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G20 meeting calls for greater dialogue to tackle trade risks PAGE 14



▼ DOW 25,062.11
-2.39 PTS

▼ QE 9,362.42
-58.25 PTS

▲ SENSEX 36,496.37
+145.14 PTS

GOLD 1,230.00
+0.49%

BRENT PRICE 72.99
PERCENTAGE +0.56%

WTI PRICE 70.46
PERCENTAGE +1.44%

SILVER 15.53
+0.80%

'Moody's upgrade to add to Qatar's resilience'

Qatar's sovereign and corporate bonds will be well subscribed because of the ratings upgrade, says the Doha Bank chief executive

SATYENDRA PATHAK
DOHA

THE upgrade of Qatar's long-term issuer ratings to stable from negative is a positive reflection of the country's financial system, Doha Bank Group CEO R Seetharaman has said.

The Moody's rating is going to have a positive impact if you are going to look at Qatar's long-term rating that has been changed from negative to stable and affirmed with long-term issuer and foreign-currency senior unsecured debt ratings at Aa3, Seetharaman said.

"What does it mean? It means that Qatar can withstand blockade by four countries — Saudi Arabia, UAE, Bahrain and Egypt — for an extended period of time," he said.

It also indicates that Qatar's credit matrix will remain consistent and it also makes provisions for additional opportunities, he said.

In substance, Seetharaman said, Qatar's sovereign and corporate bonds will be well subscribed and also banking system would need no further support from the sovereign, central banks or the country's wealth fund.

"When the blockade started, there was a decline in the non-resident liabilities of lenders that have subsided now. This re-rating will reflect positively on the liquidity and borrowings for local banks as well government sovereigns if at all required. It also goes to



“Positive reflection

When the blockade started, there was a decline in the non-resident liabilities of lenders that have subsided now. This re-rating will reflect positively on the liquidity and borrowings for local banks as well government sovereigns if at all required. It also goes to show the very financial stability, robust regulatory framework, effective supervision and resilient financial situation of the country

Doha Bank Group CEO R Seetharaman

show the very financial stability, robust regulatory framework, effective supervision and resilient financial situation of the country," Seetharaman said.

"Whatever the emerging pressure was there now has subsided. All the sectors that got impacted have turned out to be stable and functional. The impact of monetary policy normalisation in line with changing dynamics in dollar

is going to have a positive reflection for the overall financial stability and liquidity for banking system in Qatar," he said.

Echoing the same, Indian Business & Professional Council (IBPC) President KM Verghese said, "The upgrade of many Qatari companies and banks by Moody's is a very welcome sign and shows return of international investors' confidence in Qatar's



Moody's upgrade of Qatar's long-term issuer ratings to stable from negative is a positive reflection of the country's financial system, say experts.

economy in general."

"This should not be viewed only as turning around of these entities from the difficulties faced from the blockade, but decisively as a measure of how this country under its wise and pragmatic leaders

pulled it around," he said.

Verghese expressed hope that this would be followed by similar sentiments from other agencies and ultimately lead to further upgrading of Qatar.

Moody's assessment of

Qatar is in part based on evidence of broad resilience of Qatar's credit metrics to the economic and financial blockade over the past 13 months.

The rating affirmation at Aa3 takes into account a number of credit strengths



“Welcome sign

The upgrade of many Qatari companies and banks by Moody's is a very welcome sign and shows return of international investors' confidence in Qatar's economy in general

IBPC President KM Verghese

embedded in Qatar's credit profile which, in Moody's view, remains supported by the large net asset position of Qatar's government, exceptionally high levels of per-capita income, very large hydrocarbon reserves and relatively low fiscal and external break-even oil prices -- all of which will continue to provide a significant shock absorption capacity to the sovereign.

Besides upgrading a number of government entities earlier this week, Moody's had also affirmed the long-term deposit and issuer ratings of the 10 Qatari banks it rates.