

Multiples Insights

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Multiples Insights on MENA region

This report is designed to give you a snapshot about the MENA region tackling multiple issues:

- **Economic Outlook**
- **Political Events**
- **Stock Market**
- **Major Companies Transactions**



Economic Outlook

- The Arab Investment Bank (AIB) has signed its first financing contract with Egypt's Social Fund for Development (SFD), valued 100 MM EGP (13.4 MM USD). This contract is designed to finance small and medium-sized enterprises (SMEs) and SFD's debt account; that is the short-term facilities "overdrafts" that offer clients a credit amounts corresponding to the short-term financial requirements for their enterprises. SFD's total financing for small projects had reached 2 BN EGP by the end of 2014. On the other hand, Banque Misr is waiting for the approval of the Egyptian Central Bank to work according to a partnership system before signing the contract with SFD.
- The Kuwaiti government has increased the price of diesel at wholesalers and filling stations



بنك الاستثمار العربي
Arab Investment Bank

from 0.055 to 0.170 dinar. This reduction is aimed at reducing the burden of subsidies on state finances, and this has become the most important role of Kuwait's government.

- The drop in the world oil prices and rescheduling some projects by Qatar's government will help stabilize the rise in house rents, as the market is already witnessing a huge supply-demand gap. Rescheduling some projects will lead to less recruitment of foreign workers. Moreover, the real estate price index has increased by 34.6% in 2014 compared to 2013.
- The prices of housing units in Saudi Arabia is expected to decrease due to the low prices of materials that dropped by 25%. On the other hand, steel prices also decreased globally by 20% as of the end of 2014 and are expected to further decrease. This leads to the market's inability to respond to the global changes in prices of commodities and housing units as several owners will refuse to reduce the price of their housing units and instead take advantage of the low cost of building materials to sell them at high prices or rent them out.
- Abu Dhabi's aquifers including 10,000 year-old water reserves are expected to run out in 50 years as they are consumed 20 times faster than their capacity to be recharged. Abu Dhabi uses more than 3 MM cubic meters of water annually , groundwater contributes 65% of the total water consumed that is used for agriculture, forestry and parks, while desalinated sea water contributes 30% and the rest for recycled water.
- Jordan consumes about 500 MM cubic feet of natural gas per day for the production of electricity. In addition, the demand on electricity increases by 6% annually. For this reason Jordan is expected to sign an agreement between the British company and the National Electric Power Company (NEPCO) to import natural gas from the Gaza strip. Jordan aims to import 130 to 150 MM cubic feet of natural gas per day as it is much cheaper than diesel and heavy fuel. On the other hand, Jordan plans also to import natural gas from Cyprus before the end of June. Jordan aims to buy 150 MM cubic feet of natural gas.
- Lebanon and Norway signed a 3-year agreement Where Norway will offer technical support to the Lebanese Petroleum Administration and support the Lebanese government to develop the oil and gas sector. Moreover, Norway will transfer all its oil expertise to Lebanon to enable it to manage its oil resources in a way that is greatly beneficial to the Lebanese.
- Iran and Oman plan to introduce a direct shipping line between the two Persian Gulf States by the end of February. It will begin by sailing ships between Oman's Sohar port and Iran's Bandar Abbas port, and more vessels will join the line to increase the cycle of maritime transportation and develop the economic cooperation between the two countries.
- The number of unemployed youth in the Arab world is expected to reach 50 MM by 2020. The Arab governments need to invest 70 BN USD annually to be able to create 5 MM jobs annually to match the population growth.

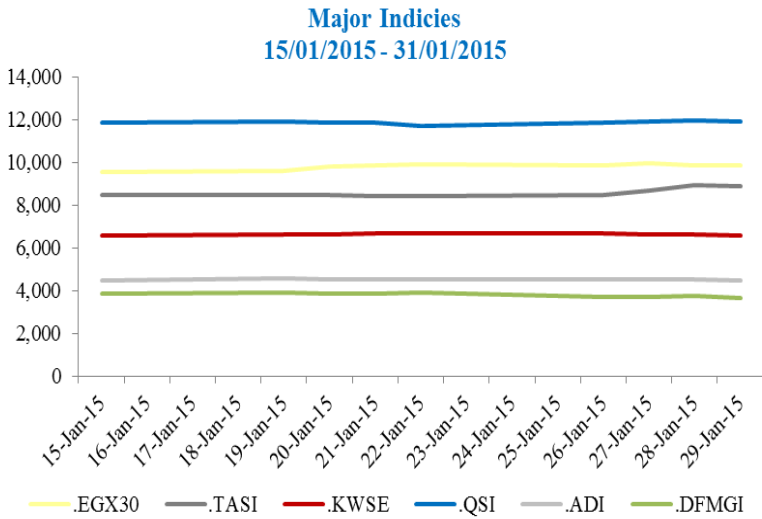
Political Events

- Saudi King Abdullah bin Abdulaziz died at age 90 suffering from a lung infection. King Abdullah had ruled since 2005, his half-brother Salman bin Abdulaziz has become the new king.
- Egyptian President Abdel Fattah al-Sisi cuts his visit to Ethiopia for an African Union summit after the Islamic States killed at least 30 Egyptian soldiers and police officers in the Sinai Peninsula.
- The European Commission will support Jordan with regard to the Syrian refugee crisis, with an additional 20 MM EUR in humanitarian funding that will provide food vouchers and cash grants to some of the most vulnerable refugees and education for refugee children.



Stock Markets

- The slight increase in crude oil prices caused .TASI and the petrochemicals sector specifically to witness a gain throughout January.
- Six new companies have joined .EGX30. These companies are Arabia Investments, Arabian Cement, Al Shams Housing and Urbanization, Egypt for Poultry, Beltone Financial Holding and Egyptians for Housing and Development. On the other hand, Ghabbour Auto, El Wadi for Touristic Investment, Egyptians Abroad for Investment, General Company for Ceramic and Porcelain Products and Egyptians for Investment and Urban Development have been excluded from the index.
- .DFMGI decline in January was led by Damac and Emaar in the real estate sector.
- .ADI decline in January was led by Eshraq and RAK properties in the real estate sector.



Index Watchlist		15 Days % Change	YTD % Change
Egypt	.EGX30	▲ 3.0%	▲ 45.1%
	Construction & Materials	▲ 0.3%	▲ 24.5%
	Telecommunication	▲ 5.0%	▲ 2.9%
	Banking	▲ 4.6%	▲ 64.9%
KSA	.TASI	▲ 5.0%	▲ 4.0%
	Petrochemicals	▲ 7.8%	▼ -18.1%
	Banks & Financial Services	▲ 5.0%	▲ 10.6%
	Telecommunication & Information	▼ -14.5%	▼ -31.8%
Kuwait	.KWSE	▼ -0.4%	▼ -12.9%
	Banking	▼ -0.2%	▲ 2.4%
	Telecommunication	▼ -3.8%	▼ -17.9%
	Financial Services	▼ -0.8%	▼ -7.0%
	Real Estate	▼ -1.1%	▼ -7.2%
	Industrials	▲ 1.1%	▲ 1.6%
Qatar	.QSI	▲ 0.3%	▲ 14.6%
	Banking & Financial Services	▼ -1.2%	▲ 27.6%
	Industrials	▲ 1.7%	▲ 8.7%
	Real Estate	▲ 2.4%	▲ 12.4%
	Telecommunication	▼ -0.7%	▼ -5.4%
UAE, Abu Dhabi	.ADI	▼ -0.5%	▲ 3.9%
	Banking	▲ 0.1%	▲ 12.1%
	Telecommunication	▲ 0.9%	▼ -5.6%
	Real Estate	▼ -9.6%	▼ -18.4%
UAE, Dubai	.DFMGI	▼ -4.4%	▲ 9.1%
	Banking	▲ 1.3%	▲ 30.4%
	Real Estate & Construction	▼ -9.8%	▲ 11.6%
	Investments & Financial Services	▼ -7.5%	▼ -12.7%
	Telecommunication	▼ -0.2%	▼ -24.5%

Major Companies Transactions

- **Arab Contractors delivers its First Project in Morocco**
Egypt's Leading construction firm, Arab Contractors Company (AC) is planning to start its



first project in Morocco within the second half of 2015, with investment cost of 25 MM USD. AC will start the first phase of establishing the industrial soil suitable for Morocco's high speed train that will link between Tangiers and Casablanca spanning 39 km.

- **Egypt's Global Telecom to sell Djezzy majority stake for 2.6 BN USD**

Egypt's Global Telecom (GTH) known as Orascom Telecom will sell 51% of its share in Djezzy for 2.6 BN USD through a shareholder agreement that creates a public-private partnership, and keeping operational control of the Algerian mobile operator.

- **CISI Signs MOU with Kuwait Capital Markets Authority to Introduce Certification**

The Chartered Institute for Securities & Investment (CISI) has signed a Memorandum of Understanding (MoU) with Kuwait Capital Markets Authority (CMA) to provide finance professionals through accredited training partners in Kuwait. The agreement will establish a Kuwait local regulations exam to complement the existing international technical qualifications offered by the CISI.

- **Barwa signs expansion project deal with Arab Engineering Bureau**

Barwa Real Estate has signed an agreement with Arab Engineering Bureau for the second phase of expansion project for Barwa village that will start in June 2015 and expected to end in December 2016. Arab Engineering Bureau will provide design and consultancy services to the project. The expanding for the village was due to the desire of business owners to build more units with competitive rent value after the rise in rents in both commercial and residential units.

- **KACST embarks on solar desalination project**

The King Abdulaziz City for Science and Technology (KACST) signed an agreement with the Advance Water Technology Company (AWTC) for planning out the design and construction of solar water desalination plant in Khafji with a production capacity of 60,000 cubic meters per day. KACST has set up a production line for solar panels to work with a number of engineers and technicians to produce solar cells and nutrients.

- **'Dubai Investments' approves 60% purchase of Al Mal Capital**

Dubai Investments (DI) had approved the acquisition of a majority stake Al Mal Capital investment firm as it shut down its brokerage unit in the fallout of 2008 financial crisis. DI will purchase 60% of the financial firm that manages assets and offers investment banking services.

- **GAM extends contract of on-call taxi service**

The Greater Amman Municipality (GAM) has decided to extend the contract of Al Moumayaz Taxi - the capital's first dial-up taxi service for 8 years with the aim of boosting the capital's transport system. The owner of Moumayaz will replace the company's 400 taxis with 300 hybrid cars and 100 electric vehicles as he wants to turn the capital into a green city.

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