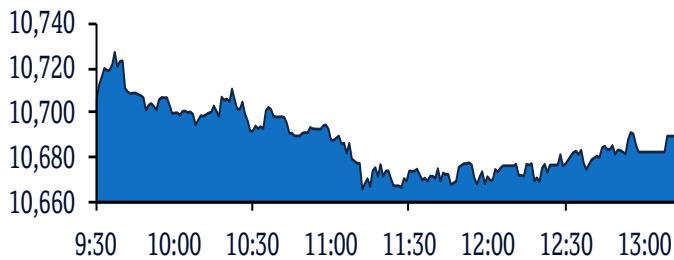


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.2% to close at 10,689.7. Losses were led by the Industrials and Banks & Financial Services indices, falling 0.6% and 0.2%, respectively. Top losers were Al Khaleej Takaful Insurance Company and Mesaieed Petrochemical Holding Company, falling 1.5% and 1.3%, respectively. Among the top gainers, Qatar First Bank gained 9.9%, while Qatari Investors Group was up 3.3%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.2% to close at 8,469.7. Gains were led by the Comm. & Prof. Svc and Transportation indices, rising 1.5% and 1.1%, respectively. Al Hassan Ghazi Ibrahim rose 8.7%, while Saudi Industrial Services was up 4.7%.

**Dubai:** The DFM Index fell 0.4% to close at 2,851.0. The Banks and Real Estate & Construction indices declined 0.7% each. Gulf Navigation Holding declined 2.9%, while Dubai Financial Market was down 2.2%.

**Abu Dhabi:** The ADX General Index gained 0.8% to close at 5,213.3. The Consumer Staples index rose 7.4%, while the Services index rose 1.9%. Abu Dhabi Aviation Company rose 11.1%, while International Holdings Company was up 9.9%.

**Kuwait:** The Kuwait All Share Index fell 0.2% to close at 6,381.9. The Consumer Goods index declined 1.6%, while the Consumer Services index fell 1.0%. Alrai Media Group Co. declined 9.1%, while Kuwait National Cinema Co. was down 6.7%.

**Oman:** The MSM 30 Index gained 0.1% to close at 4,075.8. The Financial index gained 0.1%, while the other indices ended in red. Oman National Engineering & Investment Co. rose 8.7%, while Oman Fisheries Company was up 3.8%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,642.7. The Insurance index rose 2.1%, while the Industrial index gained 0.2%. Bahrain National Holding Company rose 7.9%, while Al-Salam Bank – Bahrain was up 1.0%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.84	9.9	22,249.9	2.8
Qatari Investors Group	1.88	3.3	488.6	5.0
Ezdan Holding Group	0.64	2.1	40,580.8	3.9
Qatari German Co for Med. Devices	0.59	1.9	6,655.0	1.5
Qatar General Ins. & Reins. Co.	2.69	1.9	17.5	9.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.64	2.1	40,580.8	3.9
Qatar First Bank	0.84	9.9	22,249.9	2.8
Qatari German Co for Med. Devices	0.59	1.9	6,655.0	1.5
Vodafone Qatar	1.27	(0.8)	4,678.3	9.5
Qatar Gas Transport Company Ltd.	2.44	(0.4)	3,708.3	2.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,689.66	(0.2)	(0.1)	2.5	2.5	74.45	162,103.7	15.5	1.6	4.0
Dubai	2,850.95	(0.4)	0.8	3.1	3.1	48.68	104,590.8	11.3	1.0	4.1
Abu Dhabi	5,213.25	0.8	0.7	2.7	2.7	30.54	145,820.2	16.0	1.5	4.8
Saudi Arabia	8,469.71	0.2	0.1	1.0	1.0	982.08	2,374,136.2	22.8	1.9	3.2
Kuwait	6,381.86	(0.2)	0.5	1.6	1.6	140.12	119,439.1	15.7	1.5	3.4
Oman	4,075.83	0.1	0.4	2.4	2.4	5.97	17,512.7	7.3	0.7	7.3
Bahrain	1,642.65	0.1	0.2	2.0	2.0	4.58	25,753.5	13.1	1.0	4.7

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

Market Indicators	20 Jan 20	19 Jan 20	%Chg.
Value Traded (QR mn)	272.5	194.9	39.9
Exch. Market Cap. (QR mn)	594,004.2	595,346.5	(0.2)
Volume (mn)	120.1	63.6	88.9
Number of Transactions	5,761	3,888	48.2
Companies Traded	45	43	4.7
Market Breadth	19:21	20:13	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,669.89	(0.2)	(0.1)	2.5	15.5
All Share Index	3,170.65	(0.2)	(0.0)	2.3	16.0
Banks	4,362.18	(0.2)	(0.1)	3.4	15.3
Industrials	2,932.61	(0.6)	(0.5)	0.0	20.2
Transportation	2,583.19	(0.0)	0.5	1.1	13.8
Real Estate	1,610.81	0.3	1.1	2.9	12.1
Insurance	2,814.76	(0.1)	0.7	2.9	16.1
Telecoms	907.95	0.0	0.4	1.4	15.5
Consumer	8,714.83	(0.0)	(0.1)	0.8	19.3
Al Rayan Islamic Index	4,016.15	(0.2)	0.0	1.7	16.6

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emaar Economic City	Saudi Arabia	10.38	3.0	4,670.5	8.7
Abu Dhabi Islamic Bank	Abu Dhabi	5.75	2.1	2,608.7	6.7
Bank Nizwa	Oman	0.10	2.1	35.1	3.2
Banque Saudi Fransi	Saudi Arabia	39.20	1.8	574.7	3.4
GFH Financial Group	Dubai	0.81	1.4	7,492.3	(3.3)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emaar Malls	Dubai	1.84	(2.1)	7,609.9	0.5
National Shipping Co.	Saudi Arabia	38.25	(1.4)	1,065.3	(4.4)
Advanced Petrochem. Co.	Saudi Arabia	50.80	(1.4)	358.4	2.8
National Industrial. Co	Saudi Arabia	13.44	(1.3)	2,608.6	(1.8)
Mesaieed Petro. Holding	Qatar	2.36	(1.3)	2,250.4	(6.0)

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%
Al Khaleej Takaful Insurance Co.	1.96	(1.5)	189.8	(2.0)
Mesaieed Petrochemical Holding	2.36	(1.3)	2,250.4	(6.0)
Dlala Brokerage & Inv. Holding	0.58	(1.0)	668.1	(4.7)
Doha Insurance Group	1.12	(0.9)	0.9	(6.7)
Industries Qatar	10.41	(0.9)	768.9	1.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.90	(0.5)	53,678.8	1.5
Qatar Islamic Bank	16.52	(0.1)	38,472.3	7.8
Ezdan Holding Group	0.64	2.1	26,025.2	3.9
Ooredoo	7.01	0.3	25,642.4	(1.0)
Qatar First Bank	0.84	9.9	18,452.0	2.8

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 0.2% to close at 10,689.7. The Industrials and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- Al Khaleej Takaful Insurance Company and Mesaieed Petrochemical Holding Company were the top losers, falling 1.5% and 1.3%, respectively. Among the top gainers, Qatar First Bank gained 9.9%, while Qatari Investors Group was up 3.3%.
- Volume of shares traded on Monday rose by 88.9% to 120.1mn from 63.6mn on Sunday. Further, as compared to the 30-day moving average of 74.8mn, volume for the day was 60.5% higher. Ezdan Holding Group and Qatar First Bank were the most active stocks, contributing 33.8% and 18.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	21.96%	48.95%	(73,579,279.82)
Qatari Institutions	33.95%	29.33%	12,577,285.13
<b>Qatari</b>	<b>55.91%</b>	<b>78.28%</b>	<b>(61,001,994.68)</b>
GCC Individuals	0.60%	0.61%	(27,130.78)
GCC Institutions	0.86%	1.92%	(2,889,933.70)
<b>GCC</b>	<b>1.46%</b>	<b>2.53%</b>	<b>(2,917,064.48)</b>
Non-Qatari Individuals	8.31%	9.65%	(3,664,343.10)
Non-Qatari Institutions	34.32%	9.53%	67,583,402.27
<b>Non-Qatari</b>	<b>42.63%</b>	<b>19.18%</b>	<b>63,919,059.17</b>

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

## Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
First Abu Dhabi Bank	RAM Holdings Group	Abu Dhabi	LT/ST	AAA/ P1	AAA/ P1	-	Stable	-

Source: News reports, Bloomberg (\* LT - Long Term, ST - Short Term)

### Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Packaging Co. Ltd.*	Oman	OMR	9.9	6.9%	-	-	0.2	N/A
Al Oula Company##	Oman	OMR	182.5	-34.9%	-	-	(30.7)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# - Values in Thousands, \*Financial for FY2019)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/20	Germany	German Federal Statistical Office	PPI MoM	Dec	0.1%	0.1%	0.0%
01/20	Germany	German Federal Statistical Office	PPI YoY	Dec	-0.2%	-0.3%	-0.7%
01/20	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Nov	-1.0%	-	-0.9%
01/20	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Nov	-8.2%	-	-8.1%
01/20	Japan	Ministry of Economy Trade and	Capacity Utilization MoM	Nov	-0.3%	-	-4.5%

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
MRDS	Mazaya Qatar Real Estate Development	22-Jan-20	1	Due
DHBK	Doha Bank	26-Jan-20	5	Due
QIIK	Qatar International Islamic Bank	28-Jan-20	7	Due
QFLS	Qatar Fuel Company	29-Jan-20	8	Due
CBQK	The Commercial Bank	29-Jan-20	8	Due
IHGS	Islamic Holding Group	29-Jan-20	8	Due
NLCS	Alijarah Holding	30-Jan-20	9	Due
QIGD	Qatari Investors Group	2-Feb-20	12	Due
QATI	Qatar Insurance Company	2-Feb-20	12	Due
VFQS	Vodafone Qatar	3-Feb-20	13	Due
MCGS	Medicare Group	4-Feb-20	14	Due
UDCD	United Development Company	5-Feb-20	15	Due
IQCD	Industries Qatar	5-Feb-20	15	Due
QIMD	Qatar Industrial Manufacturing Company	5-Feb-20	15	Due
DOHI	Doha Insurance Group	12-Feb-20	22	Due
ORDS	Ooredoo	13-Feb-20	23	Due

Source: QSE

## News

### Qatar

- **KCBK's bottom line rises 7.2% YoY and 2.6% QoQ in 4Q2019, in-line with our estimate** – Al Khalij Commercial Bank's (KCBK) net profit rose 7.2% YoY (+2.6% QoQ) to QR148.9mn in 4Q2019, in line with our estimate of QR148.7mn (variation of +0.2%). Net Interest Income increased 10.1% YoY in 4Q2019 to QR240.4mn. However, on QoQ basis Net Interest Income declined 8.1%. The company's net operating income came in at QR281.2mn in 4Q2019, which represents an increase of 9.6% YoY. However, on QoQ basis Net Operating income fell 7.5%. The bank's total assets stood at QR53.8bn at the end of December 31, 2019, up 3.2% YoY (+5.1% QoQ). Loans and Advances to Customers were QR30.8bn, registering a fall by 2.6% YoY at the end of December 31, 2019. However, on QoQ basis Loans and Advances to Customers increased 2.6%. Customer Deposits rose 1.2% YoY and 6.8% QoQ to reach QR29.2bn at the end of December 31, 2019. EPS amounted to QR0.16 in FY2019 as compared to QR0.15 in FY2018. In FY2019, KCBK reported a net profit of QR646mn, and registering a YoY growth of 6%. The bank's net operating income increased by 3% to QR1.18bn compared to 2018. The bank witnessed a 7% decline in net impairment loss to QR176mn. Operating expenses remained flat at QR329mn, resulting in a cost-to-income ratio of 27.9% at the end of December 31, 2019, compared to 28.8% in the previous year. The bank's balance sheet remains strong and liquid with 27% of total assets comprising of cash and high quality investment securities, and capital adequacy ratio standing at a robust at 19.1%. The bank's non-performing loan coverage ratio stood at 131% at the end of December 31, 2019, compared to 109% in the previous year. Total equity stood at QR7bn as on December 31, 2019 against QR6.56bn a year ago. After reviewing the audited financials, the board has recommended (subject to QCB approval) to the Annual General Assembly the distribution of a cash dividend of 7.5% of the nominal share value i.e. QR0.075 per share. Fahad Al Khalifa, KCBK's Group CEO, said, "2019 was yet again a positive year for al khaliji. The bank delivered QR646mn in profits, which is 6% better than our performance last year. We have delivered these results by increasing operating income by improving margins, maintaining an efficient cost base, strengthening our capital and funding positions. Our full year results reflect our continued focus on growing our business locally in Qatar, selectively pursuing opportunities in the local economy. Net operating income grew by 3% YoY driven primarily by an increase of 7% in net interest income. While we focused on improving operating income, we also continued our focus on maintaining an efficient cost base. Operating costs remained similar to 2018 levels, at QR329m. Prudent management of our loan book has resulted in impairment charges being lower by 7% compared to last year. We will continue to focus on maintaining asset quality during 2020 as well". During 2019, both Moody's and Fitch re-affirmed their ratings of 'A3/ Stable' and 'A/Stable Outlook' noting our good asset quality, and strong capitalization liquidity positions. (QNB FS Research, QSE, Peninsula Qatar, Gulf-Times.com, Company Releases)
- **MARK posts ~4% YoY increase but ~10% QoQ decline in net profit in 4Q2019, in-line with our estimate** – Masraf Al Rayan's (MARK) net profit rose ~4% YoY (but declined ~10% on QoQ

basis) to ~QR0.5bn (~QR517mn) in 4Q2019, in line with our estimate of QR530.0mn (variation of ~-3%). EPS amounted to QR0.290 in FY2019 as compared to QR0.284 in FY2018. In FY2019, MARK reported net profit of QR2.17bn compared to net profit amounting to QR2.13bn for the same period of the previous year. In FY2019, MARK has posted a net profit of QR2.17bn during the year that ended on December 31, 2019, a growth of 2.3% from the previous year. The bank's board of directors at their meeting on Monday proposed to distribute a cash dividend of QR0.225 per share (22.5% of the paid-up capital), for recommendation to the ordinary general assembly meeting to be held on March 18, after obtaining the approval from the Qatar Central Bank. The election of the board members for the fifth term (2020-2022) will also be held during the meeting. Group CEO Adel Mustafawi said, "Such results were aligned with the overall growth trend of the Qatari economy, reflecting the bank's focus on robust asset quality, prudent risk management policies and a conservative lending strategy, while continuously developing and improving customer service standards." Mustafawi also termed the results as good as it maintained the continuation of the upward line of the performance of MARK. The bank's profits from banking operating activities increased by 7.1% of the same achieved in the previous year. He said MARK's total assets reached QR106.3bn in December 2019 compared to QR97.2bn in December 2018, a growth of 9.4%. Financing activities amounted to QR74.8bn in December 2019 compared to QR72.5bn in December 2018, a growth of 3.2%. Investments increased to QR21.9bn in December 2019 compared to QR19.7bn in December 2018, which represents a growth of 10.9%. MARK's customer deposits totaled QR65.6bn in December 2019 compared to QR61.5bn in December 2018, a growth of 6.6%. Total shareholders' equity (before distribution) reached QR13.9bn in December 2019, compared to QR13.2bn at the end of 2018, a growth of 4.8%. In respect of MARK's financial indicators, Mustafawi said the return on average assets continued to be one of the highest in the market at 2.14%. Return on average shareholders' equity reached 16.02% in December 2019. Book value per share reached QR1.86 in December 2019 compared to QR1.77 in December 2018. Capital adequacy ratio, using Basel-III standards and QCB regulations, reached 20.27% in December 2019 compared to 19.23% at the end of 2018. Non-performing financing (NPF) ratio reached 1.01% in December 2019 reflecting very strong and prudent credit and risk management policies and procedures. MARK continues to focus on providing integrated Shari'ah-compliant banking solutions for both retail and corporate customers in order to meet their increasing and varied needs and on developing technology-based banking services made available in various forms and applications to ensure the best customer service at all times. (QNB FS Research, QSE, Gulf-Times.com)

- **MARK opens the door for candidacy to the board of directors** – Masraf Al Rayan (MARK) announced the opening of the candidacy for the membership of the board of directors for the next three years i.e., 2020-2022 and that is starting from January 22, 2020 until February 05, 2020. (QSE)
- **UDCD to hold its board meeting on February 5 to discuss the financial statements** – United Development Company (UDCD)



announced that its board of directors will meet on February 5, 2020 to discuss financial statements for the period ended December 31, 2019. (QSE)

- **Qatar First Bank discloses details about sale of its stake in the Food Services Company** – Qatar First Bank disclosed the following details regarding the signing of a subsidiary company, QFB Food and Beverages Company, a conditional sale contract to sell all its shares in the Food Services Company, which amounts to 49% of the total capital, and the details are as follows: (i) The paid-up capital of the company in question is QR12mn, (ii) The members of the board of directors of the company that is the subject of the sale are: Mubarak Jassim Al-Qaroon, Qais Al-Saleh, Muhammad Al-Sahli, Hilal Joudeh, and (iii) After the completion of the sale process, the authority and the stock exchange will be provided with the full details according to the last paragraph of the provisions of Article (2 / Item 3) of the acquisition and merger system. (QSE)
- **FocusEconomics: Qatar's economy picks up in second half of 2019** – Qatar's economy likely picked up in the second half of 2019, FocusEconomics has said in its latest report. According to FocusEconomics Consensus Forecast-Middle East & North Africa for January report, Qatar's industrial output strengthened in the third quarter, while the non-oil sector PMI recovered in the fourth quarter. Moreover, the report said, YoY credit and visitor arrivals growth was strong in October-November, boding well for private consumption. The Qatari government announced in December that the 2020 budget will amount to roughly \$58bn, a 1.9% increase from 2019, with major spending penciled in for World Cup 2022 preparations. The high spending budget will have a positive effect on the economy. The report said that economic activity is expected to pick up notable steam in 2020 as the Barzan gas facility comes online and investment in the expansion of the North Field gas project intensifies. FocusEconomics panelists see growth of 2.2% in 2020 and 2.5% in 2021. The country's economic growth will further accelerate to 2.6% in 2022 and around 3% for the next two years, the report said. Inflation in the country slowed to 0.7% YoY in November. Inflation should return this year on a more favorable base effect, some likely recovery in the housing market and an expected pick-up in economic activities. The report has also indicated that the GDP per capita in Qatar will also increase from \$71,925 in 2020 to \$74,620 in 2021. (Qatar Tribune)
- **Shura Council discusses draft law on minimum wages for workers** – The Shura Council's regular weekly meeting, chaired by HE the Speaker Ahmed bin Abdullah bin Zaid Al-Mahmoud, discussed a draft law on setting a minimum wages for workers and domestic workers. Under the provisions of the draft law, a committee, called the Minimum Wages Committee, shall be established at the Ministry of Administrative Development, Labor and Social Affairs. The committee's formation, system of work and rewards shall be determined by a Cabinet decision, based on the proposal of the Minister of Administrative Development, Labor and Social Affairs. The Committee shall be responsible for studying and reviewing the minimum wages for workers in accordance with the controls stipulated in the draft law. (Gulf-Times.com)
- **Qatar Chamber, Turkish delegation push for setting up of manufacturing hubs in Qatar** – Officials of Qatar Chamber and Turkey's Electrical and Electronics Exporters' Association (TET) have called for the establishment of manufacturing facilities to make Qatar an export hub for Turkish products. In a recent meeting in Doha, Qatar Chamber's First Vice-Chairman, Mohamed bin Towar Al-Kuwari noted that several laws related to labor reforms, foreign ownership, and free zones were already passed to increase foreign direct investment (FDI) inflow. As Qatar envisions itself as a destination for foreign investors, the country is looking to attract more international businesses to set up shop here, which is aligned with the goals set in Qatar National Vision 2030, Al-Kuwari stressed. TET audit board member, Kerem Ozdogan said the association is encouraging its more than 4,000 members to explore the investment opportunities being offered in Qatar, especially in the field of electrical and electronics. "We are aware of the government's initiative on creating free zones and supporting local and foreign investors in Qatar, and our members are looking for that kind of opportunity not only to target the Qatari market but also to look for other opportunities in the GCC and even Far East markets while using Doha as their export hub," Ozdogan said. (Gulf-Times.com)
- **MoTC to host 'Qatar Maritime and Logistics Summit 2020' in February** – The Ministry of Transport and Communications (MoTC) will host the "Qatar Maritime and Logistics Summit 2020" (QMLS 2020) under the patronage of HE the Prime Minister and Minister of Interior Sheikh Abdullah bin Nasser bin Khalifa Al Thani at the Sheraton Grand Doha Resort and Convention Hotel on February 18 and 19. The event is organized by Mwani Qatar as a strategic partner in cooperation with Lloyd's List. The high-level event will bring together senior experts from the global maritime sector as well as Qatar to discuss industry-wide, long-term challenges and opportunities as well as a number of important topics such as trade, global trends, port development, financing, technology, digital security, cyber security, safety, security and sustainability and many other topics related to shipping, port and logistics sectors. (Gulf-Times.com)
- **Qatar, Italy eye further boost to bilateral ties** – As part of Qatar's unwavering keenness to strengthen its external relations and build bridges, the Amir HH Sheikh Tamim bin Hamad al Thani will meet Italian President Sergio Mattarella at the Amiri Diwan on Tuesday. The Italian president arrived in Doha on Monday for a state visit to Qatar. The Amir is scheduled to discuss with the Italian president bilateral relations and the ways to strengthen them as well as a number of issues of common concern. This visit is a valuable occasion to push forward the solid bilateral relations between Doha and Rome and open more fields and horizons to expand and strengthen them, and also to serve the aspirations and common interests of the two countries and their peoples. The visit is a part of the wise policy of the Amir and his government, which is aimed at strengthening Qatar's external relations with brothers, friends and allies and continuing to build strategic partnerships with them. (Qatar Tribune)
- **Listed firms 'need to bring in more women' on their boards to improve Qatar's ranking in ESG framework** – Qatar, which has

already seen an increasing number of women occupying decision-making positions, ought to encourage its listed firms bring in more women on their boards as part of strategies to further improve its ranking in the ESG (environment social governance) framework. Although many listed companies perform better in ranking in terms of emerging market or Qatar average in terms of ESG; the women representation in the board of directors has been lackadaisical, according to an official of a global index compiler. (Gulf-Times.com)

### International

- **No turning point in sight as IMF predicts sluggish global growth**  
– The IMF trimmed back its global growth forecasts for 2020 and 2021, mostly due to a sharper-than-expected slowdown in India and other emerging markets, even as it said that a US-China trade deal added to hopes the activity was bottoming out. With trade wars weighing on exports and investment, the global economy expanded by 2.9% last year, its slowest pace since the global financial crisis, despite near synchronized central bank easing that added half a percentage point to global growth. The IMF now sees growth at 3.3% this year, below its October projections for 3.4% and also cut the 2021 forecast to 3.4% from 3.6%. The reductions reflect the IMF's reassessment of economic prospects for a number of major emerging markets, notably India, where domestic demand has slowed more sharply than expected amid a contraction of credit and stress in the non-bank sector. The IMF also said it marked down growth forecasts for Chile due to social unrest and for Mexico, due to a continued weakness in investment. (Reuters)
- **ILO sees end to falling global unemployment rate** – The global unemployment rate has stabilized after declining for nine years since the crisis, the International Labour Organization (ILO) said, and it could edge up next year as the world economy slows. The rate stood unchanged at 5.4% in 2019, or 188 million people, and is expected to remain there in 2020 and rise to 5.5% in 2021, the ILO said in its annual report. The ILO said that about 470mn people in total have insufficient paid work, a new data set which includes not only the unemployed but also the under-employed and those lacking access to the labor market. The report noted the difficulties faced by young people in getting jobs, with 22% of those aged 15-24 not in employment, education or training. It also noted the rate of female participation in the workforce remained at just 47%, 27 percentage points below the male rate. The global working poverty is declining, the report said, but that masked limited progress in low-income countries, especially in sub-Saharan Africa, the report said. (Reuters)
- **UK Household Finance Index rises to 12-month high in January**  
– Pressures on current finances ease as headline index hits one year high – The headline index from the survey, the seasonally adjusted IHS Markit UK Household Finance Index (HFI) – which measures households' overall perceptions of financial wellbeing – increased to 44.6 in January, from 43.2 in December, its highest mark in 12 months and indicative of an easing of pressure on UK household finances. In contrast, the index measuring future financial wellbeing expectations moved in the opposite direction, dipping back into mild negative territory in January following December's renewed bout of optimism. Other positives emerged from the latest survey, with workplace

activity and incomes from employment both continuing to grow in January. That said rates of expansion softened in both cases. Meanwhile, as has been the case for a year-and-a-half, the perceptions of job security remained downbeat during the latest survey period. Easing pressure on current finances came in tandem with softer living cost inflation in January. According to latest survey data, UK households reported the joint-slowest increase in expenses since October 2016. A similar trend was seen regarding inflation expectations, which weakened in January to their lowest for over a year. UK households' expectations towards house prices improved notably during January, with optimism strengthening to a 16-month high. Furthermore, current prices ticked up at the strongest pace since last July, according to survey respondents. (Markit)

- **BoJ keeps policy steady, nudges up economic growth forecasts**  
– The Bank of Japan (BoJ) kept monetary policy steady and nudged up its economic growth forecasts on Tuesday, as the government's stimulus package and receding pessimism over the global outlook took some pressure off the central bank to top up stimulus. The BoJ also signaled cautious optimism over the global economy, saying that risks surrounding the outlook have "subsided somewhat." Markets will now scrutinize BoJ Governor Haruhiko Kuroda's post-meeting briefing for clues on how his views on the pros and cons of his stimulus could affect policy decisions this year. As widely expected, the BoJ kept its short-term interest rate target at -0.1% and a pledge to guide 10-year government bond yields around 0%. It also maintained a guidance that commits to keeping rates at current low levels, or even to cut them, until risks keeping it from achieving its 2% inflation goal subside. (Reuters)
- **China confident of stabilizing industrial growth in 2020** – China is confident of maintaining steady industrial growth this year despite big pressures on the sector, underpinned by tax cuts and broad policy support, Minister of Industry and Information Technology Wei said on Monday. The country's industrial output topped expectations in December by growing 6.9% from a year earlier, the strongest pace in nine months, bringing full-year 2019 expansion to 5.7% - within the government's target of 5.5-6.0%. Growth in the world's second largest-economy cooled to a near 30-year low of 6.1% in 2019 amid a bruising trade war with the US, and more stimulus is expected this year as Beijing tries to boost sluggish domestic demand. (Reuters)
- **China's 2019 FDI up 5.8%, outbound investment falls 6%** – Foreign direct investment (FDI) in China in 2019 rose 5.8% from a year earlier to 941.5bn Yuan, the commerce ministry said. China's outbound direct investment (ODI) declined 6% to 807.95bn Yuan. (Reuters)

### Regional

- **Weaker economic conditions take toll on Islamic finance growth** – The global Islamic finance industry will continue to grow at a comparably slow rate of around 5% in 2019 and 2020 in terms of assets, according to the newly issued 'Islamic Finance Outlook 2020' by US-based business intelligence firm S&P. This follows a 10% growth rate in 2017 however, only 2%-3% growth in 2018, which was mainly owing to flat Sukuk issuances and generally weaker economic conditions in the industry's core markets, with the notable exceptions of Malaysia, Indonesia and Turkey, as well as Qatar where a

number of issuers have returned to the capital markets as of late. The report says it does not expect a quick rebound in the market, however, acknowledges that the Sukuk sector has improved from a total issuance volume of close to \$130bn in 2018 – which was only slightly more than around \$125bn in 2017 – to \$162bn in 2019, according to Global Head of Islamic finance at S&P, Mohamed Damak. For 2020, he expects an issuance volume of up to \$170bn, with accelerators being environmental, social and governance (ESG) Sukuk, including green Sukuk, and more medium-sized companies and financial institutions issuing Islamic bonds due to better standardization in legal documentation and Shari'ah interpretation, which makes it cheaper and less complex to issue Sukuk. (Gulf-Times.com)

- **Middle East share of India's oil imports falls to four year low in 2019** – India's imports of Middle Eastern oil plunged to a four-year low in 2019, tanker data obtained from sources shows, as the energy-hungry nation diversifies its supplies to cut costs and help shield itself from geopolitical tensions. India, the world's third-biggest oil consumer, imports about 84% of its oil needs and traditionally relies on the Middle East for the majority of its supplies. However, the region's share of India's crude shrank to 60% last year - down from 65% a year ago and the lowest since 2015 - as record output from the US and countries like Russia offered opportunities for importers to tap other sources. India shipped in 2.68mn bpd oil from the Middle East in 2019, down about 10% from 2018, and around 1.8mn bpd from elsewhere, the data reviewed by Reuters showed. Deeper than expected oil output cuts by OPEC and allies, shouldered by Saudi Arabia, and less supply from Iran due to US sanctions also dented India's intake of Middle Eastern oil, Analyst with Refinitiv, Ehsan Ul Haq said. (Reuters)
- **IMF trims 2020 Saudi Arabia's growth forecast to 1.9% on lower oil output** – The IMF lowered its forecast for Saudi Arabia's economic growth to 1.9% this year due to oil output cuts agreed with oil exporters, having previously forecast the Kingdom's gross domestic product would grow 2.2%. Riyadh led an agreement last month that committed the OPEC+ group of oil producers to some of the deepest output cuts in a decade, to avert oversupply and support prices. Economic growth in the Kingdom, the world's biggest oil exporter, is expected to improve to 2.2% in 2021, the IMF said. (Reuters)
- **United Electronics Company expands on higher consumer confidence** – United Electronics Company plans to open two stores in 2020 and expand its web presence after consumer confidence improved in Saudi Arabia last year. "The number one priority for us will be online, and at the same time the geographical extension. United Electronics will also start issuing credit cards before the second half. The consumer financing business' revenue increased about 50% in our installment program, so it is helping us a lot. The basket size grew 8% last year. The relationship with online retailer Noon is working well," the CEO of the electronics retailer, Mohamed Galal said on Bloomberg TV. (Bloomberg)
- **Dubai's DAE signs new \$300mn four year unsecured term loan** – Dubai Aerospace Enterprise (DAE), announced that it has signed a \$300mn four-year unsecured term loan with China Construction Bank DIFC Branch, and China Construction Bank

(Asia) Corporation Limited. The principal amount of the loan can be increased to \$500mn. The loan will support the future financing needs of the business. Commenting on the announcement, Chief Executive Officer of DAE, Firoz Tarapore said, "We are delighted to start the new year 2020 with a meaningful and sizeable transaction with the DIFC branch of one of the world's leading banking organisations. We look forward to deepening our relationship with CCB in the future." Senior Executive Officer at China Construction Bank DIFC Branch, Yuan Shengrui said, "CCB DIFC Branch is delighted to have been given the opportunity to co-lead this successful transaction. It is a privilege to assist DAE in their financing requirements and we look forward to further collaborations in future. This syndication is the first financing which CCB Group arranged for DAE, and we are pleased to have the opportunity to be involved with closing such a successful deal. It demonstrates that DAE is a well-established borrower, which commands significant interest in both Asia and Middle East banking market. We look forward to continuously leveraging on CCB's overseas network and resources to deepen our partnership with DAE and promote closer business collaboration in the future." (Zawya)

- **Eni and ADNOC sign memorandum on sustainable energy research** – The CEOs of Eni and ADNOC signed memorandum of understanding (MoU) for joint development of research initiatives aimed at creating advanced technological solutions for the reduction, capture, usage or confinement (CCUS) of CO2 emissions at fields, according to e-mailed statement. Eni said this is a high potential agreement with two initiatives already identified to improve CO2 usage. The CO2 will be used to improve hydrocarbon recovery factor and be permanently stored. (Bloomberg)
- **UAE's Masdar to build \$600mn wind farm in Uzbekistan** – Masdar, a clean-energy developer based in Abu Dhabi, has agreed to build a 400-megawatt \$600mn wind farm in Uzbekistan's Navoi region, according to the Central Asian nation's Ministry of Investment and Foreign Trade. Under the agreement signed in the Uzbek capital of Tashkent, Masdar will design, finance and build the wind farm and operate it, the ministry said in a statement. Work on the \$600mn project will start in the third quarter of this year and will be completed in 2022. The UAE based company had earlier agreed to build a 100-megawatt photovoltaic power station in the Navoi region. Construction of the \$100mn plant is scheduled to start this quarter and take a year. (Bloomberg)
- **NBK reports 2019 net profit of KD401.3mn, increasing 8.2% YoY** – National Bank of Kuwait (NBK), delivered strong annual performance with net profit of KD401.3mn compared with KD370.7mn in 2018, increasing by 8.2% YoY. Total assets in 2019 stood at KD29.3bn, increasing by 6.7%, with customer deposits increasing by 10.7% to reach KD15.9bn and customer loans and advances growing by 6.8% to KD16.6bn. NBK's board of directors have proposed the distribution of a cash dividend of 35 fils per share, representing 56.4% of net profit, in addition to 5% bonus shares. The proposed dividend is subject to shareholders' approval at the Annual General Meeting (AGM). Earnings per share (EPS) stood at 60 fils, as compared to 55 fils in 2018, and equity attributable to shareholders increased by

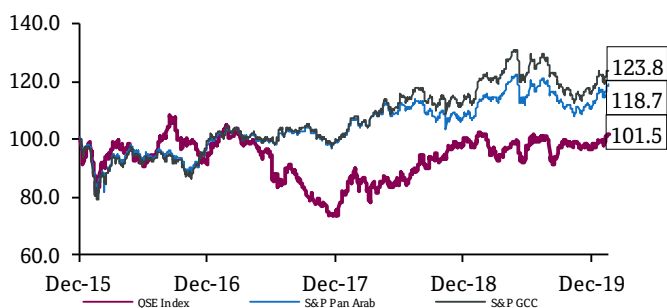


8.8% to KD3.21bn. Net operating income grew by 1.4% to KD895.5mn, while non-interest income increased by 7.0% to KD206.3mn. The bank's international operations continued to play an important role in mitigating group-level risk and diversifying income from across geographies. The total bottom line contribution of international operations accounted for 28% of the Group's net profit in 2019. (Zawya)

- **Boubyan Bank reports net profit of KD62.7mn in 2019** – Boubyan Bank has reported net profit of KD62.7mn in 2019, at a growth rate of 12% compared to 2018, with earnings per share of 20.4 fils compared to 19.2 fils in 2018. This is a continuation of the pace of profitability growth as well as the growth in various financial indicators of the Bank since 2010. The board further recommended to the general assembly distributions of 9% in cash dividends (9 fils per share) and 5 % in bonus shares. The Bank's Vice-Chairman & Chief Executive Officer, Adel Abdul Wahab Al-Majed stated that all of the Bank's main indicators witnessed a remarkable growth in 2019 where the total assets increased to KD5.3bn at a growth rate of 22% while customers' deposits increased by 17%, to reach KD4.3bn and the financing portfolio increased to KD3.7bn with a growth rate of 14%, in addition to the continuous growth of the bank's customers' base. He further added that the total equity of the bank increased to KD575mn by the end of 2019 and the operating income increased to KD146mn. He stated as well that the market share in financing increased to approximately 9.3% in the meantime, while Boubyan Bank's share of the retail finance increased to approximately 12%. Besides, the bank recorded outstanding growth in the corporate credit portfolio which grew by 17%. This was achieved by attracting a number of operational companies known for their financial and economic creditworthiness while continuing to maintain the highest standards of credit quality, monitoring and diversifying risks. (Zawya)
- **Kuwait Finance House shareholders approve Bahrain's AUB takeover** – Kuwait Finance House's (KFH) general assembly of shareholders has approved the acquisition of Bahrain's Ahli United Bank (AUB), KFH's Chairman said. KFH announced its plan to take over the Bahraini lender early last year. (Zawya)
- **Kuwait's National Investments pens KD6.5mn loan deal** – National Investments Company (NIC) signed a loan agreement worth KD6.5mn with a local bank. The five-year loan will be used to refinance current loans, the company said in a statement to Boursa Kuwait. The deal will result in a slight drop in the company's financing costs, the statement showed. In mid-December 2019, NIC entered into a five-year loan agreement valued at KD13mn with a local bank. It is noteworthy that during the first nine months of 2019, the Kuwaiti firm logged a net profit of KD9.25mn, rising by 10% YoY from KD8.41mn. (Zawya)
- **Oman to introduce VAT in 2021** – Oman's Minister of Commerce and Industry, Ali Bin Masoud Al Sunaidy said that value-added tax (VAT) will be applied sometime at the beginning of 2021. "It is something people don't like, but this is something we have been lobbying for. Oman is aiming for 2.5%-3% annual economic growth. Hopes oil prices would rise to \$70/bbl, but \$65 is helpful," he added. (Bloomberg)

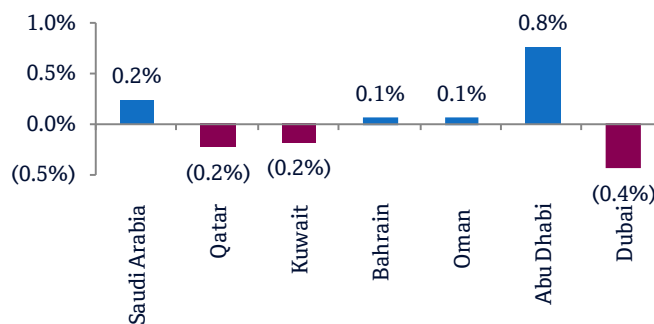
- **Bahrain's money supply surges 9% to BHD13,634.1mn** – Bahrain's money supply (M3) surged 9% to BHD13,634.1mn at the end of November 2019, compared with BD12,504.3m at the end of November 2018, the Central Bank of Bahrain (CBB) said in its monthly statistical bulletin. In addition, the total outstanding balance of public debt instruments which includes development bonds, Treasury Bills, Islamic leasing securities and Al Salam Islamic securities, stood at BHD12,045.4mn at the end of November 2019, an increase of 5.1% compared with its level of BHD11,457mn in November 2018. The data also indicated an increase in the total balance sheet of the banking system from \$192.1bn at the end of November 2018 to \$205.6bn at the end of November 2019, an increase of \$13.5bn, or 7%, in the 12-month period. The total value of outstanding loans and credit facilities provided by retail banks amounted to BHD9,782.8mn at end of November 2019 compared with BHD9,440mn at the end of November 2018, an increase of 3.6%. This amount includes loans and facilities provided to the business sector amounting to BHD5,166.9mn at the end of November 2019 compared with BHD5,052.1mn at the end of the same period last year, an increase of 2.3%. The data shows that credit card and debit card transactions across point of sales (POS) terminals amounted to BHD217.4mn in November 2019 compared with BHD193.2mn in November 2018, marking an increase of BHD24.2mn or 12.5%. The balance sheet of retail banks increased by BHD3bn, or 9.3%, reaching a total of BHD35.4bn at the end of November 2019 compared with BHD32.4bn at end of November 2018. The data also shows an increase in local non-bank deposits which amounted to BHD13.1bn at the end of November 2019 compared with BHD12bn at the end of November 2018, an increase of 9.2%. (Zawya)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.84x** – Bahrain sold BHD70mn of 91 day bills due on April 22, 2019. Investors offered to buy 1.84 times the amount of securities sold. The bills were sold at a price of 99.354, having a yield of 2.57% and will settle on January 22, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,560.77	0.2	0.2	2.9
Silver/Ounce	18.08	0.2	0.2	1.3
Crude Oil (Brent)/Barrel (FM Future)	65.20	0.5	0.5	(1.2)
Crude Oil (WTI)/Barrel (FM Future)*	58.54	0.0	0.0	(4.1)
Natural Gas (Henry Hub)/MMBtu*	2.06	0.0	0.0	(1.4)
LPG Propane (Arab Gulf)/Ton*	42.00	0.0	0.0	1.8
LPG Butane (Arab Gulf)/Ton*	69.75	0.0	0.0	5.1
Euro	1.11	0.0	0.0	(1.1)
Yen	110.18	0.0	0.0	1.4
GBP	1.30	(0.0)	(0.0)	(1.9)
CHF	1.03	(0.1)	(0.1)	(0.1)
AUD	0.69	(0.1)	(0.1)	(2.1)
USD Index*	97.61	0.0	0.0	1.3
RUB	61.53	(0.1)	(0.1)	(0.7)
BRL	0.24	(0.7)	(0.7)	(4.1)

Source: Bloomberg (\*Market was closed on January 20, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,415.03	(0.0)	(0.0)	2.4
DJ Industrial*	29,348.10	0.0	0.0	2.8
S&P 500*	3,329.62	0.0	0.0	3.1
NASDAQ 100*	9,388.94	0.0	0.0	4.6
STOXX 600	423.98	(0.2)	(0.2)	0.6
DAX	13,548.94	0.1	0.1	1.1
FTSE 100	7,651.44	(0.5)	(0.5)	(0.6)
CAC 40	6,078.54	(0.4)	(0.4)	0.4
Nikkei	24,083.51	0.1	0.1	0.6
MSCI EM	1,145.68	(0.1)	(0.1)	2.8
SHANGHAI SE Composite	3,095.79	0.7	0.7	2.9
HANG SENG	28,795.91	(0.9)	(0.9)	2.4
BSE SENSEX	41,528.91	(1.0)	(1.0)	0.9
Bovespa	118,861.60	0.1	0.1	(1.4)
RTS	1,646.60	0.5	0.5	6.3

Source: Bloomberg (\*\$ adjusted returns, \*Market was closed on January 20, 2019)

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