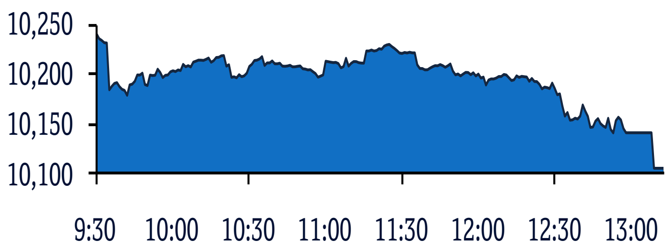
# Daily Market Report

Sunday, 22 November 2020

## QSE Intra-Day Movement




## Qatar Commentary

The QE Index declined 1.4% to close at 10,107.7. Losses were led by the Banks & Financial Services and Real Estate indices, falling 2.2% and 2.0%, respectively. Top losers were Mazaya Real Estate Development and Ezdan Holding Group, falling 5.0% and 4.4%, respectively. Among the top gainers, Mannai Corporation gained 3.6%, while Qatar Navigation was up 1.7%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.5% to close at 8,578.42. Losses were led by the Software & Services and Food indices, falling 1.2% and 0.9%, respectively. Saudi Paper Manufacturing Co. fell 5.5%, while Saudi Industrial Dev. Co. was down 4.7%.

**Dubai:** The DFM Index declined 0.3% to close at 2,316.11. The Consumer Staples index fell 1.5%, while the Investment & Financial Serv. index declined 0.9%. Al Salam Group Holding fell 4.8%, while DAMAC Properties Dubai Co. was down 1.8%.

**Abu Dhabi:** The ADX benchmark index fell 0.8% to close at 4,913.7. The Bank index declined 1.4%, while the Investment & Financial Services index fell 0.8%. Abu Dhabi National Takaful Co. declined 4.8%, while Finance House was down 4.4%.

**Kuwait:** The KSE All Share Index rose 0.8% to close at 5,526.9. The Technology index gained 5.7%, while the Oil & Gas index rose 2.9%. Burgan Co. for Well Drilling, Trading & Maint. gained 39.1%, while Shuaiba Industrial Co. was up 9.9%.

**Oman:** The MSM Index rose 0.1% to close at 3,627.7. Gains were led by the Services and Industrial indices, rising 0.2% and 0.1% respectively. Muscat Finance rose 2.6%, while Renaissance Services was up 1.8%.

**Bahrain:** The BHB Index gained 0.5% to close at 1,452.1. The Industrial index rose 1.2%, while the Commercial Bank index gained 0.6%. Khaleeji Commercial Bank rose 6.7%, while Al Salam Bank - Bahrain was up 2.8%.

| Market Indicators | 19 Nov 20 | 18 Nov 20 | %Chg. |
|---|---|---|---|
| Value Traded (QR mn) | 421.2 | 409.7 | 2.8 |
| Exch. Market Cap. (QR mn) | 579,111.4 | 591,038.6 | (2.0) |
| Volume (mn) | 160.0 | 162.5 | (1.6) |
| Number of Transactions | 9,459 | 10,037 | (5.8) |
| Companies Traded | 46 | 45 | 2.2 |
| Market Breadth | 7:38 | 17:23 | – |

| Market Indices | Close | 1D% | WTD% | YTD% | TTM P/E |
|---|---|---|---|---|---|
| Total Return | 19,431.63 | (1.4) | (1.0) | 1.3 | 17.2 |
| All Share Index | 3,111.87 | (1.7) | (1.6) | 0.4 | 17.8 |
| Banks | 4,186.35 | (2.2) | (2.4) | (0.8) | 14.8 |
| Industrials | 2,914.09 | (1.3) | (2.2) | (0.6) | 26.0 |
| Transportation | 3,149.73 | 0.9 | 4.9 | 23.3 | 14.4 |
| Real Estate | 1,796.05 | (2.0) | (4.7) | 14.8 | 15.9 |
| Insurance | 2,456.84 | (0.4) | 5.7 | (10.2) | 38.9 |
| Telecoms | 923.29 | (0.8) | (1.6) | 3.2 | 13.8 |
| Consumer | 8,148.41 | (1.3) | (0.9) | (5.8) | 24.1 |
| Al Rayan Islamic Index | 4,101.18 | (1.1) | (1.5) | 3.8 | 18.7 |

| GCC Top Gainers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Ahli United Bank | Kuwait | 0.28 | 2.2 | 774.7 | (13.7) |
| Mobile Telecom. Co | Kuwait | 0.63 | 2.0 | 11,822.9 | 4.2 |
| Emaar Malls | Dubai | 1.79 | 1.7 | 10,231.1 | (2.2) |
| Saudi Ind. Investment | Saudi Arabia | 25.90 | 1.6 | 2,262.9 | 7.9 |
| ADNOC Distribution | Abu Dhabi | 3.45 | 1.5 | 3,478.0 | 16.6 |

| GCC Top Losers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Ezdan Holding Group | Qatar | 1.47 | (4.4) | 16,804.9 | 139.3 |
| The Commercial Bank | Qatar | 4.33 | (3.7) | 2,393.2 | (7.8) |
| QNB Group | Qatar | 18.00 | (3.6) | 2,986.4 | (12.6) |
| Mesaieed Petrochemical | Qatar | 2.02 | (2.7) | 2,543.5 | (19.5) |
| Barwa Real Estate Co. | Qatar | 3.33 | (1.9) | 3,798.8 | (6.1) |

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

| QSE Top Gainers | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Mannai Corporation | 2.99 | 3.6 | 681.4 | (2.9) |
| Qatar Navigation | 6.20 | 1.7 | 589.3 | 1.6 |
| Doha Bank | 2.45 | 0.6 | 1,346.4 | (3.4) |
| Qatar Gas Transport Company Ltd. | 3.20 | 0.5 | 28,430.5 | 33.8 |
| Widam Food Company | 7.00 | 0.4 | 89.2 | 3.6 |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Qatar Gas Transport Company Ltd. | 3.20 | 0.5 | 28,430.5 | 33.8 |
| Investment Holding Group | 0.56 | (1.6) | 17,553.4 | (0.5) |
| Ezdan Holding Group | 1.47 | (4.4) | 16,804.9 | 139.3 |
| Mazaya Real Estate Development | 1.22 | (5.0) | 15,897.3 | 69.0 |
| Salam International Inv. Ltd. | 0.60 | (1.5) | 7,165.5 | 16.1 |

| QSE Top Losers | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Mazaya Real Estate Development | 1.22 | (5.0) | 15,897.3 | 69.0 |
| Ezdan Holding Group | 1.47 | (4.4) | 16,804.9 | 139.3 |
| The Commercial Bank | 4.33 | (3.7) | 2,393.2 | (7.8) |
| QNB Group | 18.00 | (3.6) | 2,986.4 | (12.6) |
| Mesaieed Petrochemical Holding | 2.02 | (2.7) | 2,543.5 | (19.5) |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|---|---|---|---|---|
| Qatar Gas Transport Co. Ltd. | 3.20 | 0.5 | 91,051.0 | 33.8 |
| QNB Group | 18.00 | (3.6) | 54,333.1 | (12.6) |
| Qatar Islamic Bank | 16.69 | (0.2) | 26,785.8 | 8.9 |
| Ezdan Holding Group | 1.47 | (4.4) | 25,238.7 | 139.3 |
| Mazaya Real Estate Development | 1.22 | (5.0) | 19,535.9 | 69.0 |

Source: Bloomberg (* in QR)

| Regional Indices | Close | 1D% | WTD% | MTD% | YTD% | Exch. Val. Traded ($ mn) | Exchange Mkt. Cap. ($ mn) | P/E** | P/B** | Dividend Yield |
|---|---|---|---|---|---|---|---|---|---|---|
| Qatar* | 10,107.65 | (1.4) | (1.0) | 4.3 | (3.0) | 114.04 | 156,939.2 | 17.0 | 1.5 | 4.0 |
| Dubai | 2,316.11 | (0.3) | 2.4 | 5.9 | (16.2) | 63.00 | 88,443.0 | 10.6 | 0.8 | 4.3 |
| Abu Dhabi | 4,913.71 | (0.8) | 1.2 | 5.4 | (3.2) | 149.82 | 195,966.8 | 17.5 | 1.3 | 5.4 |
| Saudi Arabia | 8,578.42 | (0.5) | 1.7 | 8.5 | 2.3 | 3,284.95 | 2,440,075.5 | 31.7 | 2.0 | 2.5 |
| Kuwait | 5,526.91 | 0.8 | 0.2 | 1.5 | 12.5 | 177.10 | 100,803.0 | 34.6 | 1.4 | 3.6 |
| Oman | 3,627.66 | 0.1 | (0.0) | 2.0 | (8.9) | 1.55 | 16,456.6 | 10.8 | 0.7 | 6.8 |
| Bahrain | 1,452.08 | 0.5 | 0.2 | 1.7 | (9.8) | 4.78 | 22,146.7 | 13.9 | 1.0 | 4.8 |

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

## Qatar Market Commentary

- The QE Index declined 1.4% to close at 10,107.7. The Banks & Financial Services and Real Estate indices led the losses. The index fell on the back of selling pressure from Foreign shareholders despite buying support from Qatari, GCC and Arab shareholders.
- Mazaya Real Estate Development and Ezdan Holding Group were the top losers, falling 5.0% and 4.4%, respectively. Among the top gainers, Mannai Corporation gained 3.6%, while Qatar Navigation was up 1.7%.
- Volume of shares traded on Thursday fell by 1.6% to 160.0mn from 162.5mn on Wednesday. Further, as compared to the 30-day moving average of 234.2mn, volume for the day was 31.7% lower. Qatar Gas Transport Company Limited and Investment Holding Group were the most active stocks, contributing 17.8% and 11.0% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|---|---|---|---|
| Qatari Individuals | 39.13% | 40.66% | (6,452,706.1) |
| Qatari Institutions | 19.63% | 10.17% | 39,848,827.3 |
| **Qatari** | **58.75%** | **50.82%** | **33,396,121.3** |
| GCC Individuals | 1.17% | 1.08% | 385,251.3 |
| GCC Institutions | 1.17% | 0.43% | 3,122,788.6 |
| **GCC** | **2.34%** | **1.51%** | **3,508,039.9** |
| Arab Individuals | 12.35% | 9.78% | 10,811,313.0 |
| Arab Institutions | 0.01% | – | 20,986.0 |
| **Arab** | **12.35%** | **9.78%** | **10,832,299.0** |
| Foreigners Individuals | 3.26% | 3.58% | (1,341,919.4) |
| Foreigners Institutions | 23.29% | 34.31% | (46,394,540.7) |
| **Foreigners** | **26.55%** | **37.88%** | **(47,736,460.1)** |

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

## Global Economic Data

| Date | Market | Source | Indicator | Period | Actual | Consensus | Previous |
|---|---|---|---|---|---|---|---|
| 11/19 | US | Department of Labor | Initial Jobless Claims | 14-Nov | 742k | 700k | 711k |
| 11/19 | US | Department of Labor | Continuing Claims | 07-Nov | 6372k | 6400k | 6801k |
| 11/20 | UK | GfK NOP (UK) | GfK Consumer Confidence | Nov | -33 | -34 | -31 |
| 11/20 | Germany | German Federal Statistical Office | PPI MoM | Oct | 0.10% | 0.10% | 0.40% |
| 11/20 | Germany | German Federal Statistical Office | PPI YoY | Oct | -0.70% | -0.80% | -1.00% |
| 11/20 | Japan | Ministry of Internal Affairs and Communications | Natl CPI YoY | Oct | -0.40% | -0.40% | 0.00% |
| 11/20 | Japan | Markit | Jibun Bank Japan PMI Mfg | Nov P | 48.3 | – | 48.7 |
| 11/20 | Japan | Markit | Jibun Bank Japan PMI Services | Nov P | 46.7 | – | 47.7 |
| 11/20 | Japan | Markit | Jibun Bank Japan PMI Composite | Nov P | 47 | – | 48 |

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

## News

### Qatar

- **GWCS fully prepared to undertake logistics operations for Qatar 2022 –** Gulf Warehousing Company (GWCS) the official logistics provider for the upcoming FIFA World Cup Qatar 2022, has said it is fully prepared to undertake the logistics operations for the world's biggest sporting event with its highly developed infrastructure, as it continues to develop and improve to ensure the successful actualization of another milestone of Qatar's national vision. In a statement, GWCS' Chairman, Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al Thani said, "On the occasion of the two-years to FIFA World Cup Qatar 2022 countdown, and as the Official Logistics Provider for the tournament, we would like to express how excited we are in Qatar to deliver this massive undertaking and fulfill the world's largest single sport event. We truly commend the immense efforts of the nation towards the development and completion of the various infrastructures for Qatar 2022 coming together under a united and sustainable vision. In 2022, all eyes will turn to Qatar, and delivering a successful FIFA World Cup tournament will require the maximum application of our expertise and effort for an unprecedented tournament never before experienced in World Cup history. Logistics will play a significant role during the tournament, making GWCS' fully integrated world class logistics solutions including sports and event logistics services, as well as warehousing, freight forwarding, transportation, IT, and fine art crucial to the smooth and efficient delivery of this world-class event. We have every confidence that we will showcase to the world what Qatar is capable of in the fields of sports, culture, tourism, and beyond." (Peninsula Qatar, Gulf-Times.com)
- **QGRI discloses Lawsuit –** Qatar General Insurance & Reinsurance Company (QGRI) disclosed the registration of a shareholders Lawsuit Number 2367 / 2020 "Plenary Civil Court" against the Company and its Temporary Board of Directors before the Court of First Instance circuit number (8) in Al-Dafna. (QSE)
- **Qatar sees robust reuse of treated wastewater in agriculture sector –** Qatar's treated wastewater stood at 22.11mn cubic meters out of 22.34mn cubic meters of wastewater received in September this year, according to the data of the Planning and Statistics Authority. The country uses the most modern membrane ultra-filtration system that helps in the recycling of treated wastewater. The treated wastewater saw an 11.4% and 6.5% MoM and YoY decline respectively in the review period. Nevertheless, there has been an overall robust reuse of treated wastewater in agriculture, a sector that has received increased thrust and support from the government as part of the self-sustaining initiatives, especially after the country came under unjust economic and trade embargo. The treated wastewater reused in agriculture amounted to 7.25mn cubic meters, which accounted for 33% of the total treated wastewater this September (against 31% in August 2020). The reuse in the farm sector, however, witnessed 6.8% and 9% decline on monthly and yearly basis respectively. Qatari agricultural produce reached 92,000 tons and the Ministry of Municipality and Environment aims to locally produce 70% of the market needs by 2023. (Gulf-Times.com)
- **Qatar 2022 infrastructure 90% complete –** The Infrastructure planned for the FIFA World Cup 2022 in Qatar has reached 90% completion, with the three stadiums that have already been finalized – Khalifa International, Al Janoub and Education City – safely hosting more than 100 matches in 2020 in spite of the COVID-19 pandemic. Three more tournament venues are in the final stages of construction: Al Rayyan, Al Bayt and Al Thumama. The main works at the remaining two stadiums – Ras Abu Aboud and Lusail – are set to be completed in 2021. (Qatar Tribune)
- **Qatar sells Al-Shaheen at premium –** According to sources, Qatar Petroleum for the Sale of Petroleum Products Co. sold two cargoes of Al-Shaheen grade for January 2-3 and January 23-24 loading at an average premium of about 75 cents a barrel to the Dubai benchmark price. Earlier this month, some Japanese refiners purchased January-loading shipments at a premium of about 70 cents to 80 cents in the last reported transaction of the same grade. (Bloomberg)
- **Qatar's sovereign wealth fund invests in Lloyd's insurance vehicle Inigo –** A group of investors including Qatar's sovereign wealth fund are reportedly in talks to back the new Lloyd's of London vehicle Inigo. Earlier Enstar and Stone Point Capital announced it had sold certain underwriting assets, including its Lloyd's Syndicate 1301 and its managing agency, to Inigo. The new company is led by former Hiscox's Chief underwriting officer, Richard Watson who stepped down last year. He is joined by former colleagues Stuart Bridges, who also worked at interdealer broker ICAP, and Russell Merrett. Firms including the Qatari Investment Authority, CDPQ, Oak Hill Advisors and JC Flowers are in advanced talks to commit $800mn to Inigo, according to Sky News. The deal with Inigo is yet to be approved by Lloyd's but sources told the broadcaster it could be writing new business in the new year. Enstar, Stone Point and Inigo's management team are also reportedly involved in the capital raising. Sky News reported that sources described the fundraising as a "coup" for Lloyd's of London chief executive John Neal who has pushed to modernize the market. (Bloomberg)
- **CRA publishes Spectrum Plan for FIFA World Cup Qatar 2022 –** The Communications Regulatory Authority (CRA) published on its website the Spectrum Plan for the FIFA World Cup - Qatar 2022 to match with the opening day of the FIFA World Cup in 2022, which is going to be hosted by Qatar from November 21 to December 18, 2022. The publication is in compliance with FIFA requirements to publish the Spectrum Plan two years before the start of the event by the responsible authority in the host country, the CRA stated. The CRA started the development of the plan last year by meeting with representatives of the Supreme Committee for Delivery & Legacy (SC), FIFA and a number of experts representing Broadcast Host. The meetings continued during this year to discuss the CRA's drafted plan, and it led to accepting the plan details and various programs. It takes into account all the aspects related to hosting this international event from the spectrum perspective, in order to achieve the desired success for the event before and during its hosting in Qatar, the statement noted. (Gulf-Times.com)

International

- **G20 leaders seek to help poorest nations in post-COVID world –** Leaders of the 20 biggest economies on Saturday vowed to ensure a fair distribution of COVID-19 vaccines, drugs and tests around the world and do what was needed to support poorer countries struggling to recover from the coronavirus pandemic. The twin crises of the pandemic and an uneven, uncertain global recovery dominated the first day of a two-day summit under the chairmanship of Saudi Arabia, which hands off the rotating presidency of the G20 to Italy next month. The COVID-19 pandemic, which has thrown the global economy into a deep recession this year, and efforts needed to underpin an economic rebound in 2021, were at the top of the agenda. (Reuters)
- **US labor market losing steam as COVID-19 rages –** The number of Americans filing first-time claims for jobless benefits rose last week, likely as new business restrictions to control spiraling COVID-19 infections unleashed a fresh wave of layoffs, which could further slow the labor market recovery. The weekly unemployment claims report from the Labor Department, the most timely data on the economy's health, also showed at least 20.3mn people on unemployment benefits at the end of October, threatening the recovery from the worst recession since the Great Depression. About 12mn people will lose benefits next month when two government-funded programs expire a day after Christmas. Another rescue package for businesses and the unemployed is unlikely before then. President Donald Trump is heavily focused on disputing his election loss to Democrat Joe Biden, who will inherit the public health crisis and a frail economy when he takes office in January. Initial claims for state unemployment benefits increased 31,000 to a seasonally adjusted 742,000 for the week ended November 14. Economists polled by Reuters had forecast 707,000 applications for the latest week. Unadjusted claims rose 18,344 to 743,460 last week. Economists prefer the unadjusted number because of earlier difficulties adjusting the claims data for seasonal fluctuations due to the economic shock caused by the pandemic. Including a government-funded program for the self-employed, gig workers and others who do not qualify for the regular state unemployment programs, 1.1mn people filed claims last week. Claims have remained above their 665,000 peak during the 2007-2009 Great Recession for 35 straight weeks. (Reuters)
- **Trump administration to add four more Chinese firms to Pentagon blacklist –** Washington is poised to designate four more Chinese companies as backed by the Chinese military, sources said, curbing their access to US investors as the Trump administration seeks to cement its hawkish China legacy in its waning days. The designations, which have not been previously reported, could be released by the Department of Defense as soon as Friday but may be unveiled next week, said one US official and one person familiar with the matter who declined to be named. The White House and the Chinese embassy in Washington did not immediately respond to requests for comment. The additions would bring the number of Chinese companies affected to 35. They include giants like Hikvision, China Telecom Corp and China Mobile, which were added earlier this year. The list of "Communist Chinese Military Companies" was mandated by a 1999 law requiring the Pentagon to compile a catalogue of companies "owned or controlled" by the People's Liberation Army, but the defense department only complied this year. The latest move would come just days after the White House published an executive order, first reported by Reuters, that sought to give teeth to the list by prohibiting US investors from buying securities of the blacklisted companies from November 2021. The move "helps ensure no American is unwittingly subsidizing the (Chinese Communist Party)'s campaign to dominate the technologies of the future," said Republican Congressman Mike Gallagher, who has introduced legislation to ban blacklisted Chinese companies from US capital markets. However, the executive order is unlikely to deal the firms a serious blow, experts said, due to its limited scope, uncertainty about the stance of the incoming Biden administration and already-scant holdings by US funds. (Reuters)
- **UK to unveil record £400bn borrowing plan next week –** British Finance Minister Rishi Sunak will announce the heaviest public borrowing since World War Two when he spells out his spending plans next week after the biggest economic crash in over 300 years. With Britain in the midst of a second wave of COVID-19 cases and economic recovery on hold, Sunak has postponed longer-term plans for the public finances. Spending on the pandemic is on track to exceed £200bn this year after the extension of job protection programs, and other costs are likely to spill into the 2021/22 fiscal year. Only the armed forces will receive a multi-year increase in funding as Prime Minister Boris Johnson seeks to boost Britain's profile outside the European Union. Sunak's other spending announcements are likely to be dwarfed by the scale of new borrowing forecasts which will underscore the need for future tax rises. As Sunak starts to look for ways to begin reining in the huge surge in borrowing, media reported that he plans to freeze pay for public-sector workers other than health staff. Prime Minister Boris Johnson has refused to commit to maintaining spending on overseas aid. Britain's economy shrank by 20% between April and June, more than any other major economy, and it has been slower to recover. The Bank of England has penciled in an 11% fall in GDP for 2020, a drop last seen in 1709. (Reuters)
- **UK consumer morale sinks to six-month low in November –** British consumer morale sank to a six-month low in November as a second coronavirus lockdown prompted a surge in pessimism over households' finances, a survey showed. The consumer confidence index from market research firm GfK fell to -33 from -31 in October. A Reuters poll of economists had pointed to a reading of -34. The survey's gauge of personal finances over the last year slid to its lowest level since December 2013. "This will deal a blow to any future rebound because bullish consumer spending fuels the UK economy and low confidence is the enemy of recovery," Joe Staton, client strategy director at GfK, said. The survey added to other signs of a deteriorating economy that prompted a new round of support from the government and Bank of England this month for businesses and workers. The economy grew by a slower than expected 1.1% in September, lagging other rich nations as it struggled to recover from the shock of the pandemic even before the latest COVID-19 lockdown. "The second lockdown couldn't have come at a worse time for the UK's high-street retailers and it's no surprise that our major purchase sub-

measure is once again mired deep in negative territory," Staton said. (Reuters)

- **German carmakers welcome electric car support, see challenges –** Leading German carmakers welcomed on the government's 3bn-Euro ($3.6bn) scheme to help shift to low-emission cars, but BMW said more charging stations were needed to keep pace with the country's ambitions. Germany earmarked the cash to help the country's key export industry tackle the coronavirus and climate crises. German carmakers already face tough competition from Chinese and US rivals in electric mobility, while demand the industry has also been hit by a collapse in demand caused by the COVID-19 pandemic. Daimler, Chief Executive, Ola Kaellenius welcomed the government announcement, saying the decisions were "exactly right." Volkswagen's CEO Herbert Diess also said he was confident Germany could bolster its role as a leading e-mobility market by focusing consumer rebates on electric cars only. "The measures are working," he said, referring to earlier support that was extended in package. A central element of the scheme is the allocation of one billion euros to extend to 2025 a consumer rebate for buying electric cars that had been due to end next year. A further one billion Euros will be used for a scrappage scheme for older trucks while another one billion Euro fund will finance innovation. However, the new measures come amid a chicken-and-egg dispute about charging infrastructure, as well as over who should pay for it. (Reuters)
- **Greece sees deeper recession this year, milder rebound in 2021 –** Greece expects a deeper recession this year than previously forecast after a second lockdown to contain a resurgence in COVID-19 infections and a milder rebound in 2021, its final 2021 budget submitted to parliament on showed. This year the economic contraction is now expected to reach 10.5%, deeper than a previously projected 8.2% slump in draft budget forecasts in October. Next year's final budget, which requires parliamentary approval, projects a milder rebound in 2021 with the economy growing by 4.8% under a baseline scenario, less than an earlier forecast for a 7.5% expansion clip. The second wave of the pandemic forced the Greek government to impose a second nationwide lockdown in early November after a big rise in coronavirus infections. Although less restrictive than the first national lockdown, if it becomes protracted it is likely to further dent economic activity. Greece, which saw a quarter of its national output sapped by almost a decade of financial turmoil, emerged from recession in 2017. Its economy shrank 14% in this year's second quarter, marking the steepest quarterly contraction in at least 25 years. With uncertainty over the course of the pandemic unlikely to be dispelled until the beginning of 2021, the roll out of vaccines may brighten prospects. (Reuters)
- **Japan aims to expand CPTPP trade pact as UK, China eye membership –** Japan aims to expand a major regional free trade pact called the CPTPP, Prime Minister Yoshihide Suga said, potentially catering for China's and Britain's interest in joining the deal. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) links 11 countries including Canada, Australia and Japan. "Japan will aspire for the Free Trade Area of the Asia-Pacific through the early conclusion of the RCEP agreement and the steady implementation and expansion of the CPTPP as next year's chair," Suga said. The premier made the comment in a pre-recorded video message delivered at the APEC (Asia-Pacific Economic Cooperation) CEO Dialogues, ahead of a leaders' virtual summit later in the day. RCEP, or the Regional Comprehensive Economic Partnership, is the world's largest free trade deal signed this month by 15 economies, while the Free Trade Area of the Asia-Pacific is potentially an even larger pact the 21-member APEC has been aspiring to. A spokesman for the Chinese commerce ministry said on Thursday his country was open to the idea of joining the CPTPP, while Britain earlier this year announced its intent to pursue accession to the pact. (Reuters)

**Regional**

- **Saudi Arabia will not tap debt market again in 2020, Minister says –** Saudi Arabia has no plans to tap international debt markets again this year as the Kingdom leans on domestic borrowing to cover its budget deficit, Finance Minister, Mohammed Al-Jadaan said. "We went to the local market significantly this year, we are likely to go to the market next year," Al-Jadaan said. "There are no plans currently for an international issuance." The world's largest crude exporter is relying on more borrowing as it grapples with the impact of the twin economic shocks caused by oil market turmoil and the coronavirus pandemic. But the Kingdom covered nearly its entire budget deficit with domestic borrowing in the third quarter, even as its fiscal gap widened 27% from a year earlier. (Bloomberg)
- **PIF raises ownership stake in ACWA Power to 50% –** The Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund, said on Thursday it has increased its stake in ACWA Power to 50% from 33.6% as part of a move to support the renewable energy sector in Saudi Arabia. ACWA Power is planning an initial public offering and leads a consortium that will build and operate renewable power-based utilities at Saudi Arabia's flagship Red Sea tourism project. "We believe that ACWA Power will play a significant role in both driving and diversifying economic growth in the future – while also providing enduring commercial return for the people of the Kingdom," the fund said in a statement. In June, ACWA Power's chief executive had told Reuters the company expects to achieve its target of more than $10bn in new investments this year, as the coronavirus pandemic had "minimal impact" on its projects. The company, which had delayed its IPO plans two years ago, is still committed to a planned IPO, although execution will depend on the right timing and market conditions, Chief Executive, Paddy Padmanathan said. The stake increase by the PIF was expected after the Head of Saudi PIF, Yasir Al-Rumayyan said last year it planned to increase its stake in ACWA Power to 40% from 29.28%. (Reuters)
- **Saudi Arabia could review VAT increase after pandemic ends –** Saudi Arabia's acting information Minister, Majid bin Abdullah al-Qasabi on Thursday said the Kingdom could review its VAT increase after the novel coronavirus pandemic ends, a move which may spur economic recovery after the tax increase boosted inflation. Saudi Arabia tripled value-added tax to 15% in July to offset the impact of lower oil revenue on state finances. The hike, as well as a suspension of a cost of living allowance, shocked citizens and businesses expecting more

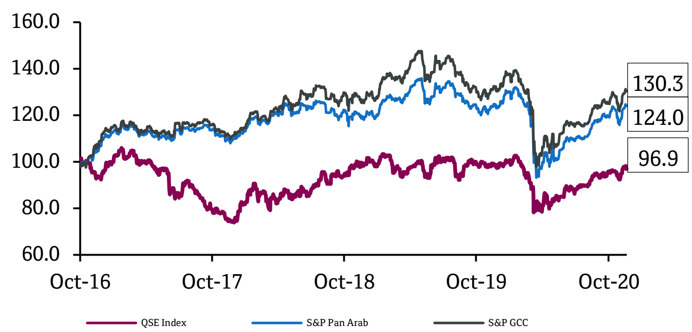
support from the government, while economists said it would dampen growth. “This decision is like any other decision, it can be revised God willing when this crisis is over,” he told reporters at a news conference, referring to the global pandemic. The decision to triple VAT earlier this year was a “painful” one, Qasabi told reporters in a news conference. “As his highness the Crown Prince said in his speech a few days ago, the decision to increase the VAT was a very painful decision.” (Reuters)

- **Saudi FDI up in first half of 2020 as economy shows resilience –** Saudi Arabia’s Minister of Investment, Khalid Al-Falih said on Saturday foreign direct investment (FDI) increased by 12% in the first half of 2020 compared with the same period last year. The Saudi government, which is hosting this year’s G20 summit, has made attracting greater foreign investment a cornerstone of its Vision 2030 plan to diversify the economy of the world’s largest oil exporter away from oil revenues. “I’m glad to say that FDI, my area of focus, in the first half has been reported to increase by 12% compared to last year,” Falih, who previously chaired state oil company Saudi Aramco, told a G20 conference. Falih said in September the Kingdom had experienced a slowdown in FDI this year due to the global disruption caused by the COVID-19 pandemic. “When I mentioned the 12% increase, I wanted to assure people that there was no decline, our FDI target is much higher,” Falih said on Saturday. As part of efforts to attract foreign investors, Saudi Arabia will launch next year special economic zones dedicated to several sectors, Falih said. In addition to attracting higher investment volumes, it will focus on “qualitative growth”, he said, mentioning areas such as cloud computing, renewable energy, tourism, culture, entertainment, and logistics. “These investments may have lower investment volumes but higher impact on the economy.” (Reuters)
- **Saudi Aramco bond pricing leaves no doubt investors see it as Saudi proxy –** The pricing of Aramco’s $8bn jumbo bonds this week has made clear that markets look at the oil giant as a proxy for Saudi Arabia, investors say, a change from last year’s inaugural bond issue that valued its risk as lower than the government’s. Saudi Aramco stunned global markets last year when, before a bond sale, it opened its books for the first time, revealing it was by far the most profitable company in the world. That $12bn bond deal obtained more than $100bn in orders, a record-breaking vote of market confidence for the world’s largest oil company. Both emerging markets and corporate investors poured money into those notes, which priced inside the Saudi government debt curve - a rarity as state-owned entities generally offer higher returns than governments. With its second foray in the international markets this week, Aramco raised $8bn out of an order book that peaked at $50bn. One source familiar with the matter said it was the highest over-subscription this year for multi-billion-dollar deals. Hefty demand showed that investors continued to see the company as an attractive asset -- despite lower oil prices and an attack on Aramco installations in September last year that revealed the vulnerability of the state-controlled oil company. (Reuters)
- **Saudi Arabia and Russia in tight race to become China's top oil supplier in 2020 –** Saudi Arabia and Russia are in a tight race to become China’s top oil supplier in 2020, with both countries boosting crude exports to the economic powerhouse even as the coronavirus pandemic hit global demand for oil this year. Saudi Arabia, which was China’s top supplier last year, has exported between 1.6mn and 1.7mn bpd of crude from January to November 2020, as deep price cuts gave Saudi oil exports a boost this month, according to analytics firms Refinitiv, Vortexa and Kpler. It was catching up with Russia which has exported about 1.7mn bpd of oil to China so far in 2020, with Iraq at a third place with about 1.2mn bpd. The oil industry has been hard hit this year as the coronavirus pandemic hurt business activity and ground the travel industry to a virtual halt. China, the world’s top crude importer, is one of the few countries to have boosted purchases in 2020, as buyers made the most of low prices earlier this year, while fuel demand recovered from the second quarter along with the broader economy. (Reuters)
- **Saudi Arabia to invest more than $5.3bn billion in artificial intelligence by 2030 –** Saudi Arabia plans to invest more than $5.3bn in artificial intelligence projects by 2030, Saudi state TV said on Thursday, citing the Chairman of the Saudi Data and Artificial Intelligence Authority, Abdullah Al-Ghamdi. (Reuters)
- **Saudi's SAFCO acquires Agri-nutrients business from SABIC –** Saudi Basic Industries Corp (SABIC) said on Thursday it has agreed to sell its Agri-nutrients business to Saudi Arabia Fertilizers Co (SAFCO), in which it owns a 43% stake. SAFCO will finance the acquisition by issuing 59.4mn shares, valued at SR10 each, to SABIC, raising the fertilizer group’s overall share capital by 14.25% to SR4.76bn. “The deal is a clear strategic attempt to create a national champion and a global leader in Agri nutrients,” SABIC Chief Executive, Yousef Al-Benyan told reporters in a virtual press conference. SABIC had been seeking to consolidate its various holdings in companies specializing in Agri-nutrient, or fertilizer, production, and signed a preliminary deal with SAFCO to divest the resulting combined business in Nov. 2018. After the acquisition the business will take the name SABIC Agri-nutrient Investments. The deal would allow SABIC to focus on its expansion in petrochemical products, and SAFCO to become more specialized in fertilizers and phosphate. (Reuters)
- **Saudi banks’ assets rise 14.1% in 3Q2020 –** Assets of Saudi banks listed on the Saudi Stock Exchange (Tadawul) grew by 14.1% on a YoY basis in the third quarter of 2020, equivalent to SR331.615bn. Assets of 11 Tadawul-listed lenders stood at SR2.686tn in 3Q2020, compared with SR2.354tn in 3Q2019. (Zawya)
- **Western Union buys 15% stake in Saudi Telecom's digital payment unit –** Western Union, the world’s largest money transfer firm, has acquired a 15% stake in the digital payment unit of Saudi Arabia’s STC Group for $200mn. The acquisition of stc pay, which values the company at SR5bn, will finance its capital and support long-term expansion plans, Saudi Arabia’s largest telecoms operator said in a statement on Saturday. STC Group Chairman, Mohammed bin Khalid Abdullah Al Faisal said the investment reflected the company’s position as a “digital enabler”. He said the deal created the first “Saudi unicorn and the first fintech unicorn in the Middle East”. Unicorns are generally defined as private companies valued at $1bn or more.

Sources told Reuters last month that STC had hired banks to arrange a potential initial sale of shares in its product and services development arm, Solutions by STC. STC said its stc pay unit is the first licensed fintech company by the Saudi Arabian Monetary Authority, the Saudi Arabian Monetary Authority (SAMA), and has more than 4.5mn users. (Reuters)

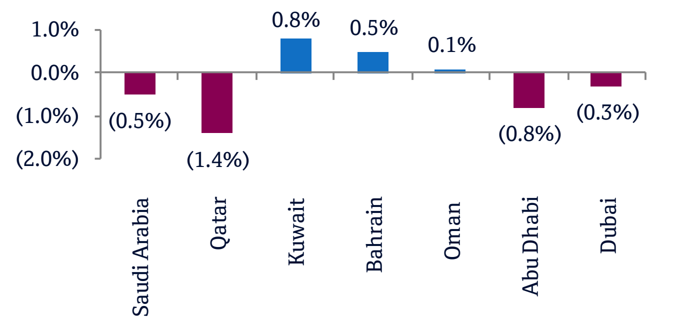
- **CBUAE total assets up 2% to AED3,252.5bn by end of 3Q2020 –** At the end of the third quarter of 2020 total assets of banks operating in the UAE increased by 2% QoQ, reaching AED3,252.5bn, the Central Bank of the UAE (CBUAE) said. During the period between September 2019 and September 2020, the total assets of banks operating in the UAE increased by 7.6% YoY. Gross credit also rose by 0.8% QoQ, reaching AED1,804.6bn at the end of September 2020. On an annual basis, gross credit increased by 4.9%, according to the apex bank's 3Q2020 report issued. The report discusses the monetary and banking activities as well as developments in the UAE financial markets during the third quarter of 2020. It also reviews ratios of annual change over the period from September 2019 to September 2020. At the end of the third quarter of 2020, total deposits of resident and non-resident customers with banks operating in the UAE rose by 2.2% QoQ, reaching AED1,907.2bn. The M1 money supply rises 0.2% MoM, M2 money supply fell 3% MoM and M3 money supply rose 0.5% MoM. (Zawya)
- **UAE oil ministry says has always been committed OPEC member –** The UAE "has always been a committed member to OPEC and we have demonstrated this commitment through our compliance to the current OPEC+ agreement," the nation's oil ministry said, following reports it is considering its position in the oil cartel. "As a reliable and long-standing member of OPEC, we have always been open and transparent in all our decisions and strategies in support of OPEC." (Bloomberg)
- **Dubai's DIFC, Israel's Bank Hapoalim sign agreement –** The Dubai International Financial Centre (DIFC) and Israel's Bank Hapoalim have agreed to cooperate across financial services activities, the Dubai Media Office said. "Bank Hapoalim will become part of DIFC's global network of banks, financial centers, regulators and companies," the statement said. (Reuters)
- **Abu Dhabi's Tabreed weighs deals starting with Dubai airport –** Tabreed, a UAE supplier of district cooling services, is seeking acquisitions and may bid for the chilled-air operations at Dubai's main airport. The Abu Dhabi-based company is studying tender documents for the Dubai airport business, Chief Executive Officer, Bader Al Lamki said. The assets for sale, valued at around $750mn, would add to a portfolio Tabreed expanded this year with a $675mn purchase of the cooling business serving the Dubai Mall and the Burj Khalifa, the world's tallest building. "We have a growth ambition and will be eyeing further opportunities," Al Lamki said. "The bid is not yet there," he said, referring to the airport assets. "We haven't made up our minds to bid for it, but, definitely, it's something that is out there to watch." Tabreed, officially named National Central Cooling, is also expanding in Abu Dhabi. It agreed with government-backed property developer Miral Asset Management to build a second cooling plant in the Yas Island resort and leisure district, Al Lamki said. The plant will serve the planned SeaWorld Abu Dhabitheme park, set to open in 2022, he said. Abu Dhabi is the capital of the UAE, which includes the business hub of Dubai. Tabreed's purchase of the Downtown District Cooling business in Dubai was a "step change" for its scope of operations, Al Lamki said. The company raised funds this year to support further growth, he said, declining to provide details on potential deals. Tabreed sold $500mn in bonds last month and has shareholder approval to raise another $500mn, he said. It raised $692mn in a syndicated loan in September. (Bloomberg)
- **Kuwait International Bank sells $300mn Sukuk –** Kuwait International Bank sold $300mn Tier 2 Sukuk, or Islamic bonds, on Tuesday at 2.375% and received more than $2.4bn in orders for the Islamic bonds, a document showed. It had given initial price guidance of around 2.75% earlier on Thursday for the 10-year Sukuk that are non-callable for five years, a separate document also from one of the banks arranging the deal showed. (Reuters)
- **GFH invests in portfolio of pre-IPO technology companies –** GFH says it holds minority stake in US & Global Tech Opportunities, a $270mn collective vehicle that invests in pre-IPO next generation technology companies. It expects investments to generate high double-digit returns. It comprises minority stakes in Snowflake, UiPath, DoorDash, DataRobot, Samsara, BYJUs and Outreach, among others. It expects some portfolio companies to go public and/or enter into trade deals. (Bloomberg)

| Rebased Performance |
|---|




Source: Bloomberg

| Daily Index Performance |
|---|




Source: Bloomberg

| Asset/Currency Performance | Close ($) | 1D% | WTD% | YTD% |
|---|---|---|---|---|
| Gold/Ounce | 1,870.99 | 0.2 | (1.0) | 23.3 |
| Silver/Ounce | 24.18 | 0.5 | (2.0) | 35.4 |
| Crude Oil (Brent)/Barrel (FM Future) | 44.96 | 1.7 | 5.1 | (45.3) |
| Crude Oil (WTI)/Barrel (FM Future) | 42.15 | 1.0 | 5.0 | (40.0) |
| Natural Gas (Henry Hub)/MMBtu | 2.19 | (7.6) | (23.2) | 4.8 |
| LPG Propane (Arab Gulf)/Ton | 51.38 | 2.8 | (6.6) | 24.6 |
| LPG Butane (Arab Gulf)/Ton | 55.25 | 1.4 | (23.8) | (16.8) |
| Euro | 1.19 | (0.2) | 0.5 | 5.7 |
| Yen | 103.86 | 0.1 | (0.7) | (4.4) |
| GBP | 1.33 | 0.1 | 0.6 | 0.1 |
| CHF | 1.10 | (0.0) | (0.2) | 6.2 |
| AUD | 0.73 | 0.2 | 0.0 | 4.0 |
| USD Index | 92.39 | 0.1 | (0.4) | (4.1) |
| RUB | 76.20 | 0.2 | (1.5) | 22.9 |
| BRL | 0.19 | (1.4) | 3.3 | (25.3) |

Source: Bloomberg

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|---|---|---|---|---|
| MSCI World Index | 2,540.02 | (0.2) | 0.4 | 7.7 |
| DJ Industrial | 29,263.48 | (0.7) | (0.7) | 2.5 |
| S&P 500 | 3,557.54 | (0.7) | (0.8) | 10.1 |
| NASDAQ 100 | 11,854.97 | (0.4) | 0.2 | 32.1 |
| STOXX 600 | 389.61 | 0.5 | 1.2 | (6.3) |
| DAX | 13,137.25 | 0.4 | 0.5 | (0.8) |
| FTSE 100 | 6,351.45 | 0.3 | 0.6 | (15.8) |
| CAC 40 | 5,495.89 | 0.4 | 2.2 | (8.1) |
| Nikkei | 25,527.37 | (0.4) | 0.6 | 7.9 |
| MSCI EM | 1,209.26 | 0.7 | 1.8 | 8.5 |
| SHANGHAI SE Composite | 3,377.73 | 0.4 | 2.0 | 10.7 |
| HANG SENG | 26,451.54 | 0.4 | 1.1 | (6.2) |
| BSE SENSEX | 43,882.25 | 0.6 | 1.0 | 6.4 |
| Bovespa | 106,042.50 | (0.6) | 1.3 | (8.3) |
| RTS | 1,262.69 | 0.3 | 2.8 | (18.5) |

Source: Bloomberg (*$ adjusted returns)

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