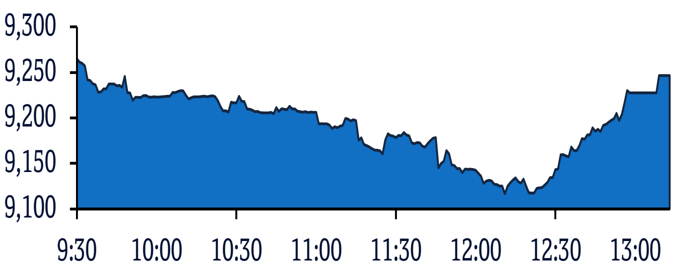
Daily Market Report

Thursday, 05 March 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.1% to close at 9,246.6. Losses were led by the Consumer Goods & Services and Industrials indices, falling 3.6% and 1.4%, respectively. Top losers were Salam International Investment Ltd and United Development Company, falling 9.9% and 6.9%, respectively. Among the top gainers, Dlala Brokerage & Investment Holding Co. gained 3.6%, while The Commercial Bank was up 3.2%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.4% to close at 7,524.5. Losses were led by the Banks and Transportation indices, falling 1.6% and 0.7%, respectively. National Co. for Learning and Education declined 5.7%, while Samba Fin. Group was down 4.1%.

Dubai: The DFM Index fell 2.2% to close at 2,479.4. The Transportation index declined 4.2%, while the Real Estate & Construction index fell 2.8%. Khaleeji Commercial Bank fell 9.8%, while Al Salam Group Holding was down 7.9%.

Abu Dhabi: The ADX General Index fell 2.8% to close at 4,669.7. The Banks index declined 4.1%, while the Real Estate index fell 2.0%. First Abu Dhabi Bank declined 5.0%, while Abu Dhabi Ship Building Co. was down 3.6%.

Kuwait: The Kuwait All Share Index fell 0.9% to close at 5,842.2. The Oil & Gas index declined 3.7%, while the Consumer Goods index fell 2.7%. Hayat Communications declined 13.9%, while Hilal Cement Co. was down 10.0%.

Oman: The MSM 30 Index gained 0.1% to close at 4,101.6. The Financial index gained 0.2%, while the other indices ended in red. Al Madina Investment Company rose 8.0%, while Renaissance Services was up 2.9%.

Bahrain: The BHB Index fell 0.5% to close at 1,629.5. The Commercial Banks index declined 0.8%, while the Industrial index fell 0.4%. Al Salam Bank – Bahrain declined 3.0%, while Bahrain Cinema Company was down 2.9%.

Market Indicators	04 Mar 20	03 Mar 20	%Chg.
Value Traded (QR mn)	253.5	286.9	(11.6)
Exch. Market Cap. (QR mn)	515,258.9	512,891.1	0.5
Volume (mn)	86.8	96.1	(9.7)
Number of Transactions	6,626	7,904	(16.2)
Companies Traded	45	46	(2.2)
Market Breadth	12:31	34:8	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,317.12	(0.1)	(2.0)	(9.7)	13.6
All Share Index	2,816.23	0.3	(1.6)	(9.1)	14.4
Banks	4,077.72	1.6	(0.3)	(3.4)	14.3
Industrials	2,344.03	(1.4)	(4.9)	(20.1)	17.1
Transportation	2,350.97	0.1	0.7	(8.0)	12.2
Real Estate	1,320.91	(0.0)	(0.3)	(15.6)	9.9
Insurance	2,339.83	(1.0)	(4.6)	(14.4)	14.2
Telecoms	811.87	(0.8)	0.6	(9.3)	14.0
Consumer	7,144.53	(3.6)	(5.2)	(17.4)	16.8
Al Rayan Islamic Index	3,419.22	(1.1)	(2.8)	(13.5)	14.6

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Etihad Etisalat Co.	Saudi Arabia	23.00	4.6	2,120.6	(8.0)
The Commercial Bank	Qatar	4.54	3.2	1,243.4	(3.4)
QNB Group	Qatar	18.80	2.8	1,653.5	(8.7)
Savola Group	Saudi Arabia	35.00	2.3	1,420.6	1.9
Mouwasat Med. Serv. Co.	Saudi Arabia	91.50	2.2	264.3	4.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Fuel Company	Qatar	17.74	(5.2)	3,656.1	(22.5)
First Abu Dhabi Bank	Abu Dhabi	13.34	(5.0)	2,381.5	(12.0)
Samba Financial Group	Saudi Arabia	25.75	(4.1)	3,673.2	(20.6)
Saudi British Bank	Saudi Arabia	26.20	(4.0)	2,504.4	(24.5)
Emaar Properties	Dubai	3.30	(3.8)	12,410.1	(17.9)

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%
Dlala Brokerage & Inv. Holding Co.	0.52	3.6	19.2	(14.6)
The Commercial Bank	4.54	3.2	1,243.4	(3.4)
Zad Holding Company	14.50	2.8	29.8	4.9
QNB Group	18.80	2.8	1,653.5	(8.7)
Barwa Real Estate Company	3.18	2.2	1,016.9	(10.2)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.34	(9.9)	14,669.5	(34.6)
Ezdan Holding Group	0.53	(1.9)	12,278.3	(14.5)
United Development Company	1.11	(6.9)	9,792.3	(26.8)
Qatar Insurance Company	2.51	(0.5)	4,992.6	(20.5)
Qatar Fuel Company	17.74	(5.2)	3,656.1	(22.5)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.34	(9.9)	14,669.5	(34.6)
United Development Company	1.11	(6.9)	9,792.3	(26.8)
Al Khaleej Takaful Insurance Co.	1.67	(6.6)	3,294.4	(16.5)
Qatar Fuel Company	17.74	(5.2)	3,656.1	(22.5)
Baladna	0.96	(3.7)	555.8	(3.8)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Fuel Company	17.74	(5.2)	63,485.5	(22.5)
QNB Group	18.80	2.8	30,458.5	(8.7)
Industries Qatar	7.86	(2.6)	28,390.9	(23.5)
Ooredoo	6.43	(0.8)	20,836.8	(9.2)
Qatar Islamic Bank	15.23	(0.5)	13,559.6	(0.7)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,246.55	(0.1)	(2.6)	(2.6)	(11.3)	69.23	140,562.6	13.6	1.3	4.3
Dubai	2,479.40	(2.2)	(4.3)	(4.3)	(10.3)	60.53	96,235.3	9.0	0.9	4.7
Abu Dhabi	4,669.66	(2.8)	(4.7)	(4.7)	(8.0)	37.21	134,074.3	13.8	1.3	5.3
Saudi Arabia	7,524.50	(0.4)	(1.4)	(1.4)	(10.3)	1,144.73	2,222,632.9	21.1	1.6	3.5
Kuwait	5,842.22	(0.9)	(3.8)	(3.8)	(7.0)	139.13	108,805.9	14.8	1.3	3.7
Oman	4,101.59	0.1	(0.7)	(0.7)	3.0	2.79	17,419.0	8.3	0.8	7.2
Bahrain	1,629.50	(0.5)	(1.9)	(1.9)	1.2	14.54	25,512.0	11.6	1.0	4.4

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 0.1% to close at 9,246.6. The Consumer Goods & Services and Industrials indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- Salam International Investment Limited and United Development Company were the top losers, falling 9.9% and 6.9%, respectively. Among the top gainers, Dlala Brokerage & Investment Holding Company gained 3.6%, while The Commercial Bank was up 3.2%.
- Volume of shares traded on Wednesday fell by 9.7% to 86.8mn from 96.1mn on Tuesday. Further, as compared to the 30-day moving average of 87.6mn, volume for the day was 0.9% lower. Salam International Investment Limited and Ezdan Holding Group were the most active stocks, contributing 16.9% and 14.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	31.28%	48.15%	(42,753,900.83)
Qatari Institutions	37.33%	20.58%	42,473,745.43
Qatari	**68.61%**	**68.73%**	**(280,155.39)**
GCC Individuals	1.47%	1.21%	658,134.71
GCC Institutions	0.24%	3.79%	(8,983,486.39)
GCC	**1.71%**	**5.00%**	**(8,325,351.68)**
Non-Qatari Individuals	11.30%	12.12%	(2,071,369.60)
Non-Qatari Institutions	18.37%	14.16%	10,676,876.67
Non-Qatari	**29.67%**	**26.28%**	**8,605,507.07**

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 Cement Co.*	Saudi Arabia	SR	1,441.6	28.8%	491.0	17.8%	451.4	12.7%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/04	US	Mortgage Bankers Association	MBA Mortgage Applications	28-Feb	15.1%	–	1.5%
03/04	US	Markit	Markit US Services PMI	Feb	49.4	49.4	49.4
03/04	US	Markit	Markit US Composite PMI	Feb	49.6	–	49.6
03/04	US	Institute for Supply Management	ISM Non-Manufacturing Index	Feb	57.3	54.8	55.5
03/04	UK	Markit	Markit/CIPS UK Services PMI	Feb	53.2	53.3	53.3
03/04	UK	Markit	Markit/CIPS UK Composite PMI	Feb	53	53.3	53.3
03/04	EU	Markit	Markit Eurozone Services PMI	Feb	52.6	52.8	52.8
03/04	EU	Markit	Markit Eurozone Composite PMI	Feb	51.6	51.6	51.6
03/04	EU	Eurostat	Retail Sales MoM	Jan	0.6%	0.6%	-1.1%
03/04	EU	Eurostat	Retail Sales YoY	Jan	1.7%	1.1%	1.7%
03/04	Germany	Markit	Markit Germany Services PMI	Feb	52.5	53.3	53.3
03/04	Germany	Markit	Markit/BME Germany Composite PMI	Feb	50.7	51.1	51.1
03/04	France	Markit	Markit France Services PMI	Feb	52.5	52.6	52.6
03/04	France	Markit	Markit France Composite PMI	Feb	52.0	51.9	51.9
03/04	Japan	Markit	Jibun Bank Japan PMI Services	Feb	46.8	–	46.7
03/04	Japan	Markit	Jibun Bank Japan PMI Composite	Feb	47	–	47
03/04	China	Markit	Caixin China PMI Composite	Feb	27.5	–	51.9
03/04	China	Markit	Caixin China PMI Services	Feb	26.5	48.0	51.8
03/04	India	Markit	Markit India PMI Composite	Feb	57.6	–	56.3
03/04	India	Markit	Markit India PMI Services	Feb	57.5	–	55.5

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
DBIS	Dlala Brokerage & Investment Holding Company	8-Mar-20	3	Due
QOIS	Qatar Oman Investment Company	8-Mar-20	3	Due
QFBQ	Qatar First Bank	10-Mar-20	5	Due
ZHCD	Zad Holding Company	11-Mar-20	6	Due
BRES	Barwa Real Estate Company	11-Mar-20	6	Due
QGMD	Qatari German Company for Medical Devices	11-Mar-20	6	Due

Source: QSE

News

Qatar

- **QCB lowers interest rates –** Qatar Central Bank (QCB) on Wednesday cut the deposit rate, lending rate and the repurchase rate (repo) by 50, 75 and 50 basis points respectively. The three rates are now 1.5%, 3.5% and 1.5%. In a statement on its official website the central bank cited domestic and international macroeconomic developments for the decision which follows the emergency rate cut of 50 basis points by the US Federal Reserve. The Fed stated in it decided to cut the rate in an effort to shield the US economy from the impact of the novel coronavirus. Most countries with currencies pegged to the US dollar hike and lower interest rates with the Fed. The Qatari Riyal has been pegged to the US dollar since 1980. (Gulf-Times.com)
- **QGRI posts net loss of QR468.0mn in FY2019 and will hold AGM on March 29 –** Qatar General Insurance & Reinsurance Company (QGRI) posted net loss of QR468.0mn compared to (restated) net loss amounting to QR169.2mn in FY2018. Loss per share amounted to QR0.535 for the year ended December 31, 2019 compared to (restated) loss per share QR0.193 last year. Net earned premium stood at QR142.7mn in FY2019 (QR131.6mn in FY2018) and net commission and other insurance income came in at QR58.7mn in FY2019 (QR55.0mn in FY2018). In FY2019, loss from discontinued operations stood at QR5.8mn versus profit from discontinued operations of QR1.6mn in FY2018. QGRI also announced that its Annual General Assembly Meeting (AGM) will be held on March 29, 2020. In case the required quorum is not met, a second meeting will be held on April 8, 2020. (QSE)
- **Ooredoo's AGM endorses items on its agenda and approves the distribution of 25% cash dividend –** Ooredoo held its Annual General Meeting (AGM), where shareholders discussed and approved the company's Corporate Governance Report and financial statements, following confirmation of final year results for 2019. During the meeting, shareholders approved the recommendation of the board of directors to distribute 25% cash dividend i.e., QR0.25 per share. With less than 1,000 days to go for the FIFA World Cup, Ooredoo Group is well placed to achieve its ambitious digital strategy, especially smart stadium solutions and services, as part of efforts to sustain its market leadership and generate long-term shareholder value. Moreover, this year, its domestic business intends to develop new digital channels as well as new remuneration models for its sales and distribution channels, the board informed the shareholders at the general assembly. Ooredoo Group's Chairman, HE Sheikh Abdulla bin Mohamed bin Saud Al Thani said, "The significance of data revenue now representing 50% of group revenue is a clear indication that our strategy of digitalization continues to be appropriate and effective. Our progress has enabled us to consolidate our position within the global telecommunications market, and we look forward to continuing this progress in 2020." On its digital strategy for 2020 and beyond, Ooredoo Group's CEO, Sheikh Saud bin Nasser Al Thani said the investments in the superior network quality across its footprint, supported by a clear a digital strategy, provides it with the technological leadership to thrive and grow. Ooredoo Qatar will continue to innovate by providing new ways for customers to find, buy and use its services online, and look to enable more businesses in Qatar to digitalize and grow for 2020 and beyond. Ooredoo Qatar's CEO, Waleed Al Sayed said that Ooredoo Qatar intends to capitalize on its leadership position as a pioneer of digitalization and 5G, and to leverage its experience, expertise and partnerships in order to continue growth, development and expansion going forward. (QSE, Gulf-Times.com, Peninsula Qatar)
- **Milaha to hold its AGM on March 22 –** Qatar Navigation's (Milaha) board of directors will hold the Ordinary General Assembly meeting (AGM) on March 22, 2020. If there is no quorum, the alternate date will be March 29, 2020. The agenda includes reviewing the board's recommendation for distributing cash dividends of QR0.30 per share, and approval of the same, among others. (Gulf-Times.com)
- **Qatar's February financial center PMI rises to 49.3 in February –** IHS Markit released Qatar's February 'Financial Center Purchasing Managers' Index' (PMI), which showed the Index rose to 49.3 in February 2020 from 48.7 in January 2020 and 48.5 February 2019. Output increased to 49.8 in February 2020 versus 48.3 in January 2020, highest reading since March 2019. The employment also rose in February 2020 versus January 2020. (Bloomberg)
- **Qatar tax authority issues directives on application of MAP rules under DTAs –** The Qatari General Tax Authority issued six directives on the application of mutual agreement procedures (MAP) under DTAs. The directives include: (i) The MAP general framework and eligible tax agreements, (ii) The time limits for MAP requests, (iii) The procedures for filing and initiating MAP requests, (iv) Information and accuracy requirements for submitting MAP requests, (v) The criteria for rejecting MAP request, and (vi) the implementation of a bilateral advance pricing agreement program. (Bloomberg)
- **Qatar Free Zones to host Google Cloud Region in Doha –** Google Cloud has signed its first strategic collaboration agreement in the Middle East with Qatar Free Zones Authority (QFZA) to launch a new cloud region in Doha. The region will be available for Google Cloud customers globally, QFZA announced. QFZA is closely collaborating with the Ministry of Transport and Communications (MoTC) to provide opportunities for cloud computing to businesses in Qatar and promote other digital initiatives through the TASMU program. (Gulf-Times.com)
- **Project Qatar 2020 postpones to September due to coronavirus –** IFP Qatar has announced its decision to postpone the upcoming Project Qatar 2020, which was originally set to take place from April 7 to 9, 2020 at the Doha Exhibition and Convention Center, to September of this year, taking precautionary measures to protect public health and safety following the recent global developments on the spread of Covid-19 in several countries. IFP Qatar remains committed to promoting the country's most lucrative sector and will continue to stay in touch to keep all concerned informed of the latest industry updates and developments in Qatar's construction sector. (Qatar Tribune)

International

- **IMF Chief says coronavirus erases hopes for stronger growth in 2020 –** The global spread of the novel coronavirus has crushed hopes for stronger growth this year and will hold 2020 global output gains to their slowest pace since the 2008-2009 financial crisis, International Monetary Fund's (IMF) Managing Director, Kristalina Georgieva said on Wednesday. The IMF now expects 2020 world growth to be below the 2.9% rate for 2019, and revised forecasts will be issued in the coming weeks, Georgieva told a news briefing. Trade wars pushed global growth last year to the lowest rate since a 0.7% contraction in 2009. The changed forecast would represent a more than 0.4-percentage-point drop from the 3.3% growth the IMF had estimated for 2020 in January as US-China trade tensions eased. "Global growth in 2020 will dip below last year's levels, but how far it will fall and how long the impact will be is still difficult to predict," Georgieva said. She declined to say whether the escalating health crisis could push the world into a recession. The IMF is making available $50bn in emergency funding to help poor and middle-income countries with weak health systems respond to the epidemic, Managing Director said after a call with the IMF's steering committee. (Reuters)

- **World Bank unveils $12bn aid package to combat coronavirus –** The World Bank has announced an initial $12bn in immediate funds to assist countries grappling with the health and economic impacts of the coronavirus outbreak that has spread quickly from China to some 80 countries. World Bank's President, David Malpass said there were still many unknowns about the fast-spreading virus and much more aid might be required, but he declined to elaborate. The announcement underscored escalating concern about the economic and human impact of the virus. The World Health Organization (WHO) has warned of a global shortage of protective equipment to fight the disease as well as price gouging as the death toll from the respiratory illness mounted. The US Federal Reserve cut interest rates in an emergency move to try to prevent a global recession, and finance officials from the G7 group of rich countries stated they were ready to adopt fiscal and monetary measures where appropriate. (Peninsula Qatar)
- **Data show US economy on solid footing as coronavirus fears mount –** The US services sector activity jumped to a one-year high in February, suggesting strength in the economy before a recent escalation of recession fears ignited by the coronavirus epidemic that prompted an emergency interest rate cut from the Federal Reserve. The economy's solid fundamentals were also underscored by other data on Wednesday showing private payrolls increased more than expected in February, in part as unseasonably mild weather bolstered hiring at construction sites and in the leisure and hospitality industry. A report from the Fed described the economy as growing at a modest to moderate rate over the past several weeks, but noted rising concerns over the coronavirus. The Institute for Supply Management (ISM) said its non-manufacturing activity index increased to a reading of 57.3 last month, the highest level since February 2019, from 55.5 in January. A reading above 50 indicates expansion in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecasted the index falling to a reading of 54.9 in February. The ISM stated services industries remained positive about business conditions and the overall economy, but also noted that most respondents are concerned about the coronavirus and its supply chain impact. Separately on Wednesday, the ADP National Employment Report showed private payrolls gained 183,000 jobs last month after rising by a downwardly revised 209,000 in January. Economists had forecasted private payrolls increasing 170,000 in February following the previously reported 291,000 surge in January. Labor market strength was reinforced by the ISM survey, which showed its measure of services industry employment increased to a reading of 55.6 in February from 53.1 in January. The ISM survey's measure of new orders for the services industry jumped to a reading of 63.1 in February from 56.2 in January. Order backlogs rebounded last month after contracting in January. Services industries also reported strong growth in export orders in February. (Reuters)
- **Mortgage applications increase in latest MBA weekly survey –** Mortgage applications increased 15.1% from one week earlier, according to data from the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey for the week ending February 28, 2020. The results for the week ending February 21, 2020, included an adjustment for the Presidents' Day holiday. The Market Composite Index, a measure of mortgage loan application volume, increased 15.1% on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index increased 29% compared with the previous week. The Refinance Index increased 26% from the previous week and was 224% higher than the same week one year ago. The seasonally adjusted Purchase Index decreased 3% from one week earlier. The unadjusted Purchase Index increased 11% compared with the previous week and was 10% higher than the same week one year ago. The refinance share of mortgage activity increased to 66.2% of total applications from 60.8% the previous week. (MBA)
- **US businesses show growing concern over impact of coronavirus, Fed survey shows –** There are signs the escalating coronavirus outbreak has begun to weigh on business sentiment in the US, a report by the Federal Reserve released on Wednesday showed, even as the US economy expanded at a modest to moderate pace over the past several weeks. The Fed uses the survey, compiled into a report known as the Beige Book, as ground-level intelligence on the economic outlook for the months ahead as business sentiment often front-runs changes in hard economic data. Districts reported their outlook for the near-term was mostly for modest economic growth, with the coronavirus and the upcoming US presidential election cited as potential risks. Overall, the virus has had little impact so far on US economic data, with consumers still spending and unemployment near a 50-year low. There were few signs yet of that abating, according to the Fed's report, which noted a pick-up in consumer spending and hiring constrained by a tight labor market. (Reuters)
- **UK February PMI points to best growth since September 2018 but coronavirus looms –** Britain's economy grew at its fastest rate since September 2018 last month, though manufacturers and the services industry increasingly felt the impact of the spreading coronavirus as the month went on, a business survey showed on Wednesday. The all-sector IHS Markit/CIPS UK Purchasing Managers' Index rose to 53.0 in February from 52.8 in January, as a jump in construction activity outweighed small losses in momentum in the larger services and manufacturing

sectors. The services PMI slipped to 53.2 from a flash estimate of 53.3 and a 16-month high of 53.9 in January, which reflected a post-election bounce in business sentiment that risks being undermined by the coronavirus. Taken at face value, the PMIs suggested Britain's economy is growing at a quarterly rate of just over 0.2%, faster than at the end of 2019, IHS Markit stated. (Reuters)

- **Eurozone's businesses stepped up pace in February but trouble brewing –** Eurozone's businesses largely withstood the impact of the coronavirus in February, growing at their fastest pace in six months, though a survey on Wednesday painted a gloomier outlook, with falling export demand and disruptions to supply chains. IHS Markit's Composite Purchasing Managers' Index for the Eurozone, the first key gauge of February's economic health published, nudged up to 51.6 from January's 51.3. That matched an earlier flash reading and was well clear of the 50-mark separating growth from contraction. A sub-index measuring new export business dropped to 47.5 from 49.2 and, as they have for a year, firms turned to completing backlogs of work to drive some activity. The PMI for the bloc's dominant service industry rose to 52.6 from 52.5 but was below an earlier flash reading of 52.8. Optimism among services firms waned last month and they increased headcount at a slower rate. The business expectations index dropped to 61.3 from January's 61.9. (Reuters)
- **Coronavirus likely to dampen Eurozone's growth in 2020, says EU executive –** Eurozone's growth is likely to be slower in 2020 than the 1.2% forecast only in mid-February because of the negative effects of the coronavirus, the European Commission stated in a preliminary assessment. The document, prepared for a teleconference of EU Finance Ministers, did not give a new growth forecast for the 19 countries sharing the euro, noting the many uncertainties. "As the epidemic is now spreading outside China, the impact on the global and EU economy could potentially be significant, and in any case more so than assumed in the Commission Winter forecast," the EU executive arm said. In its so-called winter forecast on February 13, the commission stated it expected Eurozone's growth at 1.2% this year and next, but stressed it was too early to estimate the effects of the epidemic. "Given the sluggish state of the global economy and many countries and sectors highly leveraged, the financial market reaction could exacerbate consequences for the real economy well beyond the direct impact of the epidemic," the note stated. The commission stated a more precise economic assessment depended on epidemiological facts, the severity and duration of containment measures, work days lost and other issues. (Reuters)
- **German retail sales up in January, coronavirus clouds outlook –** German retail sales recovered in January after plunging in December, data showed on Wednesday, suggesting that consumers helped prop up growth in Europe's largest economy before the outbreak of the coronavirus. Retail sales rose 0.9% on the month in real terms after an upwardly revised drop of 2.0% in December, data from the Federal Statistics Office showed. A Reuters poll of analysts has forecast a 1.0% increase. On the year, retail sales rose by 1.8% in real terms after an upwardly revised rise of 1.7% in December, the data showed. The figures suggest that household spending had been holding up in Germany at the start of the year. However that was before the coronavirus outbreak. (Reuters)
- **India's services growth at over seven-year high on strong export demand –** Growth in India's dominant service sector accelerated at a pace not seen in over seven years last month, boosted by a recovery in foreign demand and solid business confidence, a private survey showed on Wednesday. The Nikkei/IHS Markit Services Purchasing Managers' Index climbed to 57.5 in February from January's 55.5. It was the highest reading since January 2013 and comfortably above the 50-mark separating growth from contraction for a fourth month. However, the composite PMI, which includes manufacturing and services, rose to 57.6 in February from January's 56.3, its highest in eight years. Service providers remained optimistic about growth in the year ahead and the expectations index strengthened to a six month high. (Reuters)

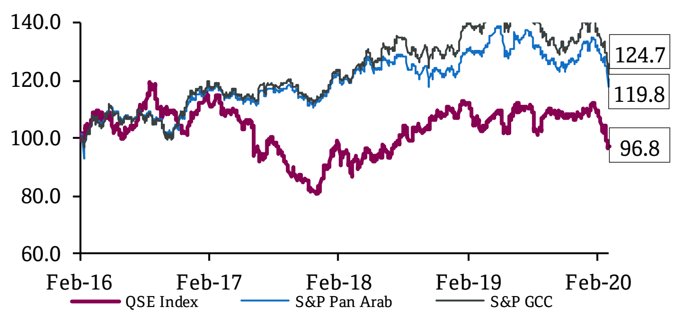
Regional

- **OPEC+ panel gets no Russian agreement for deeper oil cuts –** A panel of several ministers from OPEC, Russia and other producers failed on Wednesday to clinch an agreement about whether to make additional oil output cuts to prop up tumbling crude prices, an OPEC source said. The source said Russia, which has been resisting additional cuts that are backed by Saudi Arabia and others, proposed keeping existing cuts by the group known as OPEC+ until the end of the second quarter, while some OPEC producers wanted extra cuts of 1mn to 1.5mn bpd. Russian Energy Minister, Alexander Novak, who had held talks with his Saudi Arabian counterpart earlier on Wednesday, left the meeting of the oil panel, known as the Joint Ministerial Monitoring Committee (JMMC), after more than three hours of talks. Russia has opposed Saudi Arabia's plan to deepen OPEC+ cuts by 1.2mn bpd, a Wall Street Journal (WSJ) reporter said, citing sources. Russia had so far said that it might be willing to extend existing cuts, which expire in March, however, might find it difficult to sign up for deeper cuts. (Reuters)
- **IATA: Middle Eastern airlines' cargo volumes decrease 1.4% YoY in January –** Middle Eastern airlines' cargo volumes decreased 1.4% in January compared to the same period in 2019, IATA's latest data has showed. Capacity increased by 2.9%, it stated. Against a backdrop of operational and geopolitical challenges facing some of the region's key airlines, seasonally adjusted freight volumes ticked down in January, but a modest upwards trend has been sustained. However, given the Middle East's position connecting trade between China and the rest of the world, the region's carriers have significant exposure to the impact of coronavirus (Covid-19) in the period ahead. IATA's data for global air freight markets showed that demand, measured in cargo ton kilometers (CTKs), decreased by 3.3% in January, compared to the same period in 2019. Cargo capacity, measured in available cargo ton kilometers (ACTKs), rose by 0.9% YoY in January 2020. Capacity growth has now outstripped demand growth for 21 consecutive months. (Gulf-Times.com)
- **Saudi Arabia plans SR23bn surge in mortgage refinancing –** Saudi Arabia's first mortgage refinancing firm aims to raise its holdings of home-loan portfolios by 10 times this year, as a government push to boost home ownership spurs lending. The Saudi Real Estate Refinance Company, the state-owned

equivalent of Fannie Mae and Freddie Mac in the US plans to buy more than SR23bn of mortgage portfolios from banks in 2020, Housing Minister, Majed Al-Hogail said. That is a sharp jump from the SR2.25bn it held at the end of last year. The target reflects huge growth in mortgage lending as officials try to raise home ownership from 62% to 70% by 2030, a goal of the Crown Prince, Mohammed bin Salman's economic overhaul plan. Housing is a politically sensitive issue in Saudi Arabia, where some citizens complain about the costs of renting or being unable to afford a family home. "We want to ensure that access to finance. We see more mortgage loans in the personal loans and that's all helping the whole market to move and close any shortage," he said. The government has taken a slew of measures to increase home construction and lending as it works to lift one of the world's lowest mortgage penetration rates. For years, the absence of refinancing firms limited the ability of banks to expand their mortgage books amid regulatory limits on loans to any one sector. The current refinancing firm was established in 2017. (Bloomberg)

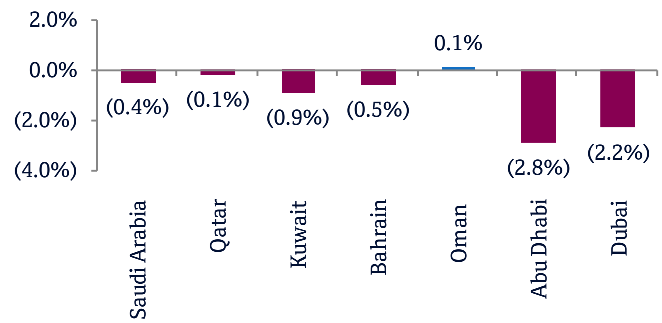
- **Real estate loans in Saudi Arabia leap around 25% in 4Q2019 –** Credit facilities granted by commercial banks and real estate finance companies to Saudi nationals soared by 24.6% or SR62.2bn YoY during the fourth quarter of 2019. The total value of loans amounted to SR317.27bn in 4Q2019, compared to SR254.68bn in the corresponding period in 2018, according to recent data from the Saudi Arabian Monetary Agency (SAMA). The QoQ real estate loans signaled their highest level over the last year as they increased by 7.7% in 4Q2019 when compared to SR294.52bn in 3Q2019. Commercial banks accounted for 93.7% of the grand total value during 4Q2019, leaping by 24.66% on an annual basis to SR297.4bn when compared to SR238.544bn for the same period in the year before. Loans provided by real estate finance companies grew by 23.3% YoY in 4Q2019 to stand at SR19.9bn from SR16.13bn in 4Q2018. In addition, credit facilities granted by commercial banks to individuals accounted for more than 62.44% of the total, at SR198.1bn. (Zawya)
- **Emirates NBD cuts transaction tariffs due to coronavirus concerns –** Emirates NBD cuts transaction tariffs to help support businesses in the UAE which may be affected by the coronavirus outbreak, it stated on Wednesday. The bank stated that its transaction banking unit had decided to reduce tariffs over the next three months, in particular for customers using an online trade platform, in a move which it stated will help alleviate pressure by reducing operational costs. The decision is in line with government and Central Bank initiatives, Emirates NBD stated. The Central Bank of the UAE (CBUAE) last week advised banks to reschedule loans and reduce fees and commissions to help mitigate the economic effects of the coronavirus outbreak. The CBUAE on Tuesday cut key interest rates by 50 basis points, tracking an emergency move taken by the US Federal Reserve to soften the impact of coronavirus. The cuts could provide stimulus to a struggling non-oil private sector, which in the UAE has started to feel the impact of the coronavirus on exports and supply chains. (Reuters)
- **Central Bank of Kuwait lowers discount rate to 2.5% –** Central Bank of Kuwait (CBK) lowered its discount rate to 2.5% from 2.75%, it stated, a day after the US Federal Reserve's emergency rate cut. Saudi Arabia, the UAE and Bahrain have cut key interest rates tracking an emergency move by the Fed to soften the impact of the coronavirus outbreak. (Reuters)
- **Kuwait registers KD3.7bn real estate deals in 2019 –** The real estate sector in Kuwait has continued its positive trajectory that started four years ago, as it recorded sale transactions worth KD3.7bn in 2019, signaling the second-highest level since 2015. Last year's value was yet down by 1.5% when compared to 2018, Kuwait Finance House (KFH) stated in a report. The number of real estate transactions increased by 6.4% YoY in 2019 to a total 6,765, the highest since 2016. This was boosted by varied performance in all real estate sectors. Over the fourth quarter of last year, real estate sales amounted to KD863mn, down from its higher levels in the previous three quarters, and 11% lower than 3Q2019, which resulted from lower investment and commercial property sales. On an annual basis, real estate sales retreated by 26% due to lower commercial property and private residence sales and a higher plunge in the investment sector sales. The number of transactions in 4Q2019 has slipped by 7.4% QoQ to 1,556, and by 16.7% YoY. It is worthy to point out that private residence sales have continued their upward performance, soaring by 4% QoQ and by 24% YoY. In contrast, sales in the investment and commercial sectors declined on a quarterly basis by 4% and 29% and on an annual basis by 41% and 32%, respectively. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,636.93	(0.2)	3.2	7.9
Silver/Ounce	17.22	(0.0)	3.3	(3.6)
Crude Oil (Brent)/Barrel (FM Future)	51.13	(1.4)	1.2	(22.5)
Crude Oil (WTI)/Barrel (FM Future)	46.78	(0.8)	4.5	(23.4)
Natural Gas (Henry Hub)/MMBtu	1.83	2.8	2.2	(12.4)
LPG Propane (Arab Gulf)/Ton	40.00	(1.8)	0.6	(3.0)
LPG Butane (Arab Gulf)/Ton	50.00	1.0	(4.3)	(23.7)
Euro	1.11	(0.3)	1.0	(0.7)
Yen	107.53	0.4	(0.3)	(1.0)
GBP	1.29	0.5	0.4	(2.9)
CHF	1.04	(0.1)	0.9	1.1
AUD	0.66	0.7	1.7	(5.6)
USD Index	97.34	0.2	(0.8)	1.0
RUB	66.26	0.3	(0.9)	6.9
BRL	0.22	(1.5)	(2.5)	(12.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,243.09	2.9	4.8	(4.9)
DJ Industrial	27,090.86	4.5	6.6	(5.1)
S&P 500	3,130.12	4.2	6.0	(3.1)
NASDAQ 100	9,018.09	3.8	5.3	0.5
STOXX 600	386.30	1.0	4.0	(8.0)
DAX	12,127.69	0.9	3.1	(9.2)
FTSE 100	6,815.59	1.7	4.2	(12.5)
CAC 40	5,464.89	1.0	4.1	(9.4)
Nikkei	21,100.06	(0.0)	0.5	(9.6)
MSCI EM	1,037.81	1.0	3.2	(6.9)
SHANGHAI SE Composite	3,011.67	1.1	5.6	(0.7)
HANG SENG	26,222.07	(0.2)	0.6	(6.8)
BSE SENSEX	38,409.48	(1.4)	(1.3)	(9.9)
Bovespa	107,224.20	(0.0)	1.3	(18.3)
RTS	1,348.19	(0.7)	3.7	(13.0)

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar