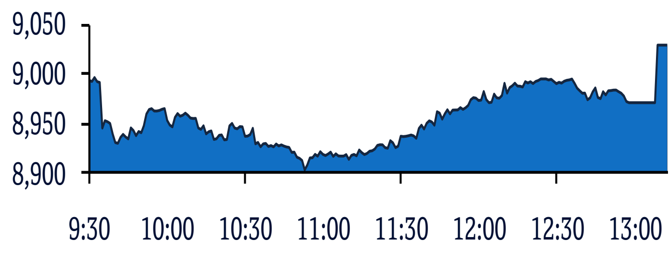
Daily Market Report

Thursday, 09 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.6% to close at 9,030.5. Gains were led by the Insurance and Industrials indices, gaining 4.3% and 1.1%, respectively. Top gainers were Qatar Aluminium Manufacturing Company and Qatari German Company for Medical Devices, rising 10.0% and 9.9%, respectively. Among the top losers, Islamic Holding Group fell 3.0%, while Alijarah Holding was down 2.0%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 6,999.3. Gains were led by the Media & Ent. and Food & Beverages indices, rising 3.5% and 1.8%, respectively. Saudi Printing & Packaging and Wafrah for Industry and Dev. were up 10.0% each.

Dubai: The DFM Index fell 1.0% to close at 1,767.0. The Consumer Staples and Discret. index declined 4.4%, while the Investment & Fin. Serv. index fell 2.9%. Aan Digital Services Holding Co. and Khaleeji Commercial Bank were down 5.0% each.

Abu Dhabi: The ADX General Index fell 1.6% to close at 3,866.8. The Banks index declined 2.5%, while the Industrial index fell 2.0%. Gulf Pharmaceutical Industries declined 5.0%, while AXA Green Crescent Insurance Company was down 4.9%.

Kuwait: The Kuwait All Share Index fell 0.1% to close at 4,718.3. The Real Estate index declined 2.0%, while the Industrials index fell 1.0%. First Dubai For Real Estate Development declined 9.2%, while Kamco Investment Co. was down 6.0%.

Oman: The MSM 30 Index gained 1.7% to close at 3,455.3. Gains were led by the Services and Financial indices, rising 1.2% and 1.1%, respectively. Bank Nizwa and Al Batinah Power were up 5.9% each.

Bahrain: The BHB Index fell 0.8% to close at 1,303.3. The Insurance index declined 2.9%, while the Investment index fell 1.2%. Bahrain & Kuwait Insurance Company declined 8.8%, while Arab Banking Corporation was down 6.4%.

Market Indicators	08 Apr 20	07 Apr 20	%Chg.
Value Traded (QR mn)	333.2	333.6	(0.1)
Exch. Market Cap. (QR mn)	510,452.7	506,963.1	0.7
Volume (mn)	193.8	178.0	8.9
Number of Transactions	10,825	10,267	5.4
Companies Traded	45	47	(4.3)
Market Breadth	24:19	41:3	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,269.44	0.6	6.8	(10.0)	13.4
All Share Index	2,810.65	0.7	6.5	(9.3)	14.1
Banks	4,080.09	0.6	5.4	(3.3)	13.2
Industrials	2,359.12	1.1	10.7	(19.5)	16.5
Transportation	2,349.27	(0.4)	4.8	(8.1)	11.6
Real Estate	1,304.68	(0.8)	6.1	(16.6)	11.3
Insurance	2,243.76	4.3	9.5	(17.9)	37.5
Telecoms	827.45	(0.5)	7.0	(7.5)	13.7
Consumer	6,964.97	0.4	5.8	(19.4)	16.1
Al Rayan Islamic Index	3,445.08	0.7	8.0	(12.8)	14.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Nizwa	Oman	0.09	5.9	1,000.0	(5.3)
Qatar Insurance Co.	Qatar	2.40	5.6	967.9	(24.2)
Oman Telecom. Co.	Oman	0.61	4.8	151.0	2.0
Samba Financial Group	Saudi Arabia	23.50	4.6	3,150.0	(27.6)
Sahara Int. Petrochemical	Saudi Arabia	14.64	4.6	7,210.2	(18.5)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mabanee Co.	Kuwait	0.61	(4.4)	2,095.9	(32.9)
Arabian Centres Co. Ltd	Saudi Arabia	22.08	(4.3)	468.0	(24.3)
Rabigh Refining & Petro.	Saudi Arabia	14.76	(2.9)	6,047.6	(31.9)
First Abu Dhabi Bank	Abu Dhabi	10.88	(2.9)	2,378.9	(28.2)
Emaar Malls	Dubai	1.09	(2.7)	14,874.8	(40.4)

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%
Qatar Aluminium Manufacturing	0.66	10.0	34,608.8	(15.4)
Qatari German Co for Med. Devices	0.55	9.9	9,758.9	(6.4)
Gulf International Services	1.23	9.6	16,039.2	(28.5)
Dlala Brokerage & Inv. Holding Co.	0.52	7.0	2,658.3	(15.2)
Salam International Inv. Ltd.	0.27	6.4	8,528.5	(48.5)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	0.66	10.0	34,608.8	(15.4)
Ezdan Holding Group	0.53	0.2	28,454.9	(13.2)
Aamal Company	0.57	2.2	21,960.8	(30.5)
Gulf International Services	1.23	9.6	16,039.2	(28.5)
Mesaieed Petrochemical Holding	2.19	3.2	15,253.2	(12.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Islamic Holding Group	1.38	(3.0)	593.2	(27.5)
Alijarah Holding	0.63	(2.0)	1,101.4	(11.2)
Qatar Navigation	5.00	(2.0)	686.8	(18.0)
Doha Bank	1.96	(1.9)	2,874.8	(22.5)
United Development Company	1.07	(1.7)	4,068.8	(29.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.08	1.0	40,766.6	(7.3)
Mesaieed Petrochemical Holding	2.19	3.2	33,780.8	(12.8)
Qatar Aluminium Manufacturing	0.66	10.0	22,330.7	(15.4)
Gulf International Services	1.23	9.6	19,136.5	(28.5)
Qatar Fuel Company	17.40	0.6	17,733.1	(24.0)

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*	9,030.45	0.6	6.8	10.0	(13.4)	91.52	139,200.4	13.4	1.3	4.5
Dubai	1,767.03	(1.0)	2.6	(0.2)	(36.1)	49.34	73,131.3	6.5	0.6	7.1
Abu Dhabi	3,866.84	(1.6)	2.9	3.5	(23.8)	33.78	116,021.8	10.8	1.1	6.3
Saudi Arabia	6,999.34	0.2	3.7	7.6	(16.6)	1,343.56	2,142,387.5	19.9	1.6	3.8
Kuwait	4,718.30	(0.1)	0.3	(2.2)	(24.9)	114.72	86,395.4	11.6	1.1	4.8
Oman	3,455.32	1.7	2.1	0.2	(13.2)	2.61	15,000.5	7.0	0.6	8.0
Bahrain	1,303.25	(0.8)	(2.0)	(3.5)	(19.1)	3.75	20,279.7	9.3	0.8	6.1

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 rose 0.6% to close at 9,030.5. The Insurance and Industrials indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Qatar Aluminium Manufacturing Company and Qatari German Company for Medical Devices were the top gainers, rising 10.0% and 9.9%, respectively. Among the top losers, Islamic Holding Group fell 3.0%, while Alijarah Holding was down 2.0%.
- Volume of shares traded on Tuesday rose by 8.9% to 193.8mn from 178.0mn on Monday. Further, as compared to the 30-day moving average of 131.2mn, volume for the day was 47.7% higher. Qatar Aluminium Manufacturing Company and Ezdan Holding Group were the most active stocks, contributing 17.9% and 14.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.09%	48.45%	(44,497,579.89)
Qatari Institutions	17.64%	16.71%	3,106,678.50
Qatari	**52.73%**	**65.16%**	**(41,390,901.39)**
GCC Individuals	0.97%	0.84%	440,971.45
GCC Institutions	1.24%	1.35%	(349,441.98)
GCC	**2.21%**	**2.19%**	**91,529.47**
Non-Qatari Individuals	13.11%	15.48%	(7,882,052.19)
Non-Qatari Institutions	31.94%	17.18%	49,181,424.11
Non-Qatari	**45.05%**	**32.66%**	**41,299,371.92**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04/08	US	Federal Reserve	Consumer Credit	Feb	$22.331bn	$14.000bn	$12.060bn
04/08	US	Mortgage Bankers Association	MBA Mortgage Applications	3-Apr	-17.9%	–	15.3%
04/08	US	Bloomberg	Bloomberg Consumer Comfort	5-Apr	49.9	–	56.3
04/08	Japan	Economic and Social Research Institute	Core Machine Orders MoM	Feb	2.3%	-2.9%	2.9%
04/08	Japan	Economic and Social Research Institute	Core Machine Orders YoY	Feb	-2.4%	-3.0%	-0.3%

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 1Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Apr-20	4	Due
QIBK	Qatar Islamic Bank	15-Apr-20	7	Due
KCBK	Al Khalij Commercial Bank	15-Apr-20	7	Due
QFLS	Qatar Fuel Company	15-Apr-20	7	Due
IHGS	Islamic Holding Group	19-Apr-20	11	Due
QIGD	Qatari Investors Group	19-Apr-20	11	Due
QEWS	Qatar Electricity & Water Company	19-Apr-20	11	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	20-Apr-20	12	Due
ERES	Ezdan Holding Group	20-Apr-20	12	Due
ABQK	Ahli Bank	20-Apr-20	12	Due
CBQK	The Commercial Bank	21-Apr-20	13	Due
QIMD	Qatar Industrial Manufacturing Company	22-Apr-20	14	Due
MCCS	Mannai Corporation	22-Apr-20	14	Due
VFQS	Vodafone Qatar	22-Apr-20	14	Due
QIIK	Qatar International Islamic Bank	22-Apr-20	14	Due
DOHI	Doha Insurance Group	29-Apr-20	21	Due
MCGS	Medicare Group	22-Apr-20	14	Due
UDCD	United Development Company	22-Apr-20	14	Due
DHBK	Doha Bank	22-Apr-20	14	Due
NLCS	Alijarah Holding	23-Apr-20	15	Due
MARK	Masraf Al Rayan	23-Apr-20	15	Due
QCFS	Qatar Cinema & Film Distribution Company	26-Apr-20	18	Due
GWCS	Gulf Warehousing Company	28-Apr-20	20	Due
ORDS	Ooredoo	29-Apr-20	21	Due

Source: QSE

Qatar

- **ERES to hold its AGM on April 26 –** Ezdan Holding Group's (ERES) board of directors will hold the Ordinary Annual General Assembly Meeting (AGM) on April 26, 2020 at Ezdan Palace. In case of lack of quorum, the assembly will be held on April 29, 2020 with the same venue as a second date for convention. (QSE)
- **QETF announces dividend of QR0.333 per unit –** Doha Bank (DHBK), as founder, and Aventicum Capital Management (Qatar), the fund manager of the QE Index ETF (QETF) announced dividend distribution of QR0.333 per unit. Unitholders of record of the QETF, at the close of business on April 23, 2020, will receive a cash distribution payable on April 27, 2020. (QSE)
- **DOHI postpones its date to disclose its 1Q2020 financial statements to April 29 –** Doha Insurance Group (DOHI) has decided to postpone the date of its board of directors meeting – that shall be conducted through online teleconferencing – to April 29, 2020 instead of April 22, 2020, to discuss and approve the group's 1Q2020 financial statements. (QSE)
- **BLDN's EGM endorses agenda items –** Baladna (BLDN) has announced the conclusion of its Extraordinary General Assembly (EGM) held on April 7, 2020, where it was unanimously approved to amend Baladna's Articles of Association to enable the company to distribute interim dividends by adding the following article: "It is permissible to issue a resolution from the Board of Directors, to distribute interim dividends to the company's shareholders who are the owners of the company's shares on the due date, if the Board of Directors finds that such distribution is justified. This decision should however specify the due date and should be in accordance with the rules and regulations set by Qatar Financial Markets Authority and Qatar Stock Exchange." (QSE)
- **Qatar's GDP falls 0.6% YoY in 4Q2019 –** Qatar's economy contracted by 0.6% in 4Q2019 from a year earlier, government data showed on Wednesday, as mining and quarrying activities fell by 3.4% in the quarter compared to a year prior. Gross domestic product also contracted by 1.4% in the fourth quarter compared to the third, based on constant prices, the data showed. GDP reached QR206.6bn in 4Q2019 versus QR207.8bn in 4Q2018. Mining and quarrying reached QR93.8bn versus QR97.1bn, declining -3.4% QoQ. Construction reached QR23.1bn versus QR23.5bn, gaining +2.2% QoQ. Manufacturing reached QR21.5bn versus QR21.9bn, falling -5.7% QoQ. Finance & insurance reached QR16.3bn versus QR15.5bn, rising +7.9% QoQ. Wholesale and retail trade reached QR11.8bn versus QR11.8bn, gaining +3.8% QoQ. Real estate reached QR10.3bn versus QR10.3bn, indicating a growth of +1.8% QoQ. Economy contracted 1.4% QoQ. (Reuters, Bloomberg)
- **S&P predicts a 'wave of mergers & acquisitions' in banking industry; expects direct intervention in terms of exposure buybacks or capital injection should the need arise in Qatar –** Once the dust generated by the COVID-19 pandemic settles, the GCC banking industry could witness a wave of mergers and acquisitions (M&A), according to S&P Global Ratings (S&P). "The current environment might push some banks to find a stronger shareholder or join forces with peers to enhance resilience. We think a second wave of M&A might involve consolidation across different GCC countries," the rating agency noted in its latest Industry Report Card. This would require more aggressive moves by management than those seen in the past. The added hurdles of convincing boards and shareholders, who face the possibility of seeing their assets diluted or losing control, might be easier if they have to recapitalize their banks anyway. On the regional banks' funding and liquidity, the rating agency noted the banks' funding profiles remain strong in most GCC countries. The use of wholesale or external funding sources by regional banks remains relatively limited and it doesn't think this will change in the short term. In Qatar, the banking system still carries significant net external debt. "We think that this position will reduce because of COVID-19 induced market volatility. We also take comfort from the government's strong capacity and willingness to provide the sector with support in case of need. The government of Qatar and its related entities injected up to $42.5bn in 2017 to help the banking system deal with boycott-related outflows", it noted. In response to the COVID-19 pandemic GCC governments have announced several measures to help corporates and retailers navigate the challenging environment. Some governments have opted for reduced taxes and levies. Other have asked banks to extend additional subsidized loans to affected clients to maintain employment and avoid production capacity destruction during what is expected to be a short-term event. In this environment, S&P sees banks in the UAE, Oman, and Bahrain as the most exposed. For Oman and Bahrain, the lack of capacity to support the banking system (in the form of capital injections if needed) means that these governments would need to prioritize the allocation of their limited financial resources if the shock is stronger than expected. In Qatar, the rating agency expects direct intervention in terms of exposure buybacks or capital injection should the need arise. The rating agency believes that Qatari banks' asset-quality indicators might weaken but the large state footprint in the economy will act as a backstop. To assess the financial performance of Islamic and conventional banks in the GCC, S&P used a sample of 16 Islamic banks and 26 conventional banks with total assets in excess of $2.2tn and sufficient financial disclosures. (Peninsula Qatar)
- **Real estate trade reaches around QR290mn in one week during March 29 to April 1 –** The volume of real estate trading in sales contracts at the Ministry of Justice's Department of Real Estate Registration reached QR290.273mn during the one-week period from March 29 to April 1. The weekly bulletin issued by the department showed that the list of real estate properties traded for sale has included vacant lands, houses, multi-purpose buildings and residential building. Sales were concentrated in, Al Daayen, Al Wakrah, Doha, AL Rayyan, Al Khor, Al Dakhira and Al Shehaniya municipalities. The volume of real estate trading during the period from March 22 to March 26 was worth more than QR251mn. (Qatar Tribune)

- **Robust increase in new vehicles' registration drives Qatari auto sector –** A robust increase in the registration of new private vehicles and a buoyant used vehicles segment helped Qatar's automobile sector witness more than 3% YoY growth in February 2020, according to the Planning and Statistics Authority (PSA). However, auto loans from the commercial banks in the country were on a rough ride with the credit to both the nationals and the expatriates registering declines in the review period, according to Qatar Central Bank (QCB) data. New vehicles' registration stood at 5,048 in February this year, which saw a 19% increase YoY, even as it fell 2% MoM, according to the PSA's latest monthly report. New registration of private vehicles reported a 28% jump to 3,445 units, which accounted for 68% of the new vehicles registered. On a monthly basis, it showed a 1% gain in the review period. According to QCB data, auto loans for Qataris and expatriates fell 19% and 30% YoY respectively during the month in review. New registration of private transport vehicles stood at 1,043; constituting 21% of the total in the review period. Such registrations saw a 7% growth on yearly basis, even as it fell about 2% MoM respectively in February 2020. New registrations of private motorcycles were 300 or 6% of the new vehicles in February this year. The new registration grew 4% and 64% on yearly and monthly basis respectively. The new registration of heavy equipment saw a 35% yearly fall to 170 units, constituting 3% of the total in February 2020. On a monthly basis, new registration grew 4%. New registration of trailers stood at 36, which represented 6% and 37% decline YoY and MoM respectively this February. Trailers constituted less than 1% of the total registration of new vehicles. The new registration of other vehicles stood at 54, which registered 41% and 65% decrease on yearly and monthly basis respectively in the review period. The PSA data also revealed that renewal of vehicles stood at 66,151 in February this year, witnessing 2% and 12% YoY and MoM respectively. (Gulf-Times.com)
- **Qatar signs deal with IBG to increase airport capacity –** Qatar's Civil Aviation Authority said via tweet that it has signed deal with IBG to increase capacity of Hamad International Airport. Qatar Civil Aviation Authority said in tweet the contract with IBG will meet all requirements to host World Cup 2022. (Reuters)

International

- **WTO sees 'ugly' trade plunge worse than in financial crisis –** The World Trade Organization (WTO) on Wednesday forecast that goods trade would shrink more steeply this year than in the global financial crisis a decade ago before rebounding in 2021 as the COVID-19 pandemic recedes - if countries worked together. The WTO said global trade would fall this year by between 13% and 32%, giving a wide range because so much about the economic impact of the health crisis was uncertain. At the height of the financial crisis in 2009, trade dropped 12.5%. "These numbers are ugly and there is no way around that," WTO Director-General Roberto Azevedo told a news conference. Comparisons with the financial crisis and even the Great Depression of the 1930s were inevitable, he said. However, unlike then, banks were not short of capital and the economic engine was in decent shape. "The pandemic cut the fuel line to the engine. If the fuel line is reconnected properly, a rapid and vigorous rebound is possible," he continued. Countries working together would see a faster recovery than if each country acted alone, while monetary, fiscal and trade policy all need to go in the same direction. A turn to protectionism would create new shocks, he said. Trade tensions, notably between the US and China, led to a 0.1% decline in global goods trade last year. A number of national leaders have said the crisis and an acute shortage of medical supplies means production should be brought home. Azevedo said no country would really become fully self-sufficient and that the answer was to diversify so that supplies came from more than a single region or player. The Geneva-based WTO said that for 2021 it was forecasting a rebound in global goods trade of between 21% and 24%, depending largely on the duration of the coronavirus outbreak and the effectiveness of policy responses. This year, nearly all regions would suffer double-digit percentage declines in trade, with exports from North America and Asia the hardest hit. Sectors with complex value chains, such as electronics and automotive products, would also see steeper falls. Services are not included in the WTO's forecast, but the WTO said trade in this area may be hit hardest by COVID-19 because of transport and travel restrictions, with knock-on effects for goods. (Reuters)
- **OECD says leading indicators flag biggest monthly drop on record –** Major economies are seeing the biggest monthly slump in activity ever amid the coronavirus crisis and no end is in sight without clarity about how long lockdowns will last, the Organisation for Economic Cooperation and Development (OECD) said on Wednesday. The OECD said its leading indicators, which are designed to flag turning points in economic activity, suggested all major economies had plunged into a "sharp slowdown" with only India registering as being in a mere "slowdown". The indicators were flagging "the largest drop on record in most major economies", the Paris-based OECD said in statement, adding that huge uncertainty over how long lockdowns would last severely muted their predictive value. As a result, the OECD said the indicators "are not yet able to anticipate the end of the slowdown, especially as it is not yet clear how long, nor indeed severe, lockdown measures are likely to be". Last month, the OECD estimated that each month major economies spend in lockdown knocked 2 percentage points off their annual growth. (Reuters)
- **US companies criticized for cutting jobs rather than investor payouts –** US companies laying off workers in response to the coronavirus pandemic but still paying dividends and buying back shares are drawing criticism from labor unions, pension fund advisers, lawmakers and corporate governance experts. While most US companies are scaling back payouts after a decade in which the amount of money paid to investors through buybacks and dividends more than tripled, some are maintaining their policies despite the economic pain. (Reuters)
- **US pushes back on call by OPEC+ to join big oil output cuts –** Saudi Arabia, Russia and allied oil producers will agree to deep cuts to their crude output at talks this week only if the US and several others join in with curbs to help prop up prices that have been hammered by the coronavirus crisis. However, the US Department of Energy noted in a statement on Tuesday that US output is already falling without government action, in line with the White House's insistence that it would not intervene in the

private markets. That decline, however, would take place slowly, over the course of the next two years. Global oil demand has dropped by as much as 30%, or about 30mn barrels per day (bpd), as measures to reduce the virus' spread have caused demand for jet fuel, gasoline and diesel to crash. While Saudi Arabia, Russia and other members of the group known as OPEC+ have expressed willingness to return to the bargaining table, they have made their response conditional upon actions by the US and other countries that are not members of OPEC. No agreement has yet been formalized. (Reuters)

- **UK insurers axe more than $1.2bn in dividends amid coronavirus concerns –** British insurers cancelled more than 1bn Pounds ($1.2bn) of dividends on Wednesday, in moves welcomed by the Bank of England which had cautioned the sector about the risk of heavy costs from the spread of the coronavirus. Aviva, Direct Line, RSA and Lloyds of London member Hiscox all said they would halt planned payouts due to the uncertainty over the pandemic's impact on their businesses, customers and the global economy. The cancellations represent another crushing blow to many pension funds and individual investors who have anchored their portfolios with insurance company stocks and who have come to rely on their historically secure income streams and growth. (Reuters)
- **EU ministers fail to agree coronavirus economic rescue –** European Union (EU) finance ministers failed in all-night talks to agree on more economic support for their coronavirus-stricken economies, spurring Spain to warn the bloc's future was on the line if it did not forge a joint response to the crisis. German Finance Minister Olaf Scholz said a deal was close after a 16-hour videoconference that stretched through the night from Tuesday afternoon, and that he hoped a deal on the package worth half a trillion Euros could be clinched when the ministers meet again from 1500 GMT on Thursday. A persistent stand-off between a camp of financially ailing southern European Union states led by Italy on one side and the Netherlands acting as the bulwark of the fiscally conservative north on the other was blocking progress. "This is a crucial issue on which the European Union's future is at stake," Spanish Agriculture Minister Luis Planas said of the fraught talks on Wednesday. While the ministers sparred over more economic aid, the European Central Bank warned them that the bloc may need fiscal measures worth up to 1.5tn Euros ($1.6tn) this year to tackle the economic free-fall caused by the COVID-19 epidemic, officials told Reuters. The EU has already relaxed limits on state aid and public spending to help its 27 member states combat the slump and restart growth. However, it has struggled to present a united front in the face of the epidemic, with countries disagreeing over how much more financial aid was needed, fighting over supplies of medical equipment, and imposing emergency border controls inside what normally is Europe's Schengen zone of passport-free travel. (Reuters)
- **EU to provide 20bn Euros for Africa and Latin America to fight coronavirus –** The European Union will provide more than 20bn Euros for countries across Asia, Africa, Latin America and the Balkans to fight the coronavirus pandemic, the EU's top diplomat said on Wednesday, as aid groups pressure rich countries to help. While the leaders of the Group of 20 major economies have pledged to inject huge sums into the global economy, aid charities including Oxfam and Caritas say the world's poorest countries also need emergency support. Most of the money is being reallocated from other, less urgent EU foreign aid schemes in the EU's common budget, but Borrell said the European Investment Bank, the European Bank for Reconstruction and Development, the European Commission and EU governments were working together to maximize EU funding. Borrell said more than 5bn Euros in loans from the European Investment Bank will be made available more quickly and that no country would see less development aid. In a separate statement, the European Commission said the money would go to immediate emergency response, medical research, healthcare equipment and longer-term budget support. Borrell also said the European Union supported a call this week by charities for G20 governments, the International Monetary Fund and the World Bank to cancel debt payments to help the world's poorest countries through the crisis. (Reuters)
- **ECB urges measures worth 1.5tn Euros this year to tackle virus crisis –** The European Central Bank (ECB) told Eurozone finance ministers that the bloc may need fiscal measures worth up to 1.5tn Euros ($1.6tn) this year to tackle the economic crisis caused by the COVID-19 epidemic, officials told Reuters. In a videoconference meeting, the EU Commission estimated that the bloc's economy could shrink by 10% this year, officials said. But ministers remained divided on how to boost the economy and failed to agree on a common text. In the conference, which ended on Wednesday without a deal after 16 hours of talks, Germany, the Netherlands and other northern European countries were ready to support EU measures worth 500bn Euros, officials who participated in the meeting said. The EU support would back up national measures, but the overall fiscal effort may not be enough to meet total financing needs, the officials said. In the meeting France, Italy and Spain said the European effort to tackle the crisis should be well above 1tn euros this year, officials said, in line with the ECB estimate of financing needs of 1 to 1.5tn. While the participants narrowed the gap in views during their lengthy talks, a deal could not be reached mostly due to resistance from the Netherlands and Italy, officials said. Italy wanted a more ambitious agreement with clearer references to future common debt issuance, while the Netherlands pushed for conditions to any EU credit line to countries in need. (Reuters)
- **Coronavirus pandemic to shrink German economy by record 9.8% in second quarter –** Germany's economy, Europe's largest, will probably shrink by 9.8% in the second quarter, its biggest decline since records began in 1970, due to measures imposed to slow the spread of the novel coronavirus, the country's leading think tanks said on Wednesday. That would be more than double the drop seen in the first quarter of 2009, during the global financial crisis, the economic institutes said. Germany has been in virtual lockdown for several weeks. Schools, shops, restaurants, sports facilities and other non-essential businesses have closed and many companies have halted production to help slow the spread of the disease. A survey of German companies by the DIHK Chambers of Industry and Commerce showed that four in five expect their revenues will shrink in 2020, and a quarter said business would fall by more than 50%. About 18% said they are threatened with insolvency. The research institutes said the economy probably shrank by 1.9% from

January to March. As Reuters previously reported, they said the German economy is likely to shrink by 4.2% this year and grow by 5.8% next year. (Reuters)

- **Haruhiko Kuroda: Japan's economy faces 'extremely high' uncertainty on pandemic hit –** Uncertainty over Japan's economic outlook is "extremely high" as the coronavirus pandemic hits output and consumption, central bank Governor Haruhiko Kuroda said, stressing his readiness to take additional monetary steps to prevent a deep recession. While aggressive central bank actions across the globe have eased financial market tensions somewhat, corporate funding strains were worsening, Kuroda told a quarterly meeting of the Bank of Japan's (BoJ) regional branch managers on Thursday. "The spread of the coronavirus is having a severe impact on Japan's economy through declines in exports, output, demand from overseas tourists and private consumption," he said. Japan recorded 503 new coronavirus infections on Wednesday - its biggest daily increase since the start of the pandemic - even as a state of emergency took effect, underscoring the difficulty authorities have in trying to contain the outbreak without imposing a sweeping, mandatory lockdown on the population. Even with less stringent restrictions compared with other countries, analysts polled by Reuters expect Japan to slip into a deep recession this year as the virus outbreak wreaks havoc on business and daily life. "For the time being, we won't hesitate to take additional monetary easing steps if needed, with a close eye on developments regarding the coronavirus outbreak," Kuroda said. Kuroda's remarks highlight the strong concern policymakers have over the outlook for Japan's economy and how companies continue to struggle to procure cash, despite government and central bank promises to flood the economy with funds. At its policy meeting later this month, the BoJ is likely to make a rare projection that the world's third-largest economy will shrink this year, sources have told Reuters. (Reuters)

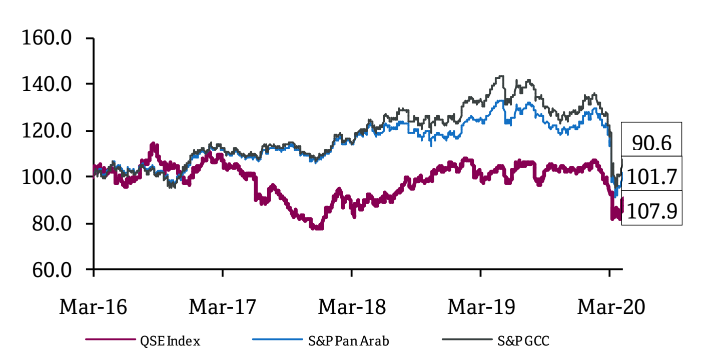
Regional

- **Petrochemicals industry outlook: GCC firms face risks from coronavirus spread, oil drop –** A sharp drop in oil prices and the coronavirus outbreak have affected the petrochemicals sector in the Gulf countries and worldwide. "GCC chemicals players have been particularly hard hit by the oil price drop, as their production is mostly focused on basic petrochemicals which are highly correlated to oil price," Partner with Strategy& Middle East, part of the PwC network, Frederic Ozeir told Zawya. In March, the Saudi-led OPEC failed to strike a deal with its Russia-led allies on oil production cuts, which effectively paved the way for members to pump as much as they want starting April 1. Saudi's Ministry of Energy has instructed Saudi Aramco to supply 12.3mn bpd of crude to the market in the coming months. Oil prices have been plunging ever since Saudi Arabia planned output hikes after Russia refused to support deeper oil production cuts. As the Saudi-Russian price war showed no signs of abating, Brent Crude oil prices plunged to record levels and were last trading near the $23-per-barrel- level at the end of March, down from $51 per barrel in the beginning of the month. According to Ozeir, the petrochemicals sector has been put under immediate pressure. "Whether it is the availability of shift-based operational staff, the imports of critical equipment and services, or the downstream sale and disposal of products, as a 24x7 process industry, the petrochemicals sector is reliant on continuous and global supply chains," he said. "Furthermore, the chemicals sector is highly exposed to key end markets such as automotive, oil & gas and aerospace, which are expected to contract heavily as a result of the current global economic situation," he added. A series of measures have been implemented worldwide to stop the spread of the virus including shutting down businesses, imposing travel restrictions and urging people to stay indoors. These measures have started affecting numerous industries across the globe including petrochemical producers. The world economy is facing severe economic damage from the coronavirus pandemic that could be even more costly than in 2009, IMF Chief, Kristalina Georgieva had warned. "The impact the virus has had on global travel restrictions, reductions of flights, closures in the automotive industry and reduction in light vehicle production forecasts have already affected demand for tires (rubber) and other products associated with packaging and inflight services," The Arab Petroleum Investments Corporation (APICORP) told Zawya. (Zawya)
- **Russia and Saudi to debate oil output cuts as US resists joining –** OPEC and Russia meet today to try to agree to record oil output cuts however, their efforts to address the slump in prices wrought during the coronavirus pandemic have been complicated by mutual animosity and the reluctance of the US to join the action. Global fuel demand has plunged as much as 30% as lockdowns have grounded aircraft, reduced vehicle usage and curbed economic activity. Crude prices have slumped below the cost of production for many producers, including the booming US shale oil industry. US President, Donald Trump said last week a deal he had brokered with OPEC leader Saudi Arabia and Russia could lead to cuts of as much as 10mn-15mn bpd or 10-15% of global supplies, an unprecedented reduction. Moscow stated on Wednesday that it is willing to reduce output by 1.6mn bpd. Riyadh and Moscow, who fell out when a previous pact on curbing supplies collapsed in March, have signaled their agreement to deep cuts would depend on the US and others outside a group known as OPEC+ joined in. (Reuters, Bloomberg)
- **Saudi Arabia buys stakes worth $1bn in European oil companies –** Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), has accumulated stakes worth about $1bn in four major European oil companies, the Wall Street Journal (WSJ) reported on Wednesday, citing sources. The four companies are Norway's Equinor ASA, Anglo-Dutch energy company Royal Dutch Shell, France's Total and Italy's Eni, according to WSJ. The fund built a stake of about $200mn in Equinor in the days around a sharp rally in oil prices last week, the Journal reported, adding it could not learn the size of the stakes bought in the other three companies, but that the combined stakes were worth about $1bn. The purchase of the stakes comes during a downturn in the global oil and gas industry, as energy demand has slumped during the coronavirus outbreak. A Saudi official cited by the Journal said that similar deals could take place in the future as well. "The PIF is getting active again in the market. I would not be surprised if we see similar deals again," the official was quoted as having said by the newspaper. PIF is Saudi Crown Prince Mohammed bin Salman's vehicle to boost Saudi investments at

home and abroad, as he seeks to diversify the oil-heavy economy. (Reuters)

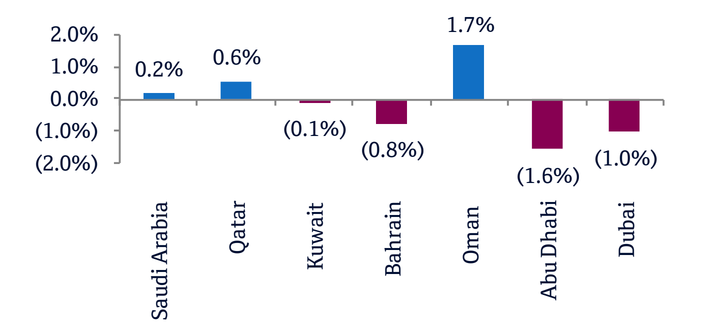
- **Saudi Arabia's Almarai will invest $73.2mn to expand poultry business –** The board of directors of Saudi Arabian food company Almarai has approved an investment of $73.2mn to expand its existing processing facilities in the poultry segment. The board has also approved the development of grandparent farming and production facilities to enable a full vertical integration of the poultry supply, a statement on Tadawul showed. The company's board approved last year a strategic five-year business plan for the period 2020-2024 with a capital investment that is planned to reach SR7.1bn. The investment program will be financed mainly though the company's operating cash flow. (Zawya)
- **Abu Dhabi sells $7bn in bonds after Qatar's jumbo issue –** Abu Dhabi sold $7bn in bonds on Wednesday, sources said, following Qatar's $10bn debt sale on Tuesday, as Gulf states seek extra liquidity amid low oil prices and the coronavirus outbreak. Considered the best credit in the region, oil-rich Abu Dhabi - the capital of the UAE - received around $44bn in orders for the debt sale, the sources said. However, a plunge in oil prices which has raised borrowing costs of Gulf oil exporters meant it had to offer investors a premium. Like Qatar, Abu Dhabi sold debt in three tranches of five, 10 and 30 years. It offered an interest rate equivalent to 220 basis points (bps) over US Treasuries for $2bn in five-year bonds, 240 bps over the same benchmark for $2bn 10-year bonds and 4.1% for $3bn 30-year notes, sources said. That corresponded to about 30 bps more than the emirate's existing bonds due in 2024, 2029, and 2049, Refinitiv data showed. "Whilst the spreads paid on the Abu Dhabi deal may seem outrageous relative to six weeks ago, the issuance is important to set a benchmark for the quasi-sovereign, financial institutions and high grade corporate issues to reference," Head of credit strategies at Rasmala Investment Bank, Doug Bitcon said. (Reuters)
- **Abu Dhabi boosts local businesses with $4.1bn in tenders –** Abu Dhabi directed $4.1bn worth of government tenders to local businesses as the coronavirus pandemic weighs on the Gulf Arab Emirate's non-oil economy. The 'Abu Dhabi Local Content' program includes 1,244 tenders, with the goal of "boosting productivity and strengthening supply chains," the Abu Dhabi Media Office stated. Business conditions in the UAE, a federation that includes Abu Dhabi, worsened at a record pace in March as the government took emergency steps to stop the spread of the coronavirus. IHS Markit's UAE Purchasing Managers' Index, a gauge tracking operating conditions in the non-oil private sector, fell to the lowest ever in March. (Bloomberg)
- **Julphar to decrease capital to extinguish accumulated losses –** The share capital of Gulf Pharmaceutical Industries (Julphar) will be decreased by AED503.3mn by the cancellation of a number of shares in the Company (the capital reduction) to extinguish its accumulated losses as shown in its latest financial statements for the year ended December 31, 2019. This shall reduce the current total number of shares by 503,274,989. The number of shares owned by each shareholder will be reduced on a prorate basis by the proportion of the capital reduction. The capital reduction will be executed by the cancellation of a number of shares in the company (the capital reduction) to extinguish its accumulated losses as shown in its latest financial statements for the year ended December 31, 2019. (ADX)
- **Dana Gas says potential sale of assets in Egypt impacted by COVID-19 –** Dana Gas's strategic review of its assets in Egypt, including the potential sale of those assets, is still ongoing. This process has been impacted by the current COVID 19 pandemic and will not be completed by the end of March 2020 as originally hoped. Given the rapidly changing circumstances arising from the global reaction to the COVID 19 pandemic, the Company is not able to predict when this process may complete. The Company will update the market in relation to further developments as and when they arise. (ADX)
- **MSCI to postpone implementation date of Kuwait reclassification –** MSCI Inc. stated it will postpone the implementation of the reclassification of the MSCI Kuwait Indexes to Emerging Markets until the November 2020 Semi-Annual Index Review. While the Kuwaiti equity market remains functional the decision to postpone is related to the impact that the COVID-19 pandemic is having on the ability of international institutional investors to fully perform all the preparation work required ahead of the implementation, MSCI stated. MSCI intends to follow its Global Investable Market Indexes Methodology and implement the May 2020 Semi-Annual Index Review as scheduled. MSCI will continue to monitor market conditions in the coming weeks and will consider postponing or canceling the May 2020 SAIR only if warranted by extreme market conditions. (Bloomberg)
- **Kuwait oil minister says intention at OPEC+ meeting to reduce output by 10mn-15mn bpd –** Kuwait's Oil Minister, Khaled Al-Fadhel said talks with countries attending an OPEC+ meeting are intended to move toward reaching an agreement to reduce production by 10mn -15mn bpd, Kuwait's Al-Rai newspaper reported early on Thursday. He said in an interview with the newspaper: "Through our continuous consultations the past weeks, I affirm that the intention is moving towards reaching an agreement to reduce production by a large amount ranging between 10-15mn bpd out of a production of 100mn barrels globally, to restore balance to markets and prevent further decline in prices during the coming period", Al-Rai reported. OPEC and its allies will meet on Thursday to discuss a sharp fall in global crude oil prices. (Reuters)
- **Bahrain to spend $570mn on private sector salaries –** Bahrain's government will spend $570mn in salaries for 100,000 private sector workers from April to June to help with the impact of the coronavirus outbreak, the labor ministry stated. The government will also pay electricity and water bills for all Bahraini citizens and businesses and will extend some tax breaks on properties and tourism, it stated. The initiative is part of a $11bn stimulus package announced by the government for the private sector to mitigate the impact on the economy from the outbreak. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,646.14	(0.1)	1.6	8.5
Silver/Ounce	14.96	(0.4)	4.0	(16.2)
Crude Oil (Brent)/Barrel (FM Future)	32.84	3.0	(3.7)	(50.2)
Crude Oil (WTI)/Barrel (FM Future)	25.09	6.2	(11.5)	(58.9)
Natural Gas (Henry Hub)/MMBtu	1.86	5.7	24.0	(11.0)
LPG Propane (Arab Gulf)/Ton	29.38	4.0	(1.3)	(28.8)
LPG Butane (Arab Gulf)/Ton	29.13	2.6	(8.3)	(55.5)
Euro	1.09	(0.3)	0.5	(3.2)
Yen	108.83	0.1	0.3	0.2
GBP	1.24	0.4	0.9	(6.6)
CHF	1.03	(0.3)	0.5	(0.5)
AUD	0.62	1.0	3.9	(11.3)
USD Index	100.12	0.2	(0.5)	3.9
RUB	74.95	(0.8)	(2.0)	20.9
BRL	0.20	2.0	4.4	(21.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,940.08	2.4	9.2	(17.7)
DJ Industrial	23,433.57	3.4	11.3	(17.9)
S&P 500	2,749.98	3.4	10.5	(14.9)
NASDAQ 100	8,090.90	2.6	9.7	(9.8)
STOXX 600	326.67	(0.3)	6.5	(24.0)
DAX	10,332.89	(0.5)	9.2	(24.4)
FTSE 100	5,677.73	0.1	6.4	(29.6)
CAC 40	4,442.75	(0.2)	7.7	(28.1)
Nikkei	19,353.24	2.3	8.5	(18.0)
MSCI EM	873.85	(0.5)	5.1	(21.6)
SHANGHAI SE Composite	2,815.37	(0.5)	2.2	(9.0)
HANG SENG	23,970.37	(1.2)	3.2	(14.6)
BSE SENSEX	29,893.96	(1.0)	8.8	(32.1)
Bovespa	78,624.60	4.0	16.2	(47.3)
RTS	1,114.60	1.3	6.2	(28.0)

Source: Bloomberg (*$ adjusted returns)

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