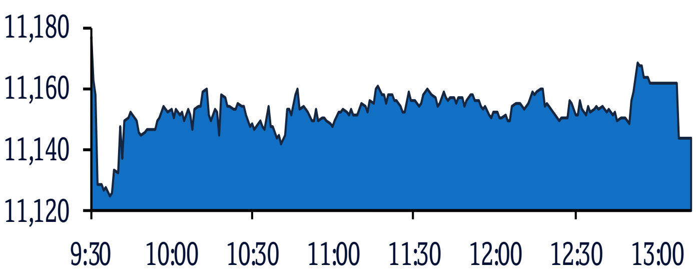
Daily Market Report

Wednesday, 22 September 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 11,143.5. Losses were led by the Real Estate and Consumer Goods & Services indices, falling 0.7% and 0.5%, respectively. Top losers were Mesaieed Petrochemical Holding and Qatar First Bank, falling 2.3% and 2.0%, respectively. Among the top gainers, Widam Food Company gained 0.6%, while Industries Qatar was up 0.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.1% to close at 11,315.8. Losses were led by the Capital Goods and Consumer Durables & Apparel indices, falling 1.0% and 0.8%, respectively. Batic Investments and Logistic declined 3.2%, while Naseej International Trading was down 3.1%.

Dubai: The DFM Index fell 1.2% to close at 2,837.5. The Services index declined 4.4%, while the Real Estate & Construction index fell 1.4%. Al Mazaya Holding Company declined 9.6%, while Tabreed was down 5.6%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 7,754.3. The Services index rose 1.2% while Investment & Financial Services index rose 0.7%. National Marine Dredging Co. rose 8.4%, while Response Plus Holding was up 2.7%.

Kuwait: The Kuwait All Share Index fell 0.4% to close at 6,845.1. The Energy index declined 1.1%, while the Consumer Discretionary index fell 1.1%. Kuwait Hotels declined 8.7%, while Equipment Holding Co. was down 6.2%.

Oman: The MSM 30 Index fell 0.6% to close at 3,920.9. Losses were led by the Services and Financial indices, falling 0.8% and 0.5%. National Aluminum Products Co. declined 4.8%, while Oman Qatar Insurance was down 3.3%.

Bahrain: The BHB Index fell 0.2% to close at 1,686.6. The Materials index declined 0.9%, while the Communications Services index fell 0.3%. GFH Financial Group declined 1.0%, while Aluminum Bahrain was down 0.9%.

Market Indicators	21 Sept 21	20 Sept 21	%Chg.
Value Traded (QR mn)	301.9	373.2	(19.1)
Exch. Market Cap. (QR mn)	643,192.9	645,455.5	(0.4)
Volume (mn)	114.3	152.2	(24.9)
Number of Transactions	7,650	9,715	(21.3)
Companies Traded	44	46	(4.3)
Market Breadth	8:35	15:30	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,059.14	(0.3)	(0.3)	10.0	16.9
All Share Index	3,529.67	(0.3)	(0.5)	10.3	17.7
Banks	4,710.61	(0.3)	(1.2)	10.9	15.5
Industrials	3,772.75	(0.2)	0.9	21.8	20.2
Transportation	3,381.04	(0.3)	(0.4)	2.5	18.9
Real Estate	1,792.32	(0.7)	(0.4)	(7.1)	16.6
Insurance	2,578.76	(0.4)	(0.3)	7.6	17.0
Telecoms	1,046.27	0.1	1.0	3.5	N/A
Consumer	8,179.90	(0.5)	(0.6)	0.5	22.7
Al Rayan Islamic Index	4,678.81	(0.4)	(0.0)	9.6	17.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Kayan Petrochem.	Saudi Arabia	19.54	4.2	26,675.4	36.6
Saudi Industrial Inv.	Saudi Arabia	37.55	1.5	2,526.7	37.0
National Industrialization	Saudi Arabia	21.30	0.8	4,360.2	55.7
Saudi Electricity Co.	Saudi Arabia	27.05	0.6	2,371.9	27.0
Saudi Arabian Fertilizer	Saudi Arabia	151.80	0.5	418.6	88.3

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mesaieed Petro. Holding	Qatar	2.28	(2.3)	6,068.7	11.1
Emaar Economic City	Saudi Arabia	13.16	(1.8)	7,067.9	42.9
Emirates NBD	Dubai	13.90	(1.8)	1,087.6	35.0
Saudi British Bank	Saudi Arabia	32.00	(1.7)	650.0	29.4
Arab National Bank	Saudi Arabia	22.64	(1.6)	591.6	12.6

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%
Widam Food Company	4.18	0.6	43.4	(33.9)
Industries Qatar	13.62	0.4	1,260.2	25.3
Vodafone Qatar	1.60	0.4	781.3	19.4
Dlala Brokerage & Inv. Holding Co.	1.53	0.4	424.9	(14.9)
Alijarah Holding	1.05	0.2	2,858.0	(15.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	1.38	(0.4)	16,370.3	130.4
Salam International Inv. Ltd.	0.95	(0.6)	14,664.4	45.8
Baladna	1.62	(1.0)	12,795.4	(9.3)
Qatar First Bank	1.85	(2.0)	12,118.2	7.6
Gulf International Services	1.54	(0.1)	6,601.8	(10.0)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	2.28	(2.3)	6,068.7	11.1
Qatar First Bank	1.85	(2.0)	12,118.2	7.6
Qatar Islamic Insurance Company	7.80	(1.3)	81.0	13.1
Baladna	1.62	(1.0)	12,795.4	(9.3)
United Development Company	1.52	(0.8)	4,404.4	(8.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.95	(0.4)	42,376.3	6.3
Qatar Islamic Bank	17.96	(0.3)	22,676.1	5.0
Investment Holding Group	1.38	(0.4)	22,663.1	130.4
Qatar First Bank	1.85	(2.0)	22,594.0	7.6
Baladna	1.62	(1.0)	20,726.2	(9.3)

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*	11,143.45	(0.3)	(0.3)	0.5	6.8	82.04	175,334.4	16.9	1.6	2.6
Dubai	2,837.54	(1.2)	(2.2)	(2.3)	13.9	60.26	105,816.3	20.9	1.0	2.7
Abu Dhabi	7,754.33	0.1	(1.6)	0.9	53.7	380.63	363,039.2	24.1	2.4	3.0
Saudi Arabia	11,315.81	(0.1)	(0.9)	(0.0)	30.2	1,680.54	2,608,566.4	27.4	2.4	2.3
Kuwait	6,845.11	(0.4)	(0.4)	0.9	23.4	152.99	130,339.4	30.1	1.7	1.8
Oman	3,920.94	(0.6)	(0.4)	(1.2)	7.2	5.92	18,425.5	11.7	0.8	4.0
Bahrain	1,686.57	(0.2)	0.4	2.5	13.2	8.47	27,137.5	11.9	0.8	3.3

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

Qatar Market Commentary

- The QE Index declined 0.3% to close at 11,143.5. The Real Estate and Consumer Goods & 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.
- Mesaieed Petrochemical Holding and Qatar First Bank were the top losers, falling 2.3% and 2.0%, respectively. Among the top gainers, Widam Food Company gained 0.6%, while Industries Qatar was up 0.4%.
- Volume of shares traded on Tuesday fell by 24.9% to 114.3mn from 152.2mn on Monday. Further, as compared to the 30-day moving average of 172.1mn, volume for the day was 33.6% lower. Investment Holding Group and Salam International Inv. Ltd. were the most active stocks, contributing 14.3% and 12.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	42.66%	36.90%	17,372,772.8
Qatari Institutions	21.62%	28.47%	(20,690,939.4)
Qatari	**64.27%**	**65.37%**	**(3,318,166.6)**
GCC Individuals	0.52%	0.17%	1,060,336.4
GCC Institutions	0.60%	0.94%	(1,028,836.5)
GCC	**1.12%**	**1.11%**	**31,500.0**
Arab Individuals	10.01%	13.73%	(11,218,357.2)
Arab Institutions	0.00%	0.00%	–
Arab	**10.01%**	**13.73%**	**(11,218,357.2)**
Foreigners Individuals	3.06%	2.67%	1,181,574.8
Foreigners Institutions	21.54%	17.13%	13,323,449.0
Foreigners	**24.60%**	**19.79%**	**14,505,023.9**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09-21	UK	UK Office for National Statistics	Public Finances (PSNCR)	Aug	5.8b	--	-2.4b
09-21	UK	UK Office for National Statistics	Public Sector Net Borrowing	Aug	19.8b	14.6b	6.2b

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

News

Qatar

- **QFBQ postpones its EGM to today due to lack of quorum –** Qatar First Bank (QFBQ) announced that due to non-legal quorum for the EGM on September 21, 2021, therefore, it has been decided to postpone the meeting to today, September 22, 2021 at 04:30 pm virtually via Zoom. (QSE)
- **QNNS announces its subsidiary "Qatar Quarries and Building Materials Company" EGM to reduce company's capital –** Qatar Navigation (QNNS, Milaha) announced that Qatar Quarries and Building Materials Company" (the "Company") held its Extraordinary General Assembly meeting (EGM) yesterday, whereas the Company's Shareholders approved the Board of Directors' recommendation to reduce the Company's authorized and paid-up capital by an amount of QR44.5mn, which is 47%, so that the Company's authorized and paid-up capital becomes QR50mn with 5mn shares at a nominal value of QR10 per share, instead of QR94.5mn with 9.45mn shares at a nominal value of QR10 per share. This reduction came as a result of the capital exceeding the Company's requirements and in order for the capital structure to be aligned with the Company's future vision. Milaha's actual ownership percentage in Qatar Quarries and Building Materials Company, is approximately 50% of the Company's capital. (QSE)
- **QGRI announces the results of its AGM for the year 2019 –** Qatar General Insurance & Reinsurance Company (QGRI) announced the voting results on the agenda items of the Ordinary General Assembly for the year 2019 held on the 25th April 2021; the Shareholders' General Assembly approved and adopted by majority the following agenda items; 1- Approval of the Board of Director's Report on the Company's activities and its financial position for the financial year ended 31st December 2019 and the Company's future plan. 2- Approval of the External Auditor's Report for the financial year ended 31st December 2019. 3- Approval of the Company's Balance Sheet, Profit & Loss accounts for the financial year ended 31st December 2019 and the adjustments for the financial years ended 31st December 2018 and 31st December 2017. 4- Approval of the Board of Director's proposal not distribute dividends for the financial year ended 31st December 2019. 5- Approval of discharging the Chairman and members of the Board from liability for the financial year ended 31st December 2019 and approved not distribute remuneration to the board members. 6- Approval of the Company's Corporate Governance Report for the year 2019. 7- Approval of the appointment of Company's External Auditors Messrs. KPMG for the financial year 2020 and their fees. 8. Electing and appointing a new Board of Directors for period (2021 – 2023). The provisions of Qatar Central Bank Law No. (13) of 2012 and Qatar Central Bank Circular No. (1) of 2016 regarding the ownership limits and restrictions in financial institutions under the supervision and regulations of Qatar Central Bank and related instructions have been adhered to in the counting of the voting results for General Assembly of 2019. (QSE)
- **QNCD announces the reduction of the capital of the associate company –** Qatar National Cement Company (QNCD) is pleased to inform you that the Extraordinary General Assembly meeting of the Qatar Quarries and Building Materials Company held on September 20, 2021. The Shareholders has approved to reduce the company's capital by an amount of QR44.5mn, so that

the company's capital becomes QR50mn, instead of QR94.5mn, divided into 5mn shares, the nominal value of the share is QR10. The company has decided to reduce its capital for exceeding the company's requirements, and to make the capital consistent with the company's future vision. We inform you that Qatar National Cement Company owns 20% of the capital of the Qatar Quarries and Building Materials Company. (QSE)

- **ORDS sees emerging markets as potential to expand footprint –** Emerging markets have the potential for telecommunications giant Ooredoo (ORDS) to expand its footprint in other territories worldwide, according to Ooredoo deputy Group CEO Sheikh Mohamed bin Abdulla Al-Thani. Sheikh Mohamed made the statement at a media conference in the wake of the recent agreement signing to merge PT Indosat Tbk (Indosat Ooredoo) and PT Hutchison 3 Indonesia (H3I). The merger agreement between two outstanding telecom brands Indosat Ooredoo and Hutchison 3 will deliver great benefits for Ooredoo Group and Indosat Ooredoo shareholders, customers, employees, and for Indonesia, Ooredoo Deputy Group Chief Executive Officer (DGCEO) Sheikh Mohammed bin Abdulla Al Thani said. Asked about other expansion plans in the pipeline, Sheikh Mohamed cited Ooredoo's strategic plan, which also complements the telecommunications company's digital journey. "Ooredoo has a strategy of looking at any opportunity that could expand and enhance the financial position of our shareholders either through mergers or acquisitions across our footprint in the Middle East or Southeast Asia or in countries where we are present," Sheikh Mohamed told Gulf Times. (Gulf-Times.com, Qatar Tribune)
- **Sheikh Mohammed: Ooredoo, CK Hutchison $6bn merger gains positive market response –** Ooredoo Group and CK Hutchison's $6bn merger to form Indonesia's second largest mobile telecoms company Indosat Ooredoo Hutchison has been gaining positive response from the market and financial analysts following the announcement of the landmark telecoms transaction recently, Deputy Group CEO at Ooredoo, Sheikh Mohammed bin Abdulla Al Thani said. Addressing a press conference, Sheikh Mohammed said the transaction was indeed positive for Ooredoo and strengthens the Group's market position. He went on to reiterate a Reuters report saying the transaction is 'placed to deliver a higher return on investment for all shareholders'. "Reuters Breakingviews describes it as 'could be one of those rare deals where everyone wins something'. This transaction is indeed positive for Ooredoo and strengthens the Group's market position. We believe this merger will deliver great benefits for Ooredoo Group and Indosat Ooredoo shareholders, customers, employees, and for Indonesia," he added. It may be noted that Ooredoo and CK Hutchison have recently announced the signing of definitive transaction agreements for the proposed merger of their respective telecommunications businesses in Indonesia, Indosat Ooredoo and H31 to form Indosat Ooredoo Hutchison. The $6bn merger, which is billed as Asia's landmark telecoms transaction will consolidate the merged company as a new world-class digital telco for Indonesia with an estimated annual revenue of approximately $3bn. "This transaction is perfectly in line with our Group strategy to operate as top 2 player in each of our markets and will generate enhanced returns for the Group, resulting in sustainable profitability to elevate future dividend potential. In fact, the economies of scale and the realization of synergies between these highly complementary businesses will mean the merged company is well placed to create more value for shareholders," added Sheikh Mohammed. (Peninsula Qatar)
- **QSE suggests ESG integration across investment spectrum for higher returns –** The Qatar Stock Exchange (QSE), which is the first bourse in the region to launch sustainability platform three years ago, finds promising potential for high returns by integrating ESG or environmental, social and governance framework across the investment spectrum. "If we integrate ESG across the spectrum of the investment process, there is an opportunity to generate a large scale return by becoming a regional hub for ESG investing," QSE Chief Executive Rashid bin Ali Al-Mansoori said in a tweet. In 2016, the QSE joined the United Nations initiative on sustainable development (SSEI). Since then, QSE has undertaken the promotion of ESG standards, which are concerned with the environment protection and support the role of companies in the fields of social responsibility and governance. Stressing that the QSE aims to become the investment destination of choice for ESG investors; Al-Mansoori said the ESG investing has become a dominant theme globally and there is sharp growth in investors' commitment to ESG in the past few years. He highlighted that there are 736 ESG ETFs globally benchmark various ESG indexes with assets under management or AUM of over $326bn. In 2019 the total AUMs in the ESG ETFs were just $66bn. According to various reports, businesses are confronting new ESG-related reporting requirements in the European Union and the US may soon follow suit. The market sources said the growing importance of the ESG could be gauged from the increasing number of signatories to the UN's Principles for Responsible Investment as it rose from about 1,000 at the end of year 2014 to more than 3,000 at present. At a recent meeting, QSE Director (Marketing and Communications), Hussain al-Abdulla had said Doha is strengthening efforts to advance the ESG agenda as it aims to be the investment destination for the ESG investors worldwide. Cautioning that there can't be one size fits all, the experts in the field are of the view that data and transparency should be the critical components in the ESG chain for the sustainability of the businesses and that the ESG strategy should seamlessly be woven into the corporate strategy. (Gulf-Times.com)
- **QSE on track to be ESG hub with lead in sustainable metrics –** Amid record demand for sustainable finance to fund increasingly specific ways of mitigating climate change, globally, more than $41tn is now estimated to be invested using "environmental, social, and governance" (ESG) analysis. With Qatar attaching great importance to sustainable development, the country has long advocated an inclusive doctrine that envisages a forward-looking medley of environment friendly policy framework, social progress and economic growth with acceptable governance. And the Qatar Stock Exchange (QSE) is now aiming to turn Doha into a global hub for ESG investors. Green bonds, sukuk and ESG funds issued by Qatar are soon expected to be in place as the country is "primed" to take advantage of the trend of carbon reduction target, according to a top official of the Qatar Financial Centre. With Qatar Petroleum's aggressive green investments, the QSE's guidance on ESG reporting, and the QFC's institutional backing, there is a strong likelihood Qatar-issued green bonds, sukuks and ESG funds will be launched shortly," Thaddeus Malesa, senior adviser for Economics and Research, QFC Authority, said recently. In the Gulf, the QSE has been a pioneer in promoting practices that underpin sustainable investment metrics. In 2016, the bourse joined the United Nations initiative on sustainable development (SSEI). Since then, it has undertaken the promotion of ESG standards. Next year, the QSE introduced ESG guidelines for voluntary inclusion in listed firms' existing reporting processes. In 2018, the QSE launched the first sustainability platform in the region to encourage listed companies to disclose their reports on sustainable development. The QSE is now developing a sustainability benchmark index vis-à-vis the country's promising potential to be an ESG hub. More broadly, the Qatar Investment Authority in 2017 became one of six founding members of the 'One Planet Sovereign Wealth Fund

Initiative', which is fitting climate change into financial decision making. (Gulf-Times.com)

- **Gas Update: OPEC, Qatar say crisis shows more investment needed –** The world's biggest gas traders and producers are meeting in Dubai this week for the Gastech conference – the first major in-person event for the industry since the onset of the coronavirus pandemic. The conference, running from Sept. 21-23, is happening just as Europe faces a gas crunch, with prices spiking to record levels and analysts warning that some countries could face blackouts when winter sets in. Qatar Says Demand for LNG is Huge: "There is huge demand and we basically have a set capacity," Qatar's Energy Minister, Saad Al-Kaabi, said. The country is the world's biggest exporter of liquefied natural gas and is investing billions of dollars to increase production, though the project will take years. "They are queuing up for LNG. We have huge demand from all our customers and unfortunately we can not cater for everyone." LNG prices in Asia have spiked almost 50% this month to $27.19 per million British thermal units. "We do not want these high prices, we don't think its good for consumer," he said. (Bloomberg)
- **Qatar sells QR2bn of 2.75% 2028 Sukuk at yield 2.75% –** Qatar sold QR2bn ($543mn) of Sukuk due September 20, 2028 on September 19. The Sukuk have a yield of 2.75% and settled September 20. (Bloomberg)
- **Qatar sells QR4bn of 2.5% 2026 Sukuk at yield 2.5% –** Qatar sold QR4bn ($1.1bn) of Sukuk due September 20, 2026 on September 19. The Sukuk have a yield of 2.5% and settled September 20. (Bloomberg)
- **Qatar sells QR3bn of 2.75% 2028 bonds; Bid-Cover 4.67x –** Qatar sold QR3bn ($814mn) of bonds due September 20, 2028 on September 19. Investors offered to buy 4.67 times the amount of securities sold. The bonds settled September 20. (Bloomberg)
- **Qatar sells QR6bn of 2.5% 2026 bonds; Bid-Cover 2.59x –** Qatar sold QR6bn ($1.6bn) of bonds due September 20, 2026 on September 19. Investors offered to buy 2.59 times the amount of securities sold. The bonds settled September 20. (Bloomberg)

International

- **OECD: Still too early to ease economic support despite inflation spike –** A rapid rebound in global growth is on track but it is too early for governments and central banks to withdraw exceptional support for their economies despite a spike in inflation, the OECD said in an update of its economic outlook. After slumping 3.4% last year during the worst of the COVID-19 crisis, the world economy is on course to grow 5.7% this year, the Organisation for Economic Cooperation and Development (OECD) said, trimming its forecast by 0.1 percentage point. The Paris-based policy forum said global growth would then ease to 4.5% next year, up 0.1 percentage point from its previous forecast in late May. The rapid recovery has brought global gross domestic product back to pre-COVID levels, though activity is still lagging in many developing countries where vaccination rates remain low, the OECD said. Fuelled by recovering demand for goods and supply chain strains, inflation is expected to peak towards the end of the year at 4.5% on average in the Group of 20 major economies, before easing to 3.5% by the end of 2022. Most central bankers and policymakers have concluded - for now - that the current spike is a fleeting reaction to the recovery rather than the prelude to a sustained period of higher inflation, though the debate is far from closed. The OECD advised central banks to keep monetary policy loose, but at the same time offer clear guidance about how high they can tolerate the increase in inflation. It urged governments to remain flexible with their financial support for their economies and avoid withdrawing it as long as the short-term outlook remained hazy. The US economy was seen expanding 6.0% this year, down nearly a percentage point from May, and easing to 3.9% in 2022, up 0.3 percentage points. Chinese growth was forecast at 8.5% this year and 5.8% in 2022, both unchanged from previous estimates. The OECD raised its forecast for euro zone growth this year by a full percentage point to 5.3% and nudged up its 2022 estimate by 0.2% percentage points to 4.6%. (Reuters)
- **US current account deficit widens to 14-year high in second quarter –** The US current account deficit increased to a 14-year high in the second quarter as businesses boosted imports to replenish depleted inventories amid robust consumer spending. The Commerce Department said on Tuesday the current account deficit, which measures the flow of goods, services and investments into and out of the country, rose 0.5% to $190.3bn last quarter. That was the largest shortfall since the second quarter of 2007. Data for the first quarter was revised to show a $189.4bn gap, instead of $195.7bn as previously reported. The current account gap represented 3.3% of gross domestic product last quarter. That was down from 3.4% in the January-March quarter. Still, the deficit remains below a peak of 6.3% of GDP in the fourth quarter of 2005 as the US is now a net exporter of crude oil and fuel. The wider deficit is likely not an issue for the US because of the dollar's status as the world's reserve currency. The current account gap could remain big as the nation leads the global economic recovery from the COVID-19 pandemic. The economy grew at a 6.6% annualized rate in the second quarter, powered by another quarter of double-digit growth in consumer spending. Domestic demand, which has been buoyed by fiscal stimulus and vaccinations against the coronavirus, is being partially satiated with imports. Inventories were depleted in the first half of the year. Imports of goods increased $29.0bn to $706.3bn, primarily reflecting an increase in industrial supplies and materials, mostly petroleum products as well as metals and non-metallic products. Exports of goods rose $28.3bn to $436.6bn, lifted by industrial supplies and materials such as petroleum products. There were also gains in exports of capital goods, mainly civilian aircraft and semiconductors. (Reuters)
- **US housing starts beat expectations in August –** US homebuilding increased more than expected in August, likely boosted by an easing in lumber prices, though land and labor shortages remain challenges. Housing starts advanced 3.9% to a seasonally adjusted annual rate of 1.615mn units last month, the Commerce Department said. Data for July was revised up to a rate of 1.554mn units from the previously reported 1.534mn units. Economists polled by Reuters had forecast starts rebounding to a rate of 1.555mn units. (Reuters)
- **US House approves bill to suspend debt limit, fund government –** Democrats in the House of Representatives passed a bill to fund the US government through December 3 and suspend the nation's borrowing limit until the end of 2022, sending it to the Senate where Republicans have vowed to block it. The House vote was 220-211 along party lines. It was unclear how soon the Senate would act. If Republicans stick by their refusal to support the measure in the Senate, Democrats will have to come up with a new strategy or quickly face the twin problems of a government in partial shutdown that is unable to pay its bills and the risk of a default for the first time in modern history. House Speaker Nancy Pelosi and Senate Majority Leader Chuck Schumer set the stage on Monday for a showdown with Republicans when they said they would combine spending and debt measures in one bill, despite Senate Republican leader Mitch McConnell's vow to block an increase in the $28.4tn debt ceiling. On Tuesday, McConnell reiterated that vow. But he also said: "I want to repeat once again: America must never default. We never have and we never will." Speaking to reporters, McConnell repeated an argument he has made for weeks, that it is the majority party's responsibility to raise the debt ceiling. That

would have the effect of letting Republicans avoid voting for a debt limit increase ahead of next year's congressional elections. After the House vote, McConnell and fellow Republican Senator Richard Shelby said they had introduced a bill to fund current government operations through December 3, but without raising the debt limit. Republicans have said Democrats could raise the debt limit on their own through reconciliation, a maneuver that gets around the Senate's rule that 60 of the chamber's 100 members must approve legislation. Democrats have resisted doing that so far, saying the vote to raise the debt limit should be a bipartisan one. "Playing games with the debt ceiling is playing with fire and putting it on the back of the American people," Schumer said in a speech. (Reuters)

- **Citi/YouGov: UK inflation expectations show record jump in September –** The British public's expectations for inflation over the coming year have shot up by a record amount this month, raising the risk that the Bank of England will send a hawkish message soon, Citi said. The Citi/YouGov monthly inflation expectations survey showed that public inflation expectations for the next 12 months jumped to 4.1% in September from 3.1% in August, the biggest monthly increase since the survey began more than 15 years ago. Longer-term inflation expectations for the next five to 10 years rose to 3.8% in September from 3.5% in August. The BoE's Monetary Policy Committee is meeting ahead of its September policy statement on Thursday. Citi's survey contrasts with a much smaller increase in inflation expectations in a poll for August which the BoE published last week. Financial markets expect the BoE to start to raise interest rates early next year, possibly as soon as February, though most economists think a move will only come towards the end of 2022. The BoE looks closely at inflation expectations for signs the public expect above-average inflation over the medium term, which could lead to greater pressure for pay rises and prompt businesses to raise prices in expectation of higher costs. Inflation expectations tend to be pushed up by short-term rises in the current rate of inflation. Last month, consumer price inflation jumped to 3.2% from July's 2.0%, and in recent days energy companies have warned of big rises in electricity and heating bills. The Citi/YouGov survey was based on a poll of 2,005 adults on September 20 and September 21. (Reuters)
- **CBI: UK manufacturing orders gauge hits record high in September –** A record share of British manufacturers reported rising new orders this month but global supply chain problems and labour shortages held back growth in output, a survey showed on Tuesday. The Confederation of British Industry's monthly manufacturing order book balance rose to +22 in September from +18 in August, its highest level since records started in 1977. Still, the picture was weaker for export orders - which grew at their fastest since March 2019 - and the survey's gauge of output growth fell to its lowest level since April. "Today's survey highlights how amidst a variety of supply challenges, companies are beginning to struggle to meet high demand," CBI deputy chief economist Anna Leach said. "Despite close to half of manufacturers surveyed reporting order books above normal, output growth has slowed sharply, albeit remaining relatively robust." The survey's gauge of price expectations cooled to a four-month low, but Leach warned manufacturers still faced rocketing energy prices. As economies reopen after COVID-19 lockdowns, wholesale natural gas prices in Europe have soared this year, pushed up by high demand for liquefied natural gas in Asia, nuclear maintenance and lower-than-usual supplies from Russia. The record prices have strained the British energy sector, destroying the business model of smaller energy traders and sending shockwaves through the chemical and fertiliser markets, leading to a shortage of carbon dioxide used in food processing. (Reuters)
- **ECB policymakers acknowledge growing inflation risk –** European Central Bank policymakers still see the recent inflation surge as temporary but a growing number appear to be acknowledging the risk that price growth may exceed their relatively benign projections. Inflation hit 3% last month, well above the ECB's 2% target and could even climb to 3.5% by November, but the bank then sees a rapid drop that will drag price growth back below 2% for years to come. A surge in commodity prices, supply bottlenecks and growing signs of labour shortages are however challenging this "hump-shaped" profile for consumer price growth. ECB Vice President Luis de Guindos stuck with the ECB's main scenario but highlighted upside risks and warned that the bank needs to be "very vigilant" of the risk that temporary price rises could become permanent. "Some countries in Europe have indexation of pensions and the salaries of public officials to inflation," de Guindos told an online conference with the Financial Times. "That should be avoided because if you have a clear indexation of the economy to the evolution of a temporary shock ... then you can convert this temporary upward evolution of inflation to something that is much more permanent. And that is something that we should avoid." He also warned that commodity prices and production bottlenecks risk creating "second round" effects in inflation. Greek central bank chief Yannis Stournaras acknowledged that actual price growth could exceed the ECB's projection but argued that this should not force the ECB to tighten policy. "We've accepted there's an upside risk regarding inflation," Stournaras told Politico in an interview. "In the past, however, we have over-predicted inflation [on the higher side], expecting that it moves towards 2% in the medium term." The ECB has undershot its target for most of the past decade and policymakers now argue that after such a long period of misses, the bank must not move early and should even tolerate a modest overshoot to ensure it does not tighten policy prematurely. (Reuters)
- **BOJ to keep stimulus as deflation risks, supply disruption cloud outlook –** The Bank of Japan is expected to keep monetary policy steady on Wednesday as weak growth and deflation risks remain primary concerns, in contrast to major counterparts eyeing a withdrawal of crisis-mode support for their economies. The rate review comes ahead of a ruling party leadership race on Sept. 29 that may shift the administration's focus away from the current stance based on former premier Shinzo Abe's "Abenomics" reflationist policies, analysts say. While the candidates agree on the need to maintain massive monetary support for now, they vary on the preferred long-term policy path, an area Governor Haruhiko Kuroda may be grilled on at his post-meeting briefing. At the two-day meeting ending on Wednesday, the BOJ is set to maintain its short-term interest rate target at -0.1% and that for 10-year bond yields around 0%. While it will stick to its view the economy will recover moderately, the BOJ is expected to warn of risks to the outlook from the pandemic such as supply chain disruptions caused by Asian factory shutdowns, sources have told Reuters. The central bank will also likely remind markets of its resolve to keep monetary policy ultra-loose as sluggish consumption and temporary factors, such as cuts in cellphone charges, keep inflation grounded near zero for the time being. "On the surface, the inflation rate in Japan is still low compared with that of US and Europe," Kuroda said in an online seminar last week. "We expect that the inflation rate will steadily go up and eventually reach 2% target, although not before 2023." Japan's economy emerged from last year's doldrums thanks to robust global demand, though extended state of emergency curbs to combat the COVID-19 pandemic have weighed on consumption. Core consumer prices fell 0.2% in July from a year earlier to mark the 12th straight month of declines, as

weak consumption discouraged firms from passing on rising raw material costs to households. (Reuters)

- **China keeps lending benchmark LPR unchanged for 17th straight month –** China stood pat on its benchmark lending rate for corporate and household loans for the 17th straight month at its September fixing on Wednesday, matching market expectations. The one-year loan prime rate (LPR) was kept at 3.85%. The five-year LPR remained at 4.65%. Nineteen traders and analysts, or 95% of 20 participants, in the snap poll conducted last week had predicted no change in either tenor. Most new and outstanding loans in China are based on the one-year LPR. The five-year rate influences the pricing of mortgages. (Reuters)
- **Russia to spend $34bn from rainy-day fund despite inflation worries –** Russia will spend around 2.5tn Roubles ($34bn) from its National Wealth Fund (NWF) in the next three years to help revive economic growth after the pandemic but must also take care not to drive up inflation, officials said on Tuesday. The amount represents an increase from 1.6tn Roubles agreed only this month by the government and central bank, with the extra cash earmarked for the Ust-Luga liquefied natural gas and gas-to-chemicals complex, a project involving Gazprom. The spending plan is strongly supported by the ruling United Russia Party, which backs President Vladimir Putin and which won nearly 50% of votes in a Sept 17-19 parliamentary election that opponents say was marred by mass fraud. The government hopes the huge spending plans will translate robust growth in the leadup to a presidential election in 2024, the year the plan ends, without also fuelling inflation, which has been eating into Russians' living standards. "The government is looking for sources of growth and the NWF which is pulling in private investments is not a bad tool. The key thing is for this not to impact inflation, for the central bank's rates not to rise," Finance Minister Anton Siluanov said. Earlier on Tuesday, the economy ministry raised its year-end inflation forecast to 5.8% from 5%, which is still above the central bank's target of 4%. Russia has seen five key rate hikes this year as the central bank tries to curb price growth. (Reuters)

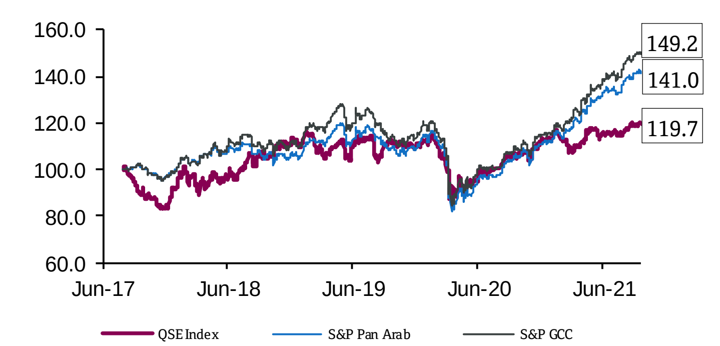
Regional

- **CNBC: OPEC Chief says renewable energy shift increasing gas prices –** Gas prices are rising due to the attempted shift to renewable energy sources, OPEC Secretary General Mohammed Barkindo told CNBC here on Tuesday. “I have talked about a new premium that is emerging in the energy markets that I term the transition premium,” Barkindo told the financial news network at the Gastech conference in Dubai. Gas prices in Europe have surged as much as 280% so far this year and are threatening to push up winter fuel bills, hurt consumption, and exacerbate a near-term spike in inflation. (Reuters)
- **OPEC+ struggles to pump more oil to meet rising demand –** Several OPEC+ members such as Nigeria, Angola and Kazakhstan have struggled in recent months to raise output due to years of under-investment or large maintenance work that has been delayed by the COVID-19 pandemic. Cheating and producing above targets have traditionally been one of OPEC’s main problems but the situation has changed in recent years as investment has flowed into the renewables sector as part of the energy transition. Despite the rise in renewables, the world is still consuming near-record amounts of crude, which will put additional pressure on Saudi Arabia and OPEC’s other leading Gulf producers to pump more oil in the years to come. (Reuters)
- **OPEC+ can proceed with reviving supply, key members said –** OPEC and its allies can likely continue reviving oil production, two key Middle East members said as the group prepares to consider its next supply hike. “The plan is working, we’re gradually increasing and the market is absorbing it,” UAE Oil Minister Suhail Al-Mazrouei said on Tuesday at the Gastech conference in Dubai. “I don’t see any reason why we should deviate from that.” Mazrouei’s view echoes comments from his Iraqi counterpart over the weekend, as well as delegates from several other OPEC+ nations speaking privately. The 23-nation OPEC+ coalition is restoring crude supplies halted when the pandemic crushed global fuel demand last year. The group, led by Saudi Arabia and Russia, will meet on October 4 to review the next monthly increment of 400,000 bpd. (Bloomberg)
- **Italy's Saipem signs investment MoU with Saudi Aramco –** Italian energy services group Saipem has signed an agreement with Saudi Aramco to examine setting up a company to do engineering, procurement and construction work in Saudi Arabia. The agreement is part of the Namaat Investment Industrial Program unveiled by Saudi Aramco on September 7 designed to drive economic growth and diversification in the Kingdom. The Program includes 22 memoranda of understanding in sectors such as energy and the chemicals supply chain with a series of companies including Solvay, Veolia, Halliburton and Schlumberger. (Reuters)
- **Wealth fund of oil-rich Saudi Arabia plans green debt ‘soon’ –** Saudi Arabia’s $430bn sovereign wealth fund plans to announce its first green debt issuance as it looks to increase the role that environmental, social and governance principles play in its investments. The Public Investment Fund will announce the green issuance “very soon,” Governor Yasir Al-Rumayyan said in a virtual event on Tuesday. The PIF, as the fund is known, is also working with BlackRock Inc. on developing an ESG framework, said Al-Rumayyan, who is also chairman of Saudi Aramco, the world’s biggest oil company. A boom in global sales looks set to take ethical debt issuance toward $1tn this year, with the UK’s green bond debut breaking records this week. A green borrowing by the PIF would be the first for a sovereign wealth fund and comes as the kingdom, one of the world’s largest oil exporters, looks to reshape its reputation on environmental issues. (Bloomberg)
- **Saudi Red Sea tourism project to raise up to SR10bn 'green' loan next year –** Saudi Arabia plans to raise up to SR10bn next year for Amaala, one of its tourism projects on its Red Sea coast, the CEO of The Red Sea Development Company (TRSDC) and Amaala said. Amaala is a resort being built on Saudi Arabia’s north west coast along with the Red Sea project, which are part of the country’s efforts to diversify its economy by boosting new sectors such as tourism. Both are green projects, using renewable energy. The planned “green” financing for the Amaala project would follow a larger loan raised earlier this year for the Red Sea Project. (Reuters)
- **Saudi National considering options for stake in Pakistan’s Samba –** Saudi National Bank considering options including merger, acquisition, divestment or restructuring of its stake in Samba Bank, according to filing by Samba to Pakistan Stock Exchange. (Bloomberg)
- **Banks flocked to Saudi Arabia but still await IPO fee riches –** The latest crop of Saudi Arabia’s market newcomers is proving just as frugal when it comes to paying investment bankers. Despite attracting $125bn in orders from investors for an initial public offering of Saudi Telecom Co.’s internet-services unit, banks including Morgan Stanley and HSBC Holdings Plc are set to share just about $12mn in fees, Arabian Internet and Communications Services Co., also known as solutions by STC, said in its prospectus. That’s just 1.3% of the offering value, compared with an average of about 5% or more for IPOs in the US or Europe. Morgan Stanley alone had a bigger payday during UiPath Inc.’s $1.54bn IPO in April, which generated a total of $67mn in fees. The Saudi deal’s pot also gets split between a

local bank, auditors and legal advisers -- and will even be used to cover the cost of printing the prospectus. (Bloomberg)

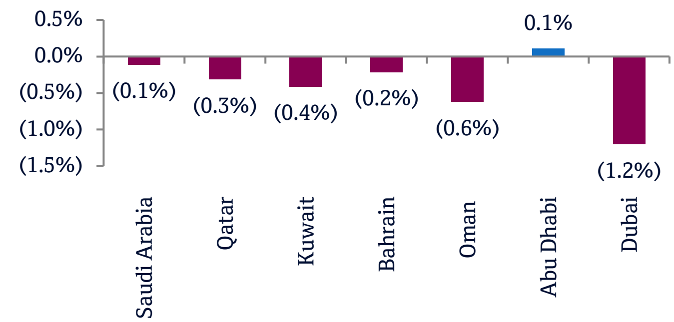
- **ADNOC CEO: UAE to become major player in emerging blue hydrogen market –** The UAE is strengthening its position as a regional leader in natural gas and the emerging blue Hydrogen market, according to the CEO of the Emirates' largest oil company. Natural gas is set to play a pivotal role in powering economic growth in the UAE over the next 50 years, said Dr. Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and Managing Director and Group CEO of the Abu Dhabi National Oil Company (ADNOC). Delivering the opening address of Gastech 2021, Dr. Al Jaber, said: “Already at ADNOC, we produce about 300,000 tons of hydrogen a year. By leveraging our existing gas infrastructure and commercial-scale CCUS capabilities, the UAE can and will become a major player in the emerging blue hydrogen market.” (Zawya)
- **Low gas prices were not sustainable, UAE minister says –** The UAE’s energy minister said on Tuesday low gas prices were not sustainable and a recent hike reflected market fundamentals and a lack of investment in the sector. “Gas prices were not sustainable (at) $2 or $3. New investments need to be there. I’m afraid it is not going to be magical, prices will go through ups and downs until the market realizes the right price. The market will drive the price,” Minister Suhail al-Mazrouei said at an industry conference in Dubai. He added that if current prices continue it will be a burden on many countries and that longer term the market is not prepared to accept such prices. (Reuters)
- **As tensions ease, Turkey says talks to UAE on energy investment –** Turkey is in talks with the UAE over investment in its energy sector, Turkey's deputy energy minister said on Tuesday, after the sides called a truce on their bitter rivalry. After contacts between intelligence and government officials eased tensions, the UAE this month said it was seeking deeper trade and economic ties with Turkey and seven other countries as it looks to defend its global business hub status after the pandemic. (Reuters)
- **Sheikh Hamdan: Dubai has overcome COVID-19 shockwaves, to grow by 3.4% in 2022 –** The Dubai economy has emerged from the challenges posed by the coronavirus pandemic and is set to grow by 3.2% this year and 3.4% in 2022, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council, said on Tuesday. “Dubai has overcome the pandemic’s global shockwaves,” the crown prince said on Twitter. “Dubai’s position as a global economic capital has been supported by clear goals, flexibility and speed in responding to changes, as well as consistent legislative development. We have created an attractive investment environment for creative energies who match our ambitious path,” he added. (Zawya)
- **Dubai airports sees doubling of visitors in 2022 as curbs ease –** Dubai’s airports chief says the number of international visitors may more than double next year as the easing of Covid-19 restrictions boosts travel through one of the world’s busiest hubs. “We’re going to see a very sharp up-tick,” Dubai Airports Chief Executive Paul Griffiths said on Bloomberg Television on Tuesday. The lifting of curbs between Dubai and countries such as the UK, US and Saudi Arabia will have a “massive impact” on the Gulf state, with about 27mn people passing through this year alone, he said. (Bloomberg)
- **Abu Dhabi IHC's Multiply Group invests AED55mn in US start-up Firefly –** Multiply Group, a subsidiary of Abu Dhabi’s International Holding Company (IHC), has invested another AED55mn in US rideshare advertising start-up Firefly. The new investment, which includes the establishment of an Abu Dhabi-based joint venture with Firefly, will bring dynamic advertising in taxis and rideshare vehicles to the Middle East and North Africa (MENA) region, the company told the Abu Dhabi Securities Exchange (ADX) on Tuesday. Last May, Multiply Group acquired a stake in Firefly for an undisclosed amount. (Zawya)
- **Kuwait Touristic plans massive capital increase –** Kuwait Touristic Enterprises plans to increase its capital by KWD250mn to reach KWD300mn, up from KWD50mn now, CEO Abdelwahab Almarzooq said on Tuesday. The company is a unit of Kuwait Investment Authority, the oil-rich country’s sovereign wealth fund. (Reuters)
- **Kuwait completes refining expansion to produce less polluting fuel, KUNA says –** Kuwait National Petroleum Company (KNPC) said on Tuesday it had successfully started the full operation of a project to expand its refining capacity and produce fuel that generated lower emissions and less pollution, the state news agency reported. It said the project included expanding capacity of Mina Abdullah refinery to 454,000 bpd and Mina Al-Ahmadi refinery to 346,000 bpd, KUNA reported, adding that they would produce products that met global-environmental standards Euro-4 and Euro-5 for reducing emissions and pollutants. (Reuters)
- **Kuwait sells KD200mn 91-day bills; bid-cover 13.37 –** Kuwait sold KD200mn of bills due December 21. Investors offered to buy 13.37 times the amount of securities sold. The bills have a yield of 1.125% and settled September 21. (Bloomberg)
- **Bahrain economy returns to pre-pandemic levels –** Bahrain's economic indicators show that the performance of various sectors in August this year was comparable to the levels recorded during 2019 – before the outbreak of the pandemic, Finance and National Economy Minister Shaikh Salman bin Khalifa Al Khalifa has said. The data reflects the continued pace of economic recovery, he said. Shaikh Salman paid tribute to His Majesty King Hamad bin Isa Al Khalifa, hailing royal directives to launch the stimulus package to mitigate the impact of the novel coronavirus (Covid-19) and maintain sustainable development, said a Bahrain News Agency report. He praised the follow-up of HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister, noting the extension of the stimulus package for three months from June 2021 until August 2021. (Zawya)
- **Bahrain sells BHD100mn 364-day bills; bid-cover 1.71 –** Bahrain sold BHD100mn of bills due September 22, 2022. Investors offered to buy 1.71 times the amount of securities sold. The bills were sold at a price of 98.3515, have a yield of 1.66% and will settle on September 23. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,774.51	0.6	1.1	(6.5)
Silver/Ounce	22.50	1.0	0.5	(14.8)
Crude Oil (Brent)/Barrel (FM Future)	74.36	0.6	(1.3)	43.6
Crude Oil (WTI)/Barrel (FM Future)	70.56	0.4	(2.0)	45.4
Natural Gas (Henry Hub)/MMBtu	4.90	(4.8)	(6.8)	105.0
LPG Propane (Arab Gulf)/Ton	132.75	0.3	(0.4)	76.4
LPG Butane (Arab Gulf)/Ton	147.25	(0.2)	(1.8)	111.9
Euro	1.17	0.0	0.0	(4.0)
Yen	109.23	(0.2)	(0.6)	5.8
GBP	1.37	0.0	(0.6)	(0.1)
CHF	1.08	0.5	0.9	(4.2)
AUD	0.72	(0.3)	(0.5)	(6.0)
USD Index	93.20	(0.1)	0.0	3.6
RUB	73.10	(0.5)	0.3	(1.8)
BRL	0.19	1.1	0.4	(1.4)

Source: Bloomberg (*$ adjusted returns, #Market was closed as on September 21, 2021)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,049.68	0.1	(1.5)	13.4
DJ Industrial	33,919.84	(0.1)	(1.9)	10.8
S&P 500	4,354.19	(0.1)	(1.8)	15.9
NASDAQ 100	14,746.40	0.2	(2.0)	14.4
STOXX 600	458.68	1.1	(0.7)	10.3
DAX	15,348.53	1.5	(0.9)	6.8
FTSE 100	6,980.98	1.2	(0.4)	8.1
CAC 40	6,552.73	1.6	(0.2)	13.2
Nikkei	29,839.71	(1.5)	(1.5)	2.8
MSCI EM	1,261.41	0.3	(1.4)	(2.3)
SHANGHAI SE Composite#	3,613.97	-	-	5.0
HANG SENG	24,221.54	0.5	(2.9)	(11.4)
BSE SENSEX	59,005.27	0.8	(0.1)	22.4
Bovespa	110,249.70	2.6	(1.2)	(9.5)
RTS	1,710.90	0.6	(2.0)	23.3

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