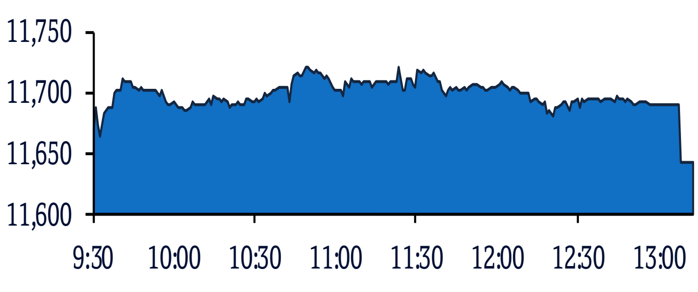
Daily Market Report

Thursday, 16 December 2021

QSE Intra-Day Movement



Market Indicators	15 Dec 21	14 Dec 21	%Chg.
Value Traded (QR mn)	293.3	421.7	(30.5)
Exch. Market Cap. (QR mn)	666,317.8	671,361.2	(0.8)
Volume (mn)	95.2	126.2	(24.6)
Number of Transactions	8,310	13,046	(36.3)
Companies Traded	45	45	0.0
Market Breadth	14:27	26:14	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	23,046.17	(0.7)	0.2	14.9	16.2
All Share Index	3,677.08	(0.7)	(0.1)	14.9	161.3
Banks	4,931.03	(0.7)	(0.3)	16.1	15.3
Industrials	4,001.89	(1.3)	0.0	29.2	16.5
Transportation	3,568.13	(0.2)	0.6	8.2	17.8
Real Estate	1,836.49	(0.2)	2.2	(4.8)	15.8
Insurance	2,606.29	0.1	(0.6)	8.8	15.6
Telecoms	1,040.86	0.0	0.4	3.0	N/A
Consumer	8,082.77	(0.0)	(0.0)	(0.7)	21.5
Al Rayan Islamic Index	4,777.80	(0.5)	0.4	11.9	18.8

Qatar Commentary

The QE Index declined 0.7% to close at 11,642.1. Losses were led by the Industrials and Banks & Financial Services indices, falling 1.3% and 0.7%, respectively. Top losers were Industries Qatar and Investment Holding Group, falling 2.3% and 1.1%, respectively. Among the top gainers, Qatar Cinema & Film Distribution gained 7.9%, while Qatar General Ins. & Reins. Co. was up 2.0%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.1% to close at 11,143.4. Gains were led by the Retailing and Pharma, Biotech & Life Science indices, rising 2.9% and 1.6%, respectively. Saudi Industrial Development rose 9.2%, while Jarir Marketing Co. was up 3.9%.

Dubai: The DFM Index fell 0.7% to close at 3,254.9. The Investment & Financial Services index declined 1.2%, while the Insurance index fell 1.0%. Dar Al Takaful declined 9.6%, while Takaful Emarat Insurance was down 9.4%.

Abu Dhabi: The ADX General Index fell 0.3% to close at 8,819.1. The Services index declined 1.2%, while the Energy index fell 0.9%. Commercial Bank International and National Corp Tourism & Hotel were down 10.0% each.

Kuwait: The Kuwait All Share Index fell 0.5% to close at 6,988.9. The Energy index declined 2.3%, while the Insurance index fell 1.4%. First Takaful Insurance Co. declined 9.5%, while Credit Rating & Collection was down 9.2%.

Oman: The MSM 30 Index fell 0.1% to close at 4,020.6. Losses were led by the Industrial and Services indices, falling 0.4% and 0.2%, respectively. Al Maha Ceramics Company declined 2.4%, while National Gas Company was down 2.3%.

Bahrain: The BHB Index fell 0.2% to close at 1,782.2. The Real Estate index declined 0.4%, while the Communications Services index fell 0.3%. BBK declined 1.0%, while Seef Properties was down 0.6%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jarir Marketing Co.	Saudi Arabia	202.00	3.9	230.1	16.5
Sahara Int. Petrochemical	Saudi Arabia	44.35	3.9	5,126.1	156.1
Saudi Arabian Mining Co.	Saudi Arabia	76.00	3.3	702.3	87.7
Saudi Industrial Inv.	Saudi Arabia	31.65	2.4	1,276.8	15.5
Saudi Electricity Co.	Saudi Arabia	24.40	2.3	3,285.0	14.6

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Industries Qatar	Qatar	15.00	(2.3)	1,114.3	38.0
Human Soft Holding Co.	Kuwait	3.20	(1.6)	458.8	(15.8)
Kuwait Finance House	Kuwait	0.83	(1.5)	12,562.8	34.4
Dr Sulaiman Al Habib	Saudi Arabia	162.40	(1.5)	66.9	49.0
Abu Dhabi Islamic Bank	Abu Dhabi	6.88	(1.4)	2,534.0	46.4

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 Cinema & Film Distribution	3.75	7.9	1.0	(6.1)
Qatar General Ins. & Reins. Co.	2.04	2.0	105.5	(23.3)
Al Khaleej Takaful Insurance Co.	3.89	0.9	390.5	105.0
Qatar Industrial Manufacturing Co	3.08	0.6	113.3	(4.0)
Zad Holding Company	16.00	0.6	62.5	18.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Industries Qatar	15.00	(2.3)	1,114.3	38.0
Investment Holding Group	1.32	(1.1)	10,679.1	119.5
QNB Group	19.78	(1.1)	1,735.3	10.9
Qatar Oman Investment Company	0.87	(1.0)	1,433.7	(2.5)
Qatar Islamic Bank	18.12	(0.7)	893.7	5.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.87	(0.7)	14,872.4	33.5
Mazaya Qatar Real Estate Dev.	1.00	(0.3)	11,066.7	(20.8)
Investment Holding Group	1.32	(1.1)	10,679.1	119.5
Masraf Al Rayan	4.85	(0.5)	7,624.9	7.0
Mesaieed Petrochemical Holding	2.23	(0.5)	6,528.1	8.8

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Masraf Al Rayan	4.85	(0.5)	37,092.8	7.0
QNB Group	19.78	(1.1)	34,475.3	10.9
Qatar International Islamic Bank	9.39	(0.2)	22,122.9	3.7
The Commercial Bank	6.69	(0.0)	20,611.3	52.1
Industries Qatar	15.00	(2.3)	16,883.7	38.0

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	11,642.07	(0.7)	0.2	2.2	11.6	80.24	181,438.3	16.2	1.7	2.6
Dubai	3,254.86	(0.7)	0.9	5.9	30.6	105.49	113,568.9	21.4	1.1	2.4
Abu Dhabi	8,819.12	(0.3)	(0.7)	3.2	74.8	468.97	423,975.7	24.2	2.7	2.6
Saudi Arabia	11,143.38	1.1	1.9	3.5	28.2	1,978.98	2,620,448.2	24.6	2.3	2.3
Kuwait	6,988.88	(0.5)	(0.8)	2.9	26.0	219.95	135,066.8	20.9	1.6	2.0
Oman	4,020.59	(0.1)	0.3	0.5	9.9	21.68	18,758.0	11.5	0.8	3.9
Bahrain	1,782.20	(0.2)	(0.2)	3.0	19.6	4.95	28,650.5	9.9	0.9	3.5

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 0.7% to close at 11,642.1. The Industrials and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from Qatari and Arab shareholders despite buying support from GCC and foreign shareholders.
- Industries Qatar and Investment Holding Group were the top losers, falling 2.3% and 1.1%, respectively. Among the top gainers, Qatar Cinema & Film Distribution gained 7.9%, while Qatar General Ins. & Reins. Co. was up 2.0%.
- Volume of shares traded on Wednesday fell by 24.6% to 95.2mn from 126.2mn on Tuesday. Further, as compared to the 30-day moving average of 135.8mn, volume for the day was 29.9% lower. Salam International Inv. Ltd. and Mazaya Qatar Real Estate Dev. were the most active stocks, contributing 15.6% and 11.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.43%	29.59%	(3,415,639.4)
Qatari Institutions	27.06%	29.55%	(7,297,965.0)
Qatari	**55.48%**	**59.14%**	**(10,713,604.4)**
GCC Individuals	0.20%	0.22%	(59,817.3)
GCC Institutions	3.58%	1.23%	6,900,146.8
GCC	**3.78%**	**1.45%**	**6,840,329.5**
Arab Individuals	7.61%	8.70%	(3,182,887.1)
Arab Institutions	0.07%	0.00%	215,114.5
Arab	**7.69%**	**8.70%**	**(2,967,772.6)**
Foreigners Individuals	3.10%	2.05%	3,075,833.5
Foreigners Institutions	29.95%	28.66%	3,765,213.9
Foreigners	**33.05%**	**30.72%**	**6,841,047.4**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12-15	US	Mortgage Bankers Association	MBA Mortgage Applications	10-Dec	-4.00%	--	2.00%
12-15	US	Bureau of Labor Statistics	Import Price Index MoM	Nov	0.70%	0.60%	1.50%
12-15	US	Bureau of Labor Statistics	Import Price Index YoY	Nov	11.70%	11.40%	11.00%
12-15	UK	UK Office for National Statistics	CPI MoM	Nov	0.70%	0.40%	1.10%
12-15	UK	UK Office for National Statistics	CPI YoY	Nov	5.10%	4.80%	4.20%
12-15	UK	UK Office for National Statistics	CPI Core YoY	Nov	4.00%	3.70%	3.40%
12-15	UK	UK Office for National Statistics	Retail Price Index	Nov	314.3	313	312
12-15	UK	UK Office for National Statistics	RPI MoM	Nov	0.70%	0.30%	1.10%
12-15	UK	UK Office for National Statistics	RPI YoY	Nov	7.10%	6.70%	6.00%
12-15	France	INSEE National Statistics Office	CPI EU Harmonized MoM	Nov	0.40%	0.40%	0.40%
12-15	France	INSEE National Statistics Office	CPI EU Harmonized YoY	Nov	3.40%	3.40%	3.40%
12-15	France	INSEE National Statistics Office	CPI MoM	Nov	0.40%	0.40%	0.40%
12-15	France	INSEE National Statistics Office	CPI YoY	Nov	2.80%	2.80%	2.80%
12-15	China	National Bureau of Statistics	Retail Sales YoY	Nov	3.90%	4.70%	4.90%
12-15	China	National Bureau of Statistics	Retail Sales YTD YoY	Nov	13.70%	13.80%	14.90%
12-15	China	National Bureau of Statistics	Industrial Production YoY	Nov	3.80%	3.70%	3.50%
12-15	China	National Bureau of Statistics	Industrial Production YTD YoY	Nov	10.10%	10.40%	10.90%

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

News

Qatar

- **QNBK receives 'Strongest Bank in the Arab World 2021' award by WUAB –** QNB Group, the largest financial institution in the Middle East and Africa, recently received the award for "Strongest Bank in the Arab World 2021" during the Banking Excellence and Achievement Awards ceremony recently organized by the World Union of Arab Bankers (WUAB) in Beirut during the celebration of the 15th anniversary of the Union's founding. The ceremony brought together a number of dignitaries and economic and media personalities, along with prominent leaders in the banking and technology sectors in the Arab region and the world. This annual award aims to value the efforts of the Arab banking and financial institutions to provide innovative services and solutions, and to improve digital customer experience. The prestigious award recognizes the Group's strong financial performance, asset growth and successful business strategy, cementing its leadership in the banking sector in the region. This achievement also reflects the success of the group's strategy in addressing the challenges of the Covid-19 pandemic and its continuous efforts to develop innovative and secure digital banking solutions and services via the Internet and mobile. (QNB Press Release)
- **UDCD, Ruzgar Healthcare sign shareholder agreement to establish, operate 'The Pearl International Hospital' –** United Development Company (UDCD), the master developer of The Pearl and Gewan Islands, has announced the signing of a shareholder agreement with Ruzgar Healthcare Holding to establish and operate The Pearl International Hospital at The Pearl Island. The agreement was signed by Ibrahim Jassim Al-Othman, UDCD president, CEO, and member of the board; and Oktay Ercan, chairman of Ruzgar Healthcare Holding, at the UDCD Tower. (QSE, Gulf-Times.com)
- **December 19 to be National Day official holiday –** On the occasion of Qatar National Day on December 18, the Amiri Diwan announced that Sunday, December 19, will be an official holiday. (Gulf-Times.com)
- **ORDS, Huawei sign 5-Year global frame agreement –** Ooredoo (ORDS) and Huawei sign five-year global frame agreement that will see Huawei supply radio, core and transport products and solutions to the Qatari group, according to statement. Pact covers all related implementation and integration services of Ooredoo Group operating companies in Qatar, Indonesia, Algeria, Iraq, Kuwait, Oman, Tunisia, Myanmar and Maldives. (Bloomberg)
- **VFQS partners with The Torch for QND fireworks event –** Vodafone Qatar (VFQS), in partnership with Aspire Katara Hospitality, has been officially announced as the telecom partner of The Torch Fireworks event that will take place in Aspire Zone at 7pm Friday. The Torch Fireworks event is a key part of Qatar's winter season activities in the lead up to Qatar National Day (QND), in addition to the celebrations that have been taking place in Katara over the past two weeks and the distinguished QND decoration, a statement said. The second edition of The Torch Fireworks event will light up Doha's skies for over ten minutes, with a high impact display for spectators. Visitors can also take the opportunity to enjoy other activities at Aspire Park during Qatar National Day, including the Qatar Balloons Festival which Vodafone is also sponsoring. This collaboration is a continuation of the role Vodafone Qatar has been playing in supporting Qatar's hosting of local and international events across sports, entertainment and culture. The Company's state-of-the-art network plays a vital part in delivering an excellent experience for event participants and organizers, the statement added. (Gulf-Times.com)
- **Ministry of Finance to launch 'Tahfeez'; program aimed at strengthening Qatar's private sector –** Qatar's Ministry of Finance announced that it will launch "Tahfeez', a program aimed at enhancing local services and products in an effort to strengthen Qatar's private sector and homegrown companies. The program will consist of three pillars- Qatar In-Country Value (QICV), Environmental, Social and Governance (ESG) and Small and Medium Enterprises (SMEs). (Gulf-Times.com)
- **Cabinet approves bill on ownership of real estate –** The Cabinet has approved a draft law regulating the ownership of real estate in the country by diplomatic and consular missions, and referring it to the Shura Council. The Cabinet, chaired by Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani, took the decision on Wednesday. The preparation of the draft law comes to replace Law No 1 of 1980 regulating the ownership of real estate by foreign missions in Qatar, and within the framework of modernizing legislation. At the outset of the meeting, the Cabinet conveyed its highest congratulations to HH the Amir of State of Qatar Sheikh Tamim bin Hamad Al Thani on the occasion of the Qatar National Day and also sent congratulations to the honorable Qatari people. (Qatar Tribune)
- **CRA launches report on best practices in accessible telecom to boost awareness –** With the aim of raising awareness about accessible telecommunications, the Communications Regulatory Authority (CRA) and Mada Centre launched a landmark report at a seminar held for the purpose. Called the Accessible Telecommunications International Best Practices report, the document was released at a seminar attended by officials from the CRA and Mada Centre, and representatives of the Ministry of Communications and Information Technology (MCIT), Ooredoo Qatar (ORDS) and Vodafone Qatar (VFQS). The report was developed with the aim of informing stakeholders about the international best practices in the field of accessible telecommunications, in addition to the latest systems, technologies, equipment, tools, software, and services that help improve the accessibility to telecommunications services and applications by users with physical, visual, speech, and hearing disabilities and the elderly users. Within the framework of the strategic partnership between the Communications Regulatory Authority and Mada Centre, work was carried out for two years according to a methodology based on research and study of the international best practices in the field of accessible telecommunications. The policies and services provided to persons with disabilities and the elderly were evaluated and discussed with stakeholders and service providers. (Qatar Tribune)
- **PwC Middle East survey: Organizations need to access their people's full potential to build tomorrow's workforce –** PwC Middle East on Wednesday launched the Middle East cut of the Future of Work and Skills Survey: "Building tomorrow's workforce: Six no-regrets plays to make today", that highlights that leadership and strategic planning for the future are key to creating robust workforce strategies. The survey drew upon views of almost 4,000 business and human resources (HR) leaders globally, with 300 across the Middle East (UAE, KSA, Qatar & Egypt). Bassam Hajhamad, Country Senior Partner, PwC Qatar said: "Qatar continues to transform at a rapid pace and organizations are striving for more integrated business and workforce strategies, reinforced by robust strategic planning and the re-skilling of employees." He added: "Effective planning and

building trust are key to addressing workforce dynamics as well as recognizing the importance of digitalization and data transformation in building an organization's workforce of tomorrow." (Qatar Tribune)

- **Summit paves way for closer GCC relations, says Cabinet –** The Cabinet has welcomed the results of the meeting of the 42nd session of the Supreme Council of the Cooperation Council for the Arab States of the Gulf (GCC), which was held Tuesday in Riyadh, the sisterly Kingdom of Saudi Arabia, with the participation of His Highness the Amir Sheikh Tamim bin Hamad Al-Thani. The Cabinet stressed that the decisions, recommendations and positions contained in the Riyadh Declaration issued by the summit, and included in its final communique, represent a new starting point for the process of joint Gulf action towards more cooperation and strategic integration among the GCC states, unifying visions, facing challenges, mobilizing energies to develop and strengthen the GCC role to achieve the aspirations of its peoples, and effectively contributing to maintaining the regional security and stability and protecting world peace. (Gulf-Times.com)
- **Startup ecosystem growing rapidly in Qatar –** The startup ecosystem in Qatar is growing rapidly. Officials and experts highlighted the efforts being taken by concerned authorities in order to promote and nurture startups and how entrepreneurs are being provided resources and opportunities to accomplish and achieve their goals, during a panel session on 'Nurturing the startup ecosystem in Qatar'. Forbes Middle East, in association with Dukhan Bank, QFC and TASMU, hosted its inaugural event entitled 'Digital Qatar Symposium & Awards 2021' with the theme 'Leveraging Digital Innovation for Continued Excellence' which discussed insights about the digital uplifts being taken by Qatar. (Peninsula Qatar)
- **Qatar Executive takes delivery of three Gulfstream G650ERs –** Qatar Executive has taken delivery of a further three Gulfstream G650ER aircraft, "reaffirming its position as the largest owner-operator" of the ultramodern jet, with a total of 11 in its fleet. All three aircraft will operate on strategic ultra-long-haul routes to Africa, the Americas, Asia-Pacific and Europe. (Gulf-Times.com)
- **Qatar Tourism unveils luxury offerings at ITLM Cannes –** Qatar Tourism headed a Qatari delegation comprising hotels, DMCs, exhibition venues and Qatar Airways to ILTM Cannes 2021in Cannes, France, and profiled a host of new tourism products and luxury offerings in the country. Chief Operating Officer of Qatar Tourism Berthold Trenkel said, "We are very pleased with the tourism developments taking place in Qatar. As stewards of the sector, Qatar Tourism works with our partners across the public and private sectors to builds experiences that will appeal to a range of residents and visitors. (Qatar Tribune)

International

- **IMF warns of interest rate risks as global debt hits $226tn –** Global debt surged to $226tn last year, its biggest one-year jump since World War Two, and will be put at risk if global interest rates rise faster than expected and growth falters, the International Monetary Fund said on Wednesday. In a blog posting, IMF officials said the COVID-19 pandemic caused debt to hit 256% of global GDP in 2020, an increase of 28 percentage points. Government borrowing accounted for slightly over half of the $28tn increase, but private debt among non-financial corporations and households also hit new highs. Advanced economies and China accounted for 90% of the debt rise, enabled by low interest rates. Debt rose less in other developing countries, which were hampered by often higher borrowing costs and limited access to funding, the IMF said. IMF Fiscal Affairs Director Vitor Gaspar and other officials said that higher interest rates will diminish the impact of increased fiscal spending, and cause debt sustainability concerns to intensify. "The risks will be magnified if global interest rates rise faster than expected and growth falters," the officials wrote. "A significant tightening of financial conditions would heighten the pressure on the most highly indebted governments, households, and firms. If the public and private sectors are forced to deleverage simultaneously, growth prospects will suffer." (Reuters)
- **Shortages, inflation curb US retail sales in November –** US retail sales increased less than expected in November, likely payback after surging in the prior month as Americans started their holiday shopping early to avoid empty shelves. A rotation in spending from goods back to services also appears to have held back retail sales last month, with the report from the Commerce Department on Wednesday showing a sharp drop in receipts at electronics and appliance stores. Online retail sales were unchanged. Higher food and gasoline prices are probably curtailing discretionary spending. The modest retail sales gain did not change views that the economy was regaining steam after a slowdown in the third quarter that was triggered by the COVID-19 Delta variant and rampant shortages. In a nod to soaring inflation, the Federal Reserve on Wednesday said it would end its pandemic-era bond purchases in March, paving the way for three quarter-percentage-point interest rate increases by the end of 2022. "Consumers are still doing their best to keep the economy's sails full and the recovery on track," said Christopher Rupkey, chief economist at FWDBONDS in New York. Retail sales rose 0.3% last month after surging 1.8% in October. Sales have now risen for four straight months. They increased 18.2% year-on-year in November. Economists polled by Reuters had forecast retail sales rising 0.8%. Estimates ranged from as low as being unchanged to as high as a 1.5% increase. Several of the top US retailers reported in mid-November that they had noticed an earlier start to holiday shopping. Retail sales could remain moderate in December, though higher savings and rising wages amid a tight labor market are supportive of spending. (Reuters)
- **US business inventories increase strongly in October –** US business inventory accumulation increased strongly in October, suggesting that restocking could again support economic growth this quarter even as motor vehicle inventories remain depressed because of shortages. Business inventories rose 1.2% after gaining 0.8% in September, the Commerce Department said on Wednesday. Inventories are a key component of gross domestic product. Economists polled by Reuters had forecast inventories rising 1.1%. Inventories increased 7.8% on a YoY basis in October. Retail inventories edged up 0.1% in October as estimated in an advance report published last month. That followed a 0.1% dip in September. Motor vehicle inventories decreased 1.0% instead of 0.7% as estimated last month. Retail inventories excluding autos, which go into the calculation of GDP, increased 0.5%, rather than 0.4% as estimated last month. A moderate pace of inventory drawdown in the third quarter accounted for all of the 2.1% annualized rise in GDP last quarter. Inventories were depleted in the first half of the year, and COVID-19 pandemic-related shortages are making it difficult to rebuild stocks. The urgent need to restock is keeping manufacturing humming and supporting the overall economy. (Reuters)
- **US import prices slow in November on petroleum –** US import price growth slowed in November from the prior month amid a moderation in the costs of petroleum products, but underlying imported inflation pressures remained strong with supply chains still snarled. Import prices increased 0.7% last month after accelerating 1.5% in October, the Labor Department said on Wednesday. In the 12 months through November, prices jumped 11.7%, the biggest rise since September 2011, after increasing 11.0% in October. Economists polled by Reuters had forecast import prices, which exclude tariffs, increasing 0.7%. Brent crude

oil prices have retreated from their recent peaks and were below $73 a barrel on Wednesday amid growing signs that supply growth will outpace demand next year. That is a welcome respite as inflation continues to march higher. Consumer and producer prices rose strongly in November. Inflation is being fueled by fiscal stimulus and strained global supply chains because of the COVID-19 pandemic. Imported fuel prices gained 2.0% last month after soaring 11.1% in October. Petroleum prices rose 0.4%, while the cost of imported food fell 0.3%. Excluding fuel and food, import prices increased 0.6%. These so-called core import prices advanced 0.4% in October. They increased 5.8% on a YoY basis in November. The report also showed export prices rose 1.0% in November after accelerating 1.6% in October. Prices for agricultural exports increased 0.8%. Nonagricultural export prices rose 1.0%. Export prices shot up 18.2% YoY in November. That was the largest gain since the series was first published in September 1984 and followed an 18.0% annual increase in October. (Reuters)

- **US retail sales miss expectations in November –** US retail sales increased less than expected in November, likely payback after surging in the prior month as Americans started their holiday shopping early to avoid shortages and paying more for goods. Retail sales rose 0.3% last month, the Commerce Department said on Wednesday. Data for October was revised higher to show retail sales surging 1.8% instead of 1.7% as previously reported. Sales have now risen for four straight months. Economists polled by Reuters had forecast retail sales rising 0.8%. Estimates ranged from as low as being unchanged to as high as a 1.5% increase. Several of the top US retailers reported in mid-November that they had noted an earlier start to holiday shopping. Trillions of dollars in COVID-19 pandemic relief from governments across the globe fueled demand for goods, straining supply chains. The resulting shortages, ranging from motor vehicles to furniture and electronics, have raised goods prices. Consumer prices increased a solid 0.8% in November, with the YoY gain of 6.8% the largest since June 1982. The modest retail sales gain likely does not change views that the economy is regaining steam after a slowdown in the third quarter that was triggered by the Delta variant of the coronavirus and rampant shortages. The report was released as Federal Reserve officials prepared to wrap up a two-day policy meeting. (Reuters)
- **US airlines warn 5G wireless could wreak havoc with flights –** Major US air carriers warned on Wednesday that plans by wireless carriers to use spectrum for 5G wireless services starting Jan. 5 could disrupt thousands of daily flights and cost air passengers $1.6bn annually in delays. AT&T and Verizon Communications must delay the plans to use C-Band spectrum for 5G wireless services, United Airlines Chief Executive Scott Kirby said following a US Senate Commerce Committee hearing, saying it could delay, divert or cancel about 4% of daily flights and impact hundreds of thousands of passengers. "It would be a catastrophic failure of government," Kirby told reporters. The aviation industry and the Federal Aviation Administration (FAA) have raised concerns about potential interference of 5G with sensitive aircraft electronics like radio altimeters. Last week, the FAA issued new airworthiness directives warning that interference from 5G wireless spectrum could result in flight diversions, but did not quantify the impact. "Coming Jan. 5 -- unless something changes -- we will not be able to use radio altimeters at 40-something of the largest airports in the country," Kirby said. "It is a certainty. This is not a debate." Kirby said it would mean that at major US airports in the event of bad weather, cloud cover or even heavy smog "you could only do visual approaches essentially." Trade group Airlines for America (A4A) said Wednesday that if the FAA 5G directive had been in effect in 2019, "approximately 345,000 passenger flights, 32 million passengers, and 5,400 cargo flights would have been impacted in the form of delayed flights, diversions, or cancellations." Southwest Airlines' (LUV.N) chief executive, Gary Kelly, told the Senate hearing that if the FAA directive takes effect it "would be a significant setback" to its operations. The wireless industry defended the technology. "The aviation industry's fearmongering relies on completely discredited information and deliberate distortions of fact," CTIA, a wireless trade group, said. It said that 5G operates safely and without causing harmful interference to aviation operations in nearly 40 countries around the world. (Reuters)
- **Britain's inflation exceeds 5% in November, fastest in a decade –** UK inflation surged to its highest level in more than a decade in November, exceeding 5% months before the Bank of England had expected. Increases in the price of clothing, auto fuel and second-hand cars drove consumer prices up 5.1% from a year earlier, according to data released on Wednesday. Core inflation, which strips out energy and other volatile items, climbed to 4%, the highest since 1992. The overall rate of inflation was up from 4.2% in October. It has increased by 3.1 percentage points in the space of just four months, the fastest gain on record. Without the threat posed by the omicron variant, the figures, as well as data pointing to a strengthening labor market, may have been enough for the BoE to raise interest rates on Thursday. But with new government restrictions adding to economic uncertainty, investors and economists expect the Monetary Policy Committee to delay the move until February. Money markets raised their wagers on the pace of BoE tightening after the data. Traders are betting on 8 basis points of rate hikes at Thursday's meeting, compared with 5 basis points on Tuesday. They also see the key rate rising to 1% in September, from November previously. The pound gained 0.2% after the data to $1.3249 in London yesterday. Government bonds fell, sending the yield on 10-year securities 3.1 basis points higher to 0.752%. The reading will be "uncomfortably high for the MPC, but omicron necessitates a little more patience," said Samuel Tombs, chief UK economist at Pantheon Macroeconomics. Nonetheless, the jump above 5% comes far sooner than the BoE had expected, with officials only predicting the measure would peak around that level in the second quarter of next year. "Today's data adds to the case for raising interest rates sooner rather than later. The labor market is tight, and with inflation high, there's a risk that expectations about future price gains become unanchored. That would open the door to a period of persistent inflation. The strength of recent data means an interest rate rise from the BoE can't be ruled out on Thursday. But our base case is that the central bank holds off lifting rates, citing uncertainty about the omicron variant," says Dan Hanson - Bloomberg Economics. Some forecast even faster gains in 2022. In its regular economic stock-take of the UK, the International Monetary Fund this week said the rate could hit 5.5% in the spring, as it cautioned the BoE against "inaction bias." For policy makers, the worry is that price increases could start seeping into wages, making it harder to bring inflation back to its 2% target. Data on Tuesday showed annual pay gains excluding bonus climbed 4.3% in the three months to October. "It is concerning that inflation is outpacing wages and if this disparity continues to increase as we predict, real household incomes will be squeezed further, dampening consumer spending, and weakening overall economic activity," said Suren Thiru, head of economics at the British Chambers of Commerce. (Bloomberg)
- **ECB set to dial back stimulus one more notch –** The European Central Bank is all but certain to dial back its stimulus one more notch on Thursday while pledging to keep supporting the financial system next year, sticking to its long-held view that alarmingly high inflation will abate on its own. With the Eurozone's economy now back to its pre-pandemic size, pressure is mounting on the

bank to follow its global peers in turning off the money taps. But policymakers are also fearful that stepping back too quickly could unravel years of work to rekindle once anaemic inflation. The ECB's dilemma is further complicated by an unusually uncertain outlook, which could force rate-setters to delay many of their big decisions until the new year, leaving policy exceptionally flexible with limited commitments. The compromise is likely to be clarity on the framework of ECB policy in 2022, with details to be filled in as policymakers gain confidence that inflation, now running at more than twice the bank's 2% target level, comes down quickly in 2022. What appears certain is that bond buys under a 1.85tn euro Pandemic Emergency Purchase Program will be reduced next quarter then wound down at the end of March. A long-running Asset Purchase Program, however, will be ramped up, compensating for some of this lost stimulus. Still, overall purchases could be left at around 40 billion euros a month, less than half of the current buying, a Reuters poll of analysts showed. (Reuters)

- **Flash PMI: Japan's factory activity growth slows in December –** Japan's manufacturing activity expanded for an 11th straight month in December, but at a slightly slower pace than the previous month as weaker output and new order growth softened. Activity in the services sector also grew at a slower pace, slipping from a more than two-year high recorded in the prior month, suggesting it will take time for the sector to fully recoup the negative impact from the coronavirus pandemic. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 54.2 from a final 54.5 in the previous months. "Manufacturers and services companies signaled softer rates of output and new order growth compared to November," said Annabel Fiddes, economics associate director at IHS Markit, which compiles the survey. "Cost pressures also remained more acute at manufacturers, with average input prices rising rapidly amid reports of higher material costs and supplier shortages." Manufacturers reported a decline in suppliers' delivery times and stocks of purchases and a slowing expansion of new export orders. Both manufacturers and service-sector firms became less optimistic about business conditions in the 12 months ahead, IHS Markit's Fiddes said. "Concerns over supply chains, rising costs and the unpredictable nature of the pandemic (including new strains) pushed overall optimism down to the lowest in four months," she said. The au Jibun Bank Flash Services PMI Index dropped to a seasonally adjusted 51.1, a nearly two point drop from the prior month's final of 53.0. The au Jibun Bank Flash Japan Composite PMI, which is calculated by using both manufacturing and services, dropped to rose to 51.8 from November's final of 53.3. (Reuters)
- **Russian gas exports to Europe via Yamal pipeline on the rise –** Russian natural gas deliveries to Germany through the Yamal-Europe pipeline have increased in the early hours of Wednesday, data from German network operator Gascade showed. Flows at the Mallnow metering point on the German-Polish border stood at an hourly volume of 12,268,936 kilowatt hours (kWh) on Wednesday morning, up from just over 10,000,000 kWh on Monday and Tuesday. The pipeline is one of the major routes for Russian gas exports to Europe and traverses Belarus. The flows have not been interrupted after the Belarus leader Alexander Lukashenko again warned Minsk could suspend the transit of natural gas across its territory to Europe in response to new Western sanctions, boosting spot gas prices. Nominations for Wednesday's volumes at the Velke Kapusany metering point on the Slovakia-Ukraine border, another major route to Europe, were for 952,375.8 megawatt hours (MWh) or 89.8 million cubic metres, similar to levels seen in December so far. (Reuters)

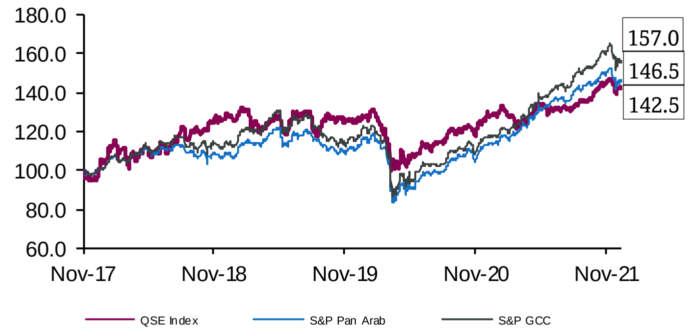
Regional

- **GCC's commercial bank assets grow by 3% in 1H of 2021 –** Total assets of banks in the Gulf Cooperation Council have increased by 3.1% in the first half of 2021 compared to the figures at the end of 2020. The commercial banks operating in the GCC countries reported a hike in their assets to $2.6tn, according to a report released by the GCC-Stat. Saudi Arabia and the UAE account for about one-third of the total banking assets in the GCC, with the latter acquiring the lion's share of 33% and the former amounting to 31.5%. (Zawya)
- **GCC net foreign assets see a slight increase in first half of 2021 –** The GCC's net foreign assets, held by the members' central banks, recorded a total of $655bn in the first half of 2021, up by 0.2% compared to the end of 2020. Saudi Arabia topped the list, acquiring the largest share of net foreign assets at $442bn in June 2021, down 1.6% compared to December 2020, according to a report released by the GCC Statistical Center. (Zawya)
- **GCC states' inflation is predicted at 2.1% in 2021 due to higher costs of raw materials –** Consumer prices in the GCC states are projected to have risen by 2.1% in 2021, compared to 1.2% in 2020, a report by the GCC Statistical Center revealed. Looking forward, inflation rate forecasts for 2022 and 2023 are predicted at 1.8% and 2.6%, respectively. (Zawya)
- **Moody's: Economic recovery and higher oil prices bode well for GCC banks –** GCC banks have a stable outlook for the next 12 to 18 months due to economic recovery in the region and higher oil prices, according to Moody's. "Economic growth in 2022 will reflect a gradual increase in hydrocarbon production and a strong recovery in other segments of the economy," said Ashraf Madani, a vice president, senior analyst at Moody's. (Zawya)
- **Saudi Aramco eyes investment in Reliance Industries' clean energy unit –** Saudi Aramco, the world's biggest oil company, is looking to invest in the clean energy unit of India's Reliance Industries Ltd., news website Mint reported, citing people in the know. This comes weeks after both firms announced the scrapping of a $15bn investment in Reliance's oil-to-chemicals (O2C) business. Saudi Aramco and other investors have shown interest in investing in the Indian company's clean energy unit, New Energy Solar Ltd., the report said. (Zawya)
- **PIF completes STC's secondary public offering –** The Public Investment Fund (PIF) has completed the secondary public offering of ordinary shares of Saudi Telecom Company (stc) with a final offer price at SR100 per share. The PIF sold 120mn shares in stc, accounting for 6% of the company's issued shares, according to a bourse filing on Wednesday. (Zawya)
- **Saudi inflation up 1.1% in November on higher gasoline prices –** Saudi Arabia's consumer price index increased by 1.1% in November from a year earlier and was 0.2% higher on the month, government data showed on Wednesday. The rise was mainly the result of higher prices for transport, which increased by 5.7% on the back of higher gasoline prices, up by 47.9% YoY, the General Authority for Statistics said. (Reuters)
- **Saudi Matarat Holding appoints Mohammed Al-Mowkley as CEO –** Saudi Matarat Holding company has appointed Mohammed Al-Mowkley as its new CEO to start in January. Al-Mowkley is the current head of the National Water Company, a position he has held since March 2017. He is seen as a prominent figure in business management, operations, project and investment management in the Kingdom, with more than 22 years of experience. (Zawya)
- **Saudi's Almunajem Foods retail IPO 12 times oversubscribed –** Almunajem Foods Co. successfully completed the offering to individual investors, with 11.9 times oversubscription, according to a bourse filing on Tuesday. Total

amount of retail subscriptions reached SR1.3bn, HSBC Saudi Arabia, the IPO Lead Manager said in a statement on Tadawul. (Zawya)

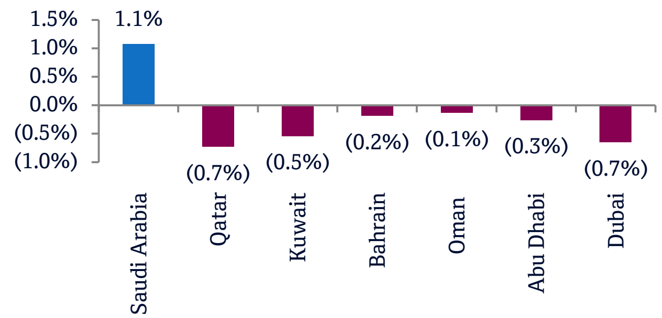
- **UAE investors to take stake in Abu Dhabi chemicals projects –** Eight UAE-based investors have signed agreements with the Abu Dhabi Chemicals Derivatives Co (TA'ZIZ) to take a stake of up to 20% in chemicals projects worth AED15bn in an industrial chemicals zone in Abu Dhabi. In the first domestic public-private partnership in Abu Dhabi's downstream and petrochemicals sector, the investors will be committing funds alongside ADNOC, ADQ and other global partners in the TA'ZIZ Industrial Chemicals Zone, ADNOC said in a statement. (Reuters)
- **Dubai Investments offers to take over National General Insurance in AED468bn deal –** Dubai Investments has made an offer to gain full ownership of National General Insurance Co (NGI), it said on Wednesday, in a deal that values the company at nearly AED468mn. Dubai Investments, which owns 45.2% of NGI according to Refinitiv data, said it is offering to buy all or part of the NGI shares held by shareholders at AED3.12 each. The deal values the 55% stake in NGI held by investors at about AED256.48mn, according to Reuters calculations. (Reuters)
- **Dubai developer Union Properties elects new Chairman, Vice Chairman –** UAE developer Union Properties has elected Mohamed Ali Al Fardan as the new chairman of the board, the company confirmed in a disclosure to the Dubai Financial Market (DFM). In a meeting on Wednesday morning, the board of directors also picked Abdul Wahab Al Halabi as the vice chairman and formed the permanent committees for the board of directors. (Zawya)
- **Blackstone, ADIA said to near Indiabulls housing stake purchase –** Indiabulls Housing Finance Ltd.'s founder is nearing a deal to sell about half his stake in the shadow lender to investors led by Blackstone Group Inc. and Abu Dhabi Investment Authority, according to people familiar with the matter, as the sector comes out of a three-year meltdown. Sameer Gehlaut, who founded Indiabulls Housing 16 years ago, will sell roughly 11% to the firms in an initial tranche, the people said, asking not to be identified as the details are private. The transaction could be announced to the exchanges as early as Thursday, the people said. (Bloomberg)
- **Mubadala, Fincantieri to collaborate on advanced technologies –** Mubadala and Fincantieri sign Memorandum of Understanding to collaborate on advanced technologies and services in the naval, marine and industrial sectors. Mubadala, through its subsidiary Sanad, will also offer after sales services to Fincantieri products. The two will work together through specialized subsidiaries to advance innovation and industrial projects, identify other areas of collaboration. (Bloomberg)
- **ADIA invests in $7.5bn insurance broker Ardonagh –** Abu Dhabi Investment Authority has acquired a stake in Ardonagh Group in a transaction valuing the UK insurance broker at $7.5bn. The sovereign fund joined as a new investor in Ardonagh alongside several other large global institutions, Ardonagh said in a statement Wednesday, confirming an earlier Bloomberg News report. The investment was led by existing Ardonagh backers Madison Dearborn Partners and HPS Investment Partners, according to the statement. (Bloomberg)
- **Alpha Dhabi targets AED8bn for strategic investments –** UAE's Alpha Dhabi Holding says its board agreed on the conglomerate's expansion plans and strategy, targeting AED8bn for investments across core sectors inside and outside the Gulf state. Alpha Dhabi nine-month 2021 revenue climbed 341% YoY to AED11.425bn, CEO Hamad Al Ameri said in an emailed statement. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,776.92	0.3	(0.3)	(6.4)
Silver/Ounce	22.07	0.6	(0.6)	(16.4)
Crude Oil (Brent)/Barrel (FM Future)	73.88	0.2	(1.7)	42.6
Crude Oil (WTI)/Barrel (FM Future)	70.87	0.2	(1.1)	46.1
Natural Gas (Henry Hub)/MMBtu	3.76	3.3	3.6	57.3
LPG Propane (Arab Gulf)/Ton	105.25	0.4	1.0	39.9
LPG Butane (Arab Gulf)/Ton	135.25	0.2	(3.6)	94.6
Euro	1.13	0.3	(0.2)	(7.6)
Yen	114.04	0.3	0.5	10.5
GBP	1.33	0.2	(0.1)	(3.0)
CHF	1.08	(0.0)	(0.4)	(4.3)
AUD	0.72	0.9	(0.0)	(6.8)
USD Index	96.51	(0.1)	0.4	7.3
RUB	73.70	(0.1)	0.4	(1.0)
BRL	0.18	0.0	(1.2)	(8.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,175.11	1.2	(0.4)	18.0
DJ Industrial	35,927.43	1.1	(0.1)	17.4
S&P 500	4,709.85	1.6	(0.0)	25.4
NASDAQ 100	15,565.58	2.2	(0.4)	20.8
STOXX 600	470.76	0.1	(1.5)	8.7
DAX	15,476.35	0.0	(1.5)	3.4
FTSE 100	7,170.75	(0.8)	(2.1)	7.4
CAC 40	6,927.63	0.4	(1.4)	14.9
Nikkei	28,459.72	(0.1)	(0.4)	(6.0)
MSCI EM	1,214.50	(0.6)	(1.9)	(5.9)
SHANGHAI SE Composite	3,647.63	(0.4)	(0.5)	7.7
HANG SENG	23,420.76	(0.9)	(2.4)	(14.5)
BSE SENSEX	57,788.03	(1.1)	(2.7)	15.7
Bovespa	107,431.20	0.0	(2.1)	(18.4)
RTS	1,541.00	(0.5)	(4.4)	11.1

Source: Bloomberg (*$ adjusted returns)

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