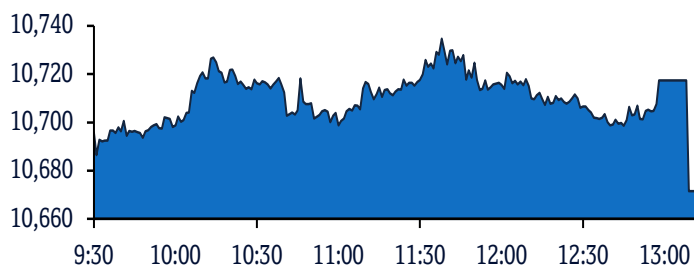


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 10,671.6. Losses were led by the Transportation and Telecoms indices, falling 1.4% and 0.9%, respectively. Top losers were INMA Holding and Dlala Brokerage & Inv. Holding, falling 3.6% and 3.2%, respectively. Among the top gainers, Al Khaleej Takaful Insurance Co. gained 3.6%, while Baladna was up by 3.0%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 8,847.0. Gains were led by the Telecom. Services and Software & Services indices, rising 0.9% and 0.8%, respectively. Baazeem Trading Co rose 5.9%, while Arriyadh Dev. Co. was up 3.4%.

Dubai: The DFM Index gained 0.3% to close at 2,723.2. The Consumer Staples and Disc. index rose 1.5%, while the Inv. & Fin. Services index gained 1.3%. Emirates Refreshments Co. rose 14.8%, while Almadina for Finance and Inv. was up 2.2%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 5,617.9. The Telecommunication index rose 0.9%, while the Energy index gained 0.5%. Abu Dhabi National Takaful Co. rose 5.9%, while RAK Properties was up 2.4%.

Kuwait: The Kuwait All Share Index gained 0.3% to close at 5,730.1. The Oil & Gas index rose 1.0%, while the Financial Services index gained 0.9%. Al-Deera Holding Co. rose 27.2%, while OSOUL Investment Co. was up 21.0%.

Oman: The MSM 30 Index fell 0.9% to close at 3,698.5. Losses were led by the Services and Financial indices, falling 1.0% and 0.8%, respectively. Al Maha Marking declined 8.0%, while Aluminium Products was down 4.6%.

Bahrain: The BHB Index gained 0.6% to close at 1,462.3. The Commercial Banks index rose 1.0%, while the Investment index gained 0.2%. Khaleeji Commercial Bank rose 7.8%, while Ahli United Bank was up 1.8%.

Market Indicators	25 Jan 21	24 Jan 21	%Chg.
Value Traded (QR mn)	511.1	449.9	13.6
Exch. Market Cap. (QR mn)	618,667.1	620,942.7	(0.4)
Volume (mn)	166.1	197.5	(15.9)
Number of Transactions	11,268	8,149	38.3
Companies Traded	46	46	0.0
Market Breadth	18:27	22:20	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	20,515.74	(0.3)	(0.6)	2.3	18.2
All Share Index	3,268.03	(0.3)	(0.6)	2.1	18.9
Banks	4,254.65	(0.4)	(0.9)	0.2	14.9
Industrials	3,256.59	(0.1)	(0.5)	5.1	29.1
Transportation	3,530.42	(1.4)	(1.5)	7.1	16.1
Real Estate	1,941.22	(0.5)	(0.0)	0.6	17.1
Insurance	2,520.75	0.1	0.8	5.2	NA
Telecoms	1,111.46	(0.9)	(1.1)	10.0	16.6
Consumer	8,229.11	0.1	0.4	1.1	31.2
Al Rayan Islamic Index	4,332.26	0.4	0.1	1.5	20.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Sahara Int. Petrochemical	Saudi Arabia	18.62	2.9	4,301.7	7.5
National Petrochem. Co.	Saudi Arabia	35.15	2.5	180.7	5.7
Ahli United Bank	Bahrain	0.73	1.8	468.5	(4.2)
Emirates NBD	Dubai	11.75	1.7	2,500.6	14.1
Ahli United Bank	Kuwait	0.30	1.3	863.6	4.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
HSBC Bank Oman	Oman	0.08	(3.4)	185.1	(7.7)
Sohar International Bank	Oman	0.09	(3.3)	16.2	(2.2)
Qatar Gas Transport Co.	Qatar	3.39	(2.3)	2,735.0	6.6
The Commercial Bank	Qatar	4.30	(2.2)	2,006.3	(2.3)
Ooredoo	Qatar	8.26	(2.0)	1,587.5	9.8

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%
INMA Holding	5.40	(3.6)	9,039.5	5.6
Dlala Brokerage & Inv. Holding	1.89	(3.2)	3,518.9	5.1
Qatar Gas Transport Co. Ltd.	3.39	(2.3)	2,735.0	6.6
The Commercial Bank	4.30	(2.2)	2,006.3	(2.3)
Mazaya Qatar Real Estate Dev.	1.29	(2.1)	11,623.9	2.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.00	(0.6)	72,883.8	1.0
INMA Holding	5.40	(3.6)	50,443.0	5.6
Baladna	1.80	3.0	48,138.9	0.6
Al Khaleej Takaful Insurance Co.	2.50	3.6	45,789.3	31.7
Qatar Islamic Bank	16.95	(0.3)	34,434.3	(0.9)

Source: Bloomberg (* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Al Khaleej Takaful Insurance Co.	2.50	3.6	18,386.2	31.7
Baladna	1.80	3.0	26,619.6	0.6
Vodafone Qatar	1.48	2.6	4,551.7	10.4
Gulf Warehousing Company	5.27	1.5	3,627.4	3.4
Qatari German Co for Med. Devices	3.25	1.5	8,149.2	45.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Baladna	1.80	3.0	26,619.6	0.6
Al Khaleej Takaful Insurance Co.	2.50	3.6	18,386.2	31.7
Mazaya Qatar Real Estate Dev.	1.29	(2.1)	11,623.9	2.0
Investment Holding Group	0.57	0.2	10,608.7	(4.5)
INMA Holding	5.40	(3.6)	9,039.5	5.6

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,671.57	(0.3)	(0.6)	2.3	2.3	139.62	169,143.6	18.2	1.5	3.7
Dubai	2,723.24	0.3	(0.5)	9.3	9.3	68.92	99,052.8	12.9	0.9	3.6
Abu Dhabi	5,617.85	0.1	0.1	11.3	11.3	137.81	215,602.5	22.6	1.6	4.4
Saudi Arabia	8,846.95	0.2	(0.3)	1.8	1.8	1,511.32	2,428,150.6	34.8	2.1	2.4
Kuwait	5,730.06	0.3	0.8	3.3	3.3	170.66	107,406.5	36.6	1.4	3.4
Oman	3,698.50	(0.9)	(1.3)	1.1	1.1	2.94	16,562.8	13.3	0.7	6.8
Bahrain	1,462.33	0.6	0.7	(1.8)	(1.8)	3.73	22,167.9	14.2	1.0	4.6

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 10,671.6. The Transportation and Telecoms indices led the losses. The index fell on the back of selling pressure from Qatari, Arab and Foreign shareholders despite buying support from GCC shareholders.
- INMA Holding and Dlala Brokerage & Inv. Holding were the top losers, falling 3.6% and 3.2%, respectively. Among the top gainers, Al Khaleej Takaful Insurance Co. gained 3.6%, while Baladna was up 3.0%.
- Volume of shares traded on Monday fell by 15.9% to 166.1mn from 197.5mn on Sunday. Further, as compared to the 30-day moving average of 181.1mn, volume for the day was 8.3% lower. Baladna and Al Khaleej Takaful Insurance Co. were the most active stocks, contributing 16% and 11.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	44.42%	45.62%	(6,123,742.1)
Qatari Institutions	15.47%	15.41%	284,290.5
Qatari	59.89%	61.03%	(5,839,451.6)
GCC Individuals	0.83%	0.49%	1,700,605.8
GCC Institutions	2.10%	0.43%	8,519,616.4
GCC	2.92%	0.92%	10,220,222.2
Arab Individuals	11.58%	11.94%	(1,844,459.7)
Arab Institutions	0.04%	0.00%	180,600.0
Arab	11.61%	11.94%	(1,663,859.7)
Foreigners Individuals	4.03%	4.13%	(487,102.9)
Foreigners Institutions	21.54%	21.98%	(2,229,807.9)
Foreigners	25.58%	26.11%	(2,716,910.8)

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

Earnings Releases 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
Hail Cement Co.*	Saudi Arabia	SR	336.3	22.6%	126.5	81.9%	107.5	82.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2020)

Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
GWCS	Gulf Warehousing Company	26-Jan-21	0	Due
QIIK	Qatar International Islamic Bank	26-Jan-21	0	Due
QNCD	Qatar National Cement Company	27-Jan-21	1	Due
CBQK	The Commercial Bank	27-Jan-21	1	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	1	Due
QIGD	Qatari Investors Group	1-Feb-21	6	Due
VFQS	Vodafone Qatar	2-Feb-21	7	Due
UDCD	United Development Company	3-Feb-21	8	Due
QAMC	Qatar Aluminum Manufacturing Company	4-Feb-21	9	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	7-Feb-21	12	Due
QCFS	Qatar Cinema & Film Distribution Company	8-Feb-21	13	Due
IQCD	Industries Qatar	8-Feb-21	13	Due
DHBK	Doha Bank	8-Feb-21	13	Due
QEWS	Qatar Electricity & Water Company	14-Feb-21	19	Due
ORDS	Ooredoo	14-Feb-21	19	Due
QIMD	Qatar Industrial Manufacturing Company	14-Feb-21	19	Due

Source: QSE

Qatar

- QFLS to hold its AGM on March 08** – Qatar Fuel Company (QFLS) announced that the General Assembly Meeting (AGM) will be held on March 08, 2021, through web-meeting, subject to Ministry of Commerce and Industry approval and 06:30 pm. In case of not completing the legal quorum, the second meeting will be held on March 10, 2021, through web-meeting, subject to Ministry of Commerce and Industry approval and 06:30 pm. The agenda includes (1) Opening Speech by the Chairman of the Board of Directors. (2) Present and approve the Board of Directors report for the year ended on 31st December 2020. (3) Discuss and approve the External Auditors' Report on the Financial Statements for 2020. (4) Discuss and approve the Financial Statements for 2020. (5) Approval of recommendation of the Board to distribute cash dividend for the year 2020. (6) Discuss and approve the Corporate Governance Report for the year 2020. (7) Discharging members of the Board of Directors from responsibility for the year 2020 and determining their remuneration. (8) Approval of the appointment of external auditors and their remuneration for the year 2021. (QSE)
- MERS to disclose its annual financial results on February 23** – Al Meera Consumer Goods Company will disclose its financial statement for the period ending December 31, 2020 on February 23, 2021. (QSE)
- BRES to disclose its annual financial results on February 08** – Barwa Real Estate Company (BRES) will disclose its financial statement for the period ending December 31, 2020 on February 08, 2021. (QSE)
- IHGS posts 74.3% YoY increase but 42.1% QoQ decline in net profit in 4Q2020** – INMA Holding Group's (IHGS) net profit rose 74.3% YoY (but declined 42.1% on QoQ basis) to QR1.3mn in 4Q2020. The net profit for FY2020 rose to QR6.0mn as compared to net profit of QR0.40mn in FY2019. EPS amounted to QR0.11 in FY2020 as compared to QR0.01 in FY2019. (QSE)
- QSE issues clarification about Alkhaleej Takaful Insurance** – Qatar Stock Exchange (QSE) clarified that Alkhaleej Takaful Insurance Company affirmed that there are no undisclosed information or decisions affecting increased trading volume on the shares of Alkhaleej Takaful Insurance Company, noting that the company has only disclosed that the Board of Directors decided to open the nomination for membership in the board for the period 2021-2023, which was previously disclosed to the all investors through various means of disclosure. (QSE, Peninsula Qatar)
- QNBK acquires an additional stake in Housing Bank for Trade and Finance** – QNB Group (QNBK) announced the acquisition of an additional holding of 12,883,373 ordinary shares in Housing Bank for Trade and Finance (HBTF), Jordan. QNB Group's total stake in HBTF is now 38.57% from 34.48%. The cost of this additional holding was equivalent to \$83.8mn. This additional purchase was funded through existing resources and will continue to account for HBTF as an associate investment in accordance with International Financial Reporting Standards (IFRS). (QSE)
- VFQS unveils Push-To-Talk Plus service for instant voice, video and text communication** – Vodafone Qatar (VFQS) said it continues to bring the latest innovations to the market with the launch of Vodafone Push-To-Talk Plus — an advanced mission critical service that with a push of a button provides instant and secure communication between individuals or groups, powered by Vodafone's GigaNet nationwide network. Vodafone Push-to-Talk Plus is a next-generation walkie-talkie-like service designed for use by dispersed employees as an ideal solution for construction sites, ports, airports, stadiums, malls, hotels and all businesses involved in the organization and operation of mega events such as the 2022 FIFA World Cup where groups need to work together with real-time responsiveness, the company said in a statement. (Gulf-Times.com)
- UNCTAD report highlights Qatar deal for a stake in Borsa Istanbul** – The United Nations Conference on Trade and Development (UNCTAD)'s 2020 Global FDI report has mentioned Qatar Investment Authority's announced acquisition of a 10% stake of Borsa Istanbul. In its 'January 2021 Investment Trends Monitor', UNCTAD noted FDI flows to West Asia dropped by 24% to \$21bn. In most oil exporters the impact of the pandemic was exacerbated by low energy prices, it said. FDI to Saudi Arabia remained stable, with inflows increasing by 4% to an estimated \$4.7bn, the report said. Policy interventions in investment promotion and diversification under the framework of Vision 2030 appear to be showing an effect. MNEs based in Egypt and India were the most active investors in Saudi Arabia, followed by the UK, UNCTAD noted. According to UNCTAD, global foreign direct investment (FDI) collapsed in 2020, falling by 42% to an estimated \$859bn, from \$1.5tn in 2019. FDI finished 2020 more than 30% below the trough after the global financial crisis in 2009. The decline was concentrated in developed countries, where FDI flows fell by 69% to an estimated \$229bn.
- Qatar commercial banks post more than 9% jump in total domestic credit in December 2020** – A strong double-digit YoY growth in loans to the services and trading sectors led Qatar's commercial banks report more than 9% growth in total domestic credit in December 2020, according to the central bank data. The Qatar Central Bank (QCB) data showed that total domestic credit grew to QR1.05tn at the end of December 31, 2020. The strong credit pickup is an indicator of the resilience in the private sector, for which the government had extended the QR75bn stimulus package that included a zero-coupon QR50bn repo facility. The commercial banks' credit to the services sector saw a 17.13% yearly expansion to QR330.01bn, which constituted more than 31% of the total domestic loans in December last year. Credit to the general services witnessed a 14.44% YoY jump to QR292.75bn, which was about 89% of the total credit to the services sector. Within the general services, credit to air transport was QR94.39bn, realty QR79.35bn, hotels QR27.43bn, non-specified QR21.31bn, engineering QR17.89bn, land transport QR16.87bn and petroleum QR7.85bn in December 2020. For financial services, it registered an impressive 43.64% YoY surge to QR37.26bn at the end of December last year with a

large share of it directed towards investment companies (QR24.42bn), investment funds (QR6.63bn), non-specified (QR4.39bn) and insurance (QR1.5bn). The banks' credit to the trading sector witnessed an 11.26% YoY expansion to QR159.38bn, or more than 15% of the total domestic loans in December 2020. Within the trading sector, as much as QR57.48bn went to the commercial agencies, QR35.88bn to non-specified, QR9.82bn to automobiles and spare parts, QR8.8bn to food products, QR8.15bn to chemicals and allied products, QR8.07bn to machinery and equipment, QR7.31bn to petroleum products, QR3.79bn to building materials and gypsum products, QR3.21bn to clothing and leather, QR3.05bn to petroleum refinery and QR2.95bn to agriculture and allied products. Credit to the real estate was up 5.69% YoY to QR205.72bn, which was about 20% of the total domestic credit in December 2020. As much as QR79.52bn went to the developers, QR57.6bn for commercial housing and QR26.17bn for the private housing. The consumption credit increased 7.11% YoY to QR146.99bn, constituting about 14% of the total domestic credit in November 2020. Consumption credit to nationals amounted to QR135.31bn, of which as much as QR73.84bn was unspecified, QR60.08bn as personal loans, while auto loans were to the tune of QR1.38bn. (Gulf-Times.com)

- **Recovery gains ground in hospitality sector** – The green shoots of recovery in the hospitality sector have started to become visible, helped by restart of air travel and pick-up in economic activities. Recent data have showed that the occupancy rate in the hotels is increasing consistently. According to the Planning and Statistics Authority data, the occupancy rate in Five-star hotels has increased to 49% in November last year from 48% in July 2020. Similarly, the occupancy rate in Four-star hotels has improved to 58% in November from 56% in July. One and two-star hotels have been the biggest gainers in terms of occupancy ratio. The occupancy ratio for this category of hotels has jumped from 40% in July to 59% in November. One of the main factors that have helped increase the occupancy ratio is the decline in room rates, making stay cheaper for the visitors. The average room rate for Five-star hotels decrease from QR541 in August to QR535 in November while in case of Four-star hotels it remained stable at QR217 during August-November period. The average room rate for One and two-star hotels declined significantly from QR140 in August to QR136 in November. Hotels in the country also took several measures to attract guests. As the restrictions imposed to curb COVID-19 pandemic forced citizens and expatriates to cancel their travel plans, hotels across the country launched exciting staycation offers to attract them. Staycation, a term coined by merging 'stay' and 'vacation', refers to a vacation spent in home country rather than abroad. Along with revitalizing the guests, these staycations boosted domestic tourism and stimulated the economy. Staycation offers varied from hotels to hotels but generally included up to 50% discount on rooms and include breakfast, discount on food and beverages, early check-in and late check-out, access to swimming pools, and many other such benefits. Safety of guests became a prime focus for hotels amid the outbreak of COVID-19. Hotels have applied the highest possible safety standards to make stay safe for guests. Hotels have also benefitted from the easing of COVID-19 related restrictions and restart of air travel. Many

hotels have seen travelers booking hotel rooms to meet the quarantine related norms. (Peninsula Qatar)

- **Qatar healthcare system ranked best in region** – Owing to continuous investments and timely chalked-out strategies by the State, Qatar's healthcare system has become the best in the region. Qatar has been ranked among top 20 countries in Numbeo Healthcare Index by Country 2021, scoring 73 points. Taiwan is at number one globally among 93 countries covered in the survey. Other countries in top 20 include South Korea, France, Japan, Denmark, Spain, Austria, Thailand, Australia, Finland, Netherlands, Norway, Czech Republic, Belgium, United Kingdom, Switzerland, Germany, Israel and New Zealand. The scoring has been done seeing different aspects of healthcare system from skills of medical staff to equipment used in facilities. Qatar's scores in different components, covered in the survey, are as follows: Skill and competency of medical staff, 68.23 (high); speed in completing examination and reports, 69.66 (high); equipment for modern diagnosis and treatment, 88.28 (very high); accuracy and completeness in filling out reports, 69.53 (high); friendliness and courtesy of the staff, 76.16 (high); satisfaction with responsiveness (waiting) in medical institutions, 56.35 (moderate); satisfaction with cost, 75.00 (high); and convenience of location, 78.82 (high). Healthcare Index is an estimation of the overall quality of the healthcare system, healthcare professionals, equipment, staff, doctors, cost, etc. To present survey result, Numbeo used the scale (0, 100) for values since it is easier to read for users. In the survey, Doha has also emerged as first in the GCC scoring 72.94 on Numbeo Healthcare Index by City 2021. (Peninsula Qatar)
- **Qatar-India bilateral trade may return to pre-COVID-19 levels in 2021, says envoy** – Positive growth forecasts for 2021 and recent developments in the region may help Qatar-India bilateral trade return to its pre-COVID-19 levels this year, according to India's top diplomat in Qatar. Indian ambassador Dr Deepak Mittal said bilateral trade between Qatar and India grossed to almost \$11bn in 2019. At the height of the COVID-19 pandemic, trade figures between both countries stood at almost \$7bn from April to November 2020, "which was still a good growth despite the health crisis," he stressed. (Gulf-Times.com)
- **Qatar 2022 venues ready to host the world's top clubs** – With less than two years to go before the FIFA World Cup Qatar 2022 takes place, two tournament venues will be given a global showcase when Ahmad Bin Ali and Education City stage the FIFA Club World Cup Qatar 2020. The club champions from five of football's six continental confederations, along with Qatar Stars League holders Al Duhail SC, will contest seven matches to determine the best club side in the world. The tournament will take place from 4-11 February – two months later than planned due to the COVID-19 pandemic. Auckland City, who were nominated to represent the Oceania region at Qatar 2020, withdrew from the competition because of Covid-19 quarantine measures required by authorities in New Zealand. The tournament will provide a fresh opportunity for Qatar to test the readiness of these two venues, in particular Ahmad Bin Ali, which was inaugurated on 18 December when it hosted the 48th Amir Cup final between Al Sadd SC and Al Arabi SC. (Gulf-Times.com)

- **Qatar Airways adds Africa flights as Saudi ban lift shortens trips** – Qatar Airways increased the number of flights to African destinations after the lifting of a ban from using some other Gulf states' air space shaved hours off journey times. The Doha-based airline added flights to Casablanca, Tunis, Cape Town and Johannesburg, according to a Monday statement. The carrier's network currently stands at 120 destinations, with plans to reach 130 routes by the end of March. Saudi Arabia, the UAE, Bahrain and Egypt agreed earlier this month to fully restore ties with neighboring Qatar, ending a three-year dispute that divided the energy-producing region. The airspace ban had forced Qatar Airways to abandon plans to add new routes and make lengthy diversions, ballooning its fuel bill. (Bloomberg)
 - **London and New York financial services treated the same, EU says** – An EU forum for discussing financial services with Britain will be similar to what the US has, and it must be in place before market access will be considered, the bloc's financial services chief said on Monday. Britain's Brexit trade deal with the EU from January 1 does not cover financial services, leaving its City of London financial center largely cut off from the EU. Both sides are committed to creating a forum for financial regulatory cooperation by March, but talks have not started yet, the EU financial services commissioner told the European Parliament. "What we envisage for this framework is similar to what we have with the US, a voluntary structure to compare regulatory initiatives, exchange views on international developments and discuss equivalence related issues," Mairead McGuinness told the European Parliament. US and EU regulators took about four years just to agree on rules on cross-border derivatives. (Reuters)
 - **Ifo: German business morale hits six-month low as virus halts recovery** – German business morale slumped to a six-month low in January as a second wave of COVID-19 halted a recovery in Europe's largest economy, which will stagnate in the first quarter, the Ifo economic institute said. Ifo said its business climate index fell to 90.1 from an upwardly revised reading of 92.2 in December. A Reuters poll had forecast a January reading of 91.8. "The second Corona wave has temporarily ended the recovery of the German economy," Ifo President Clemens Fuest said in a statement. Chancellor Angela Merkel and state leaders agreed last week to extend a lockdown until mid-February as Germany, once seen as a role model for fighting the pandemic, struggles with a second wave of infections. Ifo economist Klaus Wohlrabe told Reuters the economy would stagnate in the first quarter of the year, adding: "The German economy is starting the year with little confidence." The economy is likely to reach its pre-pandemic levels in mid-2022, according to a draft document prepared by the economy ministry and seen by Reuters on Monday. In a telling sign of corporate nervousness, Ifo's expectations index fell to its lowest level since June, confounding expectations for a rise. Unprecedented government rescue and stimulus measures helped lessen the shock of the pandemic in Germany last year, when the economy shrank by 5.0%, less than expected and a smaller contraction than during the global financial crisis. But the renewed lockdown measures are suppressing economic activity and confidence. Ifo's index on current conditions fell to its lowest since September. (Reuters)
 - **Ministry: German economy likely to reach pre-crisis level in mid-2022** – The German economy, Europe's largest, will likely reach its pre-pandemic levels in mid-2022, according to a draft document prepared by the economy ministry and seen by Reuters. The world economy's situation, underutilized production capacities and early indicators suggest a further recovery of the German economy, the ministry said in its draft annual economic report. Germany's budget deficit is seen at 7% this year when compared to gross domestic product, leading to a debt ratio of 72.5%, the ministry said, as Berlin is spending billions of euros to cushion the economic blow of the pandemic. (Reuters)
 - **Brazil 2020 tax take -6.9%, 'excellent' result given scale of crisis says economy minister** – Brazil's federal tax revenue last year totaled 1.48tn Reais (\$269bn), the revenue service said on
- International**
- **UN chief urges business to take the lead on COVID-19, climate and global recovery** – UN Secretary-General Antonio Guterres on Monday urged businesses to lead the way to a fair and sustainable recovery from the COVID-19 pandemic while tackling the climate crisis, adding the world had reached "a moment of truth." Addressing a virtual meeting of the World Economic Forum - a gathering usually held in the Swiss ski resort Davos - Guterres spoke of global "fragilities" in climate, geopolitical divides, cyberspace and disarmament with growing risks of nuclear and chemical proliferation. "We have reached a moment of truth. In 2021 we must address these fragilities and put the world on track," Guterres said. "We count on businesses to play an important role by themselves and to put pressure on governments to do the right thing," he said. "We need you more than ever to help us change course, end fragility, avert climate catastrophe and build the equitable and sustainable future we want and we need." Guterres reiterated his concerns about a "great fracture" with the US and China split by different dominant currencies, trade and financial rules, internet, and geopolitical and military strategies. (Reuters)
 - **ELFA: US business borrowing for equipment falls 6% in December** – US companies' borrowings for capital investments fell about 6% in December from a year earlier, the Equipment Leasing and Finance Association (ELFA) said on Monday. Companies signed up for \$12.1bn in new loans, leases and lines of credit last month, down from \$12.9bn a year earlier. Borrowings in December, however, rose 66% from the previous month. ELFA Chief Executive Officer Ralph Petta said most equipment finance sector observers would consider a single-digit decline in year-over-year new business volume tolerable, given the optimism around new US stimulus measures and COVID-19 vaccine distribution. Washington-based ELFA, which reports economic activity for the nearly \$1tn equipment finance sector, said credit approvals rose to 75.2% in December from 70.4% in November. ELFA's leasing and finance index measures the volume of commercial equipment financed in the US. The index is based on a survey of 25 members, including Bank of America Corp, CIT Group Inc and the financing affiliates or units of Caterpillar Inc, Dell Technologies Inc, Siemens AG, Canon Inc and Volvo AB. The Equipment Leasing and Finance Foundation, ELFA's non-profit affiliate, reported monthly confidence index of 59.6% in January, unchanged from December. A reading of above 50 indicates a positive business outlook. (Reuters)

Monday, a decline of 6.9% on the previous year due to the hit to the economy from the COVID-19 pandemic. Revenue in December rose from the same month the previous year, however, for a fifth straight month as the economy continued to recover and the revenue service recouped more tax payments that were deferred earlier in the year. Economy Minister Paulo Guedes said the relatively small decline over the course of 2020 was remarkable given the scale of the economic seizure earlier last year. “This shows the strength of the economic recovery,” Guedes said in an online briefing to journalists, noting that tax revenues in May had plunged 30%. “The drop in revenue was well below what was projected at the beginning of the year, by economists, agencies and international bodies. This is an excellent result, given the situation,” he said. December’s total tax take was 159.1bn reais, up 3.2% in real terms on the same month in 2019, the agency said. It was exactly in line with a Reuters poll of economists. The total 2020 federal tax take of 1.48tn Reais was down 6.9% from 2019. Alongside a far bigger surge in spending to tackle the crisis, the lower tax take is expected to contribute to a 2020 government budget deficit of around 800bn Reais. Corporate payments to employment insurance and other social contributions fell 12% last year to 300bn Reais, social security revenues were down 7% to 430bn Reais, while corporate taxes were virtually stable at 272bn Reais. Personal income tax revenues fell 2% to 133bn Reais, and revenue from the ‘IOF’ tax on credit card transactions nearly halved to 22bn Reais after that levy was eliminated earlier this year as a temporary measure to tackle the economic harm caused by the coronavirus. (Reuters)

- **Russian economy to regain pre-crisis level by autumn, VTB CEO says** – Russia’s economy may return to pre-crisis levels by autumn and overall gross domestic product growth this year could reach around 3.7%, Andrey Kostin, Chief Executive of the country’s second biggest bank VTB said. The International Monetary Fund has praised Moscow’s efforts in tackling the economic effects of the COVID-19 pandemic, with an increase in borrowing and spending coupled with a soft monetary policy resulting in a GDP fall of 4%. As commodities prices, the lifeblood of the Russian economy, are generally on the rise as a result of renewed demand, GDP growth is seen at around 3.7% this year, Kostin said during a virtual meeting of the World Economic Forum. “We feel reasonably optimistic about this and we hope that by autumn the Russian economy will return to the pre-crisis level,” Kostin said. Russian credit rating agency ACRA forecasts growth close to Kostin’s expectations, with the Ruble firming, provided there are no new sanctions on Moscow, a risk which has re-emerged since the arrest of an opposition leader. The European Union will consider fresh sanctions against Russian individuals on Monday after more than 3,000 people were arrested on Saturday in protests to demand the release of Kremlin critic Alexei Navalny. Russia’s inflation hit 4.9% in 2020 from 3.0% in 2019, above the central bank’s 4% target, and the budget deficit reached 3.8% to GDP, its widest in a decade. Moscow has previously said it plans to cut extra support to the economy to some 1% of GDP this year, from 4.5% in 2020. (Reuters)

Regional

- **New Saudi Central Bank Chief may face monetary strains in investment push** – The new Governor of the Saudi Central Bank faces the delicate task of balancing the need to preserve monetary reserves amid steep fiscal targets with potential support for Crown Prince Mohammed bin Salman’s ambitious investment plans, analysts said. Fahad Al-Mubarak, appointed in a royal decree on Sunday for a second stint in the role, takes the helm as the world’s top oil exporter moves to recover from a sharp economic contraction last year caused by low crude prices and the COVID-19 pandemic. Saudi Arabia, which posted a fiscal deficit of 12% of GDP last year, plans to nearly balance its budget by 2023 while pushing through economic diversification plans that are largely being supported by its sovereign wealth fund, Public Investment Fund (PIF). “I think there will be more pressure on the monetary side to help revive economic activity and a greater focus on supporting the Public Investment Fund’s growth objectives, including on the funding side,” Chief Economist at Abu Dhabi Commercial Bank, Monica Malik said. The Gulf state has been financing its budget through debt issues and withdrawals of government reserves at the central bank, which last year also pumped \$40bn of foreign reserves into PIF to help fund investments. (Reuters)
- **PIF in talks with Lucid for car factory, FT says** – Lucid Motors Inc. is in talks with Saudi Arabia’s sovereign wealth fund, Public Investment Fund (PIF) to build an electric vehicle factory in the Kingdom, the Financial Times (FT) reported, citing an interview with the fund’s Governor, Yasir Al-Rumayyan. Bloomberg reported earlier this month that Lucid is in talks with the kingdom’s Public Investment Fund (PIF) to build a factory potentially near the Red Sea city of Jeddah. The company raised more than \$1bn from the PIF in 2018, an investment that was conditional on the firm developing a site in Saudi Arabia, sources said. The fund is seeking to lure international companies to set up operations in the Kingdom, the FT said. It is “already in discussion with a number of companies in the health sector,” Al-Rumayyan told the paper, without giving further details. (Bloomberg)
- **ADNOC Distribution expands footprint with over 120 petrol stations, stores** – ADNOC Distribution, a subsidiary of state-run Abu Dhabi National Oil Company, has expanded its network across the country with the opening of dozens of new stations and retail shops over the last one year. The largest operator of petrol stations and convenience stores reported on Monday that it opened a total of 64 new stations, 62 convenience stores and 38 “On the go” outlets across the UAE in 2020, highlighting that it has delivered on its growth strategy despite the challenges posed by the coronavirus pandemic. During the past year, the company also refurbished a total of 100 ADNOC Oasis convenience stores, while the membership of its ADNOC Rewards, the UAE’s first loyalty program for fuel retail, hit more than one million by December. Moving forward, the company said it is set to go ahead with its plans to distribute \$700mn in dividend this year, “subject to board and shareholder approval”. (Zawya)
- **Grain storage and processing plant to be built at Abu Dhabi Port** – Abu Dhabi Ports signed an agreement allowing the development of grain-storage and processing facilities at Khalifa Port, the company said. Plant will convert wheat into flour and

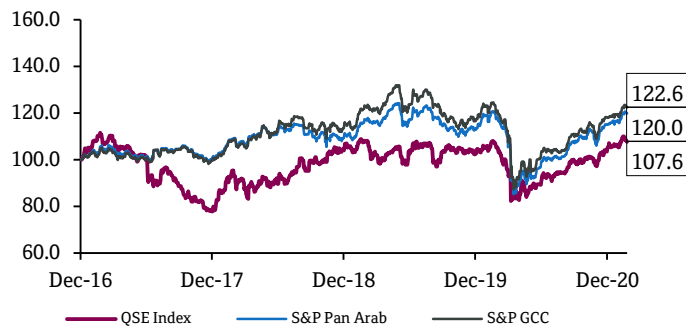
corn into starch and glucose for human consumption and process barley, corn and wheat byproducts into animal feed. Plant to start operating in first quarter of this year, 300,000-ton facility to be built on a 100,000 square-meter plot. The agreement has been signed with Anchorage Investment; facilities to be managed by National Feed, a UAE-based commodity processing company. Land lease agreement is for 50 years. (Bloomberg)

- **Kuwait draft budget foresees narrower deficit for fiscal 2021/22** – Kuwait's Finance Ministry has proposed a draft KD23.05bn budget for the fiscal year starting on April 1, it said in a statement on Monday. The budget forecasts government revenues of KD10.9bn in fiscal 2021/2022, meaning it expects a fiscal deficit of KD12.1bn - 13.8% narrower than the deficit budgeted for the fiscal year ending on March 31. S&P said it could downgrade the Gulf nation over the next six to 12 months "if Kuwait's institutional settings prevent the government from finding a long-term solution to its funding needs." (Reuters, Bloomberg)
- **Kuwait will keep airport at 30% of capacity until further notice** – Kuwait's government has delayed the second phase of its plan for resuming commercial flights until further notice, the state news agency said on Monday, citing a cabinet decision, keeping the airport's capacity at 30% of pre-pandemic levels. The cabinet also ordered Kuwait's Directorate General of Civil Aviation to reduce the number of flights arriving in the country. Kuwait began the first phase of resuming flights in August last year at the reduced capacity, which it had said would last for six months, after which a maximum capacity of 60% was to be allowed. (Reuters)
- **Oman Electricity Transmission Co hires banks for dollar bonds, document shows** – Oman Electricity Transmission Company has hired banks to arrange a US-dollar denominated issuance of seven-year or 10-year bonds, a document showed on Monday. Bank ABC, First Abu Dhabi Bank, JPMorgan, National Bank of Oman and Standard Chartered will arrange investor calls starting on Monday, the document from one of the banks showed. A fixed-rate Rule 144A/Regulation S senior unsecured bond offering with a tenor of seven or 10 years will follow, subject to market conditions. (Reuters)
- **Fitch rates OETC's proposed USD bond 'BB-(EXP)** – Fitch Ratings has assigned Oman Electricity Transmission Company's (OETC; BB-/Negative) proposed US dollar senior unsecured notes a 'BB-(EXP)' expected rating. The proposed notes will be issued through wholly owned subsidiary Oryx Funding Limited. The proposed notes are rated at the same level as OETC's senior unsecured rating as they are expected to be unconditionally and irrevocably guaranteed by the company. OETC's rating is constrained by the Sultanate of Oman (BB-/Negative). The expected notes will rank pari passu with other senior unsecured obligations of OETC and are expected to have a change of control clause if state ownership falls below 51%, a cross-default provision, and negative pledge covenants. The proceeds will be used to fund capex, refinance a bridge shareholder loan due in 2021 and for general corporate purposes. The final rating is contingent upon the receipt by Fitch of final documents conforming to information already received. Fitch's view of OETC's credit profile reflects stable profitability, with a significant share of EBITDA from regulated revenue. Funds from

operations (FFO) net leverage are expected to average 5.8x for 2020 to 2022, below Fitch's negative rating sensitivity of 6.5x for the Standalone Credit Profile (SCP) of 'bb+'. The pandemic and related government containment measures have created a weaker economic environment for the power sector in Oman, which continues to depend on direct government subsidies. (Bloomberg)

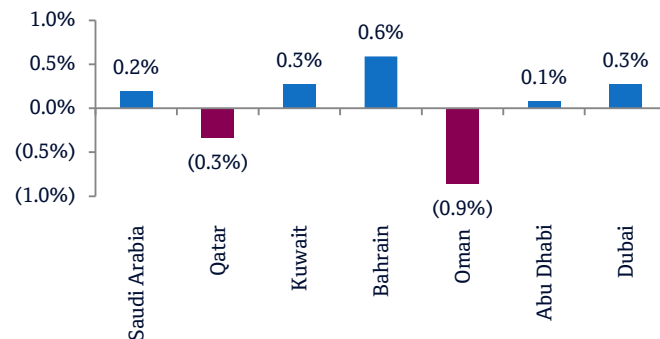
- **Oman sells OMR76mn 91-day bills at yield 0.791%; bid-cover at 1.96x** – Oman sold OMR76mn of 91-day bills due on April 28, 2021. Investors offered to buy 1.96 times the amount of securities sold. The bills were sold at a price of 99.803, have a yield of 0.791% and will settle on January 27, 2021. (Bloomberg)
- **Fitch: Bahrain will likely need further Gulf financial support** – Bahrain will likely need further financial support from its Gulf neighbors despite reform measures, Fitch Ratings' lead Bahrain Analyst, Toby Iles said on Monday. Iles said Bahrain, a small oil producer, was likely to likely need the support from 2023 onwards and cited Fitch's oil price assumption. In 2018, Saudi Arabia, the UAE and Kuwait came to Bahrain's aid with a five-year zero-interest \$10.25bn package to help it avoid a credit crunch. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,855.93	0.0	0.0	(2.2)
Silver/Ounce	25.35	(0.6)	(0.6)	(4.0)
Crude Oil (Brent)/Barrel (FM Future)	55.88	0.8	0.8	7.9
Crude Oil (WTI)/Barrel (FM Future)	52.77	1.0	1.0	8.8
Natural Gas (Henry Hub)/MMBtu	2.42	0.0	0.0	1.6
LPG Propane (Arab Gulf)/Ton	88.25	1.7	1.7	17.3
LPG Butane (Arab Gulf)/Ton	89.75	5.3	5.3	19.7
Euro	1.21	(0.3)	(0.3)	(0.6)
Yen	103.75	(0.0)	(0.0)	0.5
GBP	1.37	(0.1)	(0.1)	0.0
CHF	1.13	(0.4)	(0.4)	(0.4)
AUD	0.77	(0.0)	(0.0)	0.2
USD Index	90.39	0.2	0.2	0.5
RUB	75.35	0.1	0.1	1.3
BRL	0.18	0.0	0.0	(5.0)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,756.87	0.0	0.0	2.5
DJ Industrial	30,960.00	(0.1)	(0.1)	1.2
S&P 500	3,855.36	0.4	0.4	2.6
NASDAQ 100	13,635.99	0.7	0.7	5.8
STOXX 600	405.13	(1.0)	(1.0)	0.9
DAX	13,643.95	(1.8)	(1.8)	(1.7)
FTSE 100	6,638.85	(0.9)	(0.9)	2.9
CAC 40	5,472.36	(1.7)	(1.7)	(2.1)
Nikkei	28,822.29	0.7	0.7	4.5
MSCI EM	1,410.20	1.2	1.2	9.2
SHANGHAI SE Composite	3,624.24	0.5	0.5	5.1
HANG SENG	30,159.01	2.4	2.4	10.8
BSE SENSEX	48,347.59	(1.1)	(1.1)	1.3
Bovespa [#]	117,380.50	0.0	0.0	(6.8)
RTS	1,412.02	(0.4)	(0.4)	1.8

Source: Bloomberg (*\$ adjusted returns, [#]Market was closed on January 25, 2021)

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