



passenger terminal.

- Qatar's prince has issued a law allowing foreign investors to own up to 49% of listed Qatari companies, part of the reforms to expand the stock market and develop the country's financial industry. The law also allows foreigners to own more than 49 percent of a company in special cases if they obtain approval from the Qatari cabinet. In another market-opening step, citizens of the six-nation Gulf Cooperation Council will be treated as Qatari citizens for the purpose of owning companies listed on the Qatar Exchange.
- UAE has become one of the top buyers of electronic hardware from India according to latest figures released by Electronics and Computer Software Export Promotion Council (ESC). Middle East continues to remain one of the top destinations of exports from India with hardware alone constituting more than 20 per cent of the overall exports and registering a growth of 6.6 per cent during the past year. Electronics goods export to the Middle East during 2013-14 increased from \$1.63 billion in 2012-13 to \$1.73 billion during 2013-14.
- President Abdel Fattah Al-Sisi announced a new Suez Canal project to dig a 72-kilometre canal alongside the original plus few supplementary tunnels, to be implemented over a year at a cost of over 8 BN USD. This is the first phase of the project which is expected to witness a comprehensive integrated development for the area around Suez Canal converting it into a global industrial and logistical hub. Al-Sisi called on the army's engineering corps, who will directly supervise the project, to conclude the project in one year instead of the previously scheduled 3-year timeline. Al-Sisi attributed the shortened time period to the "the deteriorating security" which could threaten the project.
- Qatar's inflation rose to 3.4% in May, with the pressures from rising rents (7%) partly alleviated by soft global commodity prices. It's also expected that Qatar's inflation may hit 4% in 2015. On the other hand, strong public investment spending is expected to give a push to Qatar's real GDP growth to 6.7% this year and 6.9% in 2015. Qatar's economy continued its strong growth in the first quarter of 2014, expanding by 6.2% on a 12-month basis, up from 5.5% in Q4, 2013. The growth was driven exclusively by the non-hydrocarbon sector, which is testament to the plans set out in the National Development Strategy. Finance, construction, trade, restaurants, hotels and government

services each contributed between 0.9 - 2.3% points to GDP growth.

- The Central Bank of Bahrain announced today that the Bahrain insurance market posted an annual growth during 2013, with gross premiums/contributions increasing by around 8% over 2012 to register BD 258.41 million in 2013. A significant part of this increase attributed to a surge in Motor insurance, which has increased from BD 61.99 million in 2012 to BD 68.05 million in 2013, showing an increase of around 10%. Medical insurance has also increased from 37.17 MM BD in 2012 to 40.83 MM BD in 2013, showing an increase of around 10% and representing almost 16% of the total premiums/ contributions written in the insurance market in 2013.
- The Egyptian government has distributed 2.5 million smartcards in order to be used in accessing petroleum products, and about 11,000 smartcard machines have been placed at gas stations in order for customers to use their cards to access fuel at the subsidized price. According to the government, the main objective of the application of this electronic system is to tighten control of the transfer, handling and distribution of petroleum products to eliminate smuggling and ensure that subsidized fuel is distributed to those who deserve it.

## Political Events

- Israel has launched a number of airstrikes in Gaza after the 72-hour ceasefire brokered in Egypt expired on Friday morning, killing a 10-year old Palestinian boy and wounding several others. This brings up the number of Palestinians killed to 1,893, and 9,805 wounded since Israel began its offensive, Operation Protective Edge, 33 days ago. At least 489 of the Palestinians killed are children, according to

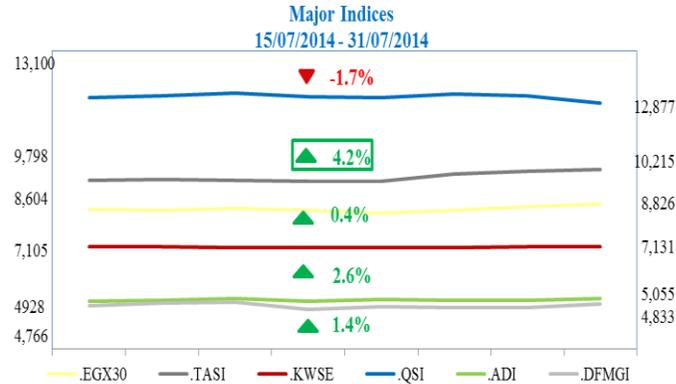


the UN figures. Both parties are in Egypt now trying to negotiate a deal to end this war.

- Thousands of Libyan citizens and foreigners fleeing unrest have been flowing to the Tunisian border since the start of crisis. According to the Tunisian foreign ministry, Ras Jedir point receives between 5,000 and 6,000 refugees a day. Tunisian officials said that they can't take in hundreds of thousands of refugees to be added to more than 2 million Libyans already living in Tunisia and that economy can't bear more than that, and if national interests require them to close the Libya border, they will close it. Libya is facing a bloody wave of violence that has prompted many countries to evacuate their nationals and forced Libyans themselves to leave their country. Besides, Tunisia and Libya agreed on the evacuation of some 13,000 Egyptians stranded on the Libyan side of Ras Jedir, Tunisian Interior Minister Lotfi Ben Jeddou said Sunday. The number is expected to increase.

## Stock Markets

- Following the Egyptian central bank's decision to increase overnight deposit rates by 1%, 7 banks raised the interest on



- investment certificates for 3 years by 1%. Those banks include Egyptian Gulf Bank (EGB), National Bank of Egypt (NBE), Barclays, Societe Arabe Internationale De Banque (SAIB) Bank, Egyptian Gulf Bank (EGB), Agricultural Development Bank (ADB), Banque Misr, Bank of Cairo.
- The total profits of 35 listed companies in Qatar's stock exchange hit 17.9 BN QR during the first half of 2014 showing an approximate 13% rise in the combined net profit of all companies the year before. The banking sector comes as the highest contributor to the combined net profit, making an estimated profit of 9.5 BN QR while the industrial sector accounts for 2.1 BN QR of the announced profit.

Country	Index Watchlist		15 Days% Change		YTD Change
Egypt	.EGX30	▲	2.6%	▲	30
	Construction & Materials	▲	0.7%	▲	3
	Telecommunication	▼	-1.2%	▲	1
	Banking	▲	10.2%	▲	2
KSA	.TASI	▲	4.2%	▲	19
	Petrochemicals	▲	6.7%	▲	1
	Banks & Financial Services	▲	4.6%	▲	1
	Telecommunication & Information	▲	3.9%	▲	1
Kuwait	.KWSE	▲	0.4%	▼	-8
	Banking	▲	0.6%	▲	1
	Telecommunication	▲	0.0%	▼	-
	Financial Services	▲	0.6%	▲	4
	Real Estate	▼	-1.4%	▼	-
	Industrials	▲	1.7%	▲	7
Qatar	.QSI	▼	-1.7%	▲	24
	Banking & Financial Services	▼	-1.0%	▲	2
	Industrials	▼	-2.0%	▲	2
	Real Estate	▼	-3.5%	▲	3
	Telecommunication	▼	-4.3%	▲	8
UAE, Abu Dhabi	.ADI	▲	2.6%	▲	17
	Banking	▲	4.3%	▲	2
	Telecommunication	▼	-0.4%	▼	-
	Real Estate	▼	-1.8%	▲	2
UAE, Dubai	.DFMGI	▲	1.4%	▲	43
	Banking	▲	8.8%	▲	4
	Real Estate & Construction	▲	3.0%	▲	6
	Investments & Financial Services	▲	1.4%	▲	4
	Telecommunication	▲	0.3%	▼	-1

## Major Companies Transactions

- **The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) approved a loan of a 60MM USD**

The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC), a member of the World Bank Group approved a loan of a

60MM USD in order to complete the Mall of Arabia Shopping Center in Egypt. It is expected that the second phase of the mall will open in September 2015, while the funds from IFC are estimated to create around 2,400 jobs. In a statement for the international organization, it said that the project could offer 6,300 direct as well as indirect jobs as well as boost demand for local goods and services. A loan from the Commercial International bank (CIB) in Egypt will accompany the loans from the international organizations.



- **Etihad Airlines is expected to proceed with the negotiations concerning Alitalia**

In a statement for the CEO of Etihad Airlines, he announced that Etihad Airlines is expected to proceed with the negotiations concerning Alitalia; the Italian airlines company towards, the end of July. Etihad airlines stated in June that it is going to buy 49% of Alitalia in an attempt to provide Alitalia with enough funds needed to invest in a new strategy more focused on long trips. A delay has occurred in reaching a final decision as a result of negotiating the restructuring of Alitalia's debts which Etihad has requested.

- **Ezz El Arab Automotive and Contact Auto Credit are partnering up to establish Ezz Financing**

Ezz El Arab Automotive one of Egypt's leading firms in the automotive industry and Contact Auto Credit, one of Egypt's leading financing firms are partnering up to establish "Ezz Financing". Such financing scheme is designed to be flexible with easier application process and approvals given to buyers in 3 days. This facilitates the process and enables more people to own cars. Financing terms can reach five years on the condition that the buyer has a bank account.

- **Saudi Savola signed a non-binding agreement to sell its packaging sector to Takween Advanced Industries**

Saudi Savola Group has signed a non-binding agreement to sell its packaging sector to Takween Advanced Industries in an attempt to focus on its core competencies including both food and retail. Takween is planning to acquire the full share of Savola Packaging, whose net profit was 69.5 MM riyals in 2013 falling from 100 MM riyals the year before.

- **Depa Ltd, secured 304 MM AED of new contracts with Europe and Asia**

One of the world's leading interior contracting companies, Depa Ltd, was able to secure 304 MM AED of new contracts with Europe and Asia. The Asian based subsidiary signed a contract with OUE Limited, a Singaporean real estate owner, developer and operator with the amount of 220 MM AED. The contract is signed to modify the middle and lower level floors from offices to serviced apartments.

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