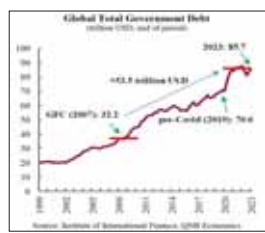


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GULF TIMES BUSINESS



Exxon weighing chemicals output boost as EVs threaten use of gasoline

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The agreement was signed by Sheikh Ali bin Jabor al-Thani, chief executive officer, Ooredoo Qatar and Sheikh Mohamed HF al-Thani, chief executive officer, QFZ. The new strategic partnership announced yesterday aims to expand the connectivity and ICT solutions available to prospective and existing investors and businesses in the free zones.

Ooredoo, QFZ sign MoU to support global businesses and investments in Qatar

■ Collaboration to transform Qatar into a global business hub, empowering foreign businesses to operate seamlessly and establish a strong foundation for growth

Ooredoo signed a memorandum of understanding (MoU) with the Qatar Free Zones Authority (QFZ) to support international businesses and investments in the country.

The new strategic partnership announced yesterday aims to expand the connectivity and ICT solutions available

to prospective and existing investors and businesses in the free zones.

This collaboration is set to transform Qatar into a global business hub, empowering foreign businesses to operate seamlessly within the country and establish a strong foundation for their growth.

The agreement was signed by Sheikh Ali bin Jabor al-Thani, chief executive officer, Ooredoo Qatar and Sheikh Mohamed HF al-Thani, chief executive officer, QFZ at Ooredoo's headquarters.

Sheikh Ali said, "Ooredoo is committed to delivering cutting-edge solutions and connectivity services that empow-

er businesses of all sizes and sectors to thrive. This landmark partnership with QFZ marks a significant milestone in our dedication to supporting international businesses and investment in the country, significantly contributing to upgrading Qatar's business ecosystem, fostering innovation, and - ultimately - driving economic growth."

As part of this agreement, Ooredoo will offer a comprehensive suite of business products and services, encompassing fixed and mobile connectivity services, as well as cutting-edge ICT solutions.

These offerings will be extended to QFZ

and its network of investors, providing them with preferential commercial terms and making it easier than ever to establish and expand their operations.

Sheikh Mohamed said, "This partnership marks a key milestone for expanding the ICT and telecommunications services that QFZ investors can leverage in the free zones. As the Ooredoo presence comes online through a dedicated office in the Investor Relations Center in the Business Innovation Park in Ras Bufontas Free Zone, investors will be able to integrate state-of-the-art ICT and telecoms services seamlessly into their businesses, of-

fered at a lower cost and in a customised and tailor-made manner to meet business needs."

QFZ was established in 2018 and launched soft operations in 2020 to oversee and regulate world-class free zones in Qatar and secure fixed investments within the zones. It offers outstanding opportunities and benefits for businesses seeking to establish operations and expand regionally and globally, providing quality infrastructure, a skilled workforce, 100% foreign ownership, access to investment funds, tax exemptions and partnership opportunities with Qatari entities.

Fourth Qatar-Poland tech forum in Doha to focus on big data, renewable energy

By **Santhosh V Perumal**
 Business Reporter

The fourth Qatar-Poland New Tech forum will take place in Doha this week, bringing together experts and decision-makers from the Gulf Co-operation Council (GCC) and Central Eastern Europe (CEE) regions with a focus on big data.

The agenda spans crucial topics including trusted data analytics, cybersecurity, renewable energy, and climate change mitigation strategies such as CCUS (Carbon Capture, Usage and Storage).

The forum, which is being held on September 26 at the Ritz-Carlton, offers a unique platform for dialogue, featuring a diverse panel of industry leaders, government officials, and academics. Attendees will benefit from networking opportunities, potential collaborations, and insights into the tech landscapes of Qatar and Poland.

"This year, the number of institutions involved to build on the success of the previous editions, is growing," Janusz Janke, ambassador of Poland to Qatar told the media.

Spearheaded by the Qatar-Poland Business Council and the Embassy of Poland in Doha,



From left: Grzegorz Gawin, Minister Counsellor, Embassy of Poland; Janusz Janke, ambassador of Poland to Qatar, and Pawel Kulaga, chairman of Qatar-Poland Business Council, disclosing the agenda for the Qatar-Poland New Tech forum. **PICTURE:** Shaji Kayamkulam

the forum enjoys strategic partnerships with stakeholders like the Qatar Financial Centre (QFC), ORLEN (the Polish multi-energy conglomerate), The Open Group OSDU Forum, SLB, Investment Promotion Agency of Qatar (IPA Qatar), Qatar Science and Technology Park, UN Office of Counter-Terrorism (UNOCT) and QTerminals.

Highlighting that organisations are grappling with chal-

lenges in managing diverse and unstructured data, which often takes up a large chunk of project time; the organisers said focused discussions will tackle these data complexities, exploring practical applications of big data and IoT in sectors like energy and cybersecurity. The aim is to improve data management and facilitate informed decision-making while addressing cybersecurity threats, they added.

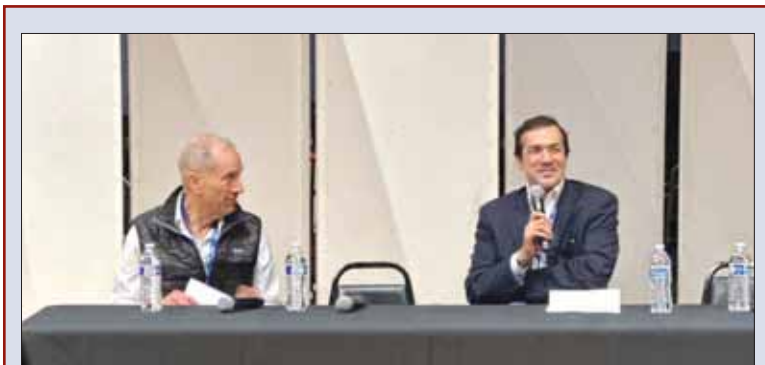
"The platform is to combine oil and gas companies with IT sectors to share big data, which is playing crucial role in both the industries," said Pawel Kulaga, chairman of Qatar-Poland Business Council.

Aligned with global sustainability goals, the event will delve into technological innovations

for integrating renewable energy sources and utilising CCUS for climate change mitigation.

In collaboration with The Open Group OSDU Forum, the event will highlight the need for a unified, open-source, standards-based data platform for the energy industry. This is especially relevant as the sector transitions toward renewable resources and faces evolving regulatory frameworks.

"As the energy sector adapts to consumer demands, participants will discuss the imperative for a common data platform. Such a platform is essential for providing quick access to key business information, thus enhancing cost efficiency, transparency, and compliance," the organisers said.



HE the Minister of State Ahmad al-Sayed, also chairman of the Board of Directors of Qatar Free Zones Authority (QFZ), spoke at a panel discussion as part of the Wyoming Global Technology Summit in the US.

QFZ chairman speaks at Wyoming Global Technology Summit

HE the Minister of State Ahmad al-Sayed, also chairman of the Board of Directors of Qatar Free Zones Authority (QFZ), spoke at a panel discussion as part of the Wyoming Global Technology Summit (WGTS) in the US.

This year's WGTS focused on economic diversification through the tactical deployment of energy-created wealth. The summit regularly brings together government leaders, high-tech entrepreneurs, and financial experts to discuss the most pertinent issues related to economic diversification. Al-Sayed's perspective included the role of foreign direct investment on economic diversification and job creation. He highlighted Qatar's unique role in using wealth and investment to target job

creation and economic advancement. While in Jackson Hole, al-Sayed met with a number of local government and business leaders to discuss methods of enhancing the bilateral trade and investment relationship between Qatar and the State of Wyoming.

Al-Sayed also met on the sidelines of the conference with Doug Burgum, Governor of North Dakota. They also discussed bilateral trade and investment opportunities between the State of Qatar and North Dakota. The conference brought together some of the preeminent wealth and technology leaders from around the world to explore methods of economic diversification and technology on rural populations in Wyoming globally.



AI fantasy fades as Wall Street reels from real-world rate jump

Bloomberg
Washington

For stock investors for much of this year, the trillion-dollar AI promise has masked a big threat in this era of Federal Reserve hawkishness: Real-world borrowing costs have jumped across Corporate America. Now Wall Street is fretting over the monetary danger in a week that Jerome Powell signalled his resolve once again to keep the policy stance tight – sparking a rout across Big Tech and beyond. His tool of choice to cool the still-hot US economy: Ensuring interest rates adjusted for inflation – seen as true cost of money for borrowers – stay elevated. Real yields, which touched decade-highs this week, need to stay meaningfully positive “for some time,” the Fed chief said at the policy gathering. It’s a chilling message for the top-heavy US equity market. Double-

digit gains this year have been fuelled by optimism that nascent technologies such as artificial intelligence will unlock a new wave of growth for technology companies, justifying the sector’s eye-watering valuations. Yet scepticism is setting in as the cost of capital climbs, threatening to pressure companies big and small. “A higher cost of capital is detrimental to equity valuations,” said Que Nguyen, chief investment officer of equity strategies at Research Affiliates. “That said, big tech are unique companies with low leverage, fat cash flows, and wide economic moats, and these characteristics justify higher than average valuations. But at some point, the absolute and relative valuation can’t be stretched more, and we may be approaching that point for several tech names.” The prospect of higher rates hit assets across the board. Homebuilders fell for the

seventh time in eight weeks as a group, while a basket of unprofitable technology firms tumbled with echoes of the market turmoil in March. No wonder: Benchmark 10-year real rates climbed as high as 2.12% intraday on Thursday, the highest level since 2009. “As part of the Fed’s role is to be a champion for the US economy, Powell runs the risk of overplaying the optimism – leaving risk assets vulnerable to fallout from higher real yields,” wrote Ian Lyngen of BMO Capital Markets in a note. Sustainably high real rates serve to tightening financial conditions – an oft-stated goal of the Fed chair. More expensive funding costs increase the cost of doing business and put pressure on the likes of tech shares because their long-term earnings prospects now have to be discounted at higher rates. At the same time assets that lack income streams like cryptocurrencies look less

appealing given the opportunity costs to hold them compared to a Treasury bond that pays out a real return. The tech-heavy Nasdaq 100 has dropped more than 5% so far in September, on track for a back-to-back loss and its worst monthly showing of 2023 as high-flyers such as Tesla Inc. and Microsoft Inc stumble. Even with the hosing, the index is trading at more than 31 times annual earnings – lower than the halcyon days of 2021, but higher than almost any point in the past decade. UBS Group AG is among those that expect the central bank won’t hike again this year. But Powell’s emphasis that higher real yields are needed in the last leg of his fight against inflation introduces uncertainty to that sanguine projection. “The FOMC clearly sees higher real rates as needed to restore price stability,” UBS economists including Jonathan Pingle

wrote in a report. “The FOMC signalling their intentions for a higher real rate, more restrictive for longer, than we previously assumed, suggests the risks to our rate call clearly skew upward.” Yet the credit cycle remains weirdly resilient with risk premiums across investment-grade and high-yield bonds steady. As such to Apollo Global Management Inc.’s Torsten Slok, the rallies across risky assets this year are unsustainable. Funding costs are poised to stay elevated, and investors across assets should prepare accordingly, he said. “We’re going to see the cost of capital bite harder and harder on companies every single day,” Slok, Apollo’s chief economist, said on Bloomberg Television. “We begin to run the risk of course that we’re going to see more companies defaulting and on the consumer side, more people falling behind on their payments.”

Exxon weighs chemicals output boost as EVs threaten gasoline use

Bloomberg
New York

Exxon Mobil Corp, which operates one of the world’s biggest oil-refining networks, is trying to be more responsive to changing consumer demands as the energy transition gathers pace. The changes it’s considering include potentially replacing some gasoline production with chemicals.

The oil giant has long pursued a strategy of upgrading refineries to expand production and make higher-value products from crude oil such as lubricants and plastic feedstock. But it now sees those projects potentially helping the company to move away from traditional fuels, demand for which is likely to wane in coming decades.

The strategy, discussed by this week by executives at a presentation to investors and media, shows how even Exxon, one of the leading proponents of fossil fuels, is being forced to reckon with a future in which electric vehicles significantly eat into gasoline consumption.

Exxon has already reduced production of fuel oil and high-sulphur petroleum at refineries in Singapore and the UK. Over time, it’s open to cutting output of gasoline, the focus of the company’s refining business since Henry Ford introduced the Model T nearly 100 years ago. The goal is to produce more chemicals, found in everything from paint to plastic, for which there are few low-carbon alternatives.

“We’re planning on modifying some of that yield from gasoline to distillate and chemicals feed,” Jack Williams, Exxon senior vice-president, said on Wednesday at the company’s office in Spring, Texas. “We’ve got projects that we know we would do to take those steps.”

Exxon gets most of its earnings from oil and natural gas production but refining has always been in its corporate DNA, right back to its original incarnation as part of John D. Rockefeller’s Standard Oil, which



The Esso Fawley Oil Refinery, operated by Exxon Mobil Corp, in UK. The oil giant is trying to be more responsive to changing consumer demands as the energy transition gathers pace.

was established in the 19th century. Refining allows Exxon to earn money right along the fossil fuel supply chain, from the wellhead to the gas tank. But with traditional fuels such as gasoline under threat from EVs, refineries worldwide are being forced to adapt quickly. Some European plants shut down during the pandemic, while others in the US switched to biodiesel.

Exxon wants to take a more nuanced approach by upgrading facilities to switch in and out of products depending on demand.

To give an example, an Exxon refinery in Singapore used to produce fuel oil that sold for \$10 per barrel below the price of Brent crude, but after a recent upgrade, the facility produces lubricant base stocks that sell for \$50 above Brent.

Exxon has upgraded and added to its refineries at Fawley in the UK and Beaumont in Texas to produce more diesel, which is used for heavy-duty transportation and is less vulnerable to competition from electric vehicles. “You just have more variables now

due to the energy transition,” said Jay Saunders, a natural resources fund manager at Jennison Associates, which has \$186bn under management. “Having a high-quality refining asset with flexibility will be very important.”

Exxon’s refining and chemicals footprint is at least double that of its Big Oil competitors, potentially making it more vulnerable to a speedy energy transition, and especially the growth of electric vehicles. But executives believe the potential for reconfigurations is far greater than that of its peers, providing an opportunity to profit in a low-carbon future.

“This really allows us to pivot as demand evolves,” said Karen McKee, President of Exxon’s Product Solutions division.

Biodiesel is particularly attractive to Exxon because reconfiguring its existing refineries costs about half as much as building a new plant, said Neil Hansen, senior vice president of product solutions. Demand for biodiesel, which is manufactured from vegetable oil or recycled restaurant

grease, is expected to quadruple to 9mn barrels a day by 2050, he said.

Exxon is halfway through an eight-year plan to overhaul its fuels and chemicals division, which also involves cutting costs, improving operational performance and selling assets that don’t make the grade. Exxon will operate just 13 refineries worldwide by the end of 2023 after selling five in the past four years to focus on the biggest and lowest-cost operations.

Chemicals will be key to the strategy’s success. Exxon sees demand growth for its high-performance chemicals at about 7% a year, contrasting sharply with gasoline, which is expected to peak globally by the end of the decade. To keep up with this demand, Exxon plans to build a new dedicated chemical plant every four to seven years, Williams said.

The company’s refineries provide an additional means to make chemicals, but they will focus on responding to consumer preference rather than making a big bet on any particular product, Williams said.

US banks fearing a liquidity crunch pay more to cling to cash

Bloomberg
New York

Banks are paying up to protect their cash holdings from sinking further and to safeguard against future runs on deposits, according to Bank of America Corp (BofA).

Big and small institutions alike started doing this even before the turmoil in the US banking system in March, said strategists Mark Cabana and Katie Craig. Data show large time deposits – or certificates of deposit issued in amounts greater than \$100,000 – have risen by about \$675bn since the beginning of the Federal Reserve’s balance sheet unwind in June 2022.

“It is expensive to maintain deposits but banks appear willing to pay the price,” the strategists wrote in a note to clients on Friday. “Banks likely want an extra buffer of cash due to rapid deposit outflows and to manage shareholder perception about their overall liquidity.”

In the 18 months since the central bank started hiking interest rates, cash has been flowing out of the banking system in search of higher-yielding alternatives. With the Fed pledged to keep interest rates at current levels for longer and deposits continuing to leave, the risk that bank reserves will deplete is increasing. That could force the monetary authority to halt its quantitative tightening earlier than intended.

With lenders still jittery following the failures of Silicon Valley Bank and Signature Bank, the Fed’s most recent survey of financial offers published in August showed that roughly 79% of respondents said their institutions preferred to hold additional reserves above the lowest comfortable level. Nearly half of

those respondents also reported increased borrowing from Federal Home Loan Banks as the result of the stress in March.

Scarcity has also caused problems in the past, most notably in September 2019, when the Treasury increased borrowing and the Fed stopped buying as many Treasuries for its balance sheet. Balances dropped by nearly \$166bn to \$3.14tn in the week through September 20, Fed data show. Wall Street strategists have estimated the banking system’s aggregate lowest comfortable level of reserves is somewhere around \$2.5tn.

Fed policymakers have said the banking system’s lowest comfortable level of reserves is roughly 8% to GDP, which is a small buffer above the level in September 2019. Yet, the BofA strategists say, recent bank liquidity preferences may imply scarcity closer to when reserves are roughly 10% of GDP – which means QT might end once balances at the overnight reverse repo facility, or RRP, reach zero near the end of 2024.

There’s also a risk that bank liquidity preferences spur a more rapid increase in funding costs than market participants anticipate, especially after the RRP is depleted. That’s because liquidity strained commercial banks might be unwilling to backstop the overnight repo market amid rising rates as its not seen as the equivalent to reserve cash holdings.

“We are uncertain of the macro conditions that will prevail when ON RRP depletes to zero,” Cabana and Craig wrote. “A higher for longer rate environment and continued bank deposit outflows could contribute to banks remaining liquidity strained towards end-’24, which risks funding pressure.”

Wells Fargo prepares for wealth battle after \$1bn turnaround

Bloomberg
New York

Three years and nearly \$1bn later, Wells Fargo & Co is finally playing offence in one of Wall Street’s hottest battlegrounds: Wealth management.

The banking giant is trying to lure hundreds of independent advisers to join its platform as part of a larger push to expand the firm’s business catering to rich clients, according to Barry Sommers, who oversees Wells Fargo’s wealth and investment management unit. The independent offering is already Wells Fargo’s fastest-growing wealth channel.

“We believe over the next three to five years there’s a significant opportunity to gain a lot of market share,” Sommers said in an interview from Wells Fargo’s offices in New York’s Hudson Yards neighbourhood. The moves are a far cry from just a few years ago, when Wells Fargo’s wealth division was hit particularly hard by a series of scandals that have long plagued the bank. Advisers were fleeing by

the thousands and, what’s worse, they were taking their lucrative clients with them.

When Chief Executive Officer Charlie Scharf took the reins at Wells Fargo in 2019, he quickly tagged the firm’s wealth offerings as an area he’d seek to develop. For the turnaround, Scharf turned to Sommers.

The division’s assets under management don’t sit on the firm’s balance sheet, so Wells Fargo can expand in wealth management without running up against a Federal Reserve-imposed asset cap that’s prohibited the firm from growing beyond its size at the end of 2017.

It’s not the first time Sommers and Scharf have set out to improve a bank’s wealth operations: The pair previously worked together at JPMorgan Chase & Co, where they developed a private client offering to serve wealthy branch customers.

After Sommers joined Wells Fargo in 2020, he asked Scharf for \$1bn to invest over multiple years in the beleaguered division, according to person familiar with the matter, who asked not to be named



A Wells Fargo bank branch in New York. The banking giant is trying to lure hundreds of independent advisers to join its platform as part of a larger push to expand the firm’s business catering to rich clients.

discussing internal deliberations. He then spent the intervening years remaking the unit’s management team, simplifying its structure and upgrading the technology.

“Fixing the place” was step one when he arrived, Sommers said, declining to comment on

the precise amount the company invested in the business. The 54-year-old was responsible for everything “from digital account opening to getting rid of fax machines, I mean you name it.” Banks large and small have swarmed the wealth-management space in re-

cent years, citing the explosion in global wealth and opportunity for steady fee income. Forging closer ties to rich customers also offers connectivity with other businesses, such as investment banking.

One of Sommers’s first moves was to slim down the number of ways Wells Fargo distributes its different wealth offerings. These days, the firm has just three of these so-called channels: advisers that sit in bank branches across the country, the firm’s traditional wirehouse and FiNet, the fast-growing network of independent advisers.

Already, that makes Wells Fargo unique. The firm is one of just four banks that house a major wirehouse offering. The others – Bank of America Corp’s Merrill Lynch, Morgan Stanley and UBS Group AG – don’t have an independent option for advisers to go to whenever they’re looking to leave.

In recent weeks, Wells Fargo lured teams from Morgan Stanley and Raymond James Financial Inc to the independent platform. The wirehouse offering has also been adding a bevy of talent recently, in-

cluding two advisers in Fort Worth from JPMorgan Chase & Co.

Wells Fargo has had the FiNet offering for more than 20 years; already, it’s home to more than 1,600 advisers. That compares with the 12,000 employed across the traditional wirehouse and branch offering at year-end.

The advisers in FiNet are contractors rather than Wells Fargo employees. That means they get higher annual payouts but also shoulder more of the costs associated with their business; for instance, independent advisers are responsible for securing office space and equipment, training and paying underlings and doing their own marketing. Still, the setup is less profitable for Wells Fargo. But the lender views it as an opportunity to boost revenue while keeping more of its advisers on its platform.

“We really do believe that five years from now the independent channel will be our biggest channel,” Sommers said.

“We’re not sitting there worrying about margins, we’re worrying about building the right platform for advisers and clients.”

The Qatar Stock Exchange (QSE) index gained 3.68 points or 0.04% during the week to close at 10,322.96. Market capitalisation edged lower by 0.01% to QR605.2bn compared with QR605.3bn at the end of the previous trading week.

Of the 51 traded companies, 24 ended the week higher and 26 ended lower, while one was unchanged.

Qatar Navigation (QNNS) was the best performing stock for the week, rising 8.7%. Meanwhile, Qatar German for Medical Devices (QGMD) was the worst performing stock for the week, down 15.7%.

Industries Qatar (IQCD), Qatar Navigation (QNNS) and Ooredoo (ORDS) were the primary contributors to the weekly index gain. IQCD and QNNS added 51.86 and 37.26 points to the index, respectively. Further, ORDS contributed another 12.85 points.

Traded value during the week declined 36.4% to reach QR2,278.8mn from QR3,583.9mn in the prior trading week. Gulf International Services (GISS) was

the top value traded stock during the week with total traded value of QR248.3mn.

Traded volume decreased 31.5% to reach 872.5mn shares compared with 1,273.3mn shares in the prior trading week. The number of transactions fell 22.5% to 80,343 vs 103,630 in the prior week. GISS was the top volume traded stock during the week with total traded volume of 89.2mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR55.5mn vs net buying of QR69.9mn in the prior week. Qatari institutions remained bearish with net selling of QR27.0mn vs net selling of QR11.5mn in the week before. Foreign retail investors ended the week with net selling of QR3.5mn vs net buying of QR15.8mn in the prior week. Qatari retail investors recorded net selling of QR25.1mn vs net selling of QR74.3mn the week before.

YTD (as of Thursday's closing), global foreign institutions were net short \$166.5mn, while GCC institutions were net buyers of Qatari stocks by \$724.8mn.



Weekly Market Report

Market Indicators	Week ended, Sept 21, 2023	Week ended, Sept 14, 2023	Chg. %
Value Traded (QR mn)	2,278.8	3,583.9	(36.4)
Exch. Market Cap. (QR mn)	605,236.5	605,288.3	(0.0)
Volume (mn)	872.5	1,273.3	(31.5)
Number of Transactions	80,343	103,630	(22.5)
Companies Traded	51	51	0.0
Market Breadth	24:26	25:24	-

Source: Qatar Exchange (QE)

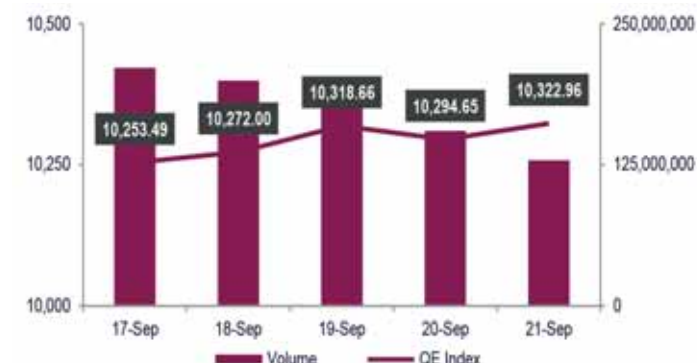
Market Indices	Close	WTD%	MTD%	YTD%
Total Return	22,154.52	0.0	1.3	1.3
ALL Share Index	3,464.54	0.1	0.8	1.4
Banks and Financial Services	4,127.78	(1.0)	(2.3)	(5.9)
Industrials	4,245.49	1.4	7.3	12.3
Transportation	4,638.63	1.4	5.7	7.0
Real Estate	1,503.51	0.4	(0.1)	(3.6)
Insurance	2,500.65	3.1	3.0	14.4
Telecoms	1,612.05	1.9	(0.8)	22.3
Consumer Goods & Services	7,498.26	(1.3)	(1.7)	(5.3)
Al Rayan Islamic Index	4,589.36	0.7	1.7	(0.0)

Source: Qatar Exchange (QE)

Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,322.96	0.0	1.3	(3.4)	628.83	165,955.8	12.9	1.4	4.8
Dubai	4,179.68	3.6	2.4	25.3	648.48	190,547.4	9.6	1.4	4.4
Abu Dhabi	9,845.99	0.5	0.4	(3.6)	1,247.84	753,604.1	31.9	3.0	1.6
Saudi Arabia*	11,061.50	(0.8)	(3.7)	5.6	7,511.37	2,999,588.6	18.5	2.1	3.4
Kuwait	6,936.46	(1.3)	(1.0)	(4.9)	634.35	144,881.9	16.2	1.5	4.0
Oman	4,676.84	(1.0)	(2.5)	(3.7)	30.61	22,232.4	13.0	0.9	4.7
Bahrain	1,929.51	(0.1)	(1.2)	1.8	13.09	54,642.8	7.2	0.7	8.7

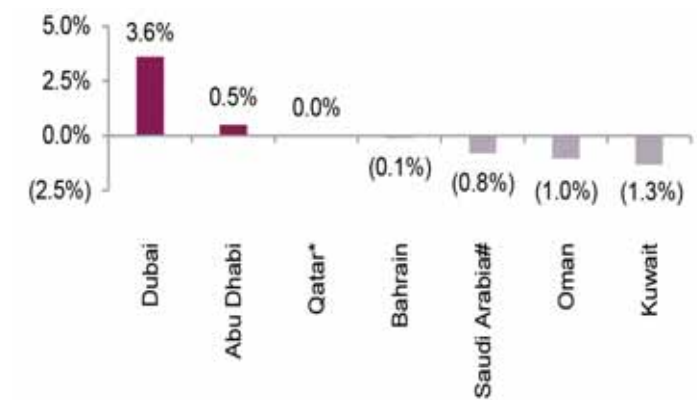
Source: Bloomberg

QSE Index and Volume



Source: Qatar Exchange (QE)

Weekly Index Performance



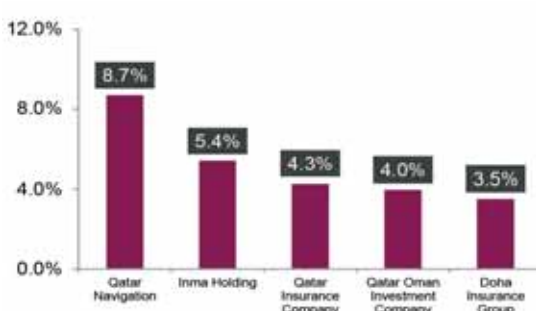
Source: Bloomberg

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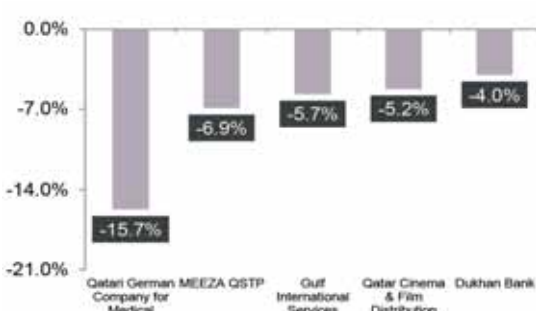
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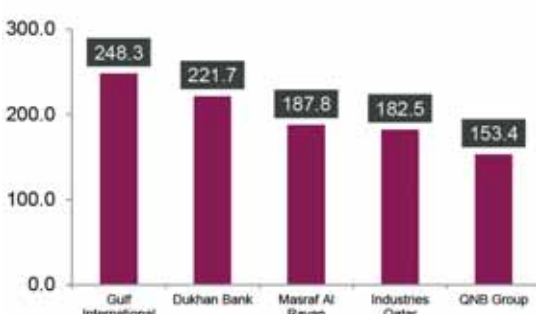
Top Five Gainers



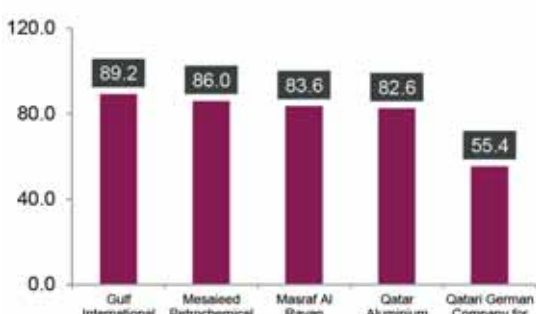
Top Five Decliners



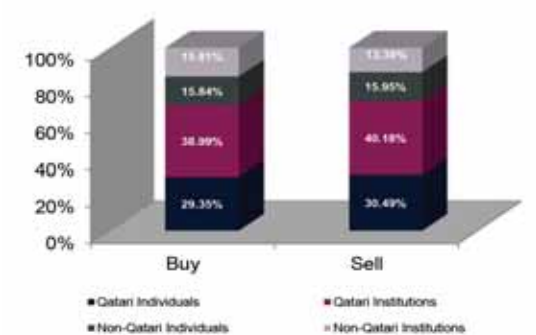
Most Active Shares by Value (QR Million)



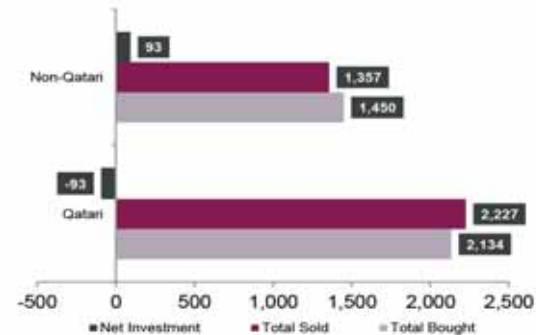
Most Active Shares by Volume (Million)



Investor Trading Percentage to Total Value Traded



Net Traded Value by Nationality (QR Million)



Company Name	Last Price	% Change Weekly	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	15.24	(0.72)	(15.33)	140,763	10.2	1.7	5.9
Qatar Islamic Bank	18.64	(0.85)	0.43	44,045	11.2	1.9	3.4
Commercial Bank of Qatar	5.58	(1.93)	11.60	22,384	8.6	1.2	4.5
Doha Bank	1.62	0.12	(17.20)	5,013	15.6	0.5	4.6
Al Ahli Bank	3.71	0.24	(7.48)	9,465	12.5	1.4	3.4
Qatar International Islamic Bank	9.79	(2.09)	(5.87)	14,819	14.6	2.1	4.1
Masraf Al Rayan	2.21	(0.72)	(30.34)	20,544	19.8	0.9	4.5
Lesha Bank	1.42	0.56	24.37	1,595	21.8	1.4	N/A
National Leasing	0.78	(1.77)	10.23	394	18.3	0.6	3.9
Diala Holding	1.55	(3.07)	35.29	294	N/A	1.6	N/A
Qatar & Oman Investment	0.89	3.97	61.82	280	N/A	1.2	N/A
Islamic Holding Group	4.84	5.40	17.83	274	46.3	1.8	1.0
Dukhan Bank	3.91	(4.00)	(10.11)	20,465	1.7	0.2	4.1
Banking and Financial Services				280,526			
Zad Holding	13.80	0.00	(0.75)	3,966	22.1	3.3	4.3
Qatar German Co. for Medical Devices	1.81	(15.71)	43.83	209	161.2	5.8	N/A
Salam International Investment	0.67	(2.61)	9.28	767	23.0	0.5	N/A
Baladna	1.29	(1.53)	(15.94)	2,447	32.1	1.1	N/A
Medicare Group	5.86	2.75	(5.64)	1,649	20.6	1.6	4.5
Qatar Cinema & Film Distribution	3.01	(5.25)	(3.37)	189	54.8	1.5	2.0
Qatar Fuel	15.92	(1.91)	(11.31)	15,829	15.8	1.8	5.7
Widam Food	2.26	0.13	11.37	407	N/A	2.7	N/A
Manna Corp.	4.82	(0.90)	(36.45)	2,200	N/A	2.3	2.1
Al Meera Consumer Goods	13.85	0.22	(9.60)	2,853	14.6	1.8	3.2
Consumer Goods and Services				30,515			
Qatar Industrial Manufacturing	3.00	3.06	(6.54)	1,426	8.2	0.8	4.3
Qatar National Cement	3.64	1.11	(24.79)	2,379	10.9	0.8	8.2
Industries Qatar	14.15	3.21	10.46	85,606	16.4	2.3	7.8
Qatari Investors Group	1.72	(0.06)	1.78	2,133	12.6	0.7	8.7
Qatar Electricity and Water	17.65	0.51	(0.28)	19,415	10.9	1.3	5.4
Aamal	0.85	0.59	(12.92)	5,349	14.9	0.7	5.9
Gulf International Services	2.77	(5.68)	89.99	5,152	12.8	1.4	3.6
Mesaseed Petrochemical Holding	1.81	(0.98)	(14.90)	22,739	17.4	1.4	6.1
Estithmar Holding	2.17	(0.73)	20.78	7,400	21.4	1.6	N/A
Qatar Aluminium Manufacturing	1.35	0.60	(11.32)	7,522	13.7	1.1	6.7
Mekdam Holding Group	5.14	0.18	(10.85)	417	12.7	4.0	5.1
Meeza QSTP	2.49	(6.91)	14.88	1,618	N/A	N/A	N/A
Industrials				159,539			
Qatar Insurance	2.44	4.27	26.89	7,969	64.4	1.4	N/A
QLM Life & Medical Insurance	2.79	0.83	(41.90)	976	11.5	1.7	4.5
Doha Insurance	2.17	3.52	9.85	1,087	9.9	1.0	6.9
Qatar General Insurance & Reinsurance	1.18	2.25	(19.62)	1,033	N/A	0.2	N/A
Al Khaleej Takaful Insurance	3.30	(1.17)	43.42	842	14.1	1.5	3.0
Qatar Islamic Insurance	8.89	0.49	2.16	1,333	11.6	3.0	5.1
Damaan Islamic Insurance Company	3.56	(1.17)	(15.49)	712	N/A	1.5	4.5
Insurance				13,952			
United Development	1.12	1.08	(13.77)	3,969	9.7	0.4	4.9
Barwa Real Estate	2.64	0.38	(8.11)	10,273	8.9	0.5	6.6
Eidan Real Estate	1.02	(0.59)	1.40	26,923	N/A	0.8	N/A
Mazaya Qatar Real Estate Development	0.74	(1.60)	6.03	854	23.2	0.8	N/A
Real Estate				42,019			
Ooredoo	10.78	2.67	17.17	34,530	12.9	1.4	4.0
Vodafone Qatar	1.80	(0.55)	13.56	7,609	13.9	1.6	3.6
Telecoms				42,139			
Qatar Navigation (Milaha)	10.87	8.70	7.09	12,350	12.1	0.8	3.2
Gulf Warehousing	3.15	(2.78)	(22.21)	185	7.7	0.8	3.2
Qatar Gas Transport (Nakilat)	3.72	(3.88)	1.58	20,610	14.0	1.8	3.5
Transportation				33,144			
Qatar Exchange				605,236			

Technical analysis of the QSE index



The QSE index closed flat (+0.04% from the week before) at 10,322.96 points. We remain bullish in the medium term; the index bounced off the 10,000 psychological level and

it created a bullish-reversal signal (based on candlestick formation). Our weekly levels of resistance are around the 11,750 level and the support at the 10,000 level.

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.

WEEKLY ENERGY MARKET REVIEW

Oil ends lower as demand concerns face Russia supply ban

www.abhafoundation.org

Oil
Oil prices held steady on Friday, but closed the week lower on profit-taking and as markets weighed supply concerns stemming from Russia's fuel export ban against demand woes from future rate hikes. Brent futures settled 3 cents lower at \$93.27 a barrel. It fell 0.3% in the week, breaking a three week streak of gains. US West Texas Intermediate crude (WTI) futures rose 40 cents to \$90.03 a barrel, as US oil rig counts fell last week. The benchmark fell 0.03% for the week. Investors are anticipating a slack in demand coming into October as refineries go into maintenance and as a higher interest rate is going to further pressure markets. US Federal Reserve officials warned of further rate hikes, even after voting to hold the benchmark federal funds rate steady at a meeting last week. Higher interest rates increase borrowing costs, which could slow economic growth and reduce oil demand. Meanwhile, Russia's temporary ban on exports of gasoline and diesel to most countries was expected to tighten supplies. The ban will bring new uncertainty into an already tight global refined product supply picture and the prospect that the

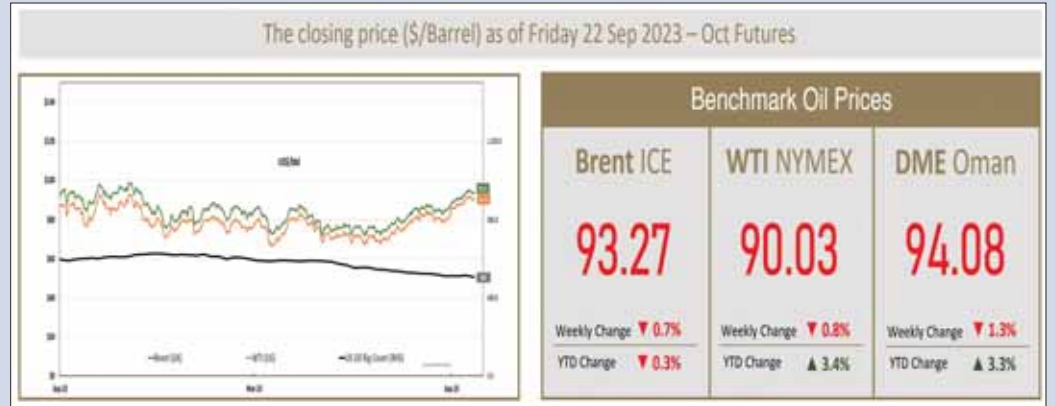


Crude oil storage tanks are seen from above at the Cushing oil hub in Oklahoma. Oil prices held steady on Friday but closed the week lower on profit-taking and as markets weighed supply concerns stemming from Russia's fuel export ban against demand woes from future rate hikes. Picture supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.

impacted countries will be seeking to bid up cargoes from alternative suppliers.

Gas
Asian spot liquefied natural gas (LNG) prices rose \$1 last week due to buying activity by China and India, easing inventory levels in Japan and higher oil prices. The average LNG price rose to \$14 per mmBtu from \$13 the previous week. Japan LNG inventories held by major Japanese power utilities fell

to 1.62mn tonnes as of September 17, lower than the 5-year average for the period. China's Unipe, the trading arm of top Asian refiner Sinopec, bought over 30 LNG cargoes via a tender for deliveries from October 2023 to the end of 2024 to meet winter demand and boost its trading supply pool. Higher oil prices may set a temporary floor for LNG prices despite bearish pressure from the strike resolution at Chevron's facilities in Australia, analysts



said. Meanwhile, an Australian union alliance last Friday called off strikes at Chevron's two major LNG projects, responsible for about 7% of global supply, after agreeing to resolve disputes, ending two weeks of strike activity

which had spurred concerns of supply disruption. In Europe, LNG prices slid as gas production at Norway's Troll A platform in the North Sea resumed last week following extended maintenance, with full output

expected over the next few days. ■ This article was supplied by the Abdullah Bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.

Unprecedented, rising debt levels may pose long-term risks for growth: QNB

Unprecedented and rising debt levels pose significant long-term risks to the global economy, QNB said in an economic commentary.

The Covid-19 pandemic represented a negative shock of unprecedented magnitude to the global economy, causing the sharpest contraction in activity ever recorded in quarterly national accounts, QNB said.

In response, extraordinary monetary and fiscal policies were put in place to provide support to households and firms, to preserve the economies from a deeper potential collapse.

Low interest rates and quantitative easing from central banks, combined with expansionary fiscal policy, fuelled unprecedented credit growth.

This, QNB noted resulted in skyrocketing public and private debt across the world, adding to the trend that had begun with the Global Financial Crisis (GFC). Since then, government debt has more than doubled to reach \$85.7tn, while total global debt stands at \$304.9tn.

Debt levels are not only high by historical standards, they are also expected to continue to rise broadly around the world. In the context of high and rising interest rates, debt becomes even more relevant as a potential drag to GDP growth.

In QNB's view, to understand the overall debt dynam-



ics and the risks they pose for long-run growth, it is important to break down the origin of debt increases, as well as to differentiate between advanced economies (AEs) and emerging markets (EMs).

First, rising debt levels in AEs are mostly accounted for by the deterioration of public sector accounts and the need to fund ever growing deficits. In 2023, total government debt in AEs reached \$59.7tn, an increase of 60% relative to the \$37.4tn after the GFC, equivalent to 113.6% of global GDP.

High government debt levels in AEs are set to harm growth by diverting resources away from investment. As governments increase their borrowing, the issues of new debt compete with the private sector for a given amount of savings available.

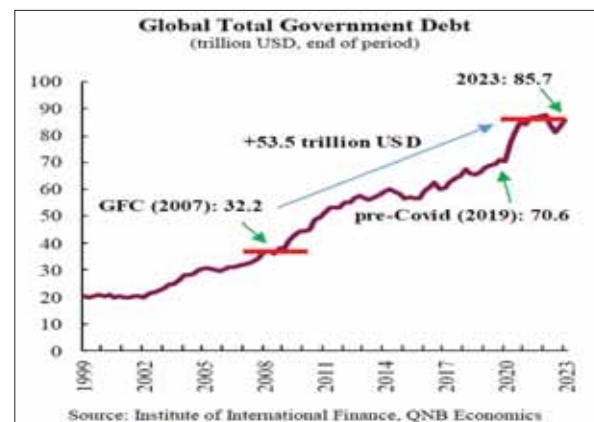
As a result, real interest rates increase, which can "crowd out" private investment, and therefore limit economic growth.

Second, elevated corporate indebtedness combined with higher interest rates can create a "debt overhang" problem that hinders investment by firms. The Covid-19 pandemic generated a massive disruption in economic activity that impacted sales and profits of firms around the world.

In order to keep firms operational and contain the destruction of jobs, governments implemented injections of liquidity through loan guarantees as well as new lines of credit.

Although, total debt in nonfinancial corporations as share of GDP has declined from its peaks during 2020 in both AEs and EMs, they are still above their pre-pandemic levels.

Now, in a scenario with higher interest rates and tighter credit standards, this can result in a "debt overhang" in firms, where they will find it harder to obtain



funding for new investments. Third, an assessment of debt dynamics in EMs requires a further differentiation between China and other EMs. In the period from Q1-2010 to Q1-2023, China accounted for 65% of the growth in government debt, and 76% of growth in non-financial private debt in EMs.

In China, debt had a very particular form, as the country benefited from abundant domestic savings, the debt was mostly financed by residents in local currency.

This, QNB said prevents the country from suffering the standard balance of payment pressures that affect other EMs during periods of economic stress. Hence, China is better positioned to engineer a deleveraging process in the future.

In contrast, debt in other EMs tends to have a funding profile with more significant participation of external funding, or in hard currencies

from advanced economies, making them vulnerable to external shocks and "sudden-stops" in capital inflows. Such vulnerability could be even more pronounced in the current scenario, where tighter monetary policy in major advanced economies pulls capital away from riskier EMs.

In the past, debt crisis in EMs were triggered by sharp increases in international interest rates. High levels of debt now leave the more risky EMs exposed to financial distress that can make refinancing difficult, and result in a crisis that resembles previous experiences.

"All in all, unprecedented and rising debt levels pose significant risks to the global economy going forward, through the diversion of funds from productive investments, financial constraints in the corporate sector, and potential vulnerabilities in EMs," QNB added.

Central banks in no rush to cut interest rates

AFP Paris

Investors were hoping to hear central banks finally signal this week that they were close to being done raising interest rates in their battle against inflation.

Instead, policymakers indicated that high rates are here for a while yet, with more hikes on the cards and few, if any, cuts in the near future.

The US Federal Reserve set the tone on Wednesday when it paused its rate-hike campaign but caused a stir by leaving the door open to another increase before the end of the year.

The central bank also unsettled investors by saying that only two cuts were expected next year instead of four as anticipated.

The Fed has more room to keep its "hawkish" stance as the US economy has performed better than feared despite the rate increases.

This firm position is shared by other central banks.

Norway's rate hike on Thursday was anticipated, but it also warned further tightening was "likely" in December, while ruling out any easing before next year.

This firm tone came "as a surprise to the markets," which have "decided that the peak" of rate hikes is "happening right now," HSBC economist Fabio Balboni told AFP, even though "central banks' communications leave the door open to the possibility to further hikes". It leaves "real un-

certainty about the level of inflation next year", he said. Their decision "reflects a compromise between growth and inflation", he added.

The rate hikes raise the cost of credit for businesses and consumers, which theoretically in turn reduces demand and inflationary pressures.

But if demand slows too much, it runs the risk of triggering a recession.

Faced with this dilemma, the European Central Bank (ECB) chose inflation-limiting measures, with a 10th consecutive rate hike. That took its benchmark rate to 4.0%, the highest since 1999. "We can't say we have peaked," ECB president Christine Lagarde said, although other officials indicated that the cycle of raising rates might be coming to a close.

"Our future decisions will ensure that the key ECB interest rates will be set at sufficiently restrictive levels for as long as necessary," the bank's chief economist Philip Lane said on Thursday in New York.

There are other signs, however, that rates are reaching their peak.

The Bank of England on Thursday announced its first pause on raising rates since December 2021, following a slight decline in UK inflation in August.

Switzerland and Japan - like half of all central banks - have also chosen to halt raising rates in the past 10 days. "We expect no more rate hikes in the future" for the US, England and Europe central banks, said Balboni.

China market gloom spurs fund managers to seek hidden gems

Bloomberg Singapore

The relentless selloff in Chinese stocks has made the market the worst performer in the world over the past three years. And that is exactly the reason some funds are looking to unearth pockets of value.

They see a contrarian signal in the extreme pessimism toward Chinese assets in recent months amid an economic slowdown, unpredictable government crackdowns and rolling property woes. Global funds as a whole have slashed their China stock positioning to the lowest since October, which to some means more room for potential buying.

"China has a growth problem today, but not a systemic crisis," said John Lin, Singapore-based chief investment officer for China equities at AllianceBernstein, which oversees

\$694bn globally. "The way you make money is you have to go company by company. There's a lot of nice cashflow companies, nice dividend-yield companies that are still underappreciated."

The MSCI China Index has tumbled 55% from a high set in February 2021, while a gauge of mainland firms traded in Hong Kong has slumped 50% and is the worst performer of 92 global indexes compiled by Bloomberg over the past three years.

One of the major drivers of the downturn has been selling by global funds. After making net purchases earlier this year, offshore money managers offloaded a record \$12bn of mainland shares in August via trading links with Hong Kong, and have sold another \$3.2bn this month.

That bearish positioning opens up the prospect of a rebound, while signs of stabilisation in parts of the economy mean it makes

sense to look for value now, bulls say.

A shares: AllianceBernstein's Lin says he favours firms in China's local share market, which is primarily traded by domestic investors. "We like A shares because they are more domestic oriented, and therefore are less susceptible to capital flows based on geopolitical tensions," he said. "You can find a lot of interesting stocks that have their own idiosyncratic dynamics."

Some of the most attractive firms are industrial-cyclical stocks such as bus-makers and diesel-engine makers that export to places like Asean, central Asia and Middle East, and also have a presence in the domestic market so they will participate in the eventual local economic recovery, he said.

Healthcare: For Amundi SA, China's healthcare stocks are where it sees value. Medical shares have been beaten down amid an anti-corruption clampdown but the sector

has probably already reached a bottom with all the bad news in the price, said Nicholas McConway, head of Asia ex-Japan equities at Europe's largest money manager in London.

McConway is focusing on companies that are self-funded with robust drug pipelines. The prospect that global central banks are nearing an end to interest-rate hikes may also favour these companies as they can take years to turn profitable so tend to perform better in a lower-rate environment, he said.

Pharma: Guinness Global Investors favours pharmaceutical names that are transitioning from generic drugs to developing new products themselves or acquiring them through mergers and acquisitions.

Examples include CSPC Pharmaceutical Group, Sino Biopharmaceutical and China Medical System Holdings, said Sharukh Malik, a fund manager at Guinness Global in

London who has spent the last eight years investing in Asian stocks. "We estimate that for these three companies, valuations are now low enough that investors are paying nothing for the cashflows from future growth capex," he said. "If we think these companies will eventually successfully make novel drugs themselves, the risk reward ratio is very favourable for us."

Tech giants: Some of the largest firms in the beaten-up technology sector now look attractive, according to Mondrian Investment Partners, which manages \$45.6bn in assets.

Tech has seen some of the biggest losses over the past three years due to a government crackdown after authorities blocked a planned \$37bn initial public offering by Ant Group in late 2020.

The sector was a relative bright spot in second-quarter earnings, which has led to analyst estimate upgrades.