

# Weekly Economic Monitor

August 17, 2014

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### News and analysis

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### Markets overview

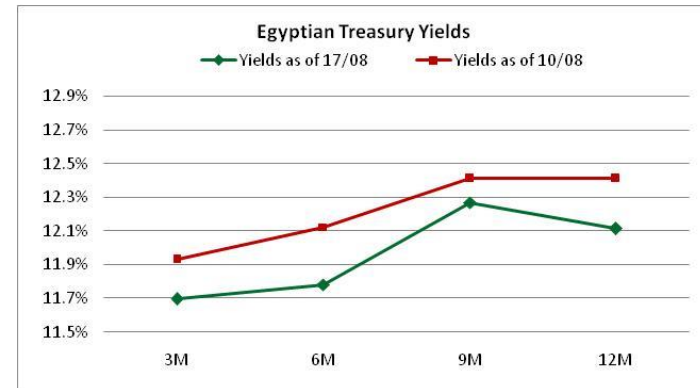
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**Regional**

# Egypt: Government might seek to resume talks with IMF

- Egypt's T-bill yields dropped significantly last week as higher coverage ratios of around 300% and strong demand caused a slight downward trend in yields.
- Moreover, Egypt's government is planning to offer a lower amount of debt instrument in August of 63.5 billion EGP, compared to 78 billion EGP in July, which probably attributed to the increased appetite.
- In other news, Egypt's Finance Minister Hany Kadry Dimian said Egypt's GDP grew by at least 3.5% in Q4 of the fiscal year 2013/14 that ends in June, though no official figures have been released yet.
- Moreover, the Finance Minister is seeking to resume talks next year to secure a \$10.4 billion IMF loan, after talks halted with the IMF due to the high political instability.
- Egypt had been engaging in talks with the IMF since 2011 with no concluding deal.
- Earlier this month, the Minister had said Egypt he is open to any kind of cooperation with the IMF that will "benefit the country, at the right time, and in the right framework and magnitude."



Source: Bloomberg

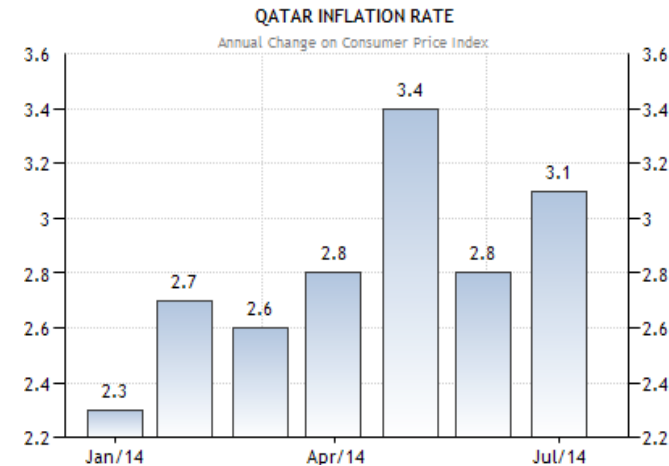


Source: Trading Economics

# GCC Economic Highlights:

## *Qatar: Inflation up to 3.1% in July*

- Qatar's inflation rate rose 3.1% year-on-year in July of this year when compared to the same time period in 2013, up from an annual inflation rate of 2.8% in June.
- The rise in inflation is mainly due to the rise in the price of rentals, fuel & energy group, which carries the maximum weight of 32.2% of the CPI basket, up 7.6% compared to June 2013, mainly due to rental hikes of residential buildings.
- Eliminating the effect of the above group would drop inflation to 1.4%.
- Meanwhile, the price of furniture, textiles & home appliances group rose by 5.4% over the same time period, while the transport and communication group grew at a much slower pace of 1.8% over the same time period.
- On the other hand, food, beverage and tobacco, which has a weight of 13.2% in the CPI basket, fell by 0.8% from July 2013, and 1% from last month's level, despite the expected increased demand due to the Holy month of Ramadan.
- According to analysts, inflation is expected to rise to 3.8% in 2014 as higher infrastructure spending will result in a large inflow of workers, putting pressure on housing and prices. The IMF expects inflation to reach 3.6% in 2014.

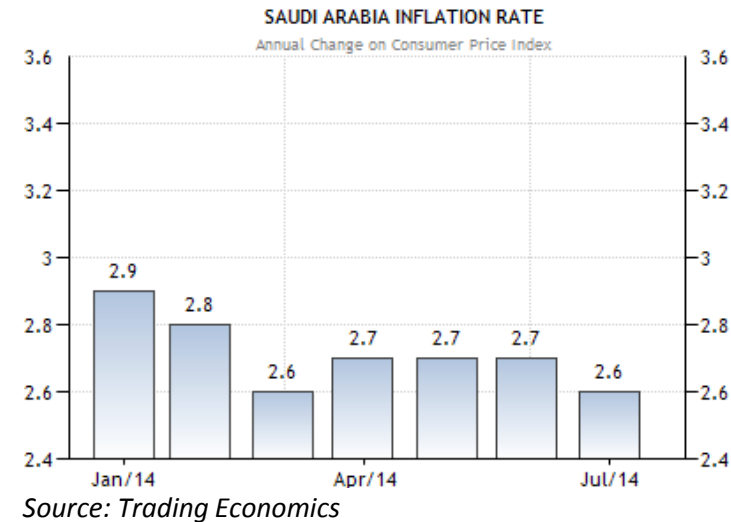


Source: Trading Economics

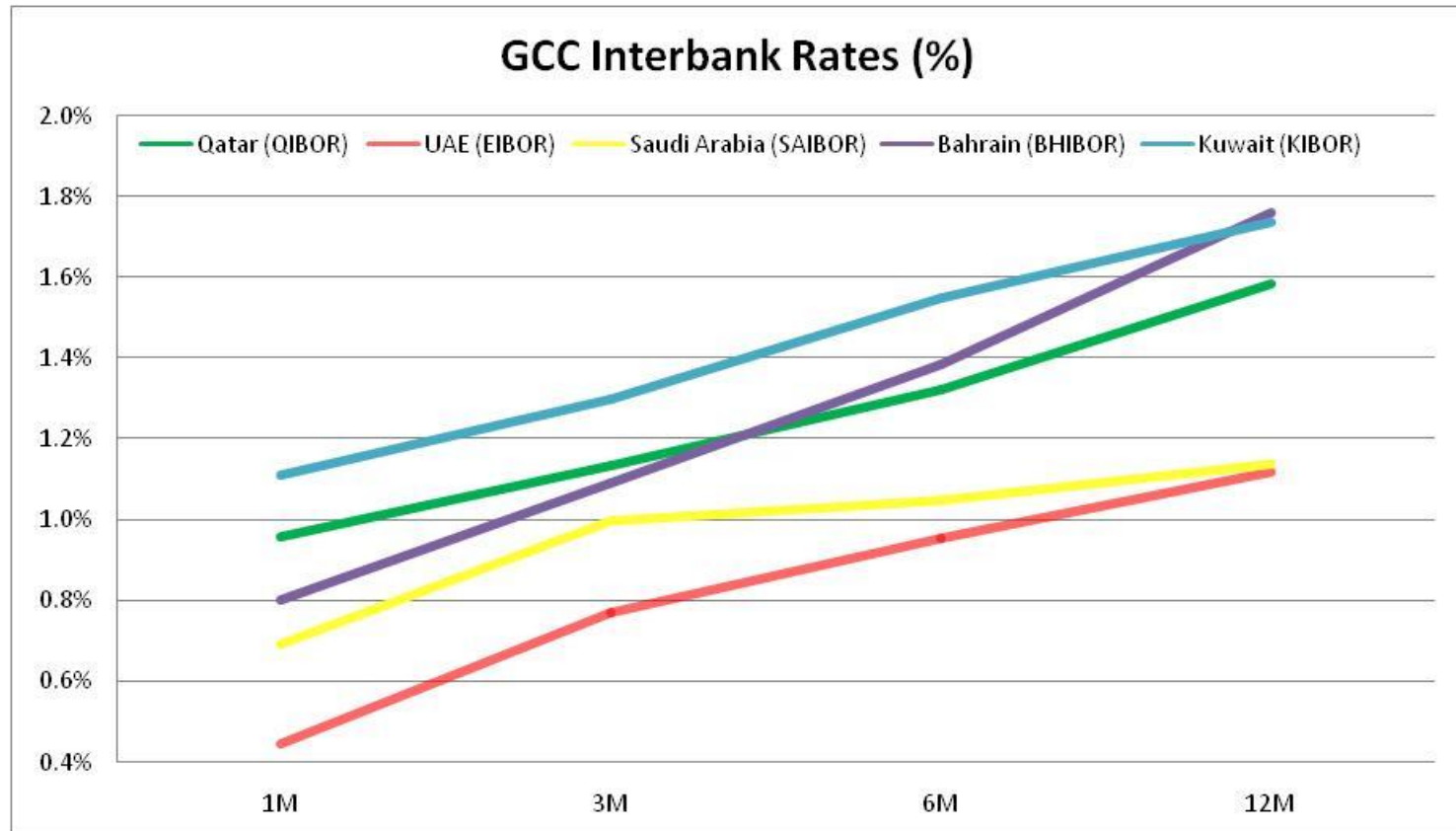
# GCC Economic Highlights:

## *Saudi Arabia: Inflation down to 2.6% in July*

- According to figures released by the Central Department of Statistics & Information, the inflation rate grew by 2.6% in July of this year when compared to July 2013, down from 2.7% in June of this year.
- In July, culture and entertainment group prices rose the most, up by 10.4% from July 2013.
- Culture and recreation prices were closely followed by tobacco group prices which rose by 7.3% over the same time period.
- Household furniture and appliances group prices rose 4.2% from a year ago.
- Moreover, education group prices rose by 3.7% over the same time period, while health group prices rose by 3.5%.
- Meanwhile, inflation rose by 0.3% when compared to June of 2014.
- The IMF expects inflation to reach around 3.0% in 2014, while other analysts expecting inflation to rise due to the outflow of foreign workers and the resulting increase in wages to compensate for the drop in foreign workers reflecting on inflation.



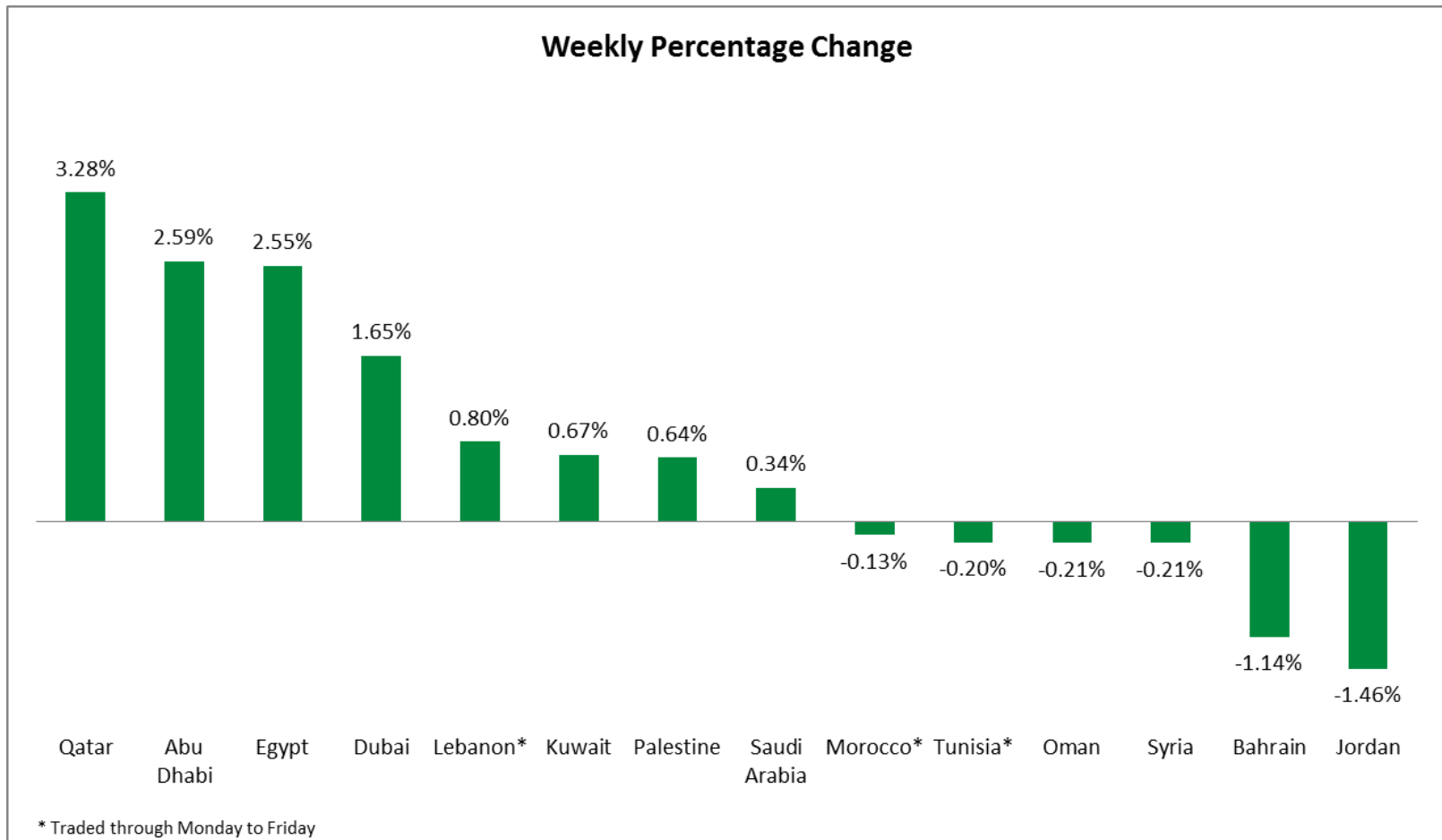
# GCC interbank rates



Source: Bloomberg

# Comparative MENA Markets

For the period August 10 – August 15



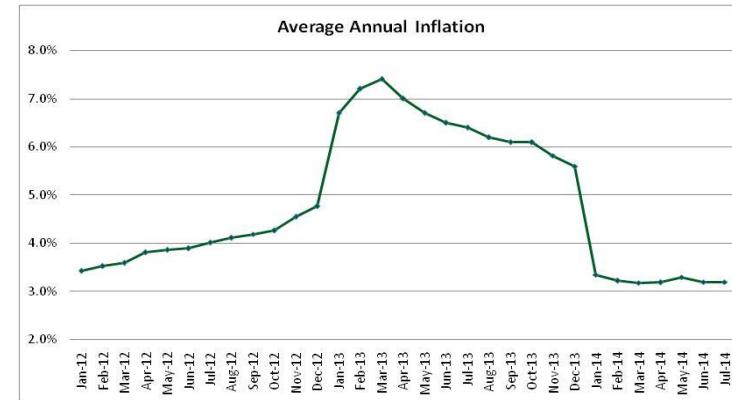




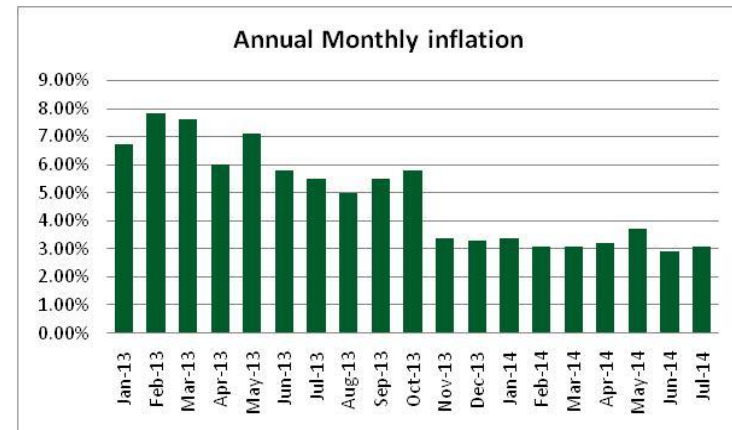
# **Jordan Economy**

# Inflation up by 3.2% during first 7 months of 2014

- Figures released by the Department of Statistics show that the inflation rate grew by 3.2% during the first seven months of this year, compared to the same period last year, unchanged from an annual inflation rate of 3.20% in the first half of the year.
- It is expected that inflation will ease this year to around 3.00% from 5.6% in 2013, as the effect of removing fuel subsidies in November 2012 continues to fade.
- The report said that the rise in inflation was attributed mainly to higher prices in the following main commodities and services: rents (up 7.3%), transportation (up 3.5%), education (up 5.6%), tobacco (up 13.3%), and clothes (up 10.1%).
- On the other hand, prices of other commodity groups dropped for the same time period: personal care (down 1.3%); meat and poultry (down 0.7%); telecommunications (down 0.2%); oils and fats (down 1.0%).
- Comparing July of this year to July of 2013, inflation was up by 3.1%, up from 2.90% in July, driven largely by the same groups mentioned above.
- Meanwhile, on a monthly basis, inflation rose by 0.70% in July compared to June, probably due to the Holy month of Ramadan which drove the prices of vegetables up by 4.4%, meat and poultry by 1.7%, and culture and entertainment by 5.7% on a monthly basis.



Source: Department of Statistics

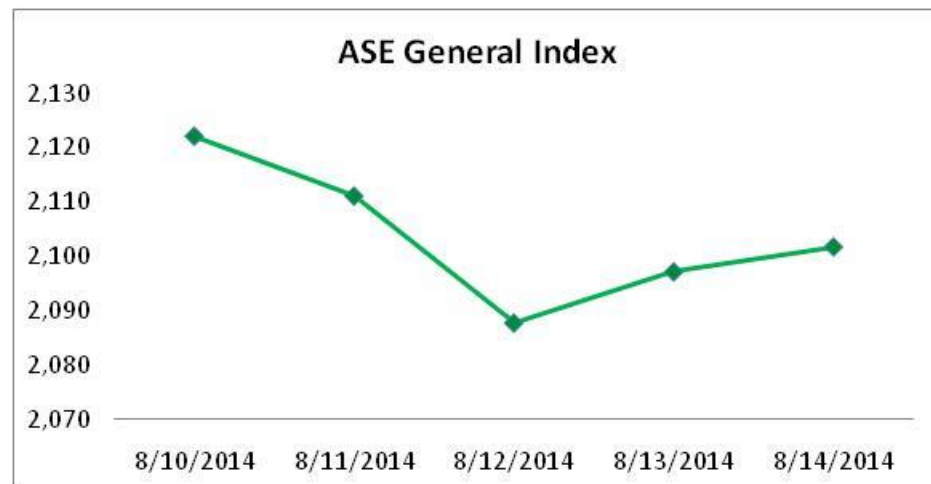


Source: Department of Statistics

# Amman Stock Exchange

For the period 10/08– 14/08

*ASE free float shares' price index ended the week at (2,101.8) points, compared to (2,133.0) points for the last week, posting a decrease of 1.46%. The total trading volume during the week reached JD(28.1) million compared to JD(24.5) million during the last week, trading a total of (24.2) million shares through (15,613) transactions. The shares of (172) companies were traded, the shares prices of (49) companies rose, and the shares prices of (91) declined.*



## Top 5 gainers for the last week

Stock	% chg
Alshamekha for Real-estate and Financial Investments	25.71%
Industrial Industries & Match/JIMCO	22.28%
Comprehensive Multiple Project Company	13.83%
Jordan Emirates Insurance Company P.s.c	13.64%
The Jordan Cement Factories	13.60%

## Top 5 losers for the last week

	% chg
First National Vegetable Oil Industries Co.	(19.05%)
Al-Manara Insurance Plc. Co.	(15.38%)
The Mediterranean & Gulf Insurance Company – Jordan P.l.c	(11.63%)
Jordan Press Foundation/ Al-Ra’l	(10.23%)
Arab Investors Union Co. for Real Estates Developing	(9.80%)

# Jordan Debt Monitor

## Latest T-Bills

- ❑ As of August 17, the volume of excess reserves, including the overnight window deposits held at the CBJ JD(3,320) million.

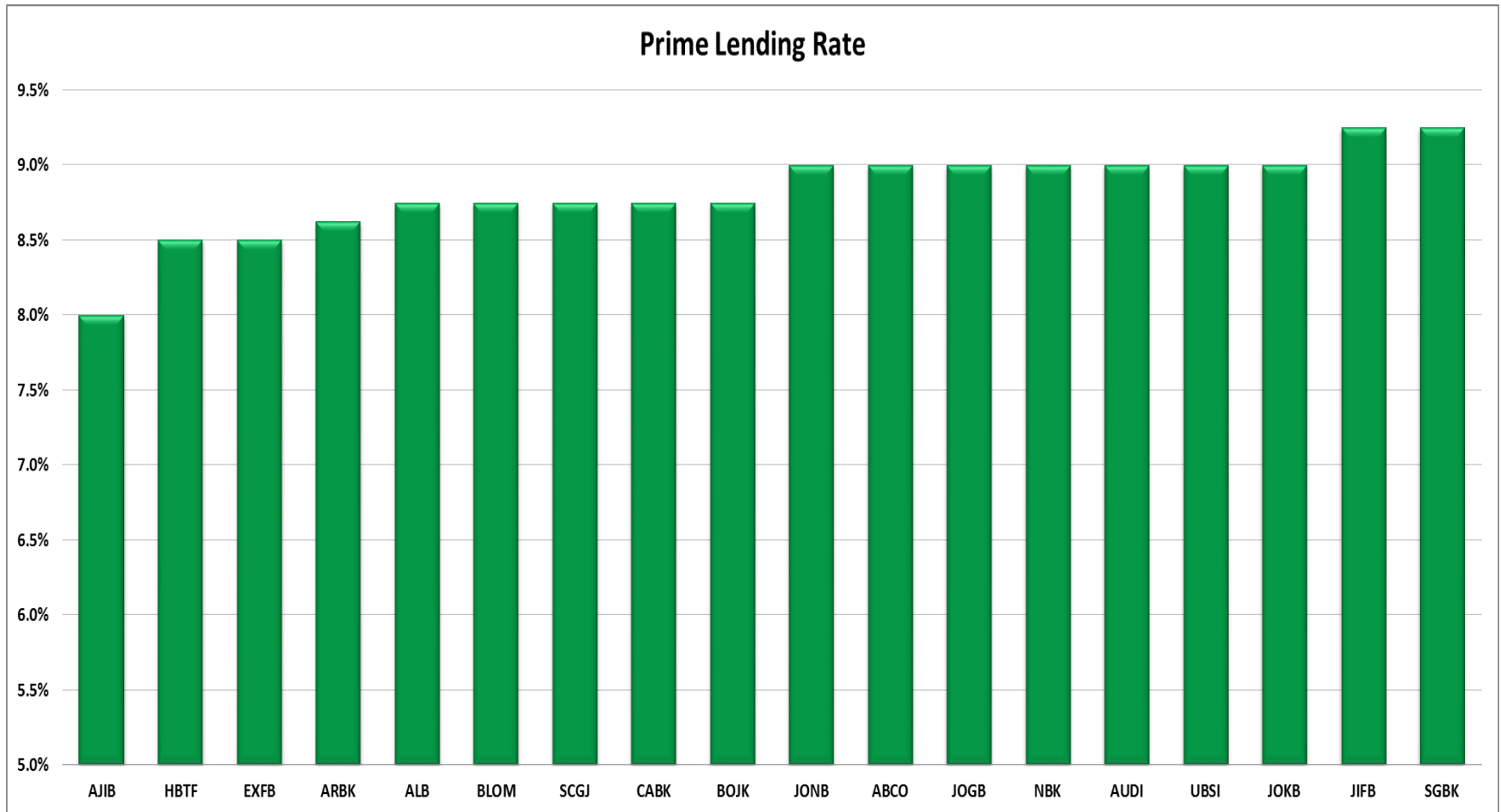
<b>3 months T-Bills (no new issuance)</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Size - million</b>	<b>Yield (%)</b>
29/2011	14/12/2011	14/03/2012	50	2.898%
28/2011	12/12/2011	12/03/2012	50	2.844%
<b>6 months T-Bills (no new issuance)</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Size - million</b>	<b>Yield (%)</b>
02/2012	14/02/2012	14/08/2012	50	3.788%
01/2012	23/01/2012	23/07/2012	50	3.433%
<b>9 months T-Bills (no new issuance)</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Size - million</b>	<b>Yield (%)</b>
05/2012	04/03/2012	04/12/2012	75	4.285%
04/2012	29/02/2012	29/11/2012	75	4.229%
<b>1 year T-Bills</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Size - Million</b>	<b>Coupon (%)</b>
06/2014	03/07/2014	03/07/2015	50	3.297%
05/2014	09/06/2014	09/06/2015	50	3.797%
04/2014	03/04/2014	03/04/2015	50	3.652%
03/2014	20/03/2014	20/03/2015	50	3.612%

# Jordan Debt Monitor

## Latest T-Bonds Issues

2 years T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T4814	15/07/2014	15/07/2016	50	3.772%
T3514	12/05/2014	12/05/2016	50	4.076%
T3214	04/05/2014	04/05/2016	75	3.999%
3 years T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T5714	15/08/2014	15/08/2017	75	4.249%
T5614	13/08/2014	13/08/2017	75	4.235%
T5314	05/08/2014	05/08/2017	50	4.216%
4 year T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T0312	15/01/2012	15/01/2016	37.5	7.246%
5 years T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T5514	11/08/2014	11/08/2019	75	5.438%
T5414	07/08/2014	07/08/2019	50	5.420%
T5214	27/07/2014	27/07/2019	50	5.438%
Public Utility Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
PB64 (Water Authority)	01/07/2014	01/07/2019	32.5	5.583%
PB63 (Water Authority)	30/01/2014	30/01/2019	22	5.850%
PB62 (Water Authority)	10/11/2013	10/11/2016	43	5.715%
PB61 (Water Authority)	31/10/2013	31/10/2016	40	5.892%

# Prime Lending Rates



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