



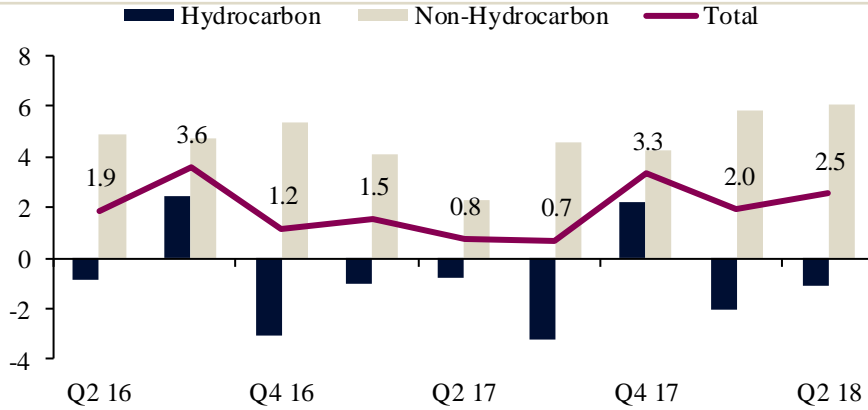
QNB Qatar Monthly Monitor October 2018

Highlights

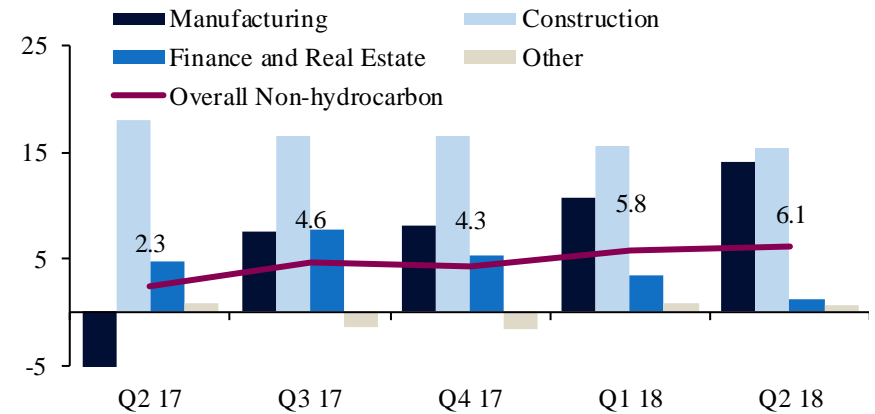
- **Activity accelerated in Q2 due to a solid 6.1% y/y growth in the non-hydrocarbon sector**
- **The current account surplus widened while net capital and financial flows amounted to USD3.8bn in Q2**
- **Exports grew 23.3% y/y in August as a result of higher oil prices, while imports grew modestly thanks to last August's high base**
- **QCB foreign exchange reserves rose 0.8% m/m to reach USD45.7bn in August, equating to 7 months of import cover**

Economic Activity

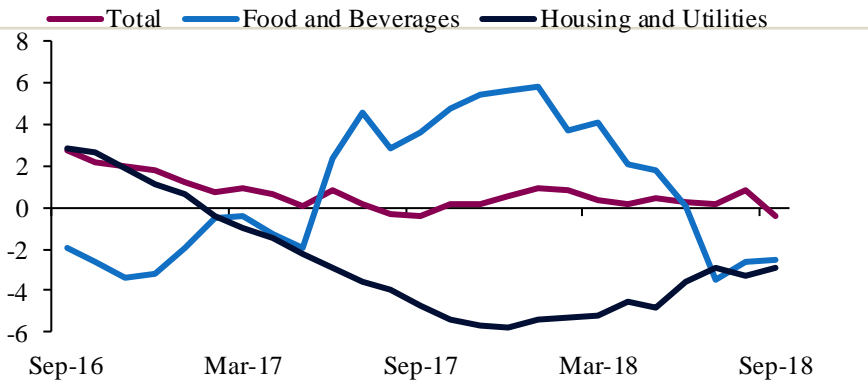
Real GDP growth picked up in Q2 due to a more moderate fall in hydrocarbon output. Non-hydrocarbon GDP growth was a solid 6.1% y/y (% year on year)



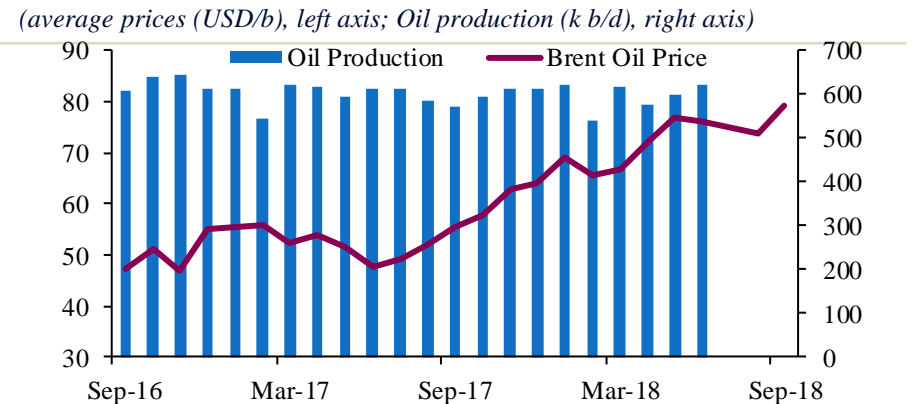
Booming construction output, up 15.3% y/y, remained the key driver of activity in the non-hydrocarbon sector. Manufacturing gained 14.1% y/y (% year on year)



CPI inflation was broadly flat at -0.4% y/y in September; food inflation moderated, while housing inflation slightly picked up (% year on year)

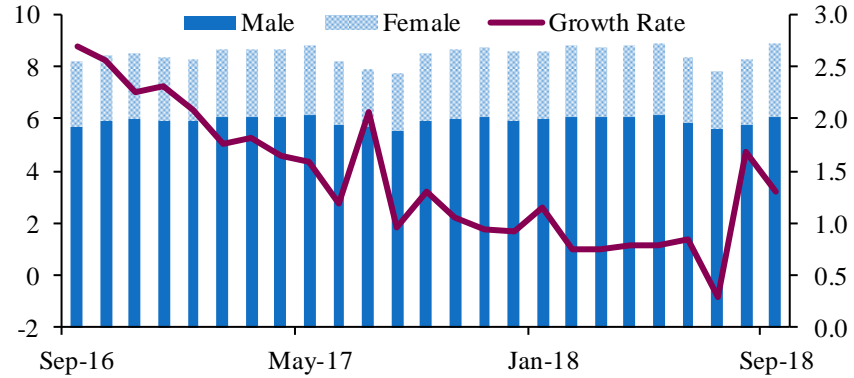


Brent crude prices climbed up to an average of USD79.1/b in September; Qatar's oil production rose to 622kb/d in June from 601kb/d the prior month

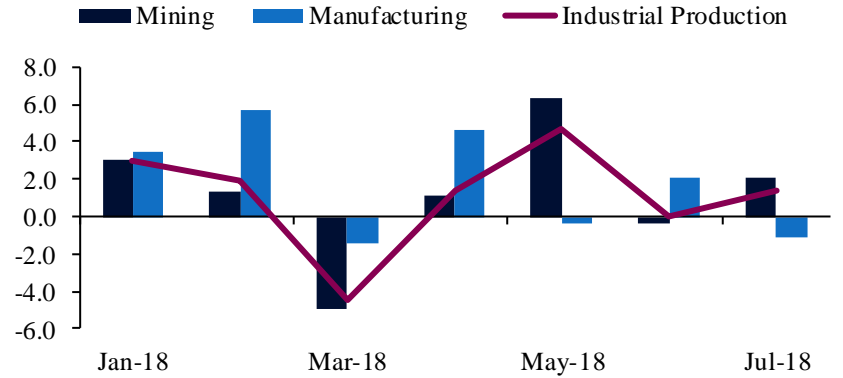


Economic Activity

Qatar's population increased 3.2% y/y to stand at 2.72m in September; women made up close to 25.5% of the population
(m, male and female right axis; % year on year, left axis)



Manufacturing fell -1.1% y/y in July from 2.1% the previous month
(% year on year)

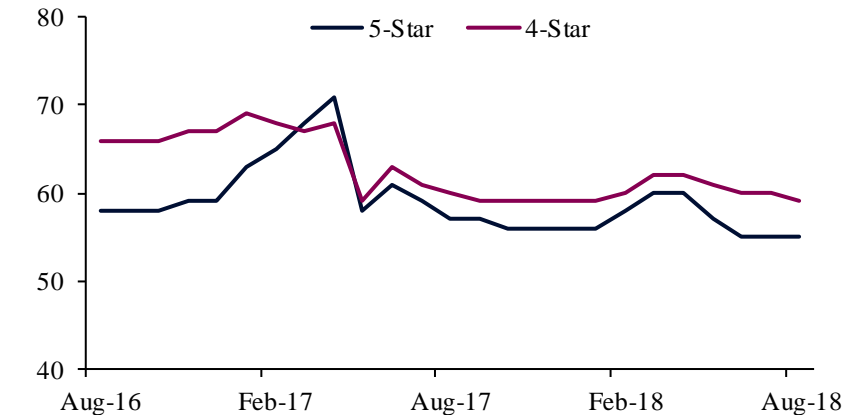


The real estate price index slipped back further in June

(Index, left axis; % year on year, right axis)

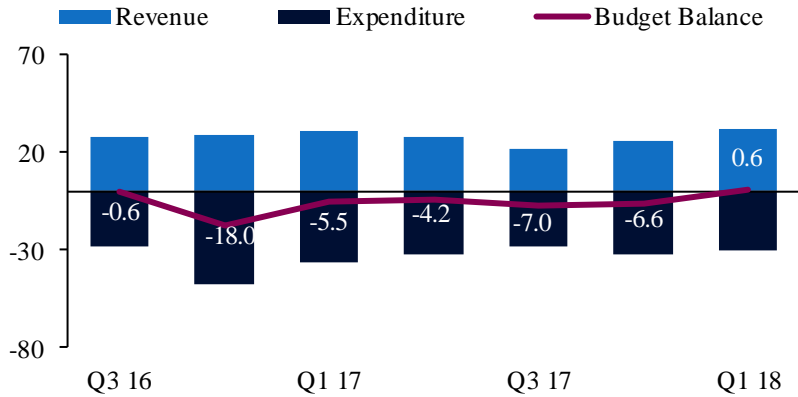


5-star and 4-star hotel occupancy rates stabilized in August to stand at 55% and 59% respectively
(%, occupancy rate)

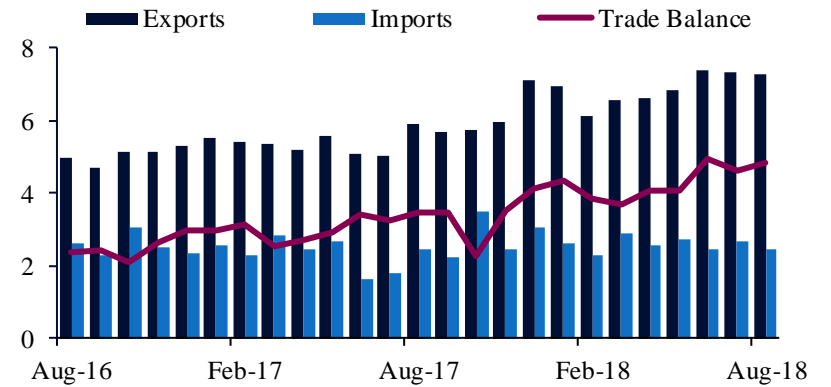


Fiscal and External Balances

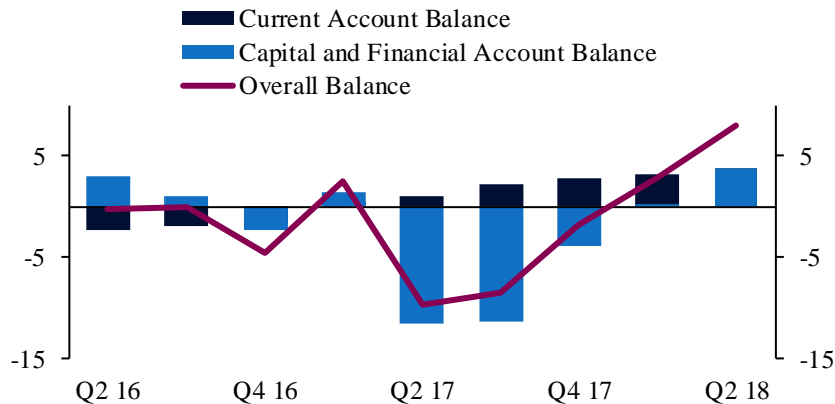
The fiscal account turned to a surplus in Q1 as revenue rose in line with higher oil prices
(% of GDP)



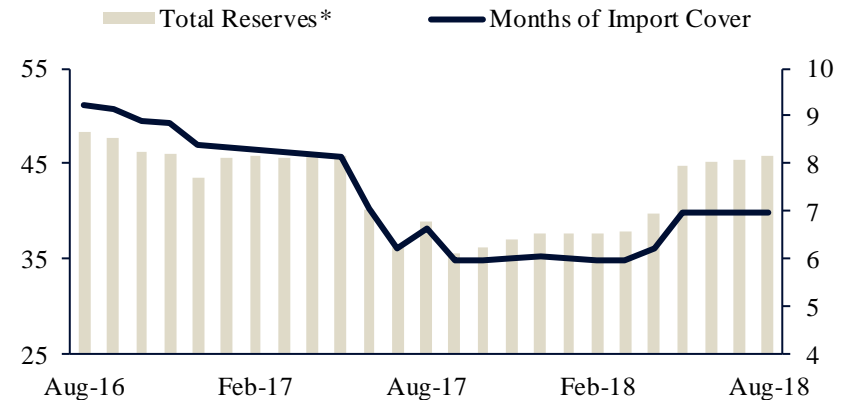
Exports grew 23.3% y/y in August as a result of higher oil prices, while imports grew 0.3% y/y due to the base effect from last year
(bn USD)



The current account surplus widened while net capital and financial flows were positive in Q2
(bn USD, Balances, left axis; bn USD, change in Overall Balance, right axis)



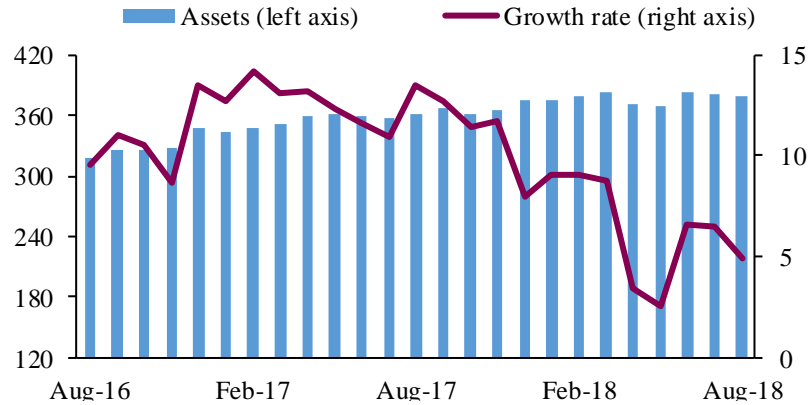
QCB foreign exchange reserves rose 0.8% m/m to reach USD45.7bn in August, equating to 7 months of import cover
(bn USD; Reserves, left axis; Months of Import Cover, right axis)



Money and Banking

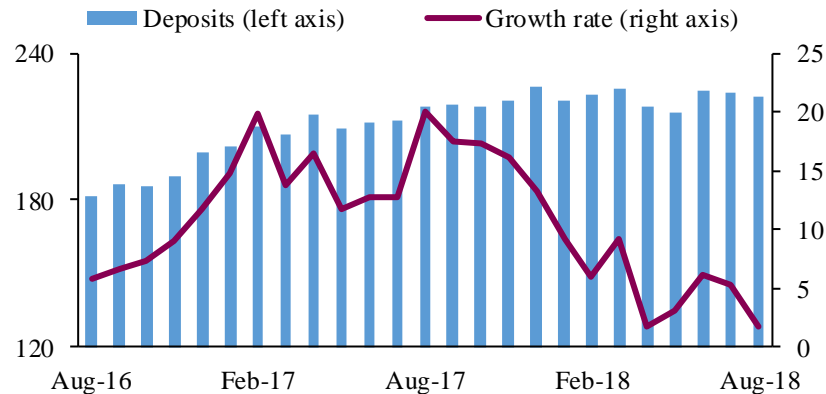
Bank asset growth was 4.9% y/y in August

(bn USD and % year on year)



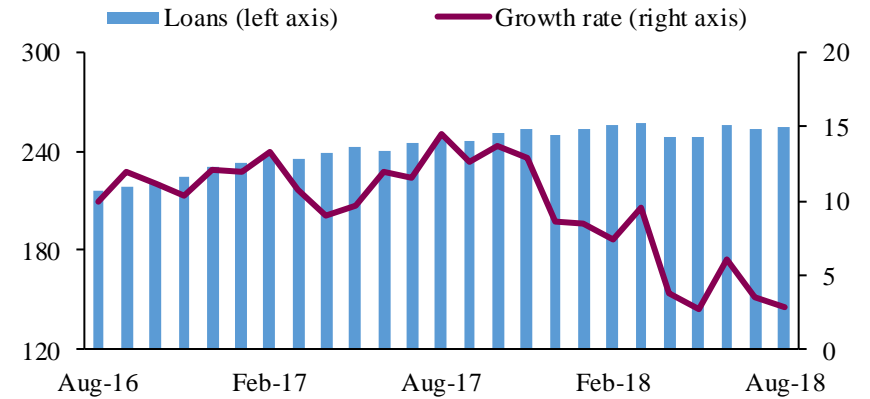
Bank deposit growth was 1.7% y/y in August

(bn USD and % year on year)

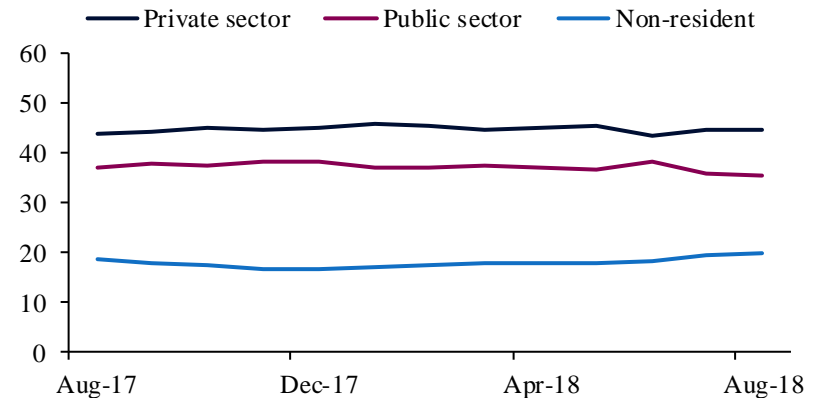


Credit growth was 2.9% y/y in August

(bn USD and % year on year)



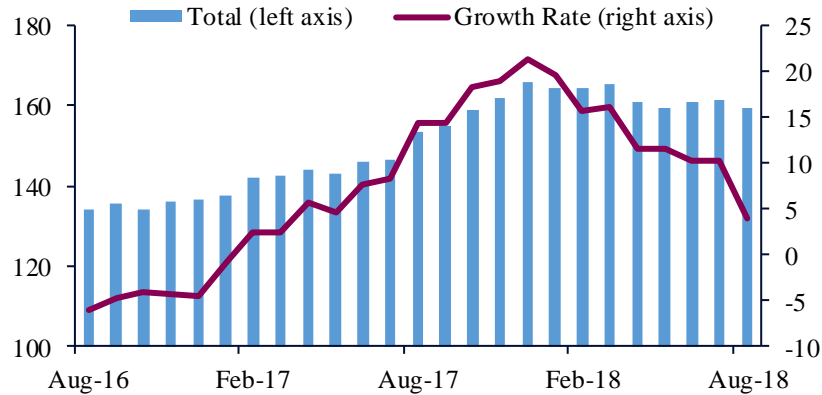
Deposits from non-residents grew 0.5% m/m in August, while the public sector and private sector declined 1.5% and 0.7% m/m respectively
(% of total)



Money and Banking

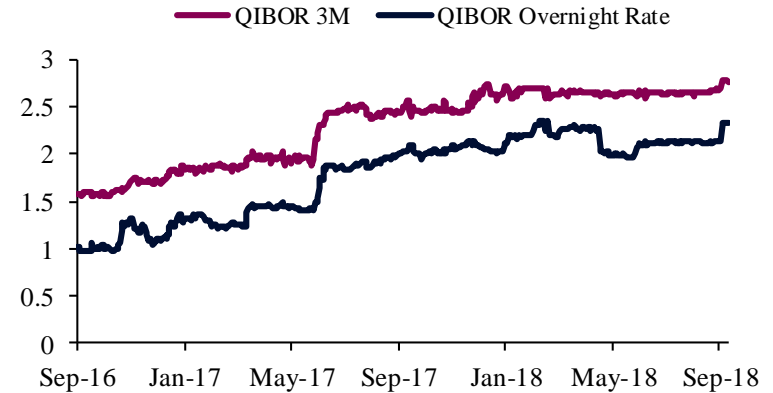
Broad money supply (M2) grew by 3.9% y/y in July

(bn USD and % year on year)



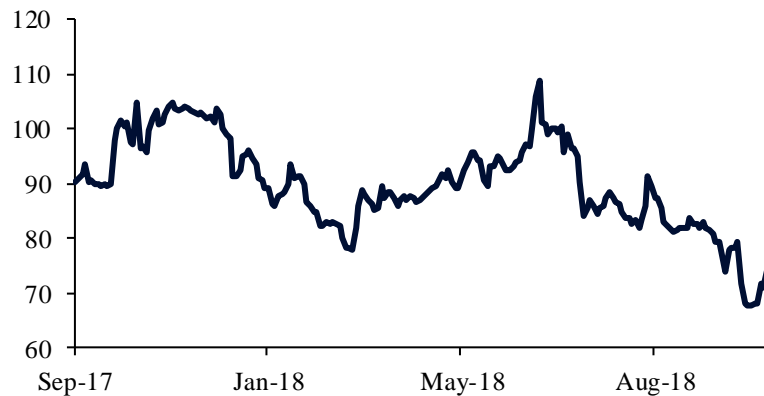
Interbank rates steady and in line with US short-term rates

(%, latest data 11th September)



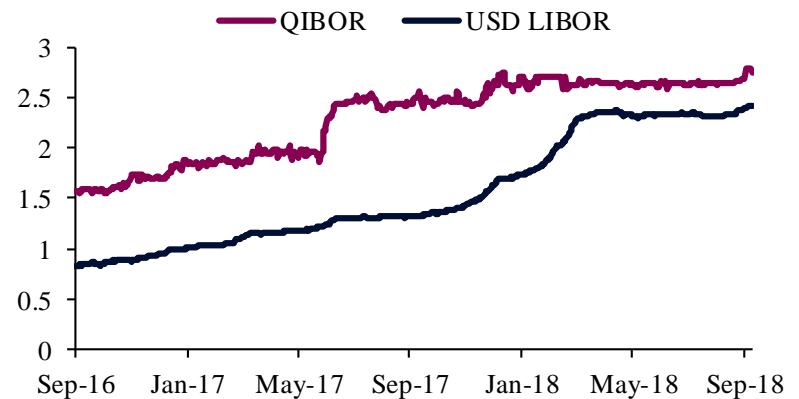
Qatar Sovereign 5-year CDS Spreads

(Basis points, latest data 11th September)



QIBOR and LIBOR 3-month interest rates

(%, latest data 11th September)



Latest Publications

QNB Economics Weekly Commentary

[A Confident US Federal Reserve Set To Carry On Hiking](#)
[ASEAN's External Balances a Mixed Bag](#)
[Qatar's Growth is Accelerating](#)
[World Trade Rebound Weakens](#)
[India Bounces Back but Challenges Ahead](#)
[ASEAN continues to impress](#)
[Who Are The Global Growth Champions?](#)
[Vietnam – Asia's newest 'tiger' economy – roars in 2018](#)
[Bank of Japan stays the course](#)
[Indonesia's policy pause unlikely to last long](#)
[Global growth peaks out as downside risks mount](#)
[Opening shots fired, global trade war looks a real risk](#)

QNB Economics Insight Report



[Qatar 2018](#)



[Kuwait 2018](#)



[China 2018](#)



[Turkey 2017](#)



[Qatar December 2017](#)



[Indonesia 2017](#)

This report is produced by the QNB Economics Team. For questions, or to receive the report by email each month, please contact:

QNB Economics

Tel: (+974) 4453 4450

economics@qnb.com

DISCLAIMER: This publication has been prepared by Qatar National Bank (“QNB”). QNB is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB Economics at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that are believed to be reliable, we have not independently verified all such information and it may not be accurate or complete. While this publication has been prepared with the utmost degree of care by our analysts, no warranties are provided as to the accuracy and completeness of the information it may contain, and any liability in that respect is declined. QNB reserves the right to amend the views and opinions expressed in this publication at any time. They may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report.

COPYRIGHT: This report is distributed on a complimentary basis to valued business partners of QNB. It may not be reproduced in whole or in part without permission