

MARMORE
MENA INTELLIGENCE

A
المرکز
MARKAZ

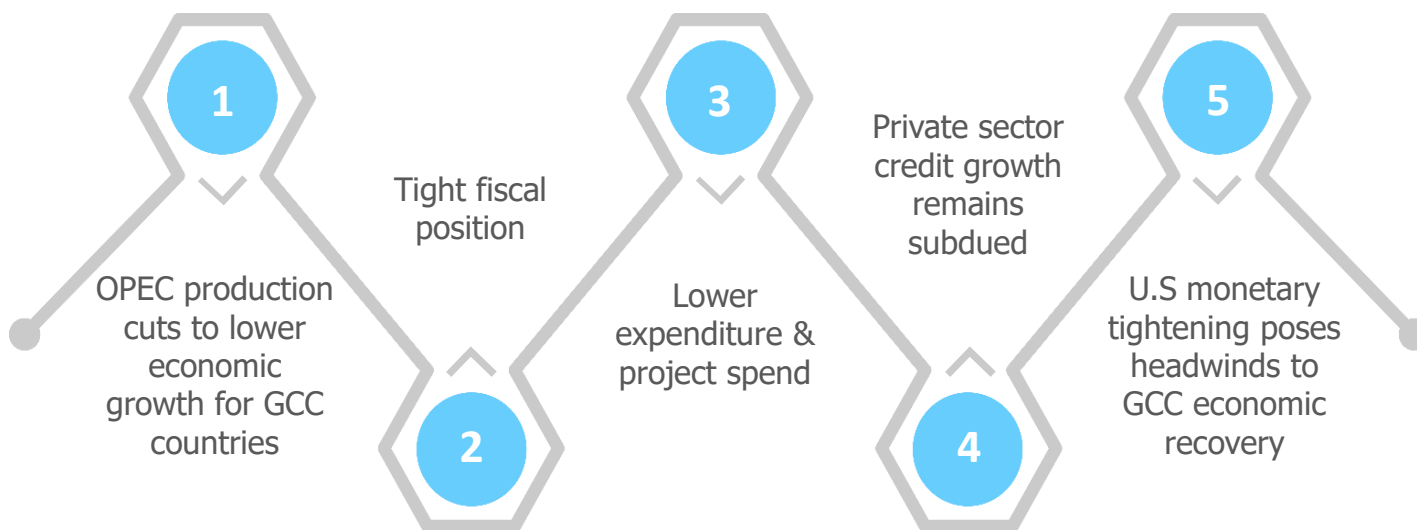
Subsidiary

GCC 2017

IN 10 CHARTS

January 2018

GCC IN 2017



Real estate markets remains muted

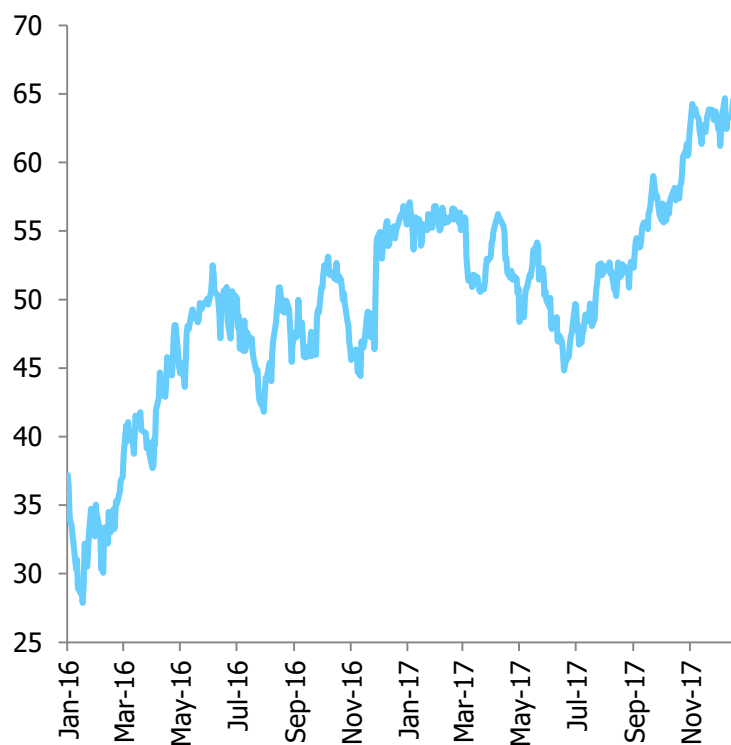
Stock market performance has been weak; Kuwait outperformed

GCC debt market offer attractive opportunities

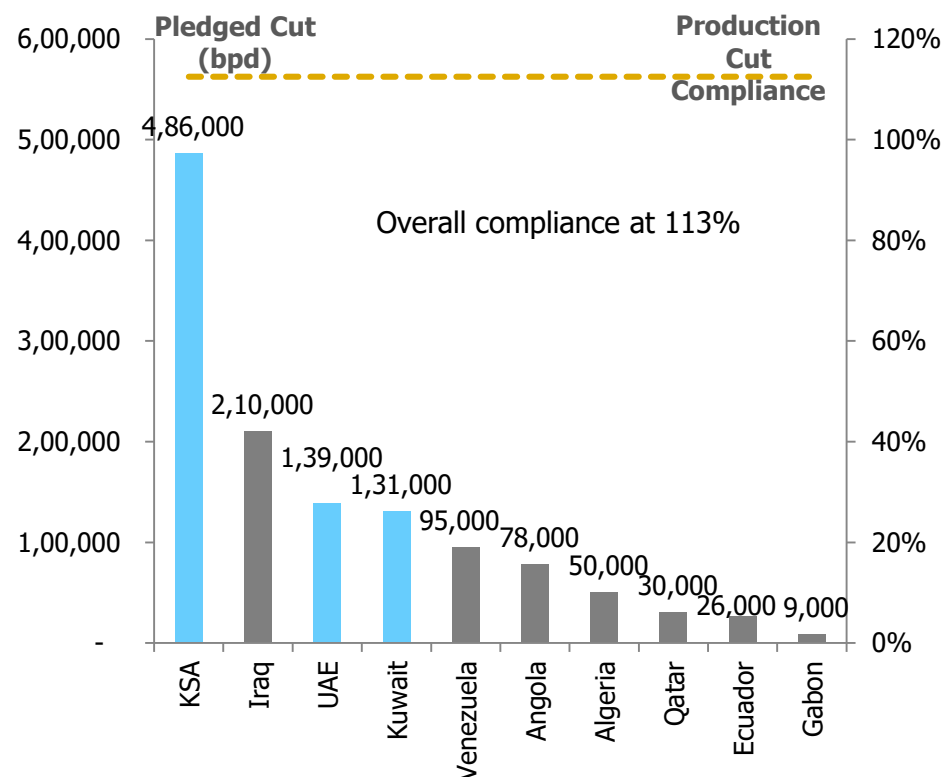
1

OIL HELD ON TO ITS GAINS AND SURGED AHEAD IN 2017 FOLLOWING BETTER COMPLIANCE TO OPEC DEAL

□ IPE Brent, USD/bbl

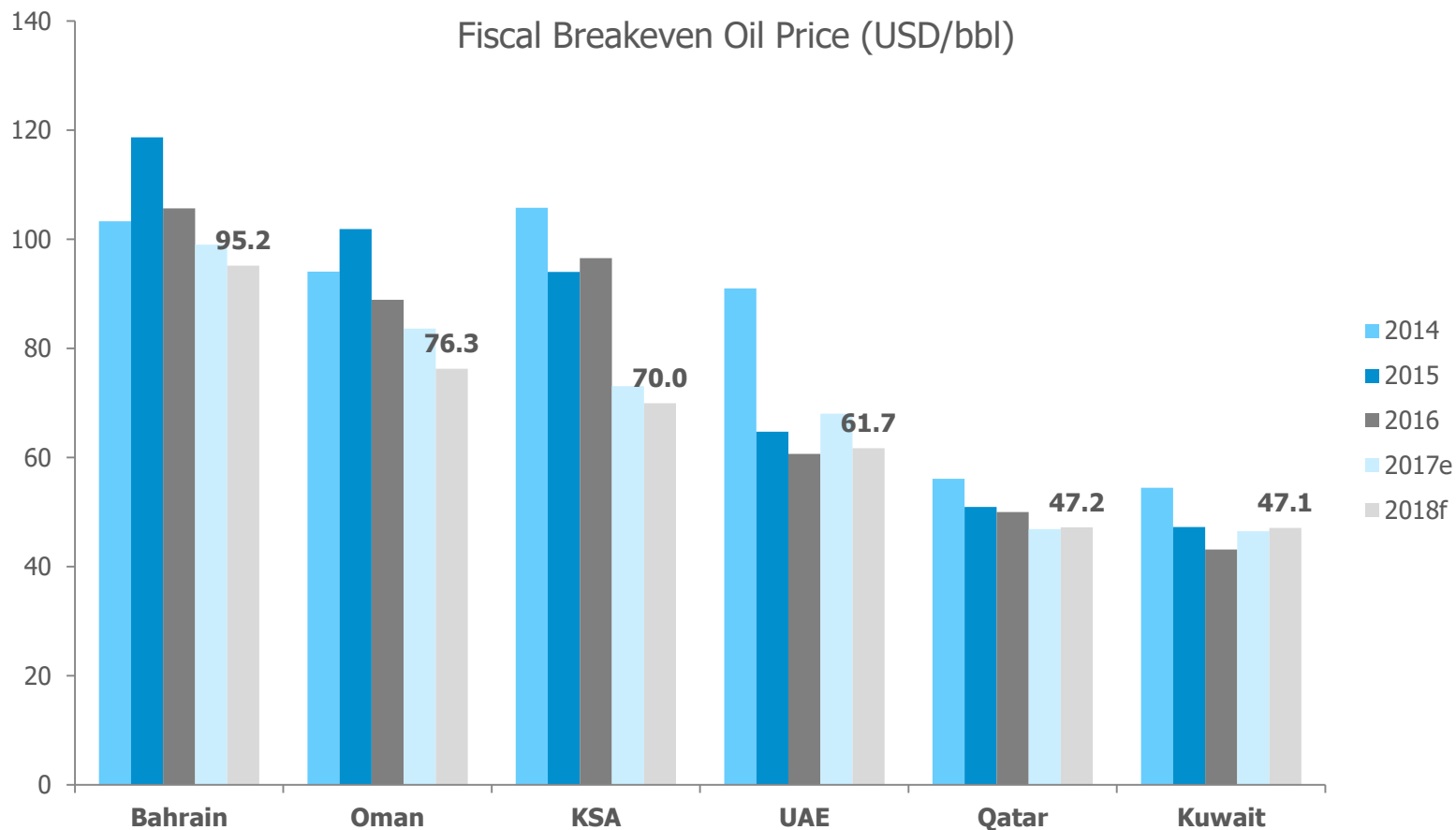


□ Pledged production cuts by OPEC members



Source: Reuters

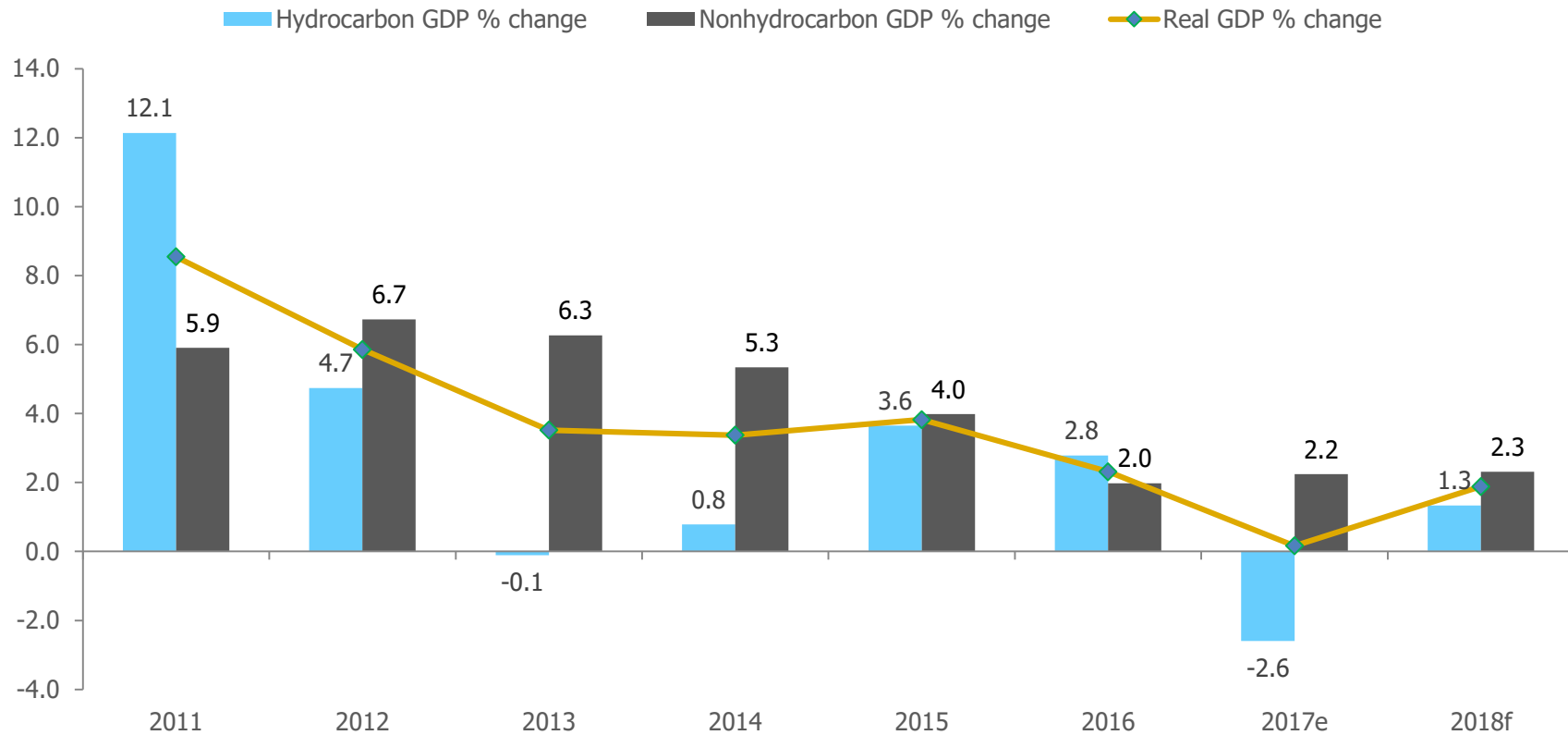
2

REINING EXPENDITURES HAS RESULTED IN LOWER FISCAL
BREAKEVEN OIL PRICES

Source: IMF

3

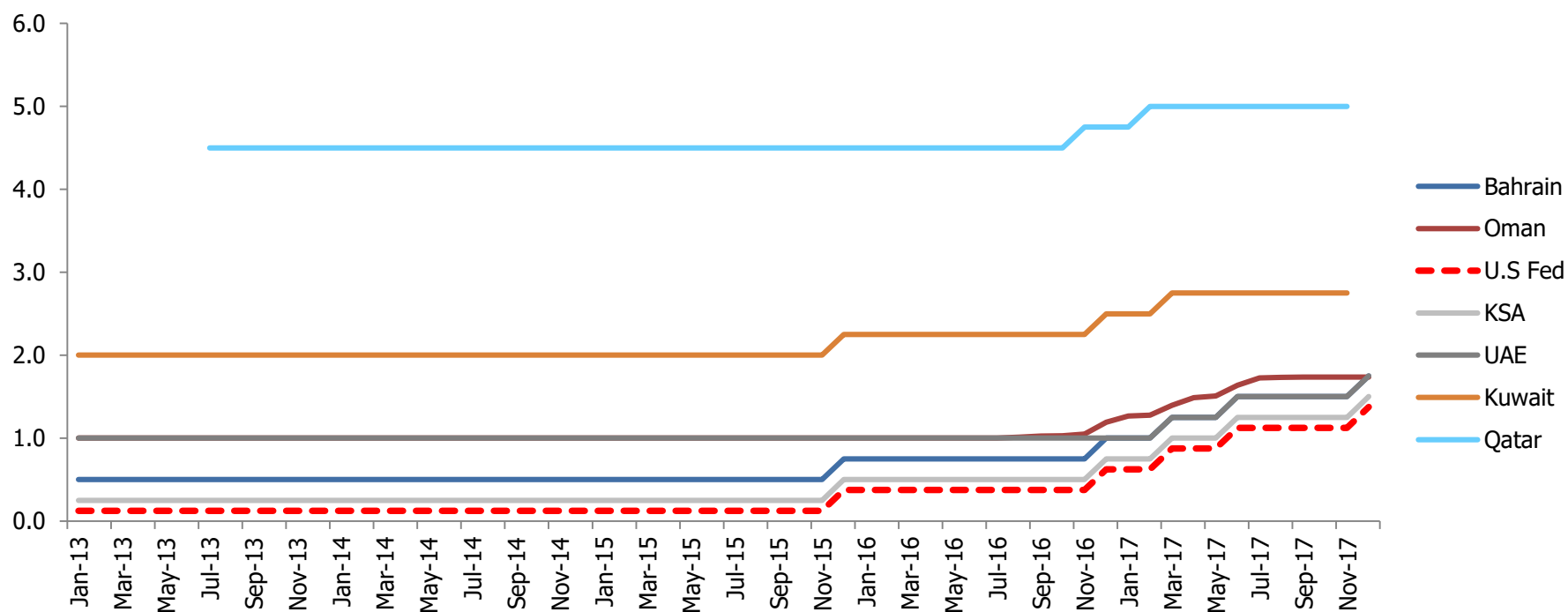
HOWEVER, IT TOOK ITS TOLL ON ECONOMIC ACTIVITY



4

U.S MONETARY TIGHTENING POSES FURTHER HEADWINDS TO GCC ECONOMIC RECOVERY

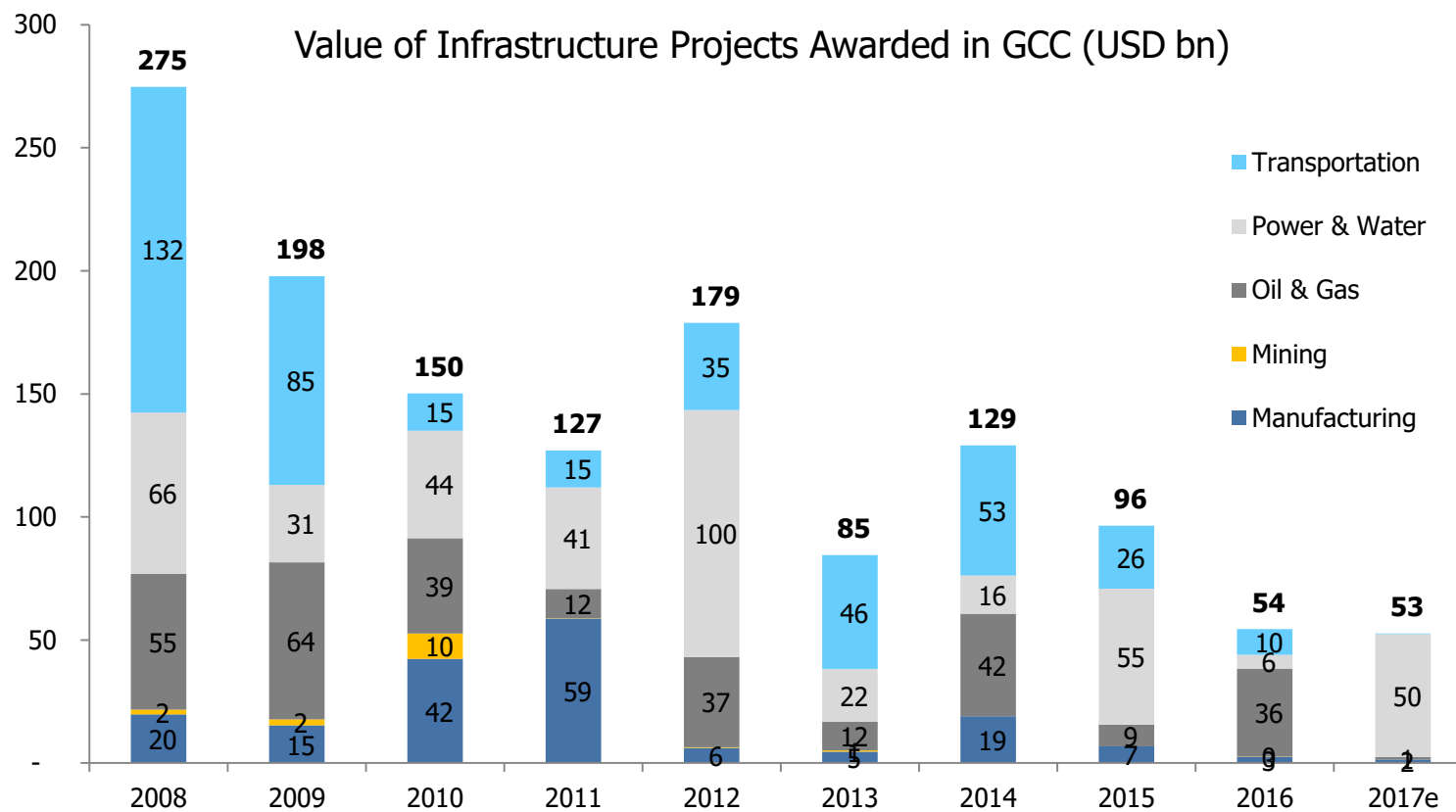
□ Key Policy Rate (%)



Note: Each country has its own policy rate. For KSA it's the reverse repo rate, UAE it's the repo rate, Kuwait it's the discount rate, Bahrain 1week deposit rate, Oman weighted average rate and for Qatar its QCB Lending Rate

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FISCAL CONSOLIDATION EFFORTS RESULTED IN LOWER PROJECT AWARDS

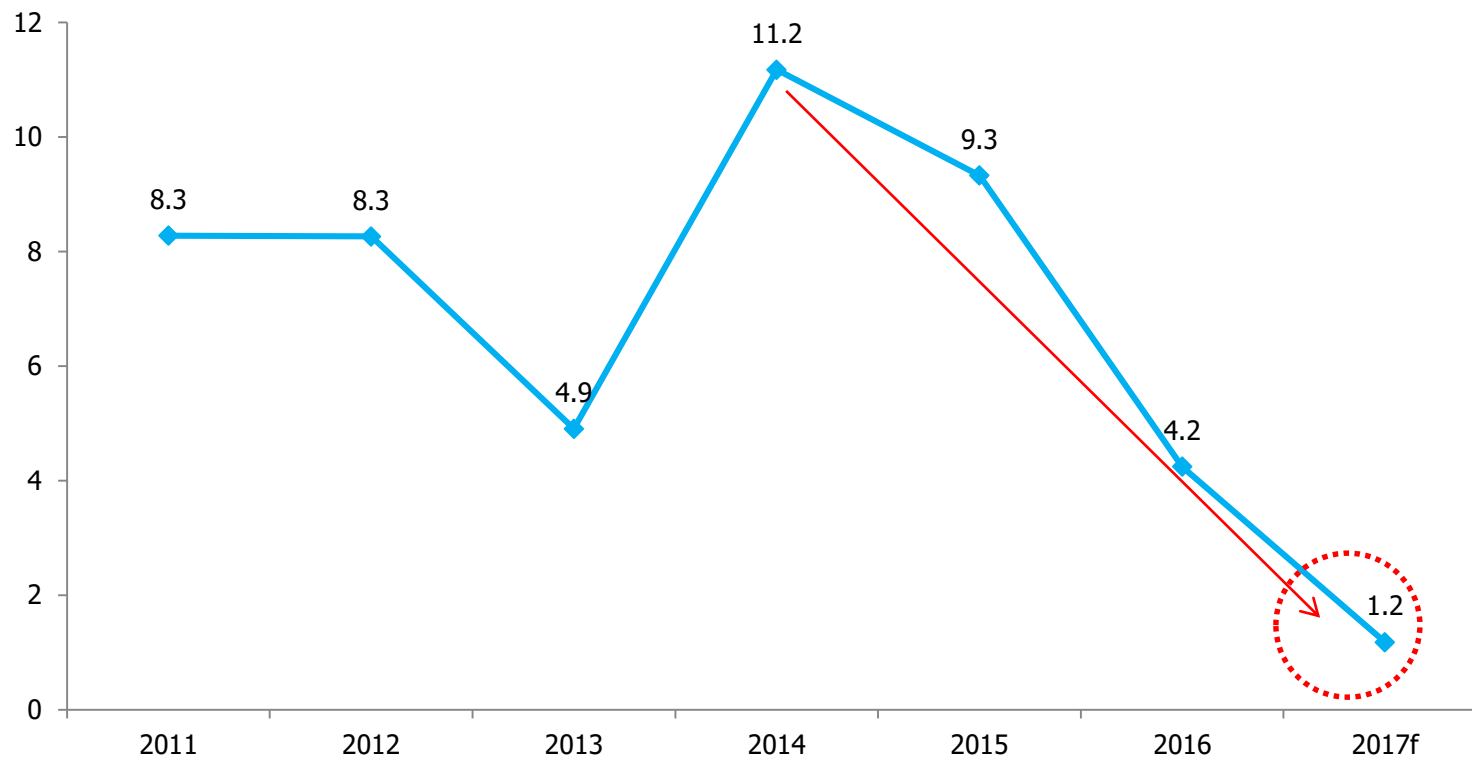


Source: Reuters

6

PRIVATE SECTOR CREDIT OFFTAKE HAS BEEN SUBDUED

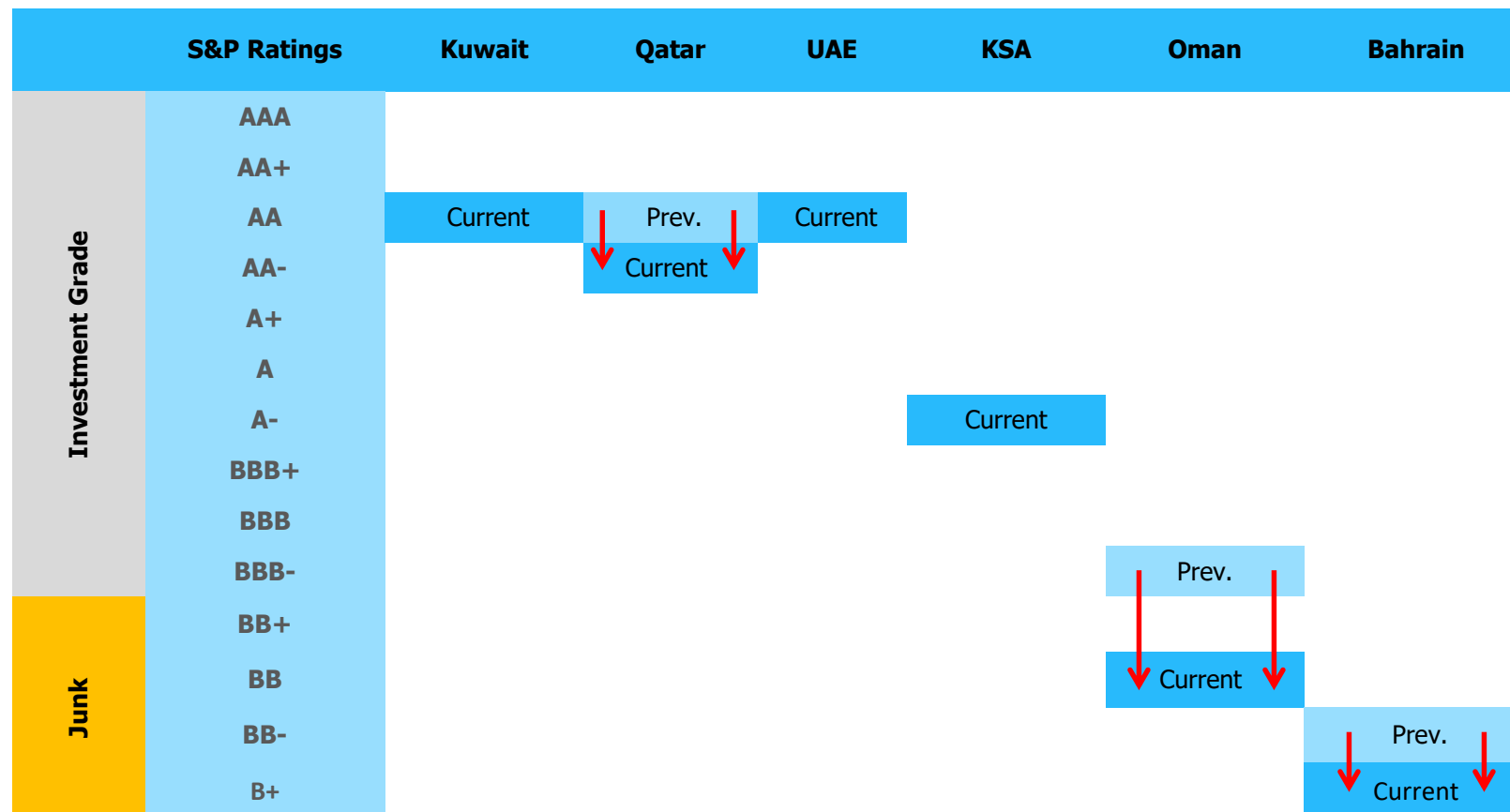
GCC, Private Credit Growth (%)



Source: IIF

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FISCAL POSITION OF BAHRAIN & OMAN CONTINUED TO DETERIORATE

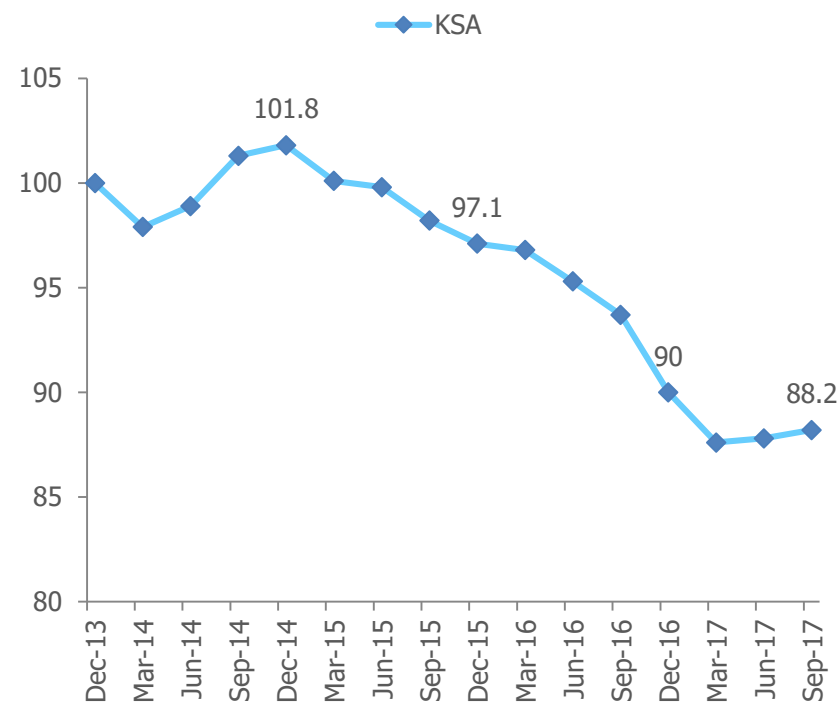
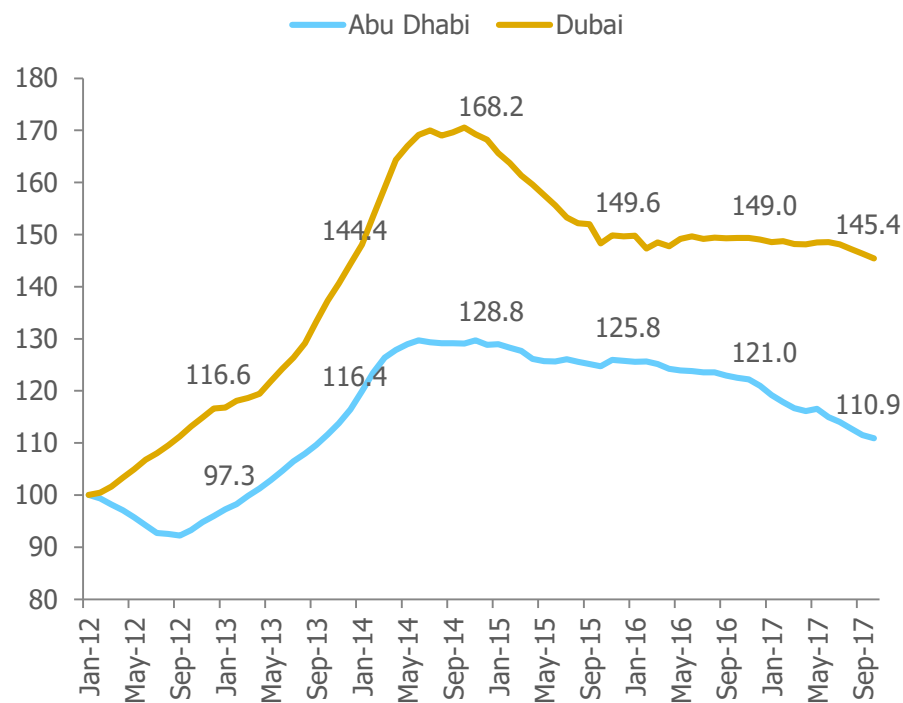


Source: Reuters, S&P

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KEY RESIDENTIAL REAL ESTATE MARKETS REMAINS WEAK

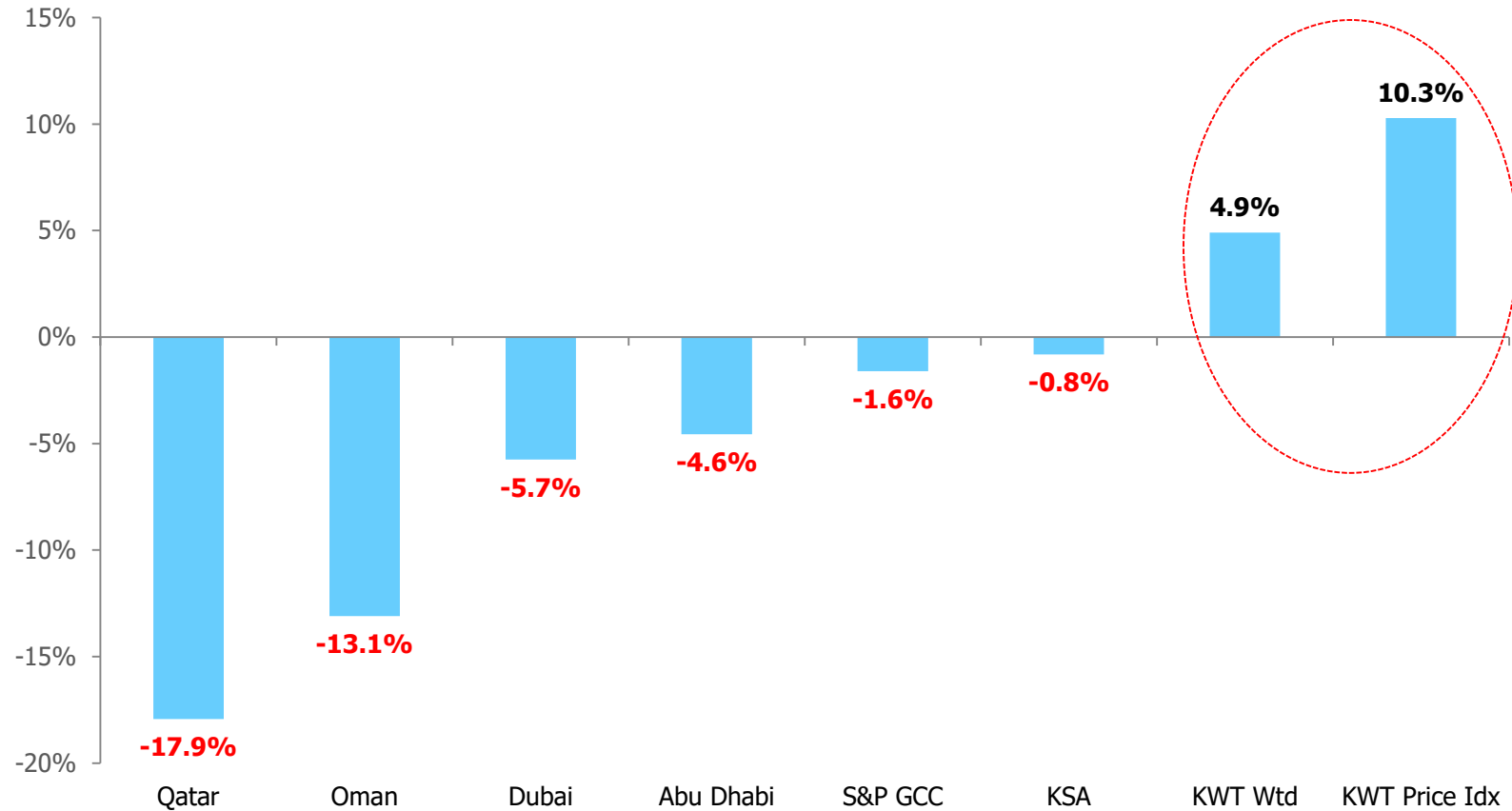
Residential Property Price Index



Source: BIS

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BOURSA KUWAIT OUTPERFORMED ITS PEERS IN 2017



10 GCC REMAINS A GOOD PLACE TO HUNT FOR FIXED INCOME YIELDS

❑ 10 Year Sovereign Bonds – A Comparison of Yield to Maturity (YTM)

S&P Rating	Country	Yield to Maturity	Issue date
AA	Belgium	0.81	17-Jan-17
	New Zealand	1.01	12-Jan-17
	France	1.28	22-Mar-17
	South Korea	2.87	12-Jan-17
	UAE (Abu Dhabi)	3.19	03-Oct-17
	Kuwait	3.50	13-Mar-17
AA-	Czech Republic	3.19	26-Jun-13
	Qatar	3.37	25-May-16
A-	Latvia	1.06	09-Feb-17
	Malaysia	3.18	20-Apr-16
	Saudi Arabia	3.76	27-Sep-17
BB	Brazil	4.67	03-Oct-17
	Paraguay	4.70	22-Mar-17
	Oman	5.43	01-Mar-17
	Turkey	5.65	16-Feb-17
BB-	Vietnam	4.80	06-Nov-14
	Bahrain	6.65	21-Feb-17

Source: Reuters, S&P, Marmore Research

Thank You!

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