIB.

On September 24, QIIB successfully issued a $300mn sukuk as part of its first tranche of capital, designed to strengthen the bank's capital base, while seizing opportunities in the international sukuk market.

The issuance garnered significant demand, with subscription requests surpassing $2.5bn — more than eight times the offering — attracting a broad array of global investors.

Competitively priced at 187 basis points over the US Treasury average for a 5.5-year term, the sukuk achieved a final annual yield of 5.45%, marking one of the tightest pricing for similar issuances, regionally and globally.

Sheikh Dr Khalid bin Thani bin Abdullah al-Thani, chairman, Board of Directors of QIIB remarked: "We are pleased to be listed on London Stock Exchange following the successful issuance of our $300mn perpetual sukuk.

"This milestone reflects the prestigious standing of the Qatari economy and the high confidence it enjoys from investors worldwide.

This trust enables us to further enhance our activities and fortify our financial position both locally and internationally."

He continued: "Listing QIIB's sukuk on London Stock Exchange reinforces the bank's commitment to engaging with global investment markets and deepens the long-standing ties we have cultivated with this prestigious international exchange. London remains a leading global financial hub and an important centre for Islamic finance."

He noted: "With each sukuk issuance, we witness increasing confidence in QIIB on the global stage, as demonstrated by the substantial demand for our offerings. We have successfully built strong relationships with investors across the globe and remain committed to achieving the best possible performance for QIIB.

"Our achievements are further reflected in our qualitative leaps across various performance indicators, as well as our high credit ratings, which underscore the bank's operational strength and resilience," Sheikh Khalid added.

The issuance was arranged by Standard Chartered Bank as the sole global coordinator, along with Al Rayan Investment Company, Citibank, Doha Bank, Dubai Islamic Bank, Dukhan Bank, Emirates NBD Capital, HSBC, Lesha Bank, Mashreq, QNB Capital, and Warba Bank as joint lead managers and book runners.

Sukuk's 'favourable' pricing reinforces Qatar's global appeal, economic strength: Al-Shaibei

By Pratap John
Business Editor

Dr Abdulbasit Ahmad al-Shaibei, QIIB CEO.

The favourable pricing of QIIB's $300mn Tier 1 sukuk on the London Stock Exchange reinforces the global appeal and strength of the Qatari economy, which continues to enjoy exceptional investment attractiveness, noted CEO Dr Abdulbasit Ahmad al-Shaibei.

"Qatar's strong and attractive economy plays a pivotal role in supporting the country's institutions, especially the banks. The significant demand for our sukuk reflects the financial strength and credit worthiness of QIIB, which is backed by the assets quality, strong liquidity, robust capitalisation, and high efficiency in the banking sector," Dr al-Shaibei said in an interview with *Gulf Times*.

"We are proud to celebrate another significant milestone in our journey towards growth and innovation as we list our $300mn Tier 1 sukuk on the London Stock Exchange. This is particularly notable as it marks the fourth time QIIB has listed a sukuk on this esteemed exchange and the second time in 2024, following the successful issuance of our $500mn sustainability sukuk in January this year."

The CEO explained: "Issuing the sukuk within the Tier 1 capital framework is a strategic move to bolster QIIB's financial strength and meets our growth ambitions. This also enhances our presence in international markets and strengthens relationships with global investors and financial institutions."

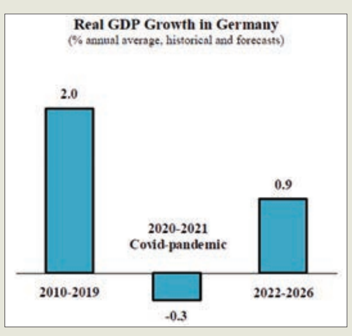
"Earlier this year, QIIB issued a $500mn sustainable sukuk, listed on the LSE. As Qatar's first institution to issue sustainable sukuk, we received a phenomenal response from investors across the globe. The $500mn sustainability sukuk represents a source of immense pride for QIIB, highlighting our commitment to sustainability and ethical financing."

Acknowledging the strong demand for QIIB's sukuk, Dr al-Shaibei stated: "The overwhelming interest in our $300mn issuance, with subscriptions exceeding eight times the offering, reaffirms our strategic direction and reinforces our confidence in pursuing further growth.

"We are also pleased that the pricing of this issuance ranks among the most competitive for similar offerings both regionally and locally, with a final return of 5.45% per year."

Dr al-Shaibei expressed his gratitude to the partner banks and advisors who played a pivotal role in the successful issuance, including Standard Chartered Bank as sole global coordinator, along with Al Rayan Investment, Citibank, Doha Bank, Dubai Islamic Bank, Dukhan Bank, Emirates NBD Capital, HSBC, Bank Lesha, Mashreq, QNB Capital, and Warba Bank as joint lead managers.

Germany's real GDP expected to remain unchanged in 2024: QNB



Germany's real GDP is expected to remain unchanged in 2024 and average 1% growth in the next several years, according to QNB.

"This is an underwhelming performance as the economy faces significant hurdles from the negative trends in the industrial sector, inadequate infrastructure, and loss of competitiveness.

"Importantly, this is not only a result of cyclical weakness, but a secular trend that would require deep policy changes for a turnaround and the return of healthier growth rates," QNB said in an economic commentary.

Historically, Germany was portrayed as the epitome of high productivity, displaying superior engineering expertise and a strong work ethic.

Not surprisingly, Germany has also acted as the economic powerhouse of Europe during extended periods of time, including the post-World War II recovery and after the country's unification.

However, over the last couple of decades, several headwinds started to mount. These included negative demographic trends, red tape, policy missteps, an inability to upgrade leading manufacturing sectors and adapt to the digital age.

As a result, Germany's economy started to underperform in recent years, to the point where the country has even been referred to as the "sick man of Europe", QNB noted.

Since Q4-2019, the last quarter before the Covid pandemic began to unleash its impact globally, Germany's real GDP has remained practically unchanged.

Five years of lost economic growth is not a minor setback in a rapidly evolving context where the world economy is expanding at an average rate of 3% per year.

Furthermore, on an accumulated basis, it compares poorly with the 9% expansion for the US, or even the 5% growth for the rest of the Euro Area during the same period.

For the 2022-2026 period, economic growth in Germany is expected to average 0.9% per year, much below the pre-pandemic average of 2%.

Understanding Germany's economic stagnation requires an analysis of external and internal conditions, as well as cyclical and structural challenges, QNB said.

In this article, QNB analyses three key factors that explain Germany's economic underperformance.

First, the manufacturing sector, once a pillar of Germany's successful development story, is extending a sustained period of decline and has turned into a drag for growth. More than in most countries, manufacturing is a key sector in Germany, where it has represented close to 22% of GDP in recent years.

This weight increases to approximately 35% when taking into account its impact on other sectors, spanning from raw materials to services, such as logistics and financing.

Historically, between 2000 and the peak in 2017, the industrial component of real GDP grew at an annual rate of 1.9%. This robust pace reversed dramatically afterwards, and its contribution to GDP growth turned negative as the sector faced a successive series of negative shocks.

Adverse events included escalating global trade tensions, a slowing world economy, the Covid-pandemic, a severe shortage of semiconductors, and the energy crisis due to the Russo-Ukrainian war (to which Germany was particularly vulnerable given its reliance on Russian gas).

Since its peak in 2017, industrial production accumulates a contraction of 16%, a striking divergence with the 1.7% growth for the US, or even the 2% decline for the rest of the Euro Area during the same period.

Automobile production, one of Germany's flagship industries, is impacted by a shift of consumer preferences towards electric vehicles, stricter environmental regulations, and a shortage of skilled workers.

Automobile production has fallen by 28% from the 471 thousand units per month in 2017 to 337 thousand in 2024. This is a significant challenge to the economy, given that the automotive manufacturing represents 5-7% of GDP in Germany, compared to 2-3% in the US and France. Given the importance of manufacturing, these trends are dragging the performance of the German economy.

Second, conservative fiscal policy has led to an underfunding in key infrastructure areas, such as transportation, digital technology and energy, contributing to the decline in economic growth. Germany's commitment to fiscal discipline is embodied in rules such as 'Schwarze Null' (Black Zero), which target a balanced budget without incurring new debt.

As a result, the public balance sheet in Germany is one of the strongest amongst major advanced economies. The ratio of public debt to GDP is 64% and falling, in contrast to the levels of 122% and 112% for the US and France, respectively.

However, fiscal discipline has come at a cost in terms of low levels of public investment, which in 2023 fell to 2.6% of GDP, compared to 4.1% in France, for example.

As a result, ageing infrastructure for transportation and energy, and lagging digital technology are hindering long-term economic growth.

Third, the economy faces significant institutional challenges that continue to erode German competitiveness and productivity. The World Competitiveness Report provides a useful assessment of competitiveness across countries.

Just a decade ago, Germany was ranked 6th in the world. However, since then, the country dropped markedly in the rank to the 24th position this year, QNB said.