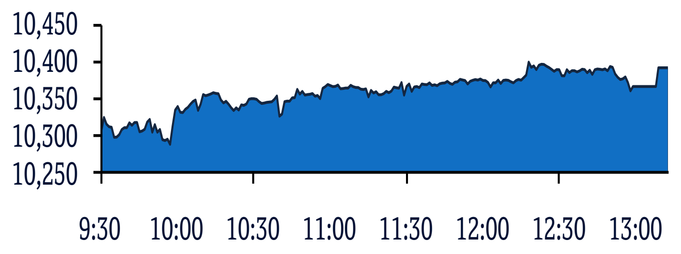
QNB FINANCIAL SERVICES

Daily Market Report

Wednesday, 02 December 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.3% to close at 10,395.3. Gains were led by the Banks & Financial Services and Real Estate indices, gaining 2.4% each. Top gainers were Qatari German Company for Medical Devices and INMA Holding, rising 10.0% each. Among the top losers, Qatar Gas Transport Company Limited fell 3.4%, while Medicare Group was down 1.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 8,722.1. Losses were led by the Pharma, Biotech & Life Science and Health Care Equipment & Svc indices, falling 1.7% and 1.2%, respectively. Saudi British Bank declined 7.9%, while Saudi Arabian Amiantit Company was down 4.3%.

Dubai: Market was closed on December 01, 2020.

Abu Dhabi: Market was closed on December 01, 2020.

Kuwait: The Kuwait All Share Index fell 0.9% to close at 5,412.2. The Utilities index declined 3.9%, while the Banks index fell 1.7%. Inovest Company declined 6.4%, while Mena Real Estate Company was down 5.8%.

Oman: The MSM 30 Index gained 0.1% to close at 3,646.1. Gains were led by the Industrial and Financial indices, rising 0.5% and 0.1%, respectively. Gulf Investments Services rose 3.0%, while Galfar Engineering & Contracting was up 2.5%.

Bahrain: The BHB Index gained 0.3% to close at 1,482.0. The Industrial index rose 2.4%, while the Commercial Banks index gained 0.4%. Aluminium Bahrain rose 2.5%, while Al Salam Bank-Bahrain was up 1.4%.

Market Indicators	01 Dec 20	30 Nov 20	%Chg.
Value Traded (QR mn)	570.9	1,680.1	(66.0)
Exch. Market Cap. (QR mn)	598,572.2	590,506.9	1.4
Volume (mn)	237.0	424.3	(44.1)
Number of Transactions	13,070	21,032	(37.9)
Companies Traded	45	46	(2.2)
Market Breadth	31:14	20:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,984.62	1.3	1.0	4.2	17.7
All Share Index	3,194.78	1.4	1.0	3.1	18.3
Banks	4,271.31	2.4	1.1	1.2	15.1
Industrials	3,105.64	(0.1)	1.7	5.9	27.7
Transportation	3,150.23	(1.6)	(2.3)	23.3	14.4
Real Estate	1,856.48	2.4	1.1	18.6	16.4
Insurance	2,516.55	2.2	3.5	(8.0)	N.A.
Telecoms	937.89	0.2	1.1	4.8	14.0
Consumer	8,168.34	0.3	0.3	(5.5)	24.2
Al Rayan Islamic Index	4,233.15	0.9	1.1	7.1	19.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
QNB Group	Qatar	18.29	3.2	4,705.7	(11.2)
Mobile Telecom. Co.	Kuwait	0.60	2.9	14,014.1	(0.3)
Gulf Bank	Kuwait	0.22	2.9	15,135.8	(28.7)
Southern Prov. Cement	Saudi Arabia	77.20	2.8	274.6	19.9
Masraf Al Rayan	Qatar	4.38	2.5	5,690.5	10.5

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi British Bank	Saudi Arabia	25.00	(7.9)	182,479.8	(28.0)
Qatar Gas Transport Co.	Qatar	3.13	(3.4)	18,842.4	31.0
Dr Sulaiman Al Habib	Saudi Arabia	112.20	(3.3)	898.8	124.4
Boubyan Bank	Kuwait	0.57	(3.1)	12,398.1	(6.6)
Kuwait Finance House	Kuwait	0.66	(2.8)	33,693.3	(10.3)

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	1.92	10.0	20,667.8	229.0
INMA Holding	3.88	10.0	4,231.8	104.3
Alijarah Holding	1.22	3.7	14,604.0	72.9
Qatar Aluminium Manufacturing	0.99	3.4	32,006.3	26.8
Qatar Oman Investment Company	0.85	3.4	1,309.9	27.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	0.99	3.4	32,006.3	26.8
Ezdan Holding Group	1.63	0.8	23,893.2	165.4
Qatari German Co for Med. Devices	1.92	10.0	20,667.8	229.0
Qatar Gas Transport Company Ltd.	3.13	(3.4)	18,842.4	31.0
Investment Holding Group	0.58	2.1	16,339.8	2.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Co. Ltd.	3.13	(3.4)	18,842.4	31.0
Medicare Group	9.00	(1.8)	559.5	6.5
Qatar National Cement Company	4.03	(1.4)	939.0	(28.7)
Qatar Industrial Manufacturing	3.20	(1.1)	400.7	(10.4)
Al Meera Consumer Goods Co.	20.77	(1.1)	269.9	35.8

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.29	3.2	85,038.9	(11.2)
Qatar Gas Transport Co. Ltd.	3.13	(3.4)	59,538.4	31.0
Ezdan Holding Group	1.63	0.8	39,657.7	165.4
Qatari German Co for Med. Dev.	1.92	10.0	38,753.7	229.0
Qatar Aluminium Manufacturing	0.99	3.4	31,486.3	26.8

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,395.30	1.3	1.0	1.3	(0.3)	154.19	161,434.9	17.7	1.5	3.8
Dubai#	2,419.60	0.8	(0.0)	10.6	(12.5)	161.83	91,677.3	11.3	0.8	4.0
Abu Dhabi#	4,964.94	(0.4)	(0.1)	6.5	(2.2)	348.24	196,896.0	19.2	1.4	4.9
Saudi Arabia	8,722.12	(0.3)	0.3	(0.3)	4.0	4,482.34	2,475,790.7	33.0	2.1	2.4
Kuwait	5,412.16	(0.9)	(2.6)	(0.9)	(13.9)	271.31	98,822.1	35.9	1.3	3.6
Oman	3,646.09	0.1	0.6	0.1	(8.4)	1.88	16,546.2	11.0	0.7	6.9
Bahrain	1,482.04	0.3	1.0	0.3	(8.0)	1.93	22,639.6	14.4	1.0	4.5

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any, #Data as of November 30, 2020)

Qatar Market Commentary

- The QE Index rose 1.3% to close at 10,395.3. The Banks & Financial Services and Real Estate indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Qatari German Company for Medical Devices and INMA Holding were the top gainers, rising 10.0% each. Among the top losers, Qatar Gas Transport Company Limited fell 3.4%, while Medicare Group was down 1.8%.
- Volume of shares traded on Tuesday fell by 44.1% to 237.0mn from 424.3mn on Monday. Further, as compared to the 30-day moving average of 244.4mn, volume for the day was 3.0% lower. Qatar Aluminium Manufacturing Company and Ezdan Holding Group were the most active stocks, contributing 13.5% and 10.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	40.11%	47.86%	(44,249,572.4)
Qatari Institutions	18.19%	16.27%	10,990,096.2
Qatari	**58.30%**	**64.12%**	**(33,259,476.1)**
GCC Individuals	0.65%	1.10%	(2,548,150.6)
GCC Institutions	2.29%	2.02%	1,576,349.5
GCC	**2.94%**	**3.11%**	**(971,801.1)**
Arab Individuals	9.51%	11.30%	(10,211,110.9)
Arab	**9.51%**	**11.30%**	**(10,211,110.9)**
Foreigners Individuals	3.39%	3.75%	(2,081,106.2)
Foreigners Institutions	25.86%	17.72%	46,523,494.4
Foreigners	**29.25%**	**21.47%**	**44,442,388.2**

Source: Qatar Stock Exchange (*as a % of traded value)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/01	US	Markit	Markit US Manufacturing PMI	Nov	56.7	56.7	56.7
12/01	US	Institute for Supply Management	ISM Manufacturing	Nov	57.5	58	59.3
12/01	UK	Markit	Markit UK PMI Manufacturing SA	Nov	55.6	55.2	55.2
12/01	EU	Markit	Markit Eurozone Manufacturing PMI	Nov	53.8	53.6	53.6
12/01	EU	Eurostat	CPI MoM	Nov	-0.3%	-0.3%	0.2%
12/01	EU	Eurostat	CPI Core YoY	Nov	0.2%	0.2%	0.2%
12/01	Germany	Markit	Markit/BME Germany Manufacturing PMI	Nov	57.8	57.9	57.9
12/01	France	Markit	Markit France Manufacturing PMI	Nov	49.6	49.1	49.1
12/01	Japan	Markit	Jibun Bank Japan PMI Mfg	Nov	49	–	48.3
12/01	China	Markit	Caixin China PMI Mfg	Nov	54.9	53.5	53.6
12/01	India	Markit	Markit India PMI Mfg	Nov	56.3	–	58.9

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

News

Qatar

- **DBIS discloses a resolution of Appeals Committee of QFMA –** Dlala Brokerage and Investment Holding (DBIS) disclosed a resolution of the Appeals Committee of Qatar Financial Markets Authority (QFMA) that reduced the financial penalty on Dlala Brokerage (W.L.L) a subsidiary of Dlala Holding from QR7mn to QR1mn (QSE)
- **DOHI opens nominations for its board membership** – Doha Insurance Group (DOHI) announced the opening of nominees for the board memberships for the year 2021 to 2023. Applications will be accepted starting from December 07, 2020 till 03:30 pm of December 21, 2020. (QSE)
- **QCB issues QR600mn treasury bills for December 2020 –** As part of the Qatar Central Bank's monetary policy initiatives and its efforts to strengthen the financial system as well as to activate the tools available for the open market operations; Qatar Central Bank (QCB) issued on December 01, 2020 treasury bills for three, six and nine months, worth QR600mn, distributed as follows: QR300mn for three months at an interest rate of 0.07%, QR200mn for six months at an interest rate of 0.09% and QR100mn for nine months at an interest rate of 0.11%. (QCB)
- **Qatar sees an almost four-fold jump YoY in cargo movement through its ports in November –** Qatar saw an almost four-fold jump YoY in general cargo movement through its Hamad, Doha and Al Ruwais ports this November, the second highest handled in one month; indicating buoyancy in the trade sector as the country eased COVID-19-related restrictions, according to Mwani Qatar. The three ports also witnessed double-digit growth in handing of containers and building materials; highlighting the return of normalcy in the business activities, said the latest figures of Mwani Qatar, which is a vital part of the world industrial supply chain. On a monthly basis, the general cargo, RORO (automobiles), containers and building materials witnessed growth. The general cargo handled through the three ports stood at 233,481 tons in November 2020, showing a 268% surge on a yearly basis. It grew more than six-fold month-on-

month in the review period. The cumulative general cargo movement through the three ports stood at 1.27mn tons during January-November 2020. The container handling through the three ports stood at 133,401 TEUs (twenty-foot equivalent units), which grew 14.28% and 3.82% YoY and MoM respectively in November 2020. "Mwani Qatar has set a new monthly record for container volume having handled more than 133,000 TEUs," it said. The three ports have cumulative handled more than 1.29mn TEUs during the 11 months ended November 2020. QTerminals highlighted that Hamad Port alone handled 129,747 TEUs, break-bulk (141,631 freight tons), bulk (44,229 freight tons) and RORO (6,010 units) in November 2020. (Gulf-Times.com)

- **Qatar ranks high globally in FutureBrand Country Index –** Qatar has ranked high in the FutureBrand's Country Index (Ci). Qatar as a brand climbed up eight places to secure 18th position globally in 2020. The report stated, "Qatar is known for its successful airline industry, not to mention its petroleum and natural gas reserves. The country's preparations for hosting the 2022 World Cup have progressed. It announced changes to its labor laws in August, the latest in a serious of employment reforms. There is less crime (in Qatar), technology is very good, airways is best in the world financially for business and leisure. Very luxurious and accommodating." The index revealed a growing global confidence in the Middle East, especially Qatar. (Qatar Tribune)
- **QDB Chief underscores Qatar's robust entrepreneurial sector, competitive business climate –** Backed by the relentless efforts of Qatar Development Bank's (QDB) and relevant national institutions, Qatar has continued to build a strong entrepreneurial sector and a competitive business climate, according to QDB's CEO, Abdulaziz bin Nasser Al-Khalifa. Al-Khalifa made the statement during the opening of the '3rd QDB Investment Forum', held virtually this year. In a speech, al-Khalifa said the forum continues to play an important role in advancing the innovation ecosystem in Qatar, and serves as a platform for the country's wider business community to network around the new growth opportunities. It also offers entrepreneurs in Qatar avenues to pursue fruitful partnerships, and for international investors to harness the potential of Qatar's thriving economy as a launch pad for their growth into the region, Al-Khalifa said. (Gulf-Times.com)
- **HIA first to be awarded 'Skytrax 5-Star COVID Airport Safety Rating' –** Hamad International Airport (HIA) has become the first airport in the Middle East and Asia to be awarded a '5-Star COVID-19 Airport Safety Rating' by Skytrax. The audit evaluated how effectively COVID-19 policies are implemented at Qatar's airport against the Skytrax COVID-19 safety rating standards. (Gulf-Times.com)

International

- **OECD sees global economy turning the corner on coronavirus crisis –** The outlook for the global economy is improving despite a second wave of coronavirus outbreaks in many countries as vaccines emerge and a Chinese-led recovery takes hold, the OECD said. The global economy will grow 4.2% next year and ease to 3.7% in 2022, after shrinking 4.2% this year, the Organization for Economic Cooperation and Development (OECD) said in its latest Economic Outlook. After a second wave of infections hit Europe and the US, the Paris-based policy forum trimmed its forecasts from September, when it expected a global contraction of 4.5% before a 5% recovery in 2021. It did not have a 2022 forecast at the time. "We're not out of the woods. We're still in the midst of a pandemic crisis, which means that policy still has a lot to do," said OECD Chief Economist Laurence Boone. Overall global gross domestic product will return to pre-crisis levels by the end of 2021, led by a strong recovery in China, the OECD said. But that masked wide variations among countries, with output in many economies expected to remain about 5% below pre-crisis levels in 2022. China will be the only country covered by the OECD to see any growth at all this year, at 1.8%, unchanged from the last forecast in September. It will gain speed to 8% in 2021 - also unchanged - before easing to 4.9% in 2022. The US and Europe are expected to contribute less to the recovery than their weight in the global economy. After contracting 3.7% this year, the US economy will grow 3.2% in 2021 and 3.5% in 2022, assuming a new fiscal stimulus is agreed. In September, the OECD had forecast a contraction of 3.8% this year and a rebound of 4% next year. The Euroarea economy will contract 7.5% this year, with many economies finishing the year in a double-dip recession after re-imposing lockdowns. Its economy will see growth return in 2021 at 3.6% and 3.3% in 2022. Though hard hit, the forecasts were an improvement from September, which had foreseen a contraction of 7.9% this year and a 5.1% rebound in 2021. (Reuters)
- **US factory activity slows; COVID-19 resurgence hits workers –** US manufacturing activity slowed in November, with new orders retreating from their highest level in nearly 17 years, as a resurgence in COVID-19 cases across the nation kept workers at home and factories temporarily shut down to sanitize facilities. The Institute for Supply Management (ISM) warned that absenteeism at factories and their suppliers as well as difficulties in returning and hiring workers would continue to "dampen" manufacturing until the coronavirus crisis ended. The softening in factory activity supports expectations for a sharp deceleration in economic growth in the fourth quarter amid the raging pandemic and end of fiscal stimulus. Treasury Secretary Steven Mnuchin and Federal Reserve Chair Jerome Powell urged Congress to provide more help for small businesses. A bipartisan group of lawmakers proposed a new $908bn emergency relief package for small businesses and millions of unemployed Americans. The ISM's index of national factory activity dropped to a reading of 57.5 last month from 59.3 in October, which had been the highest since November 2018. A reading above 50 indicates expansion in manufacturing, which accounts for 11.3% of the US economy. Economists polled by Reuters had forecast the index would slip to 58 in November. Sixteen manufacturing industries, including wood products, machinery and transportation equipment, reported growth last month. Petroleum and coal products, as well as printing and related support activities industries, contracted. (Reuters)
- **Biden to introduce top economic advisers as pandemic threat worsens –** US President-elect Joe Biden will formally introduce his top economic policy advisers on Tuesday as his administration prepares to take power amid a slowing economic recovery hampered by the resurgent coronavirus pandemic. Biden will appear at an event in his hometown of Wilmington, Delaware, alongside his selections for senior roles, including his

nominee for US Treasury secretary, former Federal Reserve Chair Janet Yellen. The team's makeup reinforces Biden's view that a more aggressive approach to the pandemic is required. The advisers have all expressed support for government stimulus to maximize employment, reduce economic inequality and help women and minorities, who have been disproportionately hurt by the economic downturn. Other picks include Cecilia Rouse, an economist at Princeton University, as chair of the Council of Economic Advisers; economists Heather Boushey and Jared Bernstein as council members; and Neera Tanden, chief executive of the liberal Center for American Progress think tank, as head of the Office of Management and Budget. (Reuters)

- **Mnuchin, Powell hone in on need to aid US small businesses –** Top US economic officials urged Congress to provide more help for small businesses amid a surging coronavirus pandemic and concern that relief from a vaccine may not arrive in time to keep them from failing. "These businesses cannot wait two or three months," Treasury Secretary Steven Mnuchin said during a hearing before the Senate Banking Committee, urging lawmakers to put as much as $300bn into grants for struggling businesses. His comments came amid some renewed momentum for a pandemic aid package, with Republicans and Democrats acknowledging the next few weeks will be critical in determining whether the country's better-than-expected recovery can be coaxed along until the impact of the pending vaccine is felt – or will weaken as benefits to families expire and the coronavirus continues spreading. Mnuchin on Tuesday is to hold his first talks since the election with House of Representatives Speaker Nancy Pelosi, and a bipartisan group of senators has proposed a $900bn bill that includes an extension of federal unemployment benefits. At its peak over the summer, expanded federal unemployment benefits funneled some $12bn weekly into individual bank accounts, money that propped up spending, padded savings accounts, and fueled rehiring as some parts of the economy bounced back faster than expected. The expiration of those benefits by the end of this year has prompted calls for a more extended safety net while the vaccine is rolled out. "We can see the end, we just need to get there," Fed Chair Jerome Powell said of the pandemic and associated recession that decimated the US economy in the spring and has still left it about 10mn jobs shy of where it was in February. "People that are in public-facing jobs, in public-facing industries - they may see the light at the end of the tunnel the middle of next year ... They may need more help to get there," Powell said, referring to restaurants, hotels and entertainment venues that have been the hardest hit by the pandemic. (Reuters)
- **Wards Intelligence: US auto sales lose momentum in November –** The pace of US auto sales slowed in November, data from analytics firm Wards Intelligence showed on Tuesday, amid a spurt in coronavirus infections. Auto sales in the US managed to bounce back since hitting a pandemic-fueled bottom in April, leading major automakers to ramp up production and boost weak inventories at dealerships. However, rising COVID-19 cases in the US states have increased the uncertainty over a speedy rebound. The seasonally adjusted annualized sales pace for light vehicles dropped to 15.55mn units in November, from 16.21mn units in October and 17.09mn units in the year-ago period, according to Wards Intelligence. Still, that is nearly double the 8.58mn units marked in April, when the sales pace hit its lowest since December 1970 due to pandemic-led lockdown restrictions. US manufacturing activity slowed here in November, with new orders retreating from their highest level in nearly 17 years, as many workers stayed at home and factories were temporarily shut down, according to the Institute for Supply Management. (Reuters)
- **ISM: US manufacturing sector slows in November –** US manufacturing activity slowed in November, with new orders retreating from their highest level in nearly 17 years, amid a resurgence in COVID-19 infections across the country. The Institute for Supply Management (ISM) said its index of national factory activity dropped to a reading of 57.5 last month from of 59.3 in October, which had been the highest since November 2018. A reading above 50 indicates expansion in manufacturing, which accounts for 11.3% of the US economy. Economists polled by Reuters had forecast the index slipping to 58 in November. The US is in the grip of a fresh wave of COVID-19 infections, with more than 4mn new cases and over 35,000 coronavirus-related deaths reported in November, according to a Reuters tally. The virus is likely to disrupt production at factories. Manufacturing output is still about 5% below its pre-pandemic level, according to the Federal Reserve. The economy grew at a historic 33.1% annualized rate in the third quarter after contracting at a 31.4% rate in the April-June period, the deepest since the government started keeping records in 1947. Growth estimates for the fourth quarter are mostly below a 5% rate. ISM's forward-looking new orders sub-index fell to a reading of 65.1 in November from 67.9 in October, which was the highest reading since January 2004. With orders ebbing, manufacturing employment contracted after expanding in October for the first time since July 2019. (Reuters)
- **US construction spending rebounds strongly in October –** US construction spending increased more than expected in October, boosted by solid gains in investment in both private- and public-sector projects. The Commerce Department said on Tuesday that construction spending jumped 1.3% in October. Data for September was revised down to show construction outlays declining 0.5% instead of rising 0.3% as previously reported. Economists polled by Reuters had forecast construction spending would rise 0.8% in October. Construction spending increased 3.7% on a YoY basis in October. Spending on private construction projects advanced 1.4%, fueled by investment in homebuilding amid record-low mortgage rates and a pandemic-driven migration to suburbs and low-density areas. Spending on residential projects shot up 2.9%. But outlays on nonresidential construction like gas and oil well drilling fell 0.7% in October. The pandemic has crushed oil prices, resulting in a contraction in spending on nonresidential structures in the third quarter. The fourth straight quarterly decline in spending on nonresidential structures bucked a rebound in overall business investment. Spending on public construction projects increased 1.0% in October. (Reuters)
- **Citi/YouGov: UK year-ahead inflation expectations rise to 3.3% –** The British public's expectations for average inflation over the next 12 months rose to 3.3% in November from 3.2% in October, a monthly survey by YouGov for US bank Citi showed. Expectations for inflation over a five- to 10-year horizon sank to 3.4% in November after touching their highest in almost seven

years in September at 3.6%. "Despite recent moderation, inflation expectations remain relatively high. Brexit uncertainty has previously tended to drive inflation expectations higher. However, COVID-related reconfiguration might also be playing a role," Citi economists wrote in a note to clients. YouGov polled 2,016 adults on November 21 and November 22. (Reuters)

- **No-trade deal Brexit is still possible, UK minister says –** A senior British minister said on Tuesday there was still a chance of a turbulent Brexit without a trade deal as talks with the European Union had snagged on fishing, governance rules and dispute resolution. Just 30 days before Britain leaves the EU's orbit following a standstill transition period since it formally quit the bloc, the sides are trying to agree a trade deal to avoid a rupture that could snarl almost $1tn in annual trade. With each side urging the other to compromise, a French official said Britain must clarify its positions and "really negotiate" and cautioned that the EU would not accept a "substandard deal". Both Britain and the EU say they want a deal, and their two negotiating teams have been locked in intensive talks for more than five weeks though they are still at odds over the three most contentious issues. Yet, EU sources have said they are hoping for a deal in the coming days and the bloc's negotiator, Michel Barnier, was due to update the 27 national envoys to the EU at 0730 GMT on Wednesday in Brussels. Michael Gove, the cabinet minister responsible for the divorce deal, said an agreement was close but that to get it over the line the EU would have to live up to its responsibilities. (Reuters)
- **PMI: Eurozone factory recovery faltered in November, vaccine hopes drive optimism –** Eurozone factory growth cooled last month as renewed coronavirus lockdown measures hurt demand, according to a survey which showed Germany remained the driving force behind the bloc's manufacturing recovery. IHS Markit's final Manufacturing Purchasing Managers' Index (PMI) fell to 53.8 in November from October's 54.8 but was ahead of the 53.6 flash estimate. Anything above 50 indicates growth. An index measuring output which feeds into a composite PMI due on Thursday that is seen as a good guide to economic health sank to 55.3 from 58.4. "Although the rate of expansion cooled from October's 32-month high amid new lockdown measures, the sustained expansion should help to soften the economic blow of COVID-19 restrictions, which have hit the service sector hard," said Chris Williamson, chief business economist at IHS Markit. "The survey therefore adds to evidence the region will avoid in the final quarter of the year a similar scale of downturn recorded in the second quarter." While the manufacturing sector continued to expand, an earlier flash reading of the overall survey showed activity in the bloc's dominant service industry contracted last month as a second wave of the coronavirus swept across Europe. (Reuters)
- **Eurozone inflation drop adds to ECB stimulus case –** Eurozone inflation remained in negative territory for the fourth straight month in November, reinforcing European Central Bank concerns that the dip in prices may be more persistent than feared as deflationary forces intensify amid a deep recession. Annualized price growth in the 19 countries sharing the Euro held steady at minus 0.3%, underperforming expectations for minus 0.2%, as energy prices tumbled and the decline in non-energy industrial goods accelerated as Europe implemented lockdown measures to combat the coronavirus pandemic. Perhaps more worrying for policymakers, a narrower core measure, which excludes food and energy costs, remained steady at 0.4%, well below the ECB's target of almost 2%, an objective it has persistently undershot for more than seven years. With the Eurozone heading back into recession in the fourth quarter, the ECB has already flagged more stimulus at its December meeting, making the case for more emergency bond buys and cheap liquidity to banks, leaving policymakers only to debate the details of the package. (Reuters)
- **German unemployment falls further despite partial lockdown in November –** German unemployment fell unexpectedly in November despite a partial lockdown to contain a second wave of coronavirus infections in Europe's largest economy, data showed. The labor office said the number of people out of work decreased by 39,000 in seasonally adjusted terms to 2.817mn. A Reuters poll had forecast a rise of 8,000. The unemployment rate edged down to 6.1% from 6.2% in the previous month, the lowest level since April. The number of people on short-time work schemes, which have shielded the labor market from the brunt of the pandemic, fell to 2.22mn in September. This compared to roughly 2.6mn in the previous month and a peak of nearly 6mn reached in April at the height of the pandemic. (Reuters)
- **Japan to keep funding tourism campaign under new stimulus package –** Japan plans to keep setting aside money to promote domestic tourism and dining out in its next stimulus package, according to a draft of the government's upcoming package seen by Reuters, even as rising COVID-19 infections have prompted concern about the campaigns. The draft stimulus package also included a plan to set up a fund to encourage investment in green technology, a nod to Prime Minister Yoshihide Suga's pledge that Japan will aim for net-zero emissions by 2050. The outline underscores Suga's resolve to keep businesses open, even as Japan faces a resurgence in coronavirus infections that are quickly filling up hospital beds. It also points to the dilemma policymakers face in balancing the need to support the economy without spreading the virus. The draft made no mention of the size of stimulus package or its source of funding, which will likely be finalized in the coming days. Some ruling party lawmakers have called for a third extra budget of up to 30tn Yen ($290bn) to fund the new package, which Suga instructed his cabinet to compile. The stimulus plan would follow a combined $2.2 trillion in two previous packages rolled out this year to cushion the economic blow from the pandemic. While the previous packages responded to the immediate hit from the pandemic, the upcoming stimulus is seen focusing more on efforts to cope with the 'new normal' in the post-COVID era. The new package will include subsidies for municipal governments that compensate businesses meeting requests to close shops early to contain the pandemic, the draft showed. (Reuters)
- **RBI seen holding rates; liquidity stance watched –** The Reserve Bank of India monetary policy committee is expected to leave interest rates unchanged when it meets on Friday, after data showing the economy contracting less than expected and persistently high inflation. Economists and market participants are closely watching the commentary from the RBI around liquidity. The overnight call money rate has fallen below the reverse repo rate on days on account of the excess liquidity in the

banking system. “The MPC’s views on liquidity will assume more importance, as the transient surplus has pushed down short-term/overnight rates sharply,” said Radhika Rao, an economist with DBS Bank. Economists expect the RBI to announce measures to help tweak market rates through liquidity absorption operations or giving increased access to the reverse repo window to more market participants. All 53 analysts and economists in Reuters poll conducted ahead of the GDP data released last week said they do not expect any change in rates on Friday. Economists also pushed back the expected timing for the next rate cut by a quarter after the RBI having cut its key interest rate by a total 115 bps this year to a record low of 4%. The poll showed economists now expect the next rate cut to be in the April-June quarter, as against the Jan-March period they had predicted in the previous two surveys. Inflation has remained consistently above the upper end of RBI’s mandated 2%-6% target range every month barring March this year while core inflation has also remained sticky. On the other hand in the September quarter gross domestic product contracted 7.5% on year compared to a decline of 23.9% in the previous three months, when the impact of the coronavirus pandemic was more pronounced. (Reuters)

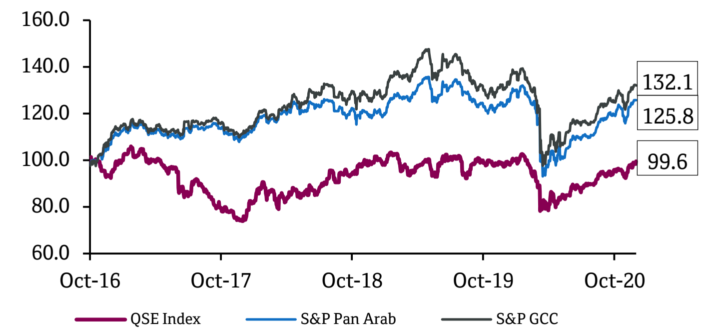
Regional

- **HSBC increases stake in Saudi British Bank to 31% –** HSBC, through its subsidiary HSBC Holdings B.V., has purchased shares in Saudi British Bank which will increase its shareholding in the Saudi lender to 31% from 29.2%, the bank said on Tuesday. It said the stake increase followed the participation in an accelerated book build process launched on November 30 by NatWest Markets and Banco Santander. (Zawya)
- **UAE’s October consumer prices rise 0.04% MoM; fall 2.2% YoY –** Federal Competitiveness and Statistics Authority in Dubai published UAE’s consumer price indices for October which showed that prices rose 0.04% MoM in October, however fell 2.2% YoY. (Bloomberg)
- **UAE finds its voice within OPEC, complicating oil diplomacy –** The UAE came out of OPEC heavyweight Saudi Arabia’s shadow this week by demanding better adherence with oil supply cuts, effectively delaying the latest strategy decision by OPEC and its allies by a few days, sources told Reuters. The unusual move highlights the UAE’s growing role within OPEC as it seeks to boost production in the years ahead to gain market share. It also underscores Abu Dhabi’s growing political independence from Riyadh, which became obvious this year when the UAE became the first country in the Gulf to normalize relations with Israel. OPEC and allies led by Russia - known as OPEC+ - had been widely expected by the market to roll over existing production cuts of 7.7mn bpd into January-March 2021 to tackle weak demand amid a resurgent COVID-19 pandemic. OPEC+ sources had earlier told Reuters that Saudi Arabia was the main advocate of such a move. The UAE said this week that even though it could support a rollover, it would struggle to continue with the same deep output reductions into 2021. It also said that all overproducing countries should comply with their cuts and compensate for previous excess output, three sources told Reuters. (Reuters)
- **Abu Dhabi’s Murban Crude OSP to gain by $0.55 MoM for January –** ADNOC may increase the official selling price of Abu Dhabi’s Murban crude by $0.55/bbl MoM for January, according to the median estimate in a Bloomberg survey of four refiners, traders. The January OSP differential is expected to climb to a $0.30/bbl premium to the Dubai benchmark, compared with -$0.25/bbl for December. One trader estimated a gain of $0.50 to the OSP, two others forecast a $0.55 hike and another predicted an increase of $0.65. The January-loading spot cargos of Murban crude traded at premiums of ~$0.20-$0.40/bbl to the grade’s OSP last month as buyers outbid each other to secure the shipments, traders said. (Bloomberg)
- **Japan says reached oil storage deal with Kuwait –** Japan said on Tuesday it has reached a joint oil storage deal with state-run Kuwait Petroleum Corp (KPC) to lend it 3.14mn barrels (500,000 kilo liters) of capacity for free. Under the deal, KPC can use storage tanks at refiner Eneos’ Kiire base in southern Japan of Kagoshima as an export base for eastern Asia. In return, Japan gets a priority claim on the stockpiles in case of emergency. The volume is equivalent to 1.5 days of its consumption. It is Japan’s third such agreement, following UAE’s Abu Dhabi National Oil Company (ADNOC) and Saudi Arabia’s Saudi Aramco, and is aimed at reinforcing its energy security, an official at the Japan’s Economy, Trade and Industry Ministry (METI) said. The latest deal will boost Japan’s leased oil storage capacity to a total of 19.5mn barrels (3.1mn kl). The supply from KPC can be also used in other Asian countries, mainly ASEAN nations, in case of emergency, the official said. (Reuters)
- **Kuwait tanker tracker: Flows reach 4-yr low; China stays strong –** Kuwait’s observed crude exports slid to the lowest in at least four years in November as a clutch of tankers awaited loading at the end of the month and as shipments to several Asian destinations waned, tracking data compiled by Bloomberg show. Cargoes for China looked set for a new high. Overall observed shipments from the OPEC member fell 16% MoM to give a provisional 1.59mn bpd for November, compared with October’s 1.89mn bpd. November’s total is the lowest in data compiled by Bloomberg going back to October 2016. Four supertankers, which could carry as much as 8mn bbl of crude between them, arrived in the vicinity of Kuwait’s moorings in recent days, but have yet to signal that they have loaded cargoes. At least two more are signaling for Kuwait but are floating some distance from the mooring points. (Bloomberg)
- **Bahrain's infrastructure spending continues at brisk pace –** Infrastructure spending is continuing at a brisk pace in Bahrain despite the challenges of the pandemic, shows data from the Tender Board – the country’s government procurement regulator. The Kingdom awarded 1,022 tenders in the first nine months of 2020 worth a total of $2.7bn. In terms of contract value, the oil sector took the lion’s share awarding 134 tenders worth $733.8mn, followed by the construction and engineering industry, winning 162 tenders worth a combined $704.8mn – clearly underscoring the government’s continued commitment to its extensive pipeline of major infrastructure projects, currently valued at around $32bn. The construction and engineering sector was followed by the aviation sector, the materials and equipment sector, and finally the services sector, which saw a total of $501.3mn, $471.5mn and $256.1mn worth of tenders awarded respectively. While bringing up the rear in

terms of value, the services sector led in the number of contracts, at 361. (Zawya)

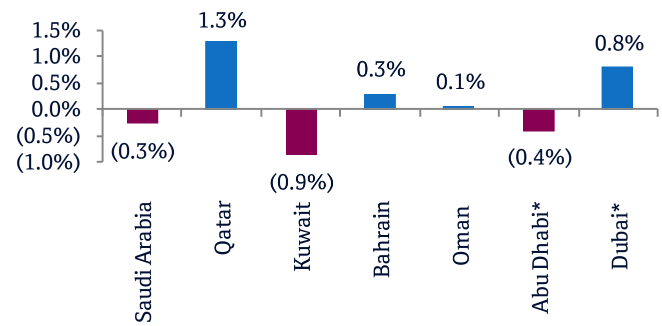
- **Bahrain October consumer prices fall 3.6% YoY and 1.5% MoM –** Information & eGovernment Authority in Manama published Bahrain's October consumer price indices which showed that the consumer prices fell 3.6% YoY and 1.5% MoM. Food and non-alcoholic beverages price index rose 3.1% YoY in October. Recreation and culture price index fell 42.2% YoY in October. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of November 30, 2020)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,815.24	2.2	1.5	19.6
Silver/Ounce	24.00	6.0	6.3	34.4
Crude Oil (Brent)/Barrel (FM Future)	47.42	(0.4)	(1.6)	(28.2)
Crude Oil (WTI)/Barrel (FM Future)	44.55	(1.7)	(2.2)	(27.0)
Natural Gas (Henry Hub)/MMBtu	2.86	0.0	28.3	34.4
LPG Propane (Arab Gulf)/Ton	56.75	0.2	2.3	37.6
LPG Butane (Arab Gulf)/Ton	70.00	2.2	8.5	6.9
Euro	1.21	1.2	0.9	7.7
Yen	104.33	0.0	0.2	(3.9)
GBP	1.34	0.7	0.8	1.2
CHF	1.11	1.0	0.7	7.5
AUD	0.74	0.4	(0.2)	5.0
USD Index	91.31	(0.6)	(0.5)	(5.3)
RUB	75.85	(0.7)	(0.0)	22.4
BRL	0.19	2.5	2.7	(22.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,609.01	1.0	0.3	10.6
DJ Industrial	29,823.92	0.6	(0.3)	4.5
S&P 500	3,662.45	1.1	0.7	13.4
NASDAQ 100	12,355.11	1.3	1.2	37.7
STOXX 600	391.90	1.4	0.4	1.1
DAX	13,382.30	1.5	1.1	8.5
FTSE 100	6,384.73	2.4	1.0	(14.4)
CAC 40	5,581.64	1.9	0.4	0.2
Nikkei	26,787.54	1.3	0.2	18.2
MSCI EM	1,224.00	1.6	(0.5)	9.8
SHANGHAI SE Composite	3,451.94	1.9	1.4	19.9
HANG SENG	26,567.68	0.9	(1.2)	(5.3)
BSE SENSEX	44,655.44	1.8	1.8	4.9
Bovespa	111,399.90	4.7	2.6	(26.4)
RTS	1,311.05	2.3	0.7	(15.4)

Source: Bloomberg (*$ adjusted returns)

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