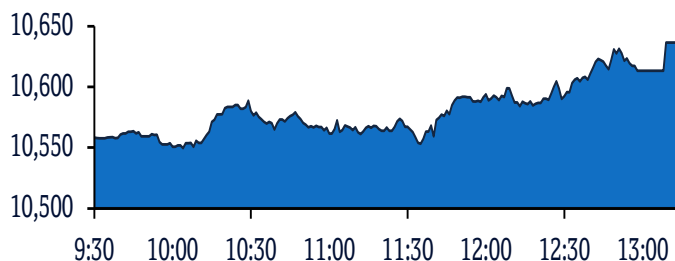


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.7% to close at 10,636.7. Gains were led by the Insurance and Industrials indices, gaining 1.0% and 0.9%, respectively. Top gainers were Qatar Islamic Bank and Qatar Industrial Manufacturing Company, rising 2.9% and 2.8%, respectively. Among the top losers, Salam International Investment Limited fell 2.7%, while Investment Holding Group was down 2.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.4% to close at 8,474.8. Gains were led by the Media & Entertainment and Food & Staples Retailing indices, rising 3.8% and 2.7%, respectively. AXA Cooperative Insurance rose 9.8%, while Tihama Advertising & Public was up 7.6%.

Dubai: The DFM Index gained 1.0% to close at 2,802.9. The Consumer Staples and Discretionary index rose 2.1%, while the Services index gained 1.8%. Takaful Emarat Insurance rose 14.6%, while Al Salam Sudan was up 13.6%.

Abu Dhabi: The ADX General Index gained 1.1% to close at 5,168.6. The Real Estate index rose 3.4%, while the Banks index gained 1.3%. National Bank of Umm Al Qaiwain rose 14.7%, while Ras Al Khaimah Cement Company was up 5.7%.

Kuwait: The Kuwait All Share Index gained 1.7% to close at 6,333.3. The Banks index rose 2.0%, while the Telecommunications index gained 1.7%. Burgan Co. for Well Drilling rose 20.9%, while Alargan International Real Estate Co. was up 10.1%.

Oman: Market was closed on January 14, 2020.

Bahrain: The BHB Index gained 1.2% to close at 1,620.4. The Commercial Banks index rose 1.9%, while the Industrial index gained 1.1%. Esterad Investment Company rose 3.7%, while Ahli United Bank was up 3.1%.

Market Indicators	14 Jan 20	13 Jan 20	%Chg.
Value Traded (QR mn)	258.1	298.4	(13.5)
Exch. Market Cap. (QR mn)	591,593.4	588,597.2	0.5
Volume (mn)	75.2	120.3	(37.4)
Number of Transactions	4,204	5,937	(29.2)
Companies Traded	44	45	(2.2)
Market Breadth	26:13	28:14	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,572.43	0.7	1.8	2.0	15.5
All Share Index	3,158.41	0.6	1.8	1.9	15.9
Banks	4,351.19	0.5	2.0	3.1	15.2
Industrials	2,934.15	0.9	1.3	0.1	20.2
Transportation	2,563.29	0.3	1.9	0.3	13.7
Real Estate	1,575.21	0.1	1.3	0.6	11.8
Insurance	2,798.37	1.0	2.8	2.3	16.0
Telecoms	886.25	0.6	0.6	(1.0)	15.1
Consumer	8,696.14	0.5	2.1	0.6	19.3
Al Rayan Islamic Index	3,976.25	0.6	1.5	0.6	16.5

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
DP World	Dubai	13.50	4.2	1,396.9	3.1
Aldar Properties	Abu Dhabi	2.24	3.7	19,522.5	3.7
Ahli United Bank	Bahrain	1.07	3.1	2,458.1	1.9
Gulf Bank	Kuwait	0.31	3.0	14,257.1	3.6
Qatar Islamic Bank	Qatar	16.00	2.9	1,481.0	4.4

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Dar Al Arkan Real Estate	Saudi Arabia	10.68	(3.6)	23,210.6	(2.9)
National Shipping Co.	Saudi Arabia	39.75	(1.9)	650.3	(0.6)
Emaar Malls	Dubai	1.87	(1.1)	5,663.6	2.2
Masraf Al Rayan	Qatar	4.11	(0.7)	6,540.8	3.8
Co. for Cooperative Ins.	Saudi Arabia	78.50	(0.6)	135.2	2.3

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%
Qatar Islamic Bank	16.00	2.9	1,481.0	4.4
Qatar Industrial Manufacturing Co	3.65	2.8	27.4	2.2
Al Khaleej Takaful Insurance Co.	1.98	2.1	753.7	(1.0)
Vodafone Qatar	1.16	1.8	4,284.8	0.0
Doha Insurance Group	1.17	1.7	13.5	(2.5)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.58	(2.5)	12,596.1	2.0
Masraf Al Rayan	4.11	(0.7)	6,540.8	3.8
Doha Bank	2.94	(1.3)	5,211.8	16.2
Mesaieed Petrochemical Holding	2.35	1.7	5,089.9	(6.4)
United Development Company	1.54	0.7	4,924.6	1.3

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.51	(2.7)	1,934.0	(1.4)
Investment Holding Group	0.58	(2.5)	12,596.1	2.0
Gulf Warehousing Company	5.32	(2.4)	510.4	(2.9)
Doha Bank	2.94	(1.3)	5,211.8	16.2
Masraf Al Rayan	4.11	(0.7)	6,540.8	3.8

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	21.00	0.2	56,025.8	2.0
Masraf Al Rayan	4.11	(0.7)	26,858.8	3.8
Qatar Islamic Bank	16.00	2.9	23,420.8	4.4
The Commercial Bank	4.99	0.4	17,213.3	6.2
Doha Bank	2.94	(1.3)	15,506.5	16.2

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*	10,636.70	0.7	1.8	2.0	2.0	70.53	161,445.8	15.5	1.6	4.0
Dubai	2,802.90	1.0	2.0	1.4	1.4	72.30	103,233.8	11.1	1.0	4.2
Abu Dhabi	5,168.62	1.1	1.8	1.8	1.8	47.80	144,336.9	15.8	1.4	4.8
Saudi Arabia	8,474.81	0.4	1.5	1.0	1.0	1,200.84	2,387,488.5	22.8	1.9	3.2
Kuwait	6,333.26	1.7	1.7	0.8	0.8	216.23	118,667.2	15.6	1.5	3.4
Oman#	3,977.16	0.8	(0.7)	(0.1)	(0.1)	4.56	17,126.9	7.5	0.7	7.5
Bahrain	1,620.36	1.2	1.4	0.6	0.6	11.78	25,381.2	12.9	1.0	4.8

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 January 09, 2020)

Qatar Market Commentary

- The QE Index rose 0.7% to close at 10,636.7. 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 Islamic Bank and Qatar Industrial Manufacturing Company were the top gainers, rising 2.9% and 2.8%, respectively. Among the top losers, Salam International Investment Limited fell 2.7%, while Investment Holding Group was down 2.5%.
- Volume of shares traded on Tuesday fell by 37.4% to 75.2mn from 120.3mn on Monday. However, as compared to the 30-day moving average of 73.8mn, volume for the day was 1.9% higher. Investment Holding Group and Masraf Al Rayan were the most active stocks, contributing 16.7% and 8.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	20.41%	35.45%	(38,821,824.46)
Qatari Institutions	27.27%	37.04%	(25,220,729.93)
Qatari	47.68%	72.49%	(64,042,554.39)
GCC Individuals	1.00%	1.19%	(491,106.95)
GCC Institutions	1.56%	0.85%	1,823,838.84
GCC	2.56%	2.04%	1,332,731.89
Non-Qatari Individuals	4.66%	8.35%	(9,517,599.70)
Non-Qatari Institutions	45.11%	17.12%	72,227,422.20
Non-Qatari	49.77%	25.47%	62,709,822.50

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
United Wire Factories Co.	Saudi Arabia	SR	724.4	35.4%	32.4	90.6%	22.1	211.3%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/14	US	Bureau of Labor Statistics	CPI MoM	Dec	0.2%	0.3%	0.3%
01/14	US	Bureau of Labor Statistics	CPI Ex Food and Energy MoM	Dec	0.1%	0.2%	0.2%
01/14	US	Bureau of Labor Statistics	CPI YoY	Dec	2.3%	2.4%	2.1%
01/14	US	Bureau of Labor Statistics	CPI Ex Food and Energy YoY	Dec	2.3%	2.3%	2.3%
01/14	US	Bureau of Labor Statistics	CPI Core Index SA	Dec	265.921	266.111	265.62
01/14	US	Bureau of Labor Statistics	CPI Index NSA	Dec	256.974	257.169	257.208
01/14	Japan	Ministry of Finance Japan	BoP Current Account Balance	Nov	¥1436.8bn	¥1423.3bn	¥1816.8bn
01/14	Japan	Ministry of Finance Japan	BoP Current Account Adjusted	Nov	¥1794.9bn	¥1776.8bn	¥1732.2bn
01/14	Japan	Ministry of Finance Japan	Trade Balance BoP Basis	Nov	-¥2.5bn	¥101.5bn	¥254.0bn
01/14	China	Customs General Administration	Exports YoY CNY	Dec	9.0%	2.9%	1.3%
01/14	China	Customs General Administration	Imports YoY CNY	Dec	17.7%	8.6%	2.5%
01/14	China	National Bureau of Statistics	Exports YoY	Dec	7.6%	2.9%	-1.3%
01/14	China	National Bureau of Statistics	Imports YoY	Dec	16.3%	9.6%	0.3%
01/14	China	Customs General Administration	Trade Balance CNY	Dec	329.27bn	317.5bn	274.21bn
01/14	China	National Bureau of Statistics	Trade Balance	Dec	\$46.79bn	\$45.7bn	\$38.73bn
01/14	India	Press Information Bureau of In	Wholesale Prices YoY	Dec	2.59%	2.42%	0.58%

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 4Q2019 results	No. of days remaining	Status
QIBK	Qatar Islamic Bank	15-Jan-20	0	Due
ABQK	Ahli Bank	16-Jan-20	1	Due
MARK	Masraf Al Rayan	20-Jan-20	5	Due
KCBK	Al Khalij Commercial Bank	20-Jan-20	5	Due
MRDS	Mazaya Qatar Real Estate Development	22-Jan-20	7	Due
DHBK	Doha Bank	26-Jan-20	11	Due
QIIK	Qatar International Islamic Bank	28-Jan-20	13	Due
QFLS	Qatar Fuel Company	29-Jan-20	14	Due
CBQK	The Commercial Bank	29-Jan-20	14	Due
IHGS	Islamic Holding Group	29-Jan-20	14	Due
NLCS	Aljjarah Holding	30-Jan-20	15	Due
MCGS	Medicare Group	4-Feb-20	20	Due
DOHI	Doha Insurance Group	12-Feb-20	28	Due

Source: QSE

News

Qatar

- QNB Group delivers record profit for 2019** – For the year ended 31 December 2019, Net Profit topped QAR14.4 billion, an increase of 4% compared to last year. Operating Income increased by 4% to QAR25.6 billion. This reflects QNB Group's success in maintaining growth across the range of revenue sources. The Group's drive for operational efficiency is yielding cost-savings in addition to sustainable revenue generating sources. This helped QNB Group to maintain a strong efficiency (cost to income) ratio of 25.9%, which is considered one of the best ratios among large financial institutions in the MEA region. Total Assets reached QAR945 billion, an increase of 10% from last year. Solid growth in Loans and Advances by 10% achieving QAR679 billion, which contributed to the growth in Total Assets. This was mainly funded by strong customer deposits generation which helped to increase customer deposits by 10%, to reach QAR684 billion from 31 December 2018. QNB's robust asset liability management capabilities helped QNB Group to improve its loans to deposits ratio to 99.2% as at 31 December 2019. The ratio of non-performing loans to gross loans amounted to 1.9% as at 31 December 2019, one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. The Group's conservative policy in regard to provisioning resulted in the coverage ratio at 100% as at 31 December 2019. Group Capital Adequacy Ratio (CAR) as at 31 December 2019 amounted to 18.9%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. Currency headwinds in our core markets had limited impact on the CAR. QNB Group's solid financial strength is supported by top tier credit ratings that continues to attract institutional, corporate and individual customers to bank with QNB, and for investors and markets to believe in the Group's strong financial position and strategy. QNB remains the highest-rated bank in Qatar and one of the highest-rated banks in the world with ratings of Aa3 from Moody's, A from S&P and A+ from Fitch. During 2019, QNB successfully closed the syndication of its

EUR2.0 billion three-year senior unsecured term loan facility, successful completion of a USD1.0 billion bond issuance and a USD850 million Formosa bond issuances under its Euro Medium Term Note (EMTN) Programme in the international capital markets. These deals attracted strong interest around the world from key global investors, reflecting investors' confidence in QNB Group's financial strength and its position as the largest financial institution in the Middle East and Africa region. It also reflects their trust and confidence in QNB Group's strategy over the coming years. In September 2019, QNB Group obtained the regulatory approvals from Hong Kong Monetary Authority (HKMA) to open a branch in Hong Kong, one of the world's global financial hubs. The branch will provide a full range of banking products and services to corporate entities. Based on the Group's continuous strong performance, driven by its strength and international footprint, QNB has been recognized as the most valuable banking brand in the MEA region by Brand Finance (2019), with its brand value increasing to USD5.04 billion to rise to the 60th place globally. QNB continued its outstanding achievements by topping the Middle East and Africa (MEA) region, on the Banker magazine's Top 1000 World Banks list. (QNB Group press release)

- GWCS' bottom line rises 10.6% YoY and 13.8% QoQ in 4Q2019, beating our estimate** – Gulf Warehousing Company's (GWCS) net profit rose 10.6% YoY (+13.8% QoQ) to QR67.6mn in 4Q2019, beating our estimate of QR63.2mn (variation of +7.0%). The company's revenue came in at QR306.7mn in 4Q2019, which represents an increase of 1.6% YoY. However, on QoQ basis, revenue fell 2.8%. EPS amounted to QR0.43 in FY2019 as compared to QR0.39 in FY2018. In FY2019, GWCS posted a net profit of QR249.5mn in 2019, up 10.0% on the previous year. GWCS' gross revenues reached QR1.2bn at the end of 2019. The company's board of directors has recommended 20% cash dividend to shareholders, which is subject for discussion and approval during the company's annual general meeting to be held on February 3. In case of the required quorum is not achieved, a second meeting will take place on February 10, 2020.

GWCS' board approved the budget of year 2020 as QR260.4mn. GWCS' Chairman, Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al Thani said, "Our support for Qatar has formed the building blocks of our operational excellence. We are pursuing all opportunities locally and internationally that ensure we are the provider of choice for innovative logistics and supply chain solutions to enable the business community to focus on their core operations and achieve their objectives." The company's comprehensive solutions have set a benchmark for logistics excellence in the market, which in turn has led to new contracts and opportunities. One such opportunity was the agreement with FIFA making GWCS the first Official National Supporter of the FIFA Club World Cup Qatar 2019. GWCS was entrusted with carrying out the complex logistics requirements for the tournament as the official logistics provider. The company's continued excellence in developing logistics infrastructure, such as the Logistics Village Qatar, GWC Bu Sulba Warehousing Park, and the oil and gas client-specific logistics bases in Ras Laffan Industrial City also led to a new award by Manateq to GWCS for a "develop-build-finance-operate-transfer" contract for the establishment of the 1.48mn square meter Al Wukair Logistics Park. (QNB FS Research, QSE, Gulf-Times.com)

- **Medicare Group to hold its board meeting on February 4 to discuss the financial statements** – Medicare Group announced that its board of directors will meet on February 4, 2020 to discuss financial statements for the period ended December 31, 2019. (QSE)
- **Qatar's cost of living drops 0.33% in December** – Qatar's cost of living, based on consumer price index (CPI) inflation, declined 0.33% YoY in December 2019, mainly on fall in the indices of housing, utilities, transport and recreation, according to official statistics. The country, however, witnessed a 0.46% jump in inflation on a monthly basis, according to the figures released by the Planning and Statistics Authority (PSA). The index of housing, water, electricity and other fuels - with a weight of 21.89% in the CPI basket - saw a 2.61% and 0.37% decline YoY and MoM respectively in December 2019. The CPI of December 2019 excluding "housing, water, electricity, gas and other fuels", expanded 0.3% and 0.69% on yearly and monthly basis respectively. The index of transport, which has 14.59% weightage, tanked 2.17% YoY but shot up 1.17% MoM in December 2019. The index of Recreation and Culture, which have 12.68% weightage in the CPI basket, saw a 2.89% plunge YoY but surged 4.9% MoM in December 2019. Communication, which carries 5.87% weight, saw its group index shrank 0.11% on yearly basis but treaded a flat path month-on-month in December last year. The index of health, which carries 1.79% weightage, was down 0.07% on a yearly basis, even as it was flat month-on-month in December 2019. (Gulf-Times.com)
- **Ashghal sets fee for services** – The Public Works Authority's (Ashghal) fees for its services to establishments and individuals, as per the Ministerial Resolution (No. 211) of 2019, will come into effect from today. The services are divided into three categories: connecting to networks, usage of the networks and providing permits for services related to the operation and maintenance of both drainage and road networks, according to a statement. The foul water network services include the drainage of water from houses and organizations to the sewage water network. This

service is provided free of charge to Qatari houses. For non-Qatari houses and all organizations, the fee is 20% of the monthly water bill by the Qatar General Electricity and Water Corporation (Kahramaa). Ashghal provides the service to connect the first house for Qataris to sewage water network free of charge. For the second house or more, the service charge is QR12,000. The service fee to connect the first house for non-Qataris to the foul water network is QR6,000. While the service for the second house (or more) connection, the service fee will be QR12,000. For all types of organizations, the service fee to connect to the foul water network is QR12,000. The fee for issuing and renewing permits for sewage water tankers is QR50 while the fee to discharge the foul water via tankers into the treatment plants is QR1 per cubic meter. (Gulf-Times.com)

- **HIA handles one million passengers with ease in first week of January** – Hamad International Airport (HIA) has announced that it handled a record one million passengers with an average of 138,649 passengers daily, the largest to date in a single day, in the first week of January 2020, the peak winter holiday period. The HIA also maintained its high standards of passenger experience and operational excellence during the period. Queuing times at key touch points of the airport were significantly reduced with average wait times as low as 1 minute 20 seconds at transfer security and 2 minutes 24 seconds at arrival immigration. Total 99.4% of passengers transferring through HIA queued for less than 5 minutes at transfer security screening, with the average wait time being only 1 minute 20 seconds. This is an industry-leading achievement which has been maintained throughout 2019 and was accomplished by training highly professional staff according to the latest international aviation security standards and as many as 49 screening lanes being operated simultaneously during peak times. (Qatar Tribune)

International

- **US to maintain tariffs on Chinese goods until Phase 2 deal** – The US will maintain tariffs on Chinese goods until the completion of a second phase of a US-China trade agreement, US Treasury Secretary, Steven Mnuchin said, a day before the two sides are to sign an interim deal. He told reporters that President, Donald Trump could consider easing tariffs if the world's two largest economies move quickly to seal a follow-up agreement. "If the president gets a Phase 2 in place quickly, he will consider releasing tariffs as part of Phase 2," he said. (Reuters)
- **US consumer prices gain slightly; underlying inflation tame** – US consumer prices rose slightly in December even as households paid more for healthcare, and monthly underlying inflation slowed, supporting the Federal Reserve's desire to keep interest rates unchanged at least through this year. The weak inflation report from the Labor Department came on the heels of data last week showing a moderation in job growth in December. Economists said these developments were flagging a sharp slowdown in domestic demand. Though the economy appears to have maintained a steady pace of growth in the fourth quarter, it was likely supported by falling imports. "This is giving rise to the fear that maybe economic demand is showing early signs of hitting a new soft patch for growth that will carry into the first quarter of 2020," Chief Economist at MUFG in New York, Chris Rupkey said. "The Federal Reserve is on the sidelines this year,

but that could swiftly change if overall economic demand weakens and inflation shows little sign of returning to target.” The Labor Department said its consumer price index increased 0.2% last month after climbing 0.3% in November. The monthly increase in the CPI has been slowing since jumping 0.4% in October. In the 12 months through December, the CPI rose 2.3%. That was the largest increase since October 2018 and followed a 2.1% gain YoY in November. The CPI accelerated 2.3% in 2019, the largest rise since 2011, after increasing 1.9% in 2018. Economists polled by Reuters had forecast the CPI would rise 0.3% in December and advance 2.3% on a YoY basis. (Reuters)

- **US Treasury drops China currency manipulator label ahead of trade deal signing** – The US Treasury Department dropped its designation of China as a currency manipulator days before top officials of the world’s two largest economies were due to sign a preliminary trade agreement to ease an 18-month-old tariff war. The widely expected decision came in a long-delayed semi-annual currency report, reversing an unexpected move by Treasury Secretary, Steven Mnuchin last August at the height of US-China trade tensions. Steven Mnuchin had accused China of deliberately holding down the value of its Yuan currency to create an unfair trade advantage, just hours after US President, Donald Trump, angered at the lack of progress in trade negotiations, had also accused China of manipulating its currency. The Treasury Department had not labeled China a currency manipulator since 1994. Beijing had recently met just one of the department’s three criteria needed for such a designation - a large bilateral trade surplus with the US. In its latest currency report, the Treasury said that as part of the Phase 1 trade deal, China had made “enforceable commitments to refrain from competitive devaluation” and agreed to publish relevant data on exchange rates and external balances. Chinese Vice Premier, Liu He arrived in Washington for a White House ceremony to sign the trade deal with Trump. People familiar with the negotiations said that although the manipulator designation had no real consequences for Beijing, its removal was an important symbol of goodwill for Chinese officials. (Reuters)
- **USTR: US, Japan, EU to meet on China ahead of Wednesday trade deal signing** – Top trade officials from the US, Japan and the European Union (EU) will huddle in Washington to address non-market-oriented trade policies and subsidies by China, a day before Washington and Beijing finalize a preliminary trade deal. US Trade Representative, Robert Lighthizer met with his Japanese counterpart, Hiroshi Kajiyama, and will meet for bilateral talks with EU Trade Commissioner Phil Hogan on Thursday, a USTR spokesman said. The meetings bookend Wednesday’s signing of a Phase I trade agreement between the US and China that is aimed at defusing an 18-month war of tit-for-tat tariffs that have roiled financial markets and dragged down global growth. The Information Technology & Innovation Foundation think-tank urged all three parties to abandon their recent bilateral, non-World Trade Organization (WTO) measures against each other and focus instead on building a concerted response to what it described as China’s dangerous mercantilist practices. “Without aggressive, coordinated action, leading economies in Europe, Asia and North America are likely to face a crushing wave of unfair competition – and have fewer jobs as a result. Once a nation or region loses an advanced industry to

China, it will be virtually impossible to resurrect,” the group wrote in a report released. (Reuters)

- **China central bank injects fresh short- and medium-term loans but keeps rates unchanged** – China’s central bank extended fresh short- and medium-term loans on Wednesday but kept the borrowing cost unchanged, as it seeks to maintain adequate liquidity in a slowing economy without flooding the banking system. The People’s Bank of China (PBOC) said on its website the interest rate on one-year MLF loans CNMLF1YRRP=PBOC remained at 3.25%, unchanged from the previous operations. It injected 300 billion Yuan (\$43.51bn) via the liquidity tool. The PBOC also extended 100 billion Yuan of 14-day reverse repos with the interest rate unchanged at 2.65%. There is no maturing MLF loan or reverse repo on Wednesday, and the unexpected fund injection came as cash demand surged ahead of the week-long Lunar New Year holiday. The MLF now acts as a guide for the PBOC’s new lending benchmark Loan Prime Rate (LPR), which will release its monthly fixing next Monday. (Reuters)
- **China to ramp up US buys under trade deal, but sceptics question targets** – China has pledged to buy almost \$80bn of additional manufactured goods from the US over the next two years as part of a trade war truce, according to a source, though some US trade experts call it an unrealistic target. Under the trade deal to be signed today in Washington, China would also buy over \$50bn more in energy supplies and boost purchases of US services by about \$35bn over the same two-year period, the source told Reuters. The Phase 1 agreement also calls for Chinese purchases of US agricultural goods to increase by some \$32bn over two years, or roughly \$16bn a year, sources said, who was briefed on the deal. When combined with the \$24bn US agricultural export baseline in 2017, the total gets close to the \$40bn annual goal touted earlier by US President, Donald Trump. (Reuters)
- **RBI may put rate cuts on extended pause after spike in inflation** – A spike in India’s retail inflation in December has raised the chances the Reserve Bank of India (RBI) will put rate cuts on hold for some time despite economic growth languishing at more than six-year lows. Some economists believe RBI’s monetary policy committee (MPC) may even change its stance from ‘accommodative’ to ‘neutral’ at its February meeting. RBI has cut rates by a total of 135 basis points in five moves in 2019 and shocked markets by holding rates steady at its December meeting. “With CPI inflation likely to persist above the RBI’s upper band of the target range of 2-6%, we cannot completely rule out the possibility of a shift in the policy stance to neutral,” Economist with Kotak Mahindra Bank, Upasna Bhardwaj said. India’s annual retail inflation rose to 7.35% in December - its highest in more than five years, data showed and well above the 6.2% predicted in a Reuters poll. (Reuters)
- **India’s annual electricity demand grows at slowest pace in six years** – India’s annual electricity demand in 2019 grew at its slowest pace in six years with December marking a fifth straight month of decline, government data showed, amid a broader economic slowdown that led to a drop in sales of everything from cars to cookies and also to factories cutting jobs. Electricity demand is seen as an important indicator of industrial output in the country and a sustained decline could mean a further slowdown in the economy. India’s power demand grew at 1.1% in 2019, data from the Central Electricity Authority showed, the

slowest pace of growth since a 1% uptick seen in 2013. The power demand growth slowdown in 2013 was preceded by three strong years of consumption growth of 8% or more. In December, the country's power demand fell 0.5% from the year-earlier period, representing the fifth straight month of decline, compared with a 4.3% fall in November. However, in Maharashtra and Gujarat, two of India's most industrialized provinces, monthly demand increased. In October, power demand had fallen 13.2% from a year earlier, its steepest monthly decline in more than 12 years, as a slowdown in Asia's third-largest economy deepened. Industry accounts for more than two-fifths of India's annual electricity consumption, while homes account for nearly a fourth and agriculture more than a sixth. The slower demand growth is a blow for many debt-laden power producers, who are facing financial stress and are owed over \$11bn by state-run distribution companies. (Reuters)

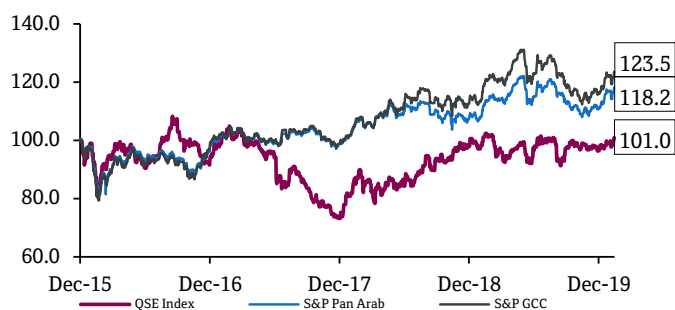
Regional

- **Saudi Arabia's Tadawul exchange plans London outpost** – According to sources, Saudi Arabia's national stock exchange (Tadawul) wants to establish a UK outpost in a bid to draw more institutional investors from overseas to the kingdom's capital markets. Saudi Arabia's Tadawul stock exchange has appointed headhunters to staff a new European hub in London. The plans are still at an early stage. (Bloomberg)
- **First asset-backed \$266mn Sukuk launched in Saudi Arabia** – Neo Merchants Capital launched a domiciled asset-backed Sukuk program, the first asset-backed SR-denominated Sukuk program in Saudi Arabia issued by a special purpose entity licensed by the Saudi Capital Market Authority (CMA). The SR1bn program will be privately offered in multiple series over two to three years. (Zawya)
- **Saudi's Dr. Sulaiman Al Habib Medical Group plans IPO in February** – Saudi Arabia's largest private hospital operator, Dr. Sulaiman Al Habib Medical Group, plans an IPO in February, according to sources. The hospital operator has appointed Jadwa Investment and Riyadh Capital as advisers on the deal, Bloomberg has reported. The Saudi healthcare firm's move will be the first IPO in Saudi Arabia after Aramco raised more than \$29bn in December 2019. In September 2019 Saudi Arabia's Capital Market Authority approved a sale of 52.5mn shares representing around 15% of the medical group's share capital. The company operates at least 14 medical facilities across Saudi Arabia, the UAE and Bahrain. (Zawya)
- **Seeq Corp. secures \$24mn expansion of Series B led by Saudi Aramco Unit** – Seeq Corporation, a leader in manufacturing and Industrial Internet of Things (IIoT) advanced analytics software, has secured a \$24mn expansion of its Series B funding. This expansion round is led by Saudi Aramco Energy Ventures. It includes participation by Altira Group, Chevron Technology Ventures, Second Avenue Partners, and other existing investors. (Bloomberg)
- **Gulf Capital aims to triple newly acquired fertility firm's clinics, expand internationally** – Gulf Capital, which acquired IVI-RMA's Middle East fertility treatment clinics for \$100mn, said it aims to triple the number of clinics and expand the company regionally and into Europe and Asia under a three-year plan. IVI-RMA Middle East clinics could be worth \$200mn in five years, the firm's CEO Suresh Soni told reporters. "Gulf Capital is actively targeting investments within the fast growing and defensive healthcare sector and has identified the fertility sub-sector as a key focus priority, given its expected double-digit growth rates across the region," Abu Dhabi-based Gulf Capital said in a statement. (Reuters)
- **Dubai business license issuance up 90% in 2019** – Dubai issued 38,377 new business licenses in 2019, a record growth of 90% compared to 2018 (20,129), a report by the Business Registration and Licensing sector at Dubai Economy said. The past year also saw a decrease in the number of licenses cancelled, compared to 2018, from 5,037 to 4,949, said the report. The businessmen who secured new licenses in 2019 included those from Britain, Saudi Arabia, India, China, Bangladesh, Pakistan, Egypt, Jordan, and Sudan. Dubai Economy said that the FDI Law contributed to attracting and encouraging foreign direct investment to Dubai's economic sectors and targeted activities, it said. Dubai Economy has opened new horizons for businesses in Dubai by restructuring economic activities, with 50 commercial activities and 35 light industrial activities converted into professional activities. The preparations and countdown to Expo 2020 Dubai have also contributed to attracting a large number of hospitality companies, restaurants, hotels and supply companies to invest in the city. (Zawya)
- **Abu Dhabi Bank, Bahrain fund kick off 2020 Mideast debt sales** – Abu Dhabi's biggest bank and Bahrain's sovereign wealth fund are tapping the debt market for a combined \$1bn, joining a deluge of emerging market bond deals to start the year. First Abu Dhabi Bank is seeking to raise \$500mn from an Islamic bond sale, while Mumtalakat Holding Co. opened books for a similar amount on Tuesday, according to term-sheets obtained by Bloomberg. Bahrain's GFH Financial Group mandated advisers for a sukuk sale. More debt sales are expected from big issuers such as Saudi Arabia in the coming weeks. Fahad Al-Saif, Head of Debt Management office at the kingdom's finance ministry, said in December the country may tap global debt markets as early as this month to help bridge its budget deficit. (Bloomberg)
- **First Abu Dhabi Bank sells \$500mn Sukuk** – First Abu Dhabi Bank, the largest lender in the UAE, is selling sukuk, or Islamic bonds, worth \$500mn dollars, a document by one of the banks leading the deal showed. The bank is marketing the paper with a profit rate equivalent to 90 basis points over mid-swaps. (Reuters)
- **Abu Dhabi plans to sell a \$2bn slice of its Private Equity Book** – The Abu Dhabi Investment Authority (ADIA) is preparing to sell around \$2bn of its stakes in private-equity funds, amid an increasing push toward direct investments by the sovereign wealth fund, according to sources. ADIA is working with advisers at PJT Park Hill on the proposed transaction. It plans to start marketing the deal to potential buyers within weeks. (Bloomberg)
- **Kuwait's budget to stay in red after half decade of deficits** – Kuwait unveiled budget proposals that forecast a wider deficit for the year starting April 1, outlining fiscal plans that include a drop of more than 6% in revenue while keeping spending unchanged. The deficit is projected at KD9.2bn, above the current year's estimate of KD8.3bn, Finance Minister Mariam Al-Aqeel said. That is after the transfer of 10% of total revenue to the Future Generations Fund, which invests abroad and is

managed by Kuwait Investment Authority, the country's sovereign wealth fund. The sixth straight budget shortfall will be financed by withdrawals from the Treasury or the country's General Reserve Fund, according to Al-Aqeel. Meanwhile, Kuwait said it did not plan to raise total spending in its state budget for the year ending on March 31, 2021. (Bloomberg, Reuters)

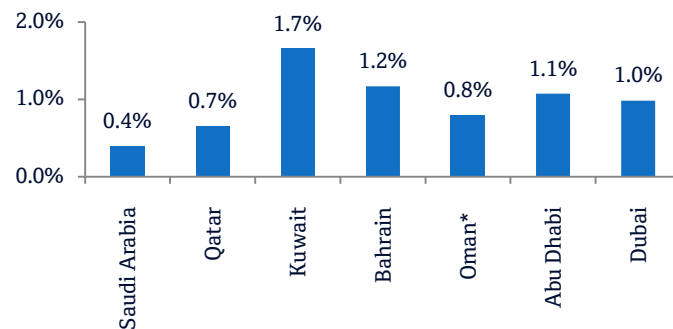
- **BIS Central Bank Hub expands on invites to Kuwait, Morocco, Vietnam** – The Bank for International Settlements (BIS) has invited the central banks of Kuwait, Morocco and Vietnam to join the institution. It is the first expansion of the Basel, Switzerland-based body since 2011, and takes total membership to 63. The BIS is often dubbed the central bank of central banks and serves as forum for policy makers to discuss global economic developments. (Bloomberg)
- **Esterad signs BHD2.3mn exit deal from United Cement Company** – Esterad Investment Company (Esterad) announced the sale of its investments in United Cement Company amount to BHD 2.3mn to Saudi Cement Company. The sale transaction is expected to reflect positively in the financial statements of the company during 4Q2019 (Bahrain Bourse)
- **Bahrain's Mumtalakat raises \$500mn in Islamic bonds** – Bahrain's sovereign wealth fund Mumtalakat raised \$500mn in Sukuk, or Islamic bonds, a document by one of the banks leading the deal showed. The seven-year Sukuk offer a profit rate of 4.25%, according to the document. Citi, Gulf International Bank, HSBC, KFH Capital, National Bank of Bahrain and Standard Chartered arranged the deal. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of January 09, 2020)

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,546.39	(0.1)	(1.0)	1.9
Silver/Ounce	17.80	(0.9)	(1.7)	(0.3)
Crude Oil (Brent)/Barrel (FM Future)	64.49	0.5	(0.8)	(2.3)
Crude Oil (WTI)/Barrel (FM Future)	58.23	0.3	(1.4)	(4.6)
Natural Gas (Henry Hub)/MMBtu	2.15	0.5	3.4	2.9
LPG Propane (Arab Gulf)/Ton	44.50	(1.7)	(3.0)	7.9
LPG Butane (Arab Gulf)/Ton	71.25	(1.0)	1.2	8.8
Euro	1.11	(0.1)	0.1	(0.8)
Yen	109.99	0.0	0.5	1.3
GBP	1.30	0.2	(0.3)	(1.8)
CHF	1.03	0.4	0.5	0.0
AUD	0.69	(0.0)	0.0	(1.7)
USD Index	97.37	0.0	0.0	1.0
RUB	61.44	0.3	0.6	(0.9)
BRL	0.24	0.4	(0.9)	(2.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,388.50	0.0	0.5	1.3
DJ Industrial	28,939.67	0.1	0.4	1.4
S&P 500	3,283.15	(0.2)	0.5	1.6
NASDAQ 100	9,251.33	(0.2)	0.8	3.1
STOXX 600	419.59	0.2	0.2	0.0
DAX	13,456.49	(0.0)	(0.1)	0.8
FTSE 100	7,622.35	0.3	0.1	(0.8)
CAC 40	6,040.89	(0.0)	0.1	0.2
Nikkei	24,025.17	0.2	0.2	0.4
MSCI EM	1,143.86	(0.0)	0.9	2.6
SHANGHAI SE Composite	3,106.82	(0.1)	1.0	3.0
HANG SENG	28,885.14	(0.3)	0.7	2.6
BSE SENSEX	41,952.63	0.0	1.0	2.2
Bovespa	117,632.40	0.3	0.5	(1.1)
RTS	1,604.96	(0.9)	(0.6)	3.6

Source: Bloomberg (*\$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNB FS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB FS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNB FS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNB FS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNB FS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNB FS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNB FS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNB FS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNB FS.