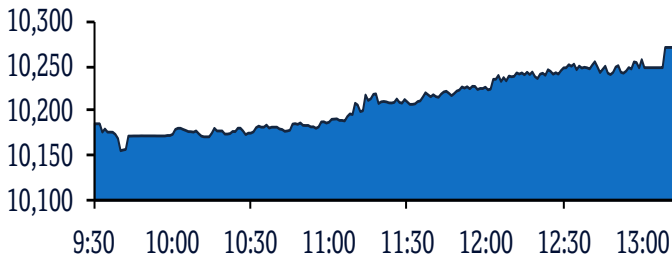


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.8% to close at 10,272.1. Gains were led by the Telecoms and Real Estate indices, gaining 2.2% and 1.2%, respectively. Top gainers were Aamal Company and Qatar Oman Investment Company, rising 3.8% and 3.3%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 2.9%, while Qatar Industrial Manufacturing Company was down 2.0%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.2% to close at 7,871.2. Losses were led by the Food & Beverages and Utilities indices, falling 2.0% and 1.0%, respectively. Baazeem Trading Co. declined 10.0%, while Raydan Food Co. was down 7.4%.

**Dubai:** The DFM Index gained 0.6% to close at 2,695.6. The Consumer Staples and Discretionary and Banks indices rose 1.6% each. International Financial Advisors rose 11.1%, while Ektitab Holding Company was up 2.9%.

**Abu Dhabi:** The ADX General Index gained 0.3% to close at 5,048.0. The Consumer Staples index rose 4.0%, while the Investment & Financial Services gained 2.2%. Abu Dhabi National Takaful Co. rose 11.7%, while Intl Holdings Co. was up 5.5%.

**Kuwait:** The Kuwait All Share Index gained 0.3% to close at 6,024.8. The Oil & Gas index rose 8.7%, while the Consumer Goods index gained 2.5%. The Energy House Holding Co. rose 56.3%, while Al-Deera Holding Co. was up 19.9%.

**Oman:** The MSM 30 Index fell 0.4% to close at 4,040.4. Losses were led by the Financial and Services indices, falling 0.5% and 0.3%, respectively. Oman and Emirates Inv. Holding fell 2.9%, while Al Madina Takaful was down 2.4%.

**Bahrain:** The BHB Index gained 0.2% to close at 1,544.1. The Commercial Banks index rose 0.4%, while the Investment index gained marginally. Ahli United Bank rose 0.8%, while Al Baraka Banking Group was up 0.7%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.79	3.8	19,292.3	(11.2)
Qatar Oman Investment Company	0.60	3.3	4,325.5	11.4
Ooredoo	7.14	2.9	2,130.6	(4.8)
Salam International Inv. Ltd.	0.45	2.7	5,525.1	3.9
Qatar Navigation	6.23	2.5	1,009.4	(5.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.79	3.8	19,292.3	(11.2)
Ezdan Holding Group	0.63	0.6	13,078.7	(51.5)
QNB Group	19.58	0.7	7,330.4	0.4
Masraf Al Rayan	3.87	0.5	5,906.9	(7.1)
Salam International Inv. Ltd.	0.45	2.7	5,525.1	3.9

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,272.11	0.8	1.2	1.2	(0.3)	102.43	156,194.7	14.9	1.5	4.1
Dubai	2,695.62	0.6	0.6	0.6	6.6	83.85	99,727.3	10.7	1.0	4.3
Abu Dhabi	5,047.97	0.3	0.3	0.3	2.7	82.51	140,283.8	15.5	1.4	4.9
Saudi Arabia	7,871.20	(0.2)	0.2	0.2	0.6	612.00	491,430.9	20.3	1.7	3.8
Kuwait	6,024.75	0.3	1.6	1.6	18.6	100.61	112,736.0	15.0	1.4	3.5
Oman	4,040.36	(0.4)	(0.6)	(0.6)	(6.6)	25.81	17,336.0	7.6	0.7	7.4
Bahrain	1,544.12	0.2	1.1	1.1	15.5	13.60	24,106.4	12.5	1.0	5.0

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

Market Indicators	04 Dec 19	03 Dec 19	%Chg.
Value Traded (QR mn)	375.2	189.1	98.4
Exch. Market Cap. (QR mn)	568,601.1	564,090.7	0.8
Volume (mn)	102.0	57.9	76.2
Number of Transactions	8,090	6,316	28.1
Companies Traded	43	43	0.0
Market Breadth	30:8	14:22	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,901.55	0.8	1.2	4.2	14.9
All Share Index	3,036.88	0.8	1.2	(1.4)	15.0
Banks	4,055.15	0.8	1.3	5.8	13.6
Industrials	2,960.20	0.7	1.3	(7.9)	20.3
Transportation	2,628.99	0.4	0.0	27.6	14.1
Real Estate	1,520.94	1.2	1.7	(30.5)	11.4
Insurance	2,686.07	(0.2)	(0.9)	(10.7)	15.4
Telecoms	906.19	2.2	2.0	(8.3)	15.4
Consumer	8,666.14	1.1	1.8	28.3	19.2
Al Rayan Islamic Index	3,935.29	0.8	1.1	1.3	16.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ooredoo	Qatar	7.14	2.9	2,130.6	(4.8)
Emirates NBD	Dubai	12.00	2.6	7,650.4	40.4
Samba Financial Group	Saudi Arabia	29.75	2.2	964.1	(5.3)
Arab National Bank	Saudi Arabia	26.95	2.1	911.5	26.7
Qatar Int. Islamic Bank	Qatar	9.64	1.6	3,198.0	45.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Savola Group	Saudi Arabia	30.85	(3.4)	691.1	15.1
National Shipping Co.	Saudi Arabia	31.80	(3.0)	880.8	(4.8)
Saudi British Bank	Saudi Arabia	33.10	(2.6)	1,192.3	1.4
Almarai Co.	Saudi Arabia	48.20	(2.3)	360.3	0.4
Ahli Bank	Oman	0.13	(2.3)	50.0	(8.7)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	0.58	(2.9)	1,809.1	1.8
Qatar Industrial Manufacturing	3.36	(2.0)	54.0	(21.3)
Qatar General Ins. & Reins. Co.	2.53	(1.9)	242.9	(43.6)
Mannai Corporation	3.07	(1.6)	282.3	(44.1)
Doha Insurance Group	1.06	(0.9)	31.4	(19.0)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.58	0.7	143,078.6	0.4
Qatar International Islamic Bank	9.64	1.6	30,472.7	45.8
Masraf Al Rayan	3.87	0.5	22,905.6	(7.1)
The Commercial Bank	4.43	0.7	22,761.2	12.5
Industries Qatar	10.35	1.1	17,185.8	(22.5)

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 0.8% to close at 10,272.1. The Telecoms and Real Estate indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Aamal Company and Qatar Oman Investment Company were the top gainers, rising 3.8% and 3.3%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 2.9%, while Qatar Industrial Manufacturing Company was down 2.0%.
- Volume of shares traded on Wednesday rose by 76.2% to 102.0mn from 57.9mn on Tuesday. Further, as compared to the 30-day moving average of 69.4mn, volume for the day was 47.0% higher. Aamal Company and Ezdan Holding Group were the most active stocks, contributing 18.9% and 12.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	13.52%	33.09%	(73,427,038.66)
Qatari Institutions	20.74%	13.85%	25,836,149.93
<b>Qatari</b>	<b>34.26%</b>	<b>46.94%</b>	<b>(47,590,888.73)</b>
GCC Individuals	0.72%	0.38%	1,287,280.70
GCC Institutions	2.03%	4.58%	(9,549,310.25)
<b>GCC</b>	<b>2.75%</b>	<b>4.96%</b>	<b>(8,262,029.55)</b>
Non-Qatari Individuals	4.84%	5.91%	(4,012,670.04)
Non-Qatari Institutions	58.15%	42.19%	59,865,588.33
<b>Non-Qatari</b>	<b>62.99%</b>	<b>48.10%</b>	<b>55,852,918.29</b>

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

## Ratings and Global Economic Data

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Arabian Centres Company	Fitch	Saudi Arabia	LT-IDR	-	BB+	-	Stable	-

Source: News reports, Bloomberg (\* LT – Long Term, IDR – Issuer Default Rating)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/04	US	Mortgage Bankers Association	MBA Mortgage Applications	29-Nov	-9.20%	-	1.50%
12/04	US	Automatic Data Processing, Inc	ADP Employment Change	Nov	67k	135k	121k
12/04	US	Markit	Markit US Services PMI	Nov	51.6	51.6	51.6
12/04	US	Markit	Markit US Composite PMI	Nov	52.0	-	51.9
12/04	US	Institute for Supply Management	ISM Non-Manufacturing Index	Nov	53.9	54.5	54.7
12/04	UK	Markit	Markit/CIPS UK Services PMI	Nov	49.3	48.6	48.6
12/04	UK	Markit	Markit/CIPS UK Composite PMI	Nov	49.3	48.5	48.5
12/04	UK	HM Treasury	Official Reserves Changes	Nov	\$49mn	-	\$2,212mn
12/04	EU	Markit	Markit Eurozone Services PMI	Nov	51.9	51.5	51.5
12/04	EU	Markit	Markit Eurozone Composite PMI	Nov	50.6	50.3	50.3
12/04	Germany	Markit	Markit Germany Services PMI	Nov	51.7	51.3	51.3
12/04	Germany	Markit	Markit/BME Germany Composite PMI	Nov	49.4	49.2	49.2
12/04	France	Markit	Markit France Services PMI	Nov	52.2	52.9	52.9
12/04	France	Markit	Markit France Composite PMI	Nov	52.1	52.7	52.7
12/04	Japan	Markit	Jibun Bank Japan PMI Services	Nov	50.3	-	50.4
12/04	Japan	Markit	Jibun Bank Japan PMI Composite	Nov	49.8	-	49.9
12/04	China	Markit	Caixin China PMI Composite	Nov	53.2	-	52.0
12/04	China	Markit	Caixin China PMI Services	Nov	53.5	51.2	51.1
12/04	India	Markit	Markit India PMI Services	Nov	52.7	-	49.2
12/04	India	Markit	Markit India PMI Composite	Nov	52.7	-	49.6

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

## News

### Qatar

- **QCSA amended the individual ownership limit of GISS to 2%** – Qatar Central Securities Depository (QCSA) has modified the individuals' ownership limit of Gulf International Services (GISS) to be 2% of the capital, which is equal to 37,168,174 shares. (QSE)
- **Achievement of financial close – RO expansion project** – Qatar Electricity & Water Company announced that Umm Al Houl Power (UHP) is delighted completed financial arrangement with internationally syndicated lenders to fund UHP's on-going project to increase desalinated water production capacity by reverse osmosis membrane technology (RO Expansion Project). Presently UHP is generating 2,520 MW of electricity and 136.5 MIGD of desalinated water. Upon completion of the RO Expansion Project adding 61.45 MIGD extra water output and raising water production capacity to 197.95 MIGD, UHP will produce approximately 25% of electricity and approximately 40% of water of Qatar's respective production capacity, and will be one of the largest power and desalinated water producers in the Middle East. Operation of the RO Expansion Project is planned to commence in April 2021 and will be continued until 2043 on a long term basis along with UHP's current production. As the reliable producer of living essential utility, electricity and water, UHP will continue to contribute to the State of Qatar. (QSE)
- **MPHC receives income tax exemption** – Mesaieed Petrochemical Holding Company (MPHC) announced that it has received income tax exemption from the Government. As per the exemption, effective from January 01, 2019, MPHC's shareholding in all of its Joint Ventures will be fully exempt from any income tax liability. In line with the historical tax exemption mechanism, it has also been approved that MPHC will be entitled to a tax refund of QR170mn pertaining to the financial year 2018. This will enhance MPHC's overall financial position and profitability, which would lead to improved shareholder value. (QSE)
- **QNB Group announces lead sponsorship for Euromoney Qatar** – QNB Group has announced its sponsorship as a senior lead sponsor of the Euromoney Qatar conference due to be held in Doha on 8-9 December. This year's edition of the conference brings together a number of experts and professionals who will share their valuable insights on key topics of concern in today's challenging economy. This conference aims to gather all economic sectors to discuss technological transformation and the adoption of digital-first business models and data-driven strategies as its growing exponentially. This sponsorship comes as part of the Group's commitment to contribute to the global financial growth and best financial practices, and to confirm its responsibility as a leader financial regional player locally and internationally. (Peninsula Qatar)
- **The Commercial Bank to host for first time author and futurist Brett King** – The Commercial Bank is hosting for the first time the author and futurist Brett King at the Euromoney Qatar conference, which will get underway in Doha from December 8 to 9. "We are pleased to host King, a world leader in digital strategy which is also a key plank of Qatar's economic growth and an important part of Commercial Bank's strategy," said the bank's group Chief Executive Joseph Abraham. The Euromoney conference is a major industry event in Qatar, bringing together leaders from around the world to discuss pressing global financial issues, especially relating to Qatar and its economy. The main focus of this year's conference will be on the future of Qatar, and on how the small but resourceful and capital-rich Qatari economy is transforming its already sizeable role in the global economy to meet the new demands of 21st century business and finance. (Gulf-Times.com)
- **PSA: Qatar's Producer Price Index drops 3.4% in October 2019** – The Producer Price Index (PPI) for October 2019 reached 59.5 points, a decrease by 3.1% compared with the previous month (September 2019), and a decrease of 22.4% compared with October 2018, data released by the Planning and Statistics Authority (PSA) showed. PPI covers goods relating to 'mining' (weight: 72.7%), 'manufacturing' (weight: 26.8%), and 'electricity & water' (weight: 0.5%). The PPI of October 2019 for mining sector showed a decrease by 3.8% when compared with PPI of September 2019, primarily due to the decrease of 'crude petroleum and natural gas' prices by 3.8%. The PPI of October 2019 when compared with its counterpart in previous year (October 2018), a decrease of 24.1% has been noted. A decrease of 2.1% has been recorded in 'manufacturing' in October 2019, compared with the previous month's manufacturing index (September 2019). The fall in prices was noticed in: 'basic metals' by 3.1%, 'refined petroleum products' 2.6%, 'rubber and plastics products' 1.1% and 'basic chemicals' by 0.9%. (Qatar Tribune)
- **Qatar's November financial center PMI rises 48.3 vs. 47.3 in October** – IHS Markit released Qatar's November financial center Purchasing Managers' Index (PMI) rose to 48.3 from 47.3 in October; year ago 47.5. (Bloomberg)
- **QDB to launch fintech accelerator program** – The Qatar Development Bank (QDB) yesterday announced it will launch a specialized fintech accelerator program next year as part of its new initiative in partnership with multinational professional services firm Ernst & Young (EY) and global fintech platform MEDICI, along with other national strategic partners in Qatar. Leading European venture capital fund for tech startups Speedinvest and San Francisco-based Alchemist Fintech Accelerator, were also announced as new QDB partners during the event. The fintech accelerator program will support the country's strategic initiatives in making Qatar a fintech hub for all local and international startups, said Ibrahim Mohammed Hassan, Executive Director of Investment at QDB, while addressing the 2nd Investment Forum 2019 which opened at the Mandarin Oriental Hotel in Msheireb Downtown Doha. (Peninsula Qatar)
- **Cabinet approves draft 2020 budget** – Abdullah bin Nasser bin Khalifa Al Thani chaired the Cabinet regular meeting held at its seat at the Amiri Diwan yesterday. Following the meeting, Minister of Justice and Acting Minister of State for Cabinet Affairs HE Dr. Issa bin Saad Al Jafali Al Nuaimi stated that the Cabinet reviewed topics on its meeting's agenda. The Cabinet approved the State's draft budget for the fiscal year 2020 and a draft law approving the budget, and referring the main sections of the draft budget and the draft law to the Shura Council. The

draft budget was prepared on the basis of providing the necessary allocations for the plans and projects of Qatar National Vision 2030 and the requirements of the Second National Development Strategy 2018- 2022 with its various economic, social, human and environmental pillars; providing funds for the completion of major projects and projects associated with the 2022 World Cup; allocating funds for the development of infrastructure in free, economic, industrial and logistic zones and for the development of lands for citizens; supporting business development initiatives to enhance the role of the private sector and its participation in various economic activities; supporting food security and small and medium-sized enterprises (SMEs). (Peninsula Qatar)

- **Eni is working with Nigeria and Qatar on new LNG supply** – Eni is working with Nigeria to get more LNG to the market and is in talks with Qatar to help with boosting efficiency at its North Field facility, Cristian Signoretto, chief gas and LNG marketing and power officer at Eni, said at the CWC LNG conference in Rome. (Bloomberg)
- **Qatar reviews experience in protection of labor rights in Bangkok** – Qatar’s Ministry of Administrative Development, Labor and Social Affairs and Qatar Chamber took part in a tripartite inter-regional consultative meeting held under the theme “Labor mobility between Asia and the Arab States: Sharing of experiences” in the capital Bangkok and concluded. A special session on Qatar’s legislation in the field of labor reviewed the laws and the distinguished procedures adopted by the State of Qatar to ensure the protection of workers, especially women. The participants in the various sessions praised the legislations and steps taken by the State of Qatar in the field of labor. The two-day meeting was attended by more than 100 delegates representing governments and international organizations and labor unions. (Peninsula Qatar)

#### **International**

- **US floats 'safe harbor' proposal in global taxation reform drive** – US Treasury Secretary Steven Mnuchin raised serious questions about Organization for Economic Cooperation and Development (OECD) international tax reform proposals in a letter made public Wednesday, jarring international officials by floating the idea of a safe harbor regime. Angel Gurria, president of the OECD, said the US proposal came out of nowhere after months of in-depth consultations and could set back efforts to meet previously agreed tight deadlines. The OECD is in the middle of the biggest rewrite of international tax rules dating from the 1920s that proposes giving governments more power to tax big multinationals doing business in their countries. Tax experts say the safe harbor proposal could allow US companies to opt-out of whatever gets agreed internationally. Many governments consider the existing rules to be woefully ill-adapted for the digital age, allowing internet giants like Google owner Alphabet Inc. and Facebook Inc. to book revenues in low-tax countries like Ireland regardless where the paying customer lives. (Reuters)
- **US services sector, private payrolls growth slow** – US services sector activity slowed in November as lingering concerns about trade tensions and worker shortages pushed production to its lowest level in a decade, which could heighten fears about the economy’s health. Other data on Wednesday showed private

employers hired the fewest workers in six months in November. The reports came on the heels of data on Monday showing manufacturing activity contracted for the fourth straight month in November and a decline in construction spending in October. The continued manufacturing slump and second straight monthly drop in construction outlays tempered growth expectations for the fourth quarter, which had been boosted by a rush of upbeat reports on the trade deficit, housing and business investment. Still, the economy appears to be growing at a moderate pace rather than stalling. The Institute for Supply Management (ISM) stated its non-manufacturing activity index fell to a reading of 53.9 last month from 54.7 in October. (Reuters)

- **Germany to end 2019 with big budget surplus that then shrinks** – Germany is on track to end 2019 with a big budget surplus, which will shrink sharply next year due to government plans to help families, Handelsblatt newspaper reported on Wednesday, citing a government document. This year’s public sector surplus from federal, state and local authority funds will dip to 39.5bn Euros from 45.3bn in 2018, according to the document to be presented to a federal and state government budget meeting on December 13. The surplus will shrink to 4.5bn Euros in 2020 and further thereafter, Handelsblatt reported, citing plans to partly abolish a “solidarity tax”, introduced after 1990 German reunification, and to ease the financial burden on families. The budget surplus is a subject of hot debate in Germany. (Reuters)
- **PMI: UK services sector hobbled by politics** – Britain’s services sector shrank in November to mark three months without growth for the main driver of the economy, a survey showed on Wednesday as uncertainty over Brexit and an imminent national election weighed. The IHS Markit/CIPS UK Services Purchasing Managers’ Index (PMI) fell in November to 49.3 from October’s 50.0. The reading was revised higher from a preliminary 48.6, but the index has still not exceeded the 50 threshold for growth since August - the longest such run since 2009. (Reuters)
- **Eurozone ministers seek bank deal amid Italy, Germany obstacles** – Eurozone Finance Ministers will seek broad agreement on Wednesday for a package of steps to make banks more stable, but Italy’s objections and the German Finance Minister’s weakened domestic position are likely to make a deal more difficult. Ministers from the 19 countries sharing the Euro were asked by their leaders in June to come up with a package of reforms by December 13 that included a Eurozone budget, changes to the ESM regional bailout fund, and a deposit guarantee scheme. They have reached a deal on the Eurozone budget and the ESM reform, but agreement on the European Deposit Insurance Scheme (EDIS) has proved elusive as several northern countries want to reduce the risk of bank failures across the bloc before jointly guaranteeing deposits. (Reuters)
- **PMI: Eurozone business growth near-stagnant, some hopeful signs** – Eurozone business activity stayed near stall speed last month, with manufacturing seemingly continuing to act as a drag on the bloc’s dominant services industry as well as the economy as a whole, a survey showed. Despite some optimistic signs in Wednesday’s survey, that picture is likely to disappoint policymakers at the European Central Bank who in September re-launched a 2.6tn Euro asset purchase program designed to

stimulate growth and inflation. IHS Markit's final Eurozone composite Purchasing Managers' Index (PMI), seen as a good gauge of economic health, held steady last month at October's 50.6. (Reuters)

- **China warns US over Uighur bill, raising doubts over early trade deal** – China warned on Wednesday that US legislation calling for a tougher response to Beijing's treatment of its Uighur Muslim minority will affect bilateral cooperation, clouding prospects for a near-term deal to end a trade war. Expectations of a quick deal had receded already, after US President Donald Trump said on Tuesday it might take until late 2020 to reach agreement. Approval by the US House of Representatives of the Uighur Act of 2019, which still requires passage by the Republican-controlled Senate before being sent to Trump, has angered Beijing and further strained an already testy relationship. Several sources familiar with Beijing's stance told Reuters the bill could jeopardize the so-called phase-one trade deal already fraught with disagreements and complications. With a new round of US tariffs on Chinese goods scheduled to take effect in less than two weeks, the possibility of another breakdown is growing. (Reuters)
- **China capex growth hits three-year low as weak economy, trade war drag** – Capital investment by Chinese firms has ground to its slowest pace in three years, as a weakening economy, tight credit and prolonged trade war with the United States dent sales growth and cash reserves, a Reuters analysis showed. Companies are also spending more days to turn inventory into sales and eking out smaller profit gains, the analysis showed, in an economy growing at its weakest pace in nearly three decades, with many analysts expecting the slowdown to intensify. The outlook became even more uncertain on Tuesday after US President Donald Trump said a trade deal with China might have to wait until after the US presidential election in November 2020. (Reuters)

### Regional

- **Fitch: sector outlook for GCC banks is 'Stable' in 2020** – Fitch Ratings' (Fitch) 2020 sector outlook for GCC banks is 'Stable', reflecting adequate economic growth. Credit growth will remain soft at 3%-5%, in line with 2019 levels in most countries. Fitch expects continued asset-quality pressures and for liquidity to remain strong and profitability metrics to remain sound. Fitch thinks capital buffers will remain adequate for the risks. Fitch has 'Stable' outlooks on 98% of its rated banks in the GCC. 'Stable' outlooks on all GCC sovereign ratings translate into 'Stable' outlooks on most banks' long-term ratings. Nevertheless, Bahrain, Oman and Saudi Arabia's break-even oil prices remain well above the current oil price and near-term oil price expectations, and are a threat to banking systems as these rely on government-led projects and on sovereign support in case of need. The Rating Watch 'Negative' on one rating relates to heightened uncertainty about the ultimate outcome of the Brexit process for its parent. Nearly 90% of the Issuer Default Ratings (IDRs) assigned by Fitch to banks in the GCC are investment grade. Potential sovereign support drives 70% of them, while 27% are driven by the banks' standalone creditworthiness. The large distribution of IDRs mostly reflects that of the sovereigns. (Fitch)
- **Fitch: sector outlook for GCC Islamic banks is 'Stable' in 2020** – Fitch Ratings' (Fitch) 2020 sector outlook for GCC Islamic banks is 'Stable', reflecting adequate economic growth. Financing growth will remain soft at about 5%, which is still above credit growth at conventional banks (3% to 5%). Fitch Ratings expects continued asset-quality pressures, strong liquidity and sound profitability metrics. Fitch expects capital buffers to remain adequate for the risks. Fitch has 'Stable' outlooks on all rated Islamic banks in the GCC. This predominantly reflects stable state ability to provide support to domestic Islamic banks. All Issuer Default Ratings (IDRs) assigned by Fitch to Islamic banks in the GCC are investment grade, 89% of which are driven by potential sovereign support and 11% by the banks' standalone creditworthiness. The distribution of IDRs mostly reflects that of the sovereigns. (Fitch)
- **OPEC gearing up for deeper oil cuts, Russia yet to agree** – OPEC is gearing up to deepen oil supply cuts later this week but still needs to strike an agreement with allies such as Russia on details of a deal to support prices and prevent a glut next year. The OPEC meets today in Vienna followed by a meeting with Russia and others, a grouping known as OPEC+, on Friday. OPEC+ has curbed supply since 2017 to counter booming output from the United States, which has become the world's biggest producer. Next year, rising production in other non-OPEC countries such as Brazil and Norway threaten to add to the glut. (Reuters)
- **OPEC+ sends mixed signals about deeper oil-output cuts** – OPEC and its allies (OPEC+) sent mixed signals about whether they were considering deeper production cuts, fanning oil-market speculation before crucial talks in Vienna this week. Iraq, which has the worst record among major producers of implementing the group's current supply deal, pushed for steeper cutbacks. Iraq's Oil Minister, Thamir Ghadhban said that the group should remove another 400,000 barrels a day from the market, taking the total reduction to 1.6mn. Upon arrival in the Austrian capital late, he told reporters that he believed Saudi Arabia also supported the move. Iraq's Ghadhban discusses the possibility of 400,000 barrels per day cut. However, an earlier meeting of the group's Joint Technical Committee, which advises Ministers but does not make final decisions, did not discuss steeper cutbacks, said delegates. The group's main aim is to agree an extension of the existing deal beyond March, for which there is a consensus among the Gulf Arab members, Oman's Oil Minister Mohammed Al Rumhi said. (Bloomberg)
- **Linesight: GCC construction sector expected to begin recovery from 2020** – After a challenging period of subdued performance, the GCC region's construction sector is expected to begin a steady recovery from 2020 with Saudi Arabia leading the way, a senior executive of international construction consultancy firm said. "Long-term positive factors such as economic diversification, social reform, especially in Saudi Arabia, and general demographic demand, combined with renewed government ambition, will be the key drivers," Ciaran McCormack, Regional Director for Middle East at Linesight said. In terms of project opportunities, he said the focus is now on Saudi Arabia, which has vast infrastructure development plans. He added, "New forms of project procurement and finance such as public-private partnerships are gaining traction, and we are

also seeing the emergence of major new construction clients such as Public Investment Fund (PIF).” McCormack pointed out that Saudi Arabia currently holds the greatest potential for the construction sector within the GCC, with more than 5,000 capital projects worth well over \$1.6tn in the pre-execution stage. (Zawya)

- **Tadawul updates indices methodology; sets new rule for ‘Fast Entry’**– Saudi Arabia’s stock exchange, Tadawul, has updated its index methodology to develop and manage its equity indices in a more balanced way. The measures include 15% threshold to reduce the dominance of larger companies on the index performance so that weights of all index constituents remain under a set capping threshold, Tadawul announced. Tadawul’s CEO, Khalid Al Hussan, said, “The update to Tadawul’s indices methodology reflects our continuous efforts to further develop the Saudi capital market and ensure more balanced indices, which will accurately represent the movement of the market, enhance disclosures and transparency and minimize securities’ dominance within Tadawul Indices.” Any constituent whose index weight reaches or exceeds the threshold will be capped in accordance with the set limit. The exchange is also applying a new rule for ‘Fast Entry’, in which shares of significantly large IPOs are included in the Tadawul All Share Index at the close of their fifth trading day. Saudi Aramco is expected to price its IPO on December 5 and the company’s stock is expected to trade on the Saudi Exchange, Tadawul, several days later. (Zawya)
- **Saudi Aramco to mull pricing at top to become world’s biggest IPO** – Saudi Aramco is considering pricing its IPO at the top end of a marketed range, which would make it the world’s biggest-ever new listing, according to sources. The Gulf energy giant has discussed pricing its IPO shares at SR32 apiece, after marketing them at SR30 to SR32 each, according to sources. Many local fund managers placed orders at that level under the assumption strong domestic demand will lead the deal to price at the top, the people said, asking not to be identified because the information is private. Saudi Arabia is selling a 1.5% stake in the state oil producer through the offering. The deal would raise \$25.6bn if it prices at the top end, surpassing Chinese internet giant Alibaba Group Holding’s \$25bn US share sale in 2014 as the largest IPO of all time, according to data compiled by Bloomberg. (Bloomberg)
- **Saudi Arabia awarded contracts value at SR47.8bn in 3Q2019** – The value of awarded contracts reached SR47.8bn during 3Q2019 as the level of construction activities continue at an accelerated rate thus far in 2019. While the value of awarded contracts retracted during 3Q2019 compared to the previous quarter by SR17.4bn or 27%, the rate at which contracts have been awarded still resemble that of the construction boom prior to the downturn of the economy. Further bolstering this notion is the YoY growth of contract awards during 3Q2019 which jumped by 164% compared to 3Q2018. Moreover, the first three quarters of 2019 witnessed a dramatic increase of SR87.2bn or 117% compared to the same period in 2018. As noted in our previous 2Q2019 report, the value of awarded contracts thus far in 2019 has surpassed all that of 2018, further increasing during 3Q2019 by a total of SR60.9bn or 60%. The SR47.8bn in awarded contracts during 3Q2019 continued the trend seen

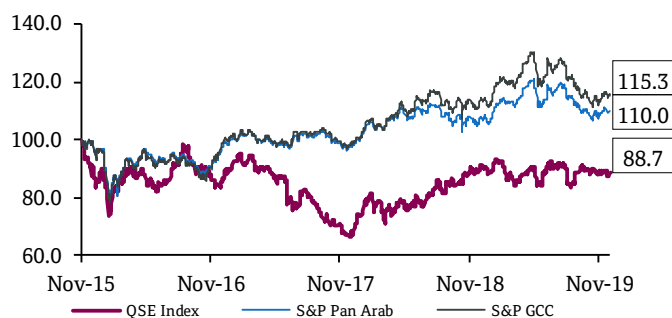
thus far in 2019 as the oil & gas sector led all other sectors followed by the real estate sector. (Zawya)

- **Saudi auto services firm raises SR190mn to invest in Saudi Aramco’s IPO** – Saudi Automotive Services Company stated it is raising SR190mn in debt to invest in the IPO of Saudi Aramco. Saudi Automotive Services Company stated the loan proceeds will help diversify its investments by subscribing to Saudi Aramco’s shares. (Zawya)
- **Fitch rates Arabian Centres Company and Sukuk at ‘BB+’** – Fitch Ratings (Fitch) has assigned Arabian Centres Company (ACC), a Saudi Arabia-based real estate company, a final Long-Term Issuer Default Rating (IDR) of ‘BB+’ with a ‘Stable’ Outlook, and final senior unsecured rating of ‘BB+’. At the same time, Fitch has assigned the Sukuk trust certificates issued through Arabian Centres Sukuk Limited (ACSL) a final rating of ‘BB+’, in line with ACC’s IDR. On November 26, 2019, ACC issued \$500mn, 5.375% Sukuk trust certificates due in 2024, which constitutes the company’s debut international Islamic bond. The final terms of the Sukuk are materially in line with Fitch’s base case assumptions. ACC is using the proceeds of the issuance, as well as \$1.2bn of new secured bank loans, to refinance debt, as well as for general corporate purposes. The ratings reflect a balance of ACC’s strong business position with asset concentration and positive, although uncertain, external factors. The senior unsecured rating reflects an adequate unencumbered asset pool. Although the trust certificates rank below secured creditors’ ring-fenced assets, Sukuk holders rank pari passu with all unsecured debt. Unencumbered assets constitute 62% of the investment portfolio value, which equates to a strong 4.1x unencumbered asset ratio. (Bloomberg)
- **UAE economy to grow by 2.3% in 2019** – The economy in the UAE is projected to grow by 2.3% in 2019, the country’s central bank stated on Wednesday, trimming its forecast from September when it stated the Arab world’s second-biggest economy would grow by 2.4%. The economy grew by 1.7% in 2018. The central bank stated the improved growth outlook for 2019 compared to last year is due to rising public and private spending at the federal and emirate levels, higher investment ahead of the Dubai Expo 2020 event and continued regional economic recovery. The UAE central bank also cited data from consultancy Reidin as showing a 6.9% drop in residential prices in Dubai in the third quarter from a year earlier, and an annual 8.2% drop in Abu Dhabi home prices during the same period. (Reuters)
- **CEO: Al-Futtaim Group to invest in Saudi Arabia, other emerging markets** – Dubai-based Al-Futtaim Group will spend SR2bn building cinemas in Saudi Arabia as part of a five-year SR16bn investment plan, according to Al-Futtaim Group’s CEO, Alain Bejjani. Al-Futtaim Group also plans to expand in Egypt, Uzbekistan and Uganda. The company began the Saudi expansion plan a year and a half ago. (Reuters)
- **Waha Capital sells remaining stake in AerCap Holdings** – Abu Dhabi-based investment company, Waha Capital, has divested its remaining stake in New-York listed AerCap Holdings for AED40mn. Waha Capital has been a shareholder in AerCap Holdings since 2010 and has reduced its stake gradually in recent years to relocate capital in diverse investments to

enhance shareholder value, Waha Capital stated in a statement. (Zawya)

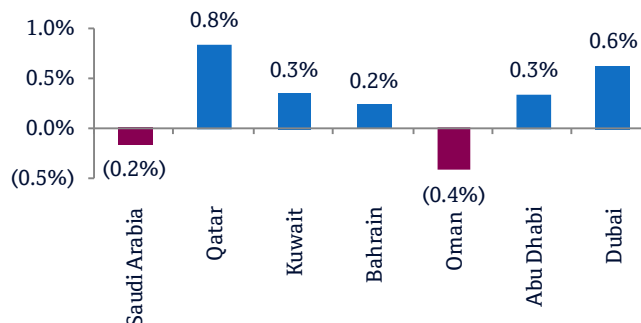
- **Kuwait's trade surplus declines 8% in eight months** – Kuwait's trade balance surplus declined by 8% YoY over the first eight months of 2019, according to official figures. Kuwait ran a total trade surplus of KD6.52bn in the eight-month period to August, compared with KD7.08bn in the same period the year before, Central Statistical Bureau (CSB) stated. This was ascribed to a 6.3% fall of Kuwait's exports, which totaled KD13.34bn over the reported period, versus KD14.23bn in the year-earlier period. Partially offsetting the drop of exports, imports fell by 4.6% YoY to KD6.82bn. The state-run statistics agency stated that Kuwait saw the biggest trade surplus in April at KD956.44mn, whereas the lowest trade surplus level was seen at KD700.19mn last July. (Zawya)
- **Kuwait's Oil Minister says \$60-\$70 is appropriate oil price** – An oil price of \$60-\$70 a barrel is an appropriate price for producers and consumers, Kuwait's Oil Minister, Khaled Al-Fadhel said on Wednesday in Vienna, according to state news agency KUNA. (Reuters)
- **Oil Minister: Oman Oil Company plans 20%-25% share sale in 2020** – State-owned Oman Oil Company expects to list 20% to 25% of the company in IPO by the end of next year, Oman's Oil Minister, Mohammed Al-Rumhi said on Wednesday. If the listing goes ahead, Oman Oil Company will become the second national oil company to be listed in the Gulf region after Saudi Aramco's planned IPO later this month. Al-Rumhi said financial advisers for the deal had already been assigned. He did not name any advisors. Oman plans to invest more than \$20bn in downstream operations in the next five years, he said. Al-Rumhi also said he hoped the production cuts agreement between OPEC and its allies would be extended. The listing plan comes as Oman seeks to raise cash from asset sales to contain a budget deficit due to lower oil prices. Oman posted a budget deficit of OMR1.545bn in January to September. (Zawya)
- **Oman to invest \$28bn in petrochemicals, refining over 5-7 Years** – Oman will invest \$28bn over the next five to seven years in petrochemicals and refining, Oil Minister Mohammed Al Rumhy said. The investments include the projects at Duqm refinery, which require \$16bn to \$18bn in investment. (Bloomberg)
- **Oil Minister: Oman recommends extending oil output cuts to end-2020** – Oman's Oil Minister, Mohammed Al-Rumhi said on Wednesday that his country's delegation at talks with leading oil producers in Vienna this week would recommend an extension of output cuts until the end of 2020. (Reuters)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,474.62	(0.2)	0.7	15.0
Silver/Ounce	16.86	(1.9)	(1.0)	8.8
Crude Oil (Brent)/Barrel (FM Future)	63.00	3.6	0.9	17.1
Crude Oil (WTI)/Barrel (FM Future)	58.43	4.2	5.9	28.7
Natural Gas (Henry Hub)/MMBtu	2.38	(1.7)	(3.3)	(25.3)
LPG Propane (Arab Gulf)/Ton	53.00	0.7	(4.1)	(17.2)
LPG Butane (Arab Gulf)/Ton	69.25	0.7	(2.8)	(0.4)
Euro	1.11	(0.0)	0.5	(3.4)
Yen	108.86	0.2	(0.6)	(0.8)
GBP	1.31	0.8	1.4	2.7
CHF	1.01	(0.2)	1.1	(0.7)
AUD	0.68	0.0	1.3	(2.8)
USD Index	97.65	(0.1)	(0.6)	1.5
RUB	63.94	(0.3)	(0.6)	(8.3)
BRL	0.24	(0.0)	0.7	(7.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,275.47	0.5	(0.7)	20.8
DJ Industrial	27,649.78	0.5	(1.4)	18.5
S&P 500	3,112.76	0.6	(0.9)	24.2
NASDAQ 100	8,566.67	0.5	(1.1)	29.1
STOXX 600	403.19	1.1	(0.5)	15.5
DAX	13,140.57	1.1	(0.2)	20.5
FTSE 100	7,188.50	1.1	(0.9)	9.7
CAC 40	5,799.68	1.2	(1.2)	18.6
Nikkei	23,135.23	(1.3)	(0.2)	17.2
MSCI EM	1,036.57	(0.1)	(0.3)	7.3
SHANGHAI SE Composite	2,878.12	(0.1)	(0.0)	12.6
HANG SENG	26,062.56	(1.2)	(1.1)	0.9
BSE SENSEX	40,850.29	0.8	0.5	10.4
Bovespa	110,300.90	1.4	2.9	15.9
RTS	1,430.03	1.1	(0.6)	33.8

Source: Bloomberg (\*\$ adjusted returns)

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