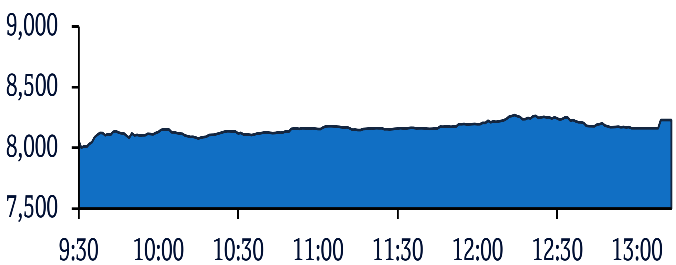
Daily Market Report

Sunday, 15 March 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 4.4% to close at 8,230.4. Losses were led by the Telecoms and Transportation indices, falling 9.7% and 7.4%, respectively. Top losers were Ooredoo and Aamal Company, falling 10.0% and 9.9%, respectively. Among the top gainers, Ahli Bank gained 9.4%, while Qatar General Insurance & Reinsurance Company was up 8.1%.

GCC Commentary

Saudi Arabia: The TASI Index fell 3.0% to close at 6,357.1. Losses were led by the Retailing and Transportation indices, falling 6.2% and 5.1%, respectively. Arabia Insurance Cooperative Co. and Alujain Holding Corp. were down 10.0% each.

Dubai: The DFM Index fell 8.0% to close at 2,032.1. The Real Estate & Construction index declined 9.0%, while the Transportation index fell 8.9%. Almadina for Finance and Investment Company and Ekttitab Holding Co. down 10.0% each.

Abu Dhabi: The ADX General Index fell 7.4% to close at 3,922.2. The Real Estate index declined 9.6%, while the Telecommunication index fell 8.8%. Abu Dhabi Nat. Hotels declined 10.0%, while Ras Al Khaimah White Cement was down 9.9%.

Kuwait: Market was closed on March 12, 2020.

Oman: The MSM 30 Index fell 2.6% to close at 3,733.7. Losses were led by the Financial and Industrial indices, falling 2.8% and 2.4%, respectively. HSBC Bank Oman declined 9.2%, while Al Jazeera Steel Products Co. was down 7.3%.

Bahrain: The BHB Index fell 3.6% to close at 1,436.4. The Commercial Banks index declined 4.8%, while the Industrial index fell 3.1%. Bahrain Cinema Co. declined 10.0%, while GFH Financial Group was down 9.9%.

Market Indicators	12 Mar 20	11 Mar 20	%Chg.
Value Traded (QR mn)	426.4	358.9	18.8
Exch. Market Cap. (QR mn)	461,257.2	481,344.3	(4.2)
Volume (mn)	196.8	180.8	8.9
Number of Transactions	9,057	9,361	(3.2)
Companies Traded	47	45	4.4
Market Breadth	10:37	39:6	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	15,527.70	(4.3)	(11.1)	(19.1)	12.1
All Share Index	2,524.83	(4.3)	(11.2)	(18.5)	13.2
Banks	3,626.00	(4.8)	(12.4)	(14.1)	12.6
Industrials	2,145.51	(2.0)	(9.8)	(26.8)	15.7
Transportation	2,151.82	(7.4)	(8.5)	(15.8)	11.2
Real Estate	1,193.46	(4.0)	(9.4)	(23.7)	8.9
Insurance	2,015.50	(4.7)	(14.3)	(26.3)	35.1
Telecoms	669.75	(9.7)	(18.7)	(25.2)	11.5
Consumer	6,744.11	(1.7)	(2.7)	(22.0)	15.8
Al Rayan Islamic Index	3,130.84	(3.2)	(8.7)	(20.8)	13.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Dar Al Arkan Real Estate	Saudi Arabia	9.00	1.6	11,184.4	(18.2)
Bank Dhofar	Oman	0.11	0.9	391.8	(13.0)
Saudi Telecom Co.	Saudi Arabia	79.70	0.8	1,641.3	(21.7)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	8.73	(10.0)	5,289.1	(32.8)
GFH Financial Group	Dubai	0.64	(10.0)	34,759.6	(23.9)
Ooredoo	Qatar	5.10	(10.0)	2,794.0	(28.0)
Emaar Properties	Dubai	2.58	(9.8)	25,382.5	(35.8)
Aldar Properties	Abu Dhabi	1.66	(9.8)	48,815.9	(23.1)

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%
Ahli Bank	3.25	9.4	101.2	(2.5)
Qatar General Ins. & Reins. Co.	2.21	8.1	215.7	(10.0)
Dlala Brokerage & Inv. Holding Co.	0.46	4.3	330.8	(25.4)
Qatar Cinema & Film Distribution	2.30	4.0	35.4	4.5
Qatar First Bank	0.91	3.4	13,183.8	10.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.57	1.8	54,143.6	(8.1)
Qatar Gas Transport Company Ltd.	1.94	(9.1)	16,711.5	(19.0)
Qatar First Bank	0.91	3.4	13,183.8	10.8
Mazaya Qatar Real Estate Dev.	0.51	(8.8)	12,057.1	(29.1)
United Development Company	0.90	(6.7)	12,045.2	(40.5)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ooredoo	5.10	(10.0)	2,794.0	(28.0)
Aamal Company	0.61	(9.9)	7,229.0	(25.2)
Mannai Corporation	2.82	(9.3)	375.0	(8.6)
Qatar Gas Transport Co. Ltd.	1.94	(9.1)	16,711.5	(19.0)
Mazaya Qatar Real Estate Dev.	0.51	(8.8)	12,057.1	(29.1)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.49	(5.5)	80,121.0	(19.9)
Qatar Fuel Company	16.85	(1.6)	42,329.2	(26.4)
Masraf Al Rayan	3.80	(3.9)	39,995.3	(4.2)
Qatar Gas Transport Co. Ltd.	1.94	(9.1)	32,079.8	(19.0)
Ezdan Holding Group	0.57	1.8	30,198.7	(8.1)

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*	8,230.41	(4.4)	(11.6)	(13.3)	(21.1)	116.30	125,784.8	12.1	1.2	4.7
Dubai	2,032.12	(8.0)	(17.4)	(21.5)	(26.5)	116.49	80,768.9	7.3	0.7	5.8
Abu Dhabi	3,922.18	(7.4)	(15.5)	(20.0)	(22.7)	86.27	114,232.0	11.6	1.1	6.3
Saudi Arabia	6,357.06	(3.0)	(14.9)	(16.7)	(24.2)	1,531.36	1,934,281.3	17.7	1.4	4.2
Kuwait#	4,904.61	1.0	(15.3)	(19.2)	(21.9)	169.61	91,169.4	12.6	1.1	4.4
Oman	3,733.72	(2.6)	(9.1)	(9.6)	(6.2)	11.97	16,156.8	7.6	0.7	7.9
Bahrain	1,436.37	(3.6)	(11.2)	(13.5)	(10.8)	5.36	22,318.0	10.2	0.9	5.0

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any, #Data as of March 11, 2020)

Qatar Market Commentary

- The QE Index declined 4.4% to close at 8,230.4. The Telecoms and Transportation indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Ooredoo and Aamal Company were the top losers, falling 10.0% and 9.9%, respectively. Among the top gainers, Ahli Bank gained 9.4%, while Qatar General Insurance & Reinsurance Company was up 8.1%.
- Volume of shares traded on Thursday rose by 8.9% to 196.8mn from 180.8mn on Wednesday. Further, as compared to the 30-day moving average of 98.4mn, volume for the day was 100.1% higher. Ezdan Holding Group and Qatar Gas Transport Company Limited were the most active stocks, contributing 27.5% and 8.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	34.24%	36.28%	(8,683,710.43)
Qatari Institutions	42.47%	16.72%	109,811,634.68
Qatari	**76.71%**	**53.00%**	**101,127,924.25**
GCC Individuals	1.03%	1.16%	(535,667.18)
GCC Institutions	0.47%	1.28%	(3,471,862.30)
GCC	**1.50%**	**2.44%**	**(4,007,529.47)**
Non-Qatari Individuals	11.73%	11.47%	1,128,321.76
Non-Qatari Institutions	10.05%	33.09%	(98,248,716.54)
Non-Qatari	**21.78%**	**44.56%**	**(97,120,394.77)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Saudi Arabia Refineries Co.*	Saudi Arabia	SR	21.0	15.1%	17.8	18.5%	17.2	18.0%
Middle East Healthcare Co.*	Saudi Arabia	SR	1,496.7	7.6%	103.3	-36.5%	97.6	-43.4%
Jarir Marketing Co.*	Saudi Arabia	SR	8,424.5	14.4%	1,071.0	9.5%	984.7	2.6%
Astra Industrial Group*	Saudi Arabia	SR	1,867.1	3.9%	196.2	44.5%	29.7	32.1%
Makkah Construction and Development Co.*	Saudi Arabia	SR	477.0	-13.1%	259.0	-18.6%	236.0	-16.6%
Arriyadh Development Co.*	Saudi Arabia	SR	249.7	-11.8%	159.9	-21.1%	165.8	-18.7%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/12	US	Bureau of Labor Statistics	PPI Final Demand MoM	Feb	-0.6%	-0.1%	0.5%
03/12	US	Bureau of Labor Statistics	PPI Final Demand YoY	Feb	1.3%	1.8%	2.10%
03/12	US	Department of Labor	Initial Jobless Claims	7-Mar	211k	220k	215k
03/12	US	Department of Labor	Continuing Claims	29-Feb	1,722k	1,733k	1,733k
03/12	EU	Eurostat	Industrial Production SA MoM	Jan	2.3%	1.5%	-1.8%
03/12	EU	Eurostat	Industrial Production WDA YoY	Jan	-1.9%	-2.9%	-3.6%
03/13	Germany	German Federal Statistical Office	CPI MoM	Feb F	0.4%	0.4%	0.4%
03/13	Germany	German Federal Statistical Office	CPI YoY	Feb F	1.7%	1.7%	1.7%
03/13	France	INSEE National Statistics Office	CPI YoY	Feb F	1.4%	1.4%	1.4%
03/12	Japan	Bank of Japan	PPI MoM	Feb	-0.4%	-0.3%	0.1%
03/12	Japan	Bank of Japan	PPI YoY	Feb	0.8%	1.1%	1.5%
03/12	India	India Central Statistical Organisation	CPI YoY	Feb	6.58%	6.72%	7.59%
03/12	India	India Central Statistical Organisation	Industrial Production YoY	Jan	2.0%	0.5%	0.1%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2019 results	No. of days remaining	Status
QGMD	Qatari German Company for Medical Devices	22-Mar-20	7	Due
IGRD	Investment Holding Group	24-Mar-20	9	Due

Source: QSE

News

Qatar

- **WOQOD's board to hold AGM on March 18 –** Qatar Fuel Company (WOQOD) will hold its Annual General Meeting (AGM) on March 18, 2020. In case of absence of quorum, the alternative meeting will be held on March 31, 2020. The agenda includes approval of recommendation of the board to distribute cash dividends of 80% for the year 2019, among others. (Peninsula Qatar)
- **QGRI to hold its AGM March 29 –** Qatar General Insurance and Reinsurance Company's (QGRI) board will hold the Annual Ordinary General Assembly meeting March 29, 2020. In case the required quorum is not met, the second meeting will be held on April 8, 2020. (Gulf Times.com)
- **SIIS shareholders approve company's future plans –** Salam International Investment (SIIS) held its AGM on March 11, wherein shareholders approved the company's 2019 financial performance and future plans. The general assembly also approved the renewal of its joint venture agreements with Salam Bounian, authorizing the board to enter into joint ventures with the sister company, in addition to holding their loans and issuing letters of credit and guarantees wherever necessary. (Gulf-Times.com)
- **Qatar consumer price index slightly up in February –** The Planning and Statistics Authority (PSA) has released the Consumer Price Index (CPI) for the month of February 2020. The CPI of February 2020 reached 98.42 point showing a slight increase of 0.04% when compared to CPI of January 2020. Compared to CPI of January 2019, YoY basis, a decrease of 0.47% has been recorded in the general index (CPI) of this month. An analysis on MoM basis of CPI for February 2020 compared with CPI, January 2020, showed that there are six main groups, where respective indices in this month have increased, namely: Transport by 2.26%; food and beverages by 0.51%; clothing and footwear by 0.43%; education and miscellaneous goods and services by 0.24% each. A decrease has been recorded in recreation and culture by 3.54%; housing, water, electricity and other fuel by 0.16%; and restaurants and hotels by 0.13%. Tobacco, health and communication groups remained flat at the last month's price level. A comparison of the CPI, February 2020 with the CPI, February 2019 (annual change), a decrease has been recorded in the general index (CPI), by 0.47%. This YoY price decrease primary due to the prices decline seen in the five groups namely: Recreation and culture by 6.8%, housing, water, electricity and other fuel by 3.84%, communication by 2.44%, clothing and footwear by 1.72% and furniture and household equipment by 0.44%. An increase has been shown in price levels in six groups namely: Transport by 4.83%; restaurants and hotels by 4.82%; health by 3.07%; miscellaneous goods and services by 1.77%, education by 1.18% and food and beverages by 1.00%. No changes recorded in tobacco group. (Gulf-Times.com)
- **EIU: Latest rate cut reaffirms Qatar's commitment to maintain currency peg to dollar –** Latest rate cut reaffirms Qatar's commitment to maintain currency peg to the dollar, in which hydrocarbons export receipts are denominated, Economist Intelligence Unit (EIU) has stated in a report. The currencies of five of the six GCC members are pegged to the US dollar, and although the Kuwaiti dinar is pegged to a basket of currencies, the dollar is the most dominant. The Qatari Riyal has been pegged to the US dollar since 1980. On March 4, Qatar Central Bank (QCB) cut the deposit rate (QCBDR), lending rate (QCBLR) and the repurchase rate (repo) by 50 (0.5%), 75 (0.75%) and 50 (0.5%) basis points respectively. Following the latest cut, the rates are 1.5%, 3.5% and 1.5% respectively. QCB cited domestic and international macroeconomic developments for the decision, which follows the emergency rate cut of 50 basis points by the US Federal Reserve. (Gulf-Times.com)
- **Exit permits to be abolished for government, semi government staff from March 19 –** The exit permit (travel notification) for government and semi-government sectors that are not subject to the Labor Law with the exception of 5% of the workers determined by the employer, will be abolished with effect from March 19, 2020. (Gulf-Times.com)
- **Container traffic through Qatar ports rise 9.6% MoM to 6.86mn tons in January –** The overall container traffic through various ports in Qatar was 6.86mn tons at the end of January 2020, according to the official figures. The net tonnage through Qatar's ports witnessed 46.5% shrinkage YoY; while it increased 9.6% MoM in January 2020, according to the Planning and Statistics Authority in its latest monthly bulletin. The total number of vessels calling on Qatar ports stood at 452, which registered 40.5% and 2.4% decline respectively on annual and monthly basis respectively this January. The official data was devoid of details regarding number of vessels and net tonnage through Ras Laffan port in January 2020. Hamad Port, which has seen the world's largest shipping companies seek entry and growth in the Qatari and regional markets, berthed 162 vessels in January 2020, which saw 17.4% growth and 3.8% on yearly and monthly basis respectively. The container traffic through the port stood at 2.85mn tons in January, which recorded 1.4% and 8.5% jump YoY and MoM respectively. In January 2020, total exports of goods (including exports of goods of domestic origin and re-exports) were QR22.38bn. In the case of total imports (valued at cost insurance and freight), it amounted to QR9.88bn. (Gulf-Times.com)
- **Cinemas, gyms, wedding halls closed from Friday –** Qatar on Thursday announced new precautionary measures to prevent and contain the spread of coronavirus. These include closure of cinemas, theatres, children's play areas, gyms and wedding venues, including those in hotels and are effective from Friday. The Ministry of Public Health has urged people to avoid crowded places and postpone holding social gatherings for the time-being, for their own well-being and that of the community. The Ministry has also advised elderly people, and people with chronic health conditions, to avoid going out unless absolutely necessary, as they are more susceptible to infections. It said it continues to take all necessary measures to limit the spread of the virus and called upon all members of society to take care and apply simple, preventive measures to protect against infection. This includes washing hands often or using hand sanitizers and keeping a distance of at least 1meter (3ft) from people who have symptoms of illness. People should also use their sleeve to cover nose and mouth when coughing and sneezing or use tissue paper and dispose of it appropriately.

The coronavirus (Covid-19) contact center at the Ministry of Public Health is accessible around the clock for any reports or inquiries regarding the virus at the toll-free phone number 16000. (Gulf-Times.com)

- **SPIEF: Qatar, Russia discuss improving partnership strategy, implementing promising business projects and initiatives –** Advisor to the President of the Russian Federation Anton Kobyakov met with Qatar's Ambassador to the Russian Federation Fahad bin Mohamed Al-Attiyah in Moscow recently, St Petersburg International Economic Forum (SPIEF) stated in a release. They discussed improving the partnership strategy and implementing promising business projects and initiatives. The meeting in Moscow addressed such topics as building business and cultural ties between Russia and Qatar for years to come, as well developing tourism, economic relations, investment projects and mechanisms for investment cooperation. Kobyakov noted, "We need to focus on practical measures that will help develop cooperation with Qatar. In February 2020, visa waiver agreement between our countries came into force. This is just one of the consistent and logical steps toward building a reliable partnership. We will invest our efforts in improving the partnership strategy between Russia and Qatar and demonstrate a stable partnership at the St Petersburg International Economic Forum in 2021." The main purpose of cooperation between Russia and Qatar is taking bilateral cooperation to a new level by transitioning from meeting between officials to day-to-day operations of economic players. Participants emphasized the important role of the working group coordinating investment and business projects. The agreement to establish the group was signed by the Roscongress Foundation and the Investment Promotion Agency of Qatar (IPAQ) in Doha in December 2019. As of now, the parties are discussing promising investment and trade projects. (Gulf-Times.com)

International

- **WHO says Europe now epicenter of pandemic –** The World Health Organization (WHO) stated that Europe was now the epicenter for the global coronavirus pandemic and warned it was impossible to know when the outbreak would peak. The continent had now more reported cases and deaths than the rest of the world combined, apart from China, WHO's Chief, Tedros Adhanom Ghebreyesus said. Tedros was speaking at news conference held virtually to avoid any potential spread of the virus among journalists. "More cases are now being reported every day than were reported in China at the height of its epidemic," he said, referring to the global numbers. The virus, which first surfaced in China in December, has now killed more than 5,000 people, with cases around the world topping 134,000, according to a tally. The death toll passing 5,000 was a tragic milestone, Tedros said. Maria Van Kerkhove, who heads the WHO's emerging diseases unit, meanwhile warned it was "impossible for us to say when this will peak globally. (Peninsula Qatar)
- **Trump declares coronavirus a national emergency, freeing \$50bn in funds –** The US President, Donald Trump declared a national emergency over the fast-spreading coronavirus, opening the door to providing what he said was about \$50bn in federal aid to fight the disease. Trump made the announcement at a Rose Garden news conference as he battled to show Americans that he is aggressively addressing the virus after appearing to play down the threat for weeks. Trump said he was declaring the national emergency in order to unleash the full power of the federal government. He urged every state to set up emergency centers to help fight the virus. Pressure has been mounting for Trump to declare an infectious disease emergency under the 1988 law that would allow the Federal Emergency Management Agency (Fema) to provide disaster funds to state and local governments and to deploy support teams. The power is rarely used. Former President Bill Clinton in 2000 declared such an emergency for West Nile virus. (Peninsula Qatar)
- **WTTC: World travel may shrink 25% on coronavirus in 2020 shed 50mn jobs –** The coronavirus epidemic is putting up to 50mn jobs in the global travel and tourism sector at risk, with travel likely to slump by a quarter this year, Asia being the most affected continent, the World Travel and Tourism Council (WTTC) stated on Friday. This impact would depend on how long the epidemic lasts and could still be exacerbated by recent restrictive measures, such as those taken by the US administration on travel to Europe, WTTC's Managing Director, Virginia Messina told Reuters. "Certain measures are not helping and they can prompt the economic impact to be way more significant," Messina said referring to the US decision. She argued that such policies are too generic and not proven to be effective to contain the virus. She also said that such restrictions could complicate travel by medical experts and delivery of medical supplies. (Reuters)
- **Global airlines call for government aid and United warns of cuts to US routes –** Airlines on Thursday appealed for urgent government financial support as US carriers rushed to cut flights to Europe in the wake of new US travel restrictions aimed at combating the coronavirus outbreak, while United Airlines warned of US travel disruption as the virus spreads domestically. The International Air Transport Association (IATA), a global industry group representing airlines, called on governments to consider extending lines of credit, reducing infrastructure costs and cutting taxes. US travel curbs on much of continental Europe announced by President Donald Trump on Wednesday evening deepened the sector's misery that began after the virus emerged in China late last year and reduced traffic. (Reuters)
- **US weekly jobless claims drop, but coronavirus layoffs loom –** The number of Americans filing for unemployment benefits unexpectedly fell last week as employers continued to hold on to their workers, but the coronavirus pandemic is expected to lead to an increase in layoffs as companies battle supply chain disruptions and sagging demand for some goods and services. Some businesses are already cutting jobs and demand is weakening, at least at the factory level. Other reports on Thursday showed companies announced more than 600 layoffs through March 12 tied to the outbreak, while producer prices fell by the most in five years in February as prices for energy products and services such as hotel accommodation, shipping and air travel dropped. Initial claims for state unemployment benefits dropped 4,000 to a seasonally adjusted 211,000 for the week ended March 7, the Labor Department said. Jobless claims

are the most timely labor market indicator. They have declined for two straight weeks. Economists polled by Reuters had forecasted claims rising to 218,000 in the latest week. The four-week moving average of initial claims, considered a better measure of labor market trends as it irons out week-to-week volatility, rose 1,250 to 214,000 last week. (Reuters)

- **US household net worth $118.4tn in fourth quarter of 2019, before coronavirus hit –** The US household wealth rose to $118.4tn in the final quarter of last year, a Federal Reserve report on Thursday showed, a situation set to reverse in the coming period as stock markets continue to be pummeled by fears of a recession caused by the escalating coronavirus outbreak. Household net worth was also upwardly revised to $115.2tn in the third quarter of 2019. Elsewhere in the report, household borrowing rose at a 4.1% annual rate in the fourth quarter, down from an upwardly revised 3.4% growth rate in the third quarter of the year. Liquid assets held by non-financial firms were $4.9tn versus an unrevised $4.7tn in the July-September period. (Reuters)
- **Coronavirus weighs on US consumer sentiment in early February –** The US consumer sentiment fell less than expected in early March as households responded to the coronavirus pandemic and a sharp stock market sell-off, but also hoped that any disruptions to economic activity would be temporary. The University of Michigan stated its consumer sentiment index fell 5.0% to a reading of 95.9. Economists polled by Reuters had forecasting sentiment dropping to 95.0 early this month. A measure of consumers' perceptions of current economic conditions slipped to 112.5 early this month from a reading of 114.8 in February. The survey's gauge of consumer expectations dropped to a reading of 85.3 from 92.1 in February. In contrast, the daily Morning Consult ICS US consumer confidence measure had as of Friday morning dropped 0.9 to 108.99 from Thursday, marking largest single day drop in more than two years. The Refinitiv/Ipsos Primary Consumer Sentiment Index, fell 2.8 points to a reading of 60.1 in March 2020. (Reuters)
- **US import prices post biggest drop in six months –** The US import prices fell by the most in six months in February as the cost of petroleum products dropped, and economists said they could decline further because of the coronavirus pandemic and an oil price war between Saudi Arabia and Russia. The Labor Department stated on Friday import prices slipped 0.5% last month after an upwardly revised 0.1% gain in January. Import prices, which exclude tariffs, were previously reported to have been unchanged in January. Economists polled by Reuters had forecasted import prices would decrease 0.8% in February. In the 12 months through February, import prices declined 1.2% after rising 0.3% in January. The report also showed export prices dropped 1.1% in February, the largest decline since December 2015, after increasing 0.6% in January. Export prices decreased 1.3% on a year-on-year basis in February after rising 0.4% in January. (Reuters)
- **RICS: UK house price growth hits nearly four-year high –** A measure of British house prices rose at the fastest pace in nearly four years in February as the residential property market picked up for a third month in a row, the Royal Institution of Chartered Surveyors (RICS) stated on Thursday. However, a survey conducted by RICS also showed concerns over the potential impact of coronavirus on the market. RICS house price balance, based on a survey of its members, jumped to +29 in February, up from +18 in January and above all forecasts in a Reuters poll of economists. It was the strongest reading of the price balance since April 2016. Prices rose across the whole country but the gains were strongest in London, Yorkshire and the Humber, and in East Anglia, RICS stated. (Reuters)
- **Eurozone's industry output jumped in January before virus blow –** Eurozone's industrial production leapt in January by far more than expected, official estimates released on Thursday showed, in a sign that a recovery in the bloc was underway before the coronavirus began hitting the economy last month. The European Union statistics office Eurostat stated industry output in the 19-country single currency area was up by 2.3% MoM in January, when the United States and China signed an initial deal to cool trade tensions. The rise was much higher than the average 1.4% increase forecast by economists polled by Reuters, and bouncing back from a 1.8% decline in production in December. Factories were mostly ramping up production of intermediate goods, which rose by 3.2% on the month, in a sign that European manufacturers may have been looking to fill gaps in global supply chains caused by the initial outbreak of the virus in China. Production of capital goods also leapt by 2.6% in January, an indicator of higher investments driven by then growing optimism among factory managers. Compared to the previous year, industrial output was still down 1.9% in the Eurozone, but far less than market expectations of a 3.1% decline and an improvement from December's reading of -3.6%. (Reuters)
- **EU to launch 37bn Euro coronavirus investment initiative –** The European Union (EU) will launch a 37bn Euro investment initiative as part of a package of measures to cushion the bloc's economies from the impact of coronavirus, European Commission's President, Ursula von der Leyen said on Friday. Other steps the EU's executive will take include giving member states flexibility on budget deficits and state aid, von der Leyen told a news conference, in a move meant to grant full spending flexibility to Italy, the European country so far most affected by the crisis. The EU will also use 1bn Euros of EU money to guarantee up to 8bn Euros in loans to 100,000 virus-hit firms in tourism, retail, transport and other ailing sectors, von der Leyen said, confirming a Reuters report earlier this week. (Reuters)
- **EU, Eurozone very likely in recession this year due to virus, Commission says –** The European Union (EU) and the Eurozone are very likely to be in a recession this year because of the coronavirus outbreak, a top economic official of the European Commission stated on Friday. "It is very likely that growth for the Eurozone and the European Union as a whole will fall below zero this year and potentially even considerably below zero," Maarten Verwey, head of economic affairs of the EU executive told a news conference in Brussels. (Reuters)
- **German bankruptcies set to rise for first time since 2009 –** The number of bankruptcies in Germany is set to rise this year for the first time since the financial crisis in 2009, the head of Germany's insolvency administrators' association said, warning that government aid could not protect all companies. Europe's largest economy is braced for a difficult period as the

pandemic spreads around the world, severing supply chains and leading to collapsing demand for the exporting powerhouse's goods. Insolvencies fell 2.9% to 18,749 in 2019, their lowest level since 1999. Niering said that the impact would be felt far beyond directly affected industries like tourism, and would hit primarily companies that were already struggling. (Reuters)

- **Japan large manufacturers' mood sours to near 9-year low from coronavirus jolt –** Large Japanese manufacturers' business sentiment fell to a near nine-year low in January-March, suggesting widening fallout of the coronavirus outbreak on an economy already struggling to keep a recovery on track. Large manufacturers foresee conditions remaining depressed in the following quarter, the government survey compiled in February showed, and adding pressure on policymakers to roll out more measures to navigate the coronavirus crisis. The business survey index (BSI) of sentiment at large manufacturers stood at minus 17.2 in January-March, the lowest reading since April-June 2011. It compared with negative 7.8 in the prior three months. The index, jointly compiled by the Ministry of Finance and a research arm of the Cabinet Office, is expected to jump to minus 5.5 in April-June, still hovering in contraction. (Reuters)
- **Japan's Abe says to work on package to support regional economies –** Japan's government and ruling party will work together to compile a package to support regional economies that have been hit in the wake of the coronavirus outbreak, Prime Minister Shinzo Abe said on Saturday. Speaking at a news conference, Abe also said that Japan hopes to use G7 and G20 frameworks to lead global coordination, including on economic policy, to fight the fall-out from the virus. (Reuters)
- **China pumps $79bn into economy with bank cash reserve cut –** China's central bank cut the cash that banks must hold as reserves on Friday for the second time this year, releasing 550bn Yuan ($79bn) to help its coronavirus-hit economy. The targeted reserve requirement cut is Beijing's latest step to cushion the economic blow of the coronavirus outbreak amid worries about job losses, with more stimulus expected. "The reserve cut will help supplement liquidity at the end of the quarter, increase the space for boosting credit and promote the rapid recovery of the economy," Tang Jianwei, senior economist at Bank of Communications said. The People's Bank of China (PBOC) stated that it would cut the reserve requirement ratio (RRR) by 50-100 basis points (bps) for banks that have met inclusive financing targets. The RRR for large banks is currently 12.5%. Qualified joint-stock commercial banks would enjoy an additional cut of 100 bps, it added of the targeted cut, the ninth since early 2018, which will be effective from March 16. Financial markets had widely expected more support measures from the government and the PBOC to get the economy back on a steadier footing. The country's cabinet on Wednesday flagged more bank reserve cuts and other steps. The amount of liquidity released by the RRR cut would be smaller than the 800bn Yuan cut in January. The PBOC has been ramping up policy easing since the coronavirus outbreak escalated in late January. China has cut several key interest rates, and some analysts are expecting another cut in the benchmark lending rate next week. (Reuters)
- **China's finance ministry first quarter fiscal revenue affected by coronavirus –** China's first quarter fiscal revenue was affected by the coronavirus outbreak, but the economy was resilient and the total size of revenues remained huge, a finance ministry official stated at a press briefing on Saturday. Despite the impact, the lives of those who live in poverty should not be affected and there was a relatively big potential for economic growth, Fu Jinling said, head of the social insurance division of the Ministry of Finance. China's fiscal revenues increased 3.8% in calendar 2019, the finance ministry stated in February. In the first quarter of 2019, China's fiscal revenue rose 6.2% YoY to 5.37tn Yuan ($766.75bn). (Reuters)

Regional

- **Russia not discussing returning to oil cuts, may raise output –** Russian oil producers did not discuss returning to a deal with OPEC to cut output at a meeting with the energy ministry on Thursday, one of the country's top oil firms said, adding it was preparing to raise production from April. Oil prices plummeted after talks in Vienna last week on production cuts between OPEC, Russia and other oil producers collapsed with no deal. Saudi Arabia and the UAE, both OPEC members, have announced plans to ramp up production. Chief Executive of Russia's third largest oil producer Gazprom Neft, Alexander Dyukov told reporters that he and representatives of other major oil producers met Energy Minister, Alexander Novak on Thursday but have not even discussed returning to a deal with the so-called OPEC+ grouping. He said that, even if a new deal with OPEC had been secured, "we would have reached the situation with $35 per barrel anyway given the market factors," citing the impact of the coronavirus outbreak and the risk of a global recession. "Indeed there was some disappointment from the (OPEC) talks in Vienna," Dyukov told reporters after the meeting with Novak. (Reuters)
- **UAE, Saudi central banks roll out $40bn stimulus for virus-hit economies –** The central banks of the UAE and Saudi Arabia, the two largest Arab economies, on Saturday announced stimulus plans worth a combined $40bn to ease the impact of the coronavirus outbreak in their respective countries. The Central Bank of the UAE (CBUAE) plans to support banks and businesses in the country, where the outbreak is affecting major economic sectors such as tourism and transport, with a $27bn economic plan, it stated. In a separate statement, the Saudi Arabian Monetary Authority (SAMA) stated that it has prepared a $13.32bn package to help small and medium-sized enterprises (SMEs) cope with the economic impacts of coronavirus. The disease has so far infected 85 people in the UAE and 105 in Saudi Arabia. The Saudi funding aims to grant SMEs six-month deferrals on bank payments, concessional financing and exemptions from the costs of a loan guarantee program, SAMA stated. (Reuters)
- **Saudi Arabia seeks to charter more supertankers in oil export push, sources says –** Saudi Arabia's National Shipping Company (Bahri), has provisionally chartered up to 31 supertankers, up from 19 vessels sought earlier this week, shipping sources said, in sign that the Kingdom is looking to flood world markets with crude oil. Top oil exporter Saudi Arabia had said on Wednesday it would launch a program to boost production capacity for the first time in more than a decade, signaling to Russia and other rivals it was ready for a long battle over production levels and market share. Shipping sources said the number of

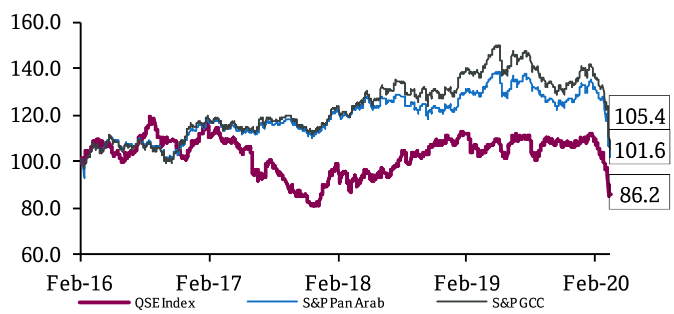
supertankers Bahri was seeking to conclude charters for had risen to up to 31 from 19 on Wednesday. Each of these vessels, known as very large crude carriers, can carry a maximum of 2mn barrels of oil. Shipping data showed Bahri had fully concluded charters for 12 of those tankers so far, which would equate to 24mn barrels of crude oil. Five of those are headed to the US. At least four further vessels were being sought for the US, shipping data showed. (Reuters)

- **Saudi Arabia floods markets with $25 oil as Russia fight escalates –** Saudi Arabia is flooding markets with oil at prices as low as $25 per barrel, specifically targeting big refiners of Russian oil in Europe and Asia, in an escalation of its fight with Moscow for market share, trading sources said. The sources, from oil majors and refiners which process crude in Europe, said that Saudi Aramco told them it would supply all requested additional volumes in April. Sources previously told Reuters Saudi Arabia is also seeking to replace Russian oil with Chinese and Indian buyers, although not all refiners received volumes they had asked for. Tanker rates soared as Saudi Arabia provisionally chartered around 31 supertankers to take extra oil, including to the US, where Russian oil is usually less in demand. Oil prices have halved since the start of the year because demand has been hit by the coronavirus outbreak and after Russia and OPEC failed to reach a new deal on supply cuts. (Reuters)
- **Saudi Aramco refuses to give extra April crude to at least three Asian refiners –** Saudi Aramco has rejected at least three Asian refiners' requests for additional bargain-priced crude for April, despite a recent pledge by the Kingdom to boost supplies to a new record, sources told Reuters. The refiners - one Korean, one Taiwanese and one Chinese, had requested extra barrels of Saudi oil in a so-called nomination process for April - on top of their long-term supply deals - following the steep price cuts announced by Saudi Aramco at the weekend, but were turned down by the producer. However, Saudi Arabia did approve incremental supplies for its top Indian and Chinese customers, including Bharat Petroleum Corp (BPLC), Reliance Industries Ltd, at least one Chinese state refiner, and privately held Zhejiang Rongsheng Holding Group, to fend off market share threats in the top Asian oil markets - India and China, other sources told Reuters. "We have got all we asked for," one of the sources said of the nomination results. Reliance, operator of the world's biggest refining complex, and BPCL have each bought 2mn barrels of extra Saudi oil for loading in April, Reuters reported earlier on Thursday. (Reuters)
- **UAE cancels events, flights as central bank announces coronavirus fiscal plan –** The UAE stated it was shutting major tourism and cultural venues to contain the spread of coronavirus and announced a $27bn plan to counter the outbreak's economic impact. Attractions such as the Louvre Abu Dhabi museum and the Ferrari World theme park will be closed from March 15-31, the Abu Dhabi Government Media Office stated, while the country's civil aviation authority indefinitely suspended flights to and from Lebanon, Turkey, Syria and Iraq from March 17. The UAE, which has reported 85 coronavirus infections but no deaths, and other Gulf Arab states are intensifying measures to halt the virus as the number of cases rises. Saudi Arabia and Kuwait have taken the most drastic steps, cancelling all international flights. Dubai, the UAE's regional business and transit hub, said it was cancelling all events planned in March and asked hotels to stop hosting wedding celebrations. Some shops have voluntarily closed to boost containment efforts. In the capital, Abu Dhabi, cinemas, arcades and entertainment venues have been shuttered, state news agency WAM reported. Seeking to soften the impact of the shutdowns on key sectors such as tourism and transportation, the Central Bank of the UAE (CBUAE) stated its program would help banks and companies weather the crisis. (Reuters)
- **Dubai unveils AED1.5bn economic stimulus package –** The government of Dubai launched AED1.5bn economic stimulus package for the next three months to support companies and the business sector in Dubai. It seeks to enhance liquidity and reduce the impact of the current global economic situation caused by the Covid-19 coronavirus outbreak. Under the directives of Vice President and Prime Minister of the UAE and Ruler of Dubai, HH Sheikh Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum announced the launch of the economic stimulus package to support citizens, residents and investors in these exceptional circumstances. The package developed by the Dubai Government includes 15 initiatives focused on the commercial sector, retail, external trade, tourism, and the energy sector. It is expected to reduce the cost of doing business and simplify business procedures, especially in the tourism, retail, external trade and logistics services sectors. The stimulus measures that will be introduced with immediate effect will be valid for the next three months. Following this period, the impact of the measures on the economic situation will be reviewed. "The world is going through difficult times but we have the capability to navigate challenges successfully. We are extending this stimulus package to ensure we can realize our ambitious development objectives by defusing any obstacle that can hinder our progress," he said. (Zawya)
- **Abu Dhabi non-oil foreign trade hits AED213.3bn in 2019 –** The value of non-oil foreign merchandise trade through Abu Dhabi ports amounted to AED213.3bn in 2019, according to figures released by the Statistics Centre- Abu Dhabi (SCAD). The figures showed a 9.2% decrease in imports which fell from AED113bn in 2018 to AED102.5bn, while the value of re-exports increased by 9.8% to AED52.8bn compared to the same period the year before. The total trade increased by 2.2% in December 2019 over the same month in 2018, driven by a growth in re-exports and exports by 6.5%, and 4.2% respectively, while the value of imports dropped by 1.3% in the same period. Saudi Arabia emerged on top of Abu Dhabi's trade partners list with a total amount of AED55.3bn, followed by the US with AED13.16bn, China with AED11.5bn, Japan with AED10.65bn and then Kuwait with AED10.3bn. Manufactures dominated the list of most exported merchandise, with a total amount of around AED45bn, while F&B exports came second with AED6bn; consumer goods amounted to AED3.43bn, while production articles stood at AED2.33bn. On re-exports, the SCAD report stated the transport equipment and parts took the lion's share during the reference period totaling AED24.11bn, followed by consumer goods at AED10.13bn and production

articles at AED9.8bn. Manufactures accounted for AED43bn of the Emirate's imports followed by transport equipment and parts, AED24.61bn, production articles, AED16.1bn, consumer goods - AED11.8bn and finally F&B with AAED6.15bn, it added. (Zawya)

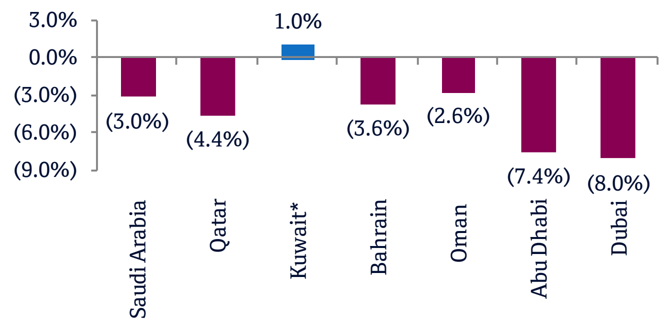
- **Abu Dhabi's Mubadala sees buying opportunities amid plunging oil –** Slumping oil prices and the growth in petrochemicals demand are creating enormous opportunities for investment in energy assets, the Head of Mubadala Petroleum & Petrochemicals, Chief Executive Officer, Musabbeh Al Kaabi said after the company sold a $4.7bn stake in a plastics maker. Abu Dhabi-based Mubadala may use some of the proceeds from the deal to invest elsewhere, he said. Mubadala is now a minority owner of Borealis after making the sale to Vienna-based OMV. "We are evaluating many opportunities, and in the long term we also have an interest to expand our value chain, especially in chemicals," Al Kaabi said. Mubadala Petroleum & Petrochemicals is a unit of Abu Dhabi wealth fund Mubadala Investment Co. (Bloomberg)
- **OMV to sell $2.3bn of assets to fund purchase of plastics maker –** Austrian oil and gas group OMV plans to sell $2.3bn of assets by the end of next year to help fund a $4.7bn deal to make it the majority owner of plastics maker Borealis and one of the world's leading polymer producers. OMV signed the previously announced deal with Abu Dhabi state investor Mubadala that will see it increase its stake in Borealis to 75% from 36%. "This transaction is not just another milestone in the implementation of our strategy, but the biggest transformation in OMV's history," said Chief Executive, Rainer Seele. "This turns OMV into a global oil, gas and chemicals group, whose integrated business model extends from the wellhead to high-quality plastic and repositions the group for a low carbon future." The 59-year-old German has shifted OMV's focus for growth from low-cost oil and gas in Russia towards the Middle East, where he wants to become a major supplier of plastics for China. The acquisition gives OMV more say in a key project on the Abu Dhabi coast, where Borealis is the part-operator of the Ruwais refinery via its Borouge joint venture with the Abu Dhabi National Oil Company (ADNOC). ADNOC plans to develop the Ruwais complex with a $45bn investment into the world's largest integrated refinery and petrochemicals plant. (Reuters)
- **Kuwait central bank ready to provide cash to banks over coronavirus outbreak –** Central Bank of Kuwait (CBK) stated that it is ready to support its financial sector over the coronavirus outbreak, including by providing cash to commercial banks. Other measures included suspending fees on point of sales devices and ATM withdrawals, increasing the limit for contactless payments to KD25 from KD10 and providing "financial and moral compensation" to banking sector employees during a public holiday, which was declared until March 26. (Reuters)
- **Boursa Kuwait trading to resume today, limit-down lowered –** Boursa Kuwait will resume trading today with its limit-down for trading lowered to 5% from 10%, according to a statement. The exchange building will remain closed to visitors. (Bloomberg)
- **Kuwait National Petroleum Company says work in its refineries continues –** Kuwait's National Petroleum Company (KNPC) stated that work in its refineries is continuing according to the scheduled program. "Production and export operations were not affected by the government's decision to suspend work in governmental institutions," KNPC added in its statement. (Reuters)
- **Fitch joins Moody's in lowering Oman's rating deeper into 'Junk' –** Fitch on Thursday joined Moody's in cutting Oman's rating further into 'Junk' territory, citing continued erosion of the country's fiscal and external balance sheets. The deterioration of balance sheets could accelerate amid lower oil prices despite prospects for faster implementation of fiscal consolidation measures, Fitch stated here lowering its ratings by a notch to 'BB'. The small oil-producing country has relied heavily on debt to offset a widening deficit caused by lower crude prices. "We believe there is a real prospect for acceleration of fiscal reform under Oman's new sultan, Haitham bin Tariq, who has made debt reduction a policy priority," Fitch stated. (Reuters)
- **Oman Insurance weighs bid for Axa's Middle East unit –** Oman Insurance Co. is considering making a bid for the Middle Eastern operations of French insurer Axa, according to sources. The company that's backed by Dubai-based bank Mashreq is working with Barclays as it weighs a potential offer for the business, which provides life, property and health insurance, the sources said. No final decisions have been made and other suitors may also bid for the unit, the people said. Axa Chief Executive Officer, Thomas Buberl is moving to streamline the insurer's operations by retreating from less profitable markets and pulling back from life insurance. The company, which is working with HSBC Holdings on its strategic review in the Middle East, sold its operations in Poland, the Czech Republic and Slovakia for about $1.1bn to Austria's Uniqa Insurance Group AG in February. Oman Insurance operates 12 branches in the UAE and has businesses in Oman and Turkey. The company posted AED3.6bn in revenue and a net income of AED190.5mn last year, according to its annual report. (Bloomberg)
- **Bahrain central bank cuts overnight lending rate to 2.45% –** Central Bank of Bahrain (CBB) cut its overnight lending rate to 2.45% from 4% "in light of the recent global developments," it stated. "The CBB continues to monitor global and local market developments closely in order to take any further necessary actions," it stated, adding it cut the rate to "to ensure the smooth functioning of the money markets in Bahrain." Bahrain's Central Bank Governor said the bank was ready to provide the required liquidity to banks as needed. Bahrain, a small Gulf oil producer, was bailed out by Saudi Arabia, the UAE and Kuwait with $10bn in aid pledged in 2018 after a prolonged period of lower oil prices pushed its public debt to nearly 93% of annual economic output. Analysts have said a recent plunge in oil prices is expected to hit smaller Gulf economies such as Bahrain and Oman particularly hard. This adds to economic uncertainty due to the spread of coronavirus. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (* Data as of March 11, 2020)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,529.83	(2.9)	(8.6)	0.8
Silver/Ounce	14.72	(7.0)	(15.1)	(17.5)
Crude Oil (Brent)/Barrel (FM Future)	33.85	1.9	(25.2)	(48.7)
Crude Oil (WTI)/Barrel (FM Future)	31.73	0.7	(23.1)	(48.0)
Natural Gas (Henry Hub)/MMBtu	1.97	6.5	11.9	(5.7)
LPG Propane (Arab Gulf)/Ton	32.00	10.3	(10.8)	(22.4)
LPG Butane (Arab Gulf)/Ton	38.38	9.7	(10.2)	(42.2)
Euro	1.11	(0.7)	(1.6)	(0.9)
Yen	107.62	2.8	2.1	(0.9)
GBP	1.23	(2.3)	(5.9)	(7.4)
CHF	1.05	(0.8)	(1.5)	1.7
AUD	0.62	(0.5)	(6.5)	(11.7)
USD Index	98.75	1.3	2.9	2.4
RUB	72.63	(3.0)	5.9	17.2
BRL	0.21	(1.4)	(4.8)	(17.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,881.64	5.9	(12.5)	(20.2)
DJ Industrial	23,185.62	9.4	(10.4)	(18.8)
S&P 500	2,711.02	9.3	(8.8)	(16.1)
NASDAQ 100	7,874.88	9.3	(8.2)	(12.2)
STOXX 600	299.16	0.5	(20.1)	(29.0)
DAX	9,232.08	(0.2)	(21.6)	(31.1)
FTSE 100	5,366.11	0.2	(21.1)	(33.8)
CAC 40	4,118.36	0.9	(21.5)	(32.0)
Nikkei	17,431.05	(8.1)	(17.7)	(25.5)
MSCI EM	891.19	0.9	(11.9)	(20.0)
SHANGHAI SE Composite	2,887.43	(0.9)	(5.9)	(5.9)
HANG SENG	24,032.91	(1.1)	(8.1)	(14.6)
BSE SENSEX	34,103.48	4.4	(9.0)	(20.4)
Bovespa	82,677.90	14.9	(18.2)	(39.9)
RTS	991.69	2.6	(21.2)	(36.0)

Source: Bloomberg (*$ adjusted returns)

Contacts

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

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

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

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

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