



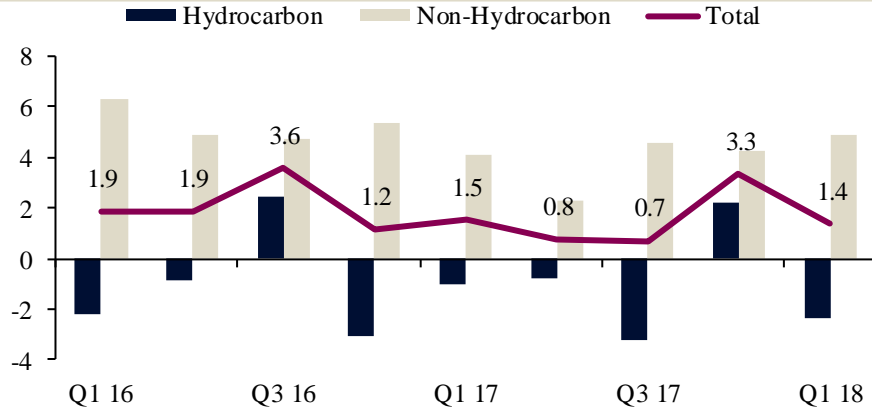
QNB Qatar Monthly Monitor July 2018

Highlights

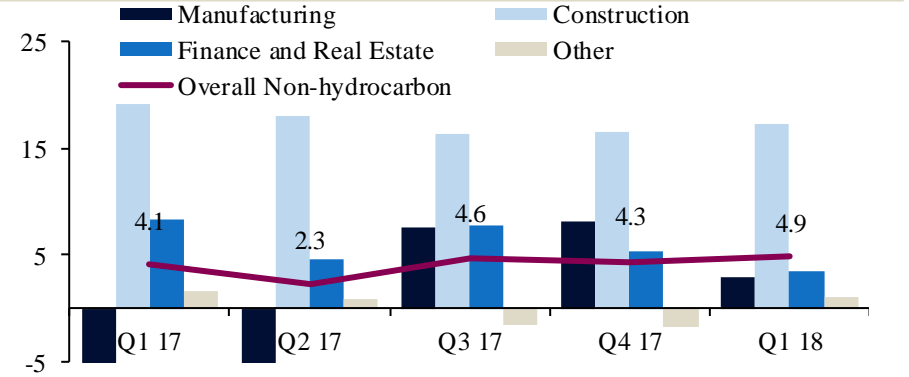
- **Powered by the construction sector, non-hydrocarbon real GDP growth was a solid 4.9% y/y in Q1 2018**
- **Exports continue to boom, up 22% y/y in May, thanks to higher oil prices. Import growth was a more modest 2.7% y/y**
- **QCB foreign exchange reserves jumped 12.7% m/m to USD44.8bn in May, equating to 7.0 months of import cover**
- **Bank deposit growth 3% y/y in May with non-resident and private sectors deposits stable**

Economic Activity

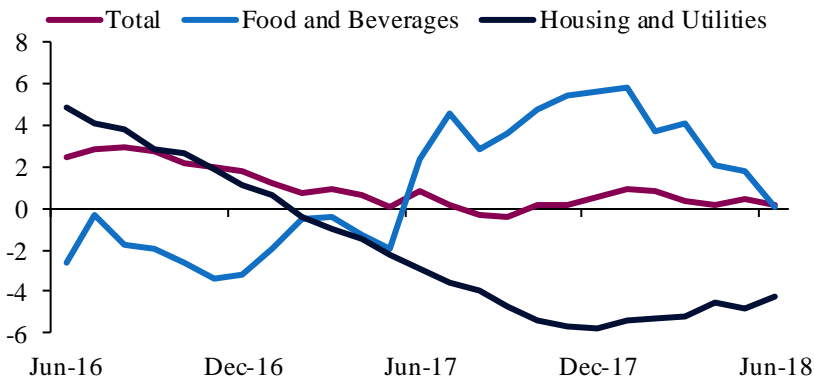
Real GDP growth slowed in Q1 thanks to a further fall in hydrocarbon output. Non-hydrocarbon GDP growth was a solid 4.9% y/y (% year on year)



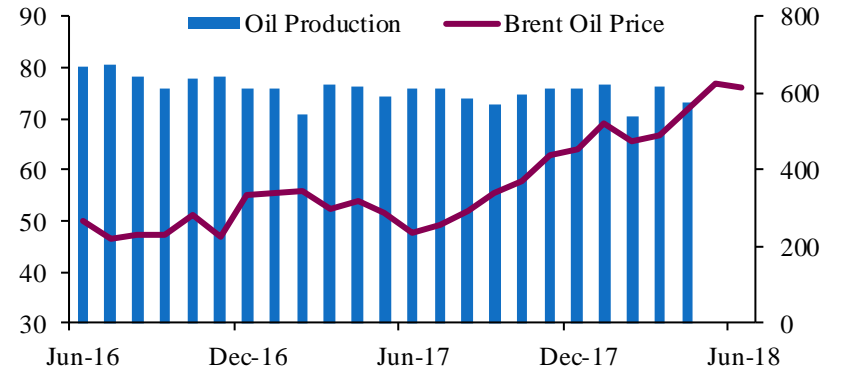
Booming construction output, up 17.2% y/y, remained the key driver of activity in the non-hydrocarbon sector. Manufacturing gained 3% y/y (% year on year)



CPI inflation dropped to 0.1% y/y in June; food inflation continued to cool even as deflation in housing costs moderated (% year on year)



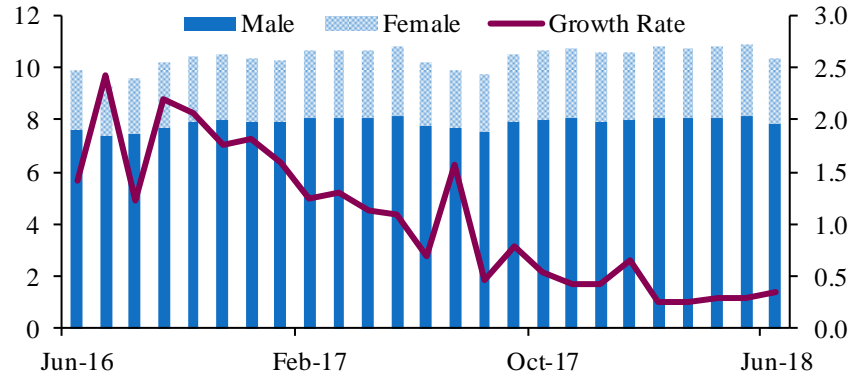
Brent crude prices slipped to an average of USD76/b in June; Qatar's oil production fell to 578kb/d in April from 616kb/d prior (average prices (USD/b), left axis; Oil production (k b/d), right axis)



Economic Activity

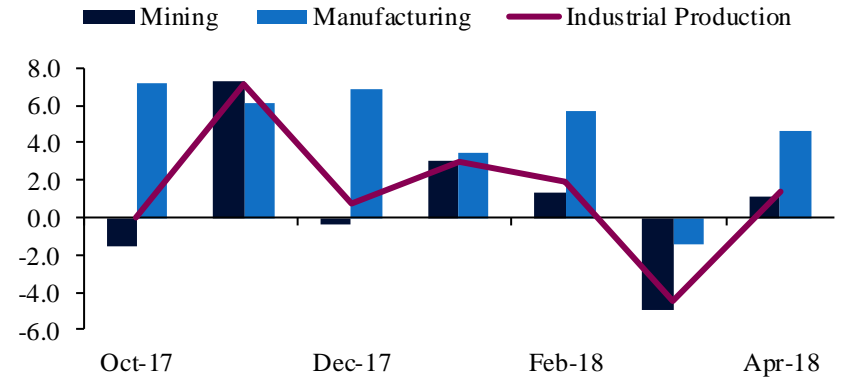
Qatar's population grew 1.4% y/y, reaching 2.58 in June; women made up close to 24% of the population

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



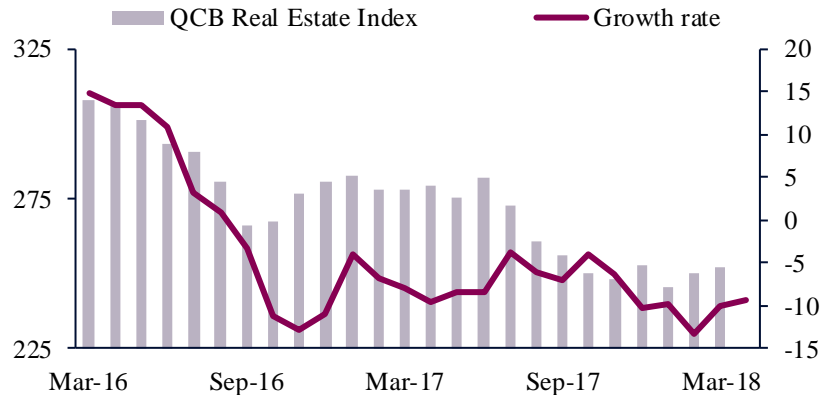
Industrial production rose to 1.4% y/y growth in April

(% year on year)



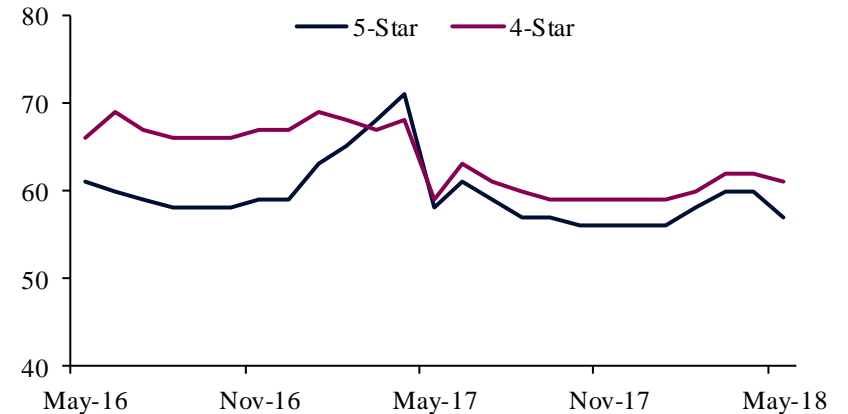
The real estate price index continued its recovery, rising 1.0% m/m in March

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



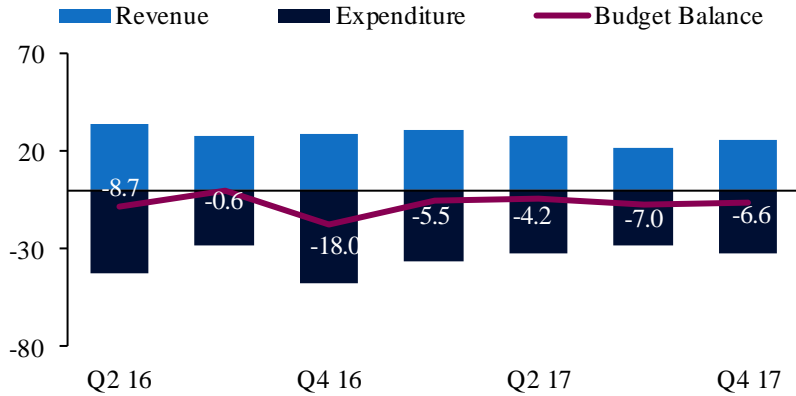
5-star and 4-star hotel occupancy rates slightly fell to at 57% and 61% respectively

(% occupancy rate)

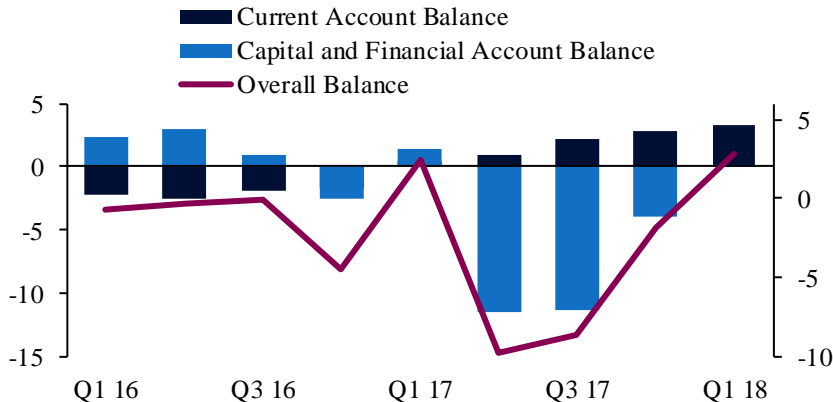


Fiscal and External Balances

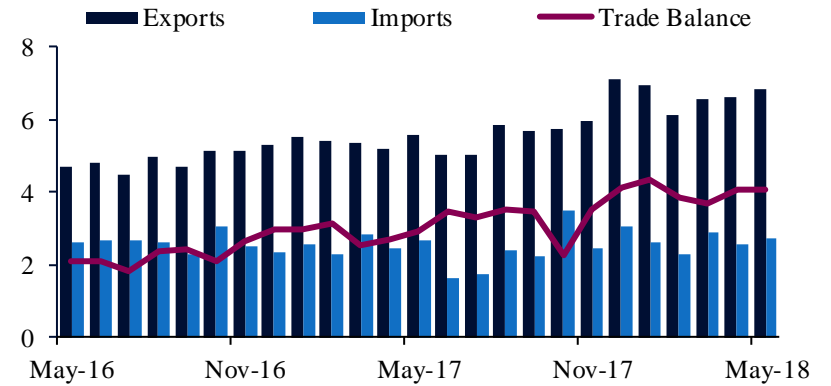
The fiscal account remained in deficit in Q4 but should recover subsequently as revenue rises in line with higher oil prices
(% of GDP)



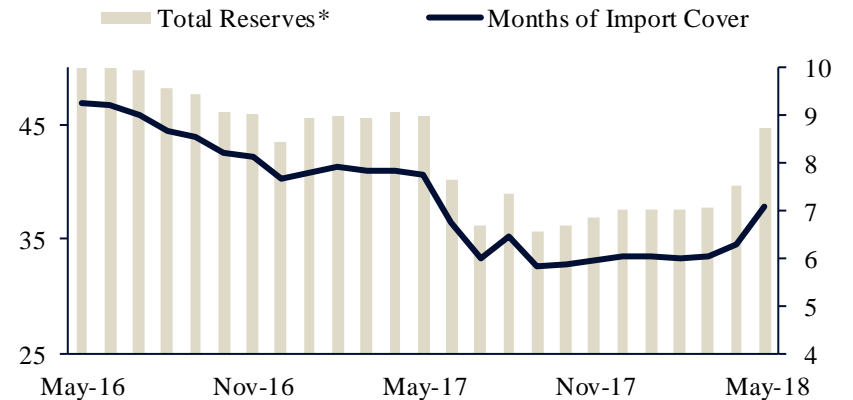
The current account surplus widened to 7.3% of GDP in Q1, while the financial account deficit narrowed
(% of GDP; Balances, left axis; bn USD, change in Overall Balance, right axis)



Exports grew 22% y/y in May as a result of higher oil prices, while imports growth was a more moderate 2.7% y/y
(bn USD)



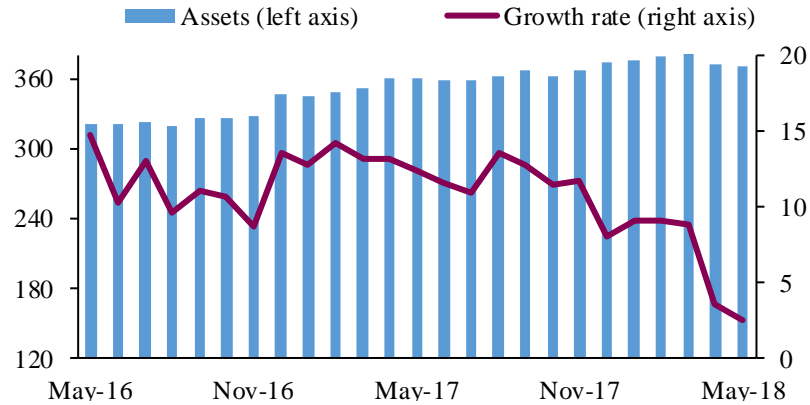
QCB foreign exchange reserves rose 12.7% m/m to USD44.8bn in May, equating to 7.0 months of import cover
(bn USD; Reserves, left axis; Months of Import Cover, right axis)



Money and Banking

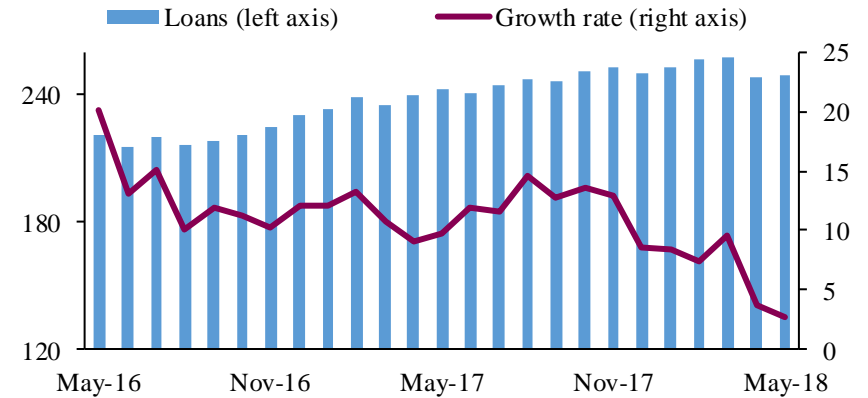
Bank assets growth was 2.5% y/y in May

(bn USD and % year on year)



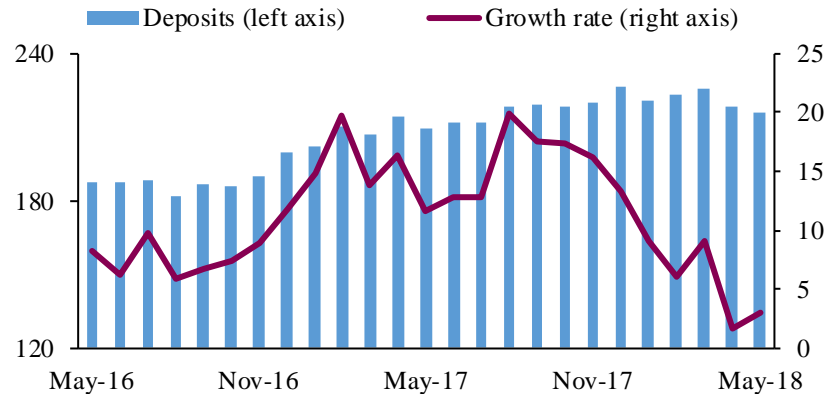
Credit growth was 2.7% in May

(bn USD and % year on year)



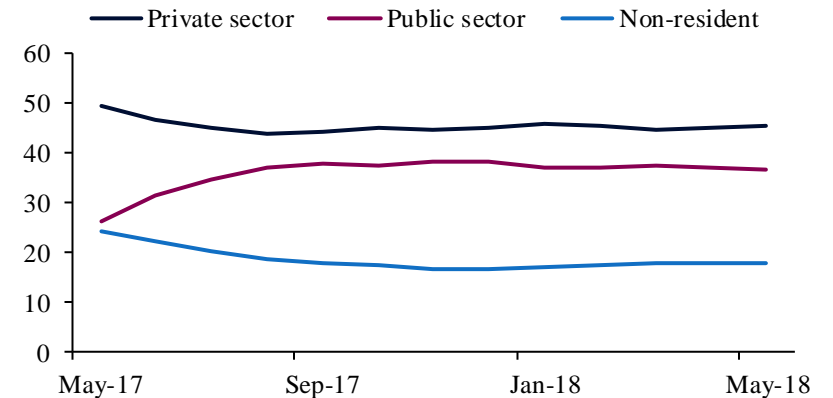
Bank deposit growth was 3.0% y/y in May

(bn USD and % year on year)



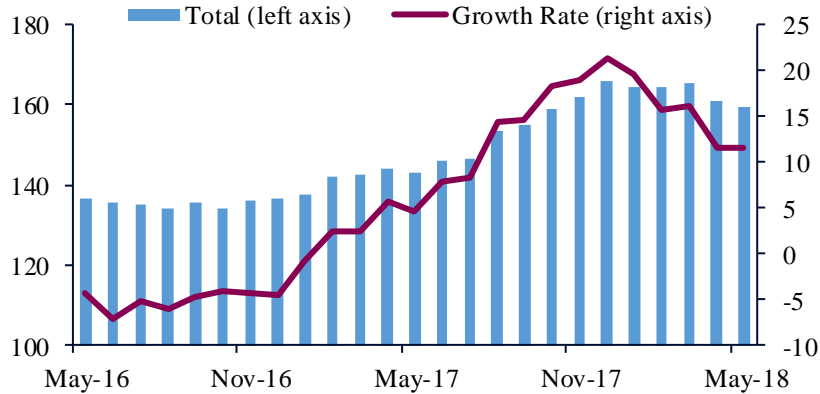
Deposits from the non-resident and private sector remained stable in May

(% of total)

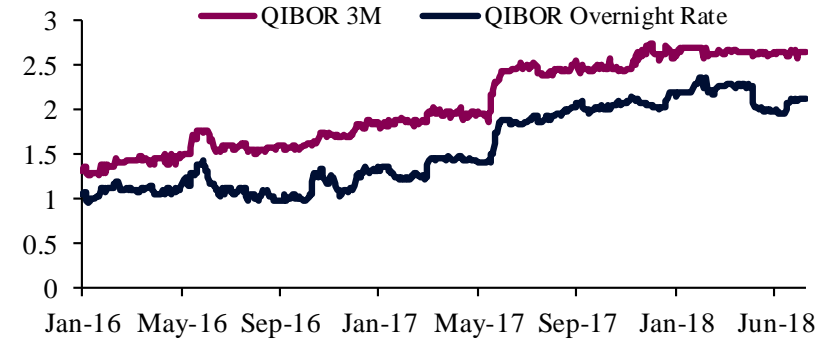


Money and Banking

Broad money supply (M2) steadily grew by 11.64% y/y in May
(bn USD and % year on year)

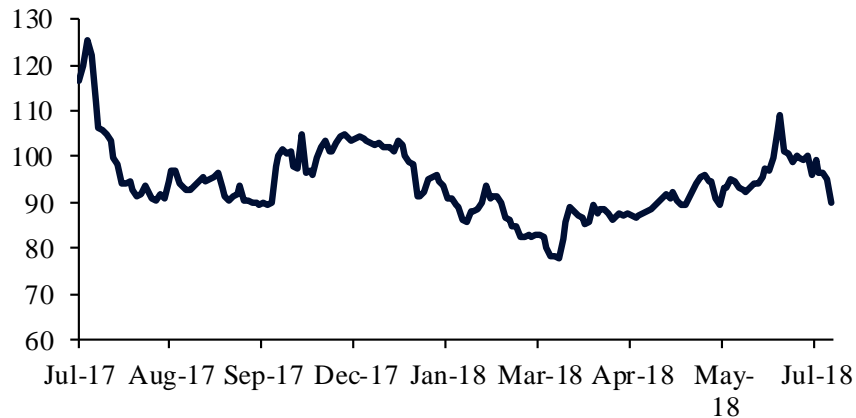


Interbank rates remain steady despite higher US short-term rates
(%, latest data 13th July)



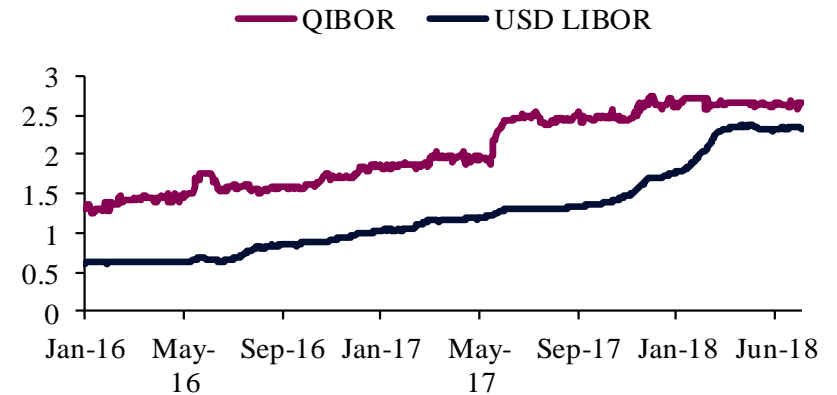
Qatar Sovereign 5-year CDS Spreads

(Basis points, latest data 6th July)



QIBOR and LIBOR 3-month interest rates

(%, latest data 6th July)



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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

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