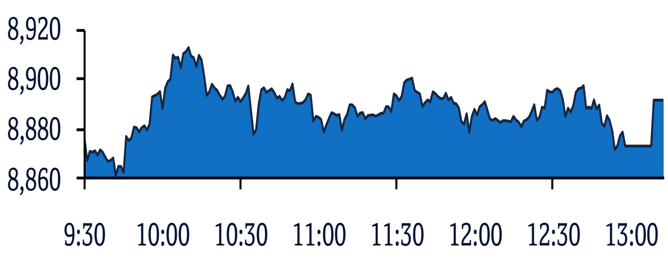
Daily Market Report

Wednesday, 13 May 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 8,892.4. Gains were led by the Insurance and Industrials indices, gaining 2.2% and 1.5%, respectively. Top gainers were Qatari German Company for Medical Devices and Industries Qatar, rising 10.0% and 3.8%, respectively. Among the top losers, Dlala Brokerage & Investment Holding Company fell 4.5%, while Islamic Holding Group was down 4.1%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.2% to close at 6,684.4. Gains were led by the Materials and Software & Services indices, rising 3.0% each. Al Gassim Investment Holding and National Petrochemical Co. were up 10.0% each.

Dubai: The DFM Index gained 0.5% to close at 1,892.2. The Transportation index rose 1.9%, while the Investment & Financial Services index gained 1.5%. Almadina for Finance and Investment Co. rose 5.9%, while SHUAA Capital was up 4.7%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 4,134.1. The Telecommunication index rose 2.0%, while the Industrial index gained 1.6%. Ras Al Khaimah Cement Co. rose 7.9%, while Abu Dhabi Ship Building Co. was up 5.7%.

Kuwait: The Kuwait All Share Index fell marginally to close at 4,767.5. The Technology index declined 4.2%, while the Health Care index fell 1.2%. IFA Hotels & Resorts Co. declined 12.3%, while Kuwait Finance & Investment was down 9.7%.

Oman: The MSM 30 Index fell 0.4% to close at 3,450.9. Losses were led by the Services and Financial indices, falling 0.6% and 0.5%, respectively. United Power Co. declined 9.4%, while Oman & Emirates Investment Holding Co. was down 8.7%.

Bahrain: The BHB Index fell 1.1% to close at 1,238.6. The Commercial Banks index declined 2.2%, while the Insurance index fell 0.4%. Ahli United Bank declined 3.5%, while National Bank of Bahrain was down 1.8%.

Market Indicators	12 May 20	11 May 20	%Chg.
Value Traded (QR mn)	294.2	303.9	(3.2)
Exch. Market Cap. (QR mn)	504,914.2	502,302.1	0.5
Volume (mn)	160.1	157.9	1.4
Number of Transactions	9,688	9,093	6.5
Companies Traded	44	44	0.0
Market Breadth	11:31	14:27	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,095.43	0.3	1.1	(10.9)	14.0
All Share Index	2,759.03	0.5	0.8	(11.0)	14.7
Banks	3,838.45	0.6	(0.0)	(9.1)	12.6
Industrials	2,485.22	1.5	4.8	(15.2)	19.8
Transportation	2,709.48	(1.4)	(1.5)	6.0	13.1
Real Estate	1,392.17	(1.5)	(1.1)	(11.0)	13.8
Insurance	2,035.49	2.2	2.2	(25.6)	33.7
Telecoms	836.08	(0.0)	2.6	(6.6)	14.0
Consumer	7,052.35	(0.6)	0.0	(18.4)	18.0
Al Rayan Islamic Index	3,544.28	0.2	1.5	(10.3)	16.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Petrochemical	Saudi Arabia	22.00	10.0	672.8	(7.3)
Saudi Industrial Inv.	Saudi Arabia	19.00	5.6	1,984.4	(20.8)
Advanced Petrochem. Co.	Saudi Arabia	47.00	5.4	1,571.8	(4.9)
Saudi Basic Ind. Corp.	Saudi Arabia	76.00	4.1	3,797.2	(19.1)
Industries Qatar	Qatar	8.10	3.8	1,711.6	(21.2)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ahli United Bank	Bahrain	0.55	(3.5)	611.6	(42.4)
Sembcorp Salalah Power.	Oman	0.12	(3.2)	17.5	(10.4)
Qatar Gas Transport Co.	Qatar	2.61	(2.2)	6,826.6	9.2
National Bank of Bahrain	Bahrain	0.56	(1.8)	190.0	(12.9)
Ahli Bank	Oman	0.12	(1.7)	12.1	(4.7)

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%
Qatari German Co for Med. Devices	1.08	10.0	31,429.7	85.6
Industries Qatar	8.10	3.8	1,711.6	(21.2)
Qatar Insurance Company	2.04	3.7	4,943.2	(35.4)
Qatari Investors Group	1.66	3.4	2,744.6	(7.0)
Gulf Warehousing Company	4.84	2.1	34.6	(11.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	1.08	10.0	31,429.7	85.6
Ezdan Holding Group	0.82	(2.4)	22,101.1	32.5
United Development Company	1.25	(1.6)	15,254.0	(17.8)
Qatar Aluminium Manufacturing	0.69	(1.4)	11,873.3	(11.7)
Salam International Inv. Ltd.	0.31	(1.6)	10,628.3	(39.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co	0.61	(4.5)	2,140.3	0.0
Islamic Holding Group	1.79	(4.1)	618.9	(5.8)
Qatar Oman Investment Co.	0.59	(3.8)	942.1	(12.4)
Gulf International Services	1.41	(3.2)	1,022.9	(18.1)
Alijarah Holding	0.71	(2.9)	3,473.2	1.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.36	1.6	45,560.7	(15.7)
Qatari German Co for Med. Dev.	1.08	10.0	31,878.9	85.6
Qatar Electricity & Water Co.	14.83	(0.1)	21,332.4	(7.8)
United Development Company	1.25	(1.6)	19,250.5	(17.8)
Ezdan Holding Group	0.82	(2.4)	17,965.7	32.5

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*	8,892.44	0.3	1.1	1.5	(14.7)	80.20	137,639.6	14.0	1.4	4.5
Dubai	1,892.22	0.5	(1.6)	(6.6)	(31.6)	39.07	75,865.8	7.3	0.7	5.1
Abu Dhabi	4,134.10	0.3	1.8	(2.3)	(18.6)	33.94	124,797.9	12.4	1.2	6.2
Saudi Arabia	6,684.42	1.2	0.8	(6.0)	(20.3)	1,085.92	2,087,667.8	19.3	1.6	3.7
Kuwait	4,767.51	(0.0)	(1.9)	(4.2)	(24.1)	53.88	87,842.5	13.3	1.1	4.4
Oman	3,450.89	(0.4)	(0.9)	(2.5)	(13.3)	2.62	15,061.8	8.2	0.7	7.0
Bahrain	1,238.58	(1.1)	(3.2)	(5.5)	(23.1)	2.38	19,288.2	8.6	0.7	5.7

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

Qatar Market Commentary

- The QE Index rose 0.3% to close at 8,892.4. The Insurance and Industrials indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from non-Qatari shareholders.
- Qatari German Company for Medical Devices and Industries Qatar were the top gainers, rising 10.0% and 3.8%, respectively. Among the top losers, Dlala Brokerage & Investment Holding Company fell 4.5%, while Islamic Holding Group was down 4.1%.
- Volume of shares traded on Tuesday rose by 1.4% to 160.1mn from 157.9mn on Monday. However, as compared to the 30-day moving average of 192.1mn, volume for the day was 16.6% lower. Qatari German Company for Medical Devices and Ezdan Holding Group were the most active stocks, contributing 19.6% and 13.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.79%	32.32%	10,208,955.45
Qatari Institutions	24.33%	17.91%	18,870,444.68
Qatari	**60.12%**	**50.23%**	**29,079,400.13**
GCC Individuals	0.92%	1.37%	(1,314,127.15)
GCC Institutions	2.21%	1.11%	3,225,128.22
GCC	**3.13%**	**2.48%**	**1,911,001.07**
Non-Qatari Individuals	12.66%	16.18%	(10,332,915.30)
Non-Qatari Institutions	24.08%	31.10%	(20,657,485.90)
Non-Qatari	**36.74%**	**47.28%**	**(30,990,401.20)**

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

Ratings, Earnings Releases and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
alizz Islamic Bank	Capital Intelligence	Oman	LT-N/ST-N	omA+/omA1	omA-/omA2	↓	–	–
Bank Muscat	Capital Intelligence	Oman	LT-F/ST-F	BBB-/A3	BB+/B	↓	Negative	–
National Bank of Oman	Capital Intelligence	Oman	LT-F/ST-F	BBB-/A3	BB+/B	↓	Negative	–
Oman Arab Bank	Capital Intelligence	Oman	LT-F/ST-F	BBB-/A3	BB+/B	↓	–	–

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, F – Foreign, N- National)

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
Saudi Advanced Industries Co.	Saudi Arabia	SR	10.7	77.5%	8.7	91.6%	8.4	102.2%
Sadara Basic Services Company	Saudi Arabia	SR	2,450.4	-1.3%	(674.6)	N/A	(1,276.3)	N/A
Saudi Aramco***	Saudi Arabia	SR	225.6	-16.2%	129.7	-22.1%	62.5	-25.0%
Al Ramz Corporation Investment And Development	Dubai	AED	7.9	3.7%	–	–	(68.5)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*** – Values in Billions)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/12	US	Bureau of Labor Statistics	CPI MoM	Apr	-0.8%	-0.8%	-0.4%
05/12	US	Bureau of Labor Statistics	CPI YoY	Apr	0.3%	0.4%	1.5%
05/12	China	National Bureau of Statistics	PPI YoY	Apr	-3.1%	-2.5%	-1.5%

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

News

Qatar

- **MSCI announces results of its Semi Annual Index Review (SAIR) –** MSCI announced that Qatar Insurance Co. (QATI) will be removed from the standard index and there will be no additions. On the other hand, Baladna (BLDN), Aamal (AHCS) and QATI will be added to the small cap index, while Nakilat (QGTS) will be removed. The changes are set to take place on Thursday May 29 after the market closes. (MSCI)
- **QIIK to hold its AGM on June 1 to elect two independent members of the board of directors –** Qatar International Islamic Bank (QIIK) has announced invitation for an Ordinary General Meeting (AGM) of shareholders, which is dedicated to electing two independent candidates for membership of the bank's board of directors to complete the current membership period. It was decided that the meeting will be held at on June 1, 2020 at 4:30 pm. If the quorum is not achieved, the second (reserve) meeting will be held at the same time and place on June 2, 2020. (QSE)
- **QGMD postpones its AGM and EGM to May 17 due to lack of quorum –** Qatari German For Medical Devices Company (QGMD) has postponed its Ordinary and Extraordinary General Assembly meeting (AGM and EGM) to May 17, 2020, due to lack of quorum. (QSE)
- **PSA: Number of building permits issued fall in April –** The COVID-19-led precautionary measures appear to have impacted Qatar's construction sector's prospects as there was a double-digit decline in the number of building permits issued in April, according to the official figures. In its latest figures, the Planning and Statistics Authority (PSA) also found a substantial decrease in the building completion certificates issued in the review period. The PSA figures suggest that the total number of new building permits issued were 483. The building permits data is of particular importance as it is considered an indicator for the performance of the construction sector which in turn occupies a significant position in the national economy. The PSA data indicates that the new building permits (residential and non-residential) constituted 51% (244 permits) of the total issued this April, additions 47% (225 permits), and fencing 3% (14 permits). Of the new residential buildings permits, villas topped the list, accounting for 71% (125 permits) of the total, dwellings of housing loans 17% (30 permits) and apartments 10% (17 permits). (Gulf-Times.com)
- **SCMP: Qatar Airways to back Cathay if it needs cash injection –** Qatar Airways is willing to support an equity injection into Cathay Pacific if the Hong Kong-based carrier decides to have one, South China Morning Post reports, citing Qatar Airways Group's CEO, Akbar Al Baker in an interview. "Cathay is a well-established company and as a shareholder, if Cathay Pacific were to approach us for an equity injection, we will definitely support them," Al Baker said. Qatar Airways is Cathay Pacific's third-largest shareholder after Swire Pacific and Air China. Al Baker said Qatar Airways is in talks with Boeing and Airbus to postpone delivery of its more than 200 orders. "Well we are in negotiation with them, so I don't want to talk about this, but yes it will be deferred for several years," he said. (Bloomberg)
- **Qatar's telecom sector demonstrates technical capability during COVID-19 –** The telecommunications sector in Qatar has demonstrated great technical and business capacity in dealing with the repercussions of the novel coronavirus (COVID-19) crisis, President of the Communications Regulatory Authority (CRA) Mohammed Ali Al Mannai has said. He added that the sector, with all its components, was able to successfully deal with the changes imposed by the current situation. In an interview with Qatar News Agency (QNA), Mannai said since the outbreak of the coronavirus crisis in, the CRA's first priority was to ensure telecom networks technical and business continuity as this was crucial to keep essential services running without affecting the quality of service provided to the consumers. He added that measures were introduced to guarantee that the employees responsible for ensuring the technical and business continuity are protected and stay healthy. CRA continues to engage with the service providers, the Ministry of Transport and Communications (MoTC), the Ministry of the Interior (MoI) and the Permanent Committee for Emergency to develop appropriate plans and processes to anticipate disasters, he said. CRA's President said service providers were highly cooperative and has demonstrated a strong commitment to provision of high-quality telecom services during these exceptional circumstances. He pointed out that the service providers have doubled the speed of the fixed internet connections as part of CRAs initiative to help customers to cope with more congested networks. "With the measure, in March, the average download speed was of 95Mbits, which was well above the global average 75Mbits. The speed of the mobile internet connections which reached 78Mbits is also well above the global average 30Mbits," he said, adding that this demonstrates the quality of the networks in Qatar which are coping well with these exceptional circumstances. He worldwide, as per the published reports, immediately after COVID-19 outbreak, the peak traffic increased on average 40% over their previous levels. A similar traffic increase was observed in Qatar, he said. (Qatar Tribune)
- **Qatar land crude price for June set at $5.15 per barrel to Oman-Dubai benchmark –** Qatar sets the official selling price of Qatar Land crude for June sales at $5.15 per barrel discount to Oman-Dubai benchmark, as compared with $7.30 for May, according to a price sheet seen by Bloomberg. Qatar Marine OSP differential for June set at $4.60 per barrel as compared with $7.10 for May. (Bloomberg)
- **MoCI: Eateries outside malls can resume takeaway services –** Restaurants and cafes, except those in malls, can resume providing takeaway services to customers, besides continuing to offer home delivery services, the Ministry of Commerce and Industry (MoCI) announced on Tuesday. However, restaurants and cafes in malls are allowed to offer home delivery services only, according to Circular No. 22 of 2020 on easing restrictions on the activities of restaurants and cafés (coffee shops) issued by the MoCI. "In line with the previously adopted decisions and measures to prevent and limit the spread of the coronavirus (COVID-19), and in order to protect the health and safety of citizens and residents, the Ministry of Commerce and Industry has issued Circular No 22 of 2020 on easing restrictions on the activities of restaurants and cafés (coffee shops)," the MoCI

said in a press statement on Tuesday. Restaurants and cafés (coffee shops) have been allowed to resume the activity of delivering or handing over orders to customers outside the business place, it noted. The ministry said restaurants and cafés located in malls are exempted from this decision and are allowed to only process delivery orders. These outlets are prohibited from handing over orders to customers both within and outside the workplace. (Gulf-Times.com)

- **Exchange houses expect surge in transactions after reopening branches –** After more than a month since the government had ordered a temporary shutdown of all in-person money exchange and transfer service offices in the country, exchange houses in Qatar are expecting a surge in transactions following the reopening of their branches on Tuesday. However, the closure order, which took effect last March 26, helped in fast-tracking the shift towards the digitalization of their operations to cater more to the needs of customers, according to industry experts. Trust Exchange General Manager KNS Das told Gulf Times on Tuesday that the increase in customer footfall would result in a surge in transactions, mostly among workers from different expatriate communities. (Gulf-Times.com)
- **Saad Al-Kuwari: Qatari private sector companies need to adapt to new changes, post COVID-19 –** Qatari private sector companies need to adapt to new changes, such as market trends, habits and sale methods, post COVID-19, prominent oil strategist and columnist Saad Al-Kuwari has said. "The work practices adopted and implemented in the past would change and would not be the same again. For example, customers may be more inclined towards buying groceries online, instead of going to supermarkets. This will bring in new delivery methods," Al-Kuwari told Gulf Times. On the other hand, he said, this would bring down operational costs and reduce manpower. This, in turn, will provide an opportunity for price competitiveness and quality enhancement, Al-Kuwari noted. On the QR75bn package the Government of Qatar announced for the private sector, Al-Kuwari said, "It is a step forward and a very good move by the Government. Most of the private companies, especially small-scale, are struggling with their daily business and sales due to restrictions imposed and implications of COVID-19. This incentive package will support those companies at least for a short period – over the next few months, to cope with this unpredictable situation and handle their monthly operational expenses such as rents, salaries and variable costs." (Gulf-Times.com)

International

- **IMF Chief says growth forecast cuts 'very likely' as coronavirus hits economies hard –** International Monetary Fund (IMF) Managing Director Kristalina Georgieva said on Tuesday it was "very likely" the Fund would cut global growth forecasts further as the coronavirus pandemic was hitting many economies harder than previously projected. The IMF forecast a month ago that business closures and lockdowns to slow the spread of the virus would throw the world into the deepest recession since the 1930s Great Depression, with gross domestic product output shrinking 3% in 2020. Under the IMF's baseline scenario, which called for effects of the pandemic to fade in the second half of the year, it predicted growth would rebound to 5.8% in 2021. But the Fund also said at the time its forecast was precarious and depended on incoming data. The US lost 20.5mn jobs in April with the unemployment rate at 14.7%, and some US officials have said that May jobs data could be worse. The IMF typically revises its World Economic Outlook forecasts in early July. Georgieva said the worsening data was also likely to mean that emerging markets and developing economies would need more than $2.5 trillion in additional financing to grapple with the pandemic. The IMF's previous estimate of that amount — from both internal country resources and external financing — was "on the lower end," she said. Georgieva expected that number to be revised upward when the IMF released its new global economic forecasts. A month after the IMF and World Bank Spring Meetings, Georgieva said IMF members still lacked agreement over an issue of new IMF Special Drawing Rights, a step last taken in 2009 that would provide hundreds of billions of dollars in new liquidity for all IMF members, rich and poor. But members would continue to review liquidity needs and IMF resources, she said. Debt sustainability remained a major concern, she said, and countries needed to build more resilient economies to be able to weather crises in the future. (Reuters)
- **US reports record $738bn budget deficit in April –** The US on Tuesday reported a record $738bn budget deficit in April as an explosion in government spending and a shrinking of revenues amid the novel coronavirus pandemic pushed it deeply into the red. The Treasury Department said the budget deficit in April was the first to reflect the enormity of government spending that has been authorized to try to mitigate the economic impact of the crisis. The previous record budget deficit for any month was $235bn in February 2020. Until recently, most of the country was under strict lockdown orders and many businesses were shuttered to try to contain the spread of the virus, which has killed more than 80,000 people in the US. "They really are striking numbers that I didn't think I would ever see," a senior US Treasury official told reporters when asked about the monthly budget figures. The fiscal year-to-date deficit surged to $1.48tn compared to a $531bn deficit in the comparable period in 2019, blasting past the previous monthly deficit record of $870bn in April 2011. The US Congress approved a $2.3tn rescue package to deal with the crisis on March 27 and has since added to it, taking total emergency relief spending to help insulate individuals, families, businesses and state and local governments to around $3tn. April marked the first month some of those stimulus programs were begun to be paid. Roughly $600bn in outlays for April were attributable to government spending on coronavirus relief measures, while receipts were reduced by about $300bn by the crisis, the senior Treasury official estimated. (Reuters)
- **Coronavirus crisis leads to largest US consumer price decline since 2008 –** US consumer prices dropped by the most since the Great Recession in April, weighed down by a plunge in demand for gasoline and services including airline travel as Americans stayed home during the coronavirus crisis. The report from the Labor Department on Tuesday also showed a record decrease in underlying prices last month, raising the specter of a bout of deflation as the economy sinks deeper into a recession triggered by lockdowns to slow the spread of COVID-19, the respiratory illness caused by the coronavirus. The government reported last Friday that the economy lost 20.5 million jobs in April, the deepest drop since the Great Depression. The economy

contracted in the first quarter at its steepest pace since the 2007-09 downturn. Deflation, a decline in the general price level, is harmful during a recession as consumers and businesses may delay purchases in anticipation of lower prices. The consumer price index tumbled 0.8% last month after falling 0.4% in March. That was the largest decline since December 2008 when the economy was in the throes of a recession, and marked the second straight monthly decrease in the CPI. Gasoline prices plunged 20.6%, the largest decrease since November 2008, after tumbling 10.5% in March. Cheaper gasoline amid a collapse in crude oil prices offset a 1.5% surge in the cost of food last month, which was the largest gain since January 1990, after a 0.3% rise in March. Prices for food consumed at home accelerated 2.6%, the largest advance since February 1974, amid broad gains in all six major grocery store food groups. There have been shortages of meat amid COVID-19 outbreaks at processing plants. The cost of food consumed at home increased only 0.5% in March. In the 12 months through April, the CPI gained 0.3%, the smallest annual rise since October 2015, after increasing 1.5% in March. (Reuters)

- **IMF: Europe, Asia risk coronavirus relapse if lockdowns eased too soon –** Asia and Europe risk a coronavirus relapse if they reopen their economies too early and before wide-reaching measures are in place to quickly identify and contain new infections, IMF senior economists said in a blog published on Tuesday. The lockdowns and other restrictions have imposed a significant economic and psychological cost on citizens, and it was understandable that countries wanted to move swiftly to roll back these measures, the authors wrote. However, moving too quickly could put the gains made in halting the spread of covid-19, the respiratory disease caused by the virus, at stake and trigger new human and economic costs, wrote Chang Yong Rhee, director of the International Monetary Fund's Asia and Pacific department, and Poul Thomsen, director of the European department. "In charting their path out of this unprecedented lockdown, the economies in Asia and Europe should proceed carefully and resist the urge to do too much too soon and risk a relapse," they wrote. More than 250,000 people in South and East Asia have been infected with the novel coronavirus, and 9,700 have died, with China, India, Indonesia, Japan, Singapore and South Korea accounting for more than 85% of all infections, the blog said. The pandemic has hit Europe even harder, with the number of confirmed cases reaching 1.8 million, about half the world's total, and the death toll close to 160,000, out of 280,000 worldwide. A few Asian countries, including China, have been reopening their economies gradually, but the efforts have been complemented by widespread testing, including randomized screening in select Chinese provinces. Several European countries have announced plans to gradually reopen and some have begun the process, the IMF said, adding that Europe appears to be reopening earlier in the epidemic cycle than China, where the outbreak began in late 2019. That puts Europe at greater risk, given that the capacity for large-scale testing, contact tracing, and case isolation there might lag behind the best examples in Asia, partly reflecting stringent privacy rules. (Reuters)
- **BRC: UK retail sales plunge 19% in April as COVID lockdown hits –** British retail spending plunged by nearly a fifth in April as the government's coronavirus lockdown hammered the sector, and a broader measure of consumer spending tumbled by more than a third, surveys showed on Wednesday. The British Retail Consortium said its members reported a 19.1% drop in total sales last month compared with April last year, the biggest fall since it began its monthly index in 1995. Barclaycard, part of Barclays Bank, said credit and debit card spending plunged by 36.5% compared with a year earlier as spending on travel, pubs and restaurants collapsed. British Prime Minister Boris Johnson shut down much of the economy and ordered people to stay largely at home in late March in an attempt to slow the spread of COVID-19. Last week the Bank of England said it was plausible that both consumer spending and broader economic output would fall by around a quarter during the three months to June, and that output for 2020 could suffer its biggest hit in over 300 years. Over the three months to April, in-store sales of non-food items plunged by 36.0% while food sales over the period rose by 6.0% as consumers stocked up on essentials for the government's coronavirus shutdown, the BRC said. By contrast, online non-food sales leapt by nearly 60% in April to account for more than two thirds of non-food spending. (Reuters)
- **UK's Sunak says job retention scheme is expensive, should end by October –** Britain's coronavirus job retention scheme is expensive and cannot continue indefinitely, Finance Minister Rishi Sunak said on Tuesday after announcing the government would extend it by four months to October. Asked by a lawmaker in parliament whether the scheme would end in October, Sunak said: "Of course we will keep everything under review, but my expectation is by then the scheme should end." "We have stretched and strained to be as generous as possible to businesses and workers ... this scheme is expensive. It is the right thing to do - the cost of not acting would have been far higher - but it is not something that can continue indefinitely into the future." (Reuters)
- **UK leaves coronavirus lifeline for workers in place for four more months –** Britain extended its job retention scheme - the centerpiece of its attempts to cushion the coronavirus hit to the economy - by four months on Tuesday but told employers they would have to help meet its huge cost from August. Finance Minister Rishi Sunak said 7.5mn temporarily laid off employees, almost one in every four British workers, were now on the scheme. He said they could rest assured that they would continue to get 80% of their wages up to 2,500 Pounds ($3,089) a month until the end of October. But Sunak said the scheme was expensive and could not continue indefinitely. "We have stretched and strained to be as generous as possible to businesses and workers," he told parliament. "This scheme is expensive. It is the right thing to do - the cost of not acting would have been far higher - but it is not something that can continue indefinitely into the future." The program is designed to stop an expected sharp rise in unemployment from turning into the kind of surge seen in the US. But at about 8bn Pounds a month, its cost is around two-thirds of what Britain spends on public health services. Sunak said that from August, employers currently using the scheme would be allowed to bring furloughed employees back part-time, something business groups had been calling for, to allow them to slowly get back up to speed. But he also told companies they would have to start sharing the cost of the scheme from August although the

government would still take on "the lion's share" of the cost. The UK is racking up new debt at a furious pace: it is due to issue 180 billion pounds of government debt between May and July, more than previously planned for the entire financial year. Its debt mountain exceeds $2.5tn and its public sector net borrowing could reach 14% of GDP this year, the biggest single-year deficit since World War Two. (Reuters)

- **Japan key indicator drops at fastest pace in 9 years, signals deep recession –** A key economic indicator in Japan fell at the fastest pace since 2011 in March and the government warned of a deep recession as the coronavirus crisis takes a heavy toll on business activity and consumer spending. In Tuesday's coincident indicator index report, the government maintained its view that the economy was "worsening" in March, backing other data during that month and in April which paint a bleak outlook. The index of coincident economic indicators, which consists of a range of data including factory output, employment and retail sales, dropped a preliminary 4.9 points to 90.5 in March from the previous month, the Cabinet Office said. It was the fastest pace of decline since March 2011 when a devastating earthquake, tsunami and nuclear disaster hit Japan. Japanese Economy Minister Yasutoshi Nishimura said that the data will likely deteriorate further in April as a state of emergency was declared last month to halt the spread of coronavirus infections. "The coincident indicator index is expected to continue showing a severe condition," he said. "We want to balance saving lives and the economy." The emergency gives governors of the 47 prefectures stronger authority to encourage people to stay at home and businesses to close. But the nation could lift the emergency in many regions this week if new coronavirus infections are under control. A Reuters poll forecasts Japan has slipped into recession as the health crisis is expected to have led to a second straight quarter of economic contraction in January-March. Analysts expect an even deeper contraction in the current quarter, as the state of emergency in April kept many citizens at home and forced businesses to close. Another index for leading economic indicators, which is a gauge of the economy a few months ahead and is compiled using data such as job offers and consumer sentiment, fell 8.1 points to 83.8 from February. (Reuters)
- **China announces new tariff waivers for some US imports –** China announced on Tuesday a new list of 79 US products eligible for waivers from retaliatory tariffs imposed at the height of the bilateral trade war, amid continued pressure on Beijing to boost imports from the US. China's finance ministry said in a statement the new waivers will take effect on May 19 and expire on May 18, 2021. The latest list waives tariffs on products including ores of rare earth metals, gold ores, silver ores and concentrates. The ministry did not disclose the imports value of the products. Beijing in February said it would grant exemptions for 696 US goods including key products such as soybeans and pork based on applications from companies. Beijing and Washington's top trade negotiators held a call last week and discussed implementation of the Phase 1 deal signed in January. Under the deal, China agreed to increase its purchases of US goods from a 2017 baseline by $200bn over two years, with about $77bn in increased purchases in the first year and $123bn in the second year. Renewed tensions between the two countries, sparked by the COVID-19 pandemic that began in China late last year, are also raising questions about the trade truce. US President Donald Trump has threatened to terminate the deal if China fails to meet its purchase commitments. China's Global Times, published by the official newspaper of the ruling Communist Party, also reported on Monday that some government advisers were urging Beijing to invalidate the trade deal and negotiate one more favorable to China. The Chinese foreign ministry adopted a measured stance on trade on Tuesday despite the heightened tensions between the two countries, saying the existing Phase 1 deal is a good thing for both China and the US. (Reuters)
- **India to provide $266bn to boost pandemic-hit economy –** Prime Minister Narendra Modi said on Tuesday that India would provide 20tn Rupees ($266bn) in fiscal and monetary measures to support an economy battered by a sweeping weeks-long lockdown to fight the novel coronavirus. India has more than 70,000 cases among its 1.3bn population and is set to surpass China, the origin of the outbreak, within a week. Modi said strict stay-at-home orders would be extended beyond May 17 with a new set of rules. In an address to the nation, he said the package was equivalent to 10% of India's GDP, and was aimed at the multitudes out of work and the businesses reeling under the prolonged shutdown. In March, the government said it was providing around 1.7tn Rupees ($2.6bn) in direct cash transfers and food security measures, mainly for the poor, but was widely accused of doing too little. Modi said details of the new package, as well as reforms of land and labor markets, would be released within days: "The package will also focus on land, labor, liquidity and laws. It will cater to various sections including cottage industry, medium and small enterprises, laborer's, middle class, industries, among others." Economists said the new package included the March allocation as well as liquidity measures announced by the central bank worth $6.5tn Rupees. Last week, India increased its borrowing program for the year to 12tn Rupees from 7.8tn to fund some of the expenses. (Reuters)
- **India's March manufacturing output contracts by more than a fifth –** India's manufacturing output contracted by more than a fifth in March from a year earlier, fanning hopes that the central bank will ease rates further to kick-start the economy amid the coronavirus outbreak. The 20.6% fall in manufacturing was driven by the closure of thousands of factories after the government imposed a national lockdown in the last week of March. Industrial output, which includes manufacturing and mining, contracted 16.7% in March from a year earlier, compared to analysts' forecast of an 8.7% fall in a Reuters poll, data released by the Statistics Ministry on Tuesday showed. Economists said manufacturing was expected to face a severe slowdown for the next few quarters even as Prime Minister Narendra Modi's government plans an economic package for the industry after lifting some restrictions. Private economists and rating agencies say India's economy could contract by up to 0.5% in the current financial year beginning April, compared with earlier government estimates of around 6% growth. This is likely to encourage the Reserve Bank of India (RBI) to ease rates and pump in more liquidity. Industrial output for fiscal 2019/20 ending in March contracted 0.7% from the year earlier, the data showed. In April, the unemployment rate rose to 23.5% from 8.7% the previous month, data released by the Centre for Monitoring Indian Economy, a Mumbai-based

think tank, showed. Separately, the government put the release of retail inflation data on hold due to inadequate collection of information from the field during the lockdown. (Reuters)

- **IBGE: Brazil services activity falls a record 6.9% in March –** Services activity in Brazil shrank 6.9% in March, official figures showed on Tuesday, the biggest monthly fall on record and a stark indication of the economic damage wrought by the coronavirus crisis. That was more than the 5.8% fall forecast in a Reuters poll of economists, although the 2.7% YoY decline shown in the figures from the IBGE statistics agency was less than the anticipated 4.1% fall. (Reuters)

Regional

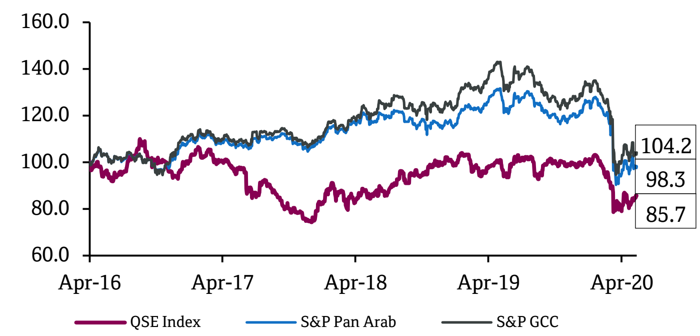
- **Fitch sees 2020 fiscal deficits of 15%-25% in most GCC nations –** Fitch Ratings (Fitch) stated in a report that the OPEC+ agreement and the additional output cuts announced this week will push GCC budgets even deeper into deficit. Only Qatar's fiscal deficit is projected to stay in the single digits at 8% of GDP. Fitch assumes an average Brent oil price of $35 per barrel and full compliance with the OPEC+ deal to curb production; another assumption is that that the additional cuts announced by Saudi Arabia, Abu Dhabi and Kuwait will be in place until the end of 2020. Oil production cuts will also contribute to a stark contraction in economic output, along with a recession in non-oil economies in the GCC. Output cuts announced so far may prove to be insufficient to support prices. Oman and Bahrain may require support from the rest of the GCC to ensure the sustainability of their currencies and debt levels. Negative non-oil growth is unprecedented in the recent history of the GCC and raises risks to social stability. (Bloomberg)
- **PwC: Most Mideast CFOs expect 'business as usual' in three months or more –** Over the last four weeks, Middle East Chief Financial Officers (CFOs) have gradually pushed out their recovery expectations, now with 66% of CFOs, up from 44%, expecting the recovery timeline to return to business as usual to take three months or more, according to the new PwC COVID-19 study. Naturally, this will impact revenue and profits, with 70% of CFOs in the region now expecting to see a decrease of 10% or more. The third Middle East edition of the biweekly COVID-19 CFO Pulse Survey also revealed further pessimism in the region with nearly one in five Middle East CFOs expecting to see a decrease in revenue or profits of over 50%. The study, which showed how CFOs in the region are responding to COVID-19, highlights CFOs' focus on workplace reboot, transformation, and cost cutting. The survey tracks the sentiment and priorities of finance leaders as they navigate the unprecedented disruption that COVID-19 has on their business. The study added that the workforce in the region is still at risk, with 87% of Middle East CFOs considering cost containment versus 81 percent globally; and with 51% targeting workforce savings. (Peninsula Qatar)
- **Saudi cabinet urges OPEC+ countries to further reduce production –** Saudi Arabia's cabinet has urged OPEC+ countries to further reduce oil production rates to restore balance in global crude markets, state news agency (SPA) reported. According to a statement, "The cabinet affirmed the Kingdom of Saudi Arabia's endeavor to support the stability of global oil markets. The Kingdom of Saudi Arabia's initiatives aim at urging the countries participating in the OPEC+ agreement and other producing countries to adhere to the cut rates and to provide more reduction in production in order to contribute to restoring the desired balance of the global oil markets." OPEC and its allies, a group known as OPEC+, decided in April to cut output by 9.7mn bpd for May and June, a record reduction, in response to the 30% drop in global fuel demand caused by the coronavirus pandemic. Saudi Arabia said on Monday it would add to existing cuts by reducing output by another 1mn bpd next month - equivalent to 1% of global oil supply - slashing total production to 7.5mn bpd, down nearly 40% from April. The slump in oil prices has caused significant pain to the Kingdom's budget. (Reuters)
- **Saudi Aramco's profit falls 25% but dividend in line with planned payout for year –** Saudi Aramco on Tuesday reported a 25% fall in first-quarter net profit, missing analyst estimates; however, its quarterly dividend was in line with a plan for a $75bn payout for the year. Analysts had expected Saudi Aramco, which went public last year, to maintain payouts to minority shareholders while cutting the dividend to the Saudi government, whose finances have been battered by plunging oil prices amid the coronavirus pandemic. Despite the drop in profit, Saudi Aramco's cashflow remained strong compared to other oil majors, reflecting its strong balance sheet and resilience. Saudi Aramco's net profit fell to SR62.48bn after Zakat and tax for the quarter to March 31 from SR83.29bn a year earlier, below estimates by analysts who expected a profit of $17.8bn. Saudi Aramco said total dividends of $13.4bn were paid for the fourth quarter of 2019 and that it would distribute a dividend of $18.75bn for the first quarter of this year. This is in line with its plan to pay a base dividend of $75bn for 2020. The first quarter dividends are the highest of any listed company worldwide and will be paid in the second quarter, Saudi Aramco said. Saudi Aramco said its planned acquisition of a 70% equity stake in petrochemical maker SABIC from the Public Investment Fund (PIF), the Kingdom's wealth fund, is on track to close in the second quarter. The statement by the state oil giant was made in response to a Reuters story published on Sunday saying that Saudi Aramco is looking to restructure its deal for a controlling stake in SABIC after the target's value dropped more than 40% following an oil price slump in the coronavirus pandemic, according to two sources. "All necessary regulatory clearances have been obtained. An announcement will be made in due course," Saudi Aramco said in a statement sent to Reuters. Saudi Aramco's debt is expected breach target levels as an oil price collapse triggered by the coronavirus forces it to borrow to meet the world's largest dividend pledge and buy a major stake in petrochemicals maker SABIC, analysts said. Compared with western oil companies, Saudi Arabia's national oil company appears in robust financial health. Saudi Aramco's wholly owned trading unit will sell all Saudi output from the offshore Khafji oilfield that the Kingdom shares with Kuwait, company stated in an earnings statement. Saudi Aramco has not stated how much oil Khafji is producing or when output resumed there. (Zawya, Reuters, Bloomberg)
- **Moody's says Saudi oil break-even to fall by $14-$15 on VAT hike –** Moody's estimates that if fully implemented without additional exemptions, Saudi Arabia's VAT hike will lower the oil price it needs to balance the budget by around $14-$15 per barrel from about $79 per barrel in 2019, according to a report.

The newly announced austerity measures, if fully implemented, will probably keep this year's fiscal deficit to below 10% of GDP; after 2020, the shortfall will depend on whether and to what extent the announced spending cuts are sustained. The announced VAT hike is likely to be a more durable fiscal-adjustment measure, improving the budget structure and reducing Saudi Arabia's fiscal vulnerability past 2020. (Bloomberg)

- **Saudi Aramco closes $10bn one-year loan –** Saudi Aramco has closed a $10bn one-year loan provided by a group of 10 banks, LPC, a fixed income news service which is part of Refinitiv, reported. HSBC, Japan's SMBC and First Abu Dhabi Bank led the transaction, while BNP Paribas, Citi, Credit Agricole, JPMorgan, Mizuho, MUFG and Societe Generale also participated in the loan, LPC said. Sources have previously told Reuters that Saudi Aramco would use the loan to back its acquisition of a 70% stake in Saudi Basic Industries Corp (SABIC) from Saudi Arabia's Public Investment Fund, a deal worth almost $70bn. The loan, which has an opening margin of 50 basis points over LIBOR, has a one-year extension option at the lenders' discretion, LPC said, citing one banker. Saudi Aramco is aiming to take the loan out in the bond market by the fourth quarter of this year, the banker said. (Reuters)
- **Moelis gets Saudi regulator approval for securities business –** Moelis & Company (Moelis), the investment bank founded by Wall Street veteran Ken Moelis, received the approval from Saudi Arabia's market regulator to conduct arranging and advising activities in the securities business in the Kingdom. (Bloomberg)
- **UAE sets two-stage plan to reopen economy as virus spreads –** The UAE rolled out a two-phase plan to reopen the economy amid efforts to contain the spread of the coronavirus. In the first phase, the economy will reopen supported by incentives for the private sector that are at AED282.5bn so far, state-run news agency WAM reported, citing Economy Minister, Sultan Al Mansoori. The next phase will see a long-term stimulus plan to speed up the recovery and encourage investments in digital economy, including 5G networks and Artificial Intelligence. "The country's economy is resilient and has support in place that reinforces its ability to overcome crises," he said. The Minister did not provide a timeline of when closed businesses would be allowed to reopen. (Bloomberg)
- **Emirates NBD has $23.66mn exposure to fallen agri-trader Phoenix –** Emirates NBD has $23.66mn to the Dubai subsidiary of Phoenix Commodities which had recently filed for liquidation, Dubai's biggest lender said. Emirates NBD bank said in a statement that the exposure was to Phoenix Global DMCC, a unit of Phoenix Commodities Pvt Ltd. Phoenix, with offices in Dubai and Singapore, is being liquidated after amassing more than $400mn in potential trading losses, according a document prepared by the liquidators seen by Reuters. The document did not name the creditors but sources familiar with the company had told Reuters that Standard Chartered was one the banks that extended financing to the group. Standard Chartered was among the lenders that helped Phoenix raise $205mn loan in late 2017. (Reuters)
- **Mubadala sells $4bn in three-tranche bonds –** Abu Dhabi's state fund Mubadala sold $4bn in three-tranche bonds on Tuesday, attracting orders worth nearly six times that amount, a document from one of the banks leading the issuance showed. Mubadala sold $1bn in six-year bonds at 210 basis points over mid swaps, $1bn in 10-year bonds at 235 bps over mid swaps and $2bn in 30-year dual-listed Formosa bonds at 3.95%, the document showed. Mubadala tightened the pricing by 40 bps for the six- and 10-year tranches and by 42.5 bps for the 30-year Formosa tranche from its initial price guidance earlier on Tuesday. The sale received more than $23.5bn in orders, the bank's document showed. "The pricing provides a 25-30 bps cushion to investors," a Dubai-based fixed income strategist said. "Investors continue to demonstrate robust appetite for high-quality GCC names. Mubadala has received more bids at the longer end of the curve at a time when other regional entities are able to attract interest only in the front end of the curve, showcasing investor confidence in long-term risks for Abu Dhabi sovereign-owned entities," he said. (Reuters)
- **Kuwait's balance of payments records KD821.2mn surplus –** Preliminary data of Kuwait's Balance of Payments (BoP) for fiscal year (FY) 2019 showed a surplus of KD821.2mn, compared with KD1.1bn in 2018. The current account surplus soared by 11.9% last year to reach KD6.7bn when compared to KD6bn a year earlier, according to the Central Bank of Kuwait (CBK). Meanwhile, the trade account surplus registered a KD714.5mn surge, with net cash outflows worth KD7.4bn in 2019, compared to KD6.6bn in 2018. Overall BoP showed a surplus of KD3.7bn by 2019 year-end, compared to KD7.8bn in 2018, the CBK added. (Zawya)
- **Kuwait's March consumer prices rise 1.94% YoY and 0.09% MoM –** Central Statistical Bureau in Kuwait City published Kuwait's consumer price indices which showed that the consumer prices rose 1.94% YoY and 0.09% MoM. Food and beverages price index rose 2.79% YoY. The transportation index rose 3.55% YoY and Communication rose 4.09% YoY. (Bloomberg)
- **Equate Petrochemical Company raises $1.6bn via dual-tranche bonds –** Kuwait's Equate Petrochemical Company raised $1.6bn through a dual-tranche bond offering on Tuesday, a document showed, in the first public issuance in international debt markets by a Gulf company since February. The company sold $1bn in five-year bonds with a 5% coupon and $600mn in 10-year bonds at 5.875%, a document from one of the banks leading the deal showed. Both tranches were 50 basis points tighter than the initial price guidance earlier on Tuesday. Equate hired Citi, JPMorgan, MUFG, NBK Capital, First Abu Dhabi Bank, HSBC, Mizuho, SMBC Nikko and Banca IMI to arrange the deal. (Reuters)
- **Bahrain tenders worth BHD279.8mn awarded in 1Q2020 –** Tenders and auctions worth BHD279.8mn were awarded over the first quarter of this year. Materials and equipment had the lion's share with BHD84.5mn, followed by the construction and engineering consultancy sector which accounted for BHD71.3mn. The Tender Board awarded contracts worth BD50m in civil aviation, followed by oil and gas (BHD42.9mn) and services and investments (BHD31.1mn). The Electricity and Water Authority topped the government entities with tenders worth BHD68.3mn, followed by Tatweer Petroleum (BHD41.5mn), Gulf Air (BHD39.5mn), the Ministry of Works,

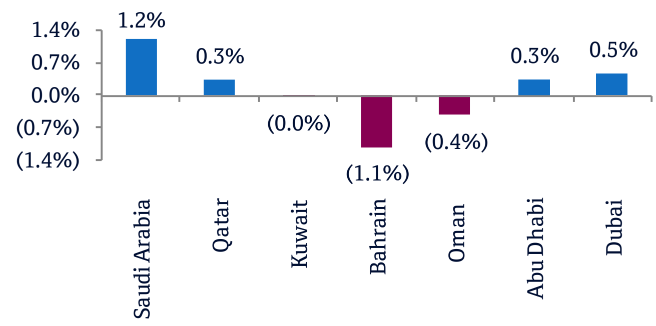
Municipalities Affairs and Urban Planning (BHD24mn), the Ministry of Health (BHD13.7mn). (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,702.70	0.3	0.0	12.2
Silver/Ounce	15.45	(0.3)	(0.2)	(13.5)
Crude Oil (Brent)/Barrel (FM Future)	29.98	1.2	(3.2)	(54.6)
Crude Oil (WTI)/Barrel (FM Future)	25.78	6.8	4.2	(57.8)
Natural Gas (Henry Hub)/MMBtu	1.62	(5.3)	(7.4)	(22.5)
LPG Propane (Arab Gulf)/Ton	39.75	5.3	4.6	(3.6)
LPG Butane (Arab Gulf)/Ton	36.75	9.3	8.9	(43.9)
Euro	1.08	0.4	0.1	(3.3)
Yen	107.14	(0.5)	0.5	(1.4)
GBP	1.23	(0.6)	(1.2)	(7.5)
CHF	1.03	0.4	0.2	(0.2)
AUD	0.65	(0.3)	(0.9)	(7.8)
USD Index	99.93	(0.3)	0.2	3.7
RUB	73.73	0.4	0.4	18.9
BRL	0.17	(1.2)	(2.6)	(31.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,034.06	(1.3)	(1.3)	(13.8)
DJ Industrial	23,764.78	(1.9)	(2.3)	(16.7)
S&P 500	2,870.12	(2.1)	(2.0)	(11.2)
NASDAQ 100	9,002.55	(2.1)	(1.3)	0.3
STOXX 600	340.57	0.7	(0.1)	(20.9)
DAX	10,819.50	0.3	(0.7)	(21.0)
FTSE 100	5,994.77	0.5	0.5	(26.3)
CAC 40	4,472.50	0.0	(1.7)	(27.7)
Nikkei	20,366.48	0.2	0.2	(12.7)
MSCI EM	909.31	(0.7)	(0.3)	(18.4)
SHANGHAI SE Composite	2,891.56	0.1	(0.3)	(6.8)
HANG SENG	24,245.68	(1.5)	0.1	(13.6)
BSE SENSEX	31,371.12	0.4	(0.4)	(27.9)
Bovespa	77,872.00	(1.6)	(3.8)	(53.3)
RTS	1,137.28	0.1	0.1	(26.6)

Source: Bloomberg (*$ adjusted returns)

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