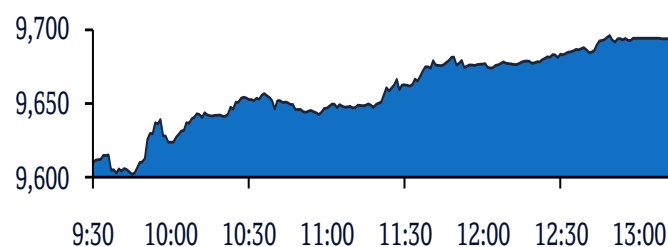


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.0% to close at 9,695.3. Gains were led by the Consumer Goods & Services and Transportation indices, gaining 2.0% and 1.2%, respectively. Top gainers were Salam International Investment Limited and Aamal Company, rising 9.8% and 5.4%, respectively. Among the top losers, Qatar General Insurance & Reins. Co. fell 6.6%, while Dlala Brokerage & Investment Holding Co. was down 3.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell marginally to close at 7,757.3. Losses were led by the Health Care and Comm. & Prof. Svc indices, falling 1.3% each. Al-Omran Ind. Trading Co. declined 2.6%, while Abdullah Saad Mohammed Abo was down 2.5%.

Dubai: The DFM Index gained 1.0% to close at 2,206.0. The Banks index rose 2.3%, while the Transportation index gained 0.7%. Emirates NBD rose 4.5%, while Ajman Bank was up 4.3%.

Abu Dhabi: The ADX General Index gained 0.4% to close at 4,431.3. The Energy index rose 2.7%, while the Services index gained 2.0%. National Marine Dredging Co. rose 15.0%, while Abu Dhabi National Energy Co. was up 11.9%.

Kuwait: The Kuwait All Share Index gained 0.8% to close at 5,242.6. The Consumer Goods index rose 1.8%, while the Banks index gained 1.3%. Ream Real Estate Company rose 58.3%, while Sanam Real Estate Company was up 11.1%.

Oman: The MSM 30 Index fell 0.3% to close at 3,551.4. Losses were led by the Services and Financial indices, falling 0.4% and 0.2%, respectively. Renaissance Services declined 4.4%, while Ahli Bank was down 3.1%.

Bahrain: The BHB Index gained 1.5% to close at 1,348.5. The Commercial Banks index rose 2.2%, while the Industrial index gained 2.1%. Esterad Investment Company rose 10.0%, while Ahli United Bank was up 3.9%.

Market Indicators	17 Aug 20	16 Aug 20	%Chg.
Value Traded (QR mn)	701.9	389.3	80.3
Exch. Market Cap. (QR mn)	565,256.5	560,232.4	0.9
Volume (mn)	436.9	222.0	96.8
Number of Transactions	12,595	8,398	50.0
Companies Traded	46	45	2.2
Market Breadth	29:16	16:25	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,638.93	1.0	1.0	(2.8)	15.8
All Share Index	3,020.54	1.0	1.0	(2.5)	16.7
Banks	4,151.10	1.1	1.0	(1.6)	13.9
Industrials	2,823.50	0.5	1.2	(3.7)	24.5
Transportation	2,929.63	1.2	1.3	14.6	13.9
Real Estate	1,614.21	0.2	0.3	3.1	13.2
Insurance	2,035.76	0.1	(0.4)	(25.6)	32.9
Telecoms	913.72	0.6	1.2	2.1	15.4
Consumer	7,875.41	2.0	1.7	(8.9)	24.7
Al Rayan Islamic Index	3,962.19	0.9	0.9	0.3	18.5

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	10.50	4.7	8,472.2	(19.2)
Gulf Bank	Kuwait	0.21	4.4	18,049.7	(29.4)
Ahli United Bank	Bahrain	0.72	3.9	2,713.3	(24.6)
Qatar Fuel Company	Qatar	17.40	2.9	1,623.8	(24.0)
Saudi Arabian Mining Co.	Saudi Arabia	39.30	2.7	2,248.5	(11.5)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli Bank	Oman	0.13	(3.1)	5.5	1.8
Agility Public Wareh. Co.	Kuwait	0.63	(2.0)	10,375.5	(11.9)
Mouwasat Medical Serv.	Saudi Arabia	108.80	(2.0)	147.7	23.6
Saudi Cement Co.	Saudi Arabia	54.60	(1.8)	863.9	(22.1)
Saudi Kayan Petrochem.	Saudi Arabia	8.58	(1.7)	7,688.8	(22.7)

Source: Bloomberg (# in Local Currency) (** GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.10	(6.6)	4.4	(14.6)
Dlala Brokerage & Inv. Holding Co	1.93	(3.4)	6,754.6	216.2
Qatari German Co for Med. Dev.	2.48	(2.9)	10,680.4	325.6
Baladna	1.79	(2.6)	7,741.8	79.0
Al Khaleej Takaful Insurance Co.	1.83	(2.3)	6,427.0	(8.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Gulf Warehousing Company	5.59	2.5	97,809.9	2.0
Aamal Company	0.89	5.4	69,189.4	9.0
QNB Group	18.50	1.5	66,358.5	(10.2)
Qatar Gas Transport Co. Ltd.	2.82	0.8	42,596.3	17.9
Salam International Inv. Ltd.	0.52	9.8	37,621.6	(0.4)

Source: Bloomberg (* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.52	9.8	75,215.8	(0.4)
Aamal Company	0.89	5.4	78,424.4	9.0
Investment Holding Group	0.53	3.3	70,076.0	(5.3)
Qatar Fuel Company	17.40	2.9	1,623.8	(24.0)
Gulf Warehousing Company	5.59	2.5	17,465.7	2.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.89	5.4	78,424.4	9.0
Salam International Inv. Ltd.	0.52	9.8	75,215.8	(0.4)
Investment Holding Group	0.53	3.3	70,076.0	(5.3)
United Development Company	1.19	0.0	22,384.9	(21.8)
Qatar Aluminium Manufacturing	0.94	2.1	22,367.0	20.2

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,695.32	1.0	1.0	3.5	(7.0)	191.51	154,258.5	15.8	1.5	4.1
Dubai	2,205.97	1.0	2.3	7.6	(20.2)	66.73	84,179.3	7.9	0.8	4.4
Abu Dhabi	4,431.33	0.4	1.0	2.9	(12.7)	129.36	182,577.8	16.2	1.3	5.5
Saudi Arabia	7,757.26	(0.0)	0.7	4.0	(7.5)	2,393.58	2,276,539.4	25.2	1.9	3.4
Kuwait	5,242.64	0.8	2.3	5.5	(16.6)	179.89	99,091.2	20.0	1.3	3.8
Oman	3,551.35	(0.3)	(0.4)	(0.5)	(10.8)	1.48	16,079.3	5.1	0.4	14.0
Bahrain	1,348.52	1.5	2.8	4.5	(16.3)	6.95	20,486.2	12.6	0.8	5.3

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 1.0% to close at 9,695.3. The Consumer Goods & Services and Transportation indices led the gains. The index rose on the back of buying support from GCC and Foreigners shareholders despite selling pressure from Qatari and Arab shareholders.
- Salam International Investment Limited and Aamal Company were the top gainers, rising 9.8% and 5.4%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 6.6%, while Dlala Brokerage & Investment Holding Company was down 3.4%.
- Volume of shares traded on Monday rose by 96.8% to 436.9mn from 222.0mn on Sunday. Further, as compared to the 30-day moving average of 299.9mn, volume for the day was 45.7% higher. Aamal Company and Salam International Investment Limited were the most active stocks, contributing 18.0% and 17.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	46.25%	49.24%	(20,974,346.0)
Qatari Institutions	23.79%	28.81%	(35,243,597.3)
Qatari	70.04%	78.05%	(56,217,943.3)
GCC Individuals	1.49%	0.98%	3,589,559.5
GCC Institutions	0.83%	0.52%	2,141,492.4
GCC	2.31%	1.50%	5,731,052.0
Arab Individuals	10.96%	11.13%	(1,159,507.2)
Arab Institutions	0.12%	0.09%	161,663.6
Arab	11.08%	11.22%	(997,843.6)
Foreigners Individuals	3.48%	3.25%	1,644,789.8
Foreigners Institutions	13.08%	5.98%	49,839,945.1
Foreigners	16.57%	9.23%	51,484,734.9

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
Industries Qatar	S&P	Qatar	CR	A+	A+	-	Stable	-
Industries Qatar	Moody's	Qatar	LT	A1	A1	-	Stable	-
United Arab Bank	Moody's	UAE	BCA/ABCA/LT CRA/LT FBD/LT LBD	ba3/ ba2/ Baa2(cr)/ Baa3/Baa3	b1 / ba3/Baa3(cr)/ Ba1/ Ba1	↓	Negative	-

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, CR – Credit Rating, SR – Support Rating, LC – Local Currency, FBD – Foreign Bank Deposits, LBD – Local Bank Deposits, CRA – Counterparty Risk Assessment, BCA – Baseline Credit Assessment, ABCA – Adjusted Baseline Credit Assessment)

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
Taiba Investments Co.	Saudi Arabia	SR	31.4	-71.0%	(4.4)	N/A	79.8	62.1%
Saudi Arabian Coop. Insurance Co.	Saudi Arabia	SR	189.8	-2.6%	-	-	8.5	332.7%
Abdullah Al Othaim Markets Co.*	Saudi Arabia	SR	2,574.4	18.6%	147.9	108.9%	125.3	113.3%
Makaseb Income Fund	Bahrain	USD	594.1	-10.3%	(160.3)	N/A	(277.5)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for 6M2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/17	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Jun F	1.9%	-	2.7%
08/17	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Jun F	-18.2%	-	-17.7%
08/17	Japan	Ministry of Economy Trade and	Capacity Utilization MoM	Jun	6.2%	-	-11.6%

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

Qatar

- S&P and Moody's affirm credit ratings of IQCD** – International credit rating agencies Standard and Poor's (S&P) and Moody's have affirmed the credit rating of Industries Qatar's (IQCD), one of the region's industrial giants with holdings in petrochemicals, fertilizers and steel. S&P affirmed IQCD's credit rating at 'A+' with a 'Stable' outlook and Moody's affirmed its long term rating at 'A1' with a 'Stable' outlook. The affirmation of the credit rating by the both the rating agencies was based on their annual review of IQCD's current and future financial and operational performance. Consideration was also given to several factors in assigning and maintaining their current ratings and outlook, including, IQCD's liquidity profile; robust cash flow generation ability; strong competitive market position; greater integration with the parent entity (Qatar Petroleum). "IQCD's prudent financial policy and strong cash flow generation support very strong credit metrics," S&P said, while Moody's held "IQCD entered the low oil prices period with low leverage and capital spending requirements, allowing for more financial flexibility." These affirmations are a testament to IQCD's enhanced asset quality foundation and robust liquidity position based on sound operating and financial management policies. "IQCD's competitive strengths will provide leverage in the current challenging times, with an ability to generate positive cash flows in such distressed market conditions, and an efficient cost structures and robust working capital management, would safeguard the group against any unexpected adversities," IQCD said. The group implemented a group wide specific operating and capital costs optimization measures, in order to negate the negative impacts of the weaker economic environment, HE the Minister of State for Energy Affairs as well as IQCD's Chairman and Managing Director, Saad bin Sherida Al-Kaabi had said after announcing the first half results. "These measures will remain in place until the global economy recovers, and impact of the pandemic is fully defied, in order for us to ensure our businesses continue to remain resilient and maintain its competitiveness," he added. (Gulf-Times.com)
- QCB: At QR1.46tn, Qatari banking sector's average asset rises 5.3% in 2019** – At QR1.46tn, the banking sector's average asset during 2019 recorded a growth of 5.3% over the previous year, Qatar Central Bank (QCB) has said in a report. The asset growth was supported by growth in credit, which grew significantly over the last year. The growth in average credit for the year recorded 5.8%, higher by around 1 percentage point over last year, QCB said in its 11th Financial Stability Review issued on Sunday. However, the deposits growth was not that adequate. Credit to the public sector as well as non-resident declined, though the pace of decline moderated during the year. The deposits mobilization, which experienced a negative growth in 2018, reversed its track and recorded a significant growth of 4.8% by end of December 2019. The liquidity risk of the banking sector reduced during the year as the sector continued to maintain sufficient liquid assets. The ratio of (HQLA) to total assets improved in the first quarter of the year remained more or less stable till the fourth quarter and thereafter declined though

marginally. The banking sector reduced its cross-border exposure at end December 2019. All the components of assets including credit and investments declined but for assets with foreign financial institutions (FFI). At the same time, cross-border liabilities recorded substantial growth. The highest growth was recorded by non-resident deposits, which grew by 23.2% in 2019. The banking sector's credit risk appears to have diminished. NPL (non-performing loans) ratio declined marginally reflecting improvements in timely and proper recognition of problem loans with the introduction of IFR-9 standards. The decline in NPL ratio while increase in provisions, improved the coverage ratio. The credit stress tests indicate, even though at individual bank level traces of risk can be identified. Overall, the banking sector is at comfortable position owing to the availability of sufficient capital. The non-banking financial sector in Qatar comprising of insurance firms, Qatar Development Bank (QDB), finance companies, investment companies, exchange houses and Qatar Financial Centre (QFC) institutions recorded positive asset growth while moderating overall risk. The assets of QCB regulated NBFIs sector recorded healthy growth of 6% during 2019. All the segments of the NBFIs recorded positive growth during 2019 with very high growth, well above 20%, recorded by the finance companies and exchange houses. The insurance business, continued to account for three-fourths of total assets of QCB regulated NBFIs, QCB noted. (Gulf-Times.com)

- QCB: Qatar sees fiscal and current account surplus in 2019** – Despite the fall in energy prices, Qatar recorded fiscal and current account surplus during 2019, the Qatar Central Bank (QCB) has said in a report published on Monday. The 43rd Annual Report of QCB for the year 2019 and its 11th Financial Stability Review (FSR)-2019, discusses the most important macroeconomic and financial developments during the year. The report also provides the annual financial statement of QCB and important policy measures taken by QCB during 2019. With further slowdown in the global economy leading to lower demand and prices for energy, Qatar economy showed a mild contraction in real terms during 2019. However, non-hydrocarbon sector continued to expand, although at a slower pace than the previous year. Deflationary situation prevailed during most part of 2019 driven by few sectors such rent, recreation and culture, transport, and communication, the report said. Coupled with strong capital inflows, balance of payments (BOP) remained in surplus and there was significant accumulation of foreign exchange reserves, according to the report. QCB continued to pursue its mandated monetary policy objective of maintaining a pegged currency while ensuring a stable systemic liquidity. Accordingly, monetary and liquidity conditions were aligned with developments in domestic economy and external environment to ensure a comfortable systemic liquidity and facilitate adequate credit flows to productive sectors. In response to policy rates cuts by the US Federal Reserve during 2019, while giving due considerations to domestic economic conditions, QCB reduced the QCB deposit rate and QCB repo rate twice, and the QCB lending rate thrice.

QCB took several measures to enhance credit risk management, efficiency and security of the credit system and monitor the risk and vulnerabilities of the financial system. To improve the payment and settlement systems by moving to electronic modes, controlling risks and developing a sound payment infrastructure, QCB developed a new retail payment system, among others. QCB commissioned a new centralized information security department for overall supervision and development of the security strategy, and oversee the cyber security practice of the entire financial sector. The eleventh Financial Stability Review (FSR)-2019 provides an analytical snapshot of the events that summarized the risks and vulnerabilities of the financial sector of Qatar during the entire span of 2019. It is a holistic review of the financial institutions as it consolidates the developments of Qatar Financial Centre (QFC). According to the review, the global economic uncertainties and volatile energy markets lead to contraction in the economic activity in Qatar during 2019. At the same time, the current account and fiscal account remained surplus, which provided the necessary impetus to continue infrastructural related activities. The institutionalization of Investment promotion agency and the new Foreign Direct Investment (FDI) law allowing 100% FDI enhanced the role of the private sector. Reflecting the rising productivity and efficiency, the ranking of Qatar in the global competitiveness index improved further. The banking sector, the mainstay of the financial sector remained safe, sound and solid. Liquidity conditions in the banking system have improved with the normalization of capital flows and the consequent accumulation of net foreign assets by QCB. (Qatar Tribune)

- **Sheikh Abdulla: Low delinquent loans, higher cushion of capital facilitate expansion of Qatari banking system** – Low delinquent loans and higher cushion of capital facilitated sustainable expansion of Qatari banking system's balance sheet, HE the QCB Governor Sheikh Abdulla bin Saoud Al-Thani has said. The adoption of regulatory standards in par with best international standards improved the shock-absorbing capacity and ensured financial resiliency in Qatar's banking sector, Sheikh Abdulla bin Saoud Al-Thani said and noted the country's banking sector, the mainstay of the financial sector, remained 'safe, sound and solid. Liquidity conditions in the banking system have improved with the normalization of capital flows and the consequent accumulation of net foreign assets by QCB. The developments in technological innovations are taking a key role in digitally enhancing the financial sector. The fintech echo system, which is being developed, is expected to enable the financial sector stakeholders to adapt with new emerging technologies, Sheikh Abdulla said. "The entrepreneurship in this area is well-supported with Qatar Development Bank while Qatar Financial Center is attracting new entrants to the market. Going forward, Sheikh Abdulla said the future direction of the global economic growth depends on the duration and severity of the COVID-19 pandemic. The restriction on the economic activity may affect the growth prospects to a certain extent. The current outlook for energy prices also poses some challenges. However, Qatar has showed its ability to come out of such challenges as evident from the earlier instance of drop in oil price and the economic blockade in 2017. Moreover, the host of measures we have taken to support our financial sector and the gradual upturn in economic

activity is likely to benefit the Qatar's economy, Sheikh Abdulla said. (Gulf-Times.com)

- **Qatar's reuse of treated wastewater makes robust expansion** – Qatar's reuse of treated wastewater, notably for the irrigation of green spaces, made robust expansion YoY and garnered more share in the total wastewater reused this June; indicating the country's strengthened sustainable development efforts. The rising reuse of treated wastewater in the farming sector comes amidst more than 10mn kgs of local vegetables being procured during the current crop season. The country uses the most modern membrane ultra-filtration system that helps in the recycling of treated wastewater. Qatar's treated wastewater stood at 24.02mn cubic meters out of 24.13mn cubic meters of wastewater received in June this year, said the figures released by the Planning and Statistics Authority. The treated wastewater saw a 9.47% YoY increase even as it shrank 4.5% MoM in June 2020. The treated wastewater reused for irrigation of green spaces saw 18% and 28.5% surge YoY and MoM respectively to 8.92mn cubic meters, which accounted for 37% of total treated wastewater in June 2020 against 28% in the previous month of this year. There has been a robust reuse of treated wastewater in agriculture, a sector whose prominence has been increasing as part of the self-sustaining initiatives, especially after the country came under unjust economic and trade embargo. The treated wastewater reused in agriculture increased by 2.2% year-on-year to 7.49mn cubic meters, constituting more than 31% of the total treated wastewater this June (compared to more than 33% in May 2020). On a monthly basis, it plunged 10.7%. The growth in the re-usage of treated wastewater for agriculture hints at the hydrocarbons-rich country's Green initiatives, a key parameter of sustainability. (Gulf-Times.com)

International

- **Trump promises tax credits for firms that bring jobs back from China** – US President Donald Trump on Monday vowed to create 10mn jobs in 10 months, in part by setting up tax credits for US companies that relocate manufacturing facilities to the US from China. Trump, seeking to build support ahead of the November 3 election, told supporters during a visit to Mankato, Minnesota, his administration would also strip federal contracts from companies that outsourced work to China. "We will create tax credits for companies that bring jobs from China back to America," Trump said during an hourlong speech. He also predicted the US economy would bounce back strongly from the economic shock caused by the coronavirus pandemic - as long as he was re-elected. "What we're doing together is nothing short of an economic miracle and now we're doing it again," Trump told cheering supporters. "We built the greatest economy in the history of the world and now I have to do it again." Trump hailed increased retail sales in recent months. But data released last week showed US retail sales increased less than expected in July as consumers cut back on purchases of motor vehicles. They could slow further in the months ahead amid spiraling new COVID-19 infections and a cut in unemployment benefit checks. The Trump administration is taking action on multiple fronts to rebalance US economic ties with China, including through restrictions on Chinese firms like technology giant Huawei, bans

on popular apps like TikTok, and a spate of executive orders aimed at ensuring domestic production of key products. At the time, the administration is using “Buy America” requirements and incentives to persuade US firms to bolster domestic supply chains, especially for critical supplies, such as drugs and medical equipment. (Reuters)

- **UK household finances worsen in August over job worries** – The financial health of British households deteriorated in August at a faster pace than last month, in an unpromising sign for the economic recovery from the COVID-19 pandemic, a survey showed on Monday. The Household Finance Index from data company IHS Markit fell to 40.8 in August from 41.5 in July, dragged down by the biggest drop in job security since 2011. A wave of lay-offs is already underway and economists fear worse will come when the government’s furlough scheme closes at the end of October. Although economic output collapsed by a historic 20% in the second quarter of 2020, the official unemployment rate has not risen from its pre-pandemic level of 3.9% due to the furlough scheme as well as quirks in the joblessness definition. Tax data suggests businesses have shed more than 700,000 staff since the start of the lockdown. Earlier this month, Bank of England Governor Andrew Bailey said the central bank’s projection for an unemployment rate of 7.5% at the end of this year was a “very bad story” for the British public, and warned that it could turn out worse than that. Other indicators of the consumer economy like retail sales have shown a rapid rebound since the COVID-19 restrictions were loosened, although evidence from businesses has been mixed. The IHS Markit survey of 1,500 adults took place from August 6 to August 9. (Reuters)
- **Bundesbank: German economy set for rapid growth over summer months** – The Germany economy is set for a rapid and broad-based recovery after an unprecedented peacetime contraction in the spring, but a coronavirus vaccine may be necessary before a complete rebound is possible, the Bundesbank said on Monday. Europe’s biggest economy shrank by a tenth in the second quarter but has been making a comeback since much of the epidemic was contained and many restrictions on businesses and daily life were lifted. “The clear and broad-based recovery in macroeconomic performance, which began after the low point in April, will continue,” the central bank said in a monthly report. “The German economy should grow very strongly in the summer quarter of 2020,” it said. Private consumption is expected to make a “solid contribution” to the rebound while industry and capital goods investment will also be key, said the Bundesbank, which earlier predicted a 7.1% full-year drop in gross domestic product. Still, the bank warned that the pandemic has not been contained globally and this will weigh on German exports and industrial production. “This is likely to stand in the way of a comprehensive recovery in demand for German industrial products,” it said. “Until an effective medical solution, like vaccination, is available, economic activity in some domestic service industries will also remain limited.” (Reuters)
- **Aso: Japan calls for G7 coordination to spur global growth, combat pandemic** – Japan hopes to coordinate with its Group of Seven partners in seeking a swift containment of the coronavirus pandemic and a strong recovery in the global

economy, Japanese Finance Minister Taro Aso said on Monday. Aso made the remark to reporters after attending a phone meeting with finance leaders of the G7 advanced economies. “I told the G7 meeting that we must seek a balance between the need to contain the pandemic and keep the economy moving,” Aso said. (Reuters)

- **Japan manufacturers' gloom eases slightly but pandemic woes remain** – Japan’s manufacturers were their least pessimistic in four months in August, the Reuters Tankan survey of business sentiment showed on Tuesday, but signaled a slow recovery from the coronavirus pandemic. The reading highlights the immense task policymakers face to pull the economy out of its deepest recession on record after the coronavirus pandemic pummeled corporate and household activity. The poll, which tracks the Bank of Japan’s (BOJ) closely watched “tankan” quarterly survey, pointed to a modest recovery, with manufacturers’ morale seen somewhat less negative in the coming months. Tuesday’s survey found that the mood of manufacturers rose to minus 33 in August from minus 44 the previous month, its highest since February. The service-sector gauge was at minus 23 from minus 26. The Reuters Tankan index readings are derived by subtracting the percentage of respondents who say conditions are poor from those who say they are good. A negative reading means that pessimists outnumber optimists. Data on Monday showed Japan was hit by its largest economic slump on record in the second quarter as the health crisis delivered a blow to consumption and exports. Though the overall mood remained pessimistic, all industry categories but oil refinery/ceramics were less gloomy than in the previous month, the poll showed. Some firms warned of uncertainty in the months ahead because of resurfacing US-China trade tensions. (Reuters)

Regional

- **OPEC+ compliance with oil output cuts in July around 97%, sources say** – Compliance with OPEC+ oil output cuts is seen at around 97% in July, two OPEC+ sources told Reuters on Monday, two days ahead of a meeting of key OPEC+ producers to review adherence with their production pact as demand slowly recovers. The figure has not yet been finalized by a technical panel of key OPEC and non-OPEC producers, known as the JTC, which is meeting later on Monday, the sources said. A ministerial OPEC+ monitoring committee, known as the JMMC, is meeting on Wednesday to review the oil market and compliance with the global oil supply reduction pact. The JMMC advises the OPEC and allies including Russia, a group known as OPEC+. OPEC+ sources said they expect no change in the current production agreement and would rather focus on adherence by countries such as Iraq, Nigeria and Kazakhstan who have pledged to improve their compliance. In August, OPEC+ eased its agreed cuts to 7.7mn bpd from 9.7mn bpd previously. “There is no change,” one of the sources said. (Reuters)
- **Saudi banks' first half revenue increases, profit drops** – Banks in Saudi Arabia reported a decrease in profits for the first half of 2020, despite a rise in revenue, Moody’s Investors Service said in a report. “The decline (in profits) reflects higher loan impairments in anticipation of credit losses and weaker asset quality, a credit negative for the system,” the rating agency said.

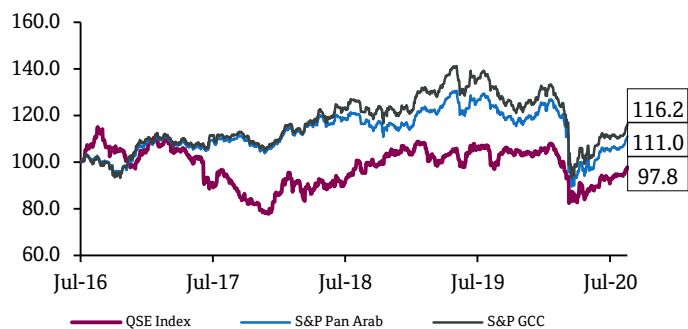
Publicly traded Saudi Arabian banks reported 1H2020 aggregate profits of SR19.1bn, compared to SR21.2bn for 1H2019, a 10% drop according to Moody's. Banks' net revenue for the period rose by 3% but was offset by an increase in aggregate loan-loss provisioning to 0.93% of gross loans from 0.68% in 2019, the report showed. The increase in net revenue for 1H2020 reflects a 4% increase in net interest income that offset a 3% drop in noninterest income. Net interest income was driven higher by continued balance sheet growth, with 8% first-half loan growth and 14% investment portfolio growth. (Zawya)

- **eXtra's unit to raise capital** – United Company for Financial Services, a fully owned subsidiary of United Electronics Company (eXtra), received the Saudi Arabian Monetary Authority's (SAMA) approval to complete regulatory procedures to increase its capital by SR200mn. The unit's new capital will surge to SR350mn from SR150mn. The capital hike will be internally financed by the parent company, according to a bourse filing on Monday. The step aims to support the company's future growth plans to further expand in offering Shari'ah-compliant consumer finance solutions that meet clients' needs. (Zawya)
- **Union Properties looking to buy distressed assets** – Union Properties looking to acquire distressed assets in health care, education, hospitality sectors to diversify portfolio away from real estate, Chairman, Khalifa Hasan Al Hammadi is cited as saying in Khaleej Times. The company has a budget for acquisition; it said could be "in millions or billion" and banks are willing to finance it. The company is looking to reduce or raise capital. It sees Dubai's real estate recovery early next year. It also sees return on property investment doubling in two years. (Bloomberg)
- **ADNOC project to refine heavy, sulfurous crudes is 73% complete** – Abu Dhabi National Oil Co.'s (ADNOC) project to refine heavy, sulfurous crudes is 73% complete. It expects to be able to process 420,000 bpd of heavy and high-sulfur grades at its Ruwais refinery once it completes its "crude flexibility project" in mid-2022, the producer said. ADNOC is investing \$3.5bn in the project at 840k-bpd Ruwais refinery. (Bloomberg)
- **Kuwait's Markaz exits Lebanon project; distributes \$6mn to fund investors** – Kuwait Financial Centre (Markaz) has exited a development in Clemenceau Residence, Lebanon and announced a \$6mn partial distribution of profits to investors in Markaz Real Estate Opportunities Fund (MREOF). Clemenceau Residence represents the largest investment of MREOF. According to Markaz, the total profit of the project is estimated to be 25%. "With this distribution, the fund has now returned to the investors all of their capital with a return on investment of approximately 6%," Markaz said in a press release. "Our real estate products have seen sustained demand as a result of our strong focus on prudent quality investments that are delivered with due diligence, timely acquisitions, and world-class execution," Executive Vice President, MENA Real Estate at Markaz, Bassam N. Al Othman said. (Zawya)
- **Fitch cuts Oman credit rating for second time this year** – Fitch Ratings has downgraded Oman's credit rating for the second time this year, bringing it down a notch to 'BB-' from 'BB' and keeping its outlook negative, the ratings agency said on Monday, citing the continued erosion of its fiscal and external balance

sheets. One of the weakest economies in the hydrocarbon-reliant Gulf, Oman is a relatively small crude producer burdened by high levels of debt and is therefore more vulnerable to oil price swings than most of its wealthier neighbors. Fitch forecast a fiscal deficit of nearly 20% this year, up from 8% last year, saying that a 32% drop in revenue driven by lower oil prices and production more than offsets an 8% cut in spending. The agency expects Oman's average oil export price to be \$45 a barrel in 2020, far below its estimated break-even price of \$70. (Zawya)

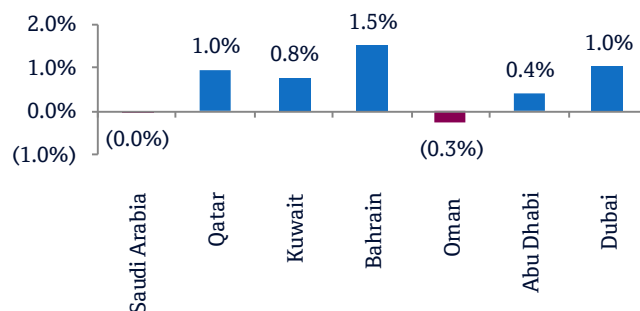
- **Union Investment: Oman debt needs sign of Gulf financial support** – Any indication that Oman is getting financial aid from other Gulf Arab states will be key for the Sultanate's bonds, according to Union Investment Privatfonds. "Currently, the fiscal situation remains challenging for Oman, but I do not expect it to become material performance driver for the bonds' performance," a Money Manager in Frankfurt at Union Investment, Sergey Dergachev said. "What will remain key, apart from broader risk sentiment, is whether Oman might receive" assistance "or even whether we will see the willingness of GCC states to support the Sultanate. Even small signals of potential help will support the bond spreads." (Bloomberg)
- **Oman sells OMR54mn 91-day bills at yield 0.75%** – Oman sold OMR54mn of 91-day bills due on November 18, 2020. The bills were sold at a price of 99.813, having a yield of 0.75% and will settle on August 19, 2020. (Bloomberg)
- **Oman sells OMR200mn 2027 bonds at yield 5.43%; bid-cover of 1.2x** – Oman sold OMR200mn of bonds due on August 18, 2027 on August 16, 2020. Investors offered to buy 1.2 times the amount of securities sold. The bonds were sold at a price of 100.405, have a yield of 5.43% and will settle on August 18, 2020. (Bloomberg)
- **Bahrain sells BHD43mn of 2.25% 91-day Sukuk; bid-cover at 2.59x** – Bahrain sold BHD43mn of 91-day Sukuk due on November 18, 2020. Investors offered to buy 2.59 times the amount of securities sold. The Sukuk will settle on August 19, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,985.30	2.1	2.1	30.8
Silver/Ounce	27.49	3.9	3.9	54.0
Crude Oil (Brent)/Barrel (FM Future)	45.37	1.3	1.3	(31.3)
Crude Oil (WTI)/Barrel (FM Future)	42.89	2.1	2.1	(29.8)
Natural Gas (Henry Hub)/MMBtu	2.32	6.2	6.2	11.0
LPG Propane (Arab Gulf)/Ton	50.38	1.3	1.3	22.1
LPG Butane (Arab Gulf)/Ton	48.75	(1.5)	(1.5)	(25.6)
Euro	1.19	0.2	0.2	5.9
Yen	106.00	(0.6)	(0.6)	(2.4)
GBP	1.31	0.1	0.1	(1.2)
CHF	1.10	0.3	0.3	6.7
AUD	0.72	0.6	0.6	2.7
USD Index	92.85	(0.3)	(0.3)	(3.7)
RUB	73.70	1.1	1.1	18.9
BRL	0.18	(1.6)	(1.6)	(27.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,393.97	0.4	0.4	1.5
DJ Industrial	27,844.91	(0.3)	(0.3)	(2.4)
S&P 500	3,381.99	0.3	0.3	4.7
NASDAQ 100	11,129.72	1.0	1.0	24.0
STOXX 600	369.26	0.5	0.5	(6.1)
DAX	12,920.66	0.3	0.3	3.2
FTSE 100	6,127.44	0.6	0.6	(19.7)
CAC 40	4,971.94	0.4	0.4	(12.1)
Nikkei	23,096.75	(0.4)	(0.4)	0.3
MSCI EM	1,099.96	0.6	0.6	(1.3)
SHANGHAI SE Composite	3,438.80	2.6	2.6	13.2
HANG SENG	25,347.34	0.7	0.7	(9.6)
BSE SENSEX	38,050.78	0.5	0.5	(12.1)
Bovespa	99,595.40	(2.9)	(2.9)	(36.8)
RTS	1,308.71	(1.1)	(1.1)	(15.5)

Source: Bloomberg (*\$ adjusted returns)

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