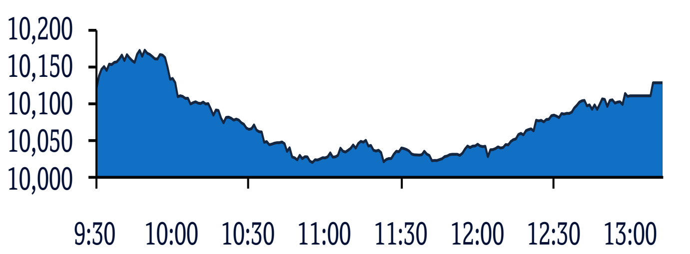
Daily Market Report

Wednesday, 11 November 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.4% to close at 10,131.9. Gains were led by the Consumer Goods & Services and Insurance indices, gaining 2.8% and 1.0%, respectively. Top gainers were Mazaya Real Estate Development and Qatar Cinema & Film Distribution, rising 8.8% and 7.6%, respectively. Among the top losers, Qatar First Bank fell 6.0%, while Dlala Brokerage & Investment Holding Company was down 4.3%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.5% to close at 8,405.1. Gains were led by the Consumer Services and Software & Services indices, rising 4.5% and 3.2%, respectively. Abdul Mohsin Al Hokair and Amana Coop. Ins. were up 10.0% each.

Dubai: The DFM Index gained 2.1% to close at 2,265.4. The Real Estate & Construction index rose 4.4%, while the Banks index gained 1.4%. Emaar Malls rose 14.4%, while Air Arabia was up 7.4%.

Abu Dhabi: The ADX General Index gained 0.5% to close at 4,768.2. The Banks index rose 1.0%, while the Consumer Staples index was up 0.8%. Arkan Building Materials Company rose 4.5%, while Dana Gas was up 3.4%.

Kuwait: The Kuwait All Share Index gained 0.7% to close at 5,605.5. The Consumer Services index rose 2.8%, while the Basic Materials index gained 2.7%. Jazeera Airways Company rose 9.7%, while Mashaer Holding Company was up 6.7%.

Oman: The MSM 30 Index gained 0.8% to close at 3,576.8. Gains were led by the Financial and Industrial indices, rising 1.0% and 0.6%, respectively. Al Madina Investment Company rose 4.3%, while Bank Dhofar was up 3.0%.

Bahrain: The BHB Index gained 0.4% to close at 1,451.5. The Commercial Banks index rose 0.6%, while the Investment index gained 0.3%. Khaleeji Commercial Bank rose 6.7%, while Ithmaar Holding was up 4.3%.

Market Indicators	10 Nov 20	09 Nov 20	%Chg.
Value Traded (QR mn)	1,035.4	732.5	41.4
Exch. Market Cap. (QR mn)	589,174.8	588,234.1	0.2
Volume (mn)	591.0	479.3	23.3
Number of Transactions	18,548	14,799	25.3
Companies Traded	46	45	2.2
Market Breadth	20:20	41:3	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,478.15	0.4	2.5	1.5	17.2
All Share Index	3,124.85	0.3	2.2	0.8	17.8
Banks	4,213.48	(0.1)	0.6	(0.2)	14.9
Industrials	2,987.03	0.4	5.5	1.9	26.7
Transportation	2,857.03	0.7	1.9	11.8	13.0
Real Estate	1,904.28	(0.8)	4.6	21.7	16.8
Insurance	2,314.87	1.0	2.3	(15.3)	32.8
Telecoms	934.89	(0.2)	0.3	4.5	13.9
Consumer	8,178.97	2.8	4.6	(5.4)	24.0
Al Rayan Islamic Index	4,175.46	0.4	3.1	5.7	19.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Malls	Dubai	1.67	14.4	50,719.7	(8.7)
Qatar Fuel Company	Qatar	18.49	5.4	3,408.4	(19.3)
Saudi British Bank	Saudi Arabia	24.68	3.7	2,325.4	(28.9)
Kingdom Holding Co.	Saudi Arabia	7.96	3.4	2,396.1	5.4
Bank Dhofar	Oman	0.10	3.0	600.8	(15.4)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jarir Marketing Co.	Saudi Arabia	181.40	(2.5)	239.9	9.5
Samba Financial Group	Saudi Arabia	30.00	(2.0)	2,762.6	(7.6)
Saudi Telecom Co.	Saudi Arabia	103.80	(1.9)	894.3	2.0
Savola Group	Saudi Arabia	45.30	(1.5)	827.7	31.9
Aldar Properties	Abu Dhabi	2.65	(1.5)	36,039.3	22.7

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%
Mazaya Real Estate Development	1.30	8.8	136,063.7	80.4
Qatar Cinema & Film Distribution	4.09	7.6	0.4	85.9
Qatar Fuel Company	18.49	5.4	3,408.4	(19.3)
Medicare Group	8.99	2.3	570.3	6.4
Mesaieed Petrochemical Holding	2.10	2.2	3,490.2	(16.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mazaya Real Estate Development	1.30	8.8	136,063.7	80.4
Investment Holding Group	0.60	(1.6)	106,267.1	6.9
Ezdan Holding Group	1.71	(1.3)	61,768.9	178.0
Salam International Inv. Ltd.	0.63	(1.6)	37,421.3	20.9
Alijarah Holding	1.25	(0.4)	32,619.4	76.9

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.70	(6.0)	18,221.8	107.6
Dlala Brokerage & Inv. Holding Co	1.79	(4.3)	4,357.1	193.0
United Development Company	1.59	(4.0)	23,880.6	4.7
Qatari German Co for Med. Dev.	1.89	(2.7)	24,174.8	224.7
Qatari Investors Group	1.80	(2.1)	1,356.9	0.6

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Mazaya Real Estate Development	1.30	8.8	176,147.2	80.4
Ezdan Holding Group	1.71	(1.3)	105,971.2	178.0
Investment Holding Group	0.60	(1.6)	64,016.5	6.9
QNB Group	18.22	0.1	62,243.6	(11.5)
Qatar Fuel Company	18.49	5.4	62,069.5	(19.3)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,131.85	0.4	2.5	4.5	(2.8)	280.76	159,489.6	17.2	1.5	3.9
Dubai	2,265.35	2.1	4.9	3.5	(18.1)	138.45	86,962.8	9.4	0.8	4.3
Abu Dhabi	4,768.22	0.5	1.1	2.3	(6.1)	124.10	198,106.6	17.0	1.3	5.1
Saudi Arabia	8,405.11	0.5	3.9	6.3	0.2	4,536.92	2,423,348.8	31.6	2.0	2.4
Kuwait	5,605.51	0.7	2.4	3.0	(10.8)	249.69	101,320.8	34.5	1.4	3.5
Oman	3,576.76	0.8	0.7	0.5	(10.2)	2.12	16,268.9	10.8	0.7	6.9
Bahrain	1,451.47	0.4	0.7	1.7	(9.9)	4.41	22,040.3	14.1	0.9	4.6

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 0.4% to close at 10,131.9. The Consumer Goods & Services and Insurance indices led the gains. The index rose on the back of buying support from GCC and Foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Mazaya Real Estate Development and Qatar Cinema & Film Distribution were the top gainers, rising 8.8% and 7.6%, respectively. Among the top losers, Qatar First Bank fell 6.0%, while Dlala Brokerage & Investment Holding Company was down 4.3%.
- Volume of shares traded on Tuesday rose by 23.3% to 591.0mn from 479.3mn on Monday. Further, as compared to the 30-day moving average of 270.4mn, volume for the day was 118.6% higher. Mazaya Real Estate Development and Investment Holding Group were the most active stocks, contributing 23.0% and 18.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	44.87%	57.23%	(127,973,410.8)
Qatari Institutions	14.77%	14.22%	5,680,482.9
Qatari	**59.65%**	**71.46%**	**(122,292,927.9)**
GCC Individuals	1.20%	0.80%	4,134,003.9
GCC Institutions	1.78%	0.91%	9,038,406.1
GCC	**2.98%**	**1.71%**	**13,172,410.0**
Arab Individuals	14.05%	15.31%	(13,097,158.6)
Arab Institutions	0.01%	0.01%	9,581.0
Arab	**14.06%**	**15.32%**	**(13,087,577.6)**
Foreigners Individuals	3.29%	3.71%	(4,360,285.2)
Foreigners Institutions	20.03%	7.80%	126,568,380.7
Foreigners	**23.32%**	**11.51%**	**122,208,095.5**

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

Earnings Releases and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
National Gas & Industrialization Co.	Saudi Arabia	SR	453.7	-1.8%	(2.4)	N/A	7.7	-74.8%
Saudi Marketing Co.	Saudi Arabia	SR	409.3	7.4%	16.0	-7.5%	7.4	63.3%
Aseer Trading, Tourism & Manufacturing Co.	Saudi Arabia	SR	411.2	-15.1%	19.8	N/A	(5.4)	N/A
Dar Alarkan Real Estate Development Co.	Saudi Arabia	SR	391.2	-56.5%	119.3	-43.5%	(18.6)	N/A
Emaar The Economic City	Saudi Arabia	SR	133.0	-16.9%	(144.0)	N/A	(187.0)	N/A
Al-Baha Investment and Development Co.	Saudi Arabia	SR	2.6	-7.9%	0.3	-18.0%	0.2	-16.0%
BinDawood Holding Co.	Saudi Arabia	SR	1,082.5	-9.5%	86.8	-42.1%	78.7	-36.8%
Dallah Healthcare Co.	Saudi Arabia	SR	350.8	16.4%	50.5	62.9%	53.8	102.3%
Tabuk Agricultural Developmental Co.	Saudi Arabia	SR	47.4	-6.5%	(4.8)	N/A	(6.2)	N/A
Fawaz Abdulaziz Alhokair Co.	Saudi Arabia	SR	1,185.6	-4.0%	(4.2)	N/A	(98.2)	N/A
Emaar Malls*	Dubai	AED	2,493.0	-26.9%	–	–	586.0	-66.2%
Dubai Refreshments Company	Dubai	AED	161.3	-15.0%	26.3	1.2%	25.2	0.5%
National Takaful Company	Abu Dhabi	AED	49.7	-34.8%	–	–	1.2	-59.6%
Ras Al Khaimah Cement Co.	Abu Dhabi	AED	33.2	-18.5%	–	–	(14.6)	N/A
Delmon Poultry Company	Bahrain	BHD	3.6	-1.3%	0.2	N/A	0.2	N/A
Trafco Group	Bahrain	BHD	9.1	-0.8%	0.5	-18.4%	0.3	15.4%
Gulf Hotels Group	Bahrain	BHD	3.7	-59.9%	–	–	(1.7)	N/A
APM Terminals Bahrain	Bahrain	BHD	11.8	15.4%	3.6	23.0%	3.3	22.9%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for 9M2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/10	France	INSEE National Statistics Office	Industrial Production MoM	Sep	1.4%	0.7%	1.1%
11/10	France	INSEE National Statistics Office	Industrial Production YoY	Sep	-6.0%	-5.5%	-6.4%
11/10	France	INSEE National Statistics Office	Manufacturing Production MoM	Sep	2.2%	1.5%	0.8%
11/10	France	INSEE National Statistics Office	Manufacturing Production YoY	Sep	-6.3%	–	-7.2%
11/10	China	National Bureau of Statistics	PPI YoY	Oct	-2.1%	-1.9%	-2.1%
11/10	China	National Bureau of Statistics	CPI YoY	Oct	0.5%	0.8%	1.7%

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

News

Qatar

- **MSCI adds QGTS to MSCI Qatar Index –** MSCI announced the result of the Semi-Annual Index review on November 10, 2020. MSCI has added Qatar Gas Transport Company (QGTS) to MSCI Qatar Index (Standard index), while no other companies have been removed. The changes to the MSCI indices will become effective on close of November 30, 2020. (QSE)
- **Fitch and Moody's affirm KCBK's ratings –** Al Khalij Commercial Bank (KCBK) announced that rating agencies Fitch and Moody's have affirmed the banks ratings as 'A' with a 'Stable' outlook and 'A3/Prime-2', with a 'Stable' outlook respectively. Fitch defines those entities within 'A' rating as exhibiting adequate assets quality, improving profitability and low default risk. The bank's short-term IDR rating has also been affirmed at 'F1'. In addition, Moody's has also affirmed the banks ratings as 'A3/Prime-2' for deposit with a 'Stable' outlook that reflects bank's good asset quality, solid capitalization, and strong liquidity. The assigned ratings are an independent and objective opinion on the bank's risk profile management culture and risk. (QSE)
- **Total sells 15% stake in Mexico oil blocks to Qatar Petroleum –** Mexico approved Total's sale of a 15% stake in each of two shallow-water oil blocks in the Gulf of Mexico to Qatar Petroleum International, according to an extraordinary meeting of the National Hydrocarbons Commission (CNH) on Tuesday. Pemex will become biggest stakeholder of contractual area AS-CS-06 with 50%; Total has 35% and QPI has 15%. BP remains operator of contractual area G-CS-03 with 42.50% stake; Total has 27.50%, Hokchi 15% and QPI 15%. Contracts were won during bid round 3.1 for shallow-water blocks in 2018. QPI must present corporate guarantee and other agreements to formalize stake transfer. (Bloomberg)
- **Inma Holding appoints Acting Deputy General Manager –** Inmaa Holding's board of directors announced the appointment of Chief Financial Officer Nabil Ammoura as Acting Deputy General Manager of the company in addition to his duties as Financial Manager. (QSE)
- **Al-Khal: First lot of COVID vaccine expected by year-end or early 2021 –** Qatar would be able to get an initial quantity of the COVID-19 vaccine developed by Pfizer and BioNTech, if approved by regulators, by the end of this year or early in 2021, a senior health official has said. In a statement issued by the Ministry of Public Health (MoPH) on Tuesday, Dr Abdullatif Al-Khal, chair of the National Health Strategic Group on COVID-19 and head of Infectious Diseases at Hamad Medical Corporation (HMC), said, "We have been working with Pfizer and BioNTech since the summer and they are confident that if their vaccine gets the necessary regulatory approval, Qatar will be able to receive an initial quantity of vaccines by the end of this year or very early in 2021." The MoPH said the recent announcement by Pfizer and BioNtech regarding the coronavirus vaccine is very promising as it shows that great progress is being made on the development and testing of a safe and effective COVID-19 vaccine. On Monday, Pfizer had said its experimental vaccine has proved to be more than 90% effective in preventing COVID-19 based on initial data from a large study. (Gulf-Times.com)
- **Societe Generale: Qatar general government debt to GDP to fall this year and next –** Qatar's general government debt has been estimated to fall to 48% of GDP in 2020 and 43.1% in 2021 from 53.2% in 2019, French multinational investment bank Societe Generale has said in a country update. The country's general government debt was also estimated to have grown to 53.2% of GDP in 2019, from 48.6% a year earlier, as the country continued to borrow in international markets, Societe Generale said citing IMF data. According to Societe Generale, Qatar's economy started to grow faster after the first quarter of 2019 as government spending rose, particularly with regards to wages in the public sector. This helped boost the economy later in the year, which had showed signs of a slowdown as most major infrastructure and construction projects in relation to the World Cup came to completion. Current account surplus narrowed to 2.4% of GDP in 2019 from 8.7% a year earlier as global energy prices fell. The IMF expects this trend to be heavily affected by the negative economic impact of the COVID-19 pandemic and the fall in oil prices, the current account balance should be negative in 2020 and 2021 (-1.9% and -1.8%, respectively). However, Societe Generale noted the expected commissioning of Barzan natural gas facility could support domestic gas production and contribute positively to growth. In the medium term, the expansion of North Field gas projects is expected to be completed by 2024, further boosting gas output. Qatar has been implementing an economic diversification program to lower its dependency on the hydrocarbon sector. Also, new projects are planned in infrastructure and telecommunications, and various construction projects are in progress in preparation for the FIFA World Cup 2022. Inflation was estimated to have fallen to -0.6% last year from 0.2% in 2018. The International Monetary Fund estimated inflation to decrease to -1.2% in 2020 and increase to 2.4% in 2021 in its latest World Economic Outlook of April 2020. Qatar has postponed plans to introduce a VAT, suggesting inflation will continue to remain weak this year, Societe Generale said. (Gulf-Times.com)
- **Doha 2030: 'Gateway to a brighter future for Asian Sport' –** Having hosted a successful 15th edition of the Asian Games in 2006 and now steadfastly preparing for one of the biggest sporting extravaganza – FIFA World Cup Qatar 2022 – the country is aiming to host the Doha 2030 Asian Games. The Doha 2030 Asian Games will be the greatest ever sports experience for Asia's athletes and spectators alike due to Doha's existing state-of-the-art competition venues and world-class supporting transport and accommodation infrastructure. Doha 2030 will draw from its extensive experience in hosting major international multi-sport events, and make full use of its iconic venues and training facilities, to ensure that sport is front and center of the Games experience. All of Doha's competition and non-competition venues are centrally located within a compact Games footprint to minimize travel time and maximize convenience. Doha 2030 guarantees multiple clusters of competition venues to streamline operations and enhance the sports experience for athletes, the Olympic Council of Asia (OCA) Family and spectators. In addition, all of Doha's famous existing venues together ensure a Gateway to Certainty, standing ready to welcome Asia's, and some of the world's, finest athletes. (Qatar Tribune, Gulf-Times.com)

International

- **US job openings rise slightly in September –** US job openings increased moderately in September and layoffs appeared to abate, pointing to a gradual labor market recovery from the COVID-19 pandemic. Job openings, a measure of labor demand, were up 84,000 to 6.4mn on the last day of September, the Labor Department said on Tuesday in its monthly Job Openings and Labor Turnover Survey, or JOLTS. Vacancies remained below their 7mn level in February. The job openings rate was unchanged at 4.3% in September. Layoffs dropped 200,000 to 1.3mn. The layoffs rate fell to 0.9% from 1.1% in August. The JOLTS report followed on the heels of news last Friday that the economy created 638,000 jobs in October, the smallest gain since the jobs recovery started in May. Employment remains 10.1mn jobs below its peak in February. Millions of people are experiencing long periods of unemployment. (Reuters)
- **UK redundancies hit record high as job market slumps in third quarter –** British employers laid off a record number of staff in the third quarter and the jobless rate jumped as the labor market weakened before finance minister Rishi Sunak made a U-turn on COVID support measures. A record 314,000 British workers were made redundant in the three months to September, 181,000 more than in the second quarter, the Office for National Statistics said. The unemployment rate rose to 4.8%, the highest rate since the three months to November 2016, from 4.5% in the three months to August, as expected in a Reuters poll of economists. While the public and investors were cheered on Monday by news that an experimental COVID-19 vaccine was more than 90% effective in trials, the ONS data showed hard months lie ahead for many Britons. Last week, Sunak was forced to extend his costly coronavirus furlough scheme, which provides 80% of the pay of temporarily laid-off workers, until the end of March, and he outlined billions of pounds in other forms of help. The BoE expects around 5.5mn employees will need furlough support during an England-wide lockdown this month, up from just over 2mn in October. (Reuters)
- **Sunak: UK job losses underline scale of COVID-19 challenge –** British Finance Minister Rishi Sunak said figures showing a record increase in redundancies and a rise in the unemployment rate to 4.8% "underline the scale of the challenge we're facing". "I want to reassure anyone that is worried about the coming winter months that we will continue to support those affected," he said in a statement after the data was published on Tuesday. Sunak last week extended until the end of March the government's costly wage subsidy scheme. (Reuters)
- **Britain's grocery sales rose 9.4% last month but there's no panic –** British grocery sales increased by 9.4% in October year-on-year as COVID-19 restrictions tightened, though there was no evidence of stockpiling or panic buying by consumers, market researcher Kantar said on Tuesday. Scotland, Wales and Northern Ireland enacted new COVID-19 health restrictions last month and England began a one-month lockdown last week to curb a second wave of a pandemic that has left the UK with Europe's highest death toll. He said early evidence suggests that consumers in England are confident about getting the essentials during the new four- week lockdown, which started on November 5, even if the restrictions impinge on festive shopping. However, Kantar's conclusions were at odds with October survey data also published on Tuesday by payment card provider Barclaycard which said Britons were stockpiling essentials in preparation for potential shortages. (Reuters)
- **UK expects countries to recognize need for Brexit measures –** Britain expects other countries to recognize that the government must stop its internal market being undermined, a spokesman for Prime Minister Boris Johnson said on Tuesday, defending legislation that undercuts its Brexit deal. Asked whether the prime minister agreed with some in Britain's upper chamber, which voted to strip contentious clauses introduced to the Internal Market Bill, that passing the legislation would undermine Britain's reputation, the spokesman told reporters: "We cannot allow the peace process or the UK's internal market to inadvertently be compromised by unintended consequences of the Northern Ireland protocol. We would expect other countries to recognize this and the exceptional circumstances we find ourselves in." (Reuters)
- **EU parliament, governments reach deal on EU 2021-2027 budget –** Negotiators from the European Parliament and EU governments agreed the details of the 2021-2027 EU budget on Tuesday, in a crucial step for the activation of the bloc's 1.8tn Euro (£1.6tn) recovery package to make the economy greener and more digital. The deal, which took almost four months to negotiate, now needs to be formally endorsed by EU governments and the European Parliament. This may cause new friction because the deal links access to EU money with respect for the rule of law – a condition Poland and Hungary strongly oppose because they are under EU scrutiny for undermining the independence of the courts and media. Hungarian Prime Minister Viktor Orban has sent a letter to the European Commission and the chairman of EU leaders Charles Michel threatening to veto the 1.1tn Euro budget if the link between the money and the rule of law is not removed. But senior officials said they were not sure if Hungary would do that, because such action would derail money for all of the 27-nation EU, including Hungary and Poland themselves, both of which were net beneficiaries of EU financial support. Poland especially is among the largest recipients of direct EU subsidies for farmers who are the electoral base of the ruling nationalist PiS party. If Warsaw and Budapest bloc the next budget, the subsidies for farmers will stop. (Reuters)
- **SZ: German economic experts see 2020 GDP contracting by 5.1% –** The German economy will likely contract by 5.1% this year due to the COVID-19 pandemic, according to a leaked advisory council report. German daily Sueddeutsche Zeitung reported on Tuesday the experts, who advise the German government on economic policy, said in their annual report the government had acted swiftly and decisively in the crisis. They see the German gross domestic product increasing by 3.7% next year, the paper added. The council is due to publish its report on Wednesday. (Reuters)
- **China's inflation fails to perk up, defies broader recovery –** China's factory-gate prices fell at a sharper-than-expected pace in October, weighed by soft demand for fuel even as the trade and manufacturing sectors staged impressive recoveries from their COVID-19 slump. Consumer inflation was also soft, easing to an 11-year low as pork prices snapped a year-and-a-half of

steep increases that was fueled by critical shortages of the popular meat. While the weaker price gauges largely reflect swings in volatile items, they also show upstream demand for industrial goods remains tepid overall in the world's second-largest economy, despite signs of modest improvement in recent months. The producer price index (PPI) fell 2.1% from a year earlier, the National Bureau of Statistics said in a statement on Tuesday, the same pace as in September and slightly more than a 2.0% decline tipped by the median forecast from a Reuters survey of analysts. On a monthly basis, the PPI was unchanged, slowing from a 0.1% increase the previous month. Oil and gas extraction prices fell 4.9% month-on-month in October while fuel processing costs declined 1.6%, Dong Lijuan, a senior statistician with the NBS, said in a statement. The weak inflation contrasts with brisk growth in exports and manufacturing activity, seen as signs of a sustained recovery in China's industrial sector. China's economic growth accelerated to 4.9% from a year earlier during the third quarter as activity extended its recovery from a record slump at the start of the year. (Reuters)

- **Reuters poll: India's October CPI likely above 7% again, industrial output falls –** India's retail inflation likely stayed above 7% for a second straight month in October as supply distortions led to a surge in vegetable prices, especially of onions, a Reuters poll showed, lowering the chances of further interest rate cuts. Disruption from by the coronavirus pandemic and excessive rainfall in states such as Maharashtra, Karnataka and Andhra Pradesh have damaged and delayed the harvesting of onions - a key ingredient in Indian kitchens - alongside other vegetables. A Reuters poll of 50 economists conducted from November 4-9 predicted consumer prices rose 7.30% last month from a year earlier, a touch lower than September's 7.34% rate. If realized, it would be above the top end of the Reserve Bank of India's medium-term target range of 2%-6% for the seventh consecutive month, a streak not seen since August 2014. The poll also predicted industrial output in September dropped 2.0% from a year earlier, the seventh consecutive month of falls and its longest streak of decline since June 2009, as infrastructure output, which accounts for about 40% of total industrial production, contracted 0.8%. Still, the RBI, which has eased its key repo rate by 115 basis points since March, was widely expected to wait until February before cutting the rate again amid worries over higher inflation. (Reuters)
- **Economy Minister: Brazil government could spend 4% of GDP to counter second COVID-19 wave –** Brazil's government might spend a further 4% of gross domestic product on emergency support measures next year if there is a second wave of COVID-19, Economy Minister Paulo Guedes said. That would be roughly half of the government's fiscal effort this year, and financial markets would give that leeway to increase spending because they understand the government's underlying commitment to restoring public finances back to health, he said. According to the latest economy ministry forecasts, the impact on the government's primary budget deficit this year from crisis-fighting measures will be 615bn Reais ($114bn), or 8.6% of GDP. Emergency spending will account for 587.5bn Reais, or just over 8% of GDP, and the rest is lost revenues. This unprecedented borrowing and spending has been separated from the government's conventional budget under emergency rules, and would likely be done so again next year. Guedes said, however, that virus cases are "collapsing" and the economy's recovery is "very strong." In that scenario, fiscal support will be phased out by end of this year and the government will resume its tight squeeze on public spending. The government's drive to reduce the record deficit and debt will include the likely privatization of four companies next year, Guedes said. They are the postal service, electricity giant Eletrobras, the port of Santos, and the portfolio of oil assets in the government-owned group PPSA. (Reuters)

Regional

- **Moody's: Global Sukuk issuance to decline slightly in 2020 –** Global issuance of Sukuk, or Islamic bonds, is expected to decline modestly in 2020 after four years of consecutive growth, ratings agency Moody's said on Tuesday. Moody's expects global Sukuk issuance to be $170bn this year, down from $179bn in 2019. "Lower issuance activity in the first half of the year can be attributed to the pandemic" Vice President at Moody's Investors Service, Nitish Bhojnagarwala said. Sovereign issuance of Shari'ah compliant debt was stable during the crisis, Moody's said, even as fiscal deficits ballooned because of lower oil prices and spending related to the coronavirus pandemic. The global Sukuk market has grown rapidly from around $80bn to $179bn over the last four years, supported by large pools of Shari'ah-compliant funds in the Gulf. (Reuters)
- **PwC: Middle East firms see $36.5bn of excess working capital currently trapped –** Middle East firms see $36.5bn of excess working capital is currently trapped on the balance sheets of the Middle East companies in our survey. The average working capital performance of surveyed companies deteriorated by 23% in the first half of 2020, 62% of total cash on hand at the end of 2019 was held by only 2% of surveyed companies. Businesses are facing new uncertainties introduced by the dual shock of the impact of COVID-19 pandemic and the steep drop in oil prices. Companies have seen reduced cash flows, forcing working capital front-and-center in the mind of executives. The three main drivers impacting cash flow include: Reduced consumer demand, leading to a downturn in corporate revenues. Slowing accounts receivable payments as customers delay payments due to their own falling revenues. Increased expenses to respond to remote working requirements and supply chain disruptions. These cash flow issues are further compounded in the Gulf by significantly lower oil prices causing a significant decline in government and state-owned enterprise revenues. This, in turn, has led to payment delays to private sector suppliers. Non-oil exporting countries in the region also witnessed a delay of remittances, further impacting consumer spending. The study finds that average working capital efficiency in the Middle East deteriorated slightly between the end of 2018 and 2019 to 127.6 days, the lowest performance in the past five years. Net Working Capital (NWC) days deteriorated between 2015 and 2019 by a compound rate of 2.7%, corresponding to around $9.94bn of additional cash tied up in operations by listed companies across the region. (Gulf-Times.com)
- **Saudi economy contracts 4.2% in third quarter, improves from second quarter –** Saudi Arabia's economy shrank 4.2% in the

third quarter from a year earlier, government data showed on Tuesday, a smaller contraction than the second quarter when the economy was reeling from coronavirus-linked lockdowns. The economy expanded by 1.2% on a seasonally adjusted QoQ basis in the third quarter from a contraction of 4.9% in the previous quarter, Saudi Arabia's General Authority for Statistics said. The "flash estimates" for quarterly gross domestic product did not have a breakdown on how the oil and non-oil sectors performed in the three-month period to the end of September. The authority said the estimates came out at the end of the reference quarter, when information was still partial and subject to a high degree of approximation. "A sequential pickup in economic activity was expected in the third quarter with the easing of lockdown measures and given the pent-up demand," Chief Economist at Abu Dhabi Commercial Bank, Monica Malik said. "However, the pace of recovery would have been dampened by the increase in the VAT rate." Saudi Arabia, the world's biggest oil exporter, in July tripled a value added tax to 15% as it sought to shore up finances hit by the twin shock of low oil prices and the coronavirus. (Reuters)

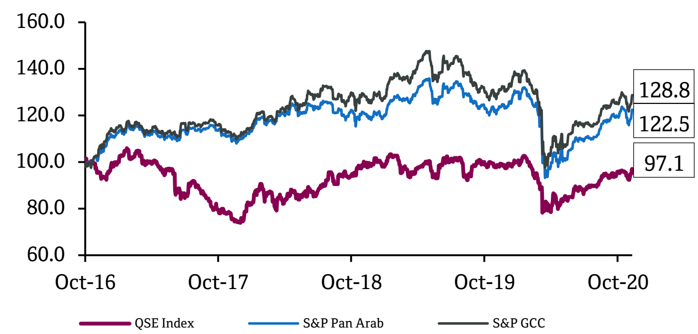
- **Fitch revises Saudi Aramco's outlook to Negative; affirms IDR at A –** Fitch Ratings has revised Saudi Arabian Oil Company's (Saudi Aramco) outlook to Negative from Stable while affirming the company's Long-Term Issuer Default Rating (IDR) at 'A'. The revision of the outlook on Saudi Aramco's IDR to Negative is driven by a similar action on the sovereign. The company's IDR is constrained at that of its majority shareholder Saudi Arabia (A/Negative), given close links between the company and the sovereign. Fitch assess Saudi Aramco's standalone credit profile (SCP) at 'aa+'. Saudi Aramco is the world's largest oil producer and the national oil company of Saudi Arabia. Its financial profile benefits from strong pre-dividend free cash flow generation (FCF) and rising but still conservative leverage. Its business profile is characterized by large scale production, vast reserves, low output costs and expansion into downstream and petrochemicals. Saudi Aramco's upstream operations are focused on a single country and compared with global oil and gas majors its operations are skewed towards crude oil production. Sovereign Constrains Rating: Saudi Aramco's rating is constrained by that of Saudi Arabia in accordance with Fitch's Government-Related Entities (GRE) and Parent and Subsidiary Linkage (PSL) Rating Criteria. This reflects the influence the state exerts on the company through strategic direction, taxation and dividends, as well as regulating the level of production in line with OPEC commitments. Saudi Aramco's 'aa+' SCP is contingent on the company's ability to maintain net leverage below 1x through the cycle. Saudi Aramco's financial profile is conservative compared with that of international integrated oil producers. Fitch projects that at end-2021 Saudi Aramco's funds from operations (FFO) net leverage will be around 1.0x, compared with Royal Dutch Shell's 1.0x, Total SE's 1.4x and BP's 2.2x. At end-2019 Saudi Aramco was in a net cash position, and the increase in leverage has been driven by a combination of the SABIC acquisition, dividend distributions and low oil prices. Fitch projects that leverage in 2020-2023 will remain on the upper end of our sensitivities for the SCP, and that additional measures may be needed to bring gearing in line with the company's own targets (5%-15% through the cycle), such as disposals or dividend cuts. (Bloomberg)
- **UAE says has no plan for now to increase VAT –** The UAE has no plan to increase value-added tax (VAT) to more than the current 5%, the ministry of finance said on Tuesday. All six Gulf Arab states agreed to introduce 5% VAT in 2018 after a slump in oil prices hit their revenues. Saudi Arabia, the UAE and Bahrain have already introduced the tax, with Riyadh tripling it this year. Oman said last month it plans to launch it in April. "There are no plans or decisions at the moment to raise VAT to more than 5% in the UAE," the ministry of finance said in a statement. Between January and August, the UAE collected AED11.6bn in total VAT revenue, the ministry said, adding that 30% of that will be distributed to the federal government and 70% to local governments. "Tax revenues contribute to the continued implementation of development projects in accordance with the UAE government's plans, and to mitigating the repercussions of the COVID-19 pandemic," it said. (Reuters)
- **Mashreq posts AED352mn net profit for 9 months –** Mashreqbank has posted a sharp decline in net profit to AED352mn in the first nine months of the year due to increase in impairment allowance coupled with lower operating income. Operating Income for 9M2020 declined by 12.3% to AED4.0bn on the back of tough operating environment and decline in interest rates. However, high proportion of Non-Interest Income was maintained as Mashreq's non-interest income to operating income ratio remained at 48.1%. The significant increase led to a sharp decline in net profit to AED352mn. Maintained sufficient liquidity to offset market volatility and pandemic uncertainty. Growth of 4.1% YTD in customer deposits to reach AED94.7bn. Liquid Assets ratio stood at 35.9% with cash and due from banks at AED55.1bn as on September 30, 2020. Capital adequacy ratio and Tier 1 capital ratio stood at 17.4% and 16.3% respectively. Total assets increased by 6.5% YTD to AED169.7bn and loans and advances decreased by 2.9% YTD to AED73.9bn. Loan-to-deposit ratio remained steady at 78.1% at the end of September 2020. Non-Performing Loans to Gross Loans ratio was at 4.2% as of end of September 2020 down from 4.6% at the end of last quarter. Impairment allowance increased from AED570mn in 2Q2020 to AED665mn in 3Q2020; total provision reached AED4.7bn and coverage ratio improved to 120.4% as of end of September 2020. (Zawya)
- **Arabtec cuts thousands of jobs ahead of liquidation –** Dubai-listed contractor Arabtec has terminated thousands of workers again in recent weeks, sources said, as the construction firm prepares for liquidation after the coronavirus pandemic deepened its financial woes. Arabtec Holding shareholders in September authorized the board to file for liquidation due to its untenable financial position. The company, which helped build the Louvre Abu Dhabi and the world's tallest skyscraper, the Burj Khalifa in Dubai, suffered a first-half loss of $216.18mn, piling up accumulated losses of nearly $400mn. Arabtec has laid off more than 5,000 employees over two weeks, mostly laborers, sources familiar with the move told Reuters. (Reuters)
- **ADNOC-ADQ JV plans potential investments worth over $5bn –** A joint venture between Abu Dhabi National Oil Company (ADNOC) and Abu Dhabi state-owned holding company ADQ

has chosen potential investment projects worth over $5bn in the planned Ruwais Derivatives Park, they said on Tuesday. The two companies signed a deal to form the JV in July to invest in chemical projects, with ADNOC holding a 60% equity stake and ADQ having the remaining 40%. On Tuesday, they announced its name as TA'ZIZ and said it would "act as a catalyst for the UAE's economic diversification and technology-led growth" by leading the development of industrial projects in the Ruwais park in Abu Dhabi. TA'ZIZ will explore potential projects that could be worth over $3bn to manufacture a number of chemicals on a global scale. It will also create "an industrial ecosystem", including a new port, utilities and infrastructure, worth more than $2bn. "Our new partnership will strengthen our position as a globally competitive chemicals hub and destination for foreign direct investment, leveraging technology to further grow the UAE's advanced manufacturing base," ADNOC's CEO and the UAE's industry and advanced technology Minister, Sultan Al-Jaber said. (Reuters)

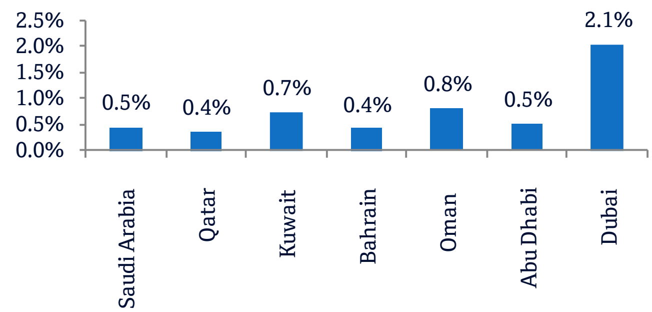
- **UAB post net loss of AED156.0mn in 3Q2020 –** United Arab Bank (UAB) recorded net loss of AED156.0mn in 3Q2020 as compared to net loss of AED98.7mn in 3Q2019. Total operating income fell 37.4% YoY to AED83.5mn in 3Q2020. Net interest income and income from Islamic products net of distribution to depositors fell 36.2% YoY to AED61.1mn in 3Q2020. Total assets stood at AED18.0bn at the end of September 30, 2020 as compared to AED19.1bn at the end of December 31, 2019. Loans and advances and Islamic financing receivables stood at AED10.0bn (-13.5% YTD), while customers' deposits and Islamic financing deposits stood at AED14.1bn (+11.2% YTD) at the end of September 30, 2020. Loss per share came in at AED0.08 in 3Q2020 as compared to Loss per share of AED0.05 in 3Q2019. (ADX)
- **TAQA lifts foreign ownership cap to 49%, net profit falls –** Abu Dhabi National Energy Co (TAQA) has raised the foreign ownership limit in the company to 49% to attract investors after state-backed Abu Dhabi Power Corp (ADPower) took control of the energy firm this year. TAQA, which has a market capitalization of $52bn, reported a nine-month net profit of AED1.3bn, down from AED4.74bn in the same period a year earlier, due to lower oil and gas revenues. These were TAQA's first consolidated pro-forma financial results following its deal with ADPower on July 1 that created one of the largest utilities companies in the Gulf region. ADPower, a public joint stock company that owns most of Abu Dhabi's water and electricity assets, transferred the majority of its water and electricity generation, transmission, and distribution companies to TAQA in return for an 98.6% ownership of the company. (Reuters)
- **Moody's affirms Gulf Investment Corporation's A2 rating, outlook stable –** Moody's Investors Service (Moody's) has affirmed the long-term and short-term issuer ratings of Gulf Investment Corporation (GIC) at A2/P-1 respectively. The outlook remains stable. The affirmation of the A2 rating balances lower leverage as a result of GIC's proactive deleveraging program in recent years against the risks associated with GIC's illiquid equity investments, the corporation's ongoing reliance on wholesale deposits as a source of funding, and a decline in shareholders' creditworthiness in recent years. The stable outlook reflects Moody's expectations that strong risk management and a deleveraged balance sheet will contribute to resilient capital adequacy, despite higher than usual pressure on GIC's portfolio as a result of the coronavirus pandemic. GIC's rating is underpinned by a strong capital adequacy position, supported by low and declining leverage levels, a large reserve buffer of retained earnings built up through many years of sustained profitability and low level of non-performing assets, balanced against the inherently riskier nature of illiquid direct equity participations. GIC has reduced its leverage considerably in recent years, to 81.5% (development-related assets and liquid assets rated A3 or lower/shareholders equity) in 2019 from 149.6% in 2014, compared to an average of 188% for other A-rated multilateral institutions, by winding down its capital markets trading activities. GIC's track record of profitability over the last decade has also helped to reinforce the capital base, which has grown to $2.623bn in 2019, compared to $1.750bn in 2009 (after a capital call), which has been achieved through retained earnings and positive valuation effects. (Bloomberg)
- **Investcorp sells US multi-family real estate assets for $900mn –** Investcorp, a leading global provider and manager of alternative investment products, has announced that it has recently sold eight multifamily properties located in the US to multiple buyers for more than $900mn. These properties were garden and townhome-style apartment buildings located in major metropolitan areas in Arizona, California, Florida and New York. Investcorp acquired the assets in 2016 and 2017 and completed numerous value-enhancing initiatives, increasing average monthly revenue per unit by approximately 20%, implementing select property and amenity upgrades and interior unit renovations as well as benefitting from the targeted markets' consistently strong housing fundamentals with favorable supply/demand dynamics. Head of UAE and Oman for Investcorp's Private Wealth, Tarek AlMahjoub said: "We have a strong, proven track-record of investing in the US real estate market in general and in multifamily assets in particular. Our team's deep market expertise allowed us to see the potential value of these assets and deliver solid execution on our operating plan." "We are pleased with the outcome of these investments and we remain focused on identifying additional properties that generate solid cash flows and offer further potential upside," he noted. (Zawya)
- **SALAM's net profit falls 80.2% YoY to BHD1.0mn in 3Q2020 –** Al Salam Bank-Bahrain (SALAM) recorded net profit of BHD1.0mn in 3Q2020, registering decrease of 80.2% YoY. Finance Income rose 32.7% YoY to BHD20.3mn in 3Q2020. Total operating income rose 7.2% YoY to BHD24.1mn in 3Q2020. Total assets stood at BHD2,221.7mn at the end of September 30, 2020 as compared to BHD2,042.8mn at the end of December 31, 2019. Financing assets stood at BHD784.8mn (+14.4% YTD), while customers current accounts stood at BHD368.2mn (+27.2% YTD) at the end of September 30, 2020. EPS came in at 0.4 fils in 3Q2020 as compared to 2.3 fils in 3Q2019. (Bahrain Bourse)
- **BARKA's net profit falls 28% YoY to $19.9mn in 3Q2020 –** Al Baraka Banking Group (BARKA) recorded net profit of $19.9mn

in 3Q2020, registering decrease of 28.0% YoY. Total operating income rose 22.2% YoY to $286.5mn in 3Q2020. Net income from jointly financed contracts and investments fell 7.2% YoY to $316.1mn in 3Q2020. Total assets stood at $26.9bn at the end of September 30, 2020 as compared to $26.3bn at the end of December 31, 2019. Receivables stood at $11.3bn (+4.2% YTD), while customer current and other accounts stood at $6.8bn (+9.5% YTD) at the end of September 30, 2020. EPS came in at 1.61 cents in 3Q2020 as compared to 2.24 cents in 3Q2019. (Bahrain Bourse)

Rebased Performance	Daily Index Performance



Source: Bloomberg



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,877.32	0.8	(3.8)	23.7
Silver/Ounce	24.23	0.5	(5.4)	35.7
Crude Oil (Brent)/Barrel (FM Future)	43.61	2.9	10.5	(33.9)
Crude Oil (WTI)/Barrel (FM Future)	41.36	2.7	11.4	(32.3)
Natural Gas (Henry Hub)/MMBtu	2.58	0.0	(3.4)	23.4
LPG Propane (Arab Gulf)/Ton	55.00	(1.6)	(1.8)	33.3
LPG Butane (Arab Gulf)/Ton	71.25	(3.7)	(4.7)	8.8
Euro	1.18	0.0	(0.5)	5.4
Yen	105.30	(0.1)	1.9	(3.0)
GBP	1.33	0.8	0.9	0.1
CHF	1.09	(0.1)	(1.6)	5.8
AUD	0.73	0.0	0.4	3.7
USD Index	92.75	0.0	0.6	(3.8)
RUB	76.56	0.4	(1.1)	23.5
BRL	0.18	(0.5)	(0.9)	(25.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,507.10	0.2	1.5	6.3
DJ Industrial	29,420.92	0.9	3.9	3.1
S&P 500	3,545.53	(0.1)	1.0	9.7
NASDAQ 100	11,553.86	(1.4)	(2.9)	28.8
STOXX 600	384.42	0.9	4.4	(2.7)
DAX	13,163.11	0.5	4.9	4.7
FTSE 100	6,296.85	2.5	7.2	(16.7)
CAC 40	5,418.97	1.6	8.7	(4.6)
Nikkei	24,905.59	0.4	0.4	8.9
MSCI EM	1,179.92	(1.0)	0.3	5.9
SHANGHAI SE Composite	3,360.15	(0.2)	1.4	16.0
HANG SENG	26,301.48	1.1	2.3	(6.3)
BSE SENSEX	43,277.65	1.3	2.9	0.6
Bovespa	105,067.00	1.8	5.4	(32.0)
RTS	1,232.87	(0.3)	4.6	(20.4)

Source: Bloomberg (*$ adjusted returns)

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