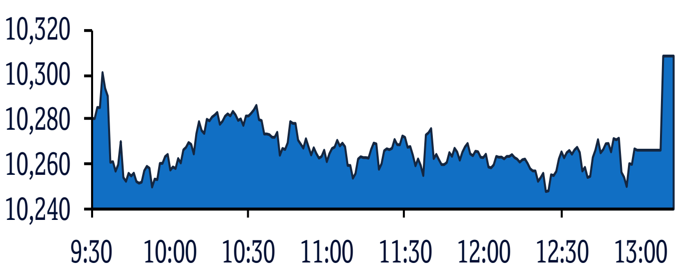
Daily Market Report

Tuesday, 10 September 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 10,309.0. Gains were led by the Telecoms and Real Estate indices, gaining 2.7% and 1.9%, respectively. Top gainers were Qatar First Bank and Qatar Aluminium Manufacturing Company, rising 4.2% and 3.8%, respectively. Among the top losers, Qatar Navigation fell 3.5%, while Gulf Warehousing Company was down 1.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 8,055.2. Gains were led by the Food & Staples Retailing and Retailing indices, rising 2.8% and 1.4%, respectively. Fawaz Abdulaziz Alhokair Company rose 6.0%, while Zamil Industrial Investment Company was up 4.2%.

Dubai: The DFM Index gained 0.3% to close at 2,879.5. The Services index rose 1.6%, while the Transportation index gained 0.8%. Takaful Emarat rose 2.9%, while Amanat Holdings was up 2.0%.

Abu Dhabi: The ADX General Index fell 0.6% to close at 5,075.9. The Energy index declined 1.6%, while the Investment & Financial Services index fell 1.3%. Gulf Cement Company declined 4.4%, while Abu Dhabi National Energy Company was down 3.8%.

Kuwait: The Kuwait All Share Index fell 1.2% to close at 5,863.4. The Technology index declined 10.0%, while the Telecommunications index fell 1.8%. Automated Systems Co. declined 10.0%, while Warba Capital Holding Co. was down 8.7%.

Oman: The MSM 30 Index fell 0.1% to close at 3,985.4. The Industrial index fell 0.5% and the Services index declined marginally. Financial Services fell 71.4%, while Oman Refreshment was down 3.7%.

Bahrain: Market was closed on September 09, 2019.

Market Indicators	09 Sep 19	08 Sep 19	%Chg.
Value Traded (QR mn)	305.5	159.6	91.5
Exch. Market Cap. (QR mn)	569,488.4	567,356.3	0.4
Volume (mn)	133.5	104.5	27.7
Number of Transactions	7,865	4,757	65.3
Companies Traded	44	44	0.0
Market Breadth	24:19	22:14	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,969.49	0.3	0.5	4.5	14.9
All Share Index	3,029.31	0.3	0.9	(1.6)	15.0
Banks	3,994.64	(0.4)	(0.5)	4.3	13.8
Industrials	3,094.61	1.0	1.6	(3.7)	17.8
Transportation	2,526.82	(0.9)	(0.7)	22.7	13.9
Real Estate	1,450.05	1.9	6.6	(33.7)	15.9
Insurance	2,768.59	1.0	0.7	(8.0)	16.2
Telecoms	938.11	2.7	2.6	(5.0)	17.1
Consumer	8,449.49	0.7	1.2	25.1	16.6
Al Rayan Islamic Index	3,972.24	0.3	0.7	2.2	14.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ooredoo	Qatar	7.40	3.6	3,167.5	(1.3)
Al Ahli Bank of Kuwait	Kuwait	0.32	1.6	0.0	8.5
DP World	Dubai	14.32	1.6	68.8	(16.3)
Riyad Bank	Saudi Arabia	24.98	1.5	1,623.5	26.0
Saudi Telecom Co.	Saudi Arabia	104.60	1.4	790.0	16.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mobile Telecom. Co.	Kuwait	0.56	(2.3)	4,337.7	24.5
Agility Pub. Warehousing	Kuwait	0.74	(2.1)	2,826.0	6.3
Saudi British Bank	Saudi Arabia	31.55	(2.0)	1,079.6	(3.4)
Abu Dhabi Comm. Bank	Abu Dhabi	8.31	(1.9)	4,257.9	1.8
Mabanee Co.	Kuwait	0.76	(1.7)	425.6	33.6

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%
Qatar First Bank	0.30	4.2	21,674.8	(27.7)
Qatar Aluminium Manufacturing	0.83	3.8	12,016.2	(38.2)
Ooredoo	7.40	3.6	3,167.5	(1.3)
Ezdan Holding Group	0.65	3.5	44,010.7	(49.9)
Mesaieed Petrochemical Holding	2.83	2.5	2,167.8	88.3

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	5.77	(3.5)	1,970.4	(12.6)
Gulf Warehousing Company	4.72	(1.7)	92.1	22.7
Qatari German Co for Med. Dev.	0.61	(1.6)	245.6	7.6
Qatar Islamic Insurance Company	6.01	(1.3)	28.6	11.9
Qatar Islamic Bank	16.10	(1.3)	595.8	5.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.65	3.5	44,010.7	(49.9)
Qatar First Bank	0.30	4.2	21,674.8	(27.7)
Qatar Aluminium Manufacturing	0.83	3.8	12,016.2	(38.2)
Vodafone Qatar	1.24	0.8	6,239.2	(20.6)
Qatar Gas Transport Company Ltd.	2.44	0.4	5,690.3	36.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.07	(0.6)	64,528.4	(2.2)
Ezdan Holding Group	0.65	3.5	28,705.9	(49.9)
Ooredoo	7.40	3.6	23,145.1	(1.3)
Qatar Electricity & Water Co.	15.00	1.4	18,387.5	(18.9)
Qatar International Islamic Bank	8.51	0.7	15,926.9	28.7

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*	10,309.03	0.3	0.5	0.7	0.1	348.95	156,438.5	14.9	1.5	4.2
Dubai	2,879.51	0.3	(0.4)	4.4	13.8	65.33	102,095.5	12.1	1.1	4.3
Abu Dhabi	5,075.88	(0.6)	(0.7)	(1.7)	3.3	104.06	141,511.3	15.1	1.4	4.9
Saudi Arabia	8,055.24	0.1	0.0	0.4	2.9	733.64	510,108.9	20.0	1.8	3.7
Kuwait	5,863.38	(1.2)	(1.5)	(1.3)	15.4	129.97	109,662.0	14.5	1.4	3.6
Oman	3,985.38	(0.1)	(0.3)	(0.5)	(7.8)	2.90	17,358.9	8.1	0.8	6.9
Bahrain#	1,548.78	(0.1)	(0.1)	1.0	15.8	2.14	24,245.3	11.6	1.0	5.0

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any, #Data as of September 08, 2019)

Qatar Market Commentary

- The QE Index rose 0.3% to close at 10,309.0. The Telecoms and Real Estate indices led the gains. The index rose on the back of buying support from Qatari shareholders despite selling pressure from GCC and non-Qatari shareholders.
- Qatar First Bank and Qatar Aluminium Manufacturing Company were the top gainers, rising 4.2% and 3.8%, respectively. Among the top losers, Qatar Navigation fell 3.5%, while Gulf Warehousing Company was down 1.7%.
- Volume of shares traded on Monday rose by 27.7% to 133.5mn from 104.5mn on Sunday. Further, as compared to the 30-day moving average of 72.9mn, volume for the day was 83.2% higher. Ezdan Holding Group and Qatar First Bank were the most active stocks, contributing 33.0% and 16.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	26.36%	24.99%	4,204,398.53
Qatari Institutions	31.85%	18.80%	39,862,772.82
Qatari	**58.21%**	**43.79%**	**44,067,171.35**
GCC Individuals	0.40%	1.04%	(1,963,742.53)
GCC Institutions	0.57%	8.02%	(22,753,225.76)
GCC	**0.97%**	**9.06%**	**(24,716,968.29)**
Non-Qatari Individuals	10.32%	9.53%	2,416,940.05
Non-Qatari Institutions	30.49%	37.62%	(21,767,143.11)
Non-Qatari	**40.81%**	**47.15%**	**(19,350,203.05)**

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/09	UK	UK Office for National Statistics	Monthly GDP (MoM)	July	0.3%	0.1%	0.0%
09/09	UK	UK Office for National Statistics	Industrial Production MoM	July	0.1%	-0.3%	-0.1%
09/09	UK	UK Office for National Statistics	Industrial Production YoY	July	-0.9%	-1.1%	-0.6%
09/09	UK	UK Office for National Statistics	Manufacturing Production MoM	July	0.3%	-0.3%	-0.2%
09/09	UK	UK Office for National Statistics	Manufacturing Production YoY	July	-0.6%	-1.2%	-1.4%
09/09	EU	Sentix Behavioral Indices	Sentix Investor Confidence	September	-11.1	-13.4	-13.7
09/09	Japan	Economic and Social Research Institute	GDP Annualized SA QoQ	2Q2019	1.3%	1.3%	1.8%
09/09	Japan	Economic and Social Research Institute	GDP Nominal SA QoQ	2Q2019	0.3%	0.3%	0.4%

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

News

Qatar

- **CEO: The Commercial Bank to issue bonds worth up to $700mn –** The Commercial Bank is set to issue bonds worth up to $700mn (about QR2.55bn) to fund some domestic as well as overseas projects and other activities, according to the Group CEO, Joseph Abraham. The bank, in December last year, had announced that it could raise up to $1bn (QR3.64bn) in debt in 2019 to further diversify its funding sources. Abraham said, "We are looking forward to issue bonds worth between $600mn and $700mn. But we do not know the exact date, and waiting for the right time and the interest rates. Since the interests rates are going down, so we will see when we can issue it." Commenting on the bank's activities and future outlook of the nature of its services, he noted that services at the bank's branches are going to witness major transformation. The number of physical transactions at branches is fast changing. More and more people are doing online transactions. However, the CEO of the bank also noted that people still want branches and they are visiting them. "We expect the nature of services at bank's branches is transforming from being transactional to be more advisory. As the number of people with surplus wealth and savings is growing fast, they want to go beyond deposits. They want different types of products such as wealth management, insurance, stocks and other types of products that ensure better returns," he added. (Peninsula Qatar)
- **Al-Kaabi: Qatar shortlists partners for North Field expansion, but says it may go it alone –** Qatar has shortlisted international oil firms for a stake in its expanded North Field megaproject, Qatar Petroleum's CEO, said, but may still choose to go it alone unless majors offer it significant value. The expansion of tiny but gas-rich Qatar's liquefied natural gas (LNG) facilities, already the world's largest, is one of the energy sector's most lucrative projects, and the world's top oil and gas majors have been racing to secure a stake. Invitations to bid were sent out last month and the result is due to be announced in the first quarter of 2020, Saad Al-Kaabi, who is also Minister of state for energy, said - if Qatar decides to go with partners at all. "We like the partnership model for many benefits. But because we don't need the partners, what's going out is basically a set of criteria that we have, to demonstrate to us what added value we get for Qatar if you come in," Al- Kaabi said. "Maybe they can give us something outside," he said, referring to LNG assets outside its domestic market. Al-Kaabi said that with the remaining contracts for its completion set to be awarded by the end of 2019, it was now asking a shortlist of majors to bid for a stake in the completed project. (Gulf-Times.com)
- **Qatar's banks eased property loan repayments, Doha Bank CEO says –** Qatar's banks eased repayment terms on real-estate loans, according to Doha Bank's CEO, Raghavan Seetharaman, after the Saudi Arabia-led standoff hurt property prices. "Cash flows have been redefined, debt has been restructured to see that debt-servicing capacity is not in danger in the coming days for real estate owners. Banks are also cautious in terms of overall lending for real estate," Seetharaman said. Home prices

are going through a minor correction, but retail real estate prices have held up well, he added. (Bloomberg)

- **Bloomberg in new deal with QFC to boost coverage of region –** Bloomberg Media Group (Bloomberg) entered into a new agreement with the Qatar Financial Centre (QFC) as part of advancing its presence and editorial coverage in the region. The agreement includes a remote Bloomberg Television studio for live reports at the QFC in Doha, adding the major financial capital to existing remote locations elsewhere in the region. Starting this month, Simone Foxman of Bloomberg News will report regularly for Bloomberg Television out of the new Doha location. These television reports will be broadcast into Bloomberg Television's primetime morning show Bloomberg Daybreak: Middle East, which airs Sunday through Thursday. Bloomberg's coverage of the region has continued to expand in recent years with the launch of regionally focused editorial platforms in 2016 and regular events. (Gulf-Times.com)
- **Ooredoo propels Lusail Smart City Development to next level –** Ooredoo announced the next level of its partnership with Qatari Diar Real Estate Investment Company to provide the smart city network to enable Lusail City as one of the world's leading smart cities. As a flagship project of Qatari Diar, Lusail City is deploying smart systems and citywide sensors with Ooredoo's next-generation network infrastructure serving as the ICT backbone for the Lusail Smart City end points. As a result, Lusail City aims to become the region's first large-scale green-field smart city and a model city for smart city living. This partnership will see Ooredoo's advanced wired and wireless networks as the foundation for a wide range of Lusail City's secure smart city services. Practical examples can include smart operations with integrated Scada systems, smart traffic to ease congestion, smart lighting to reduce energy usage, and smart waste management to optimize collection and routes. (Gulf-Times.com)
- **Hamad Port enters Guinness World Records as deepest artificial basin on Earth –** Hamad Port, Qatar's gateway to world trade, has added a new feat to its series of achievements by setting a new Guinness World Records title as the deepest artificial basin ever made on Earth. HE Minister of Transport and Communications Jassim Saif Ahmed Al-Sulaiti said, "Hamad Port winning of such a universal certificate signals the importance and size of the project. Such an achievement is a new addition to a collection of world records the country set at Guinness World Records. It also emphasizes Qatar's capability of developing innovative projects in line with highest global standards." The Minister added, "Hamad Port's continuing achievements place us before a double responsibility toward our society so as to continue our performance according to world standards and our ambitious goals." (Qatar Tribune)

International

- **Fitch says trade policy disruption is darkening global economic outlook –** The escalation in the ongoing US-China trade war and the prospect of a no-deal Brexit are among trade policy disruptions that are darkening the global economic outlook, Fitch Ratings stated. A no-deal Brexit scenario could lead to a significant UK recession in 2020, the ratings agency stated, adding that Eurozone's growth prospects will be materially lower in the event of a no-deal Brexit. The note added that the impact of China's slowdown has also been a significant factor in recent growth disappointments in the Eurozone. Fitch stated that the Chinese economy's growth rate is expected to fall to 6.1% in 2019 and 5.7% in 2020 from the earlier forecasts of 6.2% and 6.0% respectively. Fitch stated that Asia Pacific countries were mostly stable amidst rising global growth risks, with the only negative outlook in the region being on Hong Kong, which was downgraded by the ratings last week following months of protests. (Reuters)
- **US home purchase sentiment edges up in August –** The US consumer sentiment about buying a home ticked up in August as expectations about falling mortgage rates offset reduced optimism about home price appreciation and the timing to buy and sell a home, Fannie Mae stated. The largest US home finance agency stated its index on home purchase sentiment moved up 0.1 percentage point to 93.8 last month, the highest level since this measure began. Mortgage rates have fallen to their lowest levels since the autumn of 2016 in step with lower US bond yields because of anxiety about a softening global economy and trade tensions between China and the US. A telling sign was a decline of the net share of the 1,000 consumers surveyed who said they are not worried about losing their job. It fell 4 points to 77% last month. Last Friday, the Labor Department stated nonfarm payrolls grew by 130,000 in August, fewer than the 148,000 forecast among analysts polled by Reuters. Job growth has slowed since mid-2018. (Reuters)
- **NY Fed survey: US consumer inflation expectations decline to a new low –** The US consumers' inflation expectations slid in August and workers grew more pessimistic about their job situation, data from the New York Federal Reserve showed, supporting the case for further interest rate cuts from the Fed. The New York Fed's monthly survey of consumer expectations, which Fed officials look at along with other data on pricing, showed consumers' one-year inflation outlook declined 0.2 percentage point to 2.4% last month, the lowest since the survey was launched in 2013. The three-year outlook for inflation expectations fell by 0.1 percentage point to 2.5%. Fed officials cited weak inflation as one of the concerns that motivated them to cut interest rates in July for the first time in more than a decade. The US economy is producing an inflation rate persistently short of the Fed's 2% goal. Officials are divided on whether a rate cut is needed at a time when the unemployment rate is near a 50-year low and consumer spending is strong. The Fed currently targets short-term rates between 2.00% and 2.25%. (Reuters)
- **UK economy shows unexpected strength in July, dampening recession fears –** Britain's economy picked up more than expected in July, data showed, dampening fears that it will succumb to its first recession since the financial crisis as the Brexit crisis escalates. Economic output in July alone was 0.3% higher than in June, the Office for National Statistics (ONS) stated, marking the biggest rise since January and topping all forecasts in a Reuters poll of economists that had pointed to a 0.1% increase. The ONS stated GDP in the three months to July was flat compared with the previous three-month period. A Reuters poll of economists had pointed to a 0.1% contraction. (Reuters)

- **Eurozone's investor morale improves slightly in September, Sentix says –** Investor morale in the Eurozone improved slightly in September, a Sentix survey showed, but it cautioned that the economic situation in the single currency bloc remained tense. The Sentix research group stated its investor sentiment index for the Eurozone edged up to -11.1 in September from -13.7 in August. That beat a Reuters poll of analysts who had predicted a decline to -14.0. Investors' assessment of the current situation deteriorated for the fourth month in a row to reach its lowest level since January 2015 at -9.5. Their economic outlook improved, however, with the sub-index rising to -12.8 in September from -20.0 in the previous month. Sentix pointed to signals from US President Donald Trump that suggested some progress toward finding a solution to the bitter trade dispute between the world's two biggest economy. (Reuters)
- **German exports unexpectedly rise in July –** German exports rose in July, data showed, marking an unexpectedly solid start to the third quarter for the engine room of Europe's largest economy and suggesting it may withstand some of the impact of tariff disputes and Brexit uncertainty. The Federal Statistics Office stated seasonally adjusted exports rose 0.7% on the month while imports fell 1.5 %. The trade surplus rose to 20.2bn Euros after a downwardly revised 18.0bn Euros in the prior month. A Reuters poll of economists had pointed to a 0.5% drop in exports and a 0.3% fall in imports. The trade surplus was expected to come in at 17.5bn Euros. (Reuters)
- **Bank of France keeps third-quarter GDP forecast at 0.3% in second reading –** The Bank of a France maintained its forecast for 0.3% growth in the French economy in the third quarter, as business sentiment in the manufacturing sector picked up in August. In its monthly survey, the Bank of France stated sentiment in the manufacturing sector rose to 99 in August from a revised 96 in July. Business sentiment in the services sector was unchanged from the previous month at 100. Pharmaceutical and electronic equipment sectors performed particularly well, the central bank stated, adding that business leaders expected industrial production to slow in September. (Reuters)
- **Deadline looming, Japan struggles to elude Trump tariff threat –** Japan's Prime Minister, Shinzo Abe may have averted giving away too much in trade talks with US President, Donald Trump but Tokyo is struggling ahead of a late-month deadline to achieve its primary goal: get the unpredictable president to drop threats of punitive auto tariffs. Even after announcing a preliminary deal with Abe on August 25, Trump left open the possibility of slapping higher duties on Japanese vehicles, a mainstay of the world's third-biggest economy and by far Japan's biggest export to the US. Trump and Abe are seeking a final agreement in time for their expected meeting on the sidelines of the United Nations General Assembly later this month. However negotiators have only just begun working out details, such as how much tariffs will be cut for which items, Japanese government officials familiar with the negotiations told Reuters. A deal this month could be tricky, as there's little time to nail down the wording for politically sensitive areas such as farm products and autos, and clear any legal hurdles, the officials say. (Reuters)
- **China producer prices shrink most in three years in August –** China's factory gate prices contracted for the second month in August and at a sharper rate, reinforcing the urgency for Beijing to step up stimulus as a deepening trade war with the US heaps pressure on its manufacturing sector and the broader economy. The producer price index (PPI), a key barometer of corporate profitability, dropped 0.8% from year earlier in August, National Bureau of Statistics (NBS) stated. Analysts polled by Reuters had expected factory gate inflation to have shrunk 0.9% year-on-year last month, following a 0.3% decline in July. The consumer price index (CPI) rose 2.8% in August on-year, unchanged from July. That compared with a 2.6% increase predicted by analysts. (Reuters)

Regional

- **IEA cuts oil-demand growth forecast again on economic woes –** The International Energy Agency (IEA) cut its forecast for global oil-demand growth again, blaming the economic impact of the US-China trade war. "We expect this year on average about 1mn barrels a day of growth," IEA Executive Director, Fatih Birol said. That's about 10% lower than the agency's previous forecast and he said "the reason is mainly the economy, the trade tensions between the US and China, Brexit, and others." The IEA, which advises the world's developed economies on energy policy, has been sounding warnings about the impact of the slowing economy on oil demand for several months. A year ago, it was expecting global consumption to increase by 1.5mn barrels a day, in line with recent years. Since then the agency has steadily lowered its forecast, and in August it warned that growth in the first five months of the year had slumped to the weakest in a decade. A slower rate of expansion is likely to continue, driven by fundamental shifts in the way hydrocarbons are consumed, he said. (Gulf-Times.com)
- **OPEC+ may discuss new metrics for global oil market monitoring –** OPEC's Joint Ministerial Monitoring Committee (JMMC) may discuss new metrics for the global oil market monitoring, when it convenes in Abu-Dhabi later this week, TASS cited OPEC Secretary-General Mohammad Barkindo as saying. The group, known as OPEC+, uses certain metrics to monitor the deal, such as 5-year average oil stocks in the developed countries. "This is not on the agenda, but we can discuss it (metrics) as we will discuss the market situation," TASS cited Barkindo as saying. (Reuters)
- **Middle East gas industry hampered by lack of infrastructure –** Middle East gas industry has been hampered by lack of infrastructure. The electricity prices set by governments, dearth of pipelines and terminals are factors constraining growth of gas market in Middle East, Crescent Petroleum CEO, Majid Jafar said. Geopolitics is also an issue for regional gas industry, he said. He sees opportunities for non-government companies to participate in the Middle East gas projects. (Bloomberg)
- **Takaful to show stronger momentum up to 2025 –** Despite growth of the global Takaful industry being much more lackluster than the Islamic finance services industry as a whole, the Islamic insurance market is set to gain some momentum up to 2025, industry reports say. This is mainly owing to new entrants in the Islamic finance industry from Central Asia and from West, East and North Africa where several countries are

currently introducing and/or enhancing their regulatory frameworks for the sector, while demand in Malaysia, Indonesia, Pakistan, Sri Lanka and Bangladesh is expected to steadily increase due to economic growth and government support. Takaful also received a boost in Turkey following the recent implementation of the participatory insurance regulatory framework there, and is also making headway in the US and the UK. For instance, a UK-based professional Islamic finance body, the Islamic Insurance Association of London, has been drafting Shari'ah standards for Islamic commercial insurance and wants to make them available as early as this year to tap this huge market segment. (Gulf-Times.com)

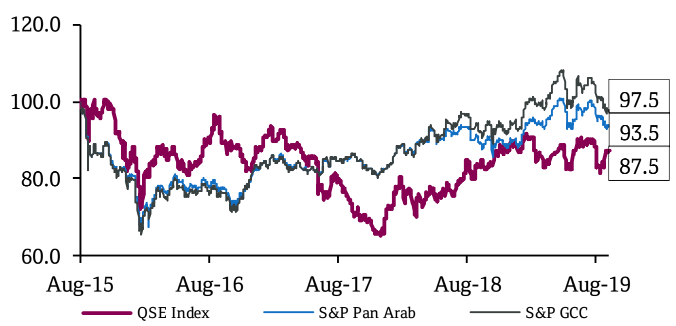
- **IMF: Saudi Arabia should consider raising VAT to 10% –** Saudi Arabia should consider raising a value added tax (VAT) to 10% from the current 5%, the IMF stated, stressing the importance for the world's top oil exporter to improve its fiscal position amid lower crude prices. In a report dated June and published, the IMF stated that a tighter fiscal policy was needed, as the Saudi Arabia's budget deficit is projected to widen. Saudi Arabia, the Middle East's largest economy, remains dominated by hydrocarbon revenues despite Crown Prince, Mohammed bin Salman's assertion that he aims to diversify. The Gulf state recently restrained crude production by more than called for by an OPEC-led supply deal to support oil markets, however, slowing oil demand and the weakening global economy have kept prices under pressure. This is weighing on the Kingdom's economic growth, with some economists forecasting a contraction this year. The IMF expects the budget deficit to increase this year to 6.5% of GDP from 5.9% of GDP in 2018 as higher government expenditure is likely to curb the upside of stronger non-oil economic growth. (Reuters)
- **Saudi Tadawul expects $3bn additional inflows from FTSE inclusion –** The Saudi Stock Exchange (Tadawul) expects additional passive funds' inflows worth $3bn from the remaining phases of inclusion in the FTSE Russell emerging market index starting in September, its Chairwoman, Sarah Al-Suhaimi said. The Middle East's largest bourse is also expected to launch the first exchange-traded derivative product - an index futures contract based on the MSCI Tadawul 30 Index - in the fourth quarter of 2019, she told Reuters. Saudi Arabia's inclusion in emerging markets indices has generated foreign inflows worth billions of dollars since the start of the year. Inflows of foreign funds will help absorb the huge IPO, especially with an increasing likelihood of a domestic listing on the Riyadh bourse followed by a later international offering. In August, the Saudi exchange completed the second and final phase of joining the MSCI Emerging Markets Index, raising its weight on the closely-monitored index to 2.8%. "Since the beginning of this year, foreign investors have traded more than $65bn and have been net buyers of more than $20bn of Tadawul-listed shares through August 29," she said. She said that the number of qualified foreign investors (QFIs) has "grown exponentially" by 200% YTD, reaching more than 1,300 and is set to grow further by the end of 2019. (Zawya)
- **Saudi Arabia's cinema market to hit over $1.2bn by end of 2030 –** Saudi Arabia's cinema market is expected to exceed $1.2bn by the end of 2030, a recent research report stated. According to ResearchAndMarkets.com, the Kingdom's largest city and capital Riyadh accounts for a significant part of the cinema market however, other regions like Jeddah are set to witness continuous growth. The report noted that the primary source of income for cinemas is tickets/box office. Other sources include advertisements and sale of food and beverages at the multiplex. The standard format of cinema holds the highest market share in Saudi Arabia, however, 3D/4D, IMAX, and VIP/Premium 'will be the choice of Saudis in the upcoming years', according to the report. In January last year, Saudi Arabia's sovereign wealth fund, Public Investment Fund (PIF) established Development Investment Entertainment Company (DIEC) with an initial funding of $2.7bn to set up entertainment centers that include cinemas over the next several years. DIEC is projected to directly contribute SR1bn to the GDP of Saudi Arabia and create 1,000 direct jobs by 2020, according to a study by Belgium's state-owned investment promotion agency Flanders Investment and Trade. (Zawya)
- **Saudi Aramco pursues IPO with local listing plan as lines up banks –** Saudi Arabia plans a gradual listing of Saudi Aramco on its domestic market, sources said, as it finalizes the roles banks will play in the Initial Public Offering (IPO) of the world's biggest oil company. The Kingdom intends to list 1% of the state oil giant on the Tadawul before the end of this year and another 1% in 2020, the sources said, as initial steps ahead of a public sale of around 5% of Saudi Aramco. Based on the indicated $2tn valuation that Saudi Aramco had hoped to achieve, a 1% float would be worth $20bn, a huge milestone for the local stock market. Saudi Aramco's flotation, which could be the world's biggest IPO, is crucial to raise money for Crown Prince, Mohammed bin Salman's plans to diversify the Saudi Arabian economy away from oil revenues and has rapidly regained momentum over the past few days. Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman said that Saudi Arabia is aiming for the Saudi Aramco's IPO "as soon as possible". (Reuters)
- **Saudi Arabia's Energy Minister says OPEC+ alliance staying for long term –** Saudi Arabia's new energy minister said that the world's top oil exporter would keep working with other producers to achieve market balance and that an OPEC-led supply-curbing deal would survive "with the will of everybody". Prince, Abdulaziz bin Salman, who took over as Energy Minister from Khalid Al-Falih, told reporters there will be "no radical" change in the oil policy of Saudi Arabia, OPEC's de facto leader, which he said was based on strategic considerations such as reserves and energy consumption. The Prince had helped negotiate the deal between the OPEC and its allies, a group known as OPEC+, to cut global crude supply in order to support prices and balance the market. He told reporters on the sidelines of an energy conference in Abu Dhabi that the OPEC+ alliance was "staying for the long term" and called on OPEC members to comply with output targets. "We have always worked in a cohesive, coherent way within OPEC to make sure that producers work and prosper together," the Prince said. "It would be wrong from my end to pre-empt the rest of the OPEC members," he said when asked whether there was a need for further oil production cuts to support the market. (Reuters)

- **Saudi Arabia's ACWA Power to focus more on renewable energy projects –** ACWA Power plans to focus more on renewable energy projects, lifting their share of its portfolio to 70% over the next decade, its Chief Executive and President, Paddy Padmanthan said. The current value of the Saudi Arabian utility developer's portfolio is more than $42bn, with renewables accounting for 23%. "By 2030, we expect to see 70% of renewables in our portfolio in terms of capital employed," he told Reuters. "We expect to see, in any given year, 60% of new investments in renewables." Acwa Power, which develops power and desalinated water plants, plans to expand into new markets, however, will maintain its portfolio balance of 50% in Saudi Arabia and 50% overseas. (Reuters)
- **Saudi Tabreed said in talks to hire banks for 2020 IPO –** Saudi Tabreed is in talks to hire banks for an Initial Public Offering (IPO) that could value the district cooling firm at about $800mn, according to sources. The utility, part-owned by Abu Dhabi's National Central Cooling Co., plans to raise between $200mn and $300mn in the first half of 2020 from a listing on the Tadawul, sources said. "Saudi Tabreed has appointed Himmah Capital as a consultant to assess the potential of an IPO though no decision has been made," Chief Executive Officer, Kamal Pharran said. "The company is evaluating all aspects, including valuation, at this early stage of our assessment exercise." (Bloomberg)
- **Tasnee gets SR3bn Islamic loan from Riyad Bank and SABB –** Tasnee gets SR3bn Islamic loan from Riyad Bank and SABB. The 10-year Murabaha facility will refinance two loans from October 2013 and January 2015, National Industrialization Co., also known as Tasnee, stated. The loan will be repaid in equal installments semi-annually with final installment of SR1.195bn to be paid at maturity. (Bloomberg)
- **UAE's July consumer prices fall 0.79% MoM and 2.22% YoY –** The Federal Competitiveness and Statistics Authority in Dubai published UAE's consumer price indices which showed that the consumer prices for July fell 0.79% MoM and 2.22% YoY. (Bloomberg)
- **UAE's Energy Minister trusts new Saudi Arabia's Energy Minister will strengthen Saudi Arabia's role in OPEC –** The UAE's Energy Minister, Suhail Mohamed Al Mazrouei congratulated the new Saudi Arabian Energy Minister, Prince Abdulaziz bin Salman and said that he trusts the naming of Prince Abdulaziz to head the energy ministry of the world's largest oil exporter will strengthen the Kingdom's leading role in the OPEC. (Reuters)
- **OPEC, non-OPEC pact on oil supply curbs to continue –** A cooperation agreement between OPEC and non-OPEC countries on curbing oil supply is continuing and the UAE has no plan to leave it, the UAE Energy Minister told broadcaster CNBC Arabia. (Reuters)
- **DP World's Topaz and P&O to complete merger by year-end –** Port operator DP World's planned merger of its P&O Maritime and recently acquired Topaz Energy and Marine businesses is expected to be completed by the end of the year, Topaz CEO, Rene Kofod-Olsen said. DP World bought Dubai-based oil services company Topaz in July with the intention of combining it with P&O Maritime as part of efforts to diversify beyond its core port operations to other marine-related sectors. The merged entity, to be known simply as P&O, will give Topaz a presence in new markets including Australia and South America. "We certainly see this as a pathway to continue and perhaps accelerate … growth as a combined entity under DP World," Kofod-Olsen told Reuters. "It allows us (as a combined entity) to give a whole host of services to our clients that we can't do today without making huge capital investments." Topaz operates in the Caspian Sea, the Middle East and West Africa, working with oil majors such as BP, Exxon Mobil and Saudi Aramco. It had a contract backlog of $1.5bn at August 21. P&O Martime provides government, port and oil and gas marine services in Australia, Papua New Guinea, the Middle East, Africa, Europe and South America. Kofod-Olsen does not expect fundamental change to Topaz's strategy after the merger however, stated that other DP World marine services operations could later be brought under the P&O brand. (Reuters)
- **Investment of $11tn needed to meet future global energy demand –** The Chief Executive of the Abu Dhabi National Oil Company (ADNOC), Sultan Ahmed Al Jaber said that the long-term outlook for global energy demand was robust and that investment of $11tn in oil and gas was needed to keep up with projected demand. UAE's Minister of state and ADNOC Group CEO also said that the state oil company was on track to raise its oil production capacity to 4mn barrels per day by 2020 and 5mn bpd by 2030. The UAE, the third-largest oil producer in the OPEC, behind Saudi Arabia and Iraq, pumps around 3mn barrels per day. "In the short, term global economic uncertainties are creating market volatility and impacting energy demand. But in the long term, the outlook is robust," he said. He said that the population growth and rise of the middle class was expected to lead to greater spending power and that, as a result, more than three times the amount of energy currently consumed by Europe would be added to demand in the next two decades. "To meet this demand … we will need an inclusive response that integrates and optimizes a fully diversified energy mix," he said, adding that the world would still rely on oil and gas as the majority source of energy for decades to come, which would require investment of $11tn to keep up with demand. The CEO said ADNOC is unlocking "vast reserves" of natural gas by tapping into gas caps, undeveloped reservoirs and unconventional resources. He said ADNOC launched the region's first commercial scale carbon capture utilization and storage facility in 2016 and plans to expand the program by six times over the next decade. (Reuters)
- **Kuwait's Agility Public Warehousing Co. plans Trans-Africa facilities –** Agility Public Warehousing Co., a Kuwait-based logistics company operating in more than 100 countries, is stepping up plans to develop so-called warehouse parks across Africa at a cost of about $200mn each. The company, which has annual revenue of about, $5.5bn, has set up one at the Ghanaian port city of Tema, about 16 miles east of the capital, Accra, and will open three more, in Abidjan, Maputo and Lagos -- the commercial hubs of Ivory Coast, Mozambique and Nigeria respectively -- by the end of the second quarter of next year. Addis Ababa, Luanda, Nairobi, Dar es Salaam and Kinshasa may follow. The idea is to "build it and they will come," Geoffrey White, Agility's Chief Executive Officer for Africa, White said. The parks comprise tens of thousands of square meters of

warehousing with reliable power, internet and security. Built on the outskirts of major commercial hubs, they offer multinational companies a quick way to set up distribution centers, said. While there are some similar projects on the continent, none are of Agility's scale, he said. Cummins Inc, which makes generators and engines, is one of its initial customers, using the park in Ghana for its West African distribution. Egypt, Morocco and Algeria are potential sites for parks in North Africa, White said. (Bloomberg)

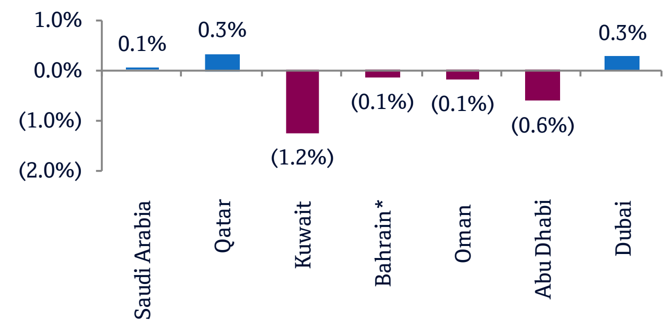
- **Oman's Energy Minister says too early to assess if deeper oil cuts needed –** Oman's Energy Minister, Mohammed bin Hamad Al-Rumhy said that it is too early to determine whether oil markets required deeper supply cuts next year. "I don't know it is too early to assess," he said, when asked if there was a need for deeper output curbs next year by OPEC and other producers. (Reuters)
- **Bahrain's July M1 money supply rises 5.8% YoY –** Central Bank of Bahrain (CBB) published data on monetary aggregates for July which showed that the M1 money supply rose 5.8% YoY, the M2 money supply rose 9.5% YoY and the M3 money supply rose 8.5% YoY. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of September 08, 2019)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,499.13	(0.5)	(0.5)	16.9
Silver/Ounce	18.01	(0.9)	(0.9)	16.2
Crude Oil (Brent)/Barrel (FM Future)	62.59	1.7	1.7	16.3
Crude Oil (WTI)/Barrel (FM Future)	57.85	2.4	2.4	27.4
Natural Gas (Henry Hub)/MMBtu	2.65	6.0	6.0	(16.9)
LPG Propane (Arab Gulf)/Ton	45.00	3.2	3.2	(29.7)
LPG Butane (Arab Gulf)/Ton	53.00	1.4	1.4	(23.7)
Euro	1.10	0.2	0.2	(3.7)
Yen	107.24	0.3	0.3	(2.2)
GBP	1.23	0.5	0.5	(3.2)
CHF	1.01	(0.5)	(0.5)	(1.1)
AUD	0.69	0.2	0.2	(2.7)
USD Index	98.28	(0.1)	(0.1)	2.2
RUB	65.54	(0.3)	(0.3)	(6.0)
BRL	0.24	(0.9)	(0.9)	(5.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,178.41	(0.0)	(0.0)	15.6
DJ Industrial	26,835.51	0.1	0.1	15.0
S&P 500	2,978.43	(0.0)	(0.0)	18.8
NASDAQ 100	8,087.44	(0.2)	(0.2)	21.9
STOXX 600	386.06	(0.1)	(0.1)	10.4
DAX	12,226.10	0.5	0.5	11.9
FTSE 100	7,235.81	(0.2)	(0.2)	4.2
CAC 40	5,588.95	(0.0)	(0.0)	14.1
Nikkei	21,318.42	0.4	0.4	9.9
MSCI EM	1,010.59	0.3	0.3	4.6
SHANGHAI SE Composite	3,024.74	0.7	0.7	17.1
HANG SENG	26,681.40	(0.0)	(0.0)	3.1
BSE SENSEX	37,145.45	0.3	0.3	0.1
Bovespa	103,180.60	(0.4)	(0.4)	11.1
RTS	1,340.14	(0.0)	(0.0)	25.4

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