

Weekly Economic Monitor

July 5, 2015

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Markets overview

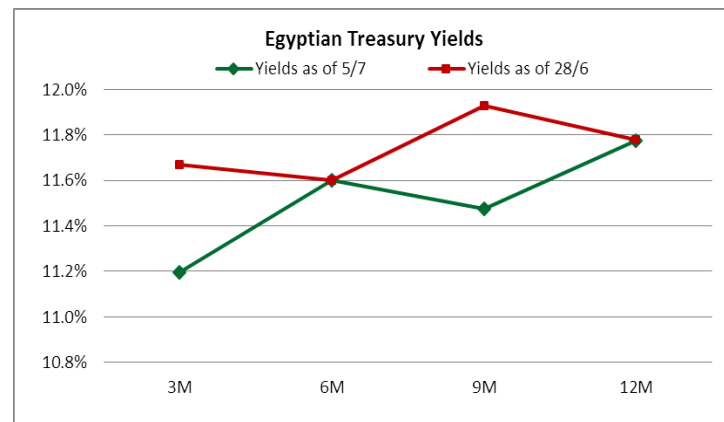
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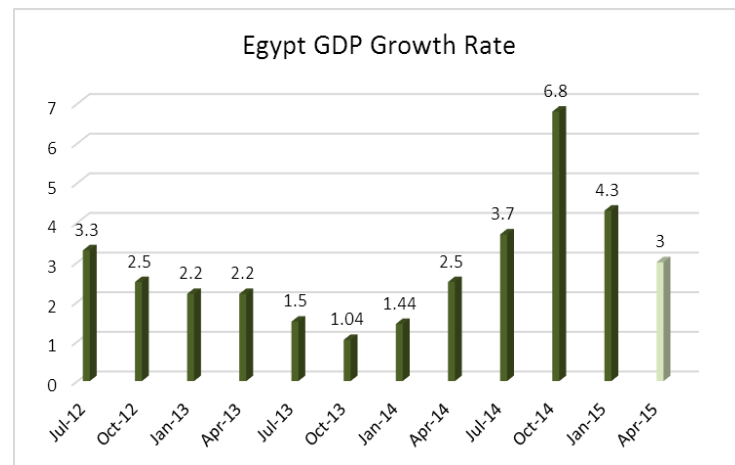
Regional

Egypt: Economy grew by 3% in Q3 2014/2015, pound weakens by 1.3%

- Egypt's T-bill yields for 3 months and for 9 months have dropped this week when compared to the week before, whereas T-bills yields for 6 months and for 12 months have remained stable.
- Meanwhile, Egypt's economic growth has registered 3% in the third quarter of its fiscal year 2014/2015 ending in March, compared to 2.5% in the same period a year earlier.
- Growth has dropped when compared to the quarter before, placing more pressure on the central bank to cut rates to stimulate the economy.
- The IMF expects growth to register 4.0% in 2015, and 4.3% in 2016.
- In other news, Egypt's Central Bank has allowed the Egyptian Pound to weaken against USD for the first time in five months. This drop is expected to boost exports and attract further international investments in Egypt.
- Finally, Egypt has amended its government's 2015/2016 fiscal budget, where it now expects a deficit of 8.9% of GDP instead of 9.9% that was approved earlier.



Source: Bloomberg

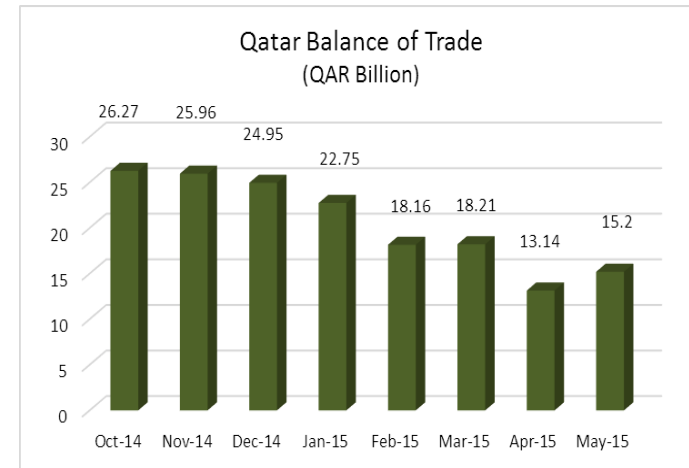


Source: Trading Economics

GCC Economic Highlights:

Qatar: Real GDP growth registers 4.1% in Q1, trade surplus hits 15.2 billion QR.

- According to figures released by The Ministry of Development Planning and Statistics, Qatar's real GDP growth for the first quarter in 2015 by 4.1% when compared to the same period last year. However, growth registers 3.4% when compared to the previous quarter.
- This growth is mainly due to a rise in the activities of all the sectors when compared to the previous quarter and over the corresponding quarter of 2014, except for Trade, Hotel and Restaurants which has declined by 11.8% when compared to the previous quarter.
- In other news, Qatar's trade surplus reached 15.2 billion QR, as total exports amounted 24.8bn QR in May 2015, down by 38.9% when compared to May 2014. However, total exports have increased by 4.7% in May, compared to the April 2015.
- On the other hand, imports in May 2015 amounted 9.6 billion QR, an increase of 10% over May 2014. Whereas, on a month to month basis the imports decreased by 9.3% in May compared to April 2015.

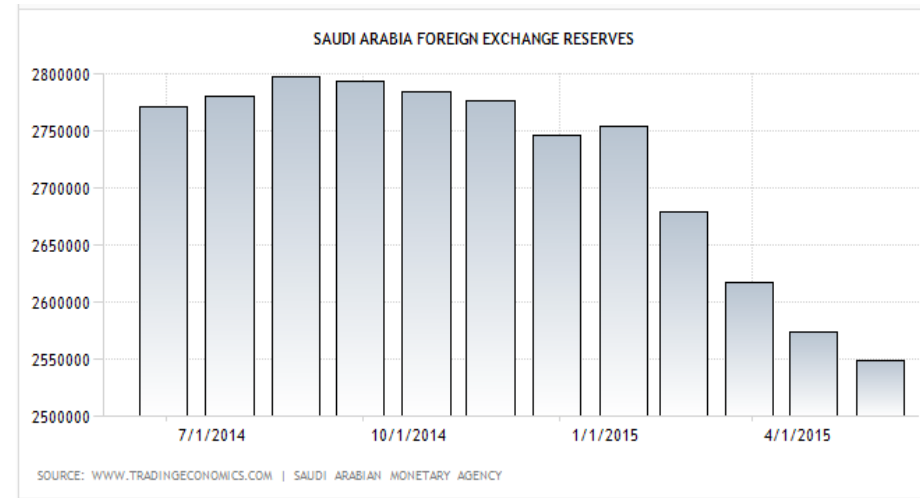


Source: Trading Economics

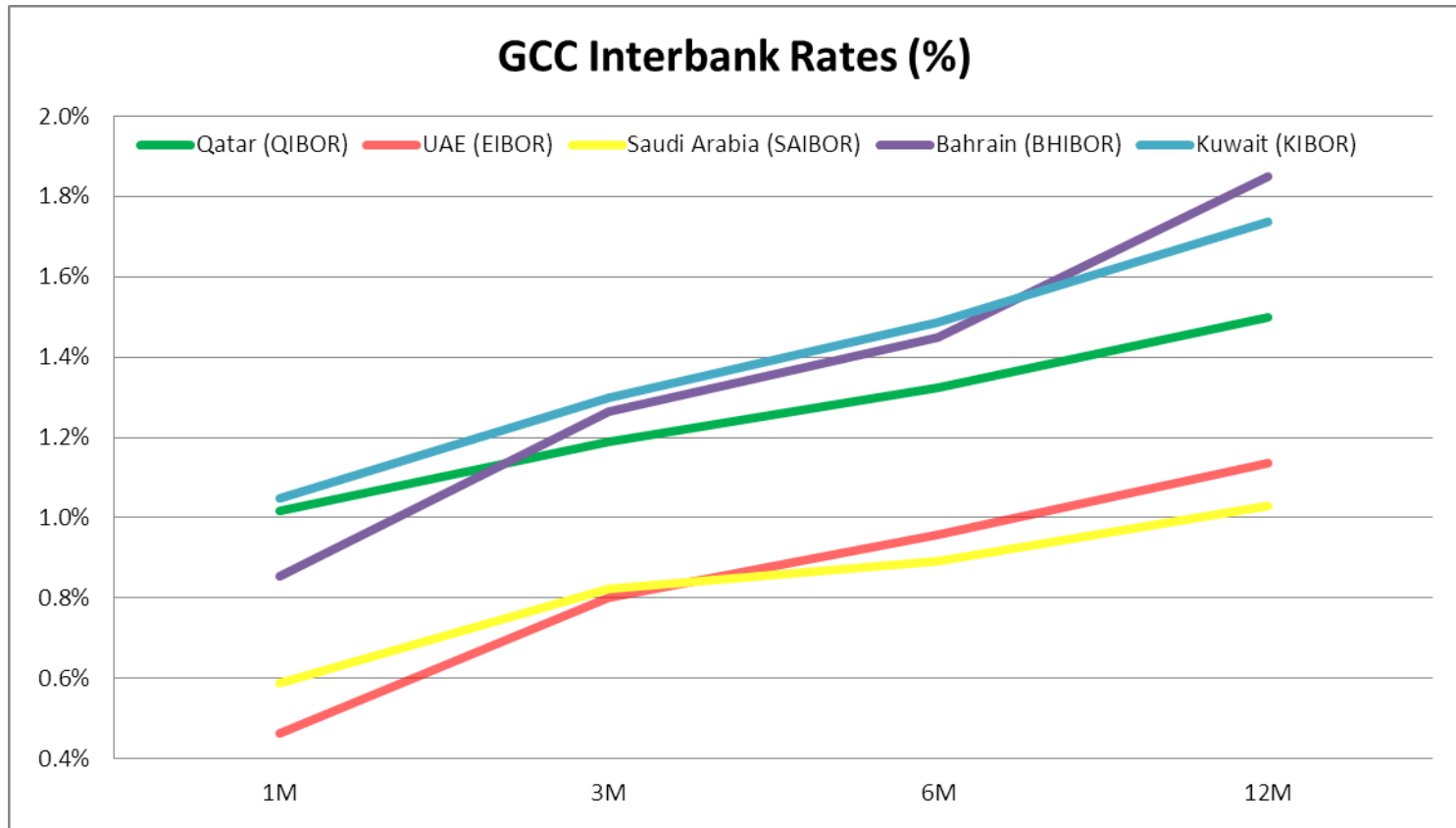
GCC Economic Highlights:

Saudi Arabia: Oil exports brings SR 305 billion in 6 months, while foreign reserves drops by 1% as oil prices remain low

- Saudi Arabia has exported 1.4 billion barrels of crude oil in the first six months of 2015 with proceedings amounting SR 305 billion.
- However, oil revenues dropped by 46% in the first half of the year compared to figures of the same period last year, as a result of lower oil prices.
- Saudi Arabia expects oil revenues to fall by 36% in 2015 compared to 2014.
- In other news, as oil prices remain low, Saudi foreign reserves have dropped by 1% in May, compared to April 2015. Net foreign assets amounted 2.521 trillion riyals (\$672.2 billion) in May, down by \$6.6 billion.
- IMF predicts that if oil prices stay in their recent range, Saudi Arabia will run a fiscal deficit of around 20% of GDP this year, equivalent to \$150 billion.



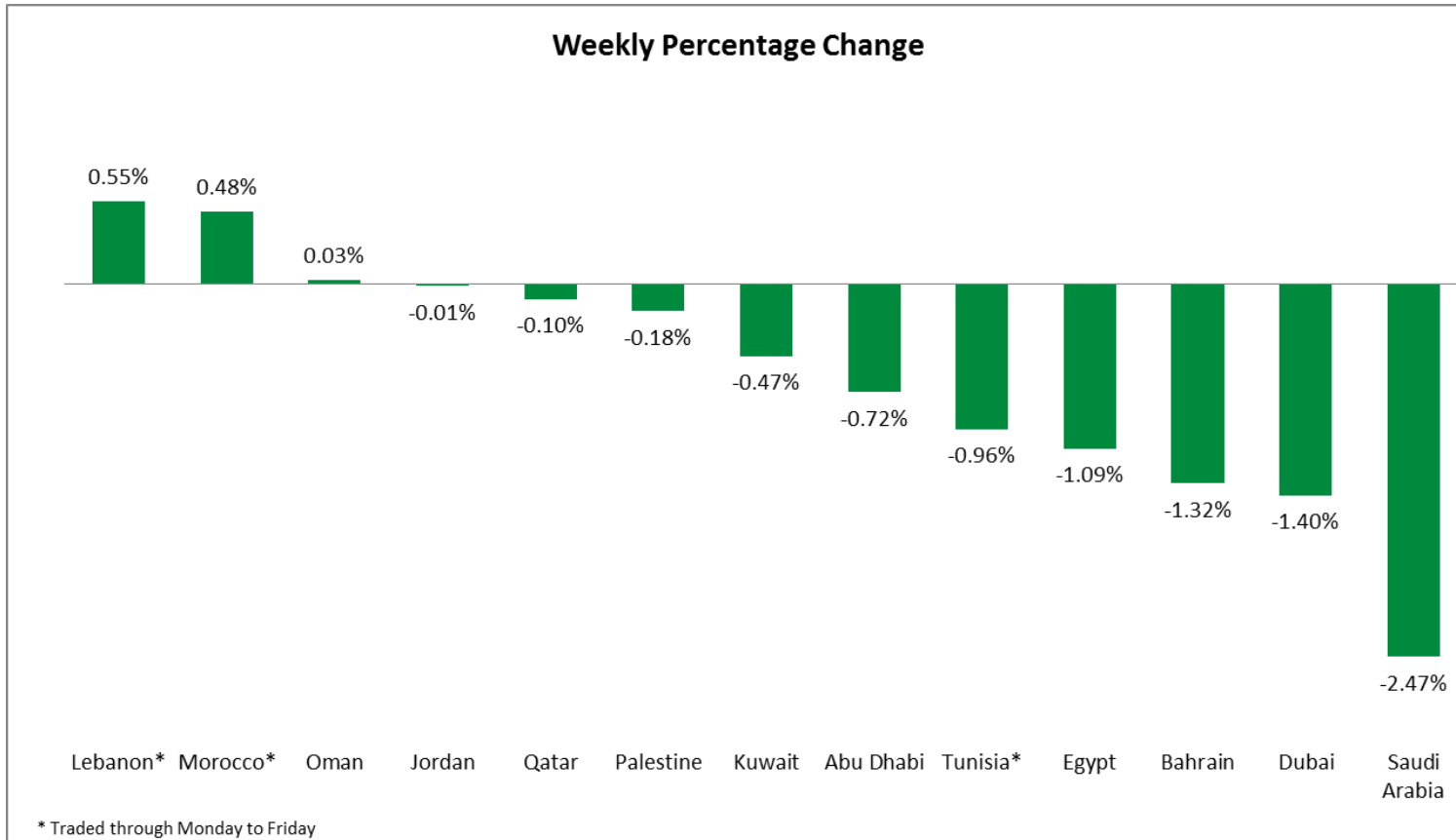
GCC interbank rates



Source: Bloomberg

Comparative MENA Markets

June 28, 2015 – July 3, 2015



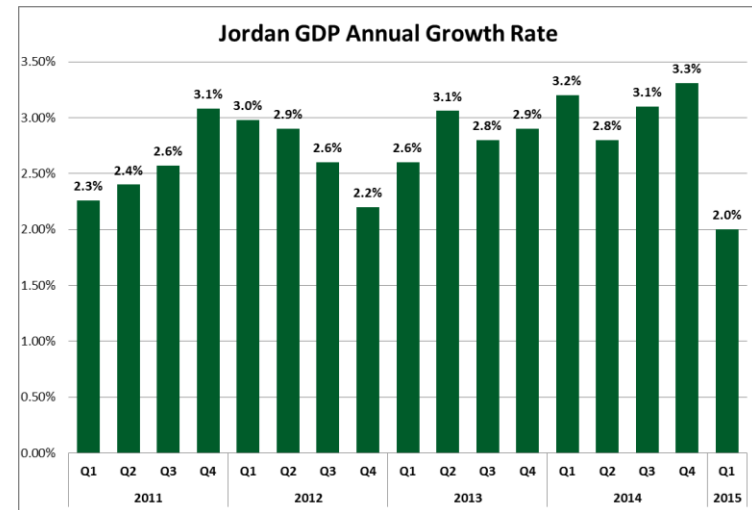
Source: Bloomberg



Jordan

GDP grows by 'modest' 2% in first quarter, signaling a slowdown in economic growth

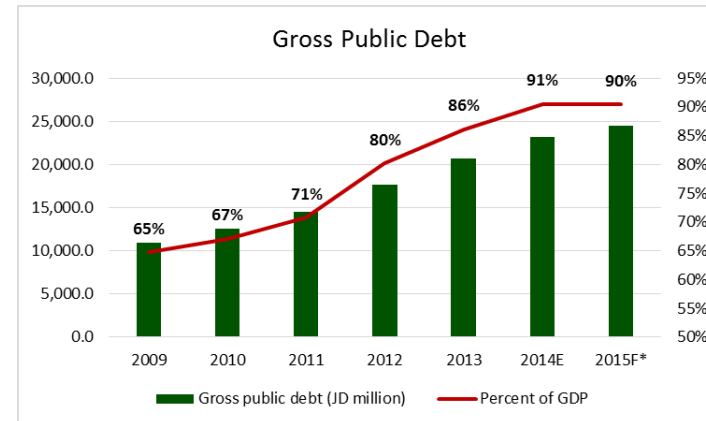
- Jordan's gross domestic product (GDP) grew modestly by 2% in the first quarter of 2015, compared to the same quarter of 2014, according to the Department of Statistics (DoS), signaling a slow start to the year and indicates that economic growth is likely to miss International Monetary Fund projections for Jordan's GDP to increase around 3.5% in 2015.
- Most sectors recorded growth, with the extractive industries sector achieving the highest growth rate of 10.1%, according to a DoS statement issued on Thursday.
- The agriculture sector came second with a growth rate of 7.7%, followed by the private services sector (6.3%), the financial, insurance, real estate and business services sector (3.7%) and the social and personal services sector, which recorded 3%.
- Although the contribution of the construction sector reached 6.5% during last year's first quarter, it registered a negative growth by 3.4% over the same period this year.
- Economists cited the regional crises, such as the closure of the border with Syria and the complications at the border with Iraq, as contributing factors to the slowdown in GDP growth.



Jordan set to issue Islamic Sukuk in September, IMF figures show public debt stabilizing in May

- Jordan's Ministry of Finance has started the procedures of establishing a company to begin issuing Islamic Sukuk to borrow from Islamic banks.
- The Ministry of Finance expected the first Sukuk to be issued in September of this year in the amount of 200 million JD. The government is expected to issue a total of 500 million JD of Sukuk this year.
- The issuance of Sukuk and the government's recent issuance of Eurobond in international markets in the amount of \$1.5 billion (1.06 billion JD) will likely push up liquidity levels at commercial banks and place further downward pressure on interest rates in the market.
- Bond yields have already dropped significantly as 1-year T-bills and 2-year T-bonds are 2.75%, while 3-year bonds are around 3.20%.
- Meanwhile, figures released by the IMF show that public debt indicators started stabilizing in May of this year.
- Gross public debt, which does not include government deposits at banks, stabilized at 23.1 billion JD in May compared to April.
- The IMF expects public debt to stabilize this year before gradually starting to drop in 2016.

	Rate at end of 2014	Current rate	Latest Issuance	Change during 2015
1-year	3.45%	2.75%	5 th Feb	-70bp
2-year	4.24%	2.75%	18 th Jun	-149bp
3-year	4.74%	3.20%	23 rd Jun	-154bp
5-year	5.58%	4.01%	25 th Jun	-157bp



Jordan Debt Monitor

Latest T-Bills

- As of July 5, the volume of excess reserves, including the overnight window deposits held at the CBJ JD (2,981) million.

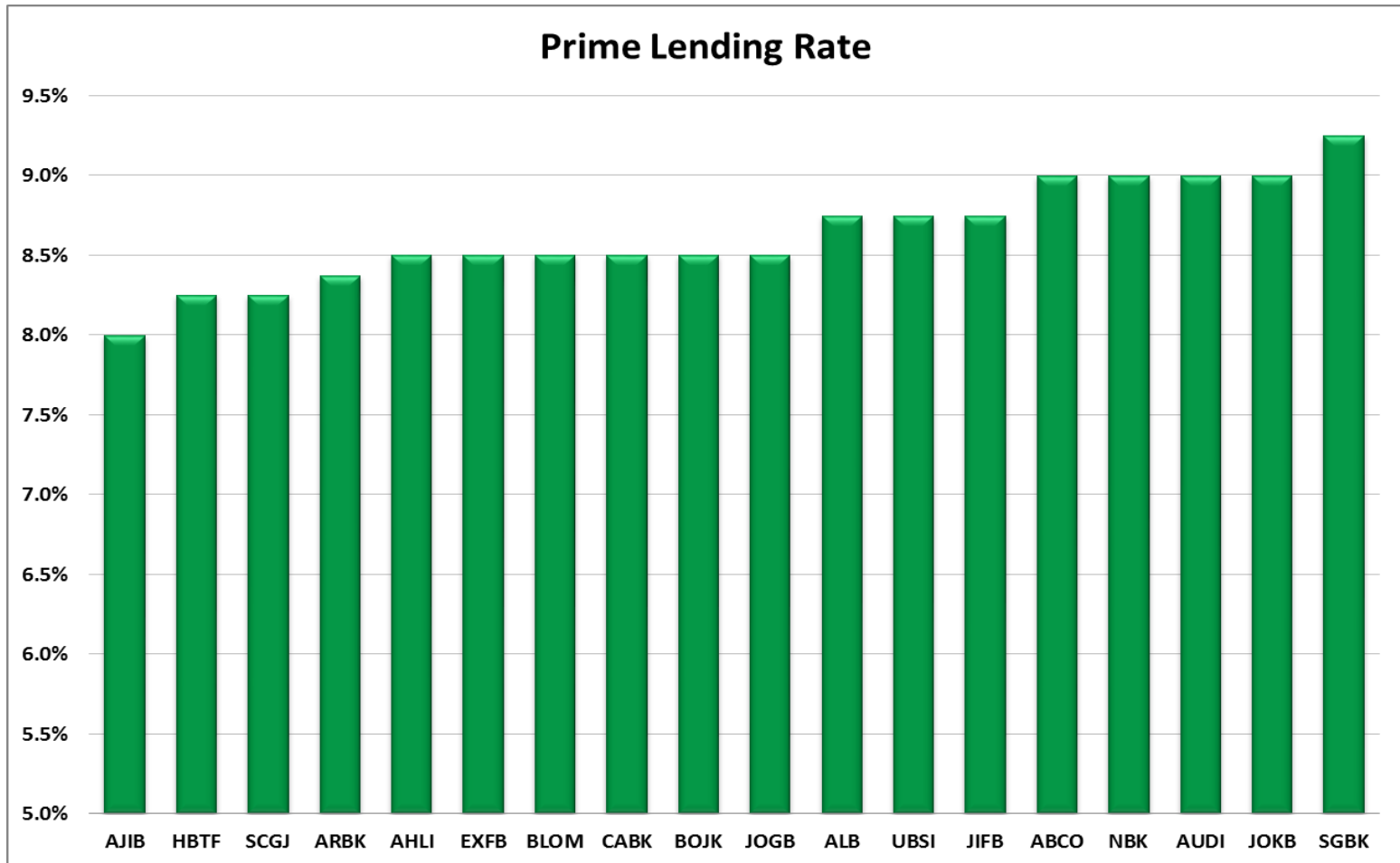
1-week CDs	Issue Date	Maturity Date	Size - million	Yield (%)
22/2015	30/06/2015	07/07/2015	1,000	2.500%
21/2015	23/06/2015	30/06/2015	1,000	2.500%
20/2015	16/06/2015	23/06/2015	1,000	2.500%
19/2015	09/06/2015	16/06/2015	1,000	2.500%
3-month T-Bills	Issue Date	Maturity Date	Size - million	Yield (%)
Last issued in December 2011	14/12/2011	14/03/2012	50	2.898%
6-month T-Bills	Issue Date	Maturity Date	Size - million	Yield (%)
Last issued in February 2012	14/02/2012	14/08/2012	50	3.788%
9-month T-Bills	Issue Date	Maturity Date	Size - million	Yield (%)
Last issued in March 2012	04/03/2012	04/12/2012	75	4.285%
1-year T-Bills	Issue Date	Maturity Date	Size - Million	Coupon (%)
01/2015	05/02/2015	05/02/2016	75	2.750%
10/2014	18/11/2014	18/11/2015	50	3.450%
09/2014	12/10/2014	12/10/2015	100	3.270%
08/2014	24/09/2014	24/09/2015	75	3.279%

Jordan Debt Monitor

Latest T-Bonds Issues

2-year T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T1715	18/06/2015	18/06/2017	75	2.750%
T1615	16/06/2015	16/06/2017	75	2.750%
T1515	14/06/2015	14/06/2017	75	2.860%
3-year T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T1815	23/06/2015	23/06/2018	75	3.197%
T0715	19/03/2015	19/03/2018	75	3.856%
T0415	22/01/2015	22/01/2018	50	4.333%
4-year T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
Last issued in January 2012	15/01/2012	15/01/2016	37.5	7.246%
5-year T-Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
T1915	25/06/2015	25/06/2020	50	4.014%
T1415	04/06/2015	04/06/2020	50	4.434%
T1315	21/05/2015	21/05/2020	50	4.456%
Public Utility Bonds	Issue Date	Maturity Date	Size - million	Coupon (%)
PB65 (Water Authority)	19/08/2014	19/08/2017	30	4.263%
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%

Prime Lending Rates



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