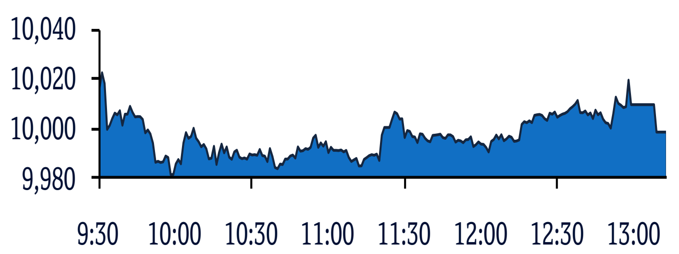
Daily Market Report

Sunday, 18 October 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 9,999.5. Losses were led by the Insurance and Consumer Goods & Services indices, falling 1.0% and 0.8%, respectively. Top losers were Salam International Investment Limited and Alijarah Holding, falling 2.9% and 2.6%, respectively. Among the top gainers, Gulf International Services gained 2.1%, while The Commercial Bank was up 1.2%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.4% to close at 8,553.8. Losses were led by the Food and Diversified Financials indices, falling 2.1% and 0.9%, respectively. Gulf General Coop. Ins. declined 5.9%, while Saudi Arabian Amiantit Co was down 3.6%.

Dubai: The DFM Index fell 1.1% to close at 2,194.6. The Investment & Financial Services index declined 1.7%, while the Consumer Staples index fell 1.5%. Gulf Navigation Holding declined 4.5%, while Ekttitab Holding Co. was down 4.3%.

Abu Dhabi: The ADX General Index fell 0.4% to close at 4,554.4. The Industrial index declined 1.4%, while the Banks index fell 0.9%. Abu Dhabi National Co. for Building Materials declined 4.8%, while Manazel Real Estate was down 3.2%.

Kuwait: The Kuwait All Share Index fell 0.2% to close at 5,735.2. The Insurance index declined 1.0%, while the Technology index fell 0.6%. Kuwait Investment Company declined 6.6%, while First Investment Company was down 5.8%.

Oman: The MSM 30 Index fell marginally to close at 3,593.6. Losses were led by the Industrial and Financial indices, falling 0.6% and 0.2%, respectively. Gulf Investments Serv. declined 9.6%, while Galfar Engg. & Contracting was down 8.9%.

Bahrain: The BHB Index gained 0.1% to close at 1,477.8. The Commercial Banks index rose 0.2%, while the Services index gained 0.1%. Ithmaar Holding rose 5.9%, while Bahrain Telecommunication Company was up 0.2%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.62	2.1	11,135.7	(5.6)
The Commercial Bank	4.15	1.2	1,674.7	(11.7)
INMA Holding	4.42	1.1	632.7	132.6
Ooredoo	6.78	0.8	1,204.8	(4.2)
Doha Bank	2.43	0.7	2,444.8	(4.0)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	2.22	0.5	25,590.8	261.0
Salam International Inv. Ltd.	0.69	(2.9)	23,792.1	34.2
Investment Holding Group	0.63	(1.7)	17,377.6	12.1
Mazaya Qatar Real Estate Dev.	1.20	(1.7)	15,446.7	66.2
Qatar Aluminium Manufacturing	1.07	(1.5)	12,916.9	37.5

Market Indicators	15 Oct 20	14 Oct 20	%Chg.
Value Traded (QR mn)	337.7	428.5	(21.2)
Exch. Market Cap. (QR mn)	595,612.1	597,636.5	(0.3)
Volume (mn)	166.4	182.5	(8.8)
Number of Transactions	7,219	6,958	3.8
Companies Traded	44	47	(6.4)
Market Breadth	9:32	9:36	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,223.64	(0.3)	(0.3)	0.2	16.5
All Share Index	3,091.61	(0.4)	(0.5)	(0.2)	17.4
Banks	4,129.92	(0.3)	(0.9)	(2.1)	14.2
Industrials	2,952.87	(0.4)	(0.7)	0.7	25.6
Transportation	2,825.82	0.2	(0.2)	10.6	13.4
Real Estate	2,076.69	(0.5)	0.4	32.7	16.4
Insurance	2,252.71	(1.0)	3.2	(17.6)	32.9
Telecoms	935.49	0.1	0.0	4.5	15.8
Consumer	8,111.13	(0.8)	0.0	(6.2)	28.3
Al Rayan Islamic Index	4,193.30	(0.4)	(0.3)	6.1	18.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Economic City	Saudi Arabia	10.74	6.3	53,654.4	12.5
Abu Dhabi Islamic Bank	Abu Dhabi	4.28	1.9	3,978.2	(20.6)
The Commercial Bank	Qatar	4.15	1.2	1,674.7	(11.7)
Ooredoo	Oman	0.37	1.1	389.0	(29.0)
Sohar International Bank	Oman	0.10	1.1	210.3	(11.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	10.05	(2.9)	2,763.1	(22.7)
Co. for Cooperative Ins.	Saudi Arabia	86.30	(2.3)	66.8	12.5
Saudi Industrial Inv.	Saudi Arabia	23.26	(2.2)	1,016.7	(3.1)
Rabigh Refining & Petro.	Saudi Arabia	15.56	(1.8)	3,430.5	(28.2)
Samba Financial Group	Saudi Arabia	29.50	(1.7)	1,354.5	(9.1)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.69	(2.9)	23,792.1	34.2
Alijarah Holding	1.27	(2.6)	10,006.1	80.7
Al Khaleej Takaful Insurance Co.	2.00	(2.4)	1,838.0	0.0
Medicare Group	8.95	(2.0)	469.0	5.9
Mazaya Qatar Real Estate Dev.	1.20	(1.7)	15,446.7	66.2

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	2.22	0.5	56,537.6	261.0
QNB Group	17.90	(0.9)	44,838.0	(13.1)
Qatar Islamic Bank	16.47	(0.2)	21,798.5	7.4
Mazaya Qatar Real Estate Dev.	1.20	(1.7)	18,429.6	66.2
Gulf International Services	1.62	2.1	18,130.7	(5.6)

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*	9,999.46	(0.3)	(0.3)	0.1	(4.1)	91.70	161,649.1	16.5	1.5	3.9
Dubai	2,194.63	(1.1)	(0.9)	(3.5)	(20.6)	44.54	84,045.6	8.0	0.8	4.4
Abu Dhabi	4,554.37	(0.4)	0.9	0.8	(10.3)	116.14	185,637.4	16.6	1.3	5.4
Saudi Arabia	8,553.79	(0.4)	1.7	3.1	2.0	3,073.04	2,452,260.0	30.8	2.1	2.3
Kuwait	5,735.23	(0.2)	0.2	5.3	(8.7)	154.39	104,565.4	31.5	1.4	3.4
Oman	3,593.63	(0.0)	(0.3)	(0.6)	(9.7)	10.19	16,308.3	11.2	0.7	6.9
Bahrain	1,477.84	0.1	1.3	3.0	(8.2)	2.76	22,572.1	13.8	0.9	4.5

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

Qatar Market Commentary

- The QE Index declined 0.3% to close at 9,999.5. The Insurance and Consumer Goods & Services indices led the losses. The index fell on the back of selling pressure from Arab and Foreign shareholders despite buying support from Qatari and GCC shareholders.
- Salam International Investment Limited and Alijarah Holding were the top losers, falling 2.9% and 2.6%, respectively. Among the top gainers, Gulf International Services gained 2.1%, while The Commercial Bank was up 1.2%.
- Volume of shares traded on Thursday fell by 8.8% to 166.4mn from 182.5mn on Wednesday. Further, as compared to the 30-day moving average of 341.8mn, volume for the day was 51.3% lower. Ezdan Holding Group and Salam International Investment Limited were the most active stocks, contributing 15.4% and 14.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	40.97%	48.99%	(27,087,948.4)
Qatari Institutions	30.15%	15.59%	49,186,912.0
Qatari	**71.12%**	**64.58%**	**22,098,963.6**
GCC Individuals	0.82%	1.02%	(671,081.1)
GCC Institutions	1.68%	1.37%	1,069,211.0
GCC	**2.50%**	**2.38%**	**398,129.9**
Arab Individuals	11.58%	12.49%	(3,071,557.5)
Arab	**11.58%**	**12.49%**	**(3,071,557.5)**
Foreigners Individuals	3.83%	3.30%	1,790,499.7
Foreigners Institutions	10.97%	17.25%	(21,216,035.7)
Foreigners	**14.80%**	**20.55%**	**(19,425,535.9)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Tabuk Cement Co.	Saudi Arabia	SR	71.5	22.3%	13.8	19.9%	9.5	88.3%
Yanbu Cement Co.	Saudi Arabia	SR	240.4	5.4%	83.2	26.6%	82.5	33.2%
Dhofar Fisheries & Food Ind. Co.#	Oman	OMR	7,224.2	6.2%	–	–	(999.5)	N/A
Gulf International Chemicals	Oman	OMR	1.9	11.9%	–	–	0.1	55.3%
Al Sharqiya Inv. Holding Co.*	Oman	OMR	1.0	3.2%	–	–	0.5	11.0%
Muscat Gases Co.*	Oman	OMR	11.9	68.1%	–	–	0.2	-25.2%
Oman Investment & Finance*	Oman	OMR	14.4	-9.6%	–	–	1.2	-51.2%
Dhofar International Development*	Oman	OMR	2.7	N/A	(7.5)	N/A	46.7	N/A
Takaful Oman Insurance*	Oman	OMR	–	–	–	–	1.6	-22.3%
National Gas Co.*	Oman	OMR	49.1	-7.9%	–	–	0.2	-84.8%
Ooredoo	Oman	OMR	66.3	-8.0%	–	–	4.9	-46.7%
Oman & Emirates Inv. Holding Co.	Oman	OMR	(0.1)	N/A	–	–	(2.0)	N/A
A'Saffa Foods*	Oman	OMR	23.2	1.3%	1.4	0.8%	1.0	-14.6%
Global Financial Inv. Holding	Oman	OMR	9,948.1	1.5%	–	–	35.2	N/A
Oman National Engineering & Inv.	Oman	OMR	40.1	1.9%	–	–	0.6	16.5%
Oman Cement Co.*	Oman	OMR	38.9	4.3%	–	–	2.8	5.6%
Oman Oil Marketing Co.*	Oman	OMR	331.6	-24.3%	–	–	0.01	-99.9%
Salalah Mills Co.*	Oman	OMR	39.4	4.7%	–	–	0.9	36.3%
Majan Glass Co.	Oman	OMR	9.0	9.1%	–	–	(0.9)	N/A
Galfar Engineering & Contracting*	Oman	OMR	152.5	-19.6%	–	–	(20.9)	N/A
Arabia Falcon Insurance Company*	Oman	OMR	12.2	1.7%	–	–	1.0	44.2%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for 9M2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10/15	US	Department of Labor	Initial Jobless Claims	10-Oct	898k	825k	845k
10/15	US	Department of Labor	Continuing Claims	3-Oct	10,018k	10,550k	11,183k
10/15	US	Bloomberg	Bloomberg Consumer Comfort	11-Oct	48.2	–	48
10/16	US	Federal Reserve	Industrial Production MoM	Sep	-0.6%	0.5%	0.4%
10/16	US	Federal Reserve	Capacity Utilization	Sep	71.5%	71.8%	72.0%
10/16	EU	Eurostat	Trade Balance SA	Aug	21.9bn	18.0bn	19.3bn
10/16	EU	Eurostat	Trade Balance NSA	Aug	14.7bn	–	27.9bn
10/16	EU	Eurostat	CPI MoM	Sep	0.1%	0.1%	0.1%
10/16	EU	Eurostat	CPI YoY	Sep	-0.3%	-0.3%	-0.3%
10/16	EU	Eurostat	CPI Core YoY	Sep	0.2%	0.2%	0.2%
10/15	France	INSEE National Statistics Office	CPI MoM	Sep	-0.5%	-0.5%	-0.5%
10/15	France	INSEE National Statistics Office	CPI YoY	Sep	0.0%	0.1%	0.1%
10/15	China	National Bureau of Statistics	PPI YoY	Sep	-2.1%	-1.8%	-2.0%
10/15	China	National Bureau of Statistics	CPI YoY	Sep	1.7%	1.9%	2.4%
10/15	India	Directorate General of Commercial	Trade Balance	Sep	-$2,720mn	-$3,000mn	-$6,770mn
10/15	India	Directorate General of Commerc	Exports YoY	Sep	6.0%	–	-12.7%
10/15	India	Directorate General of Commerc	Imports YoY	Sep	-19.6%	–	-26.0%

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 3Q2020 results	No. of days remaining	Status
IHGS	INMA Holding Group	18-Oct-20	0	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	19-Oct-20	1	Due
QEWS	Qatar Electricity & Water Company	19-Oct-20	1	Due
QIGD	Qatari Investors Group	19-Oct-20	1	Due
QNCD	Qatar National Cement Company	20-Oct-20	2	Due
GWCS	Gulf Warehousing Company	20-Oct-20	2	Due
MCGS	Medicare Group	20-Oct-20	2	Due
WDAM	Widam Food Company	21-Oct-20	3	Due
QNNS	Qatar Navigation (Milaha)	21-Oct-20	3	Due
ABQK	Ahli Bank	21-Oct-20	3	Due
QAMC	Qatar Aluminum Manufacturing Company	22-Oct-20	4	Due
KCBK	Al Khalij Commercial Bank	22-Oct-20	4	Due
QGMD	Qatari German Company for Medical Devices	22-Oct-20	4	Due
CBQK	The Commercial Bank	25-Oct-20	7	Due
QCFS	Qatar Cinema & Film Distribution Company	25-Oct-20	7	Due
MCCS	Mannai Corporation	26-Oct-20	8	Due
VFQS	Vodafone Qatar	26-Oct-20	8	Due
QIIK	Qatar International Islamic Bank	26-Oct-20	8	Due
DBIS	Dlala Brokerage & Investment Holding Company	26-Oct-20	8	Due
BLDN	Baladna	26-Oct-20	8	Due
BRES	Barwa Real Estate Company	27-Oct-20	9	Due
QGRI	Qatar General Insurance & Reinsurance Company	27-Oct-20	9	Due
IGRD	Investment Holding Group	27-Oct-20	9	Due
QIMD	Qatar Industrial Manufacturing Company	27-Oct-20	9	Due
IQCD	Industries Qatar	27-Oct-20	9	Due
QISI	Qatar Islamic Insurance Group	27-Oct-20	9	Due
DHBK	Doha Bank	27-Oct-20	9	Due
MRDS	Mazaya Qatar Real Estate Development	28-Oct-20	10	Due
QOIS	Qatar Oman Investment Company	28-Oct-20	10	Due
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-20	10	Due
SIIS	Salam International Investment Limited	28-Oct-20	10	Due
DOHI	Doha Insurance Group	28-Oct-20	10	Due
QFBQ	Qatar First Bank	28-Oct-20	10	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	10	Due
ORDS	Ooredoo	28-Oct-20	10	Due
UDCD	United Development Company	28-Oct-20	10	Due

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
AHCS	Aamal Company	28-Oct-20	10	Due
GISS	Gulf International Services	29-Oct-20	11	Due
NLCS	Alijarah Holding	29-Oct-20	11	Due
ZHCD	Zad Holding Company	29-Oct-20	11	Due
AKHI	Al Khaleej Takaful Insurance Company	29-Oct-20	11	Due

Source: QSE

News

Qatar

- **QDB issues guarantee to over 3,500 firms –** The stimulus package of Qatar Development Bank (QDB), as part of the Qatar's economic support program to local businesses to overcome the impact of the COVID-19 pandemic, has been increased by an additional QR2bn to QR5bn, the state-backed development agency has revealed. The QDB, which has been entrusted to support and promote Qatar's SMEs to establish a vibrant private sector and diversified economy, said that it has already issued support guarantees to more than 3,500 companies since the announcement of the incentive program. "The original stimulus package of the National Guarantee Program - which amounted to QR3bn - has recently been increased by an additional QR2bn, bringing the ceiling of the program to QR5bn," QDB told The Peninsula in an exclusive email interview. The program is part of the State's QR75bn financial stimulus package in response to the pandemic and is managed by QDB. In addition to raising its ceiling, the program has been extended till December 31, 2020," said the development bank in response to questions from this newspaper. QDB added, "Since its launch, the program has been playing a pivotal role in reducing the burdens of private sector companies and helping them overcome various challenges. To date, the program has issued guarantees to more than 3,500 companies." (Peninsula Qatar)
- **QCB's asset base posts double digit YoY expansion in August –** Higher official reserves, brought about by robust expansion in gold holdings and foreign securities, and balances with local lenders led the Qatar Central Bank (QCB) register substantial double-digit YoY expansion in its asset base this August. The central bank's official reserves witnessed 4.54% YoY jump to QR147.84bn in August this year. The yellow metal, which constituted 8% of the total official reserves of the central bank, saw 53.13% YoY surge to QR11.5bn in the review period, according to QCB's data. The central bank's foreign securities expanded 23.28% on a yearly basis to QR98.11bn, which amounted to 66% of the total official reserves in August this year. The foreign securities portfolio has seen consistent increase from December 2019 to June 2020, a period that also saw a similar pattern in the gold holdings of the central bank. The SDR (special drawing rights) holdings/International Monetary Fund reserves were up 3.72% YoY to QR1.95bn in the review period. Nevertheless, the QCB saw 30.83% YoY decline in balance with foreign banks to QR36.28bn or 25% of the total international reserves this August. (Gulf-Times.com)
- **Saudi Arabia's Foreign Minister hints at resolving Qatar blockade –** Saudi Arabia's Foreign Minister, Prince Faisal bin Farhan has signaled progress may be under way towards resolving the three-year-old rift with its Gulf neighbor Qatar, following a meeting in Washington with US Secretary of State Mike Pompeo. In 2017, Saudi Arabia along with the UAE, Bahrain and Egypt cut diplomatic and trade ties with Doha and imposed a sea, land and air blockade on the gas-rich nation. "We are committed to finding a solution," the Prince said in a virtual discussion hosted by the Washington Institute for Near East Policy, a think-tank, on Thursday. "We continue to be willing to engage with our Qatari brothers, and we hope that they are as committed to that engagement. We are committed to finding a solution," Prince Faisal said. (Al Jazeera)
- **HSBC highlights QNB Group's $600mn debut green bond, says sustainable finance gains momentum in Middle East –** According to HSBC, sustainable finance is gaining momentum in the Middle East and noted Qatar's QNB Group raising $600mn via its 'debut green bond', the largest green issuance by a financial institution in the Middle East. Issuing findings of its recent global survey, HSBC said it showed how sustainable finance is gaining momentum in the Middle East, with 'values' the main driver among issuers of bonds, loans and other securities in the region. The 'HSBC 2020 Sustainable Finance and Investing Survey' also highlights how the Middle East sustainable finance market is at an earlier stage of development than markets such as Europe, Asia and North America, with some contrasting results between investors and issuers. Among issuers in the Middle East, 93% say environmental and social (E&S) issues are important to them – but only 65% of investors feel that way (compared to the overall global average of over 90%). Within these majorities, the shares saying E&S issues are 'very important' are also lower than in other regions. Furthermore, just 7% of investors say they always take environmental, social and governance (ESG) factors into consideration in their investments and few support environmentally or socially desirable projects at the risk of lowering their returns. However, it should be noted that a large share of investors in the Middle East (41%, more than anywhere else) are intending to develop firm-wide policies on responsible investing or on ESG issues. (Gulf-Times.com)
- **Credit Suisse / QIA Joint Venture Aventicum Capital shuts stocks, credit Units –** Aventicum Capital Management, a joint venture between Credit Suisse Group AG and Qatar Investment Authority, plans to close two groups of funds and return the capital to investors. Credit Suisse and the QIA made the decision after a strategic review of Aventicum's investment units, a spokeswoman for the Swiss bank said in an emailed statement on Friday. The affected funds are managed by alternative equities and emerging markets credit units. Aventicum's European equity strategy had about 260 million euros ($305 million) in assets at the end of September, according to an investor document seen by Bloomberg. Its

European Alpha Fund lost 8.6% this year through September after losing money in previous two calendar years. Credit Suisse and QIA formed the Aventicum joint venture in 2012 and have a long-standing partnership in asset management. Last month, the two joined forces to form a multi-billion dollar direct private credit platform for companies in the U.S. and Europe. Aventicum will focus on expanding its real estate business as well as one that invests in Middle East and North Africa and frontier markets, according to the statement. (Bloomberg)

- **IGU stresses key role of natural gas in world's sustainable energy future –** The International Gas Union (IGU) has welcomed analysis in the International Energy Agency's latest World Energy Outlook (WEO), demonstrating the vital economic and environmental role natural gas will play in a sustainable energy future. In this year's Stated Policies Scenario (STEPS), the share of natural gas in global primary energy demand expands to about 25% by 2040. Gas will also retain a critical role in the Sustainable Development Scenario (SDS), retaining the 23% share in energy in two decades' time that it held last year. The WEO also stated, "There is a robust long-term case for gases in the energy system. In the SDS, there are services that gases provide that it would be difficult to provide cost effectively using other sources. These include high temperature heat for industry, winter heat for buildings and seasonal flexibility for power systems. Furthermore gas infrastructure is a valuable asset that can be repurposed over time to deliver large volumes of bio-methane or, with modifications, low-carbon hydrogen." IGU's President, Joe M Kang said that the report again confirms the critical role gas will play in the global energy transition. "Natural gas is a clean and versatile energy source that unlocks an opportunity for the planet to reliably meet the globally growing energy demand, reducing GHG emissions and urban pollution and allowing economies to grow," Kang said. (Gulf-Times.com)
- **Ezdan: Land lots outperform by controlling 55.7% of property sale volume in one week –** The property sale market has witnessed a significant rise in land sale transactions of all types, generating up to QR218.7mn or 55.7% of total sales value, according to Ezdan Real Estate's (Ezdan) weekly report. The report also stated that building sale deals of all kinds, including residences, residential buildings, and complexes amounted to QR173.8mn or 44.3% of the total volume. The breakdown of property sale activity registered from October 4 to 8, 2020 reflected a sales volume totaling QR392.5mn in the municipalities of Umm Salal, Al Khor, Al Thakhira, Doha, Al Rayyan, Al Shamal, Al Daayen, and Al Wakrah. The deals included vacant lands, residences, multi-use buildings, mixed-use space, and residential buildings, according to Ezdan's report, citing Real Estate Registration Department figures. (Gulf-Times.com)

International

- **IMF Chief: Vaccine cooperation, recovery could boost global income $9tn by 2025 –** Strong international cooperation on COVID-19 vaccines could speed up the world economic recovery and add $9tn (6.9tn Pounds) to global income by 2025, International Monetary Fund Managing Director Kristalina Georgieva said. Speaking at a news conference after a meeting of the IMF's steering committee, Georgieva also called on the US and China to keep up strong economic stimulus that could help boost a global recovery. She emphasized the need for vaccines to be distributed evenly across the world in both developing countries and wealthy nations, to boost confidence in travel, investment, trade and other activities. "If we may make fast progress everywhere, we could speed up the recovery. And we can add almost $9tn to global income by 2025, and that in turn could help narrow the income gap between richer and poorer nations," Georgieva said. "We need strong international cooperation and this is most urgent today for vaccine development and distribution," she said. Equitable and affordable access to COVID-19 therapeutics and vaccines globally will be key to avoiding long lasting scars on the world economy, the IMF's International Monetary and Financial Committee said in its statement. Georgieva also said she had "no doubt" that the US Congress and the White House would ultimately agree on another spending package but was uncertain about the timing. Some $3tn in US stimulus spending earlier this year "has been an important positive impulse and we would like to see how it would be continued again," she said. (Reuters)
- **Coronavirus spending pushes US 2020 fiscal year deficit to record $3.132tn –** The US budget deficit hit a record $3.132tn during fiscal 2020, more than triple the 2019 shortfall due to massive coronavirus rescue spending, the US Treasury said. The deficit more than doubled the previous record of $1.416tn in fiscal 2009, when the US was battling a financial crisis. At the start of the 2020 fiscal year ended September 30, the US government had been forecast to rack up a $1tn deficit before coronavirus lockdowns began in March, shutting down large portions of the travel, retail and small business sectors of the economy. Outlays for fiscal 2020 jumped $2.105tn from 2019 to a total of $6.55tn, with the increase made up almost entirely from coronavirus aid programs: increased healthcare costs, stimulus checks and unemployment compensation, along with the cost of small business and corporate rescue programs approved by Congress. As a result of programs that kept paychecks flowing to laid off workers through September, receipts for the full year fell only about 1% or $43bn from fiscal 2019, totaling $3.42tn. The final fiscal 2020 deficit numbers come as the Trump administration and Congress have been unable to agree on a new round of coronavirus stimulus, with many Senate Republicans calling for fiscal restraint in another package. (Reuters)
- **Trump would go higher than $1.8tn on coronavirus stimulus deal –** US President Donald Trump said on Thursday he would agree to go higher than the $1.8tn that the White House has offered in coronavirus stimulus funding to strike a deal with House Democrats, who are seeking $2.2tn. In an interview with Fox Business Network, Trump said there was a chance of getting a COVID-19 stimulus package passed before the November 3 presidential elections, though hopes for a deal have dimmed. (Reuters)
- **US manufacturing production unexpectedly drops in September –** US factory production unexpectedly fell in September, suggesting that manufacturing's recovery from the COVID-19 pandemic was slowing heading into the fourth quarter. Manufacturing production dropped 0.3% last month, the

Federal Reserve said on Friday. Data for August was revised up to show to output at factories increasing 1.2% instead of 1.0% as previously reported. Factory production remains 6.4% below its pre-pandemic level. Economists polled by Reuters had forecast manufacturing output would rise 0.7% in September. (Reuters)

- **US retail sales blow expectations in September; dark clouds gathering –** US retail sales accelerated in September, rounding out a strong quarter of economic activity, but the recovery from the COVID-19 recession is at a crossroads as government money runs out and companies continue to lay off workers. New coronavirus cases are also surging across the country, which could lead to restrictions on businesses like restaurants, gyms and bars, and undercut consumer spending. The economy is already shifting into lower gear. Other data on Friday showed an unexpected drop in output at factories last month. Retail sales jumped 1.9% last month as consumers bought motor vehicles and clothing, dined out and splashed out on hobbies. That followed an unrevised 0.6% increase in August. Economists polled by Reuters had forecast retail sales would rise 0.7% in September. Some said September's surge was likely exaggerated by difficulties stripping seasonal fluctuations from the data after the shock caused by COVID-19. Unadjusted retail sales fell 2.8% after dropping 1.0% in August. Retail sales have bounced back above their February level, with the pandemic boosting demand for goods that complement life at home, including furniture and electronics. An aversion to public transportation has boosted motor vehicle purchases. Retail sales rose 5.4% on a YoY basis in September. (Reuters)
- **Brexit brinkmanship: Johnson says prepare for no-deal, cancels trade talks –** Prime Minister Boris Johnson said on Friday it was now time to prepare for a no-trade deal Brexit unless the European Union fundamentally changed course, bluntly telling Brussels that there was no point in continuing the negotiations. A tumultuous "no deal" finale to the UK's five-year Brexit crisis would sow chaos through the delicate supply chains that stretch across Britain, the EU and beyond - just as the economic hit from the coronavirus pandemic worsens. At what was supposed to be the "Brexit summit" on Thursday, the EU delivered an ultimatum: it said it was concerned by a lack of progress and called on London to yield on key sticking points or see a rupture of ties with the bloc from January 1. "I have concluded that we should get ready for January 1 with arrangements that are more like Australia's based on simple principles of global free trade," Johnson said. EU heads of government, concluding a summit in Brussels on Friday, rushed to say that they wanted a trade deal and that talks would continue, though not at any price. German Chancellor Angela Merkel, Europe's most powerful leader, said it would be best to get a deal and that compromises on both sides would be needed. French President Emmanuel Macron said Britain needed a Brexit deal more than the 27-nation EU. "With high hearts and with complete confidence, we will prepare to embrace the alternative and we will prosper mightily as an independent free trading nation, controlling and setting our own laws," he added. (Reuters)
- **Moody's downgrades UK as COVID-19 and Brexit hit debt outlook –** Ratings agency Moody's cut the United Kingdom's debt rating on Friday over the huge economic hit from the coronavirus crisis, Brexit and the lack of clear budget plans from Prime Minister Boris Johnson's government. Moody's lowered the rating to "Aa3" from "Aa2," putting Britain on the same level as Belgium and the Czech Republic. The world's sixth-biggest economy shrank by the most among Group of Seven nations in the second quarter and its public debt has topped 2 trillion pounds ($2.6 trillion), surpassing 100% of GDP. Moody's said Britain's growth had been "meaningfully weaker than expected and is likely to remain so in the future." Britain faced a sharper peak-to-trough contraction than any other Group of 20 economy due to the severity of its COVID-19 outbreak, the size of its services sector, hammered by social-distancing rules, and the risk of further outbreaks, it said. The downgrade was another blow for Johnson who is under fire from opposition parties and lawmakers in his Conservative Party for his handling of the pandemic, which has killed more people in Britain than anywhere in Europe. Moody's said Britain's failure to reach a broad trade deal with the EU would compound the damage caused by COVID-19. (Reuters)
- **EU says still seeking Brexit accord despite Johnson's 'no-deal' rhetoric –** The European Union (EU) said it was continuing to work for a new Brexit accord, dismissing British Prime Minister Boris Johnson's no-deal rhetoric as hot air as stakes rise in the troubled trade talks ahead of a year-end deadline. Johnson said earlier on Friday it was time to prepare for a rupture in trade at the end of the year, accusing the 27-nation EU of refusing to negotiate seriously. "The EU continues to work for a deal, but not at any price," European Commission President Ursula von der Leyen said around an hour after Johnson's comments, which sent sterling lower. "As planned, our negotiation team will go to London next week to intensify these negotiations," she said on Twitter. Charles Michel, who chairs EU leaders' summits, echoed her remarks as two days of face-to-face talks among the bloc's national leaders concluded in Brussels on Friday. "We are totally united, totally determined to work to make an agreement possible -- but not at any cost," he said. "I hope it will be possible to make progress in the future." "The level playing field, fisheries and governance are very important topics for the EU," Michel told reporters, stressing also that Britain must fully implement its earlier divorce deal with the bloc to safeguard peace on the island of Ireland. (Reuters)
- **BOJ's deputy governor says central bank has plenty of tools to cushion blow from COVID-19 –** Bank of Japan Deputy Governor Masazumi Wakatabe said the central bank had plenty of tools to expand if it saw the need to ramp up stimulus for the economy or counter the negative impact a strong yen could have on inflation. While the BOJ did not directly target exchange rates in guiding policy, the central bank was carefully watching yen moves due to their impact on Japanese price moves, he said. "If we judge that inflation dynamics would be further eroded or weakened by exchange rate moves, that is the time we should think of taking policy action," Wakatabe said. "We've already set up a whole bunch of tools" that can be expanded, Wakatabe told a seminar on Friday. "We have to be innovative whenever we think about engaging in monetary policy." Under a policy dubbed yield curve control, the BOJ guides short-term interest rates at -0.1% and the 10-year government bond yield around 0%. It also buys massive

amounts of assets and pumps money to firms hit by COVID-19 via financial institutions using a new lending facility. Wakatabe said the BOJ would not rule out the possibility of deepening negative rates, shrugging off the view that doing so was no longer an option due to the strain that prolonged ultra-low rates was inflicting on bank profits. But he said any such move should be judged against the background of how it affects the entire shape of the yield curve. "If we need to do more easing, that's on the table," he said, when asked whether the BOJ could take other steps to influence the shape of the yield curve such as changing the maturity of bonds it targets under YCC. While concerns over the side-effects of prolonged easing were "understandable," the benefits of the BOJ's stimulus still outweighed the costs, he added. (Reuters)

- **Japan' Finance Minister shrugs off calls for big stimulus spending on pandemic –** Japan's finance minister on Friday brushed aside some ruling party lawmakers' calls for a big extra stimulus budget, saying the situation was different from earlier this year when massive fiscal support was needed amid a state of emergency. "Now that the state of emergency has been lifted, the situation is different" from when the cash handouts were offered, Finance Minister Taro Aso told reporters after a cabinet meeting, when asked about the lawmakers' proposal. "What's urgently needed is for us to speedily implement measures already adopted to protect jobs, support business continuation and safeguard people's livelihoods." Speculation is rife that the government will roll out more fiscal aid in its battle to contain the COVID-19 pandemic and spur the economy back to pre-pandemic levels. Local media reported on Tuesday that Prime Minister Yoshihide Suga plans to order his government to compile extra stimulus measures as early as November. More stimulus would further strain Japan's debt burden - at more than twice the size of its $5tn economy and the industrial world's heaviest public debt. Japan has already rolled out a combined $2.2tn in two stimulus packages following the health crisis, including 100,000 Yen cash payments to each citizen, and small business loans. On top of that stimulus, Suga's cabinet decided on Friday to tap emergency budget reserves worth 549bn Yen ($5.2bn) to support supply chains and farmers and provide job subsidies, confirming Reuters' report late on Thursday. That leaves 7.28tn Yen in reserves out of a total 11.5tn Yen originally earmarked to combat the health crisis. (Reuters)
- **Japan September exports fell at much slower pace, core CPI subdued –** Japan's exports in September probably fell at a much slower pace than in recent months, adding to some signs of recovery in the economy following the coronavirus pandemic, a Reuters poll showed on Friday. Among other Japanese data releases next week, core consumer inflation in September was expected to have stayed around the lowest level in nearly four years, underscoring deflationary risks from the economic slump. A Reuters poll of 16 economists forecast exports probably fell 2.4% in September from a year earlier, a significant easing after the double-digit falls in each of the six months through August. Imports were projected to have fallen 21.4% in September from a year earlier, producing a trade surplus of 989.8bn Yen ($9.40bn), according to the poll. Imports fell 20.8% in August. "In addition to recovery in auto shipments, those of general machineries are expected to pick up," said Koya Miyamae, senior economist at SMBC Nikko Securities. "Consumer spending is on the recovery trend but firms' capital spending is weak due to worsening corporate earnings and uncertainty over the outlook, so imports of capital goods will likely be lacklustre." The economy has been picking up from a record contraction in the April-June quarter. Last month, the government upgraded its view of exports and industrial output has been rising for several months, but weaknesses remain. (Reuters)
- **China's economic recovery seen broadening in third-quarter as consumers re-emerge –** China's economic recovery likely stepped up in the third quarter as consumers returned to shopping malls and major trading partners reopened for business, shaking off the record slump seen earlier this year. The world's second-largest economy is expected to have grown 5.2% in July-September from a year earlier, faster than the second quarter's 3.2%, according to a Reuters poll. Policymakers globally are pinning their hopes on a robust recovery in China to help restart demand as economies struggle with heavy lockdowns and a second wave of coronavirus infections. "China has become the first major economy to return to its pre-virus growth path, thanks to its rapid containment of COVID-19 and effective stimulus response," said analysts from Capital Economics. However, they warned a renewed slowdown is likely from late 2021 as stimulus fades. China's retail spending has lagged the comeback in factory activity as heavy job losses and persistent worries about infection kept consumers at home, even as restrictions lifted. However, that is expected to have changed in the third quarter. (Reuters)

Regional

- **OPEC+ panel discusses weaker oil demand outlook, Libya supply rise –** An OPEC+ technical committee discussed on Thursday higher oil supply as production resumes in Libya amid a weaker demand outlook due to a second wave of coronavirus infections, two OPEC+ sources said. The Joint Technical Committee (JTC), which includes representatives from key OPEC+ producers such as Saudi Arabia and Russia, was meeting to review compliance with global oil output cuts and to review the oil market. The group had 102% compliance with its production cuts in September, two OPEC+ sources told Reuters. On Thursday, OPEC Secretary General, Mohammad Barkindo told a conference that demand was recovering at a slower pace than expected. "We have to be realistic that this recovery is not picking up pace at the rate that we expected earlier in the year," he said. "Demand itself is still looking anaemic." OPEC+ delegates discussed the slow demand recovery in the fourth quarter of this year, when seasonally it was expected to rise, one of the sources said. (Reuters)
- **OPEC+ faces growing pressure to change course as Ministers meet –** When OPEC and its allies met last month, Saudi Arabia's Energy Minister dared oil speculators to test his determination to stabilize global markets. Now that a resurgent pandemic is threatening demand once again, the moment of reckoning is getting closer. The coalition of crude producers gathers on Monday to assess the state of the market. No supply decisions are expected until December 1 but leading members Saudi Arabia and Russia are already stepping up diplomacy. President, Vladimir Putin and Saudi Arabia Crown Prince,

Mohammed Bin Salman have spoken twice by phone in a week -- the first time the countries' leaders have done that since the depths of the oil crisis in April, when they were hashing out a deal to cut supply and bring the price war to an end. With oil stuck at around $40, and more supply coming online from Libya, the cartel is now under pressure to revise its plan to ease those output cuts. It has already relaxed them by about 2 million barrels a day and is due to add another 1.9mn in January. While members are publicly sticking with that plan for now, OPEC Secretary-General, Mohammad Barkindo acknowledged on Thursday that demand is "anemic" and the cartel will act to prevent a market "relapse." Its own internal reports points to the risk of a new surplus. And in private, delegates admit they are open to delaying the increase when a formal decision is taken in six weeks. (Bloomberg)

- **Saudi Arabia's CPI rises 5.7% in September –** Saudi Arabia's Consumer Price Index (CPI) increased by around 5.7% YoY in September 2020, down from an inflation rate of 6.2% in August. This change in prices is attributed to a rise in the value-added tax to 15% in July 2020 from 5%, according to the latest statistics by the General Authority for Statistics (GaStat). The inflation is pressured by higher prices of the food and beverages sector with 12.6% and transport segment with 7.8%. Meanwhile, the prices of tobacco, communication, and furnishings, household equipment, and household maintenance increased by 13.3%, 9.5%, and 8.3%, respectively. On a monthly basis, the inflation rate decreased by 0.2% in September, when compared to August, driven by lower prices of the education segment by 8.2% and clothing and footwear sector by 0.4%. (Zawya)
- **Saudi BinDawood's retail IPO oversubscribed by 1396% –** BinDawood Holding Company, one of the leading grocery retail operators of hypermarkets and supermarkets in the Kingdom of Saudi Arabia, successfully completed the retail offering in relation to its Initial Public Offering (IPO) of shares. Its retail offering was oversubscribed by 1396%, according to NCB Capital, the lead manager of the offering, with Goldman Sachs Saudi Arabia and J.P. Morgan Saudi Arabia Company, as joint-financial advisors. Following the completion of the institutional book-building process, the retail offering took place from October 8 to 12, 2020. A total of 324,046 individual investors subscribing to invest SR3.06bn at the IPO price of SR96 per share, making it oversubscribed by 1395.91%. Retail investors started on October 8 subscribing to around 2.29mn shares of BinDawood at SR96 each, after completing the institutional book-building process. The institutional offering was 4,870% oversubscribed. The company allocated a minimum of 7 shares to each retail subscriber included in the subscription request. The remaining shares have been allocated on a pro rata basis at around 0.05964%, based on the size of each subscriber's request compared to the total remaining subscribed shares. Final allocations and refunds (if any) will be processed no later than October 20, 2020. The retail offering followed the completion of the institutional book-building process. The book-building process generated an order book of SR106.9bn. (Zawya)
- **Saudi school operator Al-Motaqadimah hires advisors for IPO –** Saudi Arabia's Al-Motaqadimah Schools Co. hired GIB Capital and Adeem Capital as financial advisers to prepare for an initial public offering, joining a flurry of IPOs in the kingdom. The IPO will allow the education provider to expand its operations, according to a statement. Al-Motaqadimah operates 21 schools across the kingdom. The potential listing comes as businesses from grocery stores to car rental companies look to sell shares on the Saudi stock market, buoyed by a surge in demand. The IPO of BinDawood Holding Co., one of Saudi Arabia's largest grocery chains, this month was 49 times oversubscribed. (Bloomberg)
- **UAE, Israel to start talks to avoid double taxation –** The UAE and Israel reached an initial agreement to start talks to avoid double taxation as part of efforts to boost ties between the two nations. The talks are set to begin soon, state-run WAM news agency reported, citing the UAE finance ministry's undersecretary Younis Al-Khoori. (Bloomberg)
- **Arabtec asks banks for debt standstill for subsidiary –** Arabtec Holding asked banks this week for a three-month standstill on debt repayments for its subsidiary Target, sources said, as the Dubai-listed builder that is facing liquidation seeks to save some of its business. Target specializes in oil and gas projects and marine work with operations in the United Arab Emirates, Qatar and Saudi Arabia, its website says. Shareholders, including Abu Dhabi state fund Mubadala Investment Co, voted last month to liquidate Arabtec after losses deepened due to the coronavirus crisis. Officials from Arabtec, which helped build the world's tallest skyscraper in Dubai and the Louvre in Abu Dhabi, were not immediately available for comment on Thursday. Arabtec told banks that Target had been identified as a sustainable business and could be protected from the collapse of the wider group if creditors agreed to a standstill, said three sources with direct knowledge of the matter. The company did not tell lenders how much of their lending to Arabtec was allocated to Target, the sources said. Arabtec had total liabilities of about $2.75bn at the end of June, including almost $500mn in bank borrowing. (Reuters)
- **FTI Consulting: Asset sales best for oil trader GP Global –** GP Global's creditors should allow it to sell assets such as a refinery and storage terminals to repay debt, FTI Consulting, brought in to restructure the UAE-based oil trader, has advised in a report by seen by Reuters. The firm, which operates in almost 20 countries supplying oil products and lubricants ran into financial trouble earlier this year. It appointed FTI Consulting's Rod Sutton as chief restructuring officer in August. The company has put three oil storage terminals and a 380,000-tonne per year refinery in the UAE up for sale, according to the report. The Hamriyah terminal in Sharjah can store 204,000 cubic metres (cbm) of oil products and the Fujairah terminal has a capacity of 412,000 cbm. The third one for sale is the Inner Harbor terminal. (Reuters)
- **Abu Dhabi Pension Fund, ADQ to invest $2.1bn in ADNOC gas assets –** Abu Dhabi Pension Fund (ADPF) and state holding company ADQ will invest $2.1bn in Abu Dhabi National Oil Co (ADNOC) gas pipeline assets, ADNOC said on Thursday. They will take a 20% stake in ADNOC Gas Pipelines, it said in a statement, a subsidiary with lease rights to 38 gas pipelines covering 982 kilometers. In June, a consortium of Global Infrastructure Partners (GIP), Brookfield Asset Management, Singapore's sovereign wealth fund GIC, the Ontario Teachers'

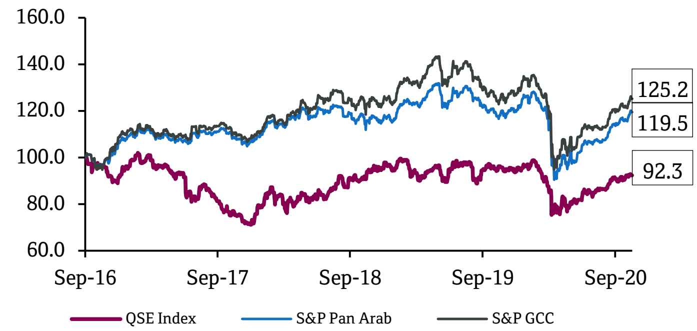
Pension Plan Board, NH Investment & Securities and Italy's Snam agreed to invest $10.1bn in ADNOC gas pipeline assets for a 49% collective stake. (Reuters)

- **Abu Dhabi's sovereign fund Mubadala takes 3.1% stake in Spain's Enagas –** Abu Dhabi's sovereign wealth fund Mubadala took a 3.1% stake in the Spain-based gas system operator Enagas, according to a filing to the Madrid stock market regulator released on Wednesday. Mubadala, which has already invested in other Spanish assets in the oil and technology industries, joins Inditex's owner Amancio Ortega, who owns 5% of Enagas and Spanish state-owned investment arm SEPI, which also owns 5%. Mubadala holds 3.1% of voting rights in Enagas, the filing said. Enagas owns stakes in firms in the Mediterranean region, Latin America and the United States. (Reuters)
- **Abu Dhabi wealth fund ADQ said to pursue Bausch's Egypt unit –** Abu Dhabi sovereign wealth fund ADQ is exploring a potential acquisition of Bausch Health Cos.'s Egyptian drug unit, people with knowledge of the matter said. ADQ has been evaluating the Bausch business, known as Amoun Pharmaceutical Co., as it seeks to expand its portfolio of health-care investments, according to the people. Amoun could fetch at least $700mn in a sale, the people said, asking not to be identified because the information is private. No final agreements have been reached, and there is no certainty the deliberations will lead to a transaction, the sources said. Amoun could also attract other suitors, according to sources. Bausch, formerly known as Valeant Pharmaceuticals International Inc., has been reshaping its operations since becoming infamous on Wall Street for raising drug prices. One activist investor, Glenview Capital, has been pushing Bausch to sell or spin off more businesses. The company said in August it would separate its eye-care unit into an independent publicly traded company. (Bloomberg)
- **Dana Gas raises loan, avoids another restructuring –** UAE energy firm Dana Gas has raised a $90mn loan allowing it to redeem $309mn in bonds due at the end of October and avoid a third debt restructuring. The company whose main assets are in Egypt and in the Kurdistan Region of Iraq said on Thursday it had obtained a one-year $90mn loan from Mashreq Bank. "In conjunction with the company's cash reserves, the facility will allow full redemption of the sukuk at the maturity date of October 31, 2020," it said. In July, Dana hired financial firm Houlihan Lokey to advise it on the sukuk, or Islamic bonds, which it had already restructured twice. The new loan, which pays an initial 3% margin over the London Interbank Offered Rate and could be extended for a further four years, will be repaid when Dana completes a planned sale of its Egyptian assets, it said. Sources told Reuters last month the company was negotiating details to sell those assets to Texas-headquartered IPR Energy. (Reuters)
- **International Financial Advisors repays first installment in $82mn loan –** International Financial Advisors (IFA) has repaid KD3mn as the first installment in a loan amounting to KD24.98mn. The completion of the first payment as agreed in the fourth quarter of 2020 will result in a profit deduction of KD18.98mn as per the signed contract, according to the company's disclosure to Boursa Kuwait on Thursday. Hence, the financial impact of the settlement will be registered in the financial statements of the company, listed on Boursa Kuwait and the Dubai Financial Market (DFM), in 4Q2020. (Zawya)
- **Kuwait plans to upgrade existing Doha port –** Kuwait Ports Authority (KPA) is planning to upgrade existing Doha port, according to sources. "The design consultancy tender has been issued with a submission deadline of 13 December 2020. The contract award is expected by end of February 2021," sources said. The project's scope involves the development and expansion of two zones, namely a commercial Zone A, which includes office buildings, a hotel, passenger terminal, cargo storage yards, multi-storey car parking, cold storage facilities, and recreational Zone B, which includes food and beverage outlets, museum, entertainment centre and a marina, sources added. (Zawya)
- **S&P downgrades Oman to 'B+'; with a stable outlook –** S&P lowered its long-term foreign and local currency sovereign credit ratings on Oman to 'B+' from 'BB-'. The outlook is stable. S&P also affirmed short-term ratings at 'B'. At the same time, S&P revised the transfer and convertibility assessment on Oman to 'BB-' from 'BB'. The stable outlook balances Oman's considerable fiscal and external pressures against its reasonably high fiscal buffers. S&P expects the increase in net debt to remain elevated until 2023. However, the pace of accumulation should significantly decelerate from 2021 onward, on the back of higher oil prices and the government's fiscal reform plan. S&P could consider a negative rating action over the next 12 months if S&P saw risks to fiscal reform implementation, which could signal reduced government capability and willingness to maintain sustainable public finances, and result in external financing needs increasing beyond our current expectations. S&P could also lower the ratings if S&P viewed the GCC countries as less likely to provide extraordinary support to Oman in the event of financial distress. S&P could raise ratings if Oman demonstrates that it can sustainably reduce net government debt levels, or if growth prospects improve significantly more than expected. The downgrade reflects our view that Oman's public sector finances, as indicated by the net debt level, will materially weaken over the next three years, notwithstanding the implementation of measures to reduce fiscal deficits. This is partly driven by our assumptions of restrained oil price growth and slow economic recovery from the COVID-19 pandemic. S&P assumes an average Brent oil price of $50/bbl in 2021 and 2022 and $55/bbl from 2023. The average selling price for Omani crude oil (which is sold two months forward) was $46.5/bbl over January-November 2020. Given the concentrated nature of Oman's economy--hydrocarbon products comprise about 35% of GDP, 60% of current account receipts, and 75% of fiscal receipts--the country faces terms of trade pressure from relatively low oil prices. S&P expects fiscal and external buffers to sharply diminish as a result. S&P estimates that gross government debt will rise to about 84% of GDP by end-2020 from 60% in 2019, while government-related enterprises (GREs) debt will reach 43% of GDP from 30% during the same period. (Bloomberg)
- **OAB's net profit falls 32% YoY to OMR13.7mn in 9M2020 –** Oman Arab Bank (OAB) recorded net profit of OMR13.7mn in 9M2020, registering decrease of 32% YoY. Net operating income

rose 5% YoY to OMR73.3mn in 9M2020. Total assets stood at OMR3.3bn at the end of September 30, 2020 as compared to OMR2.5bn at the end of September 30, 2019, while total deposits stood at OMR2.7bn (+41% YoY) at the end of September 30, 2020. (MSM)

- **ABOB's net profit falls 16% YoY to OMR19.2mn in 9M2020 –** Ahli Bank (ABOB) recorded net profit of OMR19.2mn in 9M2020, registering decrease of 16% YoY. Operating income rose 4.1% YoY to OMR53.7mn in 9M2020. Total assets stood at OMR2.6bn at the end of September 30, 2020 as compared to OMR2.5bn at the end of September 30, 2019. Net Loans & advances and Financing stood at OMR2.2bn (+4.8% YoY), while customer deposits stood at OMR1.8bn (+9.4% YoY) at the end of September 30, 2020. (MSM)
- **BKDB posts 2.8% YoY rise in net profit to OMR26.6mn in 9M2020 –** Bank Dhofar (BKDB) recorded net profit of OMR26.6mn in 9M2020, an increase of 2.8% YoY. Profit from operations fell 8.1% YoY to OMR43.0mn in 9M2020. Total assets stood at OMR4.1bn at the end of September 30, 2020 as compared to OMR4.0bn at the end of September 30, 2019. Net loans and advances to customers stood at OMR3.3bn (7.7% YoY), while deposits from customers stood at OMR2.6bn (-3.0% YoY) at the end of September 30, 2020. (MSM)
- **BKSB's net profit falls 29.2% YoY to OMR17.8mn in 9M2020 –** Sohar International Bank (BKSB) recorded net profit of OMR17.8mn in 9M2020, registering decrease of 29.2% YoY. Operating income fell 5.0% YoY to OMR70.3mn in 9M2020. Operating profit fell 5.3% YoY to OMR38.2mn in 9M2020. Total assets stood at OMR3.7bn at the end of September 30, 2020 as compared to OMR3.3bn at the end of September 30, 2019. Net loans and advances stood at OMR2.5bn (-0.4% YoY), while deposits from customers stood at OMR2.3bn (+17.8% YoY) at the end of September 30, 2020. (MSM)

Rebased Performance



Source: Bloomberg

Daily Index Performance

Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,899.29	(0.5)	(1.6)	25.2
Silver/Ounce	24.16	(0.6)	(4.0)	35.3
Crude Oil (Brent)/Barrel (FM Future)	42.93	(0.5)	0.2	(35.0)
Crude Oil (WTI)/Barrel (FM Future)	40.88	(0.2)	0.7	(33.0)
Natural Gas (Henry Hub)/MMBtu	2.16	(0.9)	45.0	3.3
LPG Propane (Arab Gulf)/Ton	53.50	(1.2)	1.9	29.7
LPG Butane (Arab Gulf)/Ton	62.63	(0.8)	2.3	(5.6)
Euro	1.17	0.1	(0.9)	4.5
Yen	105.40	(0.0)	(0.2)	(3.0)
GBP	1.29	0.0	(0.9)	(2.6)
CHF	1.09	(0.1)	(0.5)	5.8
AUD	0.71	(0.2)	(2.2)	0.9
USD Index	93.68	(0.2)	0.7	(2.8)
RUB	77.91	(0.2)	1.5	25.7
BRL	0.18	(0.6)	(2.0)	(28.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,440.14	0.2	(0.3)	3.5
DJ Industrial	28,606.31	0.4	0.1	0.2
S&P 500	3,483.81	0.0	0.2	7.8
NASDAQ 100	11,671.56	(0.4)	0.8	30.1
STOXX 600	367.48	1.4	(1.6)	(7.8)
DAX	12,908.99	1.8	(2.0)	1.8
FTSE 100	5,919.58	1.5	(2.3)	(23.5)
CAC 40	4,935.86	2.2	(1.1)	(13.8)
Nikkei	23,410.63	(0.4)	(0.6)	2.2
MSCI EM	1,124.08	0.3	0.1	0.8
SHANGHAI SE Composite	3,336.36	0.5	1.9	13.7
HANG SENG	24,386.79	0.9	1.1	(13.1)
BSE SENSEX	39,982.98	0.6	(1.9)	(6.0)
Bovespa	98,309.10	(1.4)	(0.9)	(39.4)
RTS	1,132.80	0.0	(2.7)	(26.9)

Source: Bloomberg (*$ adjusted returns)

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