

TOP NEWS

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- Qatar pledging \$15 billion investment in Turkey amid crisis
- Saudi Arabia consulting international companies on water privatization drive
- Dubai regulator probes Abraaj Capital, stops it from taking on new work
- DP World cautions on trade, posts 2.1% drop in H1 net profit
- Dubai's Emaar Properties posting 2% Q2 profit rise
- Dana Gas Q2 net profit falling on sukuk restructuring costs
- Egypt's Sarwa Capital seeks raising about \$120 million in IPO
- Middle East's Careem is said to be testing bus service in Egypt

MARKETS

- Gulf stock markets fell this week, pressured by general weakness across emerging markets as investors steered clear of assets perceived as risky due to a diplomatic and economic spat between the United States and Turkey. Markets sank as investors shied away from banks with links to Turkey's deepening economic turmoil. Attracted by its large population and surging economy, several Gulf banks have expanded into Turkey in recent years, most recently Dubai's largest bank Emirates NBD, which in May agreed to buy Turkey's Denizbank in a \$3.2 billion deal.
- The Saudi index dropped for the fourth week in a row while hitting a 3-month low. This is its worst week since January 2017.
- Dubai index slumped to its lowest level since January 2016.

EQUITIES

	Price	% 1 W
Saudi Arabia	7867.16	-3.78%
Abu Dhabi	4906.87	0.72%
Dubai	2803.32	-4.00%
Qatar	9447.88	-4.44%
Oman	4390.45	-0.92%
Egypt	15295.97	-3.94%
Kuwait	5381.57	-1.36%
Bahrain	1347.47	-0.16%
Jordan	1981.67	-0.27%

more data in PAGE 2

FX Rates

	vs USD	vs EUR
SAR	3.75	4.27
AED	3.67	4.18
QAR	3.65	4.16
OMR	0.385	0.438
EGP	17.899	20.367
KWD	0.304	0.345
BHD	0.377	0.429
JOD	0.710	0.807

more data in PAGE 3

LEBANON

BEIRUT S.E.

	Price*	% 1 W
SOLIDERE A	6.67	-4.99%
SOLIDERE B	6.62	-3.64%
BANK OF BEIRUT	18.80	-
BoB Priority	21.00	-
BANK AUDI	5.10	-0.20%
BLOM BANK	9.85	-1.01%
BYBLOS BANK	1.42	-
BLC BANK	0.93	-
BEMO BANK	1.55	-

* August 17, 2018

BONDS

	Mat	YTM*
LEB 5.45	Nov-19	8.15
LEB 6.15	Jun-20	8.46
LEB 6.10	Oct-22	9.52
LEB 6.65	Apr-24	9.86
LEB 6.60	Nov-26	9.97
LEB 6.75	Nov-27	9.97
LEB 6.65	Feb-30	9.83
LEB 7.05	Nov-35	9.63
LEB 7.25	Mar-37	9.61

*MID Value

more data in PAGE 3

BANK OF BEIRUT FUNDS

NAME	CY	NAV*	YTD (%)	SINCE INCEPTION
BEIRUT PREFERRED FUND II	USD	923.13	-2.49%	20.74%
OPTIMAL INVESTMENT FUND	LBP	100,074.52	4.90%	64.18%
BOB LBP GROWTH FUND A	LBP	133,192.27	6.61%	33.19%
BOB LBP GROWTH FUND B	LBP	100,534.19	6.33%	28.18%

* NAV as of August 16, 2018

(click for more details)

TOP NEWS

Gulf finance ministers to support Bahrain through fiscal balance programme

(Reuters) Gulf finance ministers said on Wednesday they would support Bahrain's financing needs after reviewing its proposed fiscal balance programme at a meeting in Manama. "The ministers reaffirmed their countries' commitment to supporting the financing needs of a fiscal balance programme with targeted indicators," they said in a statement. The ministers were from Saudi Arabia, the United Arab Emirates, Kuwait and Bahrain. The Gulf Cooperation Council members have been discussing aid to Manama for more than a year, as foreign investors dumped Bahrain's bonds, bankers and other Gulf sources have told Reuters. In late June, the three countries said in a statement they were considering "all options" to support Bahrain and finalize an integrated aid programme, which they said would soon be announced. Manama has projected a state budget gap of \$3.5 billion in 2018.

Qatar pledging \$15 billion investment in Turkey amid crisis

Turkish officials say Qatar has pledged \$15 billion of direct investments for Turkey as it struggles with a currency crisis. Officials from President Recep Tayyip Erdogan's office said the pledge was made by Sheikh Tamim bin Hamad Al Thani, who met with the Turkish leader Wednesday. The officials provided the information only on condition of anonymity, in line with government rules. They did not provide further information on the nature of the investments. During the meeting, Erdogan and Al Thani also expressed their determination to develop ties between their countries "in all areas," according to the officials. Turkey and Qatar have forged close bonds over the years, with Ankara supporting Doha during its standoff last year with other Gulf neighbors, including sending troops to a Turkish base there.

Saudi Arabia consulting international companies on water privatisation drive

(Reuters) Saudi Arabia's state-owned National Water Co (NWC) said on Thursday it was starting preparations to involve international companies in the kingdom's water distribution and treatment sector, part of privatisation plans drafted by the government. NWC invited local and international water companies to participate in a market-sounding exercise that will gauge the interest of potential investors. Companies were asked to register by Aug. 30. Officials have previously said they may let private companies operate, maintain and develop water distribution services in up to six regions of the arid country. The private sector would take responsibility for capital spending and operating risk, reducing pressure on state finances, in exchange for regular payments under long-term contracts. The government hopes such public-private partnerships, in water, education and other areas of infrastructure, will help to revive foreign direct investment in Saudi Arabia, which plunged to a 14-year low of \$1.4 billion in 2017. Riyadh has said it aims to generate \$9 billion to \$11 billion of non-oil state revenues from its privatization programme by 2020.

Dubai regulator probes Abraaj Capital, stops it from taking on new work

Dubai's financial services regulator has stopped Abraaj Capital from taking on new business or moving money to Abraaj Investment Management (AIML), its related entity, as part of an investigation into the group. "Given the onset of financial difficulties of the wider Abraaj Group, the DFSA has been closely monitoring the activities of its regulated entity ACL," Dubai Financial Services Authority said in a statement on Thursday. It is the first time that DFSA has said publicly it is investigating Abraaj, which faces allegations by some investors of misusing their money in a \$1 billion healthcare fund. Abraaj has denied any wrongdoing, but the allegations triggered a solvency crisis at the Middle East and Africa's largest buyout fund, and threatened to dent Dubai's reputation. Abraaj Capital is the only entity in the Abraaj Group regulated by DFSA, which issued its statement after two individuals from Deloitte were appointed as joint provisional liquidators by the Dubai International Financial Centre (DIFC) Courts to oversee the winding up of the private equity group.

DP World cautions on trade, posts 2.1% drop in H1 net profit

DP World, one of the world's biggest port operators, posted a 2.1% drop in first-half net profit on Thursday, and cautioned about geopolitical risks and recent changes to trade policies.

U.S. President Donald Trump is taking a more aggressive, protectionist posture on trade than his recent predecessors, sparking retaliatory measures from other countries such as China. "The near-term trade outlook remains uncertain with recent changes in trade policies and geopolitical headwinds in some regions continuing to pose uncertainty to the container market," said the company's chairman and chief executive, Sultan Ahmed bin Sulayem. "However, the robust financial performance of the first six months also leaves us well placed for 2018 and we expect to see increased contributions from our recent investments in the second half of the year," he said in a statement.

Dubai's Emaar Properties posts 2% Q2 profit rise

Emaar Properties, Dubai's largest listed developer, on Tuesday reported a 2% rise in second-quarter net profit after the impact of the public listing of its development business. The developer of the Burj Khalifa, the world's tallest building, fared better than rival DAMAC Properties which earlier reported a 46% fall in second quarter profit from continuing operations on lower property prices and muted sales as new developments hit the real estate market. Emaar made a net profit of 1.48 billion dirhams (\$403 million) in the three months to June 30, compared to 1.45 billion dirhams in the same year ago period as strong construction progress and growth in the mall business boosted revenue, it said in a statement. Excluding the effect of Emaar Development's initial public share offer late last year, Emaar Properties said its second quarter net profit rose by 16% from the year earlier period to 1.68 billion dirhams. Its revenue for the second quarter was 5.89 billion dirhams, 55% higher than the same period of 2017.

Dana Gas Q2 net profit falls on sukuk restructuring costs

United Arab Emirates-based energy company Dana Gas reported a 14% decrease in second quarter net profit on Tuesday, citing one-off sukuk restructuring costs. Dana Gas has been at the centre of a long and complex legal dispute with its creditors when last year it halted payments on \$700 million in sukuk, or Islamic bonds, saying the instruments had become unlawful in the UAE. After reaching a consensual restructuring agreement in May, the firm said on Tuesday it completed the sukuk refinancing and that all legal proceedings have been brought to an end by the parties involved in the dispute. Dana made a net profit of 37 million dirhams (\$10 million) in the second quarter, down from 43 million one year earlier. In the six months to 30 June it registered a 4% increase year on year to 88 million dirhams, thanks to higher realised hydrocarbon prices and savings on the sukuk profit payment, CEO Patrick Allman-Ward said in a conference call. The net profit for the first half of the year would have been 183 million dirhams without the one-off sukuk restructuring costs, he said.

Egypt's Sarwa Capital seeks raising about \$120 million in IPO

(Bloomberg) Sarwa Capital, an Egyptian consumer and structured-finance provider, plans to sell a stake of as much as 40% in an initial public offering to raise capital for expansion. The Cairo-based company plans to list the shares on the local stock exchange in early October, Chief Executive Officer Hazem Moussa said in an interview. The company will use the proceeds, expected to be about \$120 million, to grow consumer and retail financing, mortgages, leasing and corporate bonds and to start insurance and factoring businesses, he said. "There is a lot of growth potential even in our existing historical core business of car financing but also in other relatively new businesses," Moussa said from his Cairo office. "The penetration levels are extremely low, there is so much to do and we are looking to expand and grow."

Middle East's Careem is said to be testing bus service in Egypt

(Bloomberg) Careem Networks FZ, the Middle Eastern ride-hailing provider, is testing a bus-booking service ahead of a possible roll-out across all 14 countries it operates in. Careem Bus -- a division aimed at attracting low-income earners -- will initially go live in at least four Egyptian cities, and is expected to be rolled out in September, according to people familiar with the business who asked to remain anonymous since plans aren't public yet. A Careem spokeswoman didn't immediately respond to a request for comment. The people did not disclose how much the Dubai-based company is investing in this project, but indicated that significant capital has been allocated for it. Competition with Uber Technologies Inc. is pushing Careem to look at expanding into other services including food and package delivery. Uber has held preliminary talks to merge with its local competitor, people familiar with the matter previously told Bloomberg. Careem has also been speaking with investors to raise \$500 million, and has held early talks with banks about a potential IPO in January.

EQUITIES

			Price	As at	Δ 1 W NET	Δ 1 W %	High	Low
	TADAWUL ALL SH INDEX	SA	7867.16	16-Aug	-309.02	-3.78%	8,141.40	7,826.34
	ADX GENERAL INDEX	UA	4906.87	16-Aug	34.84	0.72%	4,906.87	4,797.20
	DFM GENERAL INDEX	UA	2803.32	16-Aug	-116.79	-4.00%	2,922.40	2,795.96
	QE Index	QA	9447.88	16-Aug	-438.98	-4.44%	9,877.05	9,447.88
	MSM30 Index	OM	4390.45	16-Aug	-40.76	-0.92%	4,431.25	4,372.17
	EGX 30 INDEX	EG	15295.97	16-Aug	-628.09	-3.94%	15,924.06	15,287.13
	KUWAIT PREMIER Index	KW	5381.57	16-Aug	-74.28	-1.36%	5,450.78	5,362.24
	BB ALL SHARE INDEX	BH	1347.47	16-Aug	-2.13	-0.16%	1,351.35	1,341.13
	AMMAN SE GENERAL INDEX	JO	1981.67	16-Aug	-5.32	-0.27%	1,995.32	1,970.20

TOP MOVERS

GAINERS			
1	KUWAIT & MIDDLE EAST FIN INV	KU	14.35%
2	HEAVY ENGINEERING AND SHIP B	KU	13.72%
3	SANAM REAL ESTATE CO KSCC	KU	11.73%
4	EGYPTIAN ELECTRICAL CABLES	EG	11.24%
5	SAUDI INDUSTRIAL SERVICES CO	SR	9.27%
6	UNITED PROJECTS FOR AVIATION	KU	8.29%
7	SPECIALIZED INVESTMENT COMPO	JO	8.08%
8	UNITED ELECTRONICS CO	SR	7.95%
9	ARAB EAST FOR REAL ESTATE IN	JO	7.55%
10	KUWAITI SYRIAN HOLDING CO	KU	7.46%

LOSERS			
1	KUWAIT CABLE VISION SAK	KU	-77.36%
2	ALBARAKA BANKING GROUP	BJ	-27.65%
3	INOVEST CO BSC	BJ	-26.92%
4	METAL & RECYCLING CO	KU	-25.87%
5	BELTONE FINANCIAL HOLDING	EG	-16.67%
6	MIDDLE EAST HEALTHCARE CO	SR	-15.84%
7	EZDAN HOLDING GROUP	QA	-15.36%
8	WAFI INSURANCE	SR	-13.38%
9	PIONEERS HOLDING	EG	-12.72%
10	EXTRACTED OILS	EG	-12.41%

TOP MARKET CAPS

1	SAUDI BASIC INDUSTRIES CORP	SR	-3.00%
2	SAUDI TELECOM CO	SR	-7.98%
3	QATAR NATIONAL BANK	QA	-6.29%
4	EMIRATES TELECOM GROUP CO	UA	0.30%
5	AL RAJHI BANK	SR	-3.78%
6	NATIONAL COMMERCIAL BANK	SR	-6.22%
7	SAUDI ELECTRICITY CO	SR	2.11%
8	INDUSTRIES QATAR	QA	-3.61%
9	DP WORLD LTD	UA	-2.19%
10	SAUDI ARABIAN MINING CO	SR	-4.04%

TOP TRADING VOLUMES (WEEKLY AVG)

(in MILLIONS)			
1	DANA GAS	UA	42.47
2	DRAKE & SCULL INTERNATIONAL	UA	36.94
3	ARABIA INVESTMENTS & DEVELOP	EG	29.14
4	ALINMA BANK	SR	27.86
5	CITADEL CAPITAL SAE	EG	18.46
6	AAYAN LEASING & INVESTMENT	KU	16.74
7	DAR AL ARKAN REAL ESTATE DEV	SR	16.03
8	AMER GROUP HOLDING	EG	13.30
9	PORTO HOLDING SAE	EG	13.05
10	PALM HILLS DEVELOPMENTS SAE	EG	9.53

TOP SECTORS MOVERS (where index is officially priced)

SAUDI ARABIA		ABU DHABI	
Tadawul Utilities (L2)	1.88%	ADX Consumer Staples	2.71%
Tadawul Comm & Prof Svc	-0.21%	ADX Banks	1.21%
Tadawul Transportation	-0.46%	ADX Real Estate	0.72%
Tadawul Tel Svc (L2)	-7.23%	ADX Industrial	-1.47%
Tadawul Phar, Bio & LS	-6.10%	ADX Energy	-1.42%
Tadawul Food & Beverages	-5.54%	ADX Fin Svs & Investment	-1.00%

CURRENCIES

Cross Rates



USD



EUR



GBP



AUD



JPY*



CHF

	Saudi Riyal	SAR	3.75	4.27	4.77	2.72	29.57	3.76
	UAE Dirham	AED	3.67	4.18	4.67	2.67	30.20	3.68
	Qatari Riyal	QAR	3.65	4.16	4.65	2.66	30.34	3.67
	Omani Riyal	OMR	0.385	0.438	0.490	0.280	288.08	0.386
	Egyptian Pound	EGP	17.899	20.367	22.754	12.997	6.20	17.955
	Kuwaiti Dinar	KWD	0.304	0.345	0.386	0.220	365.25	0.305
	Bahraini Dinar	BHD	0.377	0.429	0.479	0.274	294.05	0.378
	Jordanian Dinar	JOD	0.710	0.807	0.902	0.515	156.30	0.712

- Thursday's closing prices are used to calculate the cross rates
- USD/EUR/GBP/AUD/CHF are base currencies

BONDS

Sovereign Eurobonds (USD)

LEBANON

Maturity Range (yrs)	Maturity	YTM
0 - 1	Nov-18	4.85
	May-19	7.28
1 - 2	Nov-19	8.15
	Mar-20	8.35
	Apr-20	8.53
	Jun-20	8.46
2 - 4	Apr-21	9.20
	Oct-22	9.52
4 - 7	May-23	9.69
	Apr-24	9.86
	Nov-24	9.82
	Dec-24	9.89
	Feb-25	9.99
	Jun-25	9.93
	Nov-26	9.97
	Mar-27	10.05
7 - 10	Nov-27	9.97
	May-29	10.01
	Feb-30	9.83
	Apr-31	9.89
10 - 30	Mar-32	9.83
	Nov-35	9.63
	Mar-37	9.61

GULF

Maturity Range (yrs)	Country	Maturity	YTM
0 - 1	DUBAI	Dec-18	2.99
	DUBAI	Feb-19	3.06
	ABU DHABI	Apr-19	2.50
	QATAR	Apr-19	2.69
1 - 2	QATAR	Jan-20	3.11
	2 - 4	DUBAI	Oct-20
ABU DHABI		May-21	3.26
QATAR		Jun-21	3.45
DUBAI		Jun-21	3.80
4 - 7	QATAR	Jan-22	3.53
	ABU DHABI	Oct-22	3.43
	QATAR	Jan-23	3.56
	DUBAI	Mar-25	4.44
7 - 10	ABU DHABI	May-26	3.79
	QATAR	Jun-26	3.92
10 - 30	ABU DHABI	Oct-27	3.84
	QATAR	Jun-30	4.41
	QATAR	Jan-40	4.75
	QATAR	Jan-42	4.75
	DUBAI	Jan-43	5.47
QATAR	Jun-46	4.65	
ABU DHABI	Oct-47	4.40	

Yields are MID values and shown strictly for information purpose and subject to change at any time

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