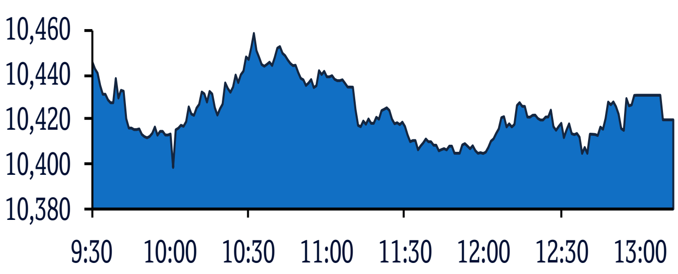
## QSE Intra-Day Movement




## Qatar Commentary

The QE Index declined 0.2% to close at 10,420.0. Losses were led by the Insurance and Telecoms indices, falling 1.1% and 0.7%, respectively. Top losers were Qatari German Company for Medical Devices and Qatar General Insurance & Reinsurance Company, falling 4.7% and 1.4%, respectively. Among the top gainers, Islamic Holding Group gained 9.7%, while Qatari Investors Group was up 4.7%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell marginally to close at 8,028.2. Losses were led by the Comm. & Prof. and Consumer Serv. indices, falling 1.4% and 1.2%, respectively. Al-Ahlia Ins. declined 3.5%, while Lazurde Co. for Jewelry was down 2.8%.

**Dubai:** The DFM Index declined 0.1% to close at 2,798.2. The Real Estate & Const. index declined 0.9%, while the Insurance index, fell 0.4%. Almadina for Finance and Investment Company declined 2.9%, while Ekttitab Holding Co. was down 2.5%.

**Abu Dhabi:** The ADX General Index fell 0.4% to close at 5,069.4. The Telecommunication index declined 0.7%, while the Banks index fell 0.5%. Al Khaleej Investment declined 8.1%, while Union Insurance Co. was down 3.3%.

**Kuwait:** The Kuwait All Share Index fell 0.5% to close at 5,712.5. The Industrials and Consumer Goods indices declined 1.2% each. Kuwait Portland Cement Company declined 9.2%, while Ras Al Khaimah White Cement was down 7.8%.

**Oman:** The MSM 30 Index fell 0.1% to close at 4,016.0. Losses were led by the Services and Financial indices, falling 0.5% and 0.1%, respectively. Gulf International Chemicals and Almaha Petroleum Products Mar. fell 10.0% each.

**Bahrain:** The BHB Index gained 0.1% to close at 1,521.3. The Services index rose 0.3%, while the Commercial Banks index gained 0.1%. APM Terminals Bahrain rose 2.3%, while Seef Properties was up 2.0%.

| Market Indicators | 26 Sep 19 | 25 Sep 19 | %Chg. |
|---|---|---|---|
| Value Traded (QR mn) | 243.7 | 229.5 | 6.2 |
| Exch. Market Cap. (QR mn) | 576,617.3 | 577,251.3 | (0.1) |
| Volume (mn) | 99.4 | 93.6 | 6.2 |
| Number of Transactions | 7,348 | 6,859 | 7.1 |
| Companies Traded | 45 | 46 | (2.2) |
| Market Breadth | 22:17 | 27:12 | – |

| Market Indices | Close | 1D% | WTD% | YTD% | TTM P/E |
|---|---|---|---|---|---|
| Total Return | 19,173.72 | (0.2) | (0.9) | 5.7 | 15.1 |
| All Share Index | 3,063.91 | (0.0) | (0.8) | (0.5) | 15.2 |
| Banks | 4,005.45 | (0.4) | (1.5) | 4.5 | 13.8 |
| Industrials | 3,166.42 | 0.7 | (0.7) | (1.5) | 18.2 |
| Transportation | 2,598.68 | (0.0) | 3.6 | 26.2 | 14.3 |
| Real Estate | 1,446.75 | 1.1 | (0.4) | (33.8) | 15.9 |
| Insurance | 2,972.17 | (1.1) | (4.9) | (1.2) | 17.3 |
| Telecoms | 936.37 | (0.7) | 0.6 | (5.2) | 17.1 |
| Consumer | 8,657.50 | 0.2 | 0.4 | 28.2 | 17.0 |
| Al Rayan Islamic Index | 4,009.98 | 0.4 | (0.1) | 3.2 | 14.8 |

| GCC Top Gainers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Sahara Int. Petrochemical | Saudi Arabia | 17.94 | 2.7 | 2,983.4 | (10.1) |
| National Shipping Co. | Saudi Arabia | 27.60 | 1.7 | 890.5 | (17.4) |
| National Bank of Bahrain | Bahrain | 0.71 | 1.4 | 15.7 | 27.1 |
| Mesaieed Petro. Holding | Qatar | 3.04 | 1.3 | 6,714.8 | 102.3 |
| Saudi Telecom Co. | Saudi Arabia | 106.80 | 1.1 | 413.3 | 18.4 |

| GCC Top Losers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Co. for Cooperative Ins. | Saudi Arabia | 67.00 | (2.3) | 490.8 | 11.1 |
| Bank Dhofar | Oman | 0.14 | (2.2) | 81.3 | (13.0) |
| Almarai Co. | Saudi Arabia | 49.80 | (2.0) | 344.1 | 3.8 |
| Emaar Properties | Dubai | 4.66 | (1.7) | 12,342.0 | 12.8 |
| Saudi Ind. Inv. Group | Saudi Arabia | 22.70 | (1.6) | 329.0 | (0.8) |

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% |
|---|---|---|---|---|
| Islamic Holding Group | 2.04 | 9.7 | 2,930.4 | (6.6) |
| Qatari Investors Group | 2.00 | 4.7 | 2,787.4 | (28.1) |
| Mazaya Qatar Real Estate Dev. | 0.74 | 3.3 | 1,623.7 | (4.6) |
| Gulf International Services | 1.82 | 2.8 | 2,233.8 | 7.1 |
| Aamal Company | 0.72 | 2.7 | 18,537.2 | (18.7) |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Aamal Company | 0.72 | 2.7 | 18,537.2 | (18.7) |
| Ezdan Holding Group | 0.66 | 2.6 | 18,202.6 | (49.0) |
| Qatar Aluminium Manufacturing | 0.90 | 2.5 | 7,480.7 | (32.4) |
| Mesaieed Petrochemical Holding | 3.04 | 1.3 | 6,714.8 | 102.3 |
| Qatar First Bank | 0.31 | (0.9) | 6,381.0 | (23.3) |

| QSE Top Losers | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Qatari German Co for Med. Dev. | 0.68 | (4.7) | 4,949.6 | 20.7 |
| Qatar General Ins. & Reins. Co. | 3.56 | (1.4) | 55.8 | (20.7) |
| Qatar Insurance Company | 3.36 | (1.2) | 534.7 | (6.4) |
| Ooredoo | 7.38 | (1.1) | 2,921.1 | (1.6) |
| Qatar Islamic Insurance Company | 6.00 | (1.0) | 311.8 | 11.7 |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|---|---|---|---|---|
| QNB Group | 19.21 | (1.0) | 32,568.2 | (1.5) |
| Ooredoo | 7.38 | (1.1) | 21,515.6 | (1.6) |
| Mesaieed Petrochemical Holding | 3.04 | 1.3 | 20,452.2 | 102.3 |
| Industries Qatar | 11.00 | 0.0 | 19,981.6 | (17.7) |
| Aamal Company | 0.72 | 2.7 | 13,048.5 | (18.7) |

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* | 10,420.02 | (0.2) | (0.9) | 1.8 | 1.2 | 66.54 | 158,396.8 | 15.1 | 1.6 | 4.2 |
| Dubai | 2,798.21 | (0.1) | (0.8) | 1.4 | 10.6 | 44.92 | 100,008.3 | 11.8 | 1.0 | 4.4 |
| Abu Dhabi | 5,069.42 | (0.4) | (1.1) | (1.9) | 3.1 | 28.00 | 141,240.2 | 15.2 | 1.4 | 4.9 |
| Saudi Arabia | 8,028.19 | (0.0) | 1.3 | 0.1 | 2.6 | 677.40 | 505,592.5 | 19.9 | 1.8 | 3.8 |
| Kuwait | 5,712.52 | (0.5) | 2.9 | (3.8) | 12.5 | 84.79 | 106,718.1 | 14.2 | 1.4 | 3.7 |
| Oman | 4,015.98 | (0.1) | 0.6 | 0.3 | (7.1) | 2.95 | 17,467.5 | 8.2 | 0.8 | 6.8 |
| Bahrain | 1,521.34 | 0.1 | 2.1 | (0.8) | 13.8 | 2.17 | 23,767.3 | 11.4 | 1.0 | 5.1 |

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 0.2% to close at 10,420.0. The Insurance and Telecoms indices led the losses. The index fell on the back of selling pressure from GCC shareholders despite buying support from Qatari and non-Qatari shareholders.
- Qatari German Company for Medical Devices and Qatar General Insurance & Reinsurance Company were the top losers, falling 4.7% and 1.4%, respectively. Among the top gainers, Islamic Holding Group gained 9.7%, while Qatari Investors Group was up 4.7%.
- Volume of shares traded on Thursday rose by 6.2% to 99.4mn from 93.6mn on Wednesday. Further, as compared to the 30-day moving average of 93.9mn, volume for the day was 5.9% higher. Aamal Company and Ezdan Holding Group were the most active stocks, contributing 18.6% and 18.3% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|---|---|---|---|
| Qatari Individuals | 26.67% | 32.47% | (14,139,734.70) |
| Qatari Institutions | 27.72% | 21.29% | 15,671,448.67 |
| **Qatari** | **54.39%** | **53.76%** | **1,531,713.97** |
| GCC Individuals | 0.62% | 0.84% | (526,305.44) |
| GCC Institutions | 6.92% | 11.57% | (11,340,106.88) |
| **GCC** | **7.54%** | **12.41%** | **(11,866,412.32)** |
| Non-Qatari Individuals | 9.69% | 10.51% | (1,991,176.15) |
| Non-Qatari Institutions | 28.38% | 23.32% | 12,325,874.50 |
| **Non-Qatari** | **38.07%** | **33.83%** | **10,334,698.35** |

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

## Ratings, Global Economic Data and Earnings Calendar

### Ratings Updates

| Company | Agency | Market | Type* | Old Rating | New Rating | Rating Change | Outlook | Outlook Change |
|---|---|---|---|---|---|---|---|---|
| Wataniya Insurance Co. | S&P | Saudi Arabia | LT-IFS/ICR | BBB/BBB | BBB/BBB | – | Positive | – |
| Commercial Bank of Kuwait | Fitch | Kuwait | LT-IDR/VR | A+/bb | A+/bb | – | Stable | – |

Source: News reports, Bloomberg (* LT – Long Term, IDR – Issuer Default Rating, VR – Viability Rating, IFS- Insurer Financial Strength, ICR- Issuer Credit Ratings)

### Global Economic Data

| Date | Market | Source | Indicator | Period | Actual | Consensus | Previous |
|---|---|---|---|---|---|---|---|
| 09/26 | US | Bureau of Economic Analysis | GDP Annualized QoQ | 2Q2019 | 2.0% | 2.0% | 2.0% |
| 09/26 | US | Bureau of Economic Analysis | GDP Price Index | 2Q2019 | 2.4% | 2.4% | 2.4% |
| 09/26 | US | Department of Labor | Initial Jobless Claims | 21-September | 213k | 212k | 210k |
| 09/26 | US | Department of Labor | Continuing Claims | 14-September | 1,650k | 1,666k | 1,665k |
| 09/27 | UK | GfK NOP (UK) | GfK Consumer Confidence | September | -12 | -14 | -14 |
| 09/26 | Germany | GfK AG | GfK Consumer Confidence | October | 9.9 | 9.6 | 9.7 |
| 09/27 | France | INSEE National Statistics Office | PPI MoM | August | 0.0% | – | 0.3% |
| 09/27 | France | INSEE National Statistics Office | PPI YoY | August | -0.7% | – | -0.3% |
| 09/27 | France | INSEE National Statistics Office | CPI MoM | September | -0.3% | -0.2% | 0.5% |
| 09/27 | France | INSEE National Statistics Office | CPI YoY | September | 0.9% | 1.0% | 1.0% |
| 09/27 | Japan | Ministry of Internal Affairs and Communications | Tokyo CPI YoY | September | 0.4% | 0.5% | 0.6% |

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 3Q2019 results | No. of days remaining | Status |
|---|---|---|---|---|
| QNBK | QNB Group | 9-Oct-19 | 10 | Due |
| UDCD | United Development Company | 23-Oct-19 | 24 | Due |
| DHBK | Doha Bank | 23-Oct-19 | 24 | Due |
| SIIS | Salam International Investment Limited | 24-Oct-19 | 25 | Due |
| MARK | Masraf Al Rayan | 27-Oct-19 | 28 | Due |
| QIGD | Qatari Investors Group | 27-Oct-19 | 28 | Due |

Source: QSE

Qatar

- **QNB Group receives approval to open a branch in Hong Kong –** QNB Group, a leading financial institution in the Middle East, Africa, and South East Asia (MEASEA), announced that it has obtained the regulatory approvals from Hong Kong Monetary Authority to open a branch in Hong Kong, one of the world's global financial hubs. The branch will provide a full range of banking products and services. It will also offer its award-winning expertise in the areas of trading securities and wealth management, as well as other innovative banking solutions. On this occasion, Abdulla Mubarak Al-Khalifa, QNB Group's Acting CEO, said, "Receiving the approval to open a branch in such an important market is another vital step in QNB Group's international expansion plans to support its growth strategy and market leadership in MEASEA, as well as establish a foothold in highly competitive markets." Al-Khalifa added, "Growth in both Hong Kong and China is expected to continue, driven by trade opportunities, direct investments, and large infrastructure spending opportunities, and the Hong Kong branch offers the opportunity to leverage QNB Group's in-depth expertise to capture investment and trade flows in this promising market." A significant volume of Hong Kong's trade flows through countries where QNB Group is present. Hong Kong is the gateway for QNB Group's clients to Mainland China and wider Asia and is the first stop for globalizing Chinese corporates. Moreover, the branch can further assist Chinese investments in the Middle East and Africa. (QNB Group Press Release)
- **Qatar's investment in healthcare sector at QR22.7bn –** Qatar Chamber's board member, Ebtihaj Al Ahmadani has said that Qatar's healthcare spending is among the highest in the Middle East. The country invested QR22.7bn in healthcare sector in 2018, up 4% compared to the previous year, she said. Qatar has been ranked fifth best in the world and the first in the Middle East, according to Legatum Institute, a London-based think-tank which measures improved life expectancy, better health outcomes, and investment in health infrastructure, Al Ahmadani said while attending the recently concluded "12th Arab-German Health Forum" in Berlin, Germany. "Within the past two year, Qatar has allocated huge investments in the health sector by providing more 1,100 beds and opening four new health centers," she added. Addressing the forum, Al Ahmadani said that Qatar's health system has seen great strides over the past years regarding the number of medical facilities and students as well as the spending on health sector by the government. (Peninsula Qatar)
- **Doha Bank explores fintech collaborations at SIBOS 2019 –** Showcasing its leading role in the development of the financial sector in Qatar, Doha Bank announced its successful participation in SIBOS 2019, the world's premier financial services event, which was held in London recently. This year's round at SIBOS 2019 featured a line-up of thought leaders and subject matter experts, who addressed various topics such as market drivers and key challenges affecting the way in which all players in the financial ecosystem do business and embrace technology in preparation for the future. Doha Bank's CEO, R Seetharaman said, "SIBOS is an excellent place to meet new and innovative fintech solution providers that have deployed use cases which are game changers and provide innovative propositions related to a customer's financial needs and aspirations. We are carefully exploring and evaluating opportunities to collaborate with fintechs as part of Doha Bank's ongoing transformation journey." (Qatar Tribune)
- **Hamad Port crosses 3mn container-handling mark –** Hamad Port has accomplished yet another feat as it reached important milestone of handling over 3mn Twenty-Foot Equivalent Units (TEUs) containers on August 24. The port has also handled 7mn tons of general cargo since it began operations. It has been an incredible journey for the $7.4bn port which began operation on December 2016. The port did not take much time to reach one million mark, as it celebrated the handling of its first one million TEUs containers in March last year. The Port had achieved this feat in less than 14 months, which was well ahead of its expected schedule. The port had then set its sight on the next one million mark and it did not take much time to reach there. The aim was to achieve the next one million container throughput by the end of 2018. As expected, the port touched this milestone well before schedule. Expansion of route network is one of the main factors behind stupendous growth in cargo handling. Within a short span of time, the port has been linked to 50 ports regionally and internationally in three continents. (Peninsula Qatar)
- **Al-Baker: Tourism a promising market for investors, businesses –** Qatar's tourism sector is a promising market for investors and businesses with stable growth that has reached 11% as of August, according to Qatar National Tourism Council's (QNTC) Secretary-General, HE Akbar Al-Baker and Qatar Airways Group's CEO. He made the observation on the occasion of World Tourism Day 2019. "Tourism is one of the most resilient sectors globally growing at a rate of 4%, creating 10% of world jobs and even more in the ancillary sectors. Today, we celebrate World Tourism Day under a theme that truly resonates with our vision for tourism in Qatar: 'Tourism and Jobs: a better future for all'." He added, "With stable growth that reached 11% as of August 2019, Qatar's tourism sector has proven to be a promising market for investors and businesses." he noted. The figure reflects growth from January to August 31 compared to the same period in 2018. Qatar was recently ranked number one in the Middle East and number eight globally in Business Environment by the World Economic Forum's Travel & Tourism Competitiveness Report 2019. (Gulf-Times.com)
- **Qatar urges switch to LNG to address climate concerns –** Qatar has urged energy consumers across the globe to increasingly switch towards liquefied natural gas (LNG), which alone has four key characteristics to tackle environmental challenges. Drawing attention to unprecedented recurrent climatic conditions, including mean temperatures, turbulent seasonal cycles and extreme events, HE the Minister of State for Energy Affairs, Saad Sherida Al-Kaabi said it is time to take another look at natural gas and the number of advantages it has to make it a pivotal

element in any strategy to tackle environmental challenges. (Gulf-Times.com)

International

- **IEA Chief: LNG investments hit record $50bn in 2019 –** Record investments of $50bn have turned 2019 into a banner year for liquefied natural gas (LNG), with Canada and the US being the main drivers, according to the International Energy Agency's (IEA) Chief, Fatih Birol. The industrial sector is Asia's biggest driver of LNG growth, with China expected to overtake Japan as the world's top importer of the fuel in five years. "This year, 2019 already broke the highest amount of (final investment decisions) for the first time ever, $50bn," he told the annual LNG Producer-Consumer conference in Tokyo. More than 170bn cubic meters (bcm) of natural gas liquefaction capacity is due to take a final investment decision this year, a record far surpassing the previous high in 2005 of 70 bcm, according to the IEA. The recent boost in contracting activity and project sanctioning follows the growing adoption of the equity off-take marketing structure, where companies have access to LNG volumes according to their equity stake, reducing the need for long-term sale and purchase agreements, the agency stated. "The biggest growth is coming from China. In the next five years, about one-third of global LNG demand will come from China alone," Birol added. (Gulf-Times.com)
- **IEA may cut oil demand growth estimates if global economy weakens –** The International Energy Agency (IEA) may cut its growth estimates for global oil demand for 2019 and 2020, should the global economy weaken further, its Chief Fatih Birol said. The Paris-based agency trimmed in August its global oil demand growth estimates for 2019 and 2020 to 1.1mn and 1.3mn barrels per day (bpd), respectively, as trade woes weighed on global oil consumption, making demand grow at its slowest pace since the financial crisis of 2008. "It will depend on the global economy. If the global economy weakens, for which there are already some signs we may lower oil demand expectations," Birol said. He said China's economic growth, which has fallen to the lowest in nearly three decades, could also mean there would be some revisions, as Beijing is an engine of the demand growth. China's economic growth slowed to 6.2% in the second quarter, its weakest pace in at least 27 years, dragged down by weaker demand amid heightened trade tensions with the US. "But at the same time, we shouldn't forget low oil prices also (put) upward pressure on the demand," the IEA's Chief said. (Gulf-Times.com)
- **QNB Group: Fed may cut rate again in 2019; further easing seen in 2020 –** The US Federal Reserve (Fed) has decided to cut rates for the second time in 11 years at its latest monetary policy meeting in September 17 and 18. The target range for the benchmark Fed funds rate was adjusted down by another 25 basis points (bps) to 1.75-2%, according to QNB Group's latest commentary. Official reasons for the cut included the implication of global developments for the economic outlook as well as muted inflation pressures. This rate cut was widely anticipated, QNB Group stated. Out of nine voting members of the Federal Open Market Committee (FOMC), there were three dissents, including two hawkish votes against the cut (Esther George and Eric Rosengren) and one dovish vote for a deeper cut of 50bps (James Bullard). Dissent in opposite directions is relatively rare in the history of the Fed, QNB Group stated. "At of the time of writing, we view the FOMC as equally split between hawks and doves, with a higher number of more neutral members who are neither hawks nor doves. Given the lack of consensus about the path of policy rates, we expect the Fed to remain 'behind the curve', for example, acting reactively instead of pro-actively. However, as we view warning signs in leading economic indicators pointing to a more significant US slowdown, we expect neutral members to become doves. Hence, we expect one more 25bps rate cut in 2019 and further easing in 2020," QNB Group stated. (Gulf-Times.com)
- **Cooling US consumer spending underscores risks to economy –** The US consumer spending barely rose in August and business investment remained subdued amid lingering trade tensions, prompting economists to slash their economic growth estimates for the third quarter. The reports from the Commerce Department, however, likely do not signal a recession is looming as consumer spending remains supported by solid income growth, thanks to the lowest unemployment rate in nearly 50 years and a huge savings buffer. Consumer spending, which accounts for more than two-thirds of US economic activity, edged up 0.1% last month as an increase in outlays on recreational goods and motor vehicles was offset by a decrease in spending at restaurants and hotels. Data for July was revised slightly down to show consumer spending increasing 0.5% instead of the previously reported 0.6% advance. Economists polled by Reuters had forecasted consumer spending gaining 0.3% last month. Consumer spending surged at a 4.6% annualized rate in the second quarter, the fastest pace in four-and-a-half years. Economists said Augusts' small gain put consumer spending on track to grow at between a 2.5% and 3% rate in the third quarter. (Reuters)
- **Reis: US apartment vacancy rate flat in third quarter –** The US apartment vacancy rate was flat in the third quarter, with vacancy rising in 23 of 79 metros, real estate research firm Reis Inc stated. The vacancy rate was unchanged in the quarter at 4.7% from a year earlier. The national average asking rent and effective rent rose 3.8% each in the third quarter from a year earlier, according to the report. New construction fell 49% in the third quarter to 34,821 units. Reis expects the back and forth in new and existing homes sales markets to continue next year as consumers exercise caution given uncertainty about the US-China trade war and global economic growth concerns. (Reuters)
- **UK consumer sentiment falls to six-year low –** British consumer sentiment has fallen to a six-year low due to increased worries about job security and the impact trade tensions and political uncertainty will have on individuals' finances, a survey showed. Market research company YouGov stated its monthly consumer sentiment indicator, compiled with economic consultancy Cebr, dropped to 103.4 in September from 104.0 in August, its lowest level since May 2013. A separate survey by IHS Markit showed households' concerns about the outlook for their personal finances was the highest in nearly six years, and on Wednesday the Confederation of British Industry reported a fall in retail sales. However, in the short term British households are benefiting from record-low unemployment, as well as wages that are rising at the fastest rate in more than 10 years. (Reuters)
- **FSB: More than third of small UK companies fear no-deal Brexit hit –** More than a third of small British companies think a no-deal

Brexit on October 31 will hurt their business, according to a survey. The Federation of Small Businesses (FSB) stated 39% of small companies thought a no-deal Brexit would have a negative impact, compared with 34% who thought it would have no impact and 11% a positive impact. The remainder said they did not know. Most of those firms who thought a no-deal Brexit would harm their business said they were unable to plan for this scenario. After more than three years of crisis since a majority of Britons voted to leave the European Union, it remains unclear how, when or even whether the country will leave the bloc it joined in 1973. (Reuters)

- **Eurozone's economic sentiment hits near five-year low, but services up –** Eurozone's economic sentiment plunged in September as trade tensions depressed confidence in industry, official data showed, although morale improved in services, dispelling concerns of spillover to the bloc's largest economic sector. The European Commission stated its monthly indicator of the economic mood in the 19-nation bloc fell in September to its lowest level in nearly five years to 101.7 points from 103.1 in August. The fall was much larger than the market consensus of a slight drop to 103.0 points, in a new sign of slowing economic activity in the currency bloc. The indicator is now just above the long-term average and at its lowest level since February 2015, data showed. The decrease in Eurozone's sentiment resulted from a substantial deterioration of confidence in industry, the Commission's survey stated, as the bloc's export-driven factories suffer from global trade tensions. Sentiment in the industry sector fell to -8.8 points from -5.8 in August, its lowest level in more than six years since July 2013. It was driven down mostly by a large drop of confidence in German industry, the largest in the bloc, where morale fell to -15.6 points from -11.2 in August, and the lowest point since October 2012. Overall confidence in Germany fell to 99.4 points from 100.6, below the long-term average for the first time since June 2013. In a positive note, sentiment in services increased to 9.5 points from 9.2 in August, after three consecutive monthly falls. The average market expectation was 9.3. In a separate release, the Commission stated the business climate indicator, which points to the phase of the business cycle, fell markedly to -0.22 points in September from 0.12 a month earlier, against market forecasts that it would have remained unchanged. (Reuters)
- **Tokyo September core CPI rises 0.5% YoY –** Core consumer prices in Tokyo rose 0.5% in September from a year earlier, government data showed. The core consumer price index for Japan's capital, which includes oil products but excludes fresh food prices, compared with economists' median estimate for a 0.6% annual rise. (Reuters)
- **China's August industrial profits fall as headwinds hit firms –** Profits at China's industrial firms contracted in August, reversing the previous month's brief gain, as weak domestic demand and the trade war with the US weighed on corporate balance sheets. Industrial profits fell 2% in August from a year earlier to 517.8bn Yuan, data released by the National Bureau of Statistics (NBS) showed. That compared with a 2.6% gain in July. Profits have slowed since the second half of 2018, despite some transitory rebounds, with falling factory-gate prices threatening to further knock profits as economic growth skidded to a near 30-year low. For January-August, industrial firms earned profits of 4.02tn Yuan, down 1.7% YoY, the same as the reading in the first seven months. Analysts expect economic growth could cool further this quarter from a near 30-year low of 6.2% hit in April-June. (Reuters)

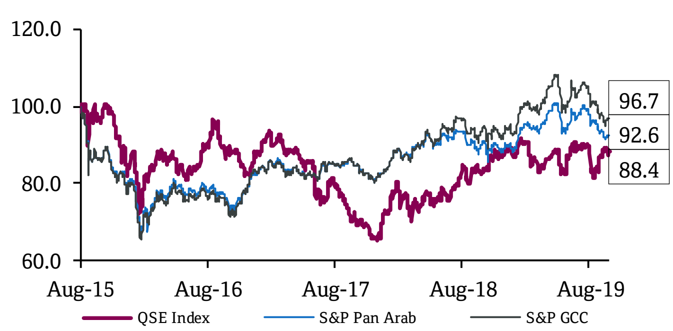
**Regional**

- **Saudi Arabia's rating affirmed by S&P after oil attack that jolted market –** Saudi Arabia's credit ranking was affirmed by S&P as the Kingdom recovers faster than expected from the biggest attack ever on its oil industry. S&P kept the sovereign assessment at 'A-', four levels above junk and on par with Malaysia and Malta. The outlook remains 'Stable', according to a statement. "We expect Saudi Arabia to redouble its efforts to secure key oil production and processing facilities, increase storage capacity, and enhance attempts to develop Red Sea export routes that would help avoid the volatile Arabian Gulf," S&P stated. Shaken by the worst disruption of crude output in history, the Kingdom is quickly reviving production, with top officials suggesting the strikes had zero impact on the economy and revenue. Still, the attacks this month threw into doubt Saudi Arabia's role as an anchor of stability in global energy markets. Since then, Saudi Aramco has been working flat out to restore capacity, while maintaining normal supplies to customers by tapping inventories and ramping up other fields. Saud Arabia's real GDP will contract by about 0.4% this year, driven mainly by a fall in oil production tied to the OPEC deal and the attacks, S&P stated. The rating company expects real GDP to rebound to 2.3% on average over 2020-2022. Despite the turnaround, Saudi Arabia's public finances remain under pressure as it relies on spending to stimulate a sluggish economy. The IMF warned that the Kingdom needs a tighter fiscal policy to safeguard its budget in case of a decline in oil prices. Most forecasts project this year's deficit far above Saudi Arabia's target of 4.2% of GDP. "There will likely be a wait for clarity on the speed of restoration of the Kingdom's oil capacity and output before any rating action," Senior Economist for Middle East, North Africa and Pakistan in Dubai, Bilal Khan said before S&P's announcement. (Bloomberg)
- **Dow Jones: Saudi Arabia's oil production returns to 9.8mn bpd –** Production from Saudi Aramco has returned to 9.8mn bpd, which is about the same level as before attacks took down some of its facilities, Dow Jones stated, citing unidentified Saudi Arabian oil officials and advisors. Officials said that some of that oil is not reaching the markets. Saudi Aramco executives said that a portion of the company's current production cannot be cleared of impurities and prepared for refining or export, because some of the treatment units are yet to be repaired. (Bloomberg)
- **Saudi Aramco picks SMBC Nikko Securities as first Japanese bookrunner for IPO –** Saudi Aramco has chosen SMBC Nikko Securities as a book runner for its Initial Public Offering (IPO), the first Japanese financial firm to grab a role in the mega deal, sources said. Saudi Aramco has hired over a dozen banks including US and European banks to manage its IPO as it seeks to tap a wider global investor base for a potential $20bn local listing in Riyadh of around 1% of the company's shares. The selection of a Japanese financial player comes amid speculation about Tokyo being a possible overseas destination for the Saudi Aramco listing. Japan Exchange Group, owner of the Tokyo Stock Exchange, has contacted Saudi Aramco for a possible meeting with company officials, who are planning to visit Japan

in October, Japan's Jiji Press quoted CEO, Akira Kiyota as saying. (Reuters)

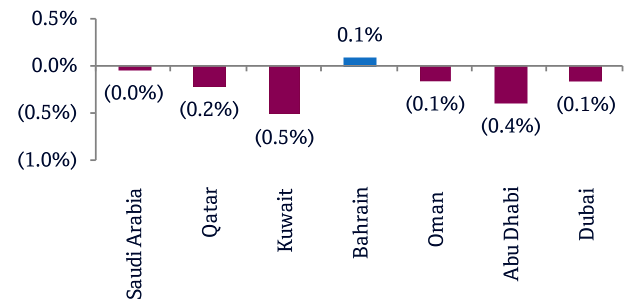
- **India's antitrust body clears Saudi Aramco's acquisition of SABIC –** The Competition Commission of India (CCI) stated that it has approved Saudi Aramco's acquisition of a 70% stake in Saudi Basic Industries Corporation (SABIC). An approval from India's antitrust body is required as SABIC has subsidiaries operating in India, while Saudi Aramco Overseas Co, a unit of Saudi Aramco, also has an office in India. In March, Saudi Aramco had agreed to buy the stake for $69.1bn, in one of the biggest deals in the global chemical industry. (Reuters)
- **S&P affirms Wataniya Insurance Co. at 'BBB'; with a 'Positive' outlook –** S&P is affirming 'BBB' ratings on Wataniya Insurance Company with a 'Positive' outlook. The 'Positive' outlook reflects that S&P could raise the ratings on Wataniya Insurance over the next two years if the company continues to deliver a strong operating performance while expanding prudently, diversifying its operations, and maintaining its extremely strong capital adequacy. S&P affirmed its 'BBB' long-term insurer financial strength and issuer credit ratings on Jeddah-Based Wataniya Insurance Co. The outlook remains Positive. The outlook is positive because we expect that Wataniya will continue to deliver profitable results, with modest gross written premiums growth. S&P also expect Wataniya's management will continue to diversify its business mix and avoid increasing its concentration in a particular line of business or counterparty in its investment portfolio. S&P could raise our ratings on Wataniya over the next two years if it continues to deliver consistent operating performance while diversifying its business book, without a major deterioration in capital adequacy. The outlook could be revised to stable over the next two years if there is a significant deterioration in Wataniya's operating performance and/or capital adequacy, due to aggressive business growth or a poor underwriting performance. (Bloomberg)
- **UAE's Emirates Global Aluminium refinery to reach full capacity in 2020 –** Production at Emirates Global Aluminium's $3.3bn refinery in Abu Dhabi is expected to reach capacity of 2mn tons a year of alumina next year, according to the state-run WAM news agency. The refinery has produced a total of 600,000 tons since the start of operations in April and output is set to exceed one million tons by year-end. The plant is the first such facility in the UAE and production will replace some of the country's imports of the metal. (Bloomberg)
- **Abu Dhabi's TAQA sells $500mn in 30-year bonds –** Abu Dhabi National Energy Company (TAQA) sold $500mn 30-year bonds, a document by one of the banks leading the deal showed. The bonds offer a 4% interest rate and the notes received around $4.5bn in demand. It hired BNP Paribas, First Abu Dhabi Bank, JPMorgan, MUFG, Société Générale and Standard Chartered Bank to arrange the deal. The deal comes amid a flurry of international debt issuance from the Gulf region, as governments and companies take advantage of low global rates to raise cash amid low oil prices. (Reuters)
- **Fitch affirms Commercial Bank of Kuwait at 'A+'; with a 'Stable' outlook –** Fitch Ratings has affirmed Commercial Bank of Kuwait's (CBK) long-term issuer default rating (IDR) at 'A+' with a 'Stable' outlook. Fitch has also affirmed the bank's Viability Rating (VR) at 'bb'. A full list of rating actions is at the end of this rating action commentary. IDRS, SR and SUPPORT RATING FLOOR The IDRs of CBK are support-driven. Its support rating (SR) and support rating floor (SRF) reflect Fitch's view of an extremely high probability of support being provided by the Kuwaiti authorities to all domestic banks if needed. This is reflected in CBK's SR of '1' and SRF of 'A+'; the latter is in line with Fitch's domestic-systemically important bank SRF for Kuwait. Fitch's expectation of support from the authorities is underpinned by Kuwait's strong ability to provide support to domestic banks, as reflected by the sovereign rating ('AA'/'Stable') and a strong willingness to do so irrespective of the banks' size, franchise, funding structure and level of government ownership. The Stable Outlook on CBK's Long-Term IDR reflects that on the Kuwaiti sovereign rating. We assign Short-Term IDRs according to the mapping correspondence described in our bank rating criteria. An 'A+' Long-Term IDR can correspond to a Short-Term IDR of either 'F1' or 'F1+'. In the case of CBK, Fitch opted for 'F1', the lower of the two short-term IDR options. This is because a significant proportion of the Kuwaiti banking sector funding is related to the government and a stress scenario for the banks is likely to come at a time when the sovereign itself is experiencing some form of stress. The VR of CBK reflects its moderate franchise, concentrated balance sheet, volatile problem-loan generation and profitability that is more sensitive to local economic conditions than its higher-rated peers'. It also factors in CBK's adequate capitalization, competent management, sound liquidity and a fairly stable operating environment. CBK continues to benefit from a fairly stable operating environment in Kuwait despite the economic impact of lower oil prices. The bank is exposed to lower economic growth, however, Fitch believes that the government's continuing capital spending plans will partially offset the pressures. CBK's franchise in Kuwait is only moderate; however, the bank has a good presence in corporate banking. CBK's brand and adequate branch network underpin the bank's domestic focus. The bank has a competent management team, which is experienced in local and corporate banking and has consistently implemented the bank's renewed and clearer strategy. CBK has the lowest impaired loans ratio in the local banking sector (0%) as it writes off the loans as soon as they become impaired and swiftly initiates recovery efforts. CBK's liquidity risk remains contained. (Bloomberg)
- **Bahrain LNG will be able to start imports by end of October –** Bahrain will be able to import liquefied natural gas (LNG) for the first time from the end of October, Bahrain LNG's Chief Financial Officer, Owais Ahmad said. Vessel holding commissioning cargo equal to about 70%-80% of the ship's capacity. Floating storage unit Bahrain Spirit will be able to receive and store up to 173k cubic meters. Timing of the LNG deliveries will follow commissioning cargo uncertain. National Oil and Gas Authority will inform Bahrain LNG how much to regasify. (Bloomberg)

## Rebased Performance




Source: Bloomberg

## Daily Index Performance




Source: Bloomberg

| Asset/Currency Performance | Close ($) | 1D% | WTD% | YTD% |
|---|---|---|---|---|
| Gold/Ounce | 1,497.05 | (0.5) | (1.3) | 16.7 |
| Silver/Ounce | 17.54 | (1.6) | (2.5) | 13.2 |
| Crude Oil (Brent)/Barrel (FM Future) | 61.91 | (1.3) | (3.7) | 15.1 |
| Crude Oil (WTI)/Barrel (FM Future) | 55.91 | (0.9) | (3.8) | 23.1 |
| Natural Gas (Henry Hub)/MMBtu | 2.41 | (6.2) | (9.4) | (24.4) |
| LPG Propane (Arab Gulf)/Ton | 46.38 | (0.5) | 2.8 | (27.0) |
| LPG Butane (Arab Gulf)/Ton# | 54.00 | 0.0 | (0.9) | (22.9) |
| Euro | 1.09 | 0.2 | (0.7) | (4.6) |
| Yen | 107.92 | 0.1 | 0.3 | (1.6) |
| GBP | 1.23 | (0.3) | (1.5) | (3.6) |
| CHF | 1.01 | 0.3 | 0.0 | (0.9) |
| AUD | 0.68 | 0.2 | (0.0) | (4.0) |
| USD Index | 99.11 | (0.0) | 0.6 | 3.1 |
| RUB | 64.68 | 0.7 | 1.0 | (7.2) |
| BRL | 0.24 | 0.3 | (0.2) | (6.6) |

Source: Bloomberg (#Market was closed on September 27, 2019)

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|---|---|---|---|---|
| MSCI World Index | 2,175.54 | (0.4) | (1.0) | 15.5 |
| DJ Industrial | 26,820.25 | (0.3) | (0.4) | 15.0 |
| S&P 500 | 2,961.79 | (0.5) | (1.0) | 18.1 |
| NASDAQ 100 | 7,939.63 | (1.1) | (2.2) | 19.7 |
| STOXX 600 | 391.79 | 0.6 | (0.9) | 10.9 |
| DAX | 12,380.94 | 0.9 | (1.3) | 12.2 |
| FTSE 100 | 7,426.21 | 0.8 | (0.3) | 6.6 |
| CAC 40 | 5,640.58 | 0.5 | (1.4) | 13.9 |
| Nikkei | 21,878.90 | (0.8) | (0.9) | 11.9 |
| MSCI EM | 1,001.50 | (0.8) | (1.9) | 3.7 |
| SHANGHAI SE Composite | 2,932.17 | 0.2 | (2.9) | 13.5 |
| HANG SENG | 25,954.81 | (0.4) | (1.9) | 0.3 |
| BSE SENSEX | 38,822.57 | 0.0 | 2.7 | 6.2 |
| Bovespa | 105,077.60 | (0.5) | 0.4 | 11.2 |
| RTS | 1,347.72 | (0.9) | (2.2) | 26.1 |

Source: Bloomberg (*$ adjusted returns)

### Contacts


**Saugata Sarkar, CFA, CAIA**
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

**Shahan Keushgerian**
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

**Zaid al-Nafoosi, CMT, CFTe**
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

**Mehmet Aksoy, PhD**
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

**QNB Financial Services Co. W.L.L.**
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar