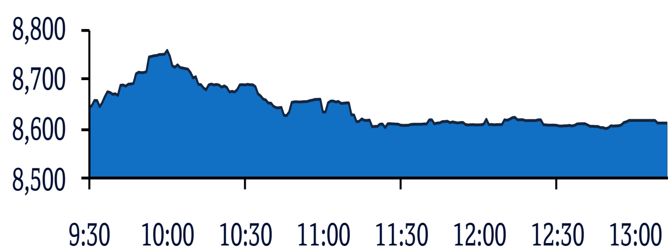
Daily Market Report

Monday, 20 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.5% to close at 8,616.4. Gains were led by the Telecoms and Consumer Goods & Services indices, gaining 1.5% and 0.8%, respectively. Top gainers were Qatari German Co. for Medical Devices and Dlala Brokerage & Investment Holding, rising 9.9% and 6.7%, respectively. Among the top losers, Qatar Industrial Manufacturing fell 5.5%, while Qatari Investors Group was down 4.4%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.7% to close at 6,678.4. Gains were led by the Consumer Services and Capital Goods indices, rising 1.6% and 1.2%, respectively. Wataniya Insurance rose 10.0%, while Arab Sea Info. System Co. was up 9.9%.

Dubai: The DFM Index gained 2.9% to close at 1,914.6. The Consumer Staples and Discretionary index rose 7.7%, while the Telecommunication index gained 4.4%. Gulfa Mineral Water & Processing Ind. rose 15.0%, while DXB Ent. was up 8.3%.

Abu Dhabi: The ADX General Index gained 2.9% to close at 4,083.6. The Investment & Financial Services index rose 8.7%, while the Banks index gained 3.1%. Ras Al Khaimah White Cement rose 14.8%, while Arkan Building Materials was up 10.5%.

Kuwait: The Kuwait All Share Index gained 1.3% to close at 4,810.4. The Basic Materials index rose 6.1%, while the Consumer Goods index gained 4.8%. Gulf Investment House rose 12.9%, while Credit Rating & Collection was up 10.0%.

Oman: The MSM 30 Index fell 1.1% to close at 3,500.5. Losses were led by the Services and Financial indices, falling 1.0% and 0.6%, respectively. Gulf Investments Services declined 4.9%, while Ooredoo was down 4.8%.

Bahrain: The BHB Index gained 0.5% to close at 1,320.2. The Commercial Banks index rose 0.9%, while the Services index gained 0.2%. GFH Financial Group rose 2.2%, while Al Salam Bank - Bahrain was up 1.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	0.66	9.9	8,663.6	12.9
Dlala Brokerage & Inv. Holding Co.	0.51	6.7	2,915.1	(16.9)
Gulf International Services	1.29	4.3	5,367.5	(24.8)
Qatar General Ins. & Reins. Co.	2.09	3.4	151.3	(15.2)
Al Khaleej Takaful Insurance Co.	1.65	3.3	65.3	(17.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.54	1.5	14,548.9	(12.7)
Qatari German Co for Med. Devices	0.66	9.9	8,663.6	12.9
Barwa Real Estate Company	2.76	(2.0)	6,227.1	(21.9)
Gulf International Services	1.29	4.3	5,367.5	(24.8)
United Development Company	1.00	1.4	3,640.3	(34.1)

Market Indicators	19 Apr 20	16 Apr 20	%Chg.
Value Traded (QR mn)	137.3	367.1	(62.6)
Exch. Market Cap. (QR mn)	483,911.6	482,220.9	0.4
Volume (mn)	75.1	122.3	(38.6)
Number of Transactions	4,672	13,498	(65.4)
Companies Traded	46	46	0.0
Market Breadth	27:13	6:38	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,510.97	0.5	0.5	(13.9)	12.7
All Share Index	2,681.30	0.4	0.4	(13.5)	13.4
Banks	3,885.26	0.4	0.4	(7.9)	12.6
Industrials	2,225.86	0.2	0.2	(24.1)	15.6
Transportation	2,318.44	0.5	0.5	(9.3)	11.5
Real Estate	1,219.85	(0.4)	(0.4)	(22.1)	9.6
Insurance	2,100.59	(0.7)	(0.7)	(23.2)	35.1
Telecoms	788.76	1.5	1.5	(11.9)	13.0
Consumer	6,883.25	0.8	0.8	(20.4)	16.9
Al Rayan Islamic Index	3,306.29	0.3	0.3	(16.3)	14.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Rabigh Refining & Petro.	Saudi Arabia	14.20	7.1	8,220.3	(34.4)
Sahara Int. Petrochemical	Saudi Arabia	13.90	5.1	3,864.7	(22.6)
First Abu Dhabi Bank	Abu Dhabi	11.58	3.9	708.4	(23.6)
Emirates NBD	Dubai	8.35	3.7	1,403.7	(35.8)
Emaar Properties	Dubai	2.52	3.7	12,282.0	(37.3)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ooredoo Oman	Oman	0.40	(4.8)	395.6	(23.7)
Bank Muscat	Oman	0.31	(3.8)	1,297.0	(25.5)
Sembcorp Salalah Power.	Oman	0.13	(2.3)	24.6	(7.4)
Barwa Real Estate Co.	Qatar	2.76	(2.0)	6,227.1	(21.9)
Qatar Insurance Co.	Qatar	2.16	(1.9)	1,165.4	(31.6)

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 Industrial Manufacturing	2.51	(5.5)	7.3	(29.8)
Qatari Investors Group	1.23	(4.4)	200.3	(31.2)
Barwa Real Estate Company	2.76	(2.0)	6,227.1	(21.9)
Mannai Corporation	3.04	(1.9)	79.1	(1.3)
Qatar Insurance Company	2.16	(1.9)	1,165.4	(31.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Barwa Real Estate Company	2.76	(2.0)	17,357.8	(21.9)
QNB Group	17.70	0.0	13,187.8	(14.0)
Qatar Fuel Company	16.85	1.0	8,034.2	(26.4)
Qatar Electricity & Water Co.	14.80	1.2	7,944.9	(8.0)
Ezdan Holding Group	0.54	1.5	7,769.4	(12.7)

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*	8,616.35	0.5	0.5	5.0	(17.4)	37.55	132,011.1	12.7	1.3	4.6
Dubai	1,914.59	2.9	2.9	8.1	(30.8)	56.50	76,633.9	7.0	0.7	6.5
Abu Dhabi	4,083.60	2.9	2.9	9.3	(19.5)	18.54	118,811.6	11.4	1.1	6.0
Saudi Arabia	6,678.44	0.7	0.7	2.7	(20.4)	733.19	2,028,609.2	18.5	1.6	4.0
Kuwait	4,810.37	1.3	1.3	(0.3)	(23.4)	65.48	86,772.2	13.2	1.1	4.5
Oman	3,500.47	(1.1)	(1.1)	1.5	(12.1)	2.47	15,112.8	7.3	0.7	7.9
Bahrain	1,320.15	0.5	0.5	(2.3)	(18.0)	2.80	20,295.4	9.4	0.8	6.0

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

Qatar Market Commentary

- The QE Index rose 0.5% to close at 8,616.4. The Telecoms and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Qatari German Company for Medical Devices and Dlala Brokerage & Investment Holding Company were the top gainers, rising 9.9% and 6.7%, respectively. Among the top losers, Qatar Industrial Manufacturing Company fell 5.5%, while Qatari Investors Group was down 4.4%.
- Volume of shares traded on Sunday fell by 38.6% to 75.1mn from 122.3mn on Thursday. Further, as compared to the 30-day moving average of 135.5mn, volume for the day was 44.6% lower. Ezdan Holding Group and Qatari German Company for Medical Devices were the most active stocks, contributing 19.4% and 11.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	44.78%	52.91%	(11,170,280.41)
Qatari Institutions	23.04%	24.82%	(2,450,443.56)
Qatari	**67.82%**	**77.73%**	**(13,620,723.97)**
GCC Individuals	1.17%	2.31%	(1,569,356.66)
GCC Institutions	5.98%	1.05%	6,771,114.83
GCC	**7.15%**	**3.36%**	**5,201,758.18**
Non-Qatari Individuals	17.91%	13.13%	6,567,285.09
Non-Qatari Institutions	7.12%	5.77%	1,851,680.71
Non-Qatari	**25.03%**	**18.90%**	**8,418,965.79**

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

Earnings Releases and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
National Biscuit Industries**	Oman	OMR	10.7	6.3%	–	–	0.8	21.8%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (** Financial for Period Nine months ending March 31, 2020)

Earnings Calendar

Tickers	Company Name	Date of reporting 1Q2020 results	No. of days remaining	Status
QGTS	Qatar Gas Transport Company Limited (Nakilat)	20-Apr-20	0	Due
ERES	Ezdan Holding Group	20-Apr-20	0	Due
MRDS	Mazaya Qatar Real Estate Development	21-Apr-20	1	Due
IQCD	Industries Qatar	21-Apr-20	1	Due
CBQK	The Commercial Bank	21-Apr-20	1	Due
QGMD	Qatari German Company for Medical Devices	22-Apr-20	2	Due
QNNS	Qatar Navigation (Milaha)	22-Apr-20	2	Due
QIMD	Qatar Industrial Manufacturing Company	22-Apr-20	2	Due
MCCS	Mannai Corporation	22-Apr-20	2	Due
VFQS	Vodafone Qatar	22-Apr-20	2	Due
QIIK	Qatar International Islamic Bank	22-Apr-20	2	Due
MCGS	Medicare Group	22-Apr-20	2	Due
UDCD	United Development Company	22-Apr-20	2	Due
DHBK	Doha Bank	22-Apr-20	2	Due
KCBK	Al Khalij Commercial Bank	23-Apr-20	3	Due
DBIS	Dlala Brokerage & Investment Holding Company	23-Apr-20	3	Due
NLCS	Alijarah Holding	23-Apr-20	3	Due
MARK	Masraf Al Rayan	23-Apr-20	3	Due
QCFS	Qatar Cinema & Film Distribution Company	26-Apr-20	6	Due
MPHC	Mesaieed Petrochemical Holding Company	27-Apr-20	7	Due
BLDN	Baladna	27-Apr-20	7	Due
QATI	Qatar Insurance Company	28-Apr-20	8	Due
QAMC	Qatar Aluminum Manufacturing Company	28-Apr-20	8	Due
AHCS	Aamal Company	28-Apr-20	8	Due
IGRD	Investment Holding Group	28-Apr-20	8	Due
GWCS	Gulf Warehousing Company	28-Apr-20	8	Due
GISS	Gulf International Services	29-Apr-20	9	Due
MERS	Al Meera Consumer Goods Company	29-Apr-20	9	Due
DOHI	Doha Insurance Group	29-Apr-20	9	Due
ORDS	Ooredoo	29-Apr-20	9	Due
AKHI	Al Khaleej Takaful Insurance Company	30-Apr-20	10	Due

Source: QSE

Qatar

- **ABQK's bottom line rises 1.7% YoY and 38.0% QoQ in 1Q2020, in-line with our estimate –** Ahli Bank's (ABQK) net profit rose 1.7% YoY (+38% QoQ) to QR180.4mn in 1Q2020, in-line with our estimate of QR181.7mn (variation of -0.7%). Net Interest Income increased 14.7% YoY and 6.9% QoQ in 1Q2020 to QR233.9mn. The company's total operating income came in at QR275.8mn in 1Q2020, which represents an increase of 5.1% YoY. However, on QoQ basis Total operating income fell 4.8%. The bank's total assets stood at QR45.4bn at the end of March 31, 2020, up 13.3% YoY (+3.4% QoQ). Loans and advances to customers were QR32.2bn, registering a rise of 15.4% YoY (+2.1% QoQ) at the end of March 31, 2020. Customer Deposits rose 16.4% YoY and 8.9% QoQ to reach QR27.8bn at the end of March 31, 2020. The earnings per share amounted to QR0.074 in 1Q2020 as compared to QR0.073 in 1Q2019. ABQK's Chairman and Managing Director, Sheikh Faisal bin Abdul Aziz bin Jassem Al Thani said, "Our first quarter earnings is a testimony to the fact that our Fortress Balance Sheet strategy is working very well. All key metrics like Capital, Liquidity and Asset Quality demonstrate our strength and prepare us very well to deal with unprecedented situation caused by the global pandemic COVID-19. We also maintained high levels of stable and long term funding and strong capital levels with the Bank's Capital Adequacy Ratio standing above 17% as of March 2020. In response to the COVID-19 pandemic, the bank immediately committed to take all preventive measures to protect the health and safety of all our customers and employees, while maintaining the best customer service levels and encouraging customers to use alternative digital channels to complete their banking services from the comfort and safety of their home." (QNB FS Research, QSE, Peninsula Qatar, Gulf-Times.com)
- **QEWS posts 3.6% YoY increase but 31.0% QoQ decline in net profit in 1Q2020, in-line with our estimate –** Qatar Electricity & Water Company's (QEWS) net profit rose 3.6% YoY (but declined 31.0% on QoQ basis) to QR320.1mn in 1Q2020, in-line with our estimate of QR311.8mn (variation of +2.6%). The company's 'Revenue from water and electricity' came in at QR570.0mn in 1Q2020, which represents an increase of 12.4% YoY. However, on QoQ basis 'Revenue from water and electricity' fell 1.2%. EPS amounted to QR0.29 in 1Q2020 as compared to QR0.28 in 1Q2019. QEWS' Board of Directors held its second meeting for the year 2020 yesterday, chaired by Minister of Energy Affairs and Chairman of the QEWS' Board of Directors, HE Saad bin Sharida Al Kaabi, through visual communication technology. The first quarter of the year 2020 showed sales of QR599mn compared to QR539mn for the same period of the year 2019. The Board also discussed the precautions taken by QEWS and its group companies to confront the outbreak of the coronavirus and its effect on generation and desalination plants. In line with Qatar's efforts to combat the spread of the virus, QEWS will ensure continued production of electricity and water with high efficiency during the summer period The Board expressed satisfaction with the company's financial performance, and expressed its optimism that the company will have a promising future with projects and excellent future strategies. (QNB FS Research, QSE, Peninsula Qatar)
- **QIGD's net profit declines 48.0% YoY and 18.6% QoQ in 1Q2020 –** Qatari Investors Group's (QIGD) net profit declined 48.0% YoY (-18.6% QoQ) to QR26.8mn in 1Q2020.The company's revenue came in at QR182.9mn in 1Q2020, which represents an increase of 16.6% YoY. However, on QoQ basis revenue fell 3.3%. EPS amounted to QR0.02 in 1Q2020 as compared to QR0.04 in 1Q2019. (QSE, Gulf-Times.com)
- **IHGS' bottom line declines 62.9% QoQ in 1Q2020 –** Islamic Holding Group (IHGS) reported net profit of QR0.3mn in 1Q2020 as compared to net loss of QR0.1mn in 1Q2019 and net profit of QR0.7mn in 4Q2019.The company's 'Net brokerage & commission income' came in at QR1.2mn in 1Q2020, which represents an increase of 22.1% YoY (+52.9% QoQ). Earnings per share amounted to QR0.005 in 1Q2020 as compared to loss per share of QR0.001 in 1Q2019. (QSE)
- **WOQOD to hold its AGM on April 22 and announces the agenda –** Qatar Fuel Company' (WOQOD) board of directors will hold the Ordinary Annual General Assembly Meeting (AGM) on April 22, 2020. In case of absence of quorum, the alternative meeting will be held on April 29, 2020. The agenda includes approval of recommendation of the Board to distribute cash dividends of 80% for the year 2019, among others. (QSE)
- **QATI to disclose its 1Q2020 financial statements on April 28 –** Qatar Insurance Group (QATI) announced its intent to disclose its 1Q2020 financial statements on April 28, 2020. (QSE)
- **QGMD to disclose its 1Q2020 financial statements on April 22 –** Qatari German Company for Medical Devices (QGMD) announced its intent to disclose its 1Q2020 financial statements on April 22, 2020. (QSE)
- **QISI to hold its investors relation conference call on April 29 –** Qatar Islamic Insurance Group (QISI) will hold a conference on Investor Relations by telephone to discuss the financial results of 1Q2020, on April 29, 2020 at 1:30pm Doha time. (QSE)
- **SEEF successfully integrated into Qatar Petroleum's operations –** Qatar Petroleum (QP) has announced the successful completion of the integration of SEEF Limited's (SEEF) operations into QP ahead of the original deadline set at the end of second quarter of 2020. QP said, "This is part of our ongoing effort to strengthen our competitive position in the downstream sector. Starting today, and as a result of this integration, QP Operations (Refining) is fully operating SEEF's facilities. Additionally, this integration will bring no change to SEEF's brand, which will remain fully in place." QP added, "Our efforts to date have reconfirmed the benefits of integrating our two companies, which will allow us to build world-class operations by extracting synergies between QP refining operations and SEEF, and to strengthen our resources, talents and capabilities. This integration marks another step towards achieving Qatar Petroleum's vision to become one of the best national oil companies in the world, and to reinforce Qatar's continued and sustainable economic growth." (Gulf-Times.com)
- **IT businesses drive MCCS' sustainable growth in FY2019; General Assembly approves cash dividend of QR0.20 per share –**

Despite the subdued market conditions in the retail and luxury segment, Mannai Corporation (MCCS) achieved sustainable growth, largely driven by the strong performance of its IT businesses in 2019, according to MCCS' Vice-Chairman, Sheikh Suhaim bin Abdulla bin Khalifa Al-Thani. He was presiding over MCCS' AGM in Doha yesterday. Sheikh Suhaim also said that as a result, the company's board of directors was pleased to recommend a dividend of 20%, which translated into QR0.20 per share, the same level as the previous year. (Gulf-Times.com)

- **Qatar's Industrial Production Index falls by 3.3% in February –** Qatar's Industrial Production Index scored 101.4 points in February, down 3.3% on a monthly basis compared to last January. It also fell by the same percentage on an annual basis compared to February 2019. This index illustrates growth in various industrial and economic sectors such as mining, manufacturing, electricity production and water desalination, whose importance represent 83.6%, 15.2%, 0.7% and 0.5% respectively. The Planning and Statistics Authority showed that the production index for the mining sector declined last February by 3.5% on a monthly basis compared to the previous month due to a decrease in the quantities produced in the crude oil and natural gas group by 3.6%, while other mining and quarrying activities increased by 1.6%. On an annual basis, the index also fell 3.2%. The manufacturing sector recorded a monthly decrease of 2.0%. The annual decline in the manufacturing sector reached 3.8%. Production in the electricity sector decreased between January and February 2020 by 5.9%, while the annual decline, compared to the previous month, increased by 11.2%. The water sector also recorded a monthly decline in production by 4.2% and annually by approximately 4.1%. (Gulf-Times.com)
- **IMF: Qatar only MENAP economy to show fiscal surplus this year and next –** Amidst disruptions caused by pandemic COVID-19, Qatar will be the only economy in the Middle East and North Africa including Pakistan (MENAP) region to show fiscal surplus this year and in 2021, according to the International Monetary Fund (IMF). Qatar is expected to show fiscal surplus of 5.2% this year, which is, however, forecast to decline to 1.4% of GDP in 2021. But in the case of the wider MENAP region, the fiscal balance is tilted towards deficit of 11.8% and 9.2% respectively, the IMF said in its projections. Elsewhere in the Gulf region, Bahrain is expected to show fiscal deficit of 11.9% of GDP in 2021 (compared to a bigger deficit of 15.7% in 2020), Kuwait 14.1% (11.3%), Oman 14.8% (16.9%), Saudi Arabia 9% (12.6%) and the UAE 7.1% (11.1%). Qatar's consumer price index (CPI) inflation is also expected to be much lower compared to that in the MENAP as well as in many other countries in the GCC. Qatar's CPI inflation is forecast at 2.4% in 2021 compared to -1.2% this year. In the broader MENAP, the figures are 8.4% and 7.8% respectively. In comparison, Bahrain's inflation has been estimated at 2.5% in 2021 (compared to 2.6% in 2020), Kuwait 2.3% (0.5%), Oman 3.4% (1%), Saudi Arabia 2% (0.9%) and the UAE 1.5% (-1%). In the case of current account, Qatar is expected to show a deficit of 1.8% and 1.9% in 2021 and 2020 respectively compared to 4.5% and 5.8% in the wider MENAP region. Elsewhere in the Gulf region, Bahrain is expected to show a deficit of 7.3% in 2021 (against 9.6% in 2020), Kuwait 7.8% (10.2%), Oman 11.1% (14.2%) and Saudi Arabia 3.4% (3.1%). In the case of the UAE, the current account is slated to see surplus of 4.1% and 1.5% respectively in 2021 and 2020. The IMF data also highlighted that Qatar's real GDP growth to be the highest within the Gulf region. Qatar's expected to post a 5% growth next year is in contrast to an estimated 4.3% decline this year on account of pandemic COVID-19. Qatar's forecasted real economic growth in 2021 is better than the 4.7% averaged for the MENAP region. In comparison, Bahrain is expected to register 3% growth in 2021 (compared to -3.6% in 2020), Kuwait 3.4% (-1.1%), Oman 3% (-2.8%), Saudi Arabia 2.9% (-2.3%) and the UAE 3.3% (-3.5%). The growth projection reflects the current projections of fading effects from the COVID-19 outbreak, gradual improvement in oil prices, and the benefits from sustained global policy easing. The IMF update said in the GCC countries, growth is projected to contract by 2.7% in 2020. Non-oil activity is expected to be a major drag on the near-term outlook, shrinking by 4.3% this year, a significant downward revision from the 2.3% growth projected in October. (Gulf-Times.com)
- **Moody's: Qatar's growth to accelerate during 2022-2024 –** Qatar's overall growth is expected to accelerate during 2022-2024 because of the country's hosting of the FIFA World Cup in 2022 and the investment spending on the expansion of liquefied natural gas (LNG) output capacity, Moody's Investors Service (Moody's) has said in its latest report. "During the course of 2023-27, Qatar Petroleum is targeting to increase its LNG production capacity to 110-126mn tons per annum (mtpa) from 77.5 mtpa. The LNG output increase by almost 60 percent will drive the country's economic growth. The Qatari authorities have also announced their plans to accelerate the Hamad Port expansion project by bringing it forward to 2020 from an initial target date of 2030. This will support non-hydrocarbon growth over the next several years," the report said. At completion, Moody's said, the Hamad Port will be one of the largest deep-water seaports in the world with a capacity of 12mn twenty-foot equivalent units (TEUs). The report, however, said that lower oil prices will shift Qatar's budget into deficit during 2020-21. "The rapid and widening spread of the coronavirus outbreak, deteriorating global economic outlook, falling oil prices, and financial market turmoil are creating a severe and extensive economic and financial shock. For Qatar, the principal channel of transmission is the impact of lower oil prices on government revenues and exports. In 2019, hydrocarbon revenue accounted for 79% of total government revenue and was equivalent to 25% of GDP. We have reduced our year-average assumptions for the Brent crude benchmark oil price to $40-$45 per barrel in 2020 and $50-$55 in 2021, a 33% and 17% decline from the 2019 average, respectively. The impact of lower prices will take time to filter through in Qatar as the hydrocarbon exports are mainly liquefied natural gas (LNG) sold on long-term contracts with pricing that follows oil prices with a three to six month lag. For Qatar this means that the bulk of the fiscal impact of lower oil prices will materialize during the second half of 2020 and in 2021. We expect that lower oil prices will reduce government revenue by about 5% of GDP in 2020 and another 2% of GDP in 2021. We in turn expect Qatar to post a fiscal deficit of 1.6% of GDP in 2020, which will widen to 4.1% of GDP in 2021, compared to a surplus of 1% of GDP 2019. This forecast assumes that the decline in oil prices will be partly offset by lower overseas spending by Qatar Petroleum. The forecast also assumes that during 2020 the

government will delay some nonessential capital spending, up to 2.5% of GDP, in order to limit fiscal deterioration," it said. (Qatar Tribune)

- **First Finance Company postpones payment installments for registered SMEs –** First Finance Company (FFC), a subsidiary of Barwa Bank Group, yesterday announced that it has postponed payment installments for registered small and medium sized enterprises (SMEs). First Finance Company's decision to postpone finance installments and documentary credits dues of its SME customers without additional feeds or profits goes into effect starting March 16, 2020 for a period of 6 months. First Finance Company will liaison directly with registered SMEs wishing to defer installments. The new policy is adopted in line with the decision of the Supreme Committee for Crisis Management to combat COVID-19, and in response to its negative impact on the economy to help ease financial strains on new and upcoming local businesses during the current period. First Finance Company provides financing for SMEs in Qatar with plans up to QR15mn, offered up to a maximum range of five years. In a statement, First Finance Company reiterated that the company focuses on meeting the financial needs of its customers through top quality and full range of Shari'ah compliant financial services, and added that its aim is to continuously serve Qatari nationals, residents and a large portion of SME's fulfilling the needs of its customers. (Peninsula Qatar)

International

- **Trump warns China could face consequences for virus outbreak –** US President Donald Trump warned China on Saturday that it should face consequences if it was "knowingly responsible" for the coronavirus pandemic, as he ratcheted up criticism of Beijing over its handling of the outbreak. "It could have been stopped in China before it started and it wasn't, and the whole world is suffering because of it," Trump told a daily White House briefing. It was the latest US volley in a war of words between the world's two biggest economies, showing increased strains in relations at a time when experts say an unprecedented level of cooperation is needed to deal with the coronavirus crisis. "If it was a mistake, a mistake is a mistake. But if they were knowingly responsible, yeah, I mean, then sure there should be consequences," Trump said. He did not elaborate on what actions the US might take. Trump and senior aides have accused China of a lack of transparency after the coronavirus broke out late last year in its city of Wuhan. This week he suspended aid to the World Health Organization accusing it of being "China-centric." Washington and Beijing have repeatedly sparred in public over the virus. Trump initially lavished praise on China and his counterpart Xi Jinping for their response. But he and other senior officials have also referred to it as the "Chinese virus" and in recent days have ramped up their rhetoric. They have also angrily rejected earlier attempts by some Chinese officials to blame the origin of the virus on the US military. (Reuters)
- **US banks seek term changes as Fed finalizes Main Street Lending Program –** US banks are pushing the Federal Reserve to change the terms of a $600bn lending program for small and medium-sized businesses, including reducing minimum loan sizes and allowing more flexibility on underlying reference rates, industry groups said. Over the past few days, Washington-based bank groups have given the Fed feedback on the terms of the Main Street Lending Program designed to help mitigate the economic impact of the coronavirus outbreak. The program was unveiled on April 9 and is due to launch in coming weeks. As part of that program, banks will make loans to eligible small and medium-sized businesses and the Fed will then purchase 95% of the loan via a special-purpose vehicle. The Fed asked for public input and has said it may change the terms if necessary. Making the program workable for lenders is critical to getting federal funds into the real economy quickly, but the terms of that and other assistance schemes are under growing scrutiny amid worries insufficient conditions are being placed on borrowers and that banks may dish out the funds unevenly. On Friday, Reuters reported that some funds from a separate program to cover small businesses' payroll appeared to have gone to some states and companies in less need of the cash. Industry groups including the Independent Community Bankers of America (ICBA), the Consumer Bankers Association (CBA) and the American Bankers Association (ABA) told the Fed this week that the program's $1mn minimum loan size is too large and will exclude many small businesses that need to borrow a smaller amount. The ABA said in its letter published on Saturday the floor should be $50,000. The Fed has said banks must price the loans using the Secured Overnight Financing Rate (SOFR), a newer benchmark that is due to replace the London Inter-Bank Offered Rate (Libor) next year. But some lenders want to use Libor or other benchmarks, since many have yet to adopt SOFR, the ABA said. (Reuters)
- **UK not thinking of easing virus lockdown measures yet –** Britain's government is not thinking about easing yet the lockdown enacted almost four weeks ago to help control the coronavirus outbreak, a senior minister said on Sunday. "The facts and the advice are clear at the moment that we should not be thinking of lifting of these restrictions yet," Cabinet Office minister Michael Gove told Sky News. (Reuters)
- **McKinsey predicts near doubling of unemployment in Europe –** Unemployment in Europe could nearly double in the coming months, with up to 59 million jobs at risk from permanent cutbacks as well as reductions in pay and hours because of the coronavirus pandemic, estimates from consultancy McKinsey said. The consulting firm estimated unemployment levels in the 27-member state bloc peaking at 7.6% in 2020 and a return to pre-crisis levels in 4Q2021. But in a worst-case scenario, unemployment could peak in 2021 at 11.2%, with a recovery to 2019 levels by 2024. Eurozone unemployment fell to a 12-year low in February, the month before coronavirus containment measures began to be introduced widely across Europe. The jobless rate was 7.3% in the 19 countries sharing the Eurozone, the lowest level since March 2008. McKinsey said that the levels of impact would vary between demographic groups and industry sectors. "Losing those jobs would not only be a tragedy on an individual level, but would also be very painful from an economic perspective," McKinsey said in its report. The study highlighted a close link between level of education and the short-term risk for jobs, "potentially exacerbating existing social inequalities." Half of all jobs at risk are in customer service and sales, food service and builder occupations. In Europe's wholesale and retail sector, 14.6mn jobs could be threatened, 8.4mn jobs in accommodation and food and 1.7mn in arts and entertainment. The European Commission, the bloc's executive, proposed earlier

this month a wage-subsidy scheme to encourage employers to cut workers' hours rather than their jobs, a plan that could be worth 100bn Euros ($108.76bn) in borrowing guaranteed by all EU countries. The Commission expects the EU to go into a deep recession this year because of the coronavirus outbreak, which has slowed economic activity to a crawl across the 27 members states. (Reuters)

- **ESM: Europe needs at least 500bn Euros from EU institutions for recovery –** Europe will need at least another 500bn Euros from European Union institutions to finance its economic recovery after the coronavirus pandemic, on top of the agreed half-a-trillion package, the Head of the Eurozone bailout fund said. In an interview with Italy's Corriere della Sera paper, published on Sunday, European Stability Mechanism Managing Director Klaus Regling said the easiest way to organize such funds would be via the European Commission and the EU budget. "I would say that for the second phase we need at least another 500bn Euros from the European institutions, but it could be more," Regling told the paper. "For that, we need to discuss new instruments with an open mind, but also use the existing institutions, because it is easier, including in particular the Commission and the EU budget. Rethinking European funds can go a long way in keeping the European Union together," Regling said. European Union finance ministers agreed on April 9th on safety nets for sovereigns, companies and individuals worth in total 540bn Euros. They also agreed that the Eurozone, which the IMF predicts will plunge into a 7.5% recession this year because of the pandemic, will need money to recover, but they had different ideas on how much is needed and how to raise it. EU leaders are to discuss that at a video conference on April 23. The idea around which a compromise may emerge is likely to involve the European Commission borrowing on the market against the security of the long-term EU budget and leveraging the money to achieve a bigger effect. (Reuters)
- **Finance Minister: Germany may rein in coronavirus debt if economy improves –** Germany may be able to manage the fiscal impact of the coronavirus crisis without exceeding approved debt levels if the economy recovers in the second half of the year, Finance Minister Olaf Scholz said in an interview published on Sunday. Parliament suspended a debt brake to fight the crisis on March 25 with a supplementary budget of 156bn Euro ($169.67bn), 100bn Euros for an economic stability fund that can take direct equity stakes in companies, and 100bn Euros in credit to public-sector development bank KfW. The measures were predominantly aimed at funding healthcare and helping companies. Asked if 156bn could remain the top level of new debt, Scholz told the Welt am Sonntag newspaper: "If we manage to move the economic curve upwards again in the second half of the year, then this could be the case." He said that Germany would aim to recover the outlays over a long-term period without having to make substantial savings elsewhere. He praised the country's social welfare system of capitalism that makes a high level of state support possible, but added this meant there could be higher taxation of top earners after the crisis. A demand by his Social Democratic party in a coalition government led by Chancellor Angela Merkel's conservatives, he said such taxation needed to be "fair and just," supporting lower income groups as well. The government package further includes a stability fund of 400bn Euros in loan guarantees to secure corporate debt at risk of defaulting, taking the overall sum to more than 750bn Euros. Scholz said that he would aim to provide economic stimuli, if necessary, after the end of the current lockdown policy that keeps businesses shut and the population at home. (Reuters)
- **Germany signals more help for struggling businesses, workers –** Politicians in German Chancellor Angela Merkel's coalition government on Sunday signaled further support for struggling businesses and consumers in the coronavirus crisis, focusing on hotels, restaurants and pay for short-time workers. Dehoga, an industry association that includes a large share of often small family-owned operations, told Bild am Sonntag that some 70,000 restaurant and hotel operators, which employ 223,000 people, could face insolvency as they stood to lose up to 10 billion euros of sales by the end of April. Economy minister Peter Altmaier of Merkel's conservative party said in an interview with the same newspaper he agreed the sector needed support to get up on its feet again. "It is clear that we will need additional help to prevent a large part of these companies giving up and disappearing from the market," he said. Altmaier said he would look into possibly lowering value added taxes for the industry, but he could also imagine concrete grants to pay for modernization and cost savings measures. New coronavirus infections and recovery numbers in Germany have been looking more manageable in recent days. But politicians and authorities agree that economic life can only restart very gradually to avoid fresh waves of rapid infections, leaving businesses starved of turnover. Finance minister Olaf Scholz, who represents the Social Democratic party (SPD), also included hotels in those industries that he believed should receive targeted aid in an interview with Welt am Sonntag. However, Altmaier differed from Scholz, who had proposed taxing high earners more to help finance aid programs. (Reuters)
- **Japan exports slump as coronavirus hits US, Chinese demand –** Japan's exports slumped the most in nearly four years in March as US-bound shipments, including cars, fell at the fastest rate since 2011, highlighting the damage the coronavirus pandemic is inflicting on global demand and trade. Monday's bleak data underscored the challenges Prime Minister Shinzo Abe's government faces in dealing with a collapse in activity that is expected to send the global economy into its deepest slump since the Great Depression of the 1930s. After a jump in virus cases, Abe expanded a state of emergency last week to include the entire country, which gave authorities more power to push people to stay home and businesses to close. Japan has reported more than 9,000 infections and about 200 deaths. Adding to worries the world's third-largest economy is sliding into recession, Ministry of Finance data showed Japanese exports fell 11.7% in the year to March, compared with a 10.1% decrease expected by economists in a Reuters poll. That followed a 1% fall in February and marked the biggest decline since July 2016. Imports fell 5.0% in the year to March, versus the median estimate for a 9.8% decline, after the prior month's 13.9% drop, bringing the trade balance to a surplus of 4.9bn yen ($45.47mn). By region, exports to China, Japan's largest trading partner, fell 8.7% in the year to March, reflecting a slump in items such as car parts, organic compounds and chip-making machinery. China's economy shrank for the first time on record in the first quarter as the virus hit production and spending hard, piling pressure on

authorities to do more to stop job losses. However, while China is restarting its economic engines after bringing the outbreak under control, demand has plunged in many other countries after they imposed lockdowns to contain the pandemic. US-bound shipments, another key market for Japanese goods such as cars and electronics, fell 16.5% YoY in March, biggest decline since April 2011, weighed by drops in demand for cars, airplane motors and construction and mining machinery. Shipments to Asia, which accounts for more than half of Japanese exports, declined 9.4%. The global economy is expected to shrink 3.0% in 2020 in a collapse of activity that would mark the steepest downturn since the Great Depression of the 1930s, the International Monetary Fund said last week. The pandemic has now infected more than 2.2mn and killed more than 150,000 people globally. (Reuters)

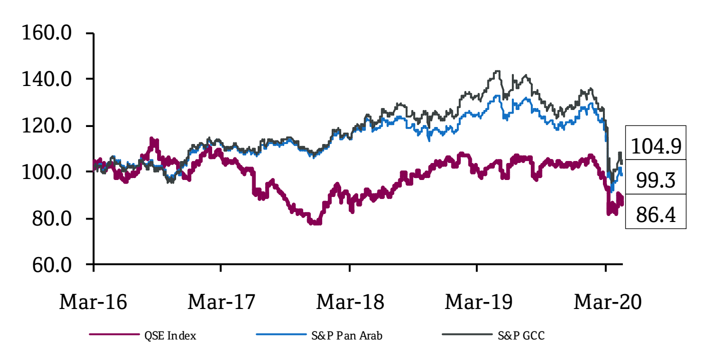
Regional

- **Despite COVID-19, GCC businesses have opportunities for growth –** GCC countries, like other economies in the world, have been hit by the spread of the coronavirus, however, the pandemic has also provided exciting growth opportunities for some sectors, a report revealed. More than 20,000 coronavirus cases have been reported in the GCC so far, as governments urge the public to stay indoors or observe social distancing. Countries in the GCC have implemented a series of precautionary measures to stem the spread of the virus. A raft of economic stimulus packages, amounting to billions of dollars, have also been unveiled to fight the crisis. According to the recent analysis by research & consulting firm Frost & Sullivan, COVID-19 could play out in three ways. In the first, or the scenario of "Gradual Containment", the outbreak will be largely contained by April, and most economies will be showing signs of industry and economic rebound by May, with full recovery expected by 4Q2020. In the second, or the scenario of "Severe Pandemic", the outbreak is not contained to a large extent by April. This scenario is marked by downturns in consumer demand, industrial production and world GDP growth. In this case, "the possibility of a year-long recession is real with full recovery only by Q3 2021," Managing Partner & Regional Leader, Frost & Sullivan, Middle East, Africa and South Asia (MEASA) and Global Head – Mobility and Aerospace, Defense & Security Practice, Sarwant Singh said. The third scenario, or the scenario of "Global Emergency" will be marked by the uncontrolled spread of the pandemic with economies limping back to recovery from 1Q2021, while a full recovery is only expected by 1Q2022. (Zawya)
- **Saudi banks get small part of $7bn bond sale –** The Saudi government sold to local banks only a small part of $7bn bonds issued last week, sources told Reuters, amid fears of a liquidity squeeze caused by lower oil prices. The three-part bond issuance came after Riyadh last month raised its debt ceiling to 50% of GDP from a previous 30% to finance a widening deficit caused by lower oil prices and the economic downturn caused by the coronavirus outbreak. A Saudi banker said his and at least two other local banks were not allocated any paper despite placing sizeable orders, adding it was probably due to government's plans to maintain ample liquidity among banks which, he said, "are overextended". He said that could also suggest the government plans to issue local currency denominated bonds soon. A source close to Ministry of Finance said: "Saudi banks were allocated in this transaction on the lower end of the scale. Allocation was difficult due to the very large high-quality book." The Kingdom, acting through the ministry of finance, on Wednesday sold $2.5bn in 5-1/2-year bonds, $1.5bn in 10-1/2-year bonds and $3bn in 40-year bonds. "The decision was taken to maintain liquidity," a second Saudi banker said. Saudi Arabia received around $54bn in combined orders for the bonds, a sign of strong investor appetite, however, its borrowing costs have increased after a sell-off of Gulf bonds last month caused by lower crude prices and the coronavirus outbreak. In March, the Saudi central bank said it had prepared a $13.32bn package to help banks and small and medium-sized enterprises cope with the economic impact of the pandemic. Still, some banks in the region have been limiting their lending to minimize potential losses from the crisis and an expected squeeze in dollar availability. The three-month Saudi interbank offered rate has risen 40% since mid-March, Refinitiv data showed, in a sign of tighter liquidity. Goldman Sachs said in a recent research note Saudi banks' loan growth is expected to be around 2% in 2020, compared with 8% in 2019, driven by a slowdown in corporate activity and project delays. The Saudi bond sale followed a deal on April 12 among oil producing countries to cut output, a move which should support prices per barrel but may reduce Riyadh's revenue this year. (Zawya)
- **CBUAE: March sees over AED3.128tn in gross bank assets –** The Central Bank of the UAE (CBUAE) announced on Sunday that gross bank assets for March 2020 had reached AED3.128tn, a growth of 1.1% from the previous month. In a statement, CBUAE noted that money supply aggregate M1 had increased by 2.5% last month, reaching AED542.7bn compared to February figures (AED529.4bn). It added the M2 figures also increased to AED1.455tn, a growth of two percent from February 2020 aggregates. As for M3 aggregates, March totals showed an increase of 1.2%, reaching AED1.714tn compared to AED1.694tn in the previous month. According to CBUAE, the registered increase in M1 aggregates was as a result of a AED3.7bn increase in 'currency in circulation outside of banks'. Gross credit also increased by 1.3% from AED1.746tn to AED1.768tn at the end of March, CBUAE added. It went on to note that total bank deposits registered an increase of AED23.8bn, adding that the increase was attributable to a AED15.6bn increase in 'Resident Deposits' and AED8.2bn increase in 'Non-Resident Deposits'. (Zawya)
- **CBUAE urges commercial lenders to use stimulus scheme –** The Central Bank of the UAE (CBUAE) on Sunday urged commercial lenders to use the $70bn -worth of capital and liquidity measures launched by the regulator to support the economy during the coronavirus crisis. "Banks are urged to process more applications from individuals, corporates and SMEs (small and medium sized enterprises) whose business operations are affected by the implications of COVID-19 pandemic," CBUAE said. It said in a statement that commercial banks have already used more than 30% of the funds allocated under the Targeted Economic Support Scheme, adding it will start publishing the usage of the scheme by individual banks from May 2020. (Reuters)
- **Middle East tourism fair in Dubai cancelled over coronavirus –** Dubai's Arabian Travel Market, one of the Middle East's biggest travel and tourism fairs, has been cancelled this year due to the

new coronavirus outbreak, organizers said. The exhibition was in March rescheduled to June 28 to July 1 at Dubai's World Trade Centre from its original dates of April 19 to 22. "After consultation with our key stakeholders and after listening to our industry, ultimately it became apparent that the best course of action, and with everyone's best interests in mind, is to postpone the event to 2021," organizers said. An online event will be held from June 1 to June 3, they said. The exhibition halls of the World Trade Center were last week turned into a field hospital to treat patients with COVID-19, the disease caused by the new coronavirus. (Reuters)

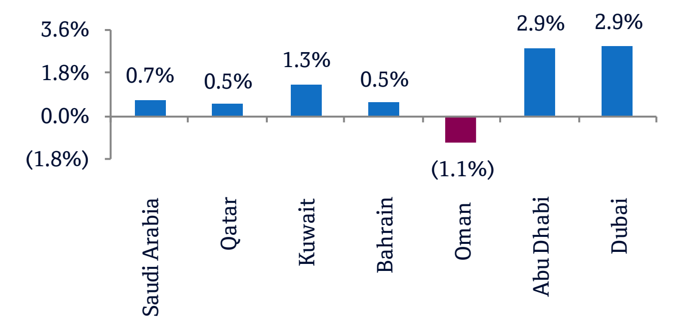
- **SHUAA Capital arranges Sukuk for Gulf Navigation Holding –** SHUAA Capital is working on a number of deals, including acting as lead arranger on AED125mn Sukuk for Gulf Navigation Holding (GNH) through a private placement. "SHUAA's management team is committed to continuing to deliver on the synergies and sustainable value arising from the merger with [Abu Dhabi Financial Group (ADFG)]," SHUAA's CEO, Jassim Alseddiqi, said. This came during SHUAA's first ordinary general meeting (OGM) virtually held on Wednesday, 15 April. (Zawya)
- **CBK tells lenders to postpone customer dues for six months –** Central Bank of Kuwait (CBK) on Sunday instructed banks to postpone amounts due from coronavirus affected customers for six months without applying any penalties, it said. The move, part of various measures by the CBK in response to the coronavirus crisis, extends a previous directive in March which stipulated a three-month postponement. The six-month window runs from March to September. (Reuters)
- **Oman reduces state budget by $1.3bn after cuts –** Oman has reduced its state budget by $1.3bn as a result of recent cuts and will take new measures to stabilize the economy, state news agency ONA reported on Sunday. Oman's finance ministry this week directed all ministries to reduce development budgets by 10% and operating budgets by 10%. Last month, the government cut the budget allocated to government agencies for 2020 by 5%. Oman's 2020 budget projected revenues at OMR10.7bn and spending at OMR13.2bn, ONA said. The Sultanate had said it was willing to deliver around OMR8bn in liquidity to combat the effects of the virus. Still, Oman's budget deficit is projected to reach near 17% of GDP this year after a shortfall of 7% in 2019, according to the latest estimates by the IMF. (Reuters, Bloomberg)
- **Bahrain raised $1bn loan to repay bond last month –** Bahrain secured a loan of about $1bn to repay a bond that was due at the end of March, sources said, after the Gulf state suspended plans to issue international debt due to bad market conditions. The small Gulf oil producer, rated junk by all the three major credit rating agencies, obtained the loan last month from a group of local and international banks and used it to repay $1.25bn in bonds that matured on March 31, the sources said. Bahrain was bailed out with a $10bn financial aid package by some of its wealthier regional allies in 2018 as it was headed towards a credit crunch. Sources told Reuters in March that the country was in talks with lenders for a loan after it suspended plans to issue international bonds amid market volatility caused by the new coronavirus pandemic and plunging oil prices. On April 1, the ministry of finance and national economy announced it had repaid the $1.25bn bonds. "The successful repayment demonstrates the strength and robustness of the Kingdom's Fiscal Balance Program," it said. Bahrain has said it wants to deliver a balanced budget by 2022 as part of a program of fiscal reforms linked to the $10bn financial aid package received in 2018 from Saudi Arabia, Kuwait and the UAE. The government could post a fiscal deficit of 15.7% of GDP this year from a 10.6% deficit in 2019, according to the IMF, while the economy could contract by 3.6%. The IMF expects growth to bounce back to 3% in 2021. (Reuters)
- **Bahrain's Seef Properties secures $11.97mn Murabaha loan –** Bahrain's Seef Properties has entered a Shari'ah compliant revolving Murabaha facility agreement with Ahli United Bank. The facility amount is $11.97mn and will be used to finance working capital requirements, Seef Properties said. The facility's final maturity date is up to 2 years, with the tenor of each drawdown not exceeding 12 months from the drawdown date and a minimum tenor of 6 months. The Bahrain-bourse listed real estate developer also announced in March the creation of a BHD1mn financial fund to support the tenants of its commercial malls in light of the spread of the coronavirus. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,682.82	(2.0)	(0.8)	10.9
Silver/Ounce	15.18	(2.1)	(2.5)	(15.0)
Crude Oil (Brent)/Barrel (FM Future)	28.08	0.9	(10.8)	(57.5)
Crude Oil (WTI)/Barrel (FM Future)	18.27	(8.1)	(19.7)	(70.1)
Natural Gas (Henry Hub)/MMBtu	1.70	6.9	(2.3)	(18.7)
LPG Propane (Arab Gulf)/Ton	38.50	9.2	20.8	(6.7)
LPG Butane (Arab Gulf)/Ton	38.00	11.3	16.5	(42.8)
Euro	1.09	0.3	(0.6)	(3.0)
Yen	107.54	(0.4)	(0.9)	(1.0)
GBP	1.25	0.3	0.4	(5.7)
CHF	1.03	0.3	(0.1)	0.1
AUD	0.64	0.6	0.3	(9.3)
USD Index	99.78	(0.2)	0.3	3.5
RUB	73.97	(0.3)	0.3	19.3
BRL	0.19	0.1	(2.4)	(23.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,017.51	2.7	2.3	(14.5)
DJ Industrial	24,242.49	3.0	2.2	(15.1)
S&P 500	2,874.56	2.7	3.0	(11.0)
NASDAQ 100	8,650.14	1.4	6.1	(3.6)
STOXX 600	333.47	2.9	(0.1)	(22.4)
DAX	10,625.78	3.5	(0.1)	(22.3)
FTSE 100	5,786.96	3.3	(0.6)	(27.7)
CAC 40	4,499.01	3.7	(0.8)	(27.2)
Nikkei	19,897.26	3.3	2.8	(14.9)
MSCI EM	901.31	1.9	1.5	(19.1)
SHANGHAI SE Composite	2,838.49	0.7	1.0	(8.4)
HANG SENG	24,380.00	1.6	0.4	(13.1)
BSE SENSEX	31,588.72	3.6	0.5	(28.8)
Bovespa	78,990.30	1.6	(2.0)	(47.8)
RTS	1,078.69	1.1	(5.5)	(30.4)

Source: Bloomberg (*$ adjusted returns)

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