

Weekly Economic Monitor

June 21, 2015

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- [Inflation has dropped by 0.8% in first five months in 2015, but was less negative than the previous month](#)



Markets overview

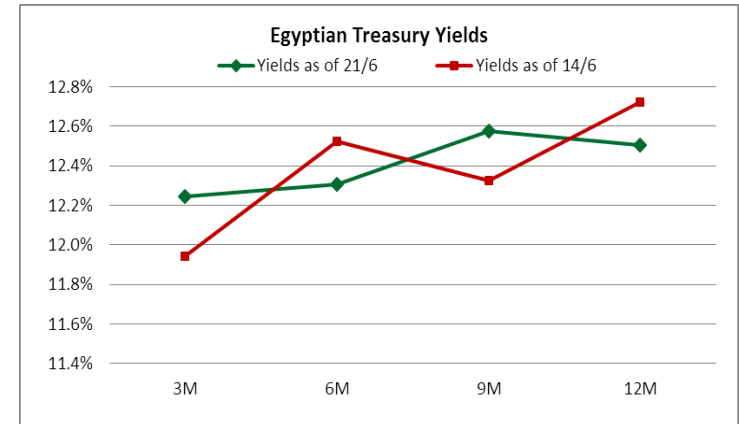
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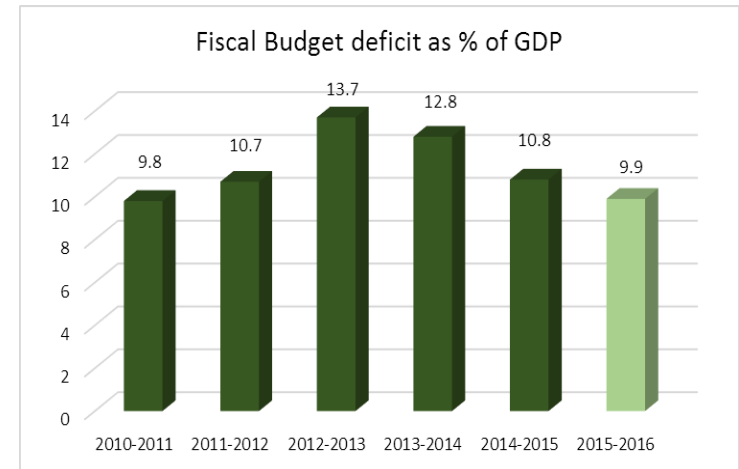
Regional

Egypt: Cabinet approves 2015/2016 draft fiscal deficit of 9.9% of GDP

- Egypt's T-bill yields for 3 months and for 9 months have edged up this week when compared to the week before, whereas T-bills yields for 6 months and for 12 months have decreased.
- Meanwhile, Egypt's cabinet has approved the government's 2015/2016 fiscal budget where it expects a deficit of 9.9% of GDP, down from a deficit of 10.8% of GDP for the current fiscal year.
- The biggest increases in the budget are social programs expenditures, up by 12% from the current fiscal year, and which makes up 49% of total public expenditure. Meanwhile, projected public revenues are expected to increase by 26%.
- Egypt's draft budget for 2015/2016 devoted 61 billion EGP (\$8 billion) for fuel product subsidies. Meanwhile, for the current fiscal year, fuel products subsidy bill is expected to be 70 billion EGP, compared to a projected 100 billion EGP.
- In total, the projected deficit for the upcoming fiscal year is 281 billion EGP (9.9% of GDP) compared to 240 billion EGP (10.8% of GDP) for 2014/2015 fiscal year budget.



Source: Bloomberg

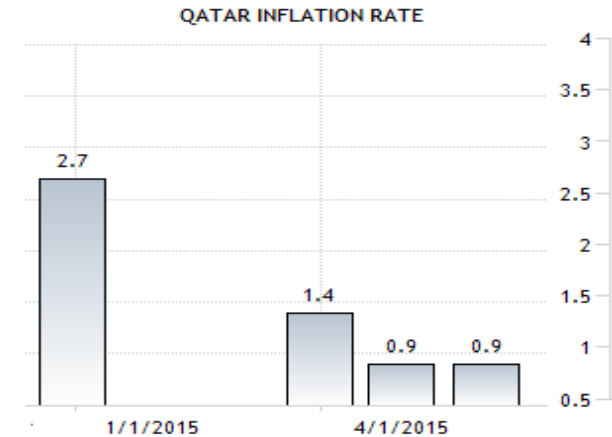


Source: Trading Economics

GCC Economic Highlights:

Qatar: Inflation rises to 0.87 % in May

- According to figures released by The Ministry of Development Planning and Statistics, Qatar's inflation grew by 0.87% in May when compared to May 2014.
- The increase in inflation was attributed to higher prices in nine groups; education by 11.14%, tobacco by 8.59%, transport by 2.85%, housing, water, electricity and gas by 2.27%, restaurants and hotels by 0.74%, furniture and household equipment, and food and beverages by 0.6% each.
- Meanwhile, there was a decrease in prices of other groups such as; Recreation and Culture by 6.5%, Clothing and footwear by 0.17%, and Miscellaneous goods and services by 0.41%.
- On the other hand, when comparing May 2015 to April 2015, prices in two main groups have increased; recreation and culture by 5.09%, and food and beverages by 0.04%. Meanwhile, all other groups prices have declined such as; Clothing and Footwear by 0.21%, Restaurants and hotels by 0.16%, and Furniture and household equipment by 0.08%.
- Qatar has witnessed a significant growth in population in the past few years, which is placing pressure on housing and food inflation, though the pressures seems to be declining. The IMF expects inflation in Qatar to register 1.8% for this year.

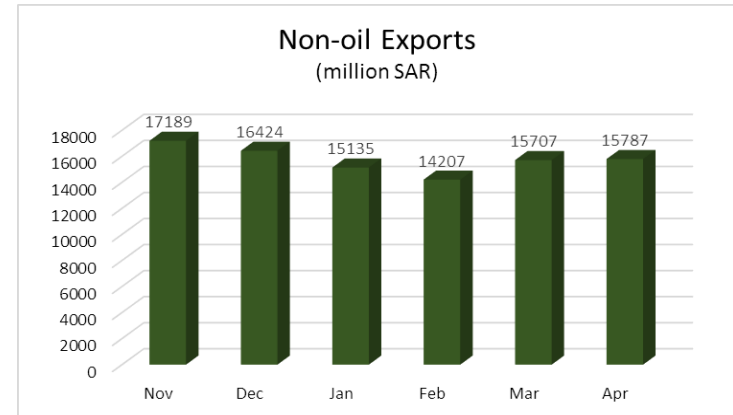


Source: Trading Economics

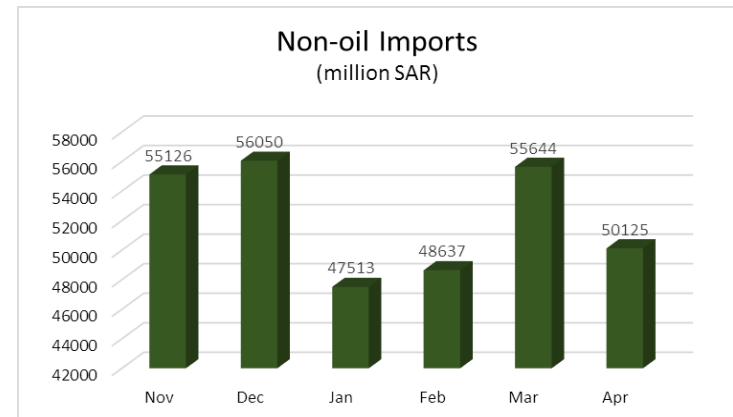
GCC Economic Highlights:

Saudi Arabia: Non-oil exports and imports retreat in April

- According to figures released by Central department of Statistics and Information, non-oil exports have retreated in April by 14.6% compared to April 2014, while imports decreased by 13.64% for the same period.
- The drop in exports could be due to an unfavorable exchange rate as the Saudi Riyal is pegged to the U.S. dollar, and the strengthening of the U.S. dollar has placed pressure on the competitiveness of Saudi exports.
- Plastic and rubber products topped the exports list in April and made up 30.37% of nonoil exports.
- Meanwhile, machinery and equipment, electrical appliances and their parts ranked first in terms of imports and made up 26.63% of total imports, and transport and its parts ranked second by 17.37%, and in third place came ordinary metals and their products by 11.22%.

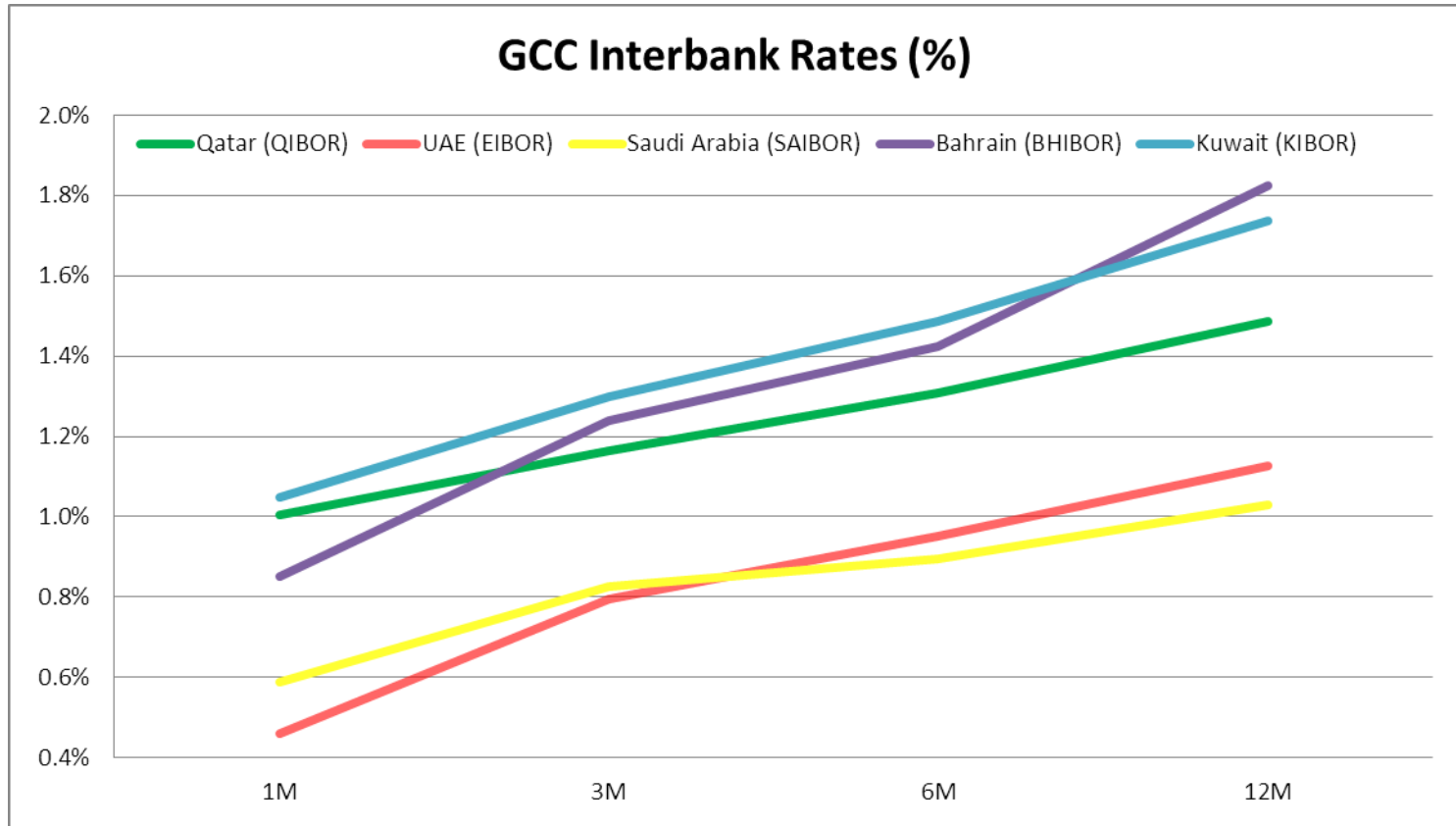


Source: Central department of Statistics and Information



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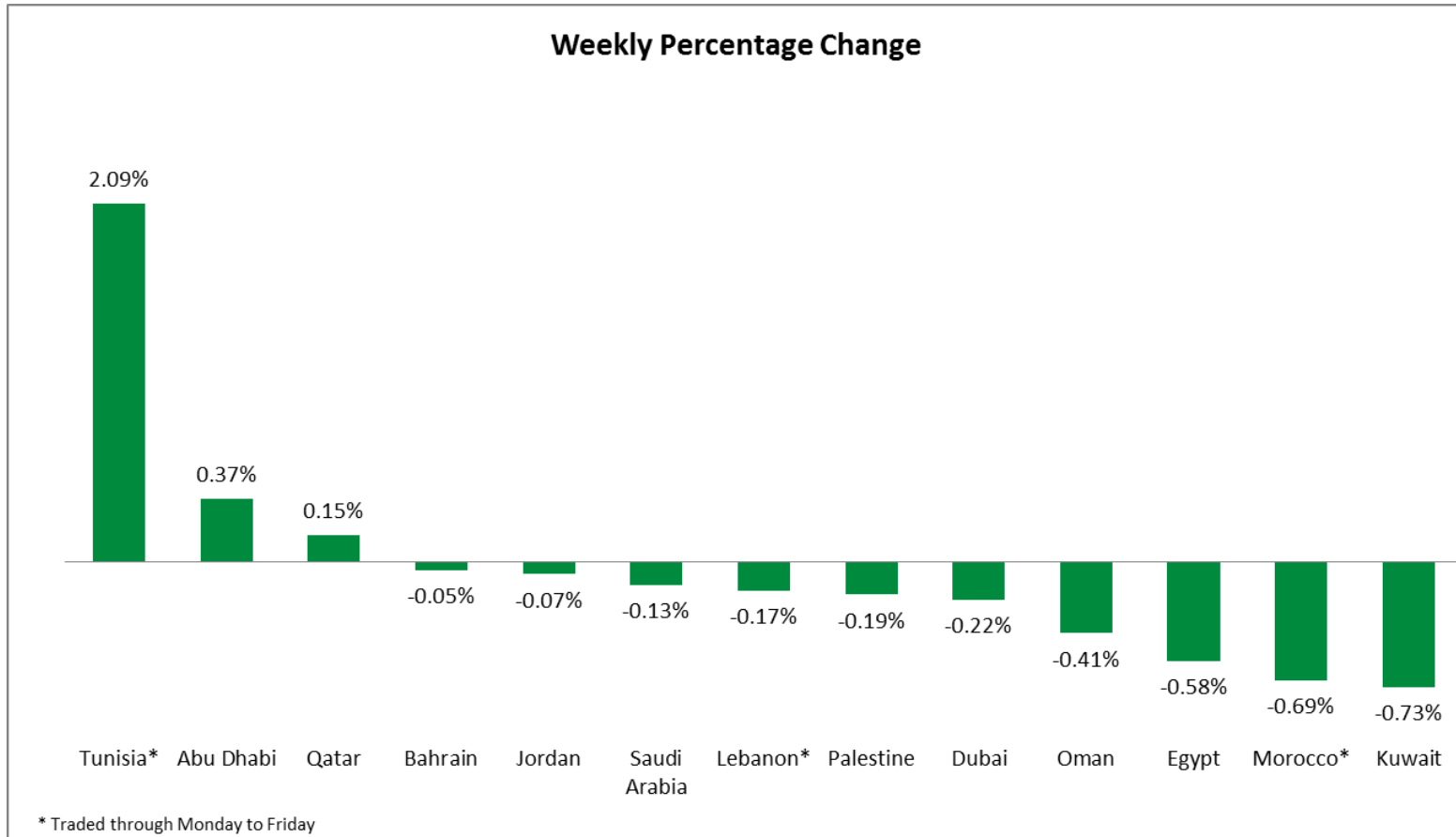
GCC interbank rates



Source: Bloomberg

Comparative MENA Markets

June 14, 2015 – June 19, 2015



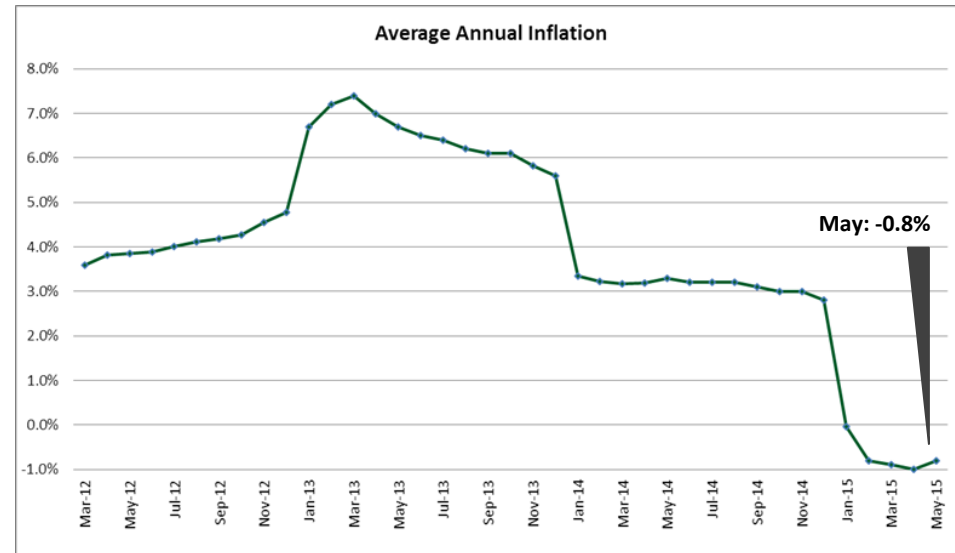
Source: Bloomberg



Jordan

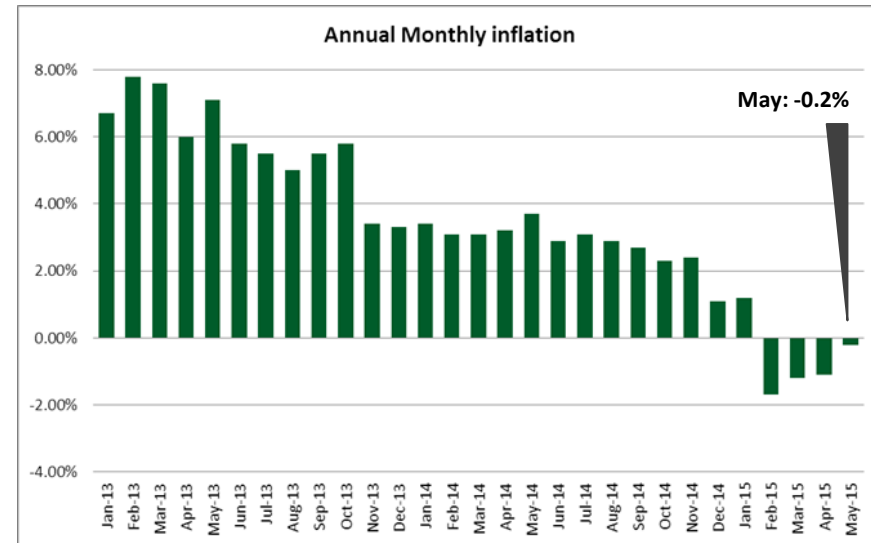
Inflation has dropped by 0.8% in first five months in 2015

- According to figures released by the Department of Statistics, the inflation rate has dropped by 0.8% during the first five months in 2015 compared to the same period last year, indicating that inflation is falling further into negative territory.
- Nevertheless, the IMF forecasts inflation to grow 1.2% in 2015.
- The DoS report said that the drop in inflation was attributed mainly to lower prices in the following main commodities and services:
 - Transport (down 15.2%)
 - Fuel and Lightening (down 11.7%)
 - Vegetables, dried and canned legumes (down 5.8%)
 - Drinks and beverages (down 1.0%)
 - Dairy products & eggs (down 0.4%)
- On the other hand, prices of other commodity groups increased for the same time period: fruits and nuts (up 8.8%); rents (up 5.8%); tobacco (up 4.7%); and education (up 3.7%).



Inflation down by 0.2% compared to May 2014

- Meanwhile, when comparing May of this year to May 2014, inflation has dropped by 0.2%, compared to a drop of 1.1% in April.
- The inflation was attributed mainly to lower prices in the following main commodities and services:
 - Transport (down 13.1%)
 - Fuel and Lightening (down 11.9%)
 - Personal belongings (down 2.7%)
 - Drinks and beverages (down 1.0%)
 - Dairy products & eggs (down by 0.5%)
- Meanwhile, prices of other commodity groups increased for the same time period: rents (up 5.8%); Meat & poultry (up 3.4%); fruits (up 6.1 %); and education (up 3.7%).
- On a monthly basis, inflation has increased by 0.3% in May compared to April, similar to the previous month, indicating some inflationary pressures.



Jordan Debt Monitor

Latest T-Bills

- As of June 21, the volume of excess reserves, including the overnight window deposits held at the CBJ JD (2,826) million.

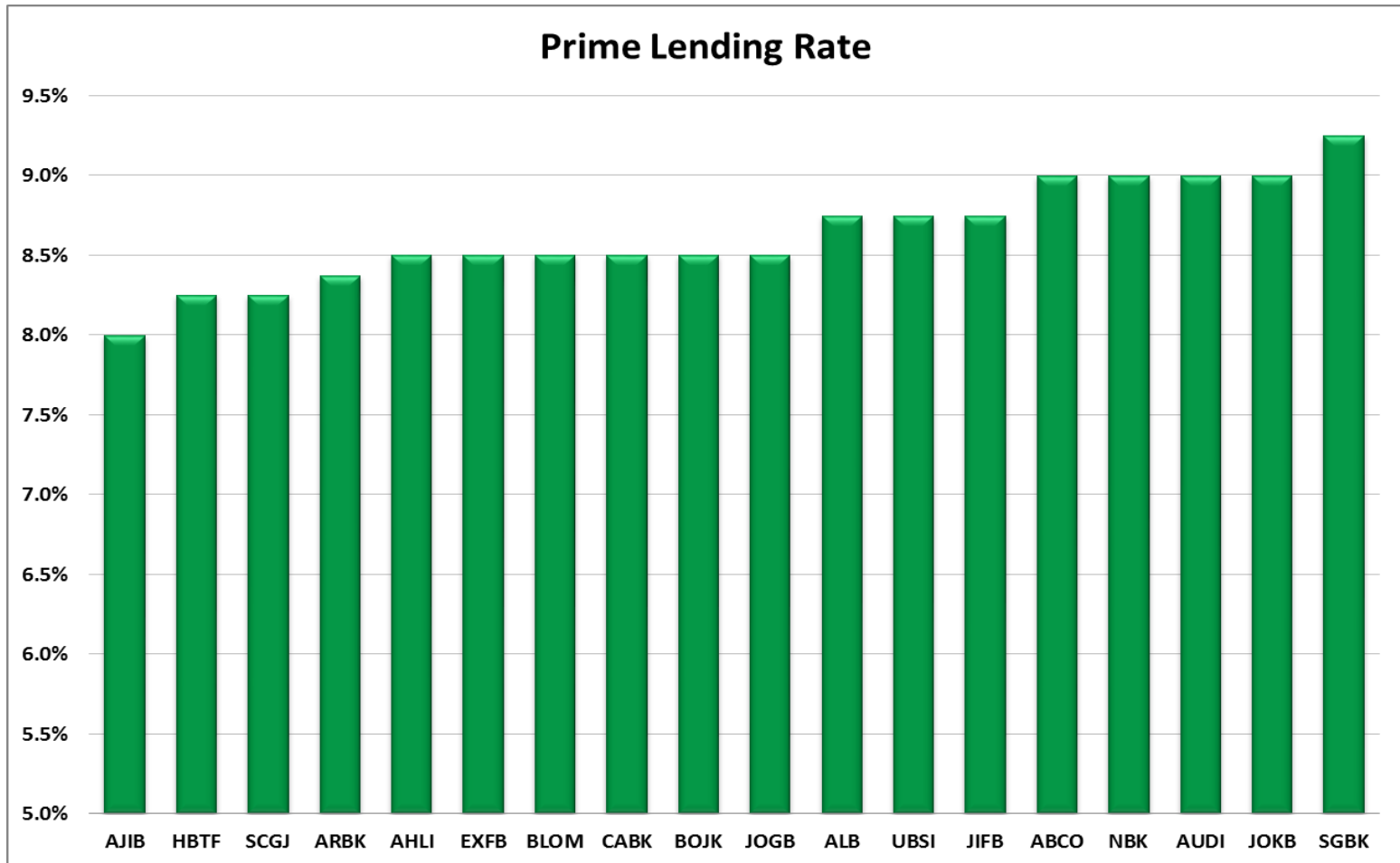
1-week CDs	Issue Date	Maturity Date	Size - million	Yield (%)
20/2015	16/06/2015	23/06/2015	1,000	2.500%
19/2015	09/06/2015	16/06/2015	1,000	2.500%
18/2015	02/06/2015	09/06/2015	1,000	2.500%
17/2015	26/05/2015	02/06/2015	1,000	2.500%
3-month T-Bills	Issue Date	Maturity Date	Size - million	Yield (%)
Last 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 (%)
T0715	19/03/2015	19/03/2018	75	3.856%
T0415	22/01/2015	22/01/2018	50	4.333%
T0315	20/01/2015	20/01/2018	50	4.446%
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 (%)
T1415	04/06/2015	04/06/2020	50	4.434%
T1315	21/05/2015	21/05/2020	50	4.456%
T1215	07/05/2015	07/05/2020	50	4.518%
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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