



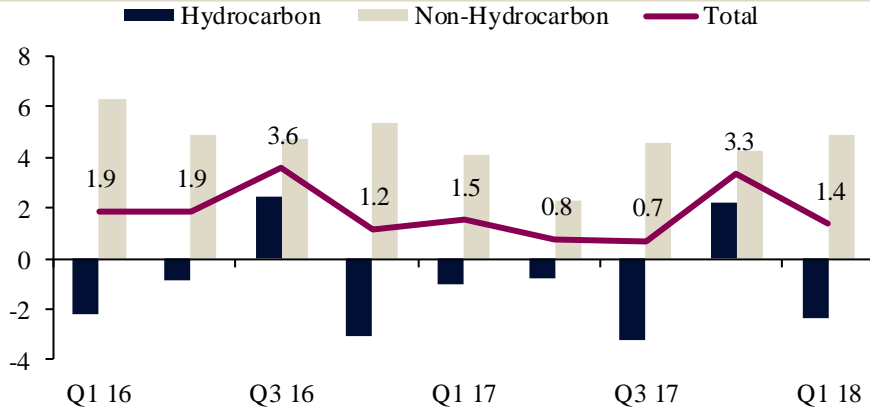
# QNB Qatar Monthly Monitor September 2018

# Highlights

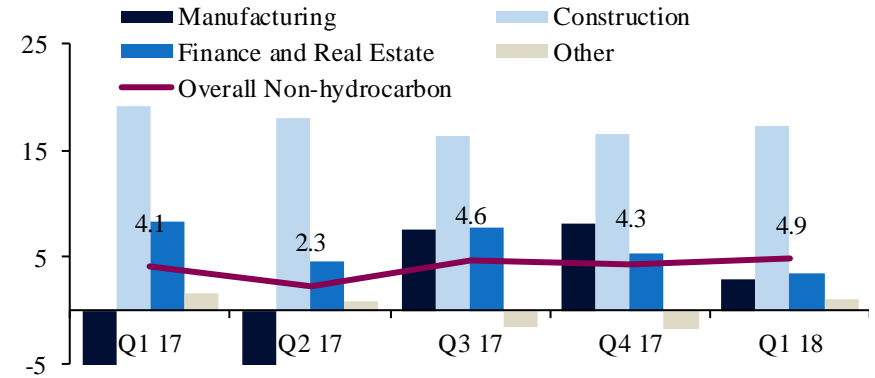
- **Exports grew 45.3% y/y in July as a result of higher oil prices, while imports surged 50% y/y due to the base effect from last year**
- **QCB foreign exchange reserves rose 0.3% m/m to reach USD45.4bn in July, equating to 7 months of import cover**
- **Non-resident and private sector deposits grew 6.1% and 2.2% m/m respectively in July, while public sector deposits fell 6.9% m/m**
- **CPI inflation held broadly steady at 0.6% y/y in August**
- **Key interbank rates continue to hold steady while Qatar's 5-year CDS spread has edged down to 82bp; its lowest since March**

# Economic Activity

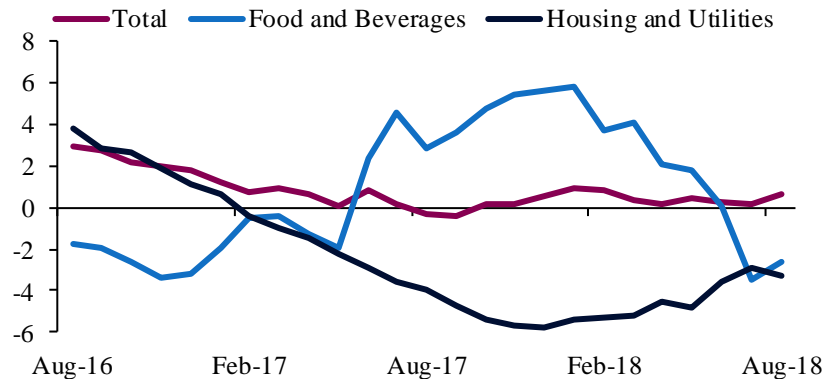
Real GDP growth slowed in Q1 thanks to a further fall in hydrocarbon output. Non-hydrocarbon GDP growth was a solid 4.9% y/y (% year on year)



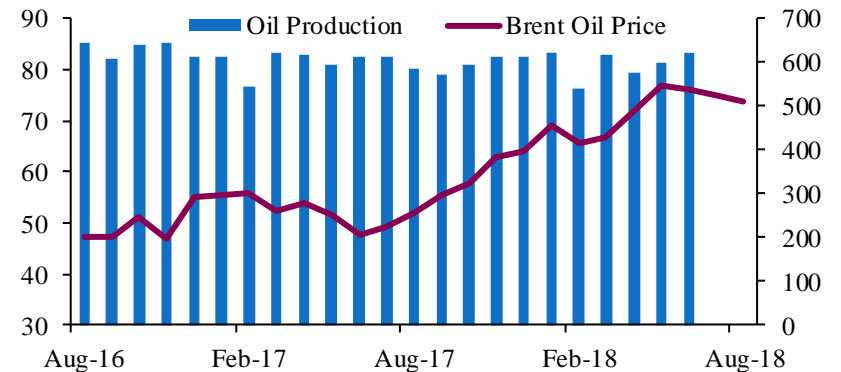
Booming construction output, up 17.2% y/y, remained the key driver of activity in the non-hydrocarbon sector. Manufacturing gained 3% y/y (% year on year)



CPI inflation was broadly flat at 0.6% y/y in August; food inflation moderated, while housing inflation slightly picked up (% year on year)



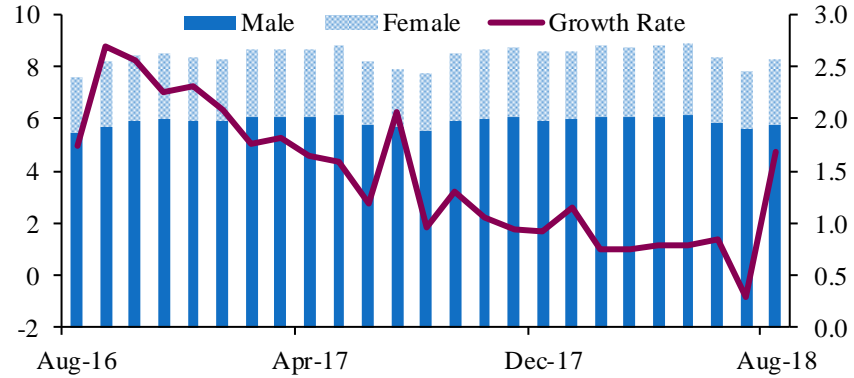
Brent crude prices slipped to an average of USD73.8/b in August; Qatar's oil production rose to 622kb/d in June from 601kb/d the prior month (average prices (USD/b), left axis; Oil production (k b/d), right axis)



# Economic Activity

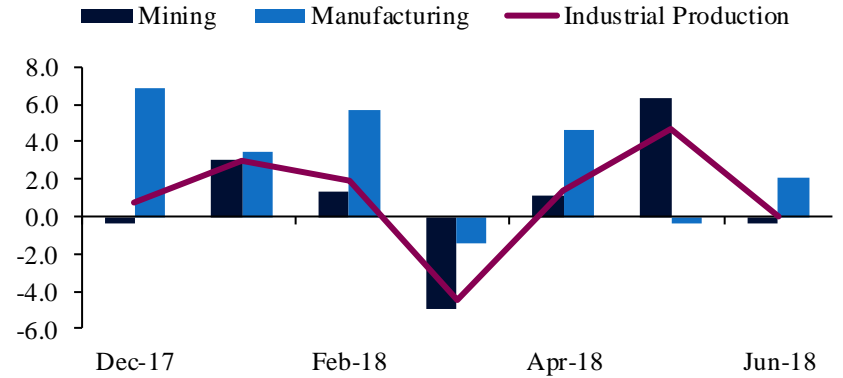
**Qatar's population increased 4.7% y/y to stand at 2.56m in August; women made up close to 24.6% of the population**

(m, male and female right axis; % year on year, left axis)



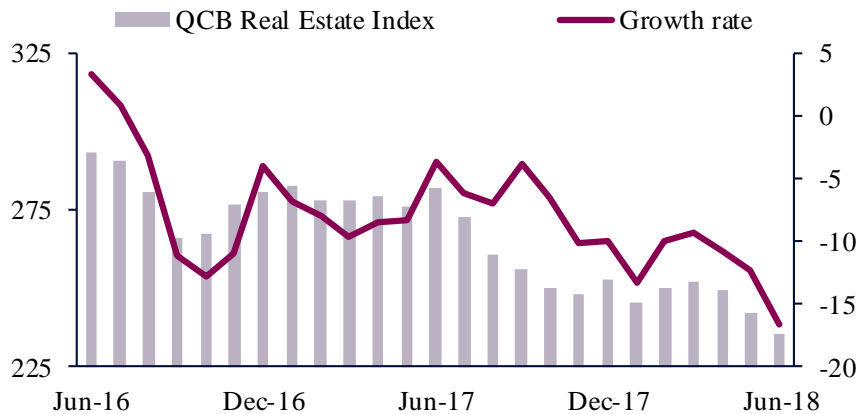
**Manufacturing rose 2.1% y/y in June from -0.4% the previous month**

(% year on year)



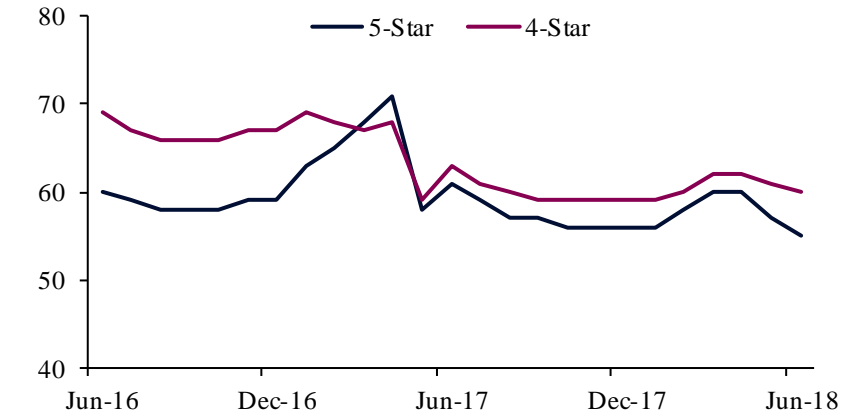
**The real estate price index slipped back further in June**

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



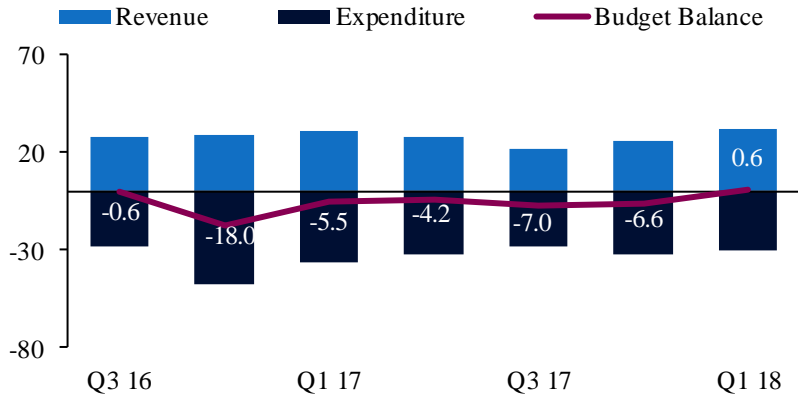
**5-star and 4-star hotel occupancy rates dipped slightly in July to stand at 55% and 60% respectively**

(%, occupancy rate)

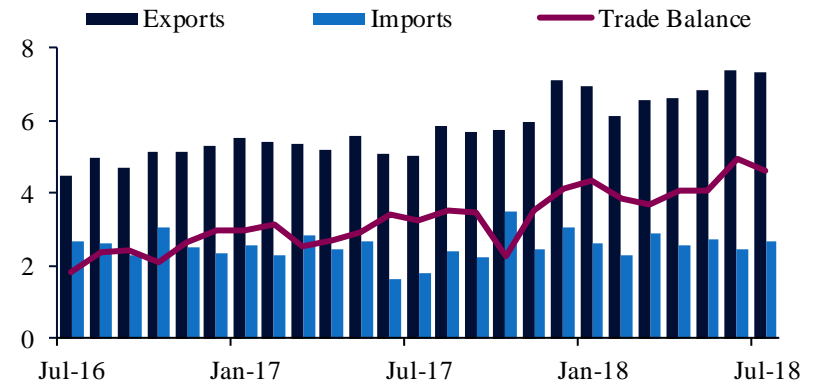


# Fiscal and External Balances

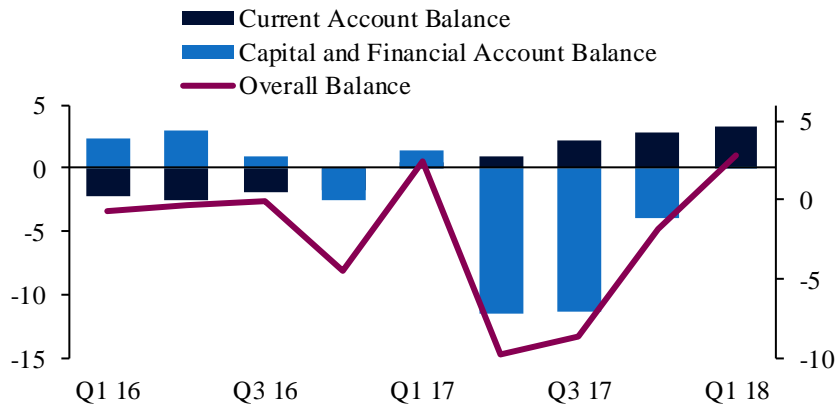
The fiscal account turned to a surplus in Q1 as revenue rose in line with higher oil prices  
(% of GDP)



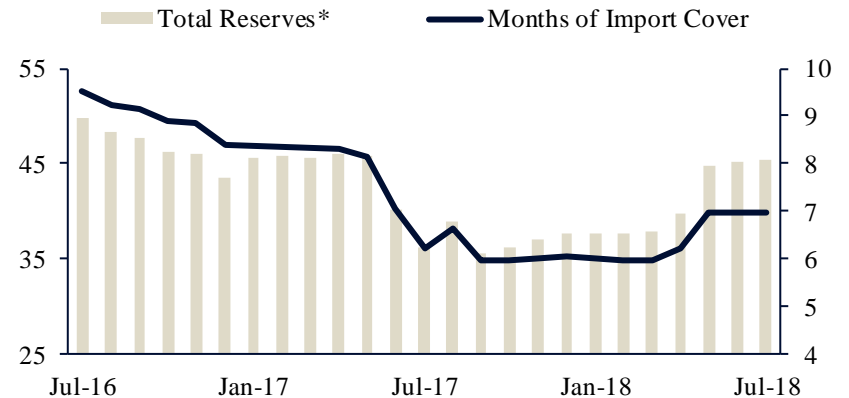
Exports grew 45.3% y/y in July as a result of higher oil prices, while imports grew 50% y/y due to the base effect from last year  
(bn USD)



The current account surplus widened to 7.3% of GDP in Q1, while the financial account deficit narrowed  
(bn USD, Balances, left axis; bn USD, change in Overall Balance, right axis)



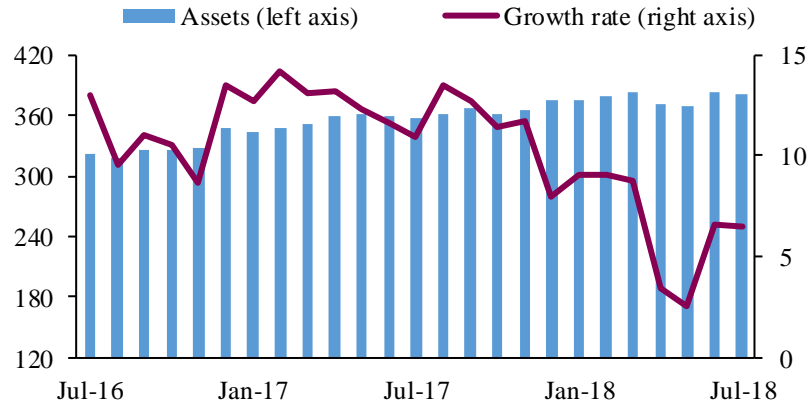
QCB foreign exchange reserves rose 0.3% m/m to reach USD45.4bn in July, equating to 7 months of import cover  
(bn USD; Reserves, left axis; Months of Import Cover, right axis)



# Money and Banking

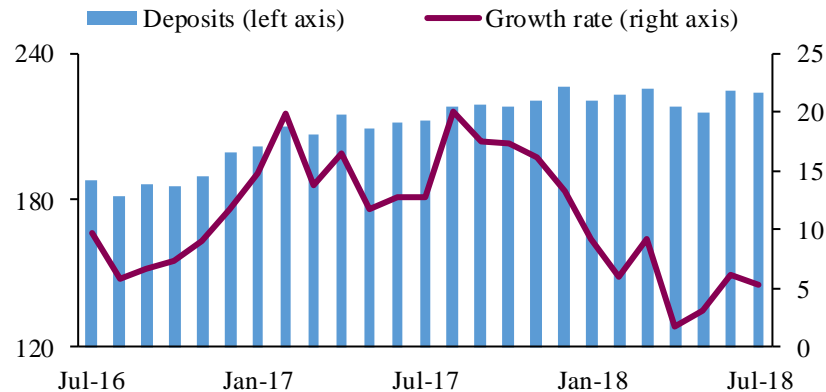
**Bank asset growth was 6.5% y/y in July**

*(bn USD and % year on year)*



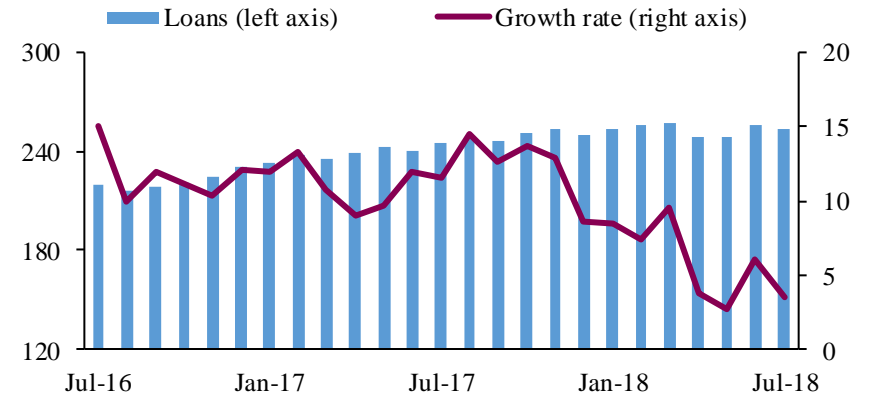
**Bank deposit growth was 5.3% y/y in July**

*(bn USD and % year on year)*

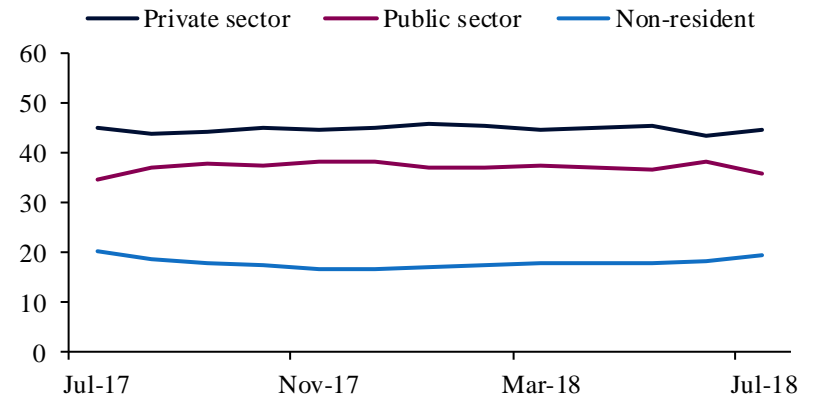


**Credit growth was 3.5% y/y in July**

*(bn USD and % year on year)*



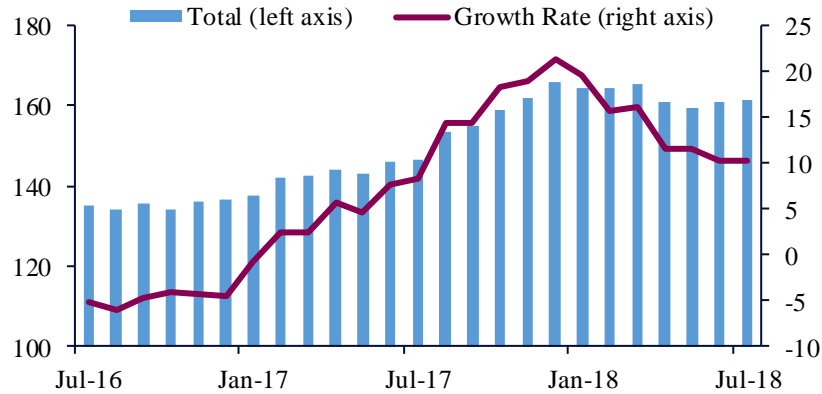
**Deposits from the non-resident and private sector grew 6.1% and 2.2% m/m respectively in July, while the public sector declined 6.9% m/m (% of total)**



# Money and Banking

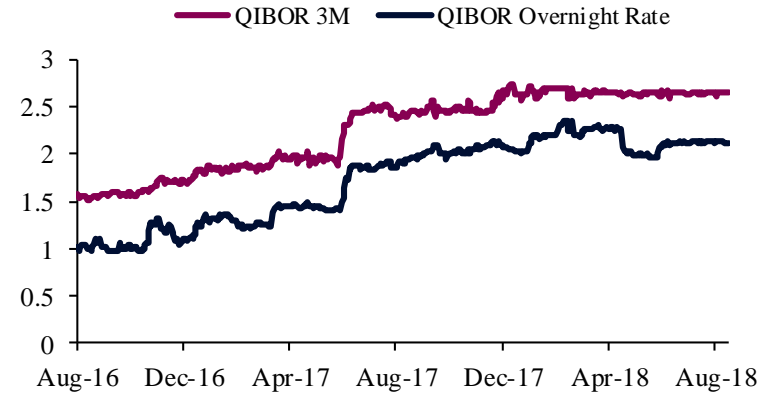
## Broad money supply (M2) grew by 10.3% y/y in July

(bn USD and % year on year)



## Interbank rates steady despite higher US short-term rates

(%, latest data 11<sup>th</sup> September)



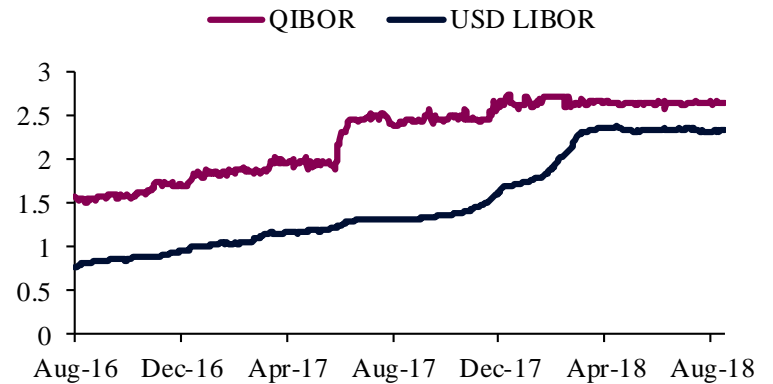
## Qatar Sovereign 5-year CDS Spreads

(Basis points, latest data 11<sup>th</sup> September)



## QIBOR and LIBOR 3-month interest rates

(%, latest data 11<sup>th</sup> September)



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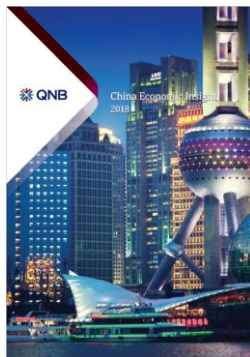
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