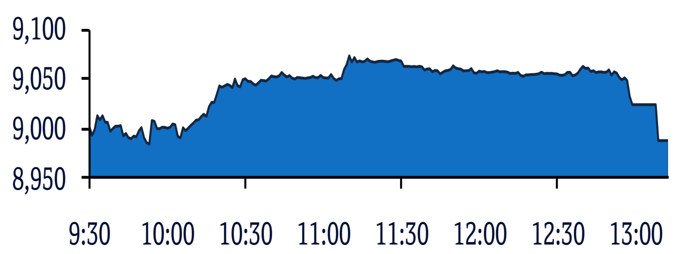
QNB FINANCIAL SERVICES

Daily Market Report

Sunday, 12 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.5% to close at 8,989.8. Losses were led by the Insurance and Industrials indices, falling 4.1% and 0.9%, respectively. Top losers were Mesaieed Petrochemical Holding Company and Qatar Insurance Company, falling 6.4% and 6.1%, respectively. Among the top gainers, Islamic Holding Group gained 4.6%, while Qatari Investors Group was up 4.3%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 7,006.2. Gains were led by the Utilities and Telecom. Services indices, rising 3.3% and 1.2%, respectively. Saudi Printing & Packaging Co. rose 10.0%, while Alinma Tokio Marine Co. was up 9.7%.

Dubai: The DFM Index gained 3.6% to close at 1,830.0. The Transportation and Banks indices rose 4.9% each. Khaleeji Commercial Bank rose 14.6%, while ARAMEX was up 8.2%.

Abu Dhabi: The ADX General Index gained 6.4% to close at 4,113.7. The Banks index rose 8.6%, while the Telecommunication index gained 5.6%. First Abu Dhabi Bank rose 11.2%, while Methaq Takaful Insurance Company was up 7.1%.

Kuwait: The Kuwait All Share Index fell 2.6% to close at 4,596.3. The Real Estate index declined 4.0%, while the Banks index fell 3.2%. Alargan International Real Estate Co. declined 26.2%, while Al Arabiya Real Estate Co. was down 9.5%.

Oman: The MSM 30 Index gained 0.5% to close at 3,472.4. Gains were led by the Services and Financial indices, rising 0.9% and 0.3%, respectively. Galfar Engineering & Contracting rose 8.5%, while Al Madina Investment Co was up 4.8%.

Bahrain: The BHB Index fell 0.2% to close at 1,300.4. The Commercial Banks index declined 0.6%, while the other indices ended flat or in green. Ahli United Bank declined 1.3%, while Al Baraka Banking Group was down 0.4%.

Market Indicators	09 Apr 20	08 Apr 20	%Chg.
Value Traded (QR mn)	284.6	333.2	(14.6)
Exch. Market Cap. (QR mn)	508,571.5	510,452.7	(0.4)
Volume (mn)	165.7	193.8	(14.5)
Number of Transactions	11,189	10,825	3.4
Companies Traded	44	45	(2.2)
Market Breadth	22:18	24:19	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,191.66	(0.5)	6.3	(10.4)	13.3
All Share Index	2,800.79	(0.4)	6.1	(9.6)	14.0
Banks	4,080.16	0.0	5.4	(3.3)	13.2
Industrials	2,337.37	(0.9)	9.7	(20.3)	16.3
Transportation	2,352.12	0.1	4.9	(8.0)	11.6
Real Estate	1,296.42	(0.6)	5.4	(17.2)	11.2
Insurance	2,152.50	(4.1)	5.0	(21.3)	36.0
Telecoms	829.29	0.2	7.2	(7.3)	13.7
Consumer	6,941.48	(0.3)	5.4	(19.7)	16.1
Al Rayan Islamic Index	3,443.42	(0.0)	7.9	(12.8)	14.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
First Abu Dhabi Bank	Abu Dhabi	12.10	11.2	2,466.1	(20.2)
Emirates NBD	Dubai	8.40	7.7	4,678.8	(35.4)
Emirates Telecom. Group	Abu Dhabi	15.10	5.6	2,364.4	(7.7)
Saudi Electricity Co.	Saudi Arabia	17.70	3.6	1,717.9	(12.5)
Dubai Islamic Bank	Dubai	3.19	3.6	17,981.8	(42.1)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mabanee Co.	Kuwait	0.56	(7.7)	5,072.3	(38.1)
Mesaieed Petro. Holding	Qatar	2.05	(6.4)	12,459.9	(18.4)
Qatar Insurance Co.	Qatar	2.25	(6.1)	858.1	(28.8)
Gulf Bank	Kuwait	0.19	(5.4)	19,816.9	(36.3)
Burgan Bank	Kuwait	0.19	(5.0)	5,658.1	(37.5)

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%
Islamic Holding Group	1.44	4.6	1,965.8	(24.2)
Qatari Investors Group	1.35	4.3	888.8	(24.6)
Qatari German Co for Med. Devices	0.57	4.2	5,670.7	(2.4)
Baladna	1.00	4.2	2,540.6	0.0
Qatar Aluminium Manufacturing	0.69	3.6	29,645.4	(12.3)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.55	3.0	48,183.8	(10.6)
Qatar Aluminium Manufacturing	0.69	3.6	29,645.4	(12.3)
Mesaieed Petrochemical Holding	2.05	(6.4)	12,459.9	(18.4)
Salam International Inv. Ltd.	0.27	(0.4)	9,070.6	(48.7)
Aamal Company	0.56	(0.9)	6,986.5	(31.1)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	2.05	(6.4)	12,459.9	(18.4)
Qatar Insurance Company	2.25	(6.1)	858.1	(28.8)
United Development Company	1.05	(2.2)	2,983.2	(30.9)
Aamal Company	0.56	(0.9)	6,986.5	(31.1)
The Commercial Bank	4.19	(0.8)	3,536.0	(10.9)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.00	(0.4)	31,947.4	(7.7)
Ooredoo	6.37	0.3	26,445.8	(10.0)
Ezdan Holding Group	0.55	3.0	26,357.3	(10.6)
Mesaieed Petrochemical Holding	2.05	(6.4)	26,069.5	(18.4)
Qatar Aluminium Manufacturing	0.69	3.6	20,437.4	(12.3)

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*	8,989.78	(0.5)	6.3	9.5	(13.8)	77.68	138,636.6	13.3	1.3	4.5
Dubai	1,830.02	3.6	6.2	3.3	(33.8)	62.72	74,892.4	6.7	0.6	6.8
Abu Dhabi	4,113.68	6.4	9.5	10.1	(19.0)	53.32	120,429.7	11.5	1.1	6.0
Saudi Arabia	7,006.24	0.1	3.8	7.7	(16.5)	1,286.71	2,145,296.3	19.5	1.7	3.8
Kuwait	4,596.32	(2.6)	(2.2)	(4.7)	(26.8)	202.34	83,938.9	11.3	1.0	4.9
Oman	3,472.43	0.5	2.6	0.7	(12.8)	2.75	15,113.9	7.0	0.6	8.0
Bahrain	1,300.37	(0.2)	(2.2)	(3.7)	(19.2)	1.73	20,079.0	9.3	0.8	6.1

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 0.5% to close at 8,989.8. The Insurance 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.
- Mesaieed Petrochemical Holding Company and Qatar Insurance Company were the top losers, falling 6.4% and 6.1%, respectively. Among the top gainers, Islamic Holding Group gained 4.6%, while Qatari Investors Group was up 4.3%.
- Volume of shares traded on Thursday fell by 14.5% to 165.7mn from 193.8mn on Wednesday. However, as compared to the 30-day moving average of 137.4mn, volume for the day was 20.6% higher. Ezdan Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 29.1% and 17.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	39.67%	48.64%	(25,539,065.55)
Qatari Institutions	17.29%	16.79%	1,429,276.58
Qatari	**56.96%**	**65.43%**	**(24,109,788.97)**
GCC Individuals	2.58%	2.56%	66,019.91
GCC Institutions	0.70%	2.64%	(5,510,079.96)
GCC	**3.28%**	**5.20%**	**(5,444,060.06)**
Non-Qatari Individuals	15.52%	14.09%	4,054,809.11
Non-Qatari Institutions	24.25%	15.29%	25,499,039.92
Non-Qatari	**39.77%**	**29.38%**	**29,553,849.03**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
SMN Power Holding	Oman	OMR	13.8	-21.7%		–	2.0	139.1%
Dhofar Cattle Feed Co.	Oman	OMR	8.2	-1.5%	–	–	0.01	-99.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04/09	US	Department of Labor	Initial Jobless Claims	4-Apr	6,606k	5,500k	6,867k
04/09	US	Department of Labor	Continuing Claims	28-Mar	7,455k	8,236k	3,059k
04/10	US	Bureau of Labor Statistics	CPI MoM	Mar	-0.40%	-0.30%	0.10%
04/10	US	Bureau of Labor Statistics	CPI YoY	Mar	1.50%	1.60%	2.30%
04/10	US	Bureau of Labor Statistics	CPI Index NSA	Mar	258.115	258.12	258.678
04/09	UK	UK Office for National Statistics	Monthly GDP (MoM)	Feb	-0.10%	0.10%	0.10%
04/09	UK	UK Office for National Statistics	Monthly GDP (3M/3M)	Feb	0.10%	0.10%	0.00%
04/09	UK	UK Office for National Statistics	Industrial Production MoM	Feb	0.10%	0.10%	0.20%
04/09	UK	UK Office for National Statistics	Industrial Production YoY	Feb	-2.80%	-3.00%	-2.80%
04/09	UK	UK Office for National Statistics	Manufacturing Production MoM	Feb	0.50%	0.10%	0.40%
04/09	UK	UK Office for National Statistics	Manufacturing Production YoY	Feb	-3.90%	-4.00%	-3.70%
04/09	UK	UK Office for National Statistics	Construction Output MoM	Feb	-1.70%	0.30%	-0.20%
04/09	UK	UK Office for National Statistics	Construction Output YoY	Feb	-2.70%	0.20%	0.50%
04/09	UK	UK Office for National Statistics	Index of Services MoM	Feb	0.00%	0.20%	0.10%
04/09	UK	UK Office for National Statistics	Index of Services 3M/3M	Feb	0.20%	0.30%	0.00%
04/09	Germany	German Federal Statistical Office	Trade Balance	Feb	20.8bn	16.5bn	13.9bn
04/09	Germany	German Federal Statistical Office	Current Account Balance	Feb	23.7bn	17.0bn	16.8bn
04/10	France	INSEE National Statistics Office	Industrial Production MoM	Feb	0.90%	0.00%	1.10%
04/10	France	INSEE National Statistics Office	Industrial Production YoY	Feb	-1.40%	-2.50%	-2.80%
04/10	France	INSEE National Statistics Office	Manufacturing Production MoM	Feb	0.90%	0.40%	1.20%
04/10	France	INSEE National Statistics Office	Manufacturing Production YoY	Feb	-1.50%	-2.00%	-2.30%
04/10	Japan	Bank of Japan	PPI MoM	Mar	-0.90%	-0.60%	-0.40%
04/10	Japan	Bank of Japan	PPI YoY	Mar	-0.40%	-0.10%	0.80%
04/10	China	National Bureau of Statistics	PPI YoY	Mar	-1.50%	-1.10%	-0.40%
04/10	China	National Bureau of Statistics	CPI YoY	Mar	4.30%	4.90%	5.20%
04/10	China	The People's Bank of China	Money Supply M0 YoY	Mar	10.80%	11.60%	10.90%
04/10	China	National Bureau of Statistics	New Yuan Loans CNY	Mar	2,850.0bn	1,800.0bn	905.7bn
04/10	China	The People's Bank of China	Money Supply M2 YoY	Mar	10.10%	8.80%	8.80%
04/10	China	The People's Bank of China	Money Supply M1 YoY	Mar	5.00%	4.50%	4.80%
04/09	India	India Central Statistical Organization	Industrial Production YoY	Feb	4.50%	3.40%	2.10%

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 1Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Apr-20	0	Due
QNCD	Qatar National Cement Company	15-Apr-20	3	Due
QIBK	Qatar Islamic Bank	15-Apr-20	3	Due
KCBK	Al Khalij Commercial Bank	15-Apr-20	3	Due
QFLS	Qatar Fuel Company	15-Apr-20	3	Due
IHGS	Islamic Holding Group	19-Apr-20	7	Due
QIGD	Qatari Investors Group	19-Apr-20	7	Due
QEWS	Qatar Electricity & Water Company	19-Apr-20	7	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	20-Apr-20	8	Due
ERES	Ezdan Holding Group	20-Apr-20	8	Due
ABQK	Ahli Bank	20-Apr-20	8	Due
CBQK	The Commercial Bank	21-Apr-20	9	Due
QIMD	Qatar Industrial Manufacturing Company	22-Apr-20	10	Due
MCCS	Mannai Corporation	22-Apr-20	10	Due
VFQS	Vodafone Qatar	22-Apr-20	10	Due
QIIK	Qatar International Islamic Bank	22-Apr-20	10	Due
MCGS	Medicare Group	22-Apr-20	10	Due
UDCD	United Development Company	22-Apr-20	10	Due
DHBK	Doha Bank	22-Apr-20	10	Due
DBIS	Dlala Brokerage & Investment Holding Company	23-Apr-20	11	Due
NLCS	Alijarah Holding	23-Apr-20	11	Due
MARK	Masraf Al Rayan	23-Apr-20	11	Due
QCFS	Qatar Cinema & Film Distribution Company	26-Apr-20	14	Due
BLDN	Baladna	27-Apr-20	15	Due
GWCS	Gulf Warehousing Company	28-Apr-20	16	Due
MERS	Al Meera Consumer Goods Company	29-Apr-20	17	Due
DOHI	Doha Insurance Group	29-Apr-20	17	Due
ORDS	Ooredoo	29-Apr-20	17	Due
AKHI	Al Khaleej Takaful Insurance Company	30-Apr-20	18	Due

Source: QSE

News

Qatar

- **Fitch downgrades DHBK's VR to 'bb'; Long-Term IDR unaffected at 'A' –** Fitch Ratings (Fitch) has downgraded Doha Bank's (DHBK) Viability Rating (VR) to 'bb' from 'bb+'. The bank's other ratings are unaffected by this rating action. The downgrade of the VR primarily reflects a weaker loss-absorption capacity resulting from material asset-quality deterioration in 2019, largely due to a high concentration to Qatar's troubled real estate and contracting sectors and large problem loans from GCC lending. It comes at a time as the spread of coronavirus and lower oil prices are putting increased pressure on the domestic operating environment and on Qatari banks' asset quality, and hence on capital buffers. The 'bb' VR of Doha Bank reflects its large stock of problem loans and increasing impaired loan origination putting pressure on its capital buffers, high real estate-and-contracting concentration and weak profitability from high loan impairment charges (LICs). The bank's standalone creditworthiness continues to be underpinned by a well-established domestic franchise in Qatar (end-2019: 7% market share of assets) and sufficient liquidity despite refinancing risks stemming from a high reliance on foreign funding. Doha Bank's Long-Term Issuer Default Rating (IDR) and Support Rating Floor (SRF) of 'A', and Support Rating of '1' are unaffected by the rating action. The ratings reflect Fitch's expectation of an extremely high probability of support from the Qatari authorities for domestic banks in case of need. This reflects the strong ability of Qatar to support its banks, as indicated by its rating (AA-/Stable), combined with Fitch's belief of a strong willingness of the government to support the banking sector, including Doha Bank. The 'Stable' Outlook on Doha Bank's Long-Term IDR mirrors that on the Qatari sovereign. (Fitch)
- **Euler Hermes: Qatar's economy seems to have entered new normal –** Qatar's economy seems to have entered a new normal where the country will continue experiencing slower growth rates, Euler Hermes has said in a report. Beyond 2021, growth may even soften further, for two reasons, the report said. First, Euler Hermes does not expect global oil and gas prices to increase again (to pre-2014 levels) as global demand is likely to stagnate or fall against the background of rising climate change concerns. Second, growing fiscal pressures in Qatar may be raising the risk of contract re-negotiation or cancellation for medium- or low-profile projects, it said. According to Euler Hermes, the country's mining and quarrying sector continued to contract in 2H2019 and will also do so in 2020 as a whole. The non-hydrocarbon sector should only gradually regain momentum in 2020 before picking up more rapidly in 2021 as construction activities in preparation for the FIFA World Cup

2022 enter the last stage. “Overall, we forecast real GDP growth of +1.5% in 2020 and +2.5% in 2021,” Euler Hermes said. On the country’s structural business environment, Euler Hermes noted, “The business climate in Qatar is generally adequate, ranking slightly above average in our assessment of 191 economies.” The World Bank’s Doing Business 2020 survey ranks Qatar 77th out of 190 economies in terms of the overall ease of conducting commercial operations, a slight improvement from rank 83 a year earlier. Marked advancements in the sub-components "getting credit" and "registering property" were the main contributors to that improvement. However, "protecting minority investors" (rank 157), "enforcing contracts" (rank 115) and "resolving insolvency" (rank 123) remain weaknesses in Qatar. Euler Hermes said Qatar’s dollar peg is expected to hold as the Qatar Central Bank has large foreign exchange (FX) reserves to support the currency. The currency peg (at QR3.64 to the dollar) has ensured “relative price stability” since 2010, Euler Hermes noted. Since September 2018, Qatar has experienced deflation (-0.7% on average in 2019) amid a "weak economic performance and declining housing market," according to the report. (Gulf-Times.com)

- **BRES names AL Rumaihi as acting CEO –** Barwa Real Estate Company (BRES) has announced the appointment of Abdullah Jubara Al Rumaihi as the acting CEO of BRES, besides his current duties as CEO of Al Waseef Asset Management Company as of April 12, 2020. Rumaihi is one of the distinguished Qatari in the Group since he joined 13 years ago, with extensive experience in the field covering real estate asset management, strategic planning, and investment as well as financial affairs for over 25 years of experience. Al Rumaihi has carried out various positions in several national institutions and contributed to the establishment of a number of companies. He is currently the CEO of Al-Waseef Asset Management Company which is the operational arm of BRES and is wholly owned by it. Al-Waseef Company supervises the management of all Barwa Real Estate Group projects, in addition to managing several major real estate projects in the country, in addition to that AlRumaihi is a member of many boards of directors. (QSE, Qatar Tribune)
- **QNCD to disclose its 1Q2020 financial statements on April 15 –** Qatar National Cement Company (QNCD) announced its intent to disclose its 1Q2020 financial statements results on April 15, 2020. (QSE)
- **DBIS to disclose its 1Q2020 financial statements on April 23 –** Dlala Brokerage and Investment Company (DBIS) announced its intent to disclose its 1Q2020 financial statements results on April 23, 2020. (QSE)
- **BLDN to disclose its 1Q2020 financial statements on April 27 –** Baladna (BLDN) announced its intent to disclose its 1Q2020 financial statements results on April 27, 2020. (QSE)
- **MERS to disclose its 1Q2020 financial statements on April 29 –** Al Meera Consumer Goods Company (MERS) announced its intent to disclose its 1Q2020 financial statements results on April 29, 2020. (QSE)
- **AKHI to disclose its 1Q2020 financial statements on April 30 –** Al Khaleej Takaful Insurance Company (AKHI) announced its intent to disclose its 1Q2020 financial statements results on April 30, 2020. (QSE)
- **IHGS to hold its investors relation conference call on April 20 –** Islamic Holding Group (IHGS) will hold a conference on Investor Relations by telephone to discuss the financial results of 1Q2020 on April 20, 2020 at 13:30pm Doha time. (QSE)
- **MCCS to hold its AGM through modern means of telecommunication on April 19 –** Mannai Corporation (MCCS) announced that, in support of efforts for maintaining public health and social distancing, the Ordinary and Extraordinary General Assembly meetings (AGM & EGM) of the company will be held virtually through modern means of telecommunication on April 19, 2020 at 04:00 p.m. In case the quorum is not complete for such meeting, another meeting will be held on April 26, 2020 at 04:00 p.m. The agenda includes reviewing and approving the board of directors’ proposal for a cash dividend payment of QR0.2 per share, being 20% of the nominal share value, among others. (QSE)
- **MME, WDAM to ensure meat supply in Ramadan –** The Ministry of Municipality and Environment (MME) and Widam Food Company (WDAM) have stepped up efforts to ensure the supply of meat in local market to meet the growing demand during the forthcoming holy month of Ramadan. The Animal Wealth Affairs at the MME has offered local livestock farms to sell their sheep through the National Initiative for Encouraging Local Production of Sheep during Ramadan and Eid Al Adha. The initiative was launched last year to support the animal farms in marketing their products in a bid to get appropriate yields for their products. (Peninsula Qatar)
- **Qatar Stock Exchange’s Chief expects up to two IPOs this year –** Qatar‘s stock market could see two share sales in 2020 as a real estate and an insurance company prepare to list. “So far, they are going as scheduled despite market turbulence, the bourse’s CEO, Rashid Al Mansoori said in a Bloomberg TV interview Thursday. The last company to debut on Doha’s exchange was dairy-products producer Baladna in December. Qatar’s stock exchange has a market valuation of about $138bn, similar to that of Turkey and Chile. In an effort to mitigate the impact of the coronavirus, the country last month introduced stimulus measures worth QR75bn ($20bn), which included increasing government investments in the exchange by QR10bn. The bourse is also working on launching derivatives within the next two to three years, Al Mansoori said. (Bloomberg)
- **Al Khater: Industrial Area lockdown will be lifted gradually –** The lockdown of the Industrial Area portion will be lifted gradually in a way that guarantees safety for residents of the area and society as a whole. This was announced by HE Lolwah bint Rashid al Khater, Spokesperson for the Supreme Committee for Crisis Management, at a press conference on Thursday. “The work has already been started for the gradual opening of this area and plans are afoot to bring back life to normal soon,” she said, adding that the details of the plan will be announced in the coming days. Khater added, “This closure experience is not the one of its kind in the world. Though a little difficult, it is a necessary option in view of the COVID-19 crisis. The authorities are trying their best to mitigate its consequences, whether on the residents of the area or on employers.” She said the health campaigns in terms of the number of examinations, sterilization and disinfection, and care for residents of that area is going on unabated. (Qatar Tribune)

- **Huawei to support Qatar in building local 5G ecosystem –** The world's largest telecommunications equipment maker Huawei will further support Qatar in building local 5G ecosystem to develop innovative applications and business models in the country, the company has said. In reply to Qatar Tribune's query about Huawei's 5G business plans for the Middle East (ME) in general and Qatar in particular at a virtual interaction with media recently, the company said, "All the governments in the Middle East have clear strategies to accelerate 5G deployment, for example the license fee of the 5G and the spectrum resource is one of the best in the world. We have confidence for our 5G business in ME. In Qatar, we will further support building local 5G ecosystem to develop innovative applications and business models." The company added, "5G, Artificial Intelligence (AI), and Cloud have become the fundamentals of each country. All the countries are working towards achieving their national strategies to realize digital transformation. The region was on the first wave of adapting 5G globally. Commercial networks were launched in several countries with bespoke 5G-services planned for the benefit of local industries. As telecoms equipment maker, Huawei is quite bullish on its 5G business within the Middle East." New 5G technologies are set to create an extra $1.4tn in GDP for worldwide economies over the next decade, according to a recent report by Huawei and STL Partners. (Qatar Tribune)
- **A 3,000-bed quarantine hospital set up within 72 hours by Ashghal –** The Public Works Authority (Ashghal) has set up a 3,000-bed medical quarantine hospital within 72 hours, and remaining works are under way to complete to have an 8,000-bed quarantine hospital soon. Ashghal Buildings Projects Department official Fatima Al-Meer said this has been done at the request of the Ministry of Public Health and in coordination with the Ministry of Municipality and Environment. Upon completion, the Medical Quarantine Complex in Umm Slal will be able to accommodate 12,500 beds, she said on Twitter. Thafir Al-Ahbabi, also from the Buildings Projects Department, said the field quarantine hospital has a recreational facility that can accommodate 600 people and offer diverse sports activities along with iPads. A dining room has also been set up to serve 900 people, taking into consideration factors such as safe social distancing in terms of seating. "We would like to extend our thanks to the private sector, local contractors and suppliers for their effective co-operation and contribution, offering their services to accomplish this great project in record time," he noted. (Gulf-Times.com)
- **As many as 90% of COVID-19 cases in Qatar are mild –** As many as 90% of the COVID-19 cases in Qatar are mild and the rate of recovery is also increasing, HE the Spokesperson for the Supreme Committee for Crisis Management Lolwah bint Rashid bin Mohamed Al Khater told a press conference yesterday. "Only 2% of COVID-19 cases are serious, with 37 cases in intensive care while about 20 left intensive care," she explained. The COVID-19 cases discovered in those under quarantine in Qatar continue to be much higher and constitute 72% of the total. However, infections outside the quarantine have risen to 26% this week compared to 16% last week. The information about 2% of cases is to be updated when available. (Gulf-Times.com)

International

- **IMF, World Bank aid aimed at helping countries battle pandemic –** The International Monetary Fund (IMF) and the World Bank are providing emergency funds to developing and low-income countries across the world to strengthen their efforts to battle the rapidly spreading coronavirus. (Reuters)
- **Global business, workers, civil society join call for debt relief for poorer nations –** The International Chamber of Commerce on Friday joined a global trade union and a major civil society group to urge immediate debt relief for the world's poorest countries to help them fight the coronavirus pandemic and mitigate its economic impact. In an open letter to finance ministers, the groups also urged countries to contribute to the Catastrophe Containment and Relief Trust, an International Monetary Fund instrument that provides debt service relief to its poorest members. The ICC, the International Trade Union Confederation and Global Citizen, a group pushing to end extreme poverty by 2030, warned that failure to address the debt and financing needs of developing countries could trigger a series of debt defaults that would have devastating and wide-ranging consequences. "We are concerned that a failure to immediately address the debt and financing needs of developing countries during this unprecedented crisis will result in large-scale loss of lives and livelihoods — potentially resulting in a fundamental collapse of social and economic systems," the groups wrote. The letter reflects increasing support for a push by the World Bank and IMF for official bilateral creditors to temporarily suspend debt payments for the poorest countries, which will be hit hardest by the pandemic. Details of the IMF-World Bank proposal are still being finalized ahead of debate by finance officials at the virtual Spring Meetings of the Fund and the Bank next week. On Friday, the Institution of International Finance, which includes over 450 banks, hedge funds and other financial firms, also backed the call. Other backers include the US Conference of Catholic Bishops and the Jubilee USA Network alliance of faith groups. (Reuters)
- **Millions filed for US unemployment - many are still waiting for the cash –** A shocking 16.8mn people filed for US unemployment benefits in the last three weeks as the country shut down to stop the spread of the novel coronavirus, overwhelming state labor departments and creating a large backlog of pending applications. A month after the virus was declared a pandemic, many newly jobless Americans are still waiting desperately for their unemployment checks. After going weeks without a paycheck, they are falling behind on their bills and drastically ratcheting back spending. The delays come as other federal stimulus, including a small business lending program, also experience hiccups. The slow federal response could ultimately make the economic hit from the shutdown worse, economists warn here. The North Carolina Department of Commerce says people typically receive payment within 14 days of filing their initial claim. The $2.3tn stimulus act signed March 27 includes a $600 a week across-the-board unemployment payout. Some states have started issuing the benefits, but it could take until May in some states for this money to filter through creaky federal and state bureaucracies into the bank accounts of Americans. (Reuters)

- **US six-month deficit rises to $744bn ahead of virus budget storm in April –** The US racked up a $744bn budget deficit in the first half of fiscal 2020, up 8% from a year earlier, the Treasury said on Friday, ahead of an expected April spending explosion and withering of revenues amid the coronavirus pandemic. The Treasury said the budget deficit for March totaled $119bn, down 19% on slightly higher revenues and lower outlays altered by calendar shifts, but the data did not show significant effects from virus-prompted business shutdowns. The US fiscal year started in October 2019. Outlays from a $2.2tn rescue package passed on March 27 are only just beginning. Tax payments due on April 15 have been delayed until July 15. “We will certainly see a significant impact to receipts in the April results,” a U.S. Treasury official told reporters. “On outlays there will be a significant impact as well, as some of the stimulus programs will have begun to be paid.” Oxford Economics said in a research note that the second-half deficit will likely double to $1.5tn, bringing the full year gap to a record $2.2tn. About $283 billion in non-withheld individual income taxes were paid in April 2019, according to Treasury data. The filing and payment delay will likely reduce such receipts in April 2020, the Treasury official said. Receipts for taxes withheld from worker paychecks, which totaled $114bn in April 2019, are expected to be reduced by rising unemployment. The $744bn six-month deficit fell well short of the record here $957bn first-half budget gap in 2009, a period reflecting the worst months of the 2008-2009 financial crisis and the start of a deep recession. The full-year 2009 deficit also was a record that still stands, at $1.41tn, with $1tn plus deficits following for the next three years. (Reuters)
- **March US deficit shrinks, but virus budget storm seen in April –** The March US budget deficit shrank to $119bn from $147bn a year earlier as receipts grew and calendar shifts reduced outlays, but the data reflect only a minimal impact from massive coronavirus rescue spending, the US Treasury said on Friday. Large outlays from the $2.3tn coronavirus legislation passed on March 27 and reduced receipts due to higher unemployment and delayed tax returns should have a significant impact on April’s budget, a Treasury official said. For the first six months of the 2020 fiscal year, the US deficit rose 8% to $744bn from $691bn a year earlier, with receipts up 6% and outlays up 7%. In March, receipts totaled $237bn, up 3% from a year earlier, while outlays fell 5% to $356bn. But significant March benefit payments were pushed into February, reducing outlays by $51bn. Accounting for calendar effects, March had an adjusted deficit of $170bn compared with an adjusted deficit of $136bn in March 2019. For the fiscal year, the adjusted deficit was $744bn compared with $690bn in the same period the prior year. (Reuters)
- **US consumer prices post largest drop in five years amid coronavirus disruptions –** US consumer prices fell by the most in more than five years in March and further decreases are likely as the novel coronavirus outbreak suppresses demand for some goods and services, offsetting price increases related to shortages resulting from disruptions to the supply chain. With the country virtually at a stand-still, the economy rapidly contracting and millions unemployed as state and local governments adopt stiff measures to control the spread of COVID-19, the respiratory illness caused by the coronavirus, economists are predicting the disinflationary trend will persist for a while or even a short period of outright deflation. The Labor Department said on Friday its consumer price index dropped 0.4% last month amid a tumble in the cost of gasoline, and record decreases in hotel accommodation, apparel and airline ticket prices. That was the biggest drop since January 2015 and followed a 0.1% gain in February. In the 12 months through March, the CPI increased 1.5%, the smallest advance since February 2019, after accelerating 2.3% in February. Economists polled by Reuters had forecast the CPI dropping 0.3% in March and climbing 1.6% YoY. (Reuters)
- **Fed policymakers working to limit damage as pandemic puts US economy on pause –** The US economy was on a strong footing before the coronavirus pandemic and Federal Reserve officials are working to help the economy rebound quickly once businesses that were shuttered because of the virus begin to reopen, two policymakers said Friday. Economic numbers could get “very ugly” in the near term because of that halt to activity, but policymakers are doing what they can to support the businesses and consumers affected the most, Cleveland Fed President Loretta Mester said Friday. Around 17mn Americans filed for unemployment benefits in the last three weeks, according to data released Thursday by the Labor Department, revealing the scale of the shock reverberating through the US economy as businesses across the country shuttered to slow the spread of the virus. The US economy “has been placed in hibernation. Its temperature has been brought down. It can be revived without permanent damage,” Federal Reserve vice chair Randal Quarles said in a web presentation hosted by the University of Utah. “The measures we have taken in conjunction with the Treasury and additional measures that Congress has put in place are designed to ensure that the hibernation period we can go through with the least amount of damage, and I believe we will do that.” (Reuters)
- **Mnuchin, Kudlow say US economy could open in May, defying experts –** The Trump administration’s top economic officials said on Thursday they believe the US economy could start to reopen for normal business in May, despite health experts’ emphasis on prolonged social distancing measures to defeat the coronavirus. Comments from US Treasury Secretary Steven Mnuchin and White House economic adviser Larry Kudlow signaled a renewed push for a quicker resumption of economic activity even as US death rates from the virus continue to climb. Asked on CNBC whether President Donald Trump could start to reopen businesses in May, Mnuchin said, “I do.” “As soon as the president feels comfortable with the medical issues, we are making everything necessary that American companies and American workers can be open for business and that they have the liquidity they need to operate the business in the interim.” Kudlow, speaking on Fox Business Network, said the economy should be able to reopen on a “rolling basis” over the next month or two. “Our intent here was, is, to try to relieve people of the enormous difficult hardships they are suffering through no fault of their own,” Kudlow said. US economists and health officials on Thursday cautioned against bringing large numbers of people back to their workplaces too quickly. An influential model the White House is studying to predict the disease’s spread assumes current social distancing measures to slow the virus’ spread through the month of May. (Reuters)

- **UK's NIESR sees 15-25% fall in GDP in second quarter due to coronavirus –** British economic output could shrink by as much as a quarter during the April-June period after a 5% fall in the first three months of the year, forecasters at the National Institute of Economic and Social Research (NIESR) said on Thursday. NIESR, a think tank which produces estimates of gross domestic product growth after the release of official data, said a 5% fall in first-quarter GDP was possible followed by a 15-25% decline in the second quarter if the coronavirus lockdown continues. “COVID-19 and the global lockdown has thrust the economy into unknown territory where we could see GDP declining at a record quarterly rate. Nonetheless, instant and significant recovery remain a distinct possibility if the spread of the virus comes to halt quickly,” NIESR economist Kemar Whyte said. (Reuters)
- **Britain sticking to EU deal timeline, Irish Finance Minister says after talks –** Britain appears to be sticking to its plan to seek a free trade deal with the EU by the end of 2020 even though formal talks have been postponed due to the coronavirus, Ireland’s Finance Minister said after talks with his British counterpart. “My sense at the moment is that the British government will not be changing the timeline they have in relation to Brexit,” Donohoe told a news conference on Friday, citing a conversation with British Finance Minister Rishi Sunak a day earlier. “We have said on a number of occasions that we thought it was already going to be very demanding to get all of this done by the end of the year. It is going to be a matter for the United Kingdom … but a pretty demanding agenda has definitely gotten even more demanding because of how COVID-19 (coronavirus) has occupied the efforts of everybody.” (Reuters)
- **EU ministers agree half a trillion Euro coronavirus rescue plan –** European Union finance ministers agreed on Thursday on half-a-trillion Euros worth of support for their coronavirus-battered economies but left open the question of how to finance recovery in the bloc headed for a steep recession. The agreement was reached after EU powerhouse Germany, as well as France, put their feet down to end opposition from the Netherlands over attaching economic conditions to emergency credit for governments weathering the impacts of the pandemic, and offered Italy assurances that the bloc would show solidarity. However, the deal does not mention using joint debt to finance recovery - something Italy, France and Spain pushed strongly for but which is a red line for Germany, the Netherlands, Finland and Austria. It only defers to the bloc’s 27 national leaders whether “innovative financial instruments” should be applied, meaning many more fraught discussions on the matter were still ahead. (Reuters)
- **China encourages export goods sales domestically as virus batters global trade –** China will promote the sales of export products in domestic markets, as foreign trade faces unprecedented challenges due to the coronavirus pandemic, an assistant commerce minister said on Friday. As the coronavirus spreads to almost all of China’s trading partners, the world’s second-largest economy is set to reach a grim milestone for full year growth, with the pace of expansion likely to be the slowest since the Cultural Revolution ended in 1976. And, the export sector is facing millions of job losses and factory shutdowns. “Due to the rapid spread of the epidemic in the world, foreign demand has slumped and the biggest difficulty facing foreign trade companies is the plunge in orders,” said Ren Hongbin, the assistant minister at the Ministry of Commerce. He said firms across the board have had their orders cancelled or delayed, and new orders are “very hard to sign”. “The uncertainty about the pandemic has become the biggest uncertainty for foreign trade development.” Forecasters expect China’s 2020 growth could be nearer the 2.0% mark - the slowest in over 40 years - due to the sweeping impact of the pandemic both at home and overseas. The economy grew 6.1% last year. China’s overseas shipments fell 17.2% in January-February from the same period a year earlier, marking the steepest fall since February 2019. Imports sank 4% from a year earlier. (Reuters)
- **China's total social financing soars to record 5.15tn Yuan in March –** China’s total social financing (TSF) rose to a record 5.15tn Yuan ($732bn) in March, compared with 855bn Yuan in February, the central bank told a briefing on Friday. Analysts polled by Reuters had expected 2.8tn Yuan. TSF includes off-balance-sheet forms of financing that exist outside the conventional bank lending system, such as initial public offerings, loans from trust companies and bond sales. Outstanding TSF was 262.24tn Yuan ($37.3tn) at the end of March, up 11.5% from a year earlier. (Reuters)
- **China March new bank loans jump to 2.85tn yuan, beat forecast –** Chinese banks extended 2.85tn Yuan ($405.2bn) in new yuan loans in March, up sharply from February and far exceeding analyst expectations. Analysts polled by Reuters had predicted new yuan loans would rise to 1.80tn Yuan in March, nearly double the 905.7bn Yuan in the previous month and compared with 1.69 trillion yuan a year earlier. Broad M2 money supply in March grew 10.1% from a year earlier, central bank data showed on Friday, above estimates of 8.8% forecast in the Reuters poll. It rose 8.8% in February. Outstanding yuan loans grew 12.7% from a year earlier compared with 12.1% growth in February. Analysts had expected 12.1% growth. (Reuters)

Regional

- **World Bank: Covid-19, oil price fall would cost MENA economies $116bn –** Economies in the Middle East and North Africa (MENA) will face $116bn in costs from the impact of coronavirus and the drop in oil prices in 2020, according to World Bank forecasts. It also called for greater transparency as the region braces for an unprecedented dual shock. "The Covid-19 pandemic is affecting MENA economies across four channels - the deterioration of public health; falling global demand for the region's goods and services; declines in MENA domestic supply and demand because of social distancing measures; and, importantly, falling oil prices," it said in an update. It stated the price drop in oil imports is indirectly due to a decline in remittances, investment and capital flows from oil exporting countries of the region. A large number of foreign workers have jobs in oil exporting GCC countries who remit billions of dollars every month outside the region. Oil prices have continued to plunge this week and strains on Gulf economies are mounting. The World Bank has recommended that regional governments will have to work on two parallels simultaneously to over the challenges. They are addressing the health emergency and associated economic contraction as well as the enactment of budget-neutral reforms such as debt transparency and restructuring of state-owned enterprises. Governments in the MENA region have taken steps to limit the economic fallout. Central banks across the region have cut interest rates this week and policymakers have generally instructed banks to waive mortgage and loans repayments and provide access to credit for heavily affected firms. "All told, these actions should mitigate some of the impact of the coronavirus outbreak and it would not be a surprise to see further measures announced over the coming weeks. However, this will not avert a sharp economic downturn," Capital Economics stated. (Zawya)

- **OPEC+ works on two-year oil cut deal, implemented gradually –** OPEC and its allies, a group known as OPEC+, are discussing plans to cut oil production for at least two years with reductions implemented gradually, two OPEC+ sources said. The group has previously said it wanted the US, one the top three oil producers alongside Russia and Saudi Arabia, to take part in the cuts. Washington has till now stated its output was already gradually falling due to low oil prices. (Reuters)
- **Norway says still willing to cut oil output if OPEC+ plan implemented –** Norway, Western Europe's largest oil producer, stated on Saturday the country was still considering cutting oil production if the OPEC+ group implemented its plan. "How any potential output cut will be carried out by Norway, and the size of it, we will have to come back to," Minister of Petroleum and Energy, Tina Bru said. Efforts by top oil nations to reach a deal on cuts of up to 15mn bpd hit a roadblock on Friday when Saudi Arabia and Mexico failed to agree during a G20 meeting of energy ministers. But the meeting, in which Bru participated, had still provided important context, she said. Norway, which is not a member of OPEC, OPEC+ or the G20 group of major nations, was asked to participate in Friday's conference as it represents around 2% of global oil output. Norway's crude output stood at 1.75mn bpd in February, up 26% from a year ago. Including condensate and natural gas liquids (NGL), oil liquids production was 2.1mn bpd. "At the meeting I said Norway will consider a unilateral Norwegian cut in oil output, on the condition that the deal between the OPEC+ countries on output reduction is implemented," Bru said. (Reuters)
- **JPMorgan looking to offload Saudi and UAE sovereign fund loans –** JPMorgan is seeking to sell at a discount loans raised by the sovereign wealth funds of Saudi Arabia and the UAE, according to sources and a document, as banks brace for a borrowing spree in the Gulf due to low oil prices. Banks tend to hold loans they grant to Gulf governments in their portfolios, only selling down their exposure quietly through bilateral transactions as they do not want to be seen as dumping the paper in the market, two banking sources said. This helps them maintain good relationships with the borrowers in light of future funding requests, however, with loans raised by oil-rich Gulf states generally trading at par value, there are also few incentives for other banks to buy them in the secondary market. However, as Gulf government and state entities seek to raise funds after the recent plunge in oil prices and the coronavirus pandemic strained budgets, banks have been trying to make room for new borrowing requests by selling down some of their exposure, the two sources said. JPMorgan this week tried to sell down loans it has made to Saudi Arabia's Public Investment Fund (PIF) and Abu Dhabi's Mubadala, among a few other regional names, according to a loan document known as axe sheet, seen by Reuters. The bank was considering selling at least $50mn of PIF loan paper due in 2023 at an indicative price of 98.75 cents on the dollar, and at least 70mn Euros of Mubadala loans at 99 cents on the dollar, the document showed. (Reuters)
- **Fitch affirms Saudi Arabia at 'A'; with a Stable outlook –** Fitch Ratings has affirmed Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A' with a Stable outlook. Saudi Arabia's ratings reflect its strong fiscal and external balance sheets, including exceptionally high international reserves and low government debt. These are tempered by oil dependence, weak World Bank governance indicators and vulnerability to geopolitical shocks. The Kingdom's fiscal and external balance sheets have been weakening, and the recent sharp downturn in oil prices has accelerated this trend. Fitch expects the government budget deficit to spike to about 12% of GDP in 2020 (roughly $80bn), from 4.5% of GDP in 2019. Fitch expects that oil revenue will be down 41% assuming an average oil price of $35/bbl and average production of 11.5mn bpd (mmbbl/d; or 12mmbbl/d from April onwards). Fitch expects non-oil revenue to be down 15% as a result of the coronavirus pandemic. The sharp declines this year are partly due to large non-recurring revenue items last year, including a special Saudi Arabian Oil Company (Saudi Aramco) dividend, proceeds from the anti-corruption campaign and tax settlements. The Ministry of Finance expects and has expressed strong commitment to a deficit of 9% of GDP in 2020, although the revenue assumptions underlying this are unclear, in our view. Under Fitch's oil revenue assumptions, it appears that this would only be possible with additional non-recurring revenue. The government could request extraordinary distributions from the Saudi Arabian Monetary Authority (SAMA) over and above the regular dividends that SAMA pays into the government budget or drawdowns of government reserves (government deposits at SAMA, which are separate from SAMA reserves). The Ministry of Finance has signaled a sharp turn towards austerity this year, although it will face a difficult balancing act with the non-oil economy likely to enter deep recession. It has announced a 5% cut to spending for 2020, on top of the 3% cut envisaged in the 2020 budget. Further fiscal measures are under consideration. Fitch expects spending cuts to offset the fiscal effect of the government's SR70bn (nearly 3% of GDP) economic support package, which mostly goes towards deferring and cancelling fees and taxes. Spending fell 2% in 2019, partly reflecting a spike in cash outlays in 2018 due to the accelerated payment of arrears. Fitch expects the current account to post a deficit of 4% of GDP in 2020 and a surplus of 1% of GDP in 2021, from a surplus of about 6% of GDP in 2019. Despite the current account surplus, reserves were broadly flat last year, partly reflecting the acquisition of assets abroad in the non-government sector. Fitch's forecast has SAMA reserves falling by $40bn in 2020 and $12bn in 2021, although a reduction in capital outflows (for example by public-sector entities) could help conserve SAMA reserves. (Bloomberg)
- **Saudi Aramco to release May crude official prices on Sunday –** Saudi Aramco plans to announce its crude prices for May on

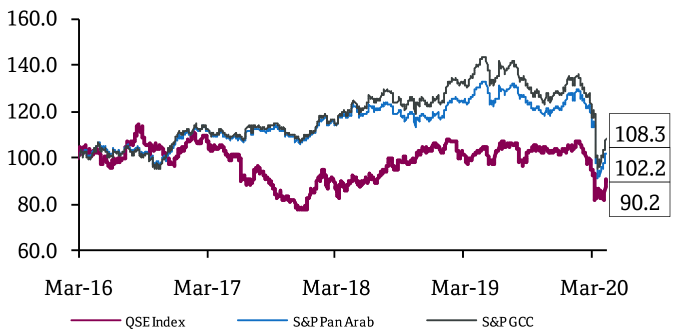
Sunday, a source told Reuters, having delayed the official release until after it finalizes a global oil supply cut deal. (Reuters)

- **Saudi Energy Minister calls for affordable energy supply at G20 meeting –** The Saudi Energy Minister, Prince Abdel Abdulaziz bin Salman told a conference of the G20 group of the world's largest economies on Friday that ensuring affordable energy supply is key to facilitating a global economic recovery. "Having affordable, reliable, accessible energy supply is considered a necessity to enable basic services, including health care, and help our efforts in assisting economic recovery," he said. Saudi Arabia is currently the chair of the group. (Reuters)
- **Saudi energy minister says OPEC+ oil pact hinges on Mexico joining –** Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman said that a final OPEC+ oil supply pact to reduce 10mn bpd, which was agreed on Thursday, hinges on Mexico joining in the cuts. OPEC, Russia and other allies, a group known as OPEC+, outlined plans on Thursday to cut their oil output by more than a fifth, however, said a final agreement was dependent on Mexico signing up to the pact after it balked at the production cuts it was asked to make. Discussions among top global energy ministers will resume on Friday. "I hope (Mexico) comes to see the benefit of this agreement not only for Mexico but for the whole world. This whole agreement is hinging on Mexico agreeing to it," told Reuters by telephone. Global fuel demand has plunged by around 30mn bpd, or 30% of global supplies, as steps to fight the coronavirus have grounded planes, cut vehicle usage and curbed economic activity. (Reuters)
- **US senators press Saudi officials to put oil cut in motion –** Republican US senators from oil states who recently introduced legislation to remove American troops from Saudi Arabia stated on Saturday they had spoken with three officials from the Kingdom and urged them to take concrete action to cut crude output. Saudi Arabia and Russia were close to finalizing a deal with other producers in the informal OPEC+ group to cut crude output by a record 10mn bpd, or about 10% of global output. The call was led by Senators Dan Sullivan and Kevin Cramer, who introduced legislation in March to remove US troops, Patriot missiles and THAAD defense systems from Saudi Arabia unless it cut output. There were 11 Republican senators on the nearly two-hour call, including Bill Cassidy, who introduced legislation last week to remove the US troops in 30 days, a month faster than the previous legislation. While the bills are unlikely to pass, the senators have played an unusual role in raising pressure on longtime ally Saudi Arabia, as President Donald Trump, a fellow Republican, has been in talks with Crown Prince Mohammed bin Salman urging him to boost output. (Reuters)
- **Russia and Saudi Arabia overcome differences holding up big oil cut deal –** Russia and Saudi Arabia have overcome differences that had presented potential hurdles to a plan for major oil output cuts aimed at shoring up crude prices hammered by the coranavirus crisis, the Head of Russia's wealth fund, Kirill Dmitriev said, who is also one of Moscow's top oil negotiators, told Reuters that moves to cut oil production needed the support of OPEC+, a group that includes Saudi Arabia and Russia, as well as other producers outside the informal grouping. Both Saudi Arabia and Russia will cut their output to about 8.5mn bpd in May and June under the new OPEC+ deal, delegates said. All members of OPEC+ have agreed to cut their output by 23% in those months, the delegate added. Saudi Arabia will apply its reduction to a production level of about 11mn bpd, the delegate said, which is lower than recent output levels, which rose above 12mn bpd in early April. OPEC+ wants to see additional cuts of 5mn bpd from non-members, the delegate said. (Reuters, Bloomberg)
- **Saudi Aramco delays oil pricing statement as OPEC+ talks continue –** Saudi Arabia is pushing back a key decision on pricing for its crude exports as the Kingdom seeks to commit global producers to a massive coordinated supply cut. State producer Saudi Aramco is set to decide on and announce pricing for May crude exports on Sunday, according to sources. The official selling prices, or OSPs, were meant to be released April 5 before twice being delayed allowing producers time to discuss output cuts amid demand destruction due to the coronavirus. The company's pricing is a key indicator for traders since it affects about 14mn bpd of Persian Gulf crude exports. Other producers in the region follow Saudi Aramco's lead in setting prices for their own shipments. Abu Dhabi and Kuwait have also stated they are waiting for the outcome of the meetings before releasing pricing. Talks among global producers aimed at securing curbs of 10mn bpd entered their third day Saturday. By bringing together the OPEC and partners such as Russia, Saudi Arabia took steps to end an oil price war it had unleashed just a month before. The world's top exporter slashed the OSPs for April exports by the most in at least three decades. (Bloomberg)
- **Saudi industrial production index drops 5.7% in February –** Saudi Arabia's industrial production index (IPI) decreased by 5.72% YoY in February, according to the monthly report of the General Authority for Statistics. The decline in the industrial production index is mainly attributed to a 3.38% decrease in the production rate of the mining and quarrying activity, which represents 74.5% of the IPI weight share. The manufacturing activity saw a 12.7% drop in February compared to the same month of 2019, while the electricity and gas supply activity rose by 7.3% YoY. On a monthly basis, the IPI inched up by 0.15% in February, ascribed to a 0.5% rise in the mining and quarrying activity. It is noteworthy to mention that the IPI fell by 6.68% in January due to a 4.74% YoY decrease in the heavyweight mining and quarrying activity. (Zawya)
- **Islamic Development Bank in talks with Tunisia on $279mn loan –** Islamic Development Bank (IsDB) is in talks with Tunisia on $279mn loan. A preliminary agreement has been reached for the loan on concessional terms with the Jeddah, Saudi Arabia-based lender, Tunisian Investment Ministry official Lamia Ben Mime said. (Bloomberg)
- **UAE says OPEC+ output cut decision will have a major impact –** UAE's Energy Minister, Suhail Al Mazrouei said on Saturday that an OPEC+ decision to cut oil supply will have a major impact on rebalancing the oil market amid the coronavirus outbreak. "The group's decision to cut supply will be the largest ever cut in the history which will help balancing the oil supply and demand," he said. The minister thanked Saudi Arabia, which had called for the meeting, during which OPEC led by Saudi Arabia and its allies led by Russia, which together make

up the informal OPEC+ group, forged a pact to curb crude production by 10mn bpd or 10% of global supply in marathon talks on Thursday. (Reuters)

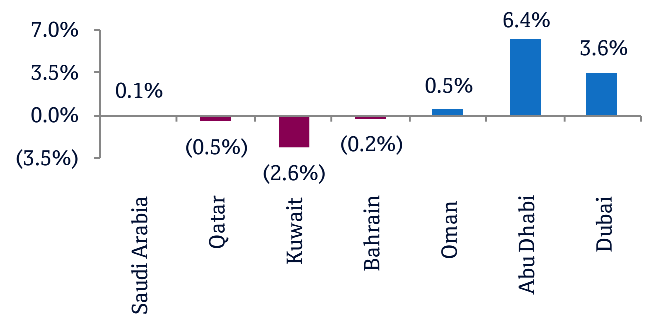
- **UAE's flydubai says will resume operations when time is right –** UAE's airline flydubai will resume regular operations when the time is right and for the time being will continue to operate flights for repatriation purposes, its Chief Commercial Officer, Hamad Obaidalla said on Thursday. The UAE has suspended scheduled passenger flights since March 24, though has allowed limited services for foreigners wishing to leave and for returning citizens. "We look forward to resuming our operations when the time is right and we are working closely with the authorities," he said. Flydubai will operate up to ten repatriation flights over the next week, it said. (Reuters)
- **Dubai tells government agencies to cut spending, freeze hiring –** Dubai's department of finance has told all government agencies to slash capital spending by at least half and halt new hiring until further notice, in response to the coronavirus outbreak, according to an official document seen by Reuters. Dubai has been hit hard by the outbreak, as measures aimed at containing the spread of the virus have brought vital economic sectors such as tourism and transport to a near halt. The department of finance told all government agencies on Wednesday to postpone all construction projects that have not begun until further notice and not to allow any cost increases for ongoing construction projects. It asked them to cut administrative and general expenses by at least 20%, to review the budget for existing construction projects and postpone any new projects that have not begun yet. It also asked to freeze any spending increases for ongoing construction projects, the document said. The economic slowdown in Dubai could wipe 5% to 6% off its GDP this year and could even force the Emirate to seek a bailout similar to the one extended by oil-rich Abu Dhabi after a 2009 financial crisis, analysts and sources have said. (Reuters)
- **Dubai 1Q2020 property transactions exceed expectations despite a seemingly slow March –** Dubai registered a total of 10,243 real estate transactions in March 2020, according to Data Finder, the real estate insights and data platform under the Property Finder Group. This represents a growth of 9.74% in the volume of registered property sales transactions compared to 9,317 transactions in 1Q2019. It is also the highest number of sales transactions registered in first quarter in Dubai since 2017 where we saw 11,910 property sales transactions registered during that time. So far this year, mortgage registrations are consistently higher than 2019 on a weekly basis. March alone saw more than 1,209 mortgage registrations, which is the highest number of registrations since October 2019 and 24.8% more than March 2019. "In H2 2019, we started to see an upward shift in sales transactions with multiple record-breaking months in regard to sales volumes. This trend continued into 1Q2020, with transaction volumes increasing MoM. During the current situation, we have obviously seen a slowdown in transactions, however due to the governments proactive, swift, extreme efforts and policies I believe we will get through this tough period quicker than most and the real estate market will start to transact again and will continue the trend where it left off in Q1," said Lynnette Abad, director of Data and Research, Property Finder. (Zawya)
- **Fitch affirms Etihad at 'A'; with a Stable outlook –** Fitch Ratings has affirmed Etihad Airways Long-Term Issuer Default Rating (IDR) at 'A' with a Stable outlook and senior unsecured rating at 'A'. The agency has also affirmed the senior unsecured ratings at 'A' for Etihad's EMTN programme, and for Unity 1 Sukuk Limited's $3bn trust certificate issuance programme and trust certificates issued under the programme. Etihad's 'A' rating continues to be three notches below that of its indirect sole shareholder - the Emirate of Abu Dhabi (AA/Stable) - under Fitch's Government-Related Entities (GRE) Rating criteria. Fitch continues to rate Etihad three notches below its ultimate sole shareholder Abu Dhabi. Under the GRE criteria it assesses three factors as strong - status, ownership and control; support track record and expectations as well as socio-political implications of a hypothetical GRE's default - while Fitch views the financial implications of a potential GRE's default factor as moderate. This assessment resulted in a score of 25 leading to a "top-down minus three" rating approach. The strong assessment of the support track record and expectations factor is driven by consistent, timely and large-scale tangible support provided by Abu Dhabi to Etihad in the form of direct equity injections, a shareholder loan and assets transfer. The government is committed to supporting the implementation of Etihad's revised business plan. Etihad has not historically paid and Fitch does not expect it to pay any dividends, however it remains a key contributor to the economic diversification of Abu Dhabi. (Bloomberg)
- **Investcorp buys German cybersecurity firm Avira –** Investcorp Technology Partners, a leading European technology investor, announced that it has agreed to acquire Avira Holding GmbH & Co and ALV GmbH & Co KG (Avira) for $180mn. Avira is a German headquartered, multinational cybersecurity software solutions firm serving the OEM (Original Equipment Manufacturer) and Consumer end markets, with over 500mn endpoints protected globally. Over its 30+ year history, the Company has developed particular strengths in Anti-Malware, Threat Intelligence and IoT solutions. Its software provides next generation security for users' online identity, finances, and private data, protecting against viruses, malware, ransomware and other threats. This acquisition represents the first institutional investment in Avira since it was founded in 1986 by Tjark Auerbach. Commenting on the investment, Managing Director and Head of Investcorp's Technology Private Equity business, Gilbert Kamieniecky said: "We are delighted to announce another high-quality addition to our Technology Partners portfolio. Avira represents an attractive opportunity to invest in a cybersecurity business and marks our third investment in the DACH tech sector in the last 18 months. With our long history of working with cybersecurity, IoT and data-driven businesses, Investcorp is looking forward to supporting Avira's targeted growth trajectory and expansion plans." (BahrainBourse)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,696.65	0.8	4.7	11.8
Silver/Ounce	15.57	0.9	8.2	(12.8)
Crude Oil (Brent)/Barrel (FM Future)#	31.48	0.0	(7.7)	(52.3)
Crude Oil (WTI)/Barrel (FM Future)#	22.76	0.0	(19.7)	(62.7)
Natural Gas (Henry Hub)/MMBtu#	1.74	0.0	16.0	(16.7)
LPG Propane (Arab Gulf)/Ton#	31.87	0.0	6.2	(22.7)
LPG Butane (Arab Gulf)/Ton#	32.63	0.0	1.2	(50.8)
Euro	1.09	0.1	1.3	(2.5)
Yen	108.47	(0.0)	(0.1)	(0.1)
GBP	1.25	(0.0)	1.5	(6.0)
CHF	1.04	(0.0)	1.2	0.2
AUD	0.63	0.1	5.9	(9.6)
USD Index	99.48	(0.0)	(1.1)	3.2
RUB	73.75	(0.7)	(3.6)	19.0
BRL	0.20	0.1	4.8	(21.3)

Source: Bloomberg (#Market was closed on April 10, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,971.96	0.1	11.0	(16.4)
DJ Industrial#	23,719.37	0.0	12.7	(16.9)
S&P 500#	2,789.82	0.0	12.1	(13.6)
NASDAQ 100#	8,153.58	0.0	10.6	(9.1)
STOXX 600#	331.80	0.0	8.8	(22.3)
DAX#	10,564.74	0.0	12.4	(22.2)
FTSE 100#	5,842.66	0.0	9.8	(27.3)
CAC 40#	4,506.85	0.0-	10.0	(26.6)
Nikkei	19,498.50	0.8	9.5	(17.2)
MSCI EM	888.16	0.1	6.8	(20.3)
SHANGHAI SE Composite	2,796.63	(0.9)	2.0	(9.3)
HANG SENG#	24,300.33	0.0	4.6	(13.4)
BSE SENSEX#	31,159.62	0.0	13.5	(29.1)
Bovespa#	77,681.90	0.0	17.3	(46.7)
RTS	1,142.07	(1.2)	8.8	(26.3)

Source: Bloomberg (*$ adjusted returns, #Market was closed on April 10, 2020)

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