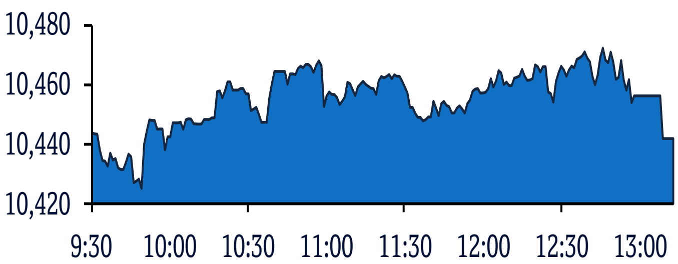
Daily Market Report

Sunday, 02 February 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose marginally to close at 10,442.0. Gains were led by the Insurance and Banks & Financial Services indices, gaining 0.7% and 0.3%, respectively. Top gainers were Qatar First Bank and Al Khaleej Takaful Insurance Company, rising 9.1% and 3.1%, respectively. Among the top losers, Qatari German Co. for Medical Devices fell 4.5%, while Qatar General Insurance & Reins. Co. was down 3.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.7% to close at 8,246.6. Gains were led by the Telecommunication Services and Banks indices, rising 1.6% and 1.5%, respectively. SABB Takaful rose 4.6%, while Samba Financial Group was up 4.5%.

Dubai: The DFM Index fell 0.5% to close at 2,790.4. The Investment & Financial Services index declined 1.3%, while the Transportation index fell 1.2%. AL SALAM Sudan declined 6.7%, while Gulf Navigation Holding was down 4.9%.

Abu Dhabi: The ADX General Index fell 0.2% to close at 5,156.2. The Real Estate and Energy indices declined 0.4% each. Abu Dhabi Ship Building Company declined 10.0%, while Methaq Takaful Insurance was down 4.4%.

Kuwait: The Kuwait All Share Index fell 0.3% to close at 6,325.0. The Consumer Services index declined 1.5%, while the Consumer Goods index fell 0.6%. Abyaar Real Eastate Dev. declined 10.3%, while Al-Massaleh Real Estate was down 10.0%.

Oman: The MSM 30 Index fell marginally to close at 4,079.3. The Industrial index declined 0.1%, while the other indices ended in green. Dhofar Cattle Feed Company and Gulf Investments Services were down 2.6% each.

Bahrain: The BHB Index fell 0.1% to close at 1,657.6. The Commercial Banks index declined 0.2%, while the other indices ended flat or in green. Khaleeji Commercial Bank declined 2.7%, while National Bank of Bahrain was down 2.0%.

Market Indicators	30 Jan 20	29 Jan 20	%Chg.
Value Traded (QR mn)	267.6	184.6	45.0
Exch. Market Cap. (QR mn)	579,469.2	579,606.0	(0.0)
Volume (mn)	84.9	61.9	37.2
Number of Transactions	6,239	5,092	22.5
Companies Traded	44	45	(2.2)
Market Breadth	18:20	27:12	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,214.19	0.0	(1.7)	0.2	14.7
All Share Index	3,100.32	0.0	(1.6)	0.0	15.3
Banks	4,300.98	0.3	(1.2)	1.9	14.4
Industrials	2,800.62	(0.4)	(3.2)	(4.5)	19.7
Transportation	2,533.84	(0.5)	(1.3)	(0.8)	13.3
Real Estate	1,571.74	(0.3)	(2.1)	0.4	11.7
Insurance	2,752.99	0.7	0.0	0.7	15.8
Telecoms	893.01	(0.0)	(0.9)	(0.2)	15.2
Consumer	8,453.94	(0.8)	(2.2)	(2.2)	18.7
Al Rayan Islamic Index	3,917.97	(0.2)	(1.9)	(0.8)	16.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Samba Financial Group	Saudi Arabia	30.30	4.5	1,778.6	(6.6)
Arabian Centres Co. Ltd	Saudi Arabia	30.50	3.2	579.4	4.6
National Petrochemical Co.	Saudi Arabia	25.30	2.5	165.0	6.6
National Commercial Bank	Saudi Arabia	46.95	2.5	3,250.2	(4.7)
Riyad Bank	Saudi Arabia	23.56	2.0	1,815.6	(1.8)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Dhofar	Oman	0.11	(2.6)	20.3	(8.1)
National Bank of Bahrain	Bahrain	0.73	(2.0)	36.5	3.3
National Shipping Co.	Saudi Arabia	35.90	(1.4)	1,978.3	(10.3)
Qatar Fuel Company	Qatar	22.02	(1.3)	599.3	(3.8)
Dubai Islamic Bank	Dubai	5.71	(1.2)	4,005.3	3.6

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.08	9.1	16,797.2	32.0
Al Khaleej Takaful Insurance Co.	2.00	3.1	2,826.6	0.0
Qatar Insurance Company	3.17	1.6	719.2	0.3
Ahli Bank	3.60	1.4	5.0	2.9
Qatari Investors Group	1.84	1.1	36.0	2.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.08	9.1	16,797.2	32.0
Vodafone Qatar	1.23	0.8	9,520.8	6.0
Masraf Al Rayan	4.12	0.2	8,451.9	4.0
Ezdan Holding Group	0.62	(0.8)	7,348.4	1.5
Investment Holding Group	0.57	(0.4)	4,284.5	0.2

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	0.62	(4.5)	1,492.2	6.9
Qatar General Ins. & Reins. Co.	2.59	(3.7)	42.7	5.3
Qatar National Cement Company	5.20	(1.5)	355.1	(8.0)
Qatar Fuel Company	22.02	(1.3)	599.3	(3.8)
Alijarah Holding	0.76	(0.9)	1,286.2	7.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.44	0.1	66,159.4	(0.7)
Masraf Al Rayan	4.12	0.2	34,889.1	4.0
Qatar First Bank	1.08	9.1	17,969.7	32.0
Industries Qatar	9.96	(0.3)	14,982.6	(3.1)
Ooredoo	6.93	(0.3)	13,647.3	(2.1)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,442.01	0.0	(1.7)	0.2	0.2	73.06	158,079.2	15.0	1.5	4.1
Dubai	2,790.42	(0.5)	(1.7)	0.9	0.9	119.04	104,178.4	13.4	1.0	4.2
Abu Dhabi	5,156.19	(0.2)	(1.7)	1.6	1.6	36.09	145,999.2	16.0	1.4	4.8
Saudi Arabia	8,246.59	0.7	(1.7)	(1.7)	(1.7)	988.45	2,331,753.9	22.1	1.8	3.3
Kuwait	6,324.99	(0.3)	(0.7)	0.7	0.7	126.63	118,327.3	15.8	1.5	3.4
Oman	4,079.29	(0.0)	0.2	2.5	2.5	7.88	17,459.4	7.3	0.7	7.3
Bahrain	1,657.63	(0.1)	0.3	2.9	2.9	2.74	26,000.9	13.2	1.0	4.7

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 rose marginally to close at 10,442.0. The Insurance and Banks & Financial Services indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Qatar First Bank and Al Khaleej Takaful Insurance Company were the top gainers, rising 9.1% and 3.1%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 4.5%, while Qatar General Insurance & Reinsurance Company was down 3.7%.
- Volume of shares traded on Thursday rose by 37.2% to 84.9mn from 61.9mn on Wednesday. Further, as compared to the 30-day moving average of 78.8mn, volume for the day was 7.8% higher. Qatar First Bank and Vodafone Qatar were the most active stocks, contributing 19.8% and 11.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	23.16%	20.55%	6,983,803.56
Qatari Institutions	22.82%	29.84%	(18,800,552.65)
Qatari	**45.98%**	**50.39%**	**(11,816,749.09)**
GCC Individuals	0.95%	0.56%	1,025,480.07
GCC Institutions	3.45%	0.10%	8,972,434.80
GCC	**4.40%**	**0.66%**	**9,997,914.88**
Non-Qatari Individuals	10.94%	8.82%	5,679,932.74
Non-Qatari Institutions	38.69%	40.13%	(3,861,098.53)
Non-Qatari	**49.63%**	**48.95%**	**1,818,834.21**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Saudi Arabian Mining Co.*	Saudi Arabia	SR	17,736.3	25.2%	885.6	-78.0%	(739.5)	N/A
Jarir Marketing Co.*	Saudi Arabia	SR	8,424.5	14.4%	1,071.1	9.5%	984.7	2.6%
International Holdings Co.*	Abu Dhabi	AED	1,249.0	119.0%	176.0	N/A	507.4	2413.7%
Al Mazaya Holding Company*	Kuwait	KD	27.9	26.3%	(2.0)	N/A	(8.8)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/30	US	Bureau of Economic Analysis	GDP Annualized QoQ	4Q2019	2.1%	2.0%	2.1%
01/30	US	Bureau of Economic Analysis	Personal Consumption	4Q2019	1.8%	2.0%	3.2%
01/30	US	Bureau of Economic Analysis	GDP Price Index	4Q2019	1.4%	1.80%	1.80%
01/30	US	Department of Labor	Initial Jobless Claims	25-Jan	216k	215k	223k
01/30	US	Department of Labor	Continuing Claims	18-Jan	1,703k	1,730k	1,747k
01/30	US	Bloomberg	Bloomberg Consumer Comfort	26-Jan	67.3	–	66.0
01/31	US	Bureau of Economic Analysis	Personal Income	Dec	0.2%	0.3%	0.4%
01/31	US	Bureau of Economic Analysis	Personal Spending	Dec	0.3%	0.3%	0.4%
01/30	UK	Bank of England	Bank of England Bank Rate	30-Jan	0.75%	0.75%	0.75%
01/31	UK	GfK NOP (UK)	GfK Consumer Confidence	Jan	-9	-9	-11
01/31	UK	Bank of England	Mortgage Approvals	Dec	67.2k	65.6k	65.5k
01/31	UK	Bank of England	Money Supply M4 MoM	Dec	0.1%	–	0.8%
01/31	UK	Bank of England	M4 Money Supply YoY	Dec	3.8%	–	4.5%
01/30	EU	European Commission	Economic Confidence	Jan	102.8	101.8	101.3
01/30	EU	European Commission	Industrial Confidence	Jan	-7.3	-8.8	-9.3
01/30	EU	European Commission	Business Climate Indicator	Jan	-0.23	-0.2	-0.32
01/30	EU	European Commission	Services Confidence	Jan	11	11.3	11.3
01/30	EU	European Commission	Consumer Confidence	Jan	-8.1	–	-8.1
01/30	EU	Eurostat	Unemployment Rate	Dec	7.4%	7.5%	7.5%
01/31	EU	Eurostat	GDP SA QoQ	4Q2019	0.1%	0.2%	0.3%
01/31	EU	Eurostat	GDP SA YoY	4Q2019	1.0%	1.1%	1.2%
01/31	EU	Eurostat	CPI MoM	Jan	-1.0%	-0.9%	0.3%
01/31	EU	Eurostat	CPI Estimate YoY	Jan	1.4%	1.4%	1.3%
01/31	EU	Eurostat	CPI Core YoY	Jan	1.1%	1.2%	1.3%
01/30	Germany	German Federal Statistical Office	CPI MoM	Jan	-0.6%	-0.6%	0.5%
01/30	Germany	German Federal Statistical Office	CPI YoY	Jan	1.7%	1.7%	1.5%
01/31	France	INSEE National Statistics Office	GDP QoQ	4Q2019	-0.1%	0.2%	0.3%
01/31	France	INSEE National Statistics Office	GDP YoY	4Q2019	0.8%	1.2%	1.4%
01/31	France	INSEE National Statistics Office	PPI MoM	Dec	0.0%	–	1.1%

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/31	France	INSEE National Statistics Office	PPI YoY	Dec	0.3%	–	-0.7%
01/31	France	INSEE National Statistics Office	Consumer Spending MoM	Dec	-0.3%	0.0%	0.7%
01/31	France	INSEE National Statistics Office	Consumer Spending YoY	Dec	2.0%	1.5%	1.0%
01/31	France	INSEE National Statistics Office	CPI MoM	Jan	-0.4%	-0.5%	0.4%
01/31	France	INSEE National Statistics Office	CPI YoY	Jan	1.5%	1.5%	1.5%
01/31	China	China Federation of Logistics	Composite PMI	Jan	53.0	–	53.4
01/31	China	China Federation of Logistics	Manufacturing PMI	Jan	50.0	50.0	50.2
01/31	China	China Federation of Logistics	Non-manufacturing PMI	Jan	54.1	53.0	53.5
01/31	India	India Central Statistical Org.	Eight Infrastructure Industries	Dec	1.3%	–	-1.5%
01/31	India	Central Statistics Office India	GDP Annual Estimate YoY	2019	–	–	7.2%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2019 results	No. of days remaining	Status
DHBK	Doha Bank	2-Feb-20	0	Due
QIGD	Qatari Investors Group	2-Feb-20	0	Due
QATI	Qatar Insurance Company	2-Feb-20	0	Due
VFQS	Vodafone Qatar	3-Feb-20	1	Due
MCGS	Medicare Group	4-Feb-20	2	Due
UDCD	United Development Company	5-Feb-20	3	Due
QIMD	Qatar Industrial Manufacturing Company	5-Feb-20	3	Due
IQCD	Industries Qatar	10-Feb-20	8	Due
QAMC	Qatar Aluminum Manufacturing Company	12-Feb-20	10	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Feb-20	10	Due
DOHI	Doha Insurance Group	12-Feb-20	10	Due
SIIS	Salam International Investment Limited	13-Feb-20	11	Due
ORDS	Ooredoo	13-Feb-20	11	Due
QEWS	Qatar Electricity & Water Company	16-Feb-20	14	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	17-Feb-20	15	Due
QGRI	Qatar General Insurance & Reinsurance Company	17-Feb-20	15	Due
AHCS	Aamal Company	18-Feb-20	16	Due

Source: QSE

News

Qatar

- **NLCS' bottom line rises 27.6% QoQ to QR11.3mn in 4Q2019 –** Alijarah Holding (NLCS) reported net profit of QR11.3mn in 4Q2019 as compared to net loss of QR5.6mn in 4Q2018. Further on QoQ basis, NLCS' net profit rose 27.6% from QR8.9mn.The company's 'total revenues and income' came in at QR55.4mn in 4Q2019, which represents a decrease of 7.7% YoY. However, on QoQ basis 'total revenues and income' rose 1.7%. In FY2019, NLCS recorded net profit of QR24.2mn compared to net profit amounting to QR7.1mn for the same period of the previous year. EPS amounted to QR0.049 in FY2019 as compared to QR0.014 in FY2018. The board of directors resolved in its meeting to propose to the forthcoming General Assembly Meeting which will be held on March 25, 2020 the distribution from the legal reserve a cash dividend of 5% of the nominal share value i.e. QR0.050 per share. (QSE)
- **Nakilat board to meet on February 17 to discuss the financial statements; conference call will be held on February 18 –** Qatar Gas Transport Company Limited (Nakilat) announced that the Board of Directors will hold its meeting on February 17, 2020 to discuss and approve the consolidated financial statements for the period ended 31 December 2019. A conference call will also take place on February 18, 2020. (QSE)
- **CBQK still open to consolidation discussions in Oman –**The Commercial Bank (CBQK) is still interested in consolidation in Oman after National Bank of Oman's (NBO) merger talks with another lender broke down."We remain open to any consolidation discussions in Oman because we believe that that's a market which National Bank of Oman would benefit from in a consolidation. It's in a strong position, it has the capital," CBQK's CEO, Joseph Abraham said in an interview with Bloomberg. Qatar's third-largest lender by assets is NBO's biggest shareholder. CBQK in December 2018 said it did not support a proposed merger between NBO and Bank Dhofar that would have created an entity with $20bn in assets. (Bloomberg)
- **QTerminals to develop, run Ukraine's Olvia Port –** QTerminals, a joint venture between Mwani Qatar and Milaha, will invest $120mn in Ukraine's Port of Olvia as part of efforts to expand its operations in the Black Sea region. QTerminals won concession to develop, manage and operate Olvia port, which represents an exceptional opportunity on developing and operating world ports. It will invest some $120mn in the port during the concession term of 35 years. (Gulf-Times.com)

- **PSA: Qatar producers' price index rises 3.1% MoM in December –** Qatar's industrial sector witnessed decline in the earnings within the hydrocarbons and manufacturing sectors, leading its PPI (producers' price index) to shrink 6.6% YoY in December 2019, according to official statistics. Qatar's PPI – a measure of the average selling prices received by the domestic producers for their output – however saw a 3.1% MoM increase, according to the figures released by the Planning and Statistics Authority (PSA). The mining PPI, which carries the maximum weight of 72.7%, plummeted 7.5% on a yearly basis as the index of crude petroleum and natural gas declined 7.5% and that of stone, sand and clay 0.7% during the review period. However, the PPI for mining registered a 3.1% jump MoM in December last year on the back of a 3.1% increase in the price of crude petroleum and natural gas and 0.1% in stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the PPI basket, witnessed a 4.7% yearly shrinkage in December 2019. The manufacturing sector PPI had seen a monthly a 2.8% rise in December 2019. The utilities group, which has a 0.5% bearing on the PPI basket, saw its index expand 3.9% on yearly basis last December as electricity and water prices rose 3% and 5% respectively. The index had seen a higher 9.7% surge MoM in December 2019 with electricity prices and water prices soaring 13.4% and 4.7% respectively. (Gulf-Times.com)
- **Qatar central banks foreign reserve rises MoM to QR198.4bn in December –** Qatar Central banks December foreign reserve rose to QR198.4bn from QR197.6bn in November 2019. Moreover, Qatar's December M2 money supply rises 2.5% YoY and 2.6% MoM. The M1 money supply rises 4.7% from year ago and falls 2.2% MoM. (Bloomberg)
- **Qatar's hospitality sector seen prioritizing occupancy over average daily rates this year –** The increasing competition in Qatar's hospitality industry will see the sector prioritize occupancy over average daily rates (ADRs) this year, according to Cushman and Wakefield (CW), a global commercial real estate services company. Based on the most recent report released by the National Tourism Council, hotel apartments have seen occupancy rates increase in 2019. This is in part due to reduced rates being offered to long-stay guests, CW said in its report. It expects hotel apartments to continue to prioritize occupancy over ADRs in 2020, as new supply arrives in the market, increasing competition within the sector. While the overall ADRs in November fell by 3% to QR377, the increase in occupancy rates resulted in an overall increase in revenue per available room by 5.6% to QR244 since the corresponding month in 2018. (Gulf-Times.com)
- **ValuStrat: Qatar residential sector sees overall 5% annual fall in capital values in 2019 –** The average capital value of a residential unit in Qatar stood at QR7,914 per square meters (QR735 per square feet) in the last quarter of 2019, according to research consultancy ValuStrat. More specifically, apartments were at QR11,477 per square meters (QR1,066 per square feet) and villas were at QR6,140 per square meters (QR570 per square feet), it said in a report. All the established freehold apartment locations monitored by the ValuStrat Price Index (VPI) saw quarterly value decreases ranging from 1% to 2%. For villas, five out of 13 clusters (Al Waab, Muaither, Al Thumama, Umm Salal Mohammad and Onaiza) witnessed no change in values compared to Q3, 2019. While the remaining clusters experienced drops of less than 2% QoQ. (Gulf-Times.com)
- **ValuStrat: Residential supply concentration in three premier locations in Qatar to continue in 2020 –** Nearly 60% of the added residential supply in Qatar was concentrated in Lusail, The Pearl and Al Dafna in 2019, ValuStrat said and noted the trend would continue in 2020. According to Anum Hasan, senior market research analyst, ValuStrat, the concentration of the added residential supplies had negatively impacted rents in these locations as average asking rents fell by an estimated 5%-8% annually. However, she said a major negative spill over of this was witnessed in secondary locations where rentals fell on average by 8%-12% compared to 2018. "It is expected this trend will continue in 2020 where 70% of the residential supply in pipeline is concentrated in Lusail, The Pearl and Al Dafna," Anum Hasan said. The construction of an estimated 700,000 square meters gross leasable area (GLA) of office space was completed in 2019, bringing the total office supply to estimate 4.8mn square meters GLA. Five office projects were added during 4Q2019 in Lusail, Al Mirqab, C-Ring Road (Al Mansoura) and Al Sadd comprising 160,000 square meters GLA. Median off ice asking rents declined 17% YoY and a minimal 1% QoQ. The median asking rent for a typical off ice in the city stood at QR86 per square meters. Market corrections are projected to persist due to 1mn square meters GLA in the pipeline for 2020, ValuStrat said in the report. (Gulf-Times.com)
- **Increased demand for real estate seen in locations close to metro stations –** The high concentration in new realty projects in Qatar continues to put downward pressure on rents, as supply of residential, office and retail property surpasses demand growth, according to Cushman and Wakefield. The global commercial real estate services company, however, forecast increased demand in locations close to the main metro stations in the medium to long term. In its projection for 2020, it said the oversupply is likely to reach a peak in the next two-three years as new supply is delivered prior to the 2022 FIFA World Cup and there new supply is slated to see slowdown until it is absorbed by new demand. The report forecast that there will be a temporary peak in demand in late 2022, which will distort the market dynamics temporarily. (Gulf-Times.com)
- **WOQOD opens Sealine new petrol station –** As part of Qatar Fuel Company's (WOQOD) ongoing expansion plans to be able to serve every area in Qatar, WOQOD opened Sealine petrol station and by this it raised its network of fixed and mobile petrol stations to 103. New Sealine petrol station is spread over an area of 12000 square meters and has 3 lanes with 6 dispensers for light vehicles, and one lane with 2 dispensers for heavy vehicles, which will serve Sealine area, and its neighborhood. Sealine petrol station offers round-the-clock services to residents, and includes Sidra convenience store, manual car wash, oil change and tire repair, in addition to sale of gasoline and diesel products for both light vehicles and heavy vehicles. (QSE)

International

- **US consumer, factory data suggest economy losing momentum –** US consumer spending rose steadily in December, but tepid income gains pointed to moderate consumption growth this year, which together with slumping business investment likely set the economy on a slower growth path this year. While the report from the Commerce Department also showed inflation picking up last month because of higher prices for energy products, price pressures remained muted. The Federal Reserve left interest rates unchanged on Wednesday and could keep monetary policy on hold at least through 2020. Economic growth is already expected to slow considerably in the first quarter, in part because of Boeing's suspension this month of production of its troubled 737 MAX jetliner, which was grounded last March following two fatal crashes. Consumer spending, which accounts for more than two-thirds of US economic activity, increased 0.3% last month as households spent more on prescription medication and healthcare services. That followed an unrevised 0.4% rise in November. December's increase in consumer spending was in line with economists' expectations. When adjusted for inflation, consumer spending nudged up 0.1% in December after rising 0.3% in the prior month. That likely puts consumer spending on a slower growth trajectory heading into the first quarter. For all of 2019, consumer spending increased 4.0%, the smallest gain in three years, after advancing 5.2% in 2018. The data was included in the GDP report for the fourth quarter. The government reported that growth in consumer spending slowed to a 1.8% annualized rate last quarter after expanding at a brisk 3.2% pace in the July-September period. The economy grew at a 2.1% rate in the final three months of 2019, matching the third quarter's pace. (Reuters)

- **Britain Brexits - UK leaves the EU –** The UK finally cast off from the European Union (EU) on Friday for an uncertain Brexit future, turning its back on post-World War Two attempts to unite the once warring nations of Europe into a global power. In its biggest geopolitical shift since the loss of its sprawling empire, the UK slipped away at 2300 GMT - ending 47 years of membership in a step cast by Prime Minister Boris Johnson as the dawn of new era. At a stroke, the EU will be deprived of 15% of its economy, its biggest military spender and the world's international financial capital of London. The divorce will shape the fate of the UK - and determine its wealth - for generations to come. (Reuters)
- **S&P and Moody's warn looser EU ties will pressure UK credit rating –** The world's two biggest credit ratings agencies, S&P Global and Moody's, warned Britain that its credit rating would be under threat if a post-Brexit trade deal significantly cut access to European Union (EU) markets. The two companies' assessments of creditworthiness can influence how much a country has to pay to borrow in international debt markets. S&P rates the UK at AA with a stable outlook, having downgraded the rating by an unprecedented two notches from the highest triple-A grade in the days after the 2016 Brexit vote. A separate report from Moody's, which rates the UK Aa2, in line with S&P's rating but with a negative outlook, had a similar message. (Reuters)
- **UK consumer morale hits 16-month high as post-election bounce continues –** Confidence among British consumers in January touched the highest level since September 2018, bolstering other signs of a post-election bounce in the economy since last month's election, a survey showed. Market research firm GfK said its index of consumer confidence rose to -9 in January from -11 in December, as expected in a Reuters poll of economists. The survey chimed with other gauges of the economy that point to a pick-up since the Dec. 12 election in which Prime Minister Boris Johnson secured a big majority in parliament, removing some of the uncertainty hanging over businesses. Signs of optimism among companies and consumers dissuaded the Bank of England on Thursday from cutting interest rates, and its officials cited the European Commission's gauge of consumer morale for December, which is based on the GfK survey. (Reuters)
- **Eurozone growth below expectations, core inflation slows –** The Eurozone economy grew less than expected in the last quarter of 2019, a first estimate showed, while core inflation slowed in January, a worrying sign for the European Central Bank (ECB). GDP in the 19 countries sharing the Euro rose 0.1% QoQ for a 1.0% YoY gain, according to Eurostat, the European Union's statistics office. Economists polled by Reuters had expected a 0.2% quarterly and a 1.1% annual increase. The disappointing growth for the Eurozone was mainly caused by GDP contractions in France and Italy, its second and third biggest economies. The ECB targets inflation below but close to 2% over the medium term, but it has been struggling to hit that target for years, despite its program of government purchases to inject more cash into the economy. Eurostat said consumer prices fell 1.0% MoM in January for a 1.4% YoY rise, accelerating from a 1.3% rate in December and 1.0% in November. (Reuters)
- **Japan's fourth-quarter factory output falls at fastest pace on record –** Japan's factory output fell at the fastest pace on record in October-December amid sluggish demand at home and abroad, reinforcing views the economy likely contracted in the fourth quarter. Separate data showed retail sales fell for a third straight month in December, adding to worries about consumer spending after a sales tax increase in October. A growing virus outbreak in China is threatening to put more pressure on the Japanese economy. China is Japan's second largest export market and Chinese account for 30% of all tourists visiting the country. Factory output fell 4.0% in October-December, the fastest pace of decline since comparable data began in 2013, data from the Ministry of Economy, Trade and Industry (METI) showed. Other data released on Friday showed Japan's jobless rate stood at 2.2% in December, unchanged from November, around a three-decade low, and job availability also held steady at 1.57 per applicant. Tokyo's core consumer price index (CPI), which includes oil products but excludes fresh food prices, rose an annual 0.7% in January from a year earlier, less than the median estimate for a 0.8 percent annual increase. (Reuters)
- **PMI: China's service sector activity grows faster in January –** Growth in China's services sector activity quickened in January, official data showed. The official services PMI rose to 54.1, from 53.5 in December, the National Bureau of Statistics said. The 50-point mark separates growth from contraction on a monthly basis. Beijing has been counting on a strong services sector to help offset prolonged weakness in manufacturing, which has been weighed by weak domestic and global demand and the protracted US-China trade war. However, analysts estimate the sector could take a severe hit from an outbreak of the new coronavirus, as shops, restaurants and movie theaters see a

slump in sales as people avoid crowded areas. The official January composite PMI, which includes both manufacturing and services activity, fell to 53.0 from December's 53.4. (Reuters)

- **China's factory activity stalls as virus risks grow –** Growth in China's factory activity faltered in January, an official survey showed, as export orders fell and an outbreak of a new virus added to risks facing the world's second-largest economy. The Purchasing Managers' Index (PMI) fell to 50.0 in January from 50.2 in December, China's National Bureau of Statistics (NBS) said. The reading was in line with analysts' forecasts and hit the neutral 50-point mark that separates growth from contraction on a monthly basis. While the PMI showed activity in some parts of the sector holding up, economists are doubtful the survey provides a meaningful read on the economy given recent developments with the coronavirus and distortions from the Lunar New Year break. More than 200 people have died from the virus in China in the past few weeks, prompting widespread transport curbs and tough public health measures that are weighing heavily on the travel, tourism and retail sectors. Analysts say the fast-spreading virus could hurt first-quarter economic growth. (Reuters)
- **China' central bank sees temporary economic impact from virus, pledges support measures –** China's central bank said it will use various monetary policy tools to ensure liquidity remains reasonably ample, and added that the broader economic impact from a fast-spreading coronavirus outbreak in the country should be temporary. In multiple statements issued, the People's Bank of China (PBoC) said that it will appropriately lower lending rates to support firms affected by virus outbreak. It added that the impact from the epidemic on the broad economy should be temporary. So far, the virus has claimed the lives of nearly 260 people. Investors are bracing for a volatile session in Chinese markets when onshore trades resume on Monday after a break for the Lunar New Year which was extended by the government due to the virus outbreak. The statements from the PBoC were jointly issued with banking and insurance, securities, foreign exchange regulators and the finance ministry. The virus outbreak will have a short-term and temporary impact on the country's financial markets, said Cao Yu, Vice Chairman of the China Banking and Insurance Regulatory Commission (CBIRC), in a separate statement made on Saturday. He also called on banking sector to offer comprehensive credit support to listed companies that might have reasonable funding needs in the wake of disruptions caused by the epidemic. The efforts to contain the virus have caused major disruptions and threaten to knock growth in China and globally, just when it looked like some relief was in store following the recent preliminary Sino-US trade deal to defuse their protracted tariff war. (Reuters)
- **India forecasts faster economic growth, warns of fiscal challenge –** India's government predicted that economic growth will pick up to between 6% and 6.5% in the fiscal year beginning April 1, after falling to more than a decade-low this financial year. India saw growth drop to 4.5% in the July-September quarter - its lowest level in 26 quarters. Consequently, the budget deficit for the upcoming fiscal year may need to exceed this year's target of 3.3% of GDP, the government said in an economic survey. India should rationalize food subsidies, push exports and adopt counter-cyclical fiscal policy to boost sluggish demand, Krishnamurthy Subramanian, Chief Economic Adviser to the Finance Ministry, said in the report. However, he warned that expanding fiscal deficit targets would pose a risk of "crowding out private investments" and slower growth in consumer demand amid continued global trade tensions. The government estimates GDP will grow 5% this fiscal year, which ends on March 31. That would be the slowest growth since the global financial crisis of 2008-09. (Reuters)

Regional

- **Reuters survey: OPEC January oil output plunges on new cuts, Libyan unrest –** OPEC oil output plunged in January to a multi-year low as top exporter Saudi Arabia and other Gulf members over delivered on a new production-limiting accord and Libyan supply dropped due to a blockade of ports and oilfields, a Reuters survey found. On average, the 13-member OPEC pumped 28.35mn barrels per day (bpd) this month, according to the survey. That is down 640,000 bpd from December's revised figure. Despite the drop in supply, crude prices have slipped to below $60 a barrel on concern that the corona-virus outbreak could cut China's oil demand. This has prompted OPEC and its allies to discuss holding an early meeting and taking further steps to support the market. OPEC, Russia and other allies, known as OPEC+, agreed to deepen an existing supply cut by 500,000 bpd from January 1 2020. OPEC's share of the new reduction is about 1.17mn bpd, to be made by 10 members, all except Iran, Libya and Venezuela. (Zawya)
- **Russia ready to hasten OPEC+ meeting to Feb on corona-virus –** Russia is ready to bring forward a meeting of OPEC and its allies to February from March to address a possible hit to global oil demand from corona-virus, Russia's Energy Minister, Alexander Novak said on Friday. Novak said he was in discussions with OPEC leader Saudi Arabia and added that the oil-producing nations would need several more days to assess the impact and decide on the date of the meeting. A corona-virus outbreak in China could cut oil demand by more than 250,000 barrels per day (bpd) in the first quarter of this year and drag on oil prices already beleaguered by oversupply, analysts and traders said. (Reuters)
- **CMA approves Saudi Fisheries capital hike –** The Capital Market Authority (CMA) has announced its resolution approving Saudi Fisheries Company's request to increase its capital by way of rights issue valued at SR298.9mn. The increase will be limited to the shareholders who are registered in the shareholders registry at the Security Depository Center as of the closing of the second trading day after the extraordinary general assembly meeting, which will be determined by the company's board of directors at a later date. The offering price and the number of shares offered for subscription will be determined by the company after market closing of the same day in which the extraordinary general assembly meeting is to be held. After reviewing the company's application in light of the governing regulatory requirements, and the quantitative and qualitative criteria applicable to all companies requesting a capital increase, the CMA has issued its resolution approving Saudi Fisheries Company's capital increase request highlighted

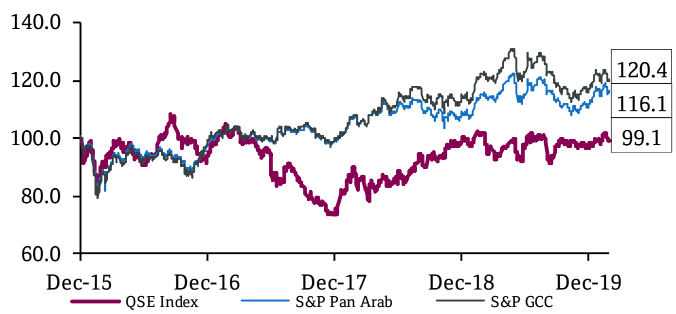
above. The rights issue prospectus will be posted and made available to the public at a later time. (Tadawul)

- **Maaden's board proposes non-distribution of dividends for 2019 –** Saudi Arabian Mining Company's (Maaden) board has recommended non-distribution of cash dividends for the full year 2019. The board justified its proposal on the ground that it will allow the company to continue the completion of building and financing its ongoing projects. (Tadawul)
- **SAMA launches licenses for non-bank financial institutions –** The Saudi Arabian Monetary Authority (SAMA) issued licenses for non-bank financial institutions in the Kingdom for the first time on Thursday, licensing an electronic wallet company and a payment services company. The move to license financial technology companies was aimed at opening financial services to non-banking actors and supporting development of the national economy, SAMA stated. The companies licensed were Saudi Digital Payments Company (STCPay) as an Electronic Wallet Company, and GEIDEA Technology Company as a payment services company. (Zawya)
- **Saudi bank lending jumps on mortgages, Saudi Aramco IPO boosts money supply –** Annual growth in Saudi Arabian bank lending to the private sector rose at its highest pace in years in December, boosted by mortgages, while the proceeds of Saudi Aramco's initial public offering lifted money supply, official data showed. The world's biggest oil exporter is aiming to boost the private sector and diversify its revenues, but will likely see its growth curbed this year because of sliding oil prices and crude output cuts agreed with OPEC allies. Bank lending to the private sector grew 7% YoY in December, the central bank said this week, the highest annual growth rate since October 2016. Annual growth in M3 money supply, the broadest money supply measure, jumped 7.1% YoY - the highest in over four years - with some analysts saying the spike was partly due to proceeds coming from the IPO of state oil giant Saudi Aramco. Saudi Aramco initially raised $25.6bn, which was itself a record level, in its December IPO by selling three billion shares at SR32 a share, and sold additional shares this month raising the size of its IPO to a record $29.4bn. Private credit growth, partly due to lower interest rates, was boosted by a spike in mortgage lending, with residential new mortgages for individuals provided by banks amounting to SR9.3bn in December - their highest level last year and almost three times their total amount in December 2018. (Reuters)
- **Saudi Aramco sets February propane price at $505 a ton –** Saudi Aramco has set the February propane price at $505 a ton, down from $565 in January, the company said on Thursday. The price provides a benchmark against which Middle East sales of liquefied petroleum gas (LPG) to Asia are priced. Saudi Aramco has set its February butane price at $545 a ton, down from $590 in the previous month. (Zawya)
- **China oil imports from top supplier Saudi Arabia rise 47% in 2019 –** China's crude oil imports from top supplier Saudi Arabia rose nearly 47% in 2019, with December shipments from the Kingdom flat to a year earlier, customs data showed on Friday. The big annual boost in Saudi shipments followed a new marketing strategy by state-run Saudi Aramco, which signed at least two new supply pacts with private refiners in China that came into the market from late 2018. Previously, Saudi Aramco had only dealt with China's state refiners in long-term contracts. Shipments to China in 2019 from the world's top oil exporter totaled a record 83.32mn tons, or 1.67mn barrels per day (bpd), according to data from General Administration of Customs. December shipments came in at 6.99mn tons. (Zawya)
- **Islamic Development Bank invites banks to arrange Sukuk sale –** Islamic Development Bank asked banks to help arrange the sale of about $1bn in Islamic bonds, according to sources. The Jeddah, Saudi Arabia-based institution could sell the five-year securities as soon as the first half, sources said. Islamic Development Bank regularly sells bonds and raised $1.1bn when it sold green Sukuk in November. It has the highest investment grade rating from both S&P Global and Moody's Investors Service. (Bloomberg)
- **Ajman non-oil GDP growth reaches 3.6% in 2018 –** The non-oil GDP in Ajman achieved a 3.6% growth in 2018, reported Emirates news agency Wam, citing the emirate's annual economic report 2019 issued by the Department of Economic Development. The report showed that the average annual growth for the 2014-2018 period was some 3.8%, a clear indication of the strength of the local economy and its ability to grow across various economic sectors. The manufacturing sector contributed 39.1% of the GDP growth, while the construction sector contributed 14.3%, the wholesale and retail trade sector 7.2% and the tourism sector 4.6%. (Zawya)
- **Sharjah and Ajman showcase competitive prices across properties for rent and sale –** Despite the stiff competition from the bigger emirates of Dubai and Abu Dhabi, both Sharjah and Ajman have remained strong contenders for affordable, family-friendly living in the UAE as per Bayut's end of year market report for 2019. Transactions have also gone up in these cities thanks to the attractive prices and innovative resolutions passed by the governments in both cities. According to the Sharjah Real Estate Registration Department, 61,357 transactions were recorded in 2019, an increase of 13.4% compared to the property transactions in 2018. Sharjah based real estate developer Arada also reported a 33% increase in sales in 2019, showing a growing interest in the primary segment of Sharjah's real estate market. Ajman and Sharjah have benefitted from the increased attention thanks to the new long-term visa rules, which gives real estate investors the added bonus of longer residency permits. (Zawya)
- **Abu Dhabi Islamic Bank extends $87mn financing for two deals in UK –** Abu Dhabi Islamic Bank has provided $87mn to help finance two deals in the UK that are valued more than $200mn. The bank stated that it had provided a Shari'ah-compliant structured financing to a client in Abu Dhabi to refinance a prime central London healthcare facility worth $245mn, as well as to a Bahrain-based company to acquire a logistics hub in Edinburgh worth $15mn. The London property is operated by an international healthcare group, the bank said in a statement, without disclosing the name of the group. The Edinburgh property, let to Royal Mail, consists of an office facility and a distribution warehouse situated in Scotland. (Zawya)
- **First Abu Dhabi Bank to hire UBS for Egypt acquisition –** First Abu Dhabi Bank hired UBS Group AG to advise on talks to acquire the Egyptian subsidiary of Lebanon's Bank Audi SAL,

according to sources. Bank Audi-Egypt is working with investment bank EFG-Hermes Holding on the discussions. The two parties are seeking to reach an agreement in the coming weeks, the sources said, though no final agreements have been reached and talks could still falter. (Bloomberg)

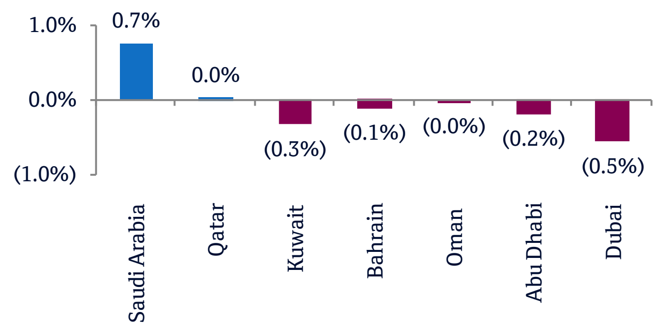
- **Kuwait plans to lay off 25,000 expatriates, replace them with citizens –** Chairman of Kuwait's parliamentary manpower committee MP Khalil Al-Saleh has spoken about a plan to lay off 25,000 expats and replace them with citizens, according to local media reports. Al-Saleh did not provide details of the plan but mentioned job vacancies for Kuwaitis in the banking sector and plans about employing children of Kuwaiti women. The parliamentary manpower committee has discussed various proposals to be included in a single report on employing children of Kuwaiti women. "There is a plan to set a timeline to prioritize appointing Kuwaiti women's children in various state bodies," Kuwait Times quoted Al-Saleh as saying. "We are in real trouble in view of the increasing number of unemployed graduates and the lack of clear policies to enroll them in the labor market," he told the newspaper. Kuwait's private sector is heavily dependent on expatriates, who make up more than 90% of the workforce. Though lawmakers have been pressurizing the government to create more jobs for nationals in the private sector, efforts in this regard had failed to enthuse citizens to leave generally more rewarding and less demanding public sector employment. (Zawya)
- **Al Salam Bank - Bahrain buys 60,000 treasury shares on the Dubai Financial Market –** Al Salam Bank - Bahrain announced that on January 29, 2020, it bought 60,000 treasury shares on the Dubai Financial Market, increasing the total holding of treasury shares from 74,590,000 to 74,650,00 i.e. 3.369% of issued share capital. (Bahrain Bourse)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,589.16	0.9	1.1	4.7
Silver/Ounce	18.04	1.1	(0.3)	1.1
Crude Oil (Brent)/Barrel (FM Future)	58.16	(0.2)	(4.2)	(11.9)
Crude Oil (WTI)/Barrel (FM Future)	51.56	(1.1)	(4.9)	(15.6)
Natural Gas (Henry Hub)/MMBtu	1.91	(1.5)	(0.5)	(8.6)
LPG Propane (Arab Gulf)/Ton	42.00	1.2	5.7	1.8
LPG Butane (Arab Gulf)/Ton	74.75	(5.7)	(2.6)	12.6
Euro	1.11	0.6	0.6	(1.1)
Yen	108.35	(0.6)	(0.9)	(0.2)
GBP	1.32	0.9	1.0	(0.4)
CHF	1.04	0.6	0.8	0.5
AUD	0.67	(0.4)	(2.0)	(4.7)
USD Index	97.39	(0.5)	(0.5)	1.0
RUB	63.92	1.0	3.0	3.1
BRL	0.23	(0.9)	(2.3)	(6.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,342.41	(1.2)	(2.2)	(0.7)
DJ Industrial	28,256.03	(2.1)	(2.5)	(1.0)
S&P 500	3,225.52	(1.8)	(2.1)	(0.2)
NASDAQ 100	9,150.94	(1.6)	(1.8)	2.0
STOXX 600	410.71	(0.7)	(2.6)	(2.5)
DAX	12,981.97	(0.9)	(3.9)	(3.1)
FTSE 100	7,286.01	(0.5)	(3.1)	(3.9)
CAC 40	5,806.34	(0.7)	(3.1)	(4.1)
Nikkei	23,205.18	1.2	(1.8)	(1.5)
MSCI EM	1,062.34	(1.0)	(5.1)	(4.7)
SHANGHAI SE Composite#	2,976.53	0.0	0.0	(1.6)
HANG SENG	26,312.63	(0.5)	(5.8)	(6.4)
BSE SENSEX	40,723.49	(0.4)	(2.5)	(1.8)
Bovespa	113,760.60	(1.9)	(6.1)	(7.7)
RTS	1,517.07	(1.8)	(5.2)	(2.1)

Source: Bloomberg (*$ adjusted returns; #Market was closed on January 31, 2020)

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