



QFC Monthly Economic Update

August 2025

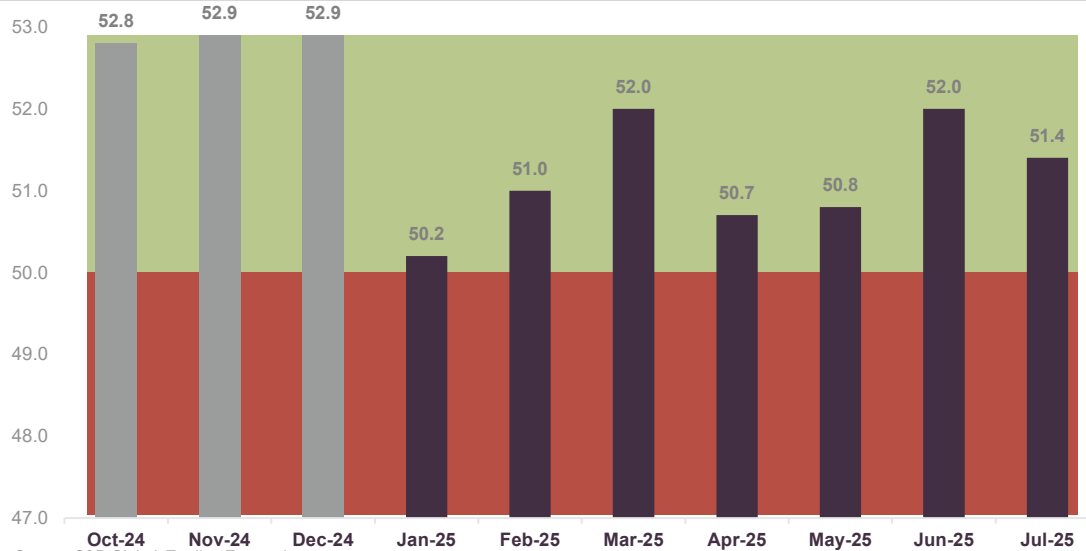


مركز قطر للمال
Qatar Financial Centre

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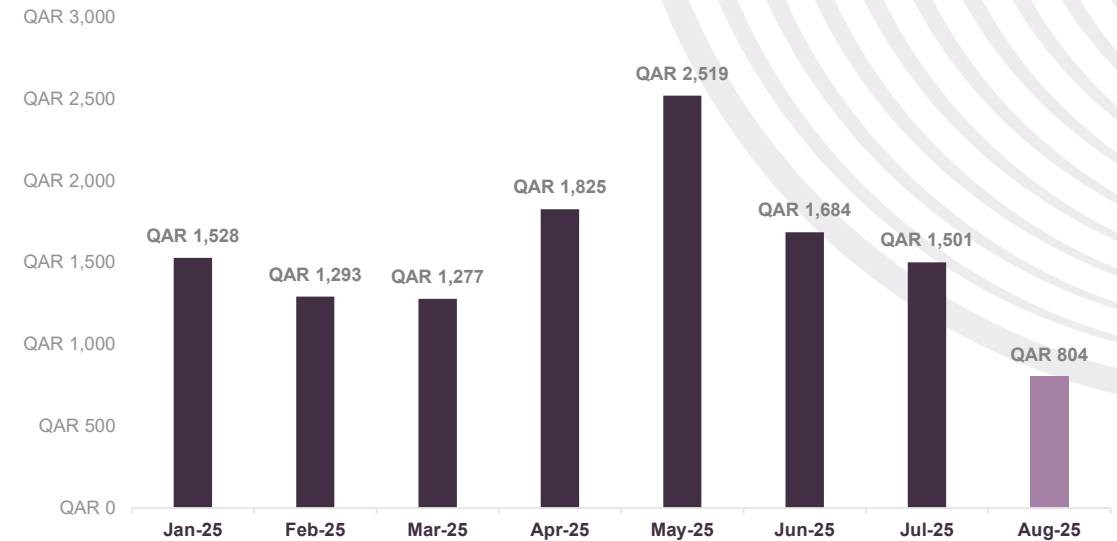
GCC Non-Energy And Real Estate Sector

Qatar Non-Oil Private Sector PMI (January 2025 – August 2025)



Source: S&P Global, Trading Economics.
Note: Green = Expansion, Red = Contraction

Qatar Real Estate Activity, In QAR Millions, (Jan'25 – Aug'25)



Source: Ministry of Justice. Note: August is until

- Qatar's non-energy sector continues to expand for the seventh consecutive month of the year, recording **51.4** for the month of July as indicated by data from S&P Global's PMI. This sustained expansion of the non-energy sector in 2025 highlights Qatar's resilience amid elevated volatility in the global economy, particularly in the first-half of 2025 (H1'2025).
- Qatar's non-oil private sector PMI averaged **51.1** for H1'2025 despite tariff uncertainty and geo-political risks. Qatar's non-energy sector maintained its growth into H2'2025 with a score of **51.4** for July. FDI inflows for H1'2025 amounted to **US\$2.4 billion**, while banking assets equated to **QAR2.2 trillion**, representing growth of over **9% YoY**.
- Real estate activity for Q2'25 was **QAR6 billion**, a **88.9% YoY** increase compared to Q1'25. This growth builds on the momentum gained in Q1'25 where real estate activity totaled **QAR4.1 billion**, putting real estate activity for 2025 at over **QAR10.1 billion** which is **QAR2.5 billion** more than H1'24.
- As of August 31, real estate activity for the month of August equated to **QAR804 million** with residential property activity accounting for **17.0% (QAR137.1 million)** of Qatar's total real estate activity.

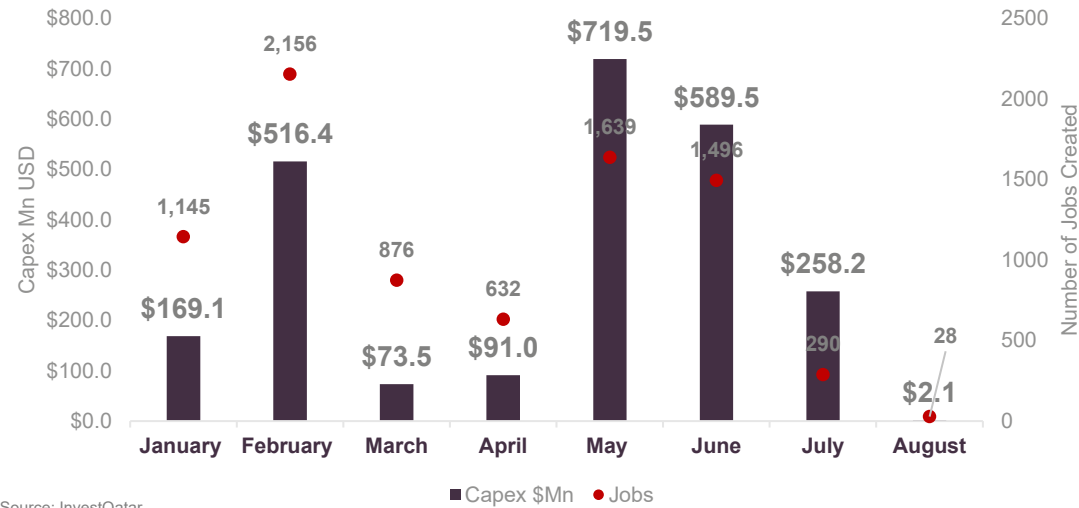
Key takeaways

- Qatar's economy continues to do well with the S&P Global PMI showing that the non-oil sector remains in expansion territory, while FDI inflows continue to increase and banking assets grow by 9% YoY. The real estate sector remains robust after a strong H1'2025.

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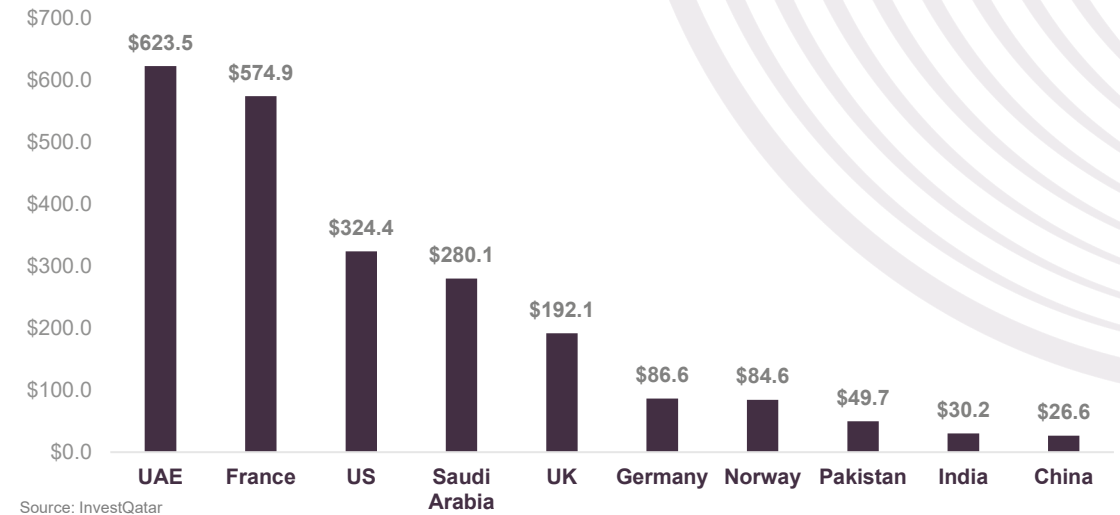
Foreign Direct Investment

Foreign Direct Investment Capex & Jobs Created, In \$ Mn,
(January 2025 – August 2025)



Source: InvestQatar

Top 10 Countries Contributing To Inward FDI, In \$ Mn
(January 2025 – August 2025)



Source: InvestQatar

- Inward FDI into Qatar has been comparatively strong in 2025, with the country having attracted **\$2.4 billion** (more than **86%** of 2024 total FDI inflows) in FDI Capex so far this year. FDI inflows into Qatar for 2025 have also contributed to the creation of **8,262** jobs so far.
- With four months left until the end of 2025, Qatar is well placed to attract FDI inflows in line with those witnessed in 2024 of **\$2.8 billion**. Data from 2020 – 2024 indicated that on average the last four months of the year see FDI inflows of **\$342.8 million** on average.
- The UAE, France and the US are the top three markets contributing to Qatar’s FDI inflows. Together these three contributed a total of **\$1,522 million (62.9%)** of all FDI inflows into Qatar so far in 2025.
- The strong flow of inward FDI highlights the positive sentiment investors continue to have towards Qatar. We remain positive that FDI inflows will remain strong for the remainder of the year, as historically FDI inflows tend to pick up towards the tail-end of the year.

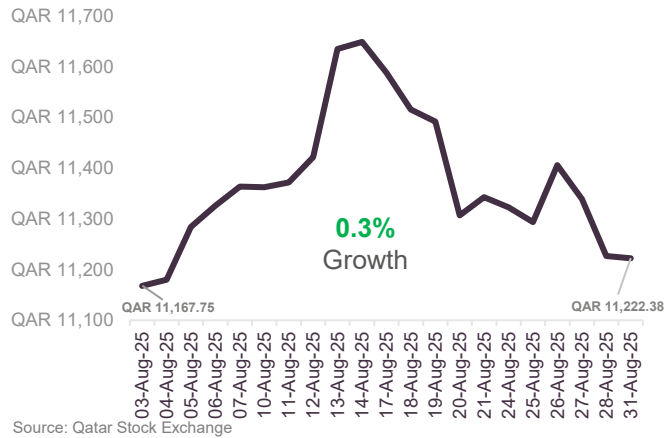
Key takeaways

- FDI’s into Qatar remains strong, owing to strong investor sentiment. Having already attracted a total of \$2.4 billion this year, Qatar is on course to match the total FDI inflows witnessed in 2024.

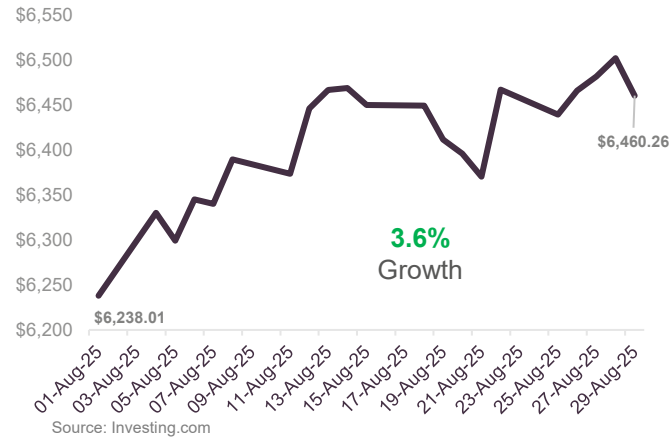
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QSE, Global Equity Markets and Risk Assets

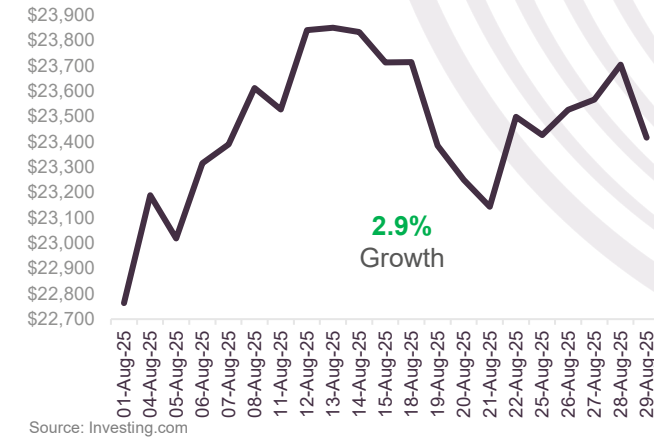
QSE Index in QAR,
(03 August 2025 – 31 August 2025)



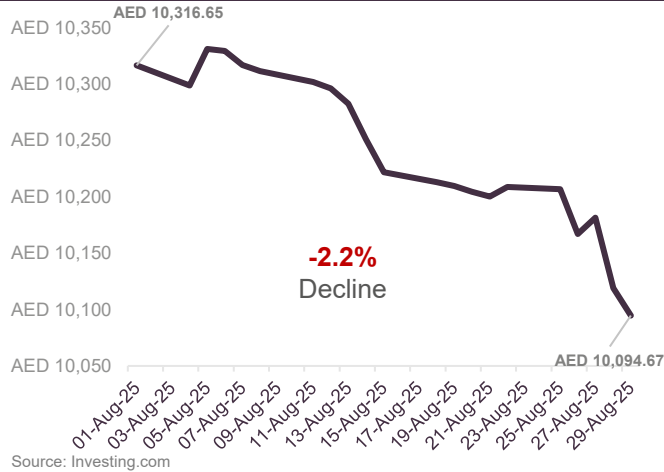
S&P 500 in US\$,
(01 August 2025 – 29 August 2025)



Nasdaq 100 in US\$,
(01 August 2025 – 29 August 2025)



Abu Dhabi Securities Index in AED,
(01 August 2025 – 31 August 2025)



- Historically, equities perform poorly in August and September, owing to factors such as individuals going on holiday towards the tail-end of August and institutional investors reposition their holdings (selling-off their loss-making assets) before the start of the new financial year.
- The QSE was largely flat in August with the index rising from **QAR11,187.76** on the first trading day to **QAR11,222.33** on the last trading day. However, this is inline with the August-September slump usually seen in equities. The decline in price for the Abu Dhabi Index from **AED10,316.65** to **AED10,094.67** a **2.2%** decline.
- Fed Chair Jerome Powell's Jackson Hole speech alluded to the possibility of a rate cut in September. Post his speech US equities rallied, with the S&P 500 and the Nasdaq 100 witnessing growth of **3.6%** and **2.9%**, respectively.
- As stated above, historically equities perform poorly in August and September an interest rate cut by the US Fed would provide equities with the necessary tailwinds to for growth in equity markets.

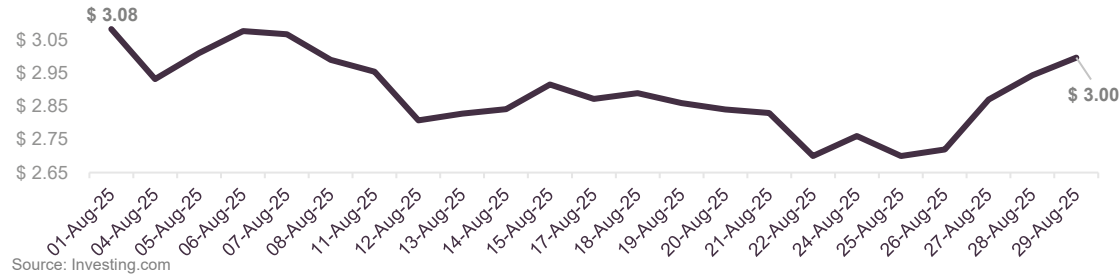
Key takeaways

- Equities tend to perform poorly in the months of August and September, owing to investors repositioning their portfolios for the upcoming financial year.
- US equities are bucking the trend, after Fed Chair Powell alluded to a possible rate cut in September.

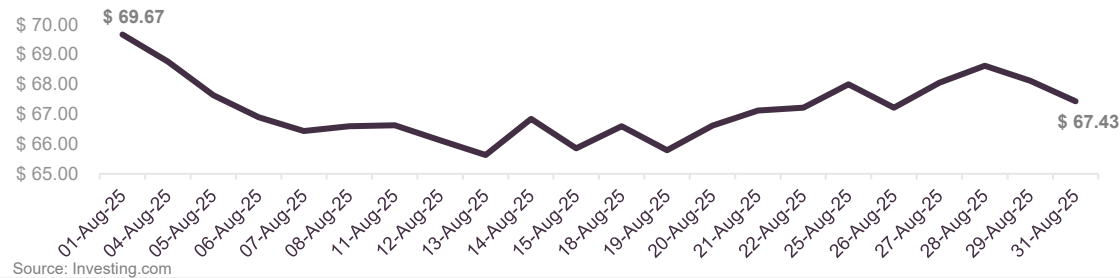
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Commodities – Natural Gas & Brent Crude Oil

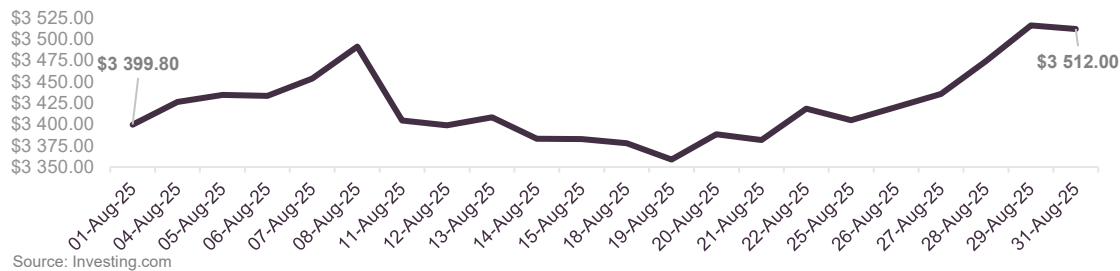
Natural Gas In US\$, (01 August 2025 – 31 August 2025)



Brent Crude Oil Prices In US\$/bbl, (01 August 2025 – 31 August 2025)



Gold Prices In US\$/oz, (01 August 2025 – 31 August 2025)



- In August, the price of natural gas declined from to **\$3.08** to lows of **\$2.70**, before rebounding to **\$3.00**. The decline in prices is largely due to increased natural gas supply from the US, despite muted demand. However, lower gas prices will not have a significant impact on Qatar, as Qatar's LNG exports are tied to long-term contracts.
- Pakistan is looking at renegotiating its current LNG agreement with Qatar, which runs until 2030. Under the current agreement, Pakistan is currently importing more LNG than it needs causing access supply.
- Currently, Qatar exports up to nine LNG cargoes to Pakistan each month. However, Pakistan seeks to reduce this down to seven cargoes. Currently, between **10% - 11%** of Qatar's LNG exports are destined for Pakistan.
- A reduction in cargo shipments to Pakistan will, therefore, not have a material impact on Qatar's overall LNG export revenues.
- The price of Brent crude oil fell from **\$70/bbl** in late-July and is currently hovering between **\$65 - \$68/bbl**. Overall, the low oil prices bode well for global inflation.
- However, oil exporting countries such as Saudi Arabia, Kuwait and Oman, with a fiscal breakeven oil price higher than the current oil price will face fiscal strain.
- The IEA has revised up its projections for global oil supply to **2.5 million** barrels per day, from **2.1 million** barrels per day. This is due to increased supply for OPEC+ countries and countries outside the group.
- This excess supply of oil in the market would put additional downward pressure on prevailing oil prices. Lower-for-longer oil prices will leave oil exporting countries in a worse-off fiscal position than what they currently face.
- Gold prices in August rose by **3.3%**, maintaining the growth witnessed over the course of 2025. Gold prices surged **31.8%** so far in 2025 (until August 31, 2025), placing gold among the best performing asset classes for the year.
- Prevailing macroeconomic conditions – increased expectations of a Fed interest rate cut, expected continuing increase of global liquidity, and elevated geopolitical risks – will provide the necessary tailwinds for gold prices to grow further.

Key takeaways

- Qatar's LNG exports are tied to long-terms, which insulates it from fluctuations in the price of natural gas. Lower-for-longer oil prices bode well for global inflation but will present fiscal pressures for oil exporting countries.
- Gold has delivered positive returns for every month of 2025, this upward momentum will likely be maintained by Fed rate expectations, a devaluation of the dollar and geopolitical uncertainty.

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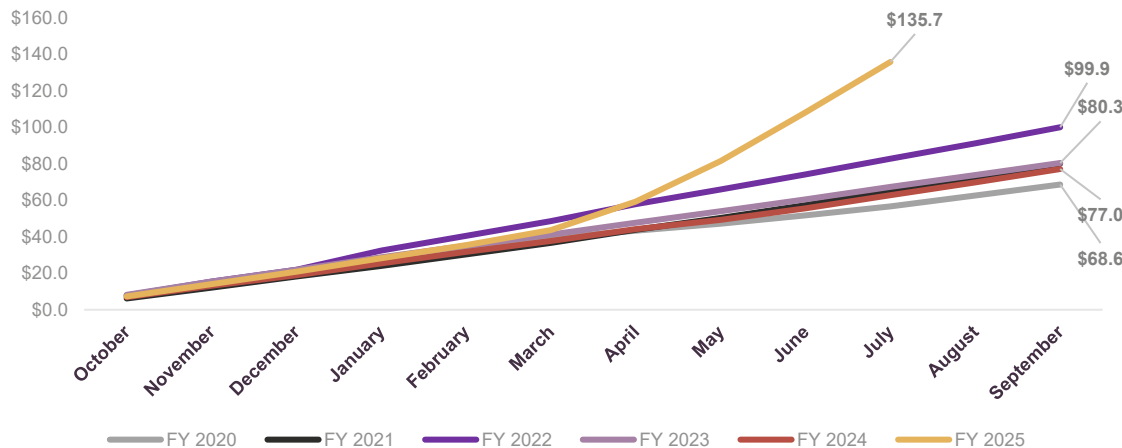
Global Economy

US Goods Trade Deficit With China, in US\$ Billions (2014 – 2024)



Source: US Census Bureau.

Cumulative Custom Duties Revenue, in US\$ Billions (FY2020 – FY2025*)



Source: US Census Bureau, USAFacts. Note: 2025 is until July.

- Trade negotiations between the US and China remain ongoing, with President Trump having extended the August 9 deadline by an additional 90 days to November 10.
- The extension in trade negotiations means China continues to hold its **10%** tariff on American goods, while the US continues to maintain its tariff of **30%** on goods from China.
- The charts indicates why its necessary for the US to negotiate more favourable trade deals. Data from the US Census Bureau (2014 to 2024), suggests that the US' trade deficit with China averaged **\$346.6 billion** annually.
- The impact of tariffs is notable. As of June 2025, the cumulative customs duties revenue for 2025 is **\$135.7 billion**, compared to **\$77 billion** in 2024. With three months of data remaining for FY2025, the revenue generated from custom duties is over **75%** higher than the total cumulative revenue generated for FY2024.
- On August 22, Fed Chair Jerome Powell attended the annual Jackson Hole meeting. In his speech, Powell highlighted that the impact of tariffs on consumer prices have started to filter through.
- Powell highlights that inflationary risks are tilted to the upside, while risks to employment are tilted to the downside. A balanced framework of the Feds dual mandate will be necessary.
- As of writing (August 31), the FedWatch Tool indicates that there is an **87.6%** probability of a **25-basis point** rate cut in September. A rate cut would spur economic activity and could contribute to a surge in risk assets.

Key takeaways

- The US is currently experiencing a trade deficit with China, hence the ongoing negotiations for favourable trade agreements. In July (latest available data) cumulative custom duties revenue made in 2025 is almost double that of 2024, a boon for US government revenues.
- Fed Powell's speech at Jackson Hole has hinted at the possibility of a rate cut in September which bodes well for risk assets and the US economy.