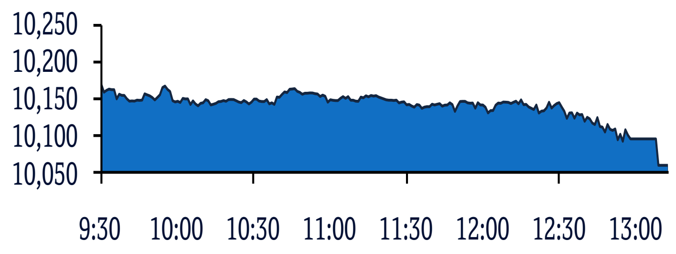
Daily Market Report

Wednesday, 03 March 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.4% to close at 10,063.1. Losses were led by the Industrials and Banks & Financial Services indices, falling 1.2% and 0.8%, respectively. Top losers were Masraf Al Rayan and Industries Qatar, falling 4.8% and 4.7%, respectively. Among the top gainers, Medicare Group gained 6.6%, while Qatar General Insurance & Reinsurance Company was up 4.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.2% to close at 9,248.3. Gains were led by the Banks and Transportation indices, rising 2.1% each. Alkhorayef Water and Power Technologies Co. was up 24.8%, while Takween Advanced Industries was up 9.9%.

Dubai: The DFM Index gained 0.7% to close at 2,569.3. The Investment & Financial Services index rose 2.0%, while the Real Estate & Construction index gained 1.1%. Dar Al Takaful rose 4.6%, while Al Ramz Corporation Inv. and Dev. was up 4.3%.

Abu Dhabi: The ADX General Index gained 0.8% to close at 5,710.5. The Real Estate index rose 2.9%, while the Energy index gained 1.4%. Ras Al-Khaimah National Insurance Company rose 14.0%, while National Takaful Company was up 5.6%.

Kuwait: The Kuwait All Share Index fell 0.1% to close at 5,677.6. The Oil & Gas index declined 1.2%, while the Financial Services index fell 0.8%. Ras Al Khaimah White Cement declined 9.7%, while Dar AL Thraya Real Esate Co. was down 9.6%.

Oman: The MSM 30 Index gained marginally to close at 3,623.5. Gains were led by the Financial and Industrial indices, rising 0.5% and 0.3%, respectively. Al Anwar Investment rose 4.1%, while Gulf Int. Chemi. was up 3.8%.

Bahrain: The BHB Index fell 0.1% to close at 1,470.3. The Commercial Banks index declined 0.4%, while the other indices ended flat or in green. Khaleeji Commercial Bank declined 5.7%, while Ahli United Bank was down 0.7%.

Market Indicators	02 Mar 21	01 Mar 21	%Chg.
Value Traded (QR mn)	528.6	533.9	(1.0)
Exch. Market Cap. (QR mn)	583,318.6	591,489.5	(1.4)
Volume (mn)	238.3	305.1	(21.9)
Number of Transactions	12,600	16,214	(22.3)
Companies Traded	46	47	(2.1)
Market Breadth	17:28	30:17	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,632.08	(0.7)	0.2	(2.1)	18.5
All Share Index	3,142.46	(0.7)	(0.1)	(1.8)	18.9
Banks	4,115.21	(0.8)	(0.5)	(3.1)	14.8
Industrials	3,161.69	(1.2)	0.6	2.1	31.9
Transportation	3,426.51	(0.5)	0.7	3.9	23.1
Real Estate	1,815.11	0.5	2.3	(5.9)	17.6
Insurance	2,397.32	0.2	(1.3)	0.1	91.9
Telecoms	1,019.99	(0.2)	(3.4)	0.9	23.8
Consumer	7,710.51	0.4	1.3	(5.3)	25.7
Al Rayan Islamic Index	4,199.26	(0.5)	1.0	(1.6)	19.2

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Economic City	Saudi Arabia	9.82	5.3	15,708.1	6.6
National Comm. Bank	Saudi Arabia	49.90	3.3	5,195.2	15.1
Al Dar Properties	Abu Dhabi	3.75	3.0	72,408.8	19.0
Bank Al Bilad	Saudi Arabia	32.00	2.7	1,879.4	12.9
Savola Group	Saudi Arabia	38.05	2.7	2,205.2	(10.5)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Masraf Al Rayan	Qatar	4.16	(4.8)	11,373.4	(8.2)
Industries Qatar	Qatar	11.25	(4.7)	2,047.2	3.5
Oman Telecom. Co.	Oman	0.75	(2.1)	9.5	5.0
Ooredoo Oman	Oman	0.41	(1.9)	224.5	4.1
Ezdan Holding Group	Qatar	1.55	(1.6)	5,789.7	(12.5)

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%
Medicare Group	9.34	6.6	2,023.0	5.6
Qatar General Ins. & Reins. Co.	2.40	4.7	0.0	(9.8)
Barwa Real Estate Company	3.26	2.2	4,443.2	(4.1)
Zad Holding Company	14.64	1.7	43.5	(1.8)
Gulf International Services	1.51	1.5	7,806.6	(11.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.63	(4.2)	73,124.7	5.3
Qatar Aluminium Manufacturing	1.12	(3.0)	29,493.0	15.3
Salam International Inv. Ltd.	0.60	(2.4)	16,877.0	(7.8)
Masraf Al Rayan	4.16	(4.8)	11,373.4	(8.2)
QLM Life & Medical Insurance Co.	5.25	1.1	10,278.4	66.6

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	4.16	(4.8)	11,373.4	(8.2)
Industries Qatar	11.25	(4.7)	2,047.2	3.5
Al Khaleej Takaful Insurance Co.	2.70	(4.6)	2,595.2	42.3
Investment Holding Group	0.63	(4.2)	73,124.7	5.3
Dlala Brokerage & Inv. Holding Co	1.78	(3.6)	2,140.7	(0.8)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.85	(1.5)	62,158.7	(5.5)
QLM Life & Medical Insurance Co.	5.25	1.1	57,223.2	66.6
Masraf Al Rayan	4.16	(4.8)	47,559.5	(8.2)
Investment Holding Group	0.63	(4.2)	47,404.2	5.3
Qatar Aluminium Manufacturing	1.12	(3.0)	33,115.1	15.3

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*	10,063.09	(1.4)	(0.6)	(0.8)	(3.6)	143.03	157,379.4	18.5	1.4	3.5
Dubai	2,569.32	0.7	1.7	0.7	3.1	45.17	95,413.8	21.0	0.9	3.8
Abu Dhabi	5,710.51	0.8	1.5	0.8	13.2	268.19	218,760.4	22.9	1.6	4.3
Saudi Arabia	9,248.28	1.2	0.6	1.1	6.4	4,069.75	2,439,129.8	36.6	2.2	2.3
Kuwait	5,677.55	(0.1)	0.5	0.5	2.4	130.12	106,814.0	50.4	1.4	3.4
Oman	3,623.46	0.0	0.6	0.3	(1.0)	5.95	16,520.2	11.3	0.7	7.5
Bahrain	1,470.26	(0.1)	0.4	0.3	(1.3)	2.57	22,455.0	36.6	1.0	4.6

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

Qatar Market Commentary

- The QE Index declined 1.4% to close at 10,063.1. The Industrials and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from Qatari, Arab and Foreign shareholders despite buying support from GCC shareholders.
- Masraf Al Rayan and Industries Qatar were the top losers, falling 4.8% and 4.7%, respectively. Among the top gainers, Medicare Group gained 6.6%, while Qatar General Insurance & Reinsurance Company was up 4.7%.
- Volume of shares traded on Tuesday fell by 21.9% to 238.3mn from 305.1mn on Monday. However, as compared to the 30-day moving average of 183.7mn, volume for the day was 29.7% higher. Investment Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 30.7% and 12.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.35%	39.98%	(24,481,975.3)
Qatari Institutions	19.31%	16.67%	13,925,878.0
Qatari	**54.66%**	**56.66%**	**(10,556,097.3)**
GCC Individuals	0.79%	0.77%	136,168.4
GCC Institutions	5.20%	2.12%	16,308,150.1
GCC	**5.99%**	**2.88%**	**16,444,318.5**
Arab Individuals	11.35%	11.61%	(1,381,276.5)
Arab Institutions	0.01%	0.02%	(39,260.0)
Arab	**11.36%**	**11.63%**	**(1,420,536.5)**
Foreigners Individuals	4.25%	3.30%	4,990,218.1
Foreigners Institutions	23.74%	25.53%	(9,457,902.9)
Foreigners	**27.99%**	**28.83%**	**(4,467,684.8)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Saudi Paper Manufacturing Co.*	Saudi Arabia	SR	119.3	-7.1%	13.4	N/A	6.2	N/A
Emaar Malls*	Dubai	AED	3,507.6	-24.9%	897.0	-63.6%	703.6	-69.1%
Emaar Properties*	Dubai	AED	19,710.5	-19.8%	–	–	2,617.0	-57.8%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/02	EU	Eurostat	CPI MoM	Feb	0.2%	0.2%	0.2%
03/02	EU	Eurostat	CPI Estimate YoY	Feb	0.9%	0.9%	0.9%
03/02	EU	Eurostat	CPI Core YoY	Feb	1.1%	1.1%	1.4%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
AKHI	Al Khaleej Takaful Insurance Company	3-Mar-21	0	Due
WDAM	Widam Food Company	3-Mar-21	0	Due
MPHC	Mesaieed Petrochemical Holding Company	4-Mar-21	1	Due
QGMD	Qatari German Company for Medical Devices	4-Mar-21	1	Due
ZHCD	Zad Holding Company	6-Mar-21	3	Due
DBIS	Dlala Brokerage & Investment Holding Company	8-Mar-21	5	Due
ERES	Ezdan Holding Group	15-Mar-21	12	Due
IGRD	Investment Holding Group	15-Mar-21	12	Due
BLDN	Baladna	17-Mar-21	14	Due

Source: QSE

Qatar

- **QISI changes venue of its AGM –** Qatar Islamic Insurance Group (QISI) has decided to change the meeting place for its AGM which is scheduled to be held on April 5, 2021, to the group's Headquarter in C Ring Road instead of Ezdan Towers Hotel. (QSE)
- **Nakilat delivers sustained operational excellence in 2020 –** In spite of challenging conditions, Qatar Gas Transport Company Limited (Nakilat) continued to deliver robust financial performance and sustained operational excellence in 2020. The achievements by Nakilat during the challenging conditions are a testament to commitment in maintaining its leadership in energy transportation, while simultaneously supporting Qatar's position as the top exporter of clean energy worldwide, said Chairman of Nakilat's Board of Directors, Mohammed bin Saleh Al Sada. Nakilat held its Annual General Meeting (AGM) electronically using Zoom application, which was chaired by Mohammed bin Saleh Al Sada. Presenting an overview of the company's activities, he said, "Despite the unique challenges faced by the company, the Board of Directors commends Nakilat for continuing to deliver robust financial performance and sustained operational excellence in 2020." The Chairman highlighted that the company had to navigate unprecedented challenges to its operations during the past year, brought about by the COVID-19 global pandemic. He said that Nakilat maintained its track record of delivering clean energy to worldwide destinations without any interruptions, upholding its commitment to provide safe, reliable, and efficient shipping and maritime services. Nakilat has a fleet strength of 74 vessels, comprising of the world's largest LNG fleet with 69 LNG carriers, one Floating Storage Regasification Unit (FSRU) and four large LPG carriers. The majority of Nakilat's vessels are fixed with long-term world-class charterers, generating a steady and healthy cash flow for the company. Through its in-house ship management, Nakilat operates and manages 27 vessels comprising of 22 LNG, four LPG carriers and one FSRU. "The company's solid business continuity plans and infrastructure enabled us to swiftly adapt to the situation and allowed us to remain focused on creating value for our shareholders and customers," said the Chairman (Peninsula Qatar)
- **CEO: DHBK may borrow over $500mn in bond sale abroad –** Doha Bank's (DHBK) CEO, Raghavan Seetharaman said in an interview that the moment is favorable for the Qatari lender to issue bonds in the international market. A restoration of ties between Qatar and its Gulf neighbors is improving sentiment. He expects investors to take interest in Doha Bank's possible issuance. (Bloomberg)
- **Reconstitution of IQCD's board of directors –** In line with Article no. 22-1 of the company's Articles of Association, as amended by a resolution adopted at the meeting of the company's Extraordinary General Assembly held on September 13, 2020, Industries Qatar's (IQCD) board of directors has been reconstituted for its next term starting March 1, 2021 until the meeting of the company's Annual Ordinary General Assembly which will be held to approve the financial statements for the financial year ending December 31, 2023. The new reconstitution is as follows – (1) His Excellency Saad Sherida Al-Kaabi – Chairman and Managing Director, (2) Abdulaziz Mohammed Al-Mannai – Vice Chairman, (3) Abdulla Ahmad Al-Hussaini – Member, (4) Mohammed Yousef Al-Mulla – Member, (5) Abdulrahman Mohammed Al-Suwaidi – Member, (6) Ahmed Abdulqader Al-Ahmed – Member, (7) Abdulrahman Ali Al-Abdulla – Member, (8) Turki bin Mohamed Al-Khater – Member. (QSE)
- **Mannai Corporation: Board of directors meeting on 16/03/2021 –** The Mannai Corporation has announced that its Board of Directors will be holding a meeting on 16/03/2021 to discuss the discuss the financial statements of the company for the fiscal year ended 31st December, 2020. (QSE)
- **QGTS' AGM endorses items on its agenda –** Qatar Gas Transport Company Limited (QGTS, Nakilat) announced the results of the Annual Ordinary General Assembly (AGM). The meeting was held on March 2, 2021 and the following resolutions were approved. The discussion covered all the points on the meeting agenda and endorsed the following items – (1) Ratified the report of the Board of Directors on the Company's activities and financial position during the fiscal year ended December 31, 2020 and future plans. (2) Ratified the External Auditor's report on the fiscal year ended December 31, 2020. (3) Ratified the Company's balance sheet and profit & loss account for the fiscal year ended December 31, 2020. (4) Adopted the Governance report for the year ended December 31, 2020. (5) Approved the Board of Directors' suggestions regarding distribution of cash dividends for the fiscal year ended December 31, 2020 totaling (11%) of the capital, which is equivalent to (11 Qatari Dirhams) per share. (6) Approved to release and discharge the Board of Directors members from their responsibilities and approved their remuneration for the year 2020. (7) Approved the appointment of External Auditor (Ernst & Young) for the fiscal year 2021 and determined their fees. (QSE)
- **QFBQ to hold its investors relation conference call on March 3 –** Qatar First Bank (QFBQ) announced that the conference call with the Investors to discuss the financial results for the Annual 2020 will be held on March 3, 2021 at 01:30 pm, Doha Time. (QSE)
- **Qatar Industrial Production Index up 13% as mining prices increase –** Qatar's industrial production in January increased 13% from December 2020, mostly due to an increase in the mining output, which includes oil and gas production. According to the Planning and Statistics Authority (PSA), the key Industrial Production Index stood at 57.3 points in January, down 9.9% from a year ago. The mining component of the index, which has a relative weightage of 83.6%, showed an increase of 14.3% MoM and a fall of 14% YoY. The MoM surge in mining prices was driven by an increase in prices of crude petroleum and natural gas, by 14.4%. However, prices under the "stone, sand and clay" group showed a month-on-month decline of 2.2%. Qatar's manufacturing prices - which have a relative weightage of 15.2% in the index - rose MoM in January, showing a 10.9%

increase from December. The manufacturing component of the IPI in January showed an 1.3% decline when compared with that in the same month last year. Electricity and water prices - which account for 0.7% of IPI - decreased 3.8% in January MoM and jumped 1.5% YoY. (Qatar Tribune)

- **Qatar ports buoyancy points to rebound in domestic economy –** Qatar's Hamad, Doha and Al Ruqais ports continued to witness hectic activities this February with general cargo and containers registering robust growth YoY, indicating the rebound in the domestic economy, especially for the private sector; amidst the second wave of the COVID-19 pandemic. Specifically, the building material handled by the ports almost quadrupled YoY in February 2021; indicating a robust outlook for the construction sector, as corroborated by the rising trends in building permissions issued in the recent months said the Mwani Qatar figures. The lifting of the COVID-19 related restrictions augured well for the country's maritime sector as Qatar's merchandise trade has been showing resilience, indicating promising potential for the logistics and other support services segments as well as for the special zones. The general cargo handled through the three ports stood at 139,976 tons in February2021, which show a 62.92% surge on a yearly basis. It however declined 25.65% MoM in the review period. On a Cumulative basis, the general cargo movement through the three ports totaled 188,274 tons in the first two months. Hamad port which achieved 3mn man hours without any lost time incident, along handled 810,835 freight tons of break-bulk and 51,750 freight tons of bulk in February 2021. Hamad ports strategic geographical location offers opportunities to create cargo movement towards the upper Gulf, supporting countries such as Kuwait and Iraq and the south towards Oman. The container handling through the three ports stood at 135,886 TEUs (Twenty-foot equivalent units), which grew 26.57% YoY in February 2021. On a monthly basis, the container handling was down 1.18%. The container handling stood at 273,395 TEUs in January-February this year. (Gulf-Times.com)
- **Qatar to detail next LNG expansion within a year –** Qatar Petroleum will announce within a year detailed plans for the second phase of expansion of its North Field South liquefied natural gas (LNG) project, the head of the world's largest LNG producer said on Tuesday. The expansion project will add two new LNG processing plants, known as trains, and will be announced by the end of the year or early in 2022, Qatar Petroleum's (QP) CEO, Saad Al-Kaabi told the CERAWeek by IHS Markit conference. "We look for Exxon definitely to be one of our partners going forward," said Kaabi, on a panel with Exxon Mobil CEO Darren Woods. International partners will participate in about 30% of the development, he said. Last month, QP signed a contract for the first phase of its North Field LNG project expansion, aiming to boost the country's LNG production capacity to 110mn tons per annum (mtpa) by 2026 from 77mn mtpa in the largest single LNG project ever to be sanctioned. The second phase of expansion will increase its LNG capacity to 126 mtpa by 2027. "We will be announcing by the end of the year or first quarter next year the implementation of North Field South," Kaabi said. The large growth in LNG output will be underpinned by expectation for soaring demand for natural gas in the coming decades, he said. "Gas is going to be in higher demand than we thought just a few years back and I think events that happened recently where you saw some spikes in prices have demonstrated gas is needed for much longer, especially in the Asian side of the world," Kaabi said. (Reuters)
- **QCB sells QR600mn of T-bills –** As part of the Qatar Central Bank's (QCB) monetary policy initiatives and its efforts to strengthen the financial system as well as to activate the tools available for the open market operations, the QCB issued on March 02, 2021 treasury bills for three, six and nine months, with a value of QR600mn, distributed as QR300mn for three months at an interest rate of 0.14%, QR200mn for six months at an interest rate of 0.17% and QR100mn for nine months at an interest rate of 0.17%. (QCB, Bloomberg)
- **Qatar's facilities management market to reach QR25bn by 2025 –** Qatar's facilities management market is expected to reach QR25bn by 2025, according to Sport Accelerator, a pioneer sport business hub that brings together elite sport businesses under one roof. Sports Accelerator is expected to attract global companies who will enter Qatar as the country is ready to host FIFA World Cup 2022 and Asian Games in 2030. Experts highlighted emerging opportunities in sports sector during a webinar titled 'Emerging Opportunities in Sports Technology: Qatar and Germany' hosted by Qatar Financial Centre (QFC) recently. Majed Al Amari, Analyst for Business Acquisition and Associate Business Development for QFC explored how Qatar is gateway for sports industry in the Middle East. He said, "As COVID-19 has impacted a lot of countries there are a lot of different sports opportunities that have risen in the past year and are still rising like medical and sanitizing, fan engagement, e-sports, marketing media, venue management, and ICT. Electronic sports (e-sports) have boomed in the year 2019 and 2020. Due to the lockdown everyone involved in sports has moved to e-sports or the gaming industry." QFC has been licensing a lot of fan engagement, e-sports activities, and sports consultancies with obviously the FIFA World Cup 2022 one of the biggest add-ons to the public registrar of the QFC, setting their operations in Qatar, he added. (Peninsula Qatar)

International

- **UK fishing sector sees more job losses if post-Brexit export troubles not tackled soon –** Britain could lose more jobs in its fishing sector if the current delays and increased costs involved in exporting to the EU post-Brexit are not ironed out soon, industry groups told British government officials on Tuesday. Speaking at an Environment, Food and Rural Affairs (EFRA) select committee inquiry, representatives of Britain's fishing sector said small to medium-sized enterprises were especially at risk and called on the government to urgently negotiate new export rules with the EU. Under a Brexit deal reached late last year, British trade with the EU remains free of tariffs and quotas. But the establishment of a full customs border means goods must be checked and paperwork filled in, damaging express delivery systems. Fresh food sectors like fishing and meat have been particularly hard hit, with export paperwork costs soaring and delivery delays prompting EU buyers to reject British produce or to pay less for it. Co-Chief Executive of the Shellfish Association of Great Britain, Sarah Horsfall said some British shellfish companies had already shut their doors, buckling under the pressure of the COVID-19 pandemic, and then Brexit. She said paperwork costs per consignment have increased by 400-600 pounds. On top of that, companies often need to hire two or three extra staff just to fill in the paperwork, adding to costs. Another point of contention for the British seafood sector is that EU exporters are currently not facing increased costs or delays in sending goods to Britain because the UK has postponed introducing reciprocal customs checks by three to six months. (Reuters)

- **Eurozone inflation holds steady before expected spike –** Eurozone inflation held steady as expected last month, taking a break in what is likely to be a temporary but sharp spike in consumer prices in the coming months, data showed on Tuesday. Prices in the 19 countries sharing the euro rose by 0.2% on the month in January and 0.9% compared to a year earlier, in line with analyst expectations, a flash estimate from Eurostat, the European Union's statistics office, showed. Prices are likely to rise further, driven by a slew of one-off factors, and inflation could even exceed the European Central Bank's 2% target in the coming months, challenging the bank's projection for a 1% average inflation rate this year. Still, the upside surprises are unlikely to prompt the ECB to tighten policy, as the spike is considered temporary and inflation is likely to fall sharply towards the end of the year, staying well below the ECB's target for years thereafter. Much of the monthly price increase was driven by rising food and fuel prices but the growth in underlying prices slowed, another reason for the ECB not to hurry with policy tightening. Prices excluding volatile food and energy prices, which the ECB define as core inflation, slowed to 1.2% from 1.4% a month earlier while an even narrower measure, which excludes alcohol and tobacco prices, slowed to 1.1% from 1.4%. The rebound in crude oil prices and the reversal of the German value added tax cut are the biggest factors driving inflation higher this year while new weights in the inflation basket also had an impact. But central banks have little sway over prices in the near term so they tend to look through temporary swings. ECB officials have already made clear they will live with this year's spike. Instead of tightening policy on higher inflation, the ECB may actually ease further, possibly as soon as its March 11 meeting, to counter a recent rise in nominal yields, which threatens to choke off growth by making borrowing more expensive. (Reuters)
- **German retail sales tumble in January as lockdown bites –** German retail sales tumbled more than expected in January as the COVID-19 lockdown and the withdrawal of a temporary cut in sales tax hit consumer spending in Europe's largest economy, data showed on Tuesday. The Federal Statistics Office said retail sales fell 4.5% on the month in real terms after an upwardly revised decline of 9.1% in December. The January reading undershot a Reuters forecast for a decline of 0.3%. "This decline can be explained by the ongoing coronavirus lockdown, which meant a closure of many retail stores since Dec. 16, 2020," the statistics office said. The end of a temporary sales tax cut may also have contributed as many consumers made big ticket purchases before the end of 2020 to save money. Fashion retail sales plunged 76.6% YoY, while sales of groceries were up 4.3% YoY as supermarkets and convenience stores remained open. Online retailers continued to benefit from shifting consumer habits with sales up 31.7%. Chancellor Angela Merkel and state premiers closed most shops and services in mid-December after a partial lockdown for bars, restaurants and entertainment venues failed to push down infections. Merkel and state premiers are due to meet again on Wednesday to discuss a gradual easing of lockdown measures that are currently in place until at least March 7. (Reuters)
- **German exports to UK fell almost a third in January as Brexit hit –** German exports to the UK fell by 30% on the year in January as the impact of Brexit turned Europe's largest economy away from the UK, exacerbating the hit to business from the coronavirus pandemic, official figures showed on Tuesday. The UK left the European Union's single market at the end of last year, raising barriers to trade. That final split followed more than four years of wrangling over its terms of exit from the EU, during which German businesses had already begun to reduce their interactions with Britain. The Office attributed the January slump to "the effects of Brexit after the year 2020, which was marked by the Corona pandemic." The impact of COVID-19 meant that the UK economy was smaller in January than a year earlier. The International Monetary Fund estimates that the UK and euro zone economies will not return to their pre-pandemic levels until next year. Ahead of formal departure from the EU on December 31, British businesses rushed to bring goods into the country - stockpiling that often results in a dip in activity later. The January slump in bilateral trade compared with a more modest decline in December 2020, when German exports to the UK fell by 3.3% on the year, to 5.0bn Euros, and imports from the UK dropped 11.4% to 2.8bn Euros. (Reuters)
- **Spain's jobless hit four million for first time in five years as pandemic curbs bite –** The number of jobless people in Spain rose above 4 million for the first time in five years in February, official data showed on Tuesday, as COVID-19 restrictions ravage the ailing economy. Since the onset of the pandemic, Spain has lost more than 400,000 jobs, around two-thirds of them in the hospitality sector, which has struggled with limits on opening hours and capacity as well as an 80% slump in international tourism. Jobless claims rose by 1.12% from a month earlier, or by 44,436 people to 4,008,789, Labor data showed, the fifth consecutive monthly increase in unemployment. That number was 23.5% higher than in February 2020, the last month before the pandemic took hold in Spain. Restrictions vary sharply from region to region in Spain, with some shutting down all hospitality businesses, though Madrid has taken a particularly relaxed approach and kept bars and restaurants open. A total of 30,211 positions were lost over the month, seasonally adjusted data from the Social Security Ministry showed. It was the first month more positions were closed than created since Spain emerged from its strict first-wave lockdown in May. Still, the number of people supported by Spain's ERTE furlough scheme across Spain fell by nearly 29,000 to 899,383 in February. (Reuters)
- **PMI: Japan's service sector shrinks for 13th month as emergency weighs –** Japan's services sector extended declines in February for a 13th straight month, as business activity was hit by curbs put in place to stop the spread of the coronavirus pandemic, leading to weak demand. The contraction hitting the services sector comes as a state of emergency for Tokyo and three surrounding prefectures put in place in part to take pressure off the nation's medical system is set to end on Sunday. The final au Jibun Bank Japan Services Purchasing Managers' Index (PMI)

came in at a seasonally adjusted 46.3, staying below the 50 level that separates contraction from expansion for the 13th month. The survey result, which compared to the prior month's 46.1 and a preliminary 45.8 reading, was largely the result of a faster decline in new business and a continuing contraction in export business. Optimism was also seen in the outlook component of the survey, which showed businesses grew the most positive about the 12 months ahead since January 2018. The composite PMI, which is calculated using both manufacturing and services, was 48.2 in February from the prior month's final reading of 47.1, also staying in contraction for a 13th month. (Reuters)

- **Caixin PMI: China's services sector grows at slowest rate in 10 months in Feb –** China's services sector activity grew at its slowest pace in 10 months in February as firms struggled with sluggish demand and high costs, a private sector survey showed on Wednesday, prompting them to cut jobs. The Caixin/Markit services Purchasing Managers' Index (PMI) fell to 51.5, the lowest since April, from 52.0 in January but remained above the 50-mark that separates growth from contraction on a monthly basis. A sub-index for employment stood at 47.9, slipping into contraction after six months of growth, as businesses laid off workers, the survey showed. New export business also shrank after expanding for three months. The loss of momentum came as China faced coronavirus flare-ups at the start of the year, while overseas demand continued to be hit by the COVID-19 pandemic. The findings were largely in line with an official survey released on Sunday. The services sector, which had been slower to recover initially from the pandemic than the industrial sector, is more vulnerable to social distancing restrictions. Domestic COVID-19 cases have however been stamped out in China since early February and analysts expect a strong rebound in full-year growth. February also saw the Lunar New Year holidays, when many workers return to their hometowns, although this year saw far fewer trips amid coronavirus fears. Costs for services firms continued to grow quickly, although at a slower pace than the month before. But Chinese services firms remained optimistic about the year ahead, with business expectations over the next 12 months rising from January. Caixin's composite manufacturing and services PMI, also released on Wednesday, slipped to 51.7 in February, from 52.2 the previous month. (Reuters)
- **India sees fuel demand seen rebounding in year to March 2022 –** India's fuel consumption could rise by 9.8% in the year to March 2022, its highest pace of growth in six years, driven by robust demand for gasoline and gasoil in Asia's third largest economy, according to initial government projections. Higher expectation of fuel consumption, a proxy for oil demand, points to a sharp recovery in industrial activity in the economy hit hard by the pandemic. India could consume 215.24mn tons of refined fuels in the financial year 2021/22 compared to the revised estimate of 195.94mn tons consumed in 2020/21, data posted on the website of Petroleum Planning Analysis Cell (PPAC) showed. India's economy returned to growth in the three months to December with its gross domestic product rising 0.4% compared with the same period a year earlier. The recovery is expected to gather pace as consumers and investors shake off the effects of the coronavirus pandemic. During April 2020 to January 2021, the first 10 months of this fiscal year, India's fuel consumption fell by 13.5% as lockdown measures to stem the spread of COVID-19 hit demand in the world's third biggest oil consumer. The increase in India's fuel consumption will aid global oil markets as the nation is seen as a main driver of rising demand for energy over the next two decades, the International Energy Agency said in January. Local sales of gasoil and gasoline, which together account for half of overall refined fuel sales in India, is projected to rise by 13.3% each, the data showed. Consumption of diesel is related closely to economic growth and accounts for up to 40% of the refined fuel sales in India. With easing restrictions and resumption of business, India's jet fuel sales are expected to reach 6.45mn tons in 2021/22, a growth of about 74.2% from the revised estimates of this year, the data showed. Sale of liquefied petroleum gas, mainly used for cooking, is expected to rise 4.8% to 29mn tons, the data showed. (Reuters)

Regional

- **S&P: UAE, Saudi Arabia sovereign borrowings to hit $51.4bn this year –** Sovereign borrowings in the UAE and Saudi Arabia will remain elevated this year, although slightly down by just $6.6bn to $51.4bn, according to the latest analysis by S&P. Gross commercial long-term borrowing in Abu Dhabi is forecast to reach $10bn, compared to $15bn in 2020, while Sharjah is likely to borrow $4.1bn, up from $3bn last year. In Saudi Arabia, sovereign borrowing is forecast to reach $37.3bn, a little less than last year's $40bn. Overall, emerging markets' (EM) commercial debt issuance in Europe, Middle East and Africa (EMEA) will reach $571bn, lower by $100bn when compared with 2020. "We expect commercial debt issuance to remain elevated during 2021, albeit down by just over $100bn, as fiscal support is only gradually withdrawn," S&P said in a report released on Tuesday. (Zawya)
- **OPEC sees positive oil market outlook, but downside risks persist –** OPEC sees a generally positive oil market outlook with last year's uncertainty easing, but downside risks caused by the pandemic persist, the group's Secretary General, Mohammad Barkindo said on Tuesday. "We have come a long way from a year ago," he said. "The days of GDP and oil demand figures being in the red because of the pandemic-induced shock appear to be behind us." Barkindo was speaking before Tuesday's meeting of the Joint Technical Committee (JTC) which reviews the oil market for the Organization of the Petroleum Exporting Countries, Russia and other allies, a group know as OPEC+. OPEC+ ministers hold a full meeting on Thursday. The secretary general said OPEC saw oil demand growth in 2021 at 5.8mn bpd to about 96mn bpd. That compares with about 100mn bpd in 2019, before the demand plummeted in 2020 due to the pandemic. (Reuters)
- **OPEC+ poised to cool down oil market with extra production –** OPEC+ is poised to agree a production increase this week as it seeks to cool a rapid rally in crude prices. There is a widespread view within the group that the market can absorb additional barrels, according to sources. While the usual differences are present with Saudi Arabia cautious and Russia keen to open the taps all sides are ready to increase production, sources said. That could put the group on track to implement the majority of the 1.5mn bpd output increase that is up for debate on Thursday. (Bloomberg)
- **RBC: Saudi Arabia to signal March end to 1mn bpd output cut –** Saudi Arabia will probably seek to limit size of production

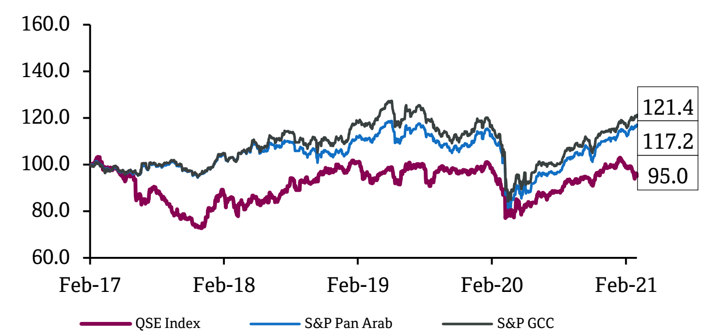
increases to 500k bpd monthly increments as agreed in December, while signaling that their unilateral 1mn bpd cut will sunset on schedule at the end of March, RBC said. "That said, we cannot rule out a surprise ending as Saudi Crown Prince, Mohammed bin Salman has jettisoned his predecessor's forward guidance policy." Russia is believed to be angling to add "significant quantities" to market as Saudi Arabia urges a cautious approach amid uncertainties about recovery. (Bloomberg)

- **NCB, Samba shareholders approve merger to create Saudi National Bank –** Shareholders of National Commercial Bank (NCB) and Samba Financial Group (Samba) have approved the proposal to create a combined entity with SR896bn in assets. The voting, held in two separate extraordinary general assembly (EGA) meetings on March 1, is one of the final steps to merge the two banks and establish Saudi National Bank, which is scheduled to launch on April 1, 2021. "The new entity] will be by far the largest bank in Saudi Arabia with over SR896bn in total assets, SR127bn in shareholders' equity and a combined net profit of SR15.6bn," a statement issued on Tuesday said. (Zawya)
- **Fitaihi gains SR126mn from Al-Jouf Agricultural stake sale –** Fitaihi Holding has made SR126mn of exceptional capital gains from selling its 9% stake in Al-Jouf Agriculture Development. It sees a positive impact in 1Q2021 financial results. (Bloomberg)
- **UAE hotels among 'best performers' in 2020 with 51.7% average occupancy –** Hotels in the UAE and around the Middle East are heading for a V-shaped recovery after putting up a "sterling performance" compared to their global peers last year, an industry source said on Tuesday. According to STR data, hotel occupancy in the country and the Middle East reached 51.7% and 45.9%, respectively. "Although these figures were [16.5% and 29.3%] down YoY, given the challenges presented by the pandemic, it is a remarkable achievement and proves just how resilient the hotel sector is in the UAE and wider Middle East," exhibition Director for the Middle East at the Arabian travel Market, Danielle Curtis said. (Zawya)
- **S&P: Dubai real estate market may bottom out next year –** Property market in Dubai may "bottom out" next year after weathering a tough 2020, according to S&P. "We already had a supply and demand imbalance in the market even before the pandemic, and after Covid-19 the situation just got worse," S&P Analyst, Sapna Jagtiani told Bloomberg TV on Tuesday. Prices of residential and office spaces in the city are expected to "somewhere bottom out in 2022," she said. A property glut and faltering demand in the Middle East's business hub have driven prices down by more than a third since the market peaked some seven years ago. The decline has been made worse by the coronavirus pandemic. (Bloomberg)
- **Dubai's Emaar values Malls Unit at $6.5bn in takeover bid –** Emaar Properties, the Dubai-based developer of the world's tallest tower, plans to take over its malls unit, in a transaction that will value the business at $6.5bn. Emaar Properties, which already owns 85% of Emaar Malls, proposed to pay 0.51 shares for every one share in Emaar Malls, the companies said a statement. According to Bloomberg calculations, the offer values Emaar Malls' at AED1.85 per share and a 10% premium to its last closing price. A property glut and faltering demand in Dubai have driven prices down by more than a third since the market peaked some seven years ago. The decline has been made worse by the coronavirus pandemic, and Emaar last year temporarily halted new projects. The company sold its share in Emaar Malls, which operates one of the world's biggest shopping centers in the Middle East business hub, in 2014. The order book was more than 30 times oversubscribed for the institutional segment, and more than 20 times for the individual part at the top of the price range at AED2.9. (Bloomberg)
- **Emaar Properties to restart paying dividend after skipping last year –** Emaar Properties' board proposes to pay 10 fils/share dividend for the financial year FY2020. (Bloomberg)
- **Mubadala hires banks for euro bonds –** Abu Dhabi state fund Mubadala has hired banks to arrange a planned dual-tranche issue of euro-denominated bonds, a document seen by Reuters showed. Citi and JPMorgan were hired as global coordinators, with Abu Dhabi Commercial Bank, BNP Paribas, First Abu Dhabi Bank, ING, Morgan Stanley and Standard Chartered as joint bookrunners, the document from one of the banks showed. They will hold investor calls starting on Tuesday, to be followed by an issue of six-year and 12-year euro-denominated bonds, subject to market conditions. Reuters reported last month that Mubadala was planning an international bond sale. Mubadala Investment Company (MIC) issues its debt through a subsidiary, Mamoura Diversified Global Holding (MDGH), which had AED388.7bn in total assets and AED179.38bn in total liabilities as of end-June 2020, a preliminary prospectus for the bonds showed. (Reuters)
- **ADNOC to ease oil supply cuts in April –** Abu Dhabi's ADNOC has told Asian oil buyers that it plans to increase crude allocations in April, sources close to the matter told Reuters ahead of an OPEC+ meeting expected to agree to an easing of production cuts within the producer group. Having cut its March term supply nominations by 10-15%, national oil company ADNOC plans to reduce the cuts to 5% next month, the sources said. Three Asian refiners said the 5% volume cut applies to all four crude grades while two others said they were notified of a 5% volume cut for the medium sour grade Upper Zakum. ADNOC also sells Murban, Das and Umm Lulu crude. The decision to raise allocations comes ahead of a March 4 meeting at which the Organization of the Petroleum Exporting Countries (OPEC) and its allies, a grouping known as OPEC+, are expected to discuss a modest easing of oil supply curbs from April. OPEC+ sources told Reuters a 500,000 bpd increase from April looked possible without building up inventories. At the same time, Saudi Arabia's voluntary cut of 1mn bpd expires at the start of April. (Reuters)
- **NBQ's net profit falls 50.1% YoY to AED211.8mn in FY2020 –** National Bank of Umm Al-Qaiwain (NBQ) recorded net profit of AED211.8mn in FY2020, registering decrease of 50.1% YoY. Total interest income and income from Islamic financing products fell 31.4% YoY to AED417.4mn in FY2020. Operating income fell 35.8% YoY to AED324.2mn in FY2020. Total assets stood at AED13.5bn at the end of December 31, 2020 as compared to AED14.3bn at the end of December 31, 2019. Loans and advances and Islamic financing receivables stood at AED7.6bn (-7.5% YoY), while customers' deposits and Islamic customer deposits stood at AED8.2bn (-9.0% YoY) at the end of December

31, 2020. EPS came in at AED0.11 in FY2020 as compared to AED0.23 in FY2019. (ADX)

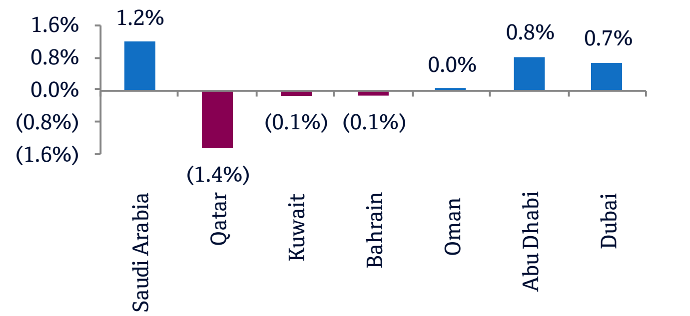
- **Kuwait wealth fund in talks with KPC on $20bn -plus dividends –** Kuwait's sovereign wealth fund is negotiating with state-owned Kuwait Petroleum Corporation (KPC) a new payment schedule for more than $20bn in accrued dividends, two sources said, as the Gulf state seeks ways to counter a liquidity crunch. KPC has owed for years about KD7bn in dividends to the General Reserve Fund (GRF), one of Kuwait's sovereign funds. GRF and KPC agreed in recent years a repayment schedule, but GRF now wants to review it and accelerate it as part of government efforts to cover the deficit, the sources said. "KPC is suffering due to low oil prices and the government has a liquidity problem. KPC wants as long as possible to return the money, and the government wants the largest amount possible," said one of the sources. The discussions around KPC's KD7bn - which the finance ministry had already claimed last year - are aimed at reaching an agreement that would not impact KPC's cash flow, the two sources said. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,738.36	0.8	0.2	(8.4)
Silver/Ounce	26.76	0.7	0.4	1.4
Crude Oil (Brent)/Barrel (FM Future)	62.70	(1.6)	(5.2)	21.0
Crude Oil (WTI)/Barrel (FM Future)	59.75	(1.5)	(2.8)	23.1
Natural Gas (Henry Hub)/MMBtu	2.70	0.0	2.7	13.0
LPG Propane (Arab Gulf)/Ton	97.00	0.8	2.4	28.9
LPG Butane (Arab Gulf)/Ton	109.50	5.3	7.6	46.0
Euro	1.21	0.3	0.1	(1.0)
Yen	106.69	(0.1)	0.1	3.3
GBP	1.40	0.2	0.2	2.1
CHF	1.09	0.0	(0.6)	(3.2)
AUD	0.78	0.6	1.5	1.6
USD Index	90.79	(0.3)	(0.1)	0.9
RUB	73.81	(0.5)	(1.1)	(0.8)
BRL	0.18	(0.6)	(1.3)	(8.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,768.25	(0.6)	1.5	2.9
DJ Industrial	31,391.52	(0.5)	1.5	2.6
S&P 500	3,870.29	(0.8)	1.6	3.0
NASDAQ 100	13,358.79	(1.7)	1.3	3.7
STOXX 600	413.23	0.5	2.0	2.3
DAX	14,039.80	0.5	1.8	0.6
FTSE 100	6,613.75	0.7	2.2	4.7
CAC 40	5,809.73	0.6	1.9	3.4
Nikkei	29,408.17	(0.8)	1.4	3.7
MSCI EM	1,359.65	(0.2)	1.5	5.3
SHANGHAI SE Composite	3,508.59	(1.3)	0.0	1.9
HANG SENG	29,095.86	(1.2)	0.4	6.8
BSE SENSEX	50,296.89	1.0	3.3	5.0
Bovespa	111,539.80	(0.8)	(0.7)	(15.0)
RTS	1,452.48	0.7	2.9	4.7

Source: Bloomberg (*$ adjusted returns)

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