

Q4 2013

MENA Strategic Review

EGYPT In Review

- Amid regional diplomatic tensions and local political confrontations, GCC funds continue to flow to boost confidence and improve the economic outlook.
- Stock market soared to highest levels since 2011 revolution
- Egypt's Central Bank lowered lending rates by 50 basis points as part of monetary expansionary measures to heal the economy; lower Government borrowing costs

Saudi Arabia In Review

- A resilient and growing economy unaffected by geopolitical turbulences, recording a 4% growth in GDP and a positive current account surplus driven by the hydrocarbons industry
- 2014 budget spending at a record 855 billion riyals (\$228bn), equal to the country's projected revenues.

At A Glance

This report is intended to shed light on general macroeconomic trends of four economies in the MENA region that could impact investors' decisions and the financial performance of businesses.

Multiples Group

Multiples Group is a regional investment management firm focusing on building long term business partnerships while offering a full range of investment banking services covering medium and large scale projects across the MENA region through its headquarters in DIFC, Dubai and regional offices in Doha and Cairo.

United Arab Emirates In Review

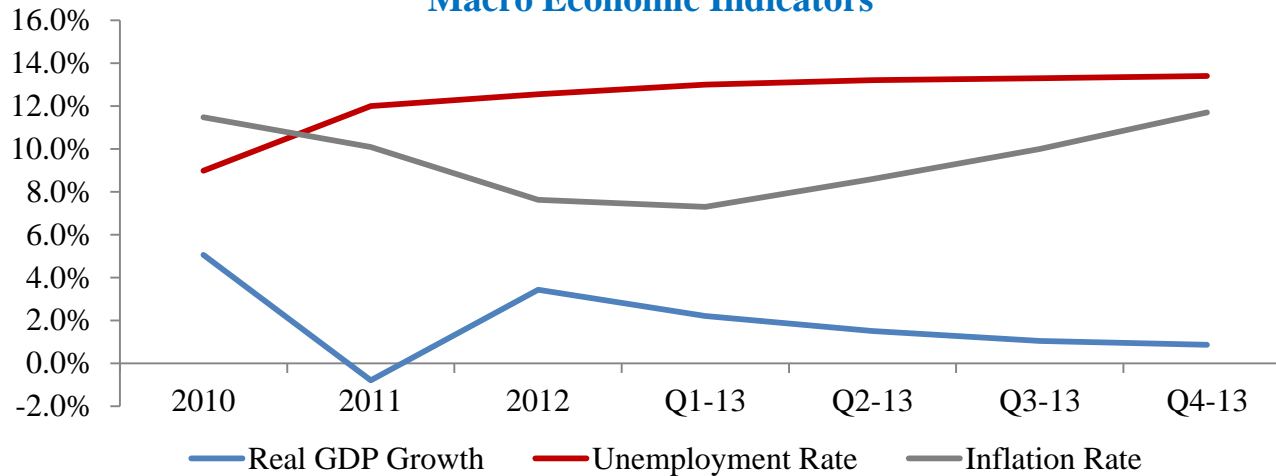
- UAE still stands as a safe-haven relative to political and economic instability in other parts of the MENA region, further increasing tourism and capital inflows.
- Though the real estate sector is continuing to recover after the 2009 crisis, residential real estate prices in Dubai have been rising substantially while other market segments are recovering at a slower rate.
- The S&P Dow Jones Indices upgrades the country to emerging market status in October, following the move by New York-based MSCI in June, raising access to global funds seeking emerging markets.
- Home to one of the world's busiest airports, Dubai International, a new facility, Al Maktoum International Airport (AMIA), lands its first commercial passenger flights; AMIA is planned to serve 160 million passengers each year, by 2027. The aviation industry contributes 20% to overall GDP.

Qatar In Review

- Qatar's non-energy sector accelerates economic growth, driven by infrastructure spending.
- Expansions in the energy sector continue as Qatar's Minister for Energy and Industry announced a new offshore field discovery in North Field's Block 4 North, with as much as 2.5tn cubic feet of natural gas. This is Qatar's first new discovery in 42 years, coming after four years of intensive exploration activities
- Qatar Exchange welcomed the decision of the Standard & Poor's (S&P) Dow Jones to upgrade Qatar from a "frontier" to "emerging market", describing it as a positive step that will attract further foreign investments to the Qatari stock market.

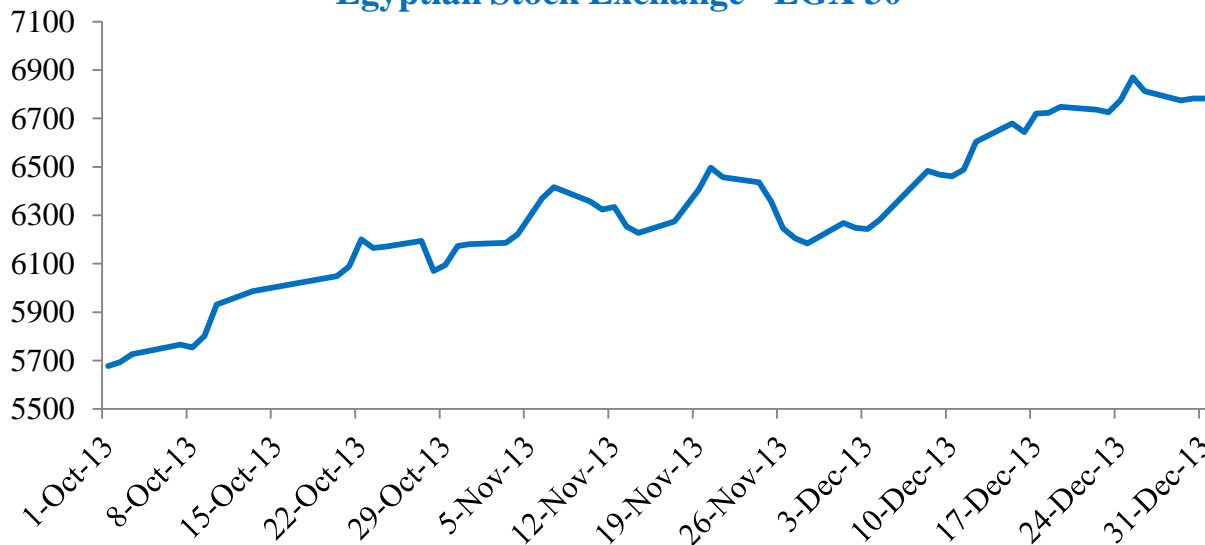
EGYPT - Highlights

Macro Economic Indicators



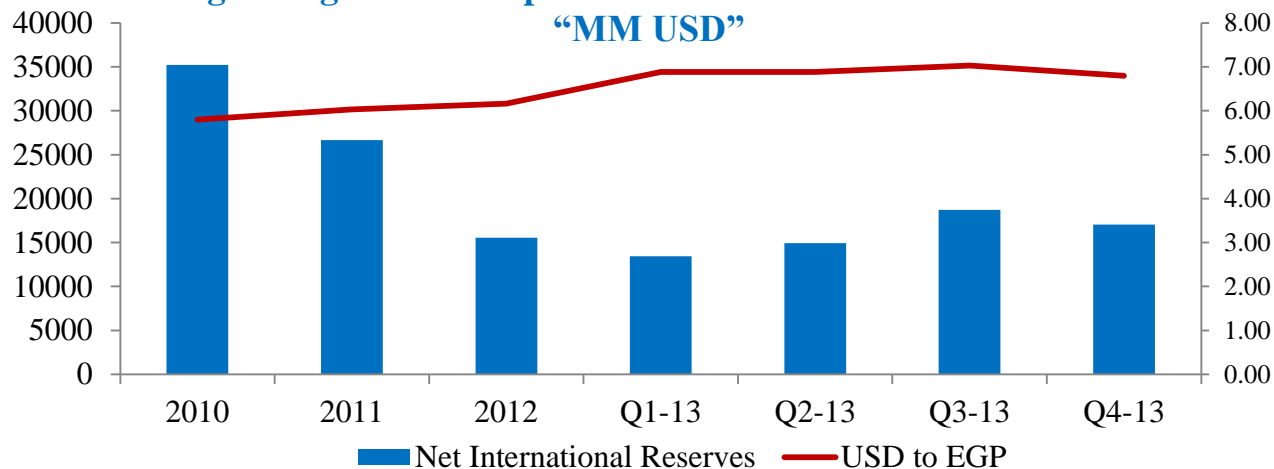
Real GDP growth rate continues to record a slow rate in Q4 as the Government attempts to restore economic stability and security threats.

Egyptian Stock Exchange "EGX 30"



The **EGX 30** index is driven upwards by large fund inflows from the GCC and Egyptian businessmen following the outset of President Mohammed Morsi.

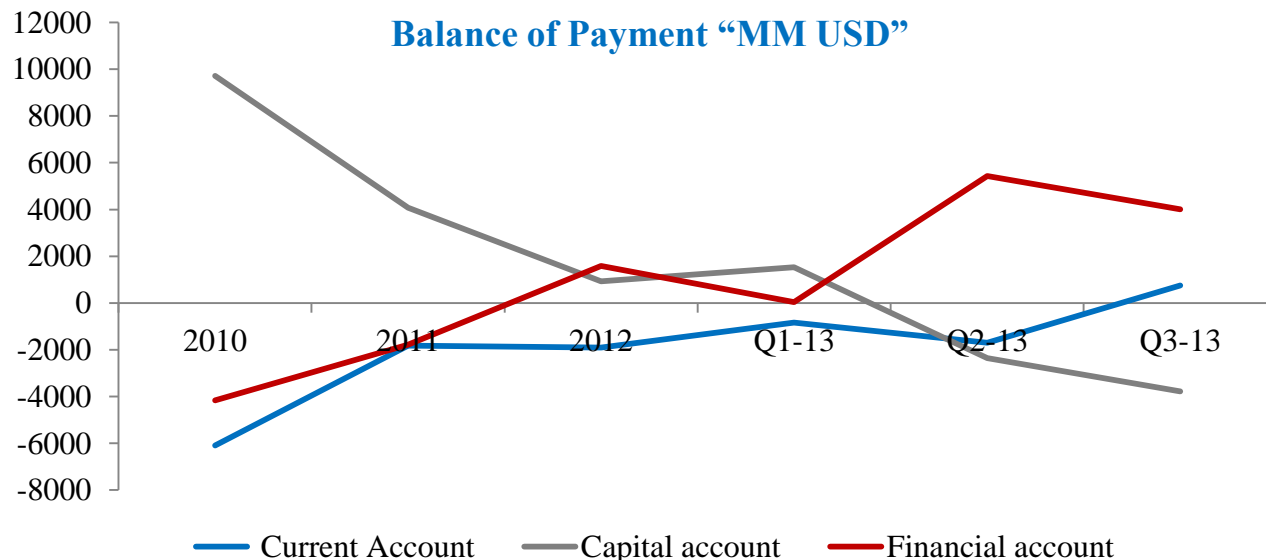
Regulating Dollar compared to Net International Reserves in “MM USD”



Source: CBE and Investing.com

The decline in net **international reserves** is stopped by GCC fund contributions.

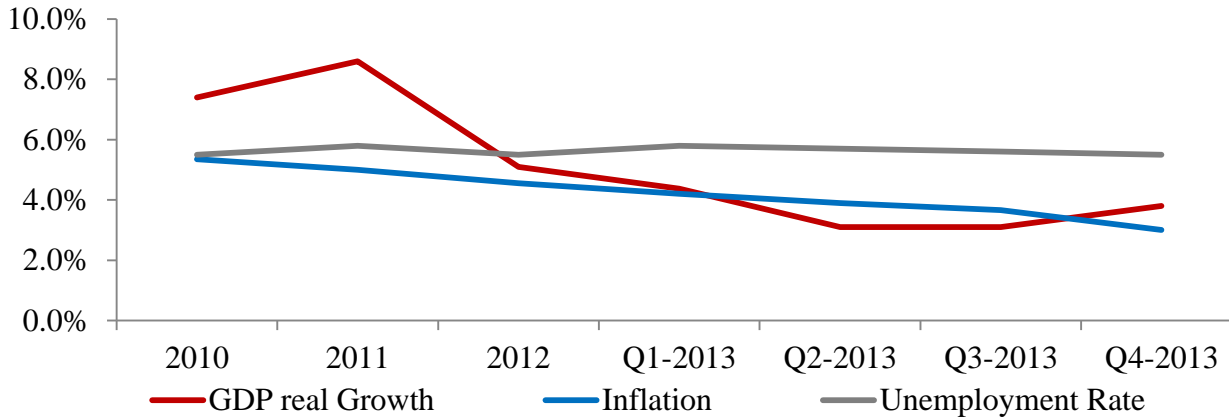
The Egyptian **currency** remains weak at approximately EGP 7 / USD due to low levels of foreign reserves.



The weak **Egyptian pound** discourages import activity, lowering the negative current account balance. The financial account reports a surplus as foreign aid flows into the country in efforts to steer the economy back to recovery.

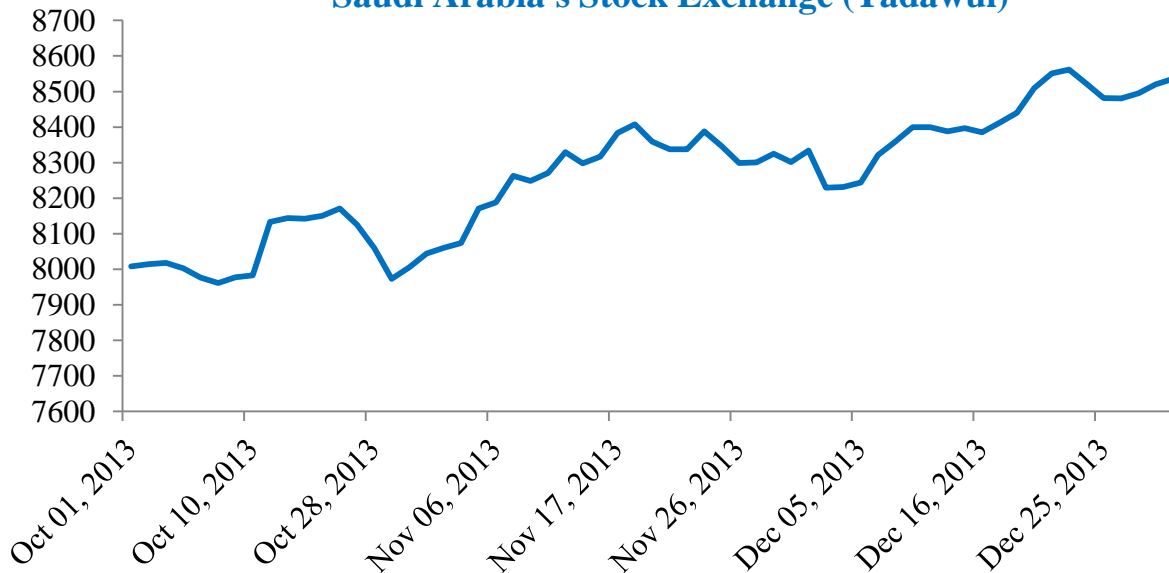
KSA - Highlights

Macro Economic Indicators



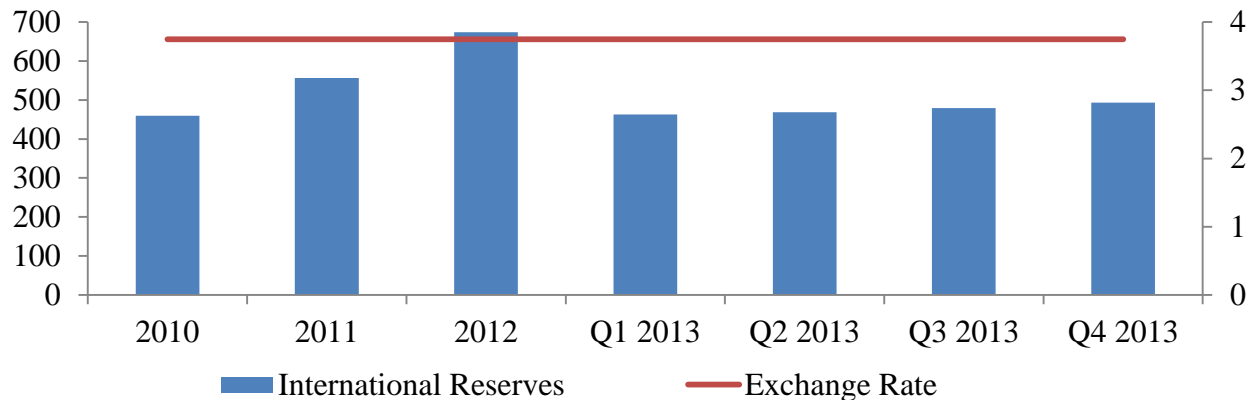
Real GDP growth rate slightly slower than previous year as the effect of Government's stimulus package fades. Resilient hydrocarbons industry and rising private sector activity continue to drive expansion of the economy overall.

Saudi Arabia's Stock Exchange (Tadawul)



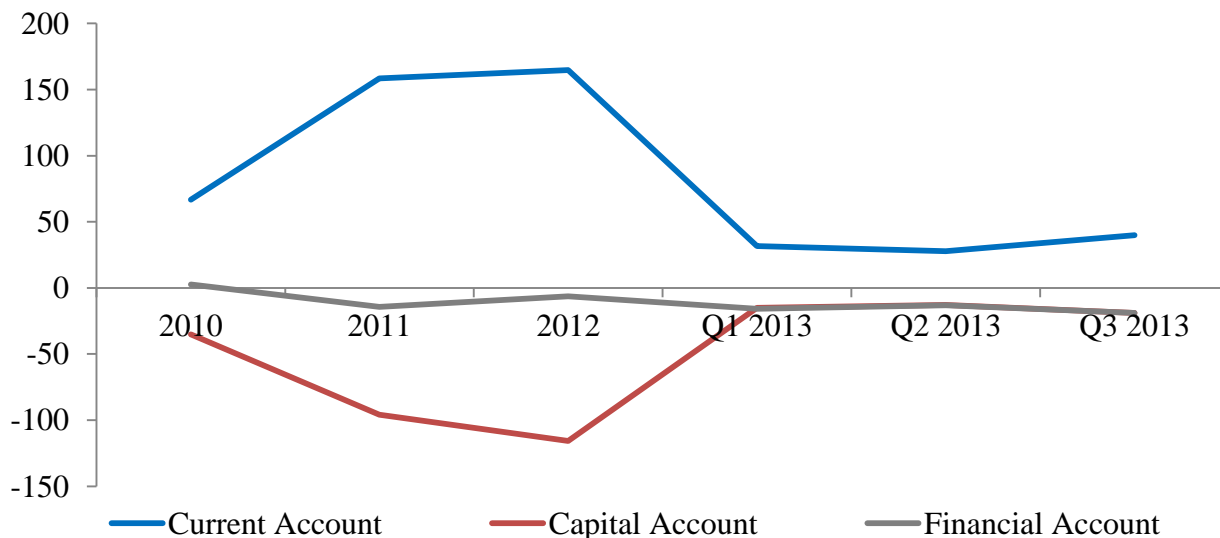
TASI ends year at 8,408, the highest level in five years since December 2008.

International Reserves "BN USD"



International reserves are relatively stable in Q4 at around 500 BN USD.

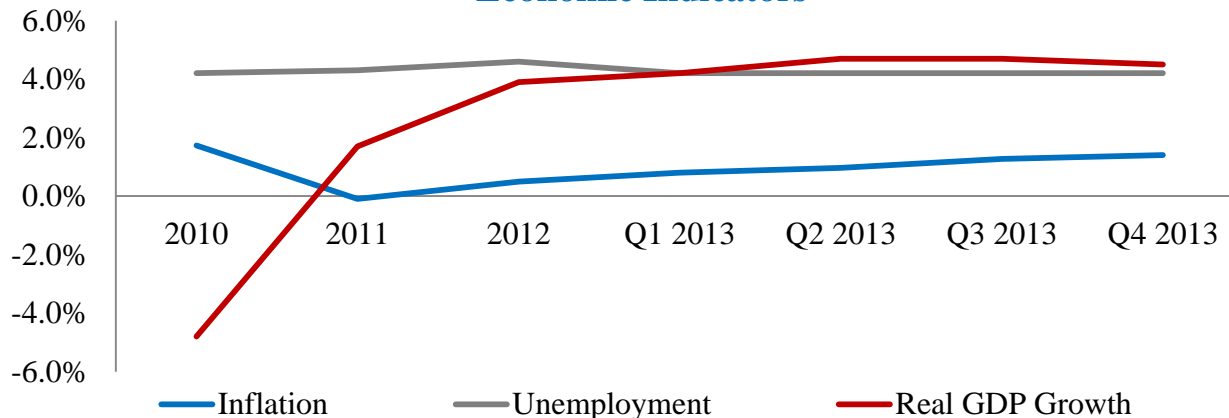
Balance Of Payments "BN USD"



Official sources have not published Q4 BOP information as of the date of release of this report.

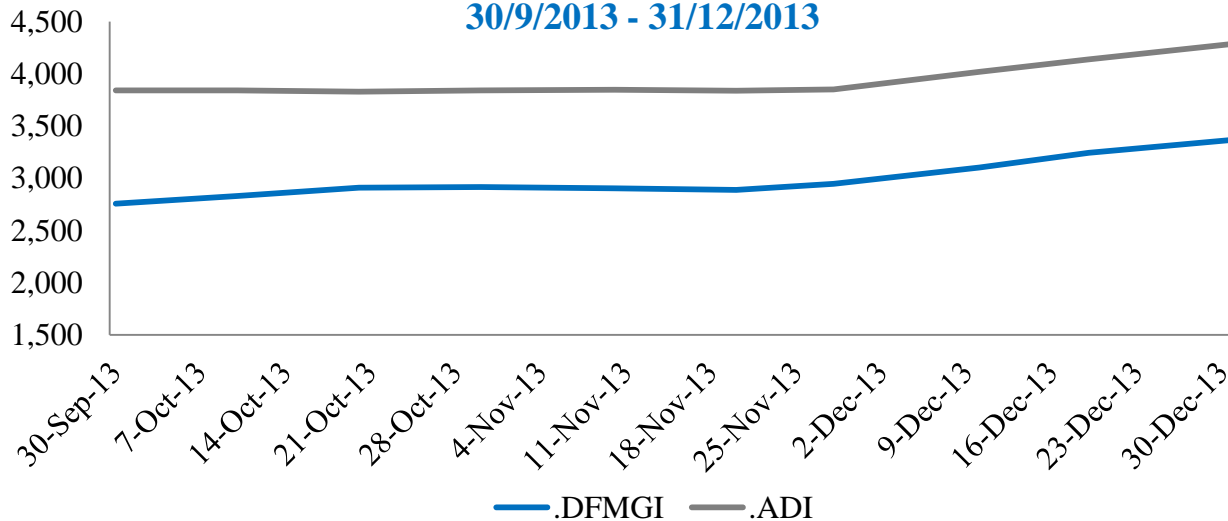
United Arab Emirates - Highlights

Economic Indicators



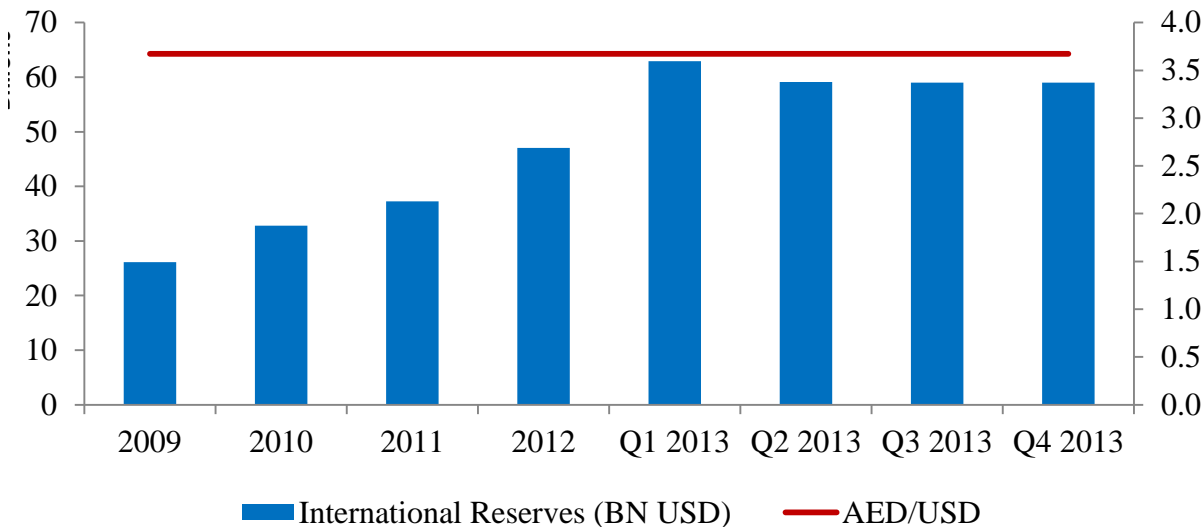
A **real GDP** growth rate of 4.5% driven by expansion in oil & gas related sectors, good oil prices and other sectors such as real estate.

Financial Market Stock Exchange 30/9/2013 - 31/12/2013



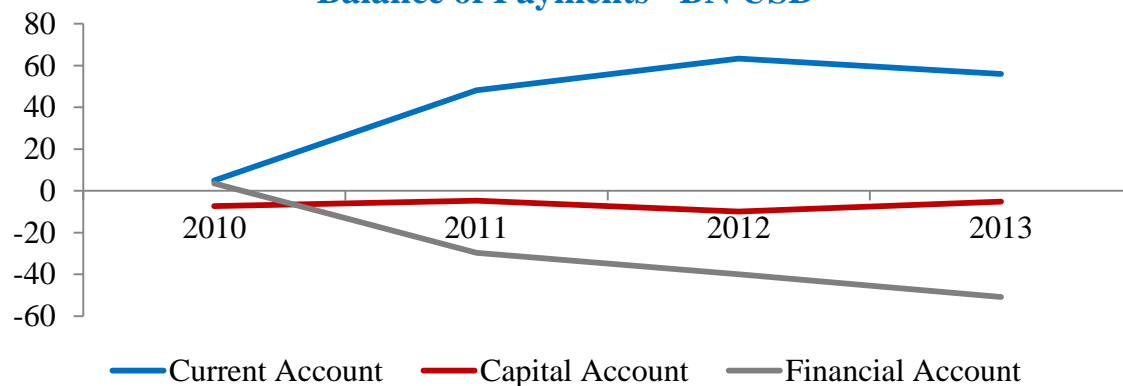
Both .DFMGI and .ADI show positive market capitalization growth of 12% and 22% respectively for Q4 2013.

International Reserves and Exchange Rate



International reserves are relatively stable in Q4 at around 59 BN USD.

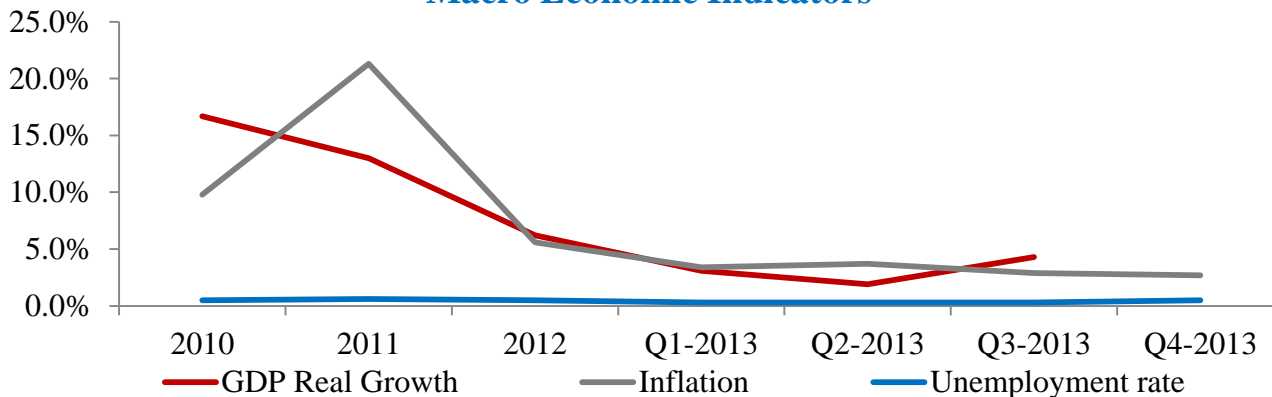
Balance of Payments "BN USD"



The country continues to be an attractive trade center, enjoying a strong current account surplus at approximately 56 BN USD.

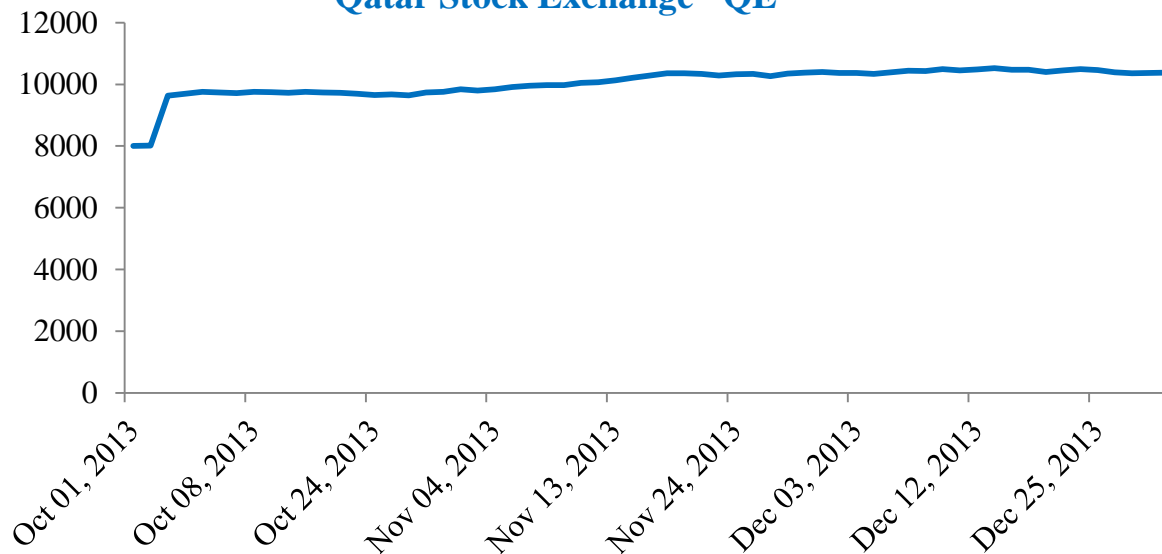
Qatar - Highlights

Macro Economic Indicators



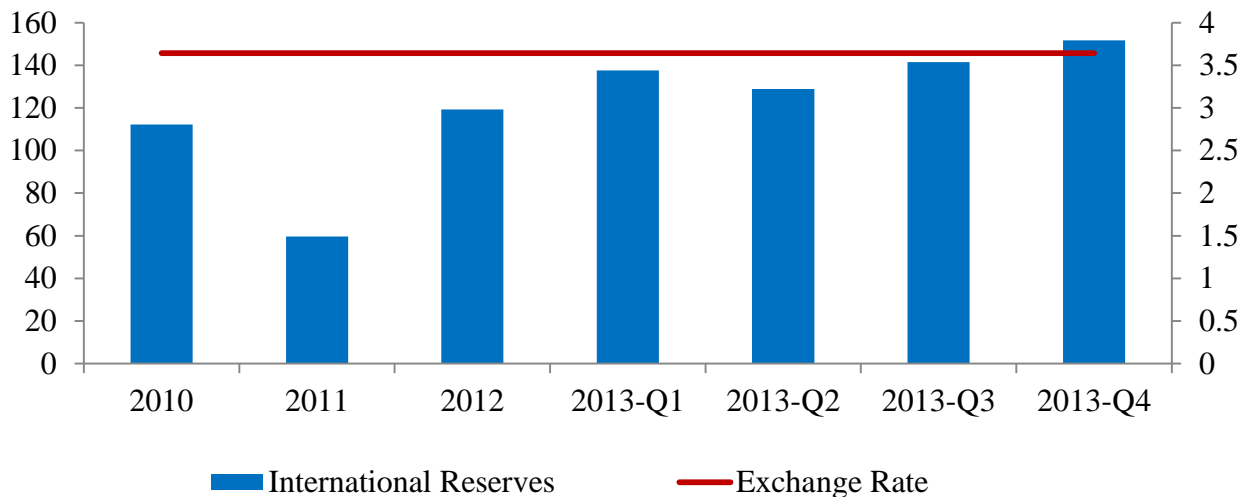
Non energy sector accelerates **real GDP growth** driven by high infrastructure spending

Qatar Stock Exchange "QE"



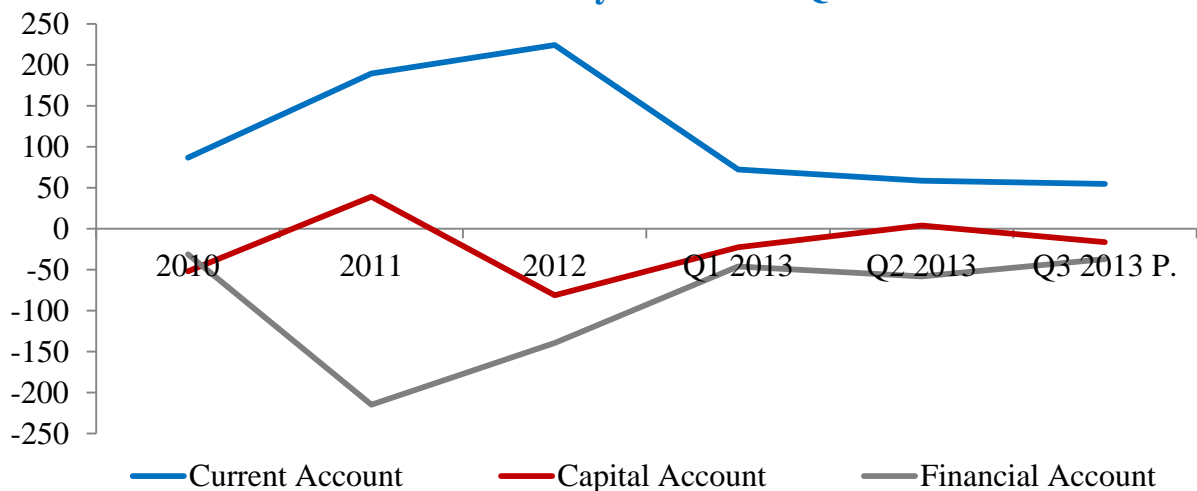
The Qatari **index** revealed stable performance during the fourth quarter.

International Reserves "BN QR"



International reserves are relatively stable in Q4 at above 140 BN QR.

Balance Of Payments "BN QR"



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