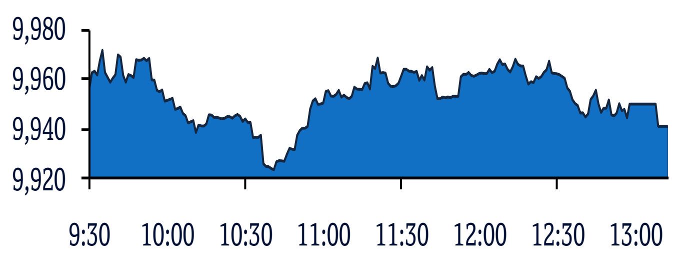
Daily Market Report

Sunday, 20 September 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose marginally to close at 9,942.1. Gains were led by the Telecoms and Industrials indices, gaining 0.9% and 0.6%, respectively. Top gainers were Qatar Cinema & Film Distribution Company and Mesaieed Petrochemical Holding, rising 10.0% and 4.2%, respectively. Among the top losers, INMA Holding fell 4.5%, while Qatar Insurance Company was down 4.3%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.3% to close at 8,337.9. Gains were led by the Real Estate Mgmt & Dev't and REITs indices, rising 2.4% and 1.7%, respectively. Wataniya Insurance Company rose 10.0%, while Saudi Fisheries was up 8.7%.

Dubai: The DFM Index gained 0.9% to close at 2,320.9. The Services index rose 1.6%, while the Transportation index gained 1.4%. Ithmaar Holding rose 12.6%, while DAMAC Properties Dubai Company was up 2.8%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 4,510.6. The Energy index rose 2.6%, while the Telecommunication index gained 1.3%. Abu Dhabi National Energy Co. rose 7.4%, while Gulf Pharmaceutical Industries was up 6.3%.

Kuwait: The Kuwait All Share Index gained 1.0% to close at 5,447.2. The Technology index rose 6.1%, while the Industrials index gained 1.9%. Kuwait Business Town rose 13.7%, while Al-Masaken Int. for Real Estate was up 10.0%.

Oman: The MSM 30 Index fell 0.4% to close at 3,647.7. The Financial index declined 0.4%, while the other indices ended in green. Al Madina Investment Company declined 4.2%, while Sohar International Bank was down 3.0%.

Bahrain: The BHB Index gained 1.2% to close at 1,435.3. The Industrial index rose 2.2%, while the Commercial Banks index gained 1.7%. Ithmaar Holding rose 9.0%, while Ahli United Bank was up 2.8%.

Market Indicators	17 Sep 20	16 Sep 20	%Chg.
Value Traded (QR mn)	816.6	777.8	5.0
Exch. Market Cap. (QR mn)	588,054.8	587,255.2	0.1
Volume (mn)	322.5	454.4	(29.0)
Number of Transactions	11,109	13,553	(18.0)
Companies Traded	47	46	2.2
Market Breadth	20:25	30:14	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,113.29	0.0	1.8	(0.4)	16.2
All Share Index	3,074.24	(0.0)	1.8	(0.8)	17.0
Banks	4,098.29	0.1	1.2	(2.9)	13.7
Industrials	3,056.76	0.6	3.2	4.3	26.6
Transportation	2,843.50	0.1	1.0	11.3	13.5
Real Estate	1,959.86	(1.4)	8.8	25.2	16.0
Insurance	2,054.81	(2.9)	(1.9)	(24.9)	32.9
Telecoms	905.44	0.9	0.9	1.2	15.3
Consumer	8,018.60	(0.6)	0.8	(7.3)	25.2
Al Rayan Islamic Index	4,164.71	(0.0)	2.7	5.4	19.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	36.30	5.1	8,460.6	33.7
Mesaieed Petro. Holding	Qatar	2.20	4.2	22,990.6	(12.4)
Agility Public Wareh. Co.	Kuwait	0.65	3.8	7,140.8	(8.2)
Mouwasat Medical Serv.	Saudi Arabia	132.00	3.1	345.5	50.0
Mabanee Co.	Kuwait	0.71	2.9	3,325.8	(16.8)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Insurance Co.	Qatar	2.00	(4.3)	2,319.7	(36.7)
Saudi British Bank	Saudi Arabia	25.95	(3.9)	32,709.0	(25.2)
Abu Dhabi Islamic Bank	Abu Dhabi	4.10	(3.1)	18,583.4	(23.9)
Advanced Petrochem. Co.	Saudi Arabia	60.80	(3.0)	762.1	23.1
Sohar International Bank	Oman	0.10	(3.0)	51.0	(9.2)

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%
Qatar Cinema & Film Distribution	4.08	10.0	105.2	85.5
Mesaieed Petrochemical Holding	2.20	4.2	22,990.6	(12.4)
The Commercial Bank	4.03	1.4	4,534.6	(14.3)
Al Khaleej Takaful Insurance Co.	1.98	1.3	1,836.9	(1.3)
Ezdan Holding Group	1.93	1.2	21,845.9	213.8

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
INMA Holding	4.60	(4.5)	3,247.5	142.1
Qatar Insurance Company	2.00	(4.3)	2,319.7	(36.7)
Ahli Bank	3.30	(2.7)	60.1	(1.0)
United Development Company	1.58	(2.3)	14,442.7	4.1
Mazaya Qatar Real Estate Dev.	1.28	(2.1)	15,592.3	78.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.67	(0.9)	54,194.0	18.6
Alijarah Holding	1.18	0.9	41,045.0	66.7
Mesaieed Petrochemical Holding	2.20	4.2	22,990.6	(12.4)
Ezdan Holding Group	1.93	1.2	21,845.9	213.8
Qatar Aluminium Manufacturing	1.02	0.0	20,429.3	30.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.90	(0.2)	160,937.4	(13.1)
Industries Qatar	10.35	(0.5)	55,680.5	0.7
Mesaieed Petrochemical Holding	2.20	4.2	50,339.1	(12.4)
Alijarah Holding	1.18	0.9	48,943.7	66.7
Barwa Real Estate Company	3.53	(1.6)	47,032.6	(0.3)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,942.06	0.0	1.8	1.0	(4.6)	221.38	159,362.9	16.2	1.5	4.0
Dubai	2,320.87	0.9	2.2	3.4	(16.1)	397.05	87,559.0	8.8	0.8	4.2
Abu Dhabi	4,510.60	0.1	(0.2)	(0.2)	(11.1)	245.72	184,721.9	16.5	1.3	5.4
Saudi Arabia	8,337.88	0.3	2.5	5.0	(0.6)	3,909.72	2,476,891.2	30.4	2.0	2.5
Kuwait	5,447.16	1.0	2.3	2.9	(13.3)	237.63	103,387.5	29.2	1.4	3.6
Oman	3,647.71	(0.4)	(1.0)	(3.3)	(8.4)	2.28	16,466.3	10.8	0.7	6.7
Bahrain	1,435.25	1.2	3.3	3.9	(10.9)	7.01	21,881.6	13.4	0.9	4.8

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 marginally to close at 9,942.1. The Telecoms and Industrials indices led the gains. The index rose on the back of buying support from Qatari, GCC and Arab shareholders despite selling pressure from Foreigners shareholders.
- Qatar Cinema & Film Distribution Company and Mesaieed Petrochemical Holding were the top gainers, rising 10.0% and 4.2%, respectively. Among the top losers, INMA Holding fell 4.5%, while Qatar Insurance Company was down 4.3%.
- Volume of shares traded on Thursday fell by 29.0% to 322.5mn from 454.4mn on Wednesday. Further, as compared to the 30-day moving average of 337.6mn, volume for the day was 4.5% lower. Investment Holding Group and Alijarah Holding were the most active stocks, contributing 16.8% and 12.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	32.62%	31.57%	8,594,780.2
Qatari Institutions	10.09%	10.44%	(2,848,297.4)
Qatari	**42.71%**	**42.01%**	**5,746,482.8**
GCC Individuals	1.51%	1.28%	1,874,343.2
GCC Institutions	0.25%	0.41%	(1,379,538.6)
GCC	**1.75%**	**1.69%**	**494,804.6**
Arab Individuals	7.72%	7.58%	1,156,399.9
Arab Institutions	–	0.01%	(83,350.0)
Arab	**7.72%**	**7.59%**	**1,073,049.9**
Foreigners Individuals	2.21%	2.26%	(384,722.8)
Foreigners Institutions	45.60%	46.45%	(6,929,614.5)
Foreigners	**47.81%**	**48.71%**	**(7,314,337.3)**

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Saudi Aramco	Fitch	Saudi Arabia	LT-IDR	A	A	–	Stable	–

Source: News reports, Bloomberg (* LT – Long Term, IDR – Issuer Default Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/17	US	Department of Labor	Initial Jobless Claims	12-Sep	860k	850k	893k
09/17	US	Department of Labor	Continuing Claims	05-Sep	12,628k	13,000k	13,544k
09/17	EU	Eurostat	CPI MoM	Aug	-0.4%	-0.4%	-0.4%
09/17	EU	Eurostat	CPI YoY	Aug	-0.2%	-0.2%	-0.2%
09/18	Germany	German Federal Statistical Office	PPI MoM	Aug	0.0%	0.0%	0.2%
09/18	Germany	German Federal Statistical Office	PPI YoY	Aug	-1.2%	-1.4%	-1.7%
09/18	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Aug	0.2%	0.2%	0.3%

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

News

Qatar

- **MRDS announces the cancellation of AGM –** Mazaya Real Estate Development (AGM) has cancelled the General Assembly Meeting (AGM) scheduled to be held on September 20, 2020, and the reserve date on September 27, 2020, in order to further review the acquisition deal, and to restructure the investment, and MRDS will inform of the results after the completion of the study. (QSE)
- **BRES, QU sign collaboration pact –** Barwa Real Estate Company (BRES) has signed a Memorandum of Understanding (MoU) with Qatar University to enhance and consolidate cooperation with the College of Engineering in expertise sharing, scientific research and raising the standards of efficient performance. This is in accordance with comprehensive quality standards, specializations, and legislation of Qatar, and is directly addressing the pillars of Qatar National Vision 2030 and the National Development Strategy (2018-2022). The MoU will provide support in research, scientific studies, and workshops at the College of Engineering through the formation of joint workshops. (Gulf-Times.com)
- **Qatar industrial production up 2.3% MoM in July as mining output grows –** Qatar's industrial production in July rose 2.3% from June mostly due to a jump in the mining output, which includes oil and gas production. According to the Planning and Statistics Authority (PSA), the key Industrial Production Index stood at 107.2 points in July, down 1.6% from a year ago. The mining component of the index, which has a relative weightage of 83.6%, showed an increase of 2.7% MoM and a decline of 1.9% YoY. The MoM climb in mining output was driven by increased production of crude oil and natural gas, by 2.7%. Production under the "other mining and quarrying" group showed a MoM increase of 1.5%. Qatar's manufacturing output - which has a relative weightage of 15.2% in the index - showed a slight increase in July, edging up 0.1% from June. The manufacturing component of the IPI in July showed a 0.7%percent decline when compared with that in the same month last year. Electricity output - which accounts for 0.7% of IPI - increased 15.3% MoM in July and jumped 4.1% YoY. Similarly, water production (desalination), which carries a weightage of 0.5%, showed an increase of 3.3% MoM and 6.4% YoY. (Qatar Tribune)
- **Services sector becoming key driver of economic growth –** The role of the services sector, which includes transportation, financial transactions, logistic services and trade, has increased significantly in powering Qatar's economy. By providing a greater contribution to GDP growth in 2019, the services sector has become one of the key drivers of Qatar's economic expansion. In simple terms, GDP provides an economic snapshot of a country and is used to estimate the size of an economy and growth rate. Planning and Statistics Authority stated in a report, "During the period 2016-2019, its (services sector) activities constituted an average of 46.8% of the overall nominal GDP and an average of 70% of the nominal non-hydrocarbon GDP. The services sector witnessed an average annual growth of 2.4% during this same period, and contributed to the total growth rate of real GDP by 0.82 percentage points; crucially, in addition, it contributes by providing employment for about 44% of the labor force." The rise of the services sector assumes importance. With the completion of most of the construction projects in the country in the past two years, the contribution of the construction sector has decreased comparatively. Preliminary national accounts data suggest that the nominal value of the GDP at current prices in 2019 amounted to around QR668bn, equivalent to $183bn. "The growth of the services sector will stabilize at around 0.3% in 2020, and it will recover by about 2.8% in 2021, and then further by about 4.3% in 2022, assuming that the national economy will reap economic benefits from the return of economic activities to complete preparations to host the FIFA 2022 World Cup," said the report. (Peninsula Qatar)
- **QIA to partner with Credit Suisse on multi-billion dollar direct private credit platform –** Qatar Investment Authority (QIA) will partner with Credit Suisse Asset Management to form a multi-billion dollar direct private credit platform that will provide financing primarily in the form of secured first and second lien loans to upper middle-market and larger companies in the US and Europe. The platform is part of Credit Suisse Asset Management's Credit Investments Group (CIG), which is led by global head and Chief Investment Officer, John Popp. (Gulf-Times.com)
- **Over QR263bn invested in Qatar's industrial sector in 2019 –** As Qatar is successfully implementing its economic diversification plans, Qatar's industrial sector attracted QR263.8bn of investment in 2019. The Government Communications Office (GCO) in a post on its Twitter handle highlighted importance, achievements and plans of Qatar National Vision (QNV) 2030 including the country's economic diversification plans. "Through its world-class infrastructure and dynamic private sector, Qatar continues to deliver on its ambitious plans to ensure a steadfast and diversified economy. QNV2030," the GCO said in a tweet. The post says that Qatar is delivering on its ambitious plans to develop a knowledge-based economy. Hamad International Airport and Hamad Port play key roles in linking together major economies, it added. It said that Qatar Rail oversees one of the largest rail projects in the world while in 2019, Qatar's industrial sector attracted QR263.8bn of investment. "There are over 900 factories operating in Qatar which allowed for rapid supply of PPE during the COVID-19 pandemic," the video shared with the tweet said. It says that Qatar is self-sufficient in dairy and expects to be 70% self-sufficient in vegetables by 2023. (Peninsula Qatar)
- **ValuStrat: Qatar's retail GLA may exceed 2mn square meters by 2020-end –** The total gross leasable area (GLA) of organized retail space in Qatar grew 5% annually from 2018 to 1H2020 up to 1.89mn square meters, with no addition during the first six months of 2020, a study has shown. Approximately 170,000 square meters GLA of organized retail space comprising of three shopping centers: Doha Mall in Al Maamoura, 04 Mall in The Pearl and J Mall in Al Markhiya and Place Vendome in Lusail are

projected to be completed by 2020-end, research and consultancy firm ValuStrat has said in a report. "Assuming no construction delays, the retail GLA will exceed 2mn square meters by the end of 2020," ValuStrat said. Unorganized retail comprises an estimated 70% of the total retail supply in Qatar with the addition of approximately 50,000 square meters during the first six months of 2020. Nearly 60,000 square meters is in pipeline during the remaining quarters of 2020, it said. Between March and May, there was the closure of all retail shops in shopping centers and commercial complexes except for pharmacies and shops that sold food (in view of COVID-19 lockdown). In June, with the advent of Phase 1 (unlock), ban on non-essential retail shops was partially lifted, ValuStrat said. (Gulf-Times.com)

- **Qatar real estate transactions total QR4.156bn in August –** The volume of real estate transaction in sales contracts registered with the Real Estate Registration Department at the Ministry of Justice in August amounted to QR4,156,341,940. Data from the analytical real estate bulletin issued by the Ministry of Justice showed that 497 real estate deals were registered during the month, compared to July, and the real estate value index recorded an increase of 49%, while the index of traded areas increased by 42%. The municipalities of Al Daayen, Doha, Umm Salal and Al Rayyan topped the most active transactions in terms of financial value, followed by Al Wakrah, Al Khor, Al Dhakira, Al Shamal and Al Shahaniya. (Gulf-Times.com)
- **ValuStrat: Qatar office space demand-supply gap may exceed 1mn square meters GLA –** The gap between demand and supply of office space may amount to more than 1mn square meters gross leasable area (GLA), researcher ValuStrat said and noted the influx of supply is more than an increase in demand. Over time, oversupply in the office sector has been increasing, as observed by increasing vacancy rates in office buildings witnessed since 2016, ValuStrat said. Due to falling rental rates across office buildings in prime districts such as West Bay and Lusail Marina, there has a been shift in demand from secondary locations to prime districts. As of 1H2020, the supply of office space was 5,060,000 square meters GLA. As per ValuStrat research, 60% of existing office space is of Grade-A. There was an addition of seven office buildings and four mixed-use buildings during H1 in Lusail (Marina and Energy City), Najma, Fereej Bin Omran, Abu Hamour, Al Wakrah, Al Wukair and Umm Salal comprising 220,000 square meters GLA. Upcoming projects in 2020, currently under development totaled 580,000 GLA, 48% of which are located in Lusail (Fox Hills, Energy District and Marina District) and Al Dafna and whereas the remaining projects are located in Duhail, Nuaija, Al Hitmi, Al Sadd, Umm Ghuwailina and Al Muntazah. As of 2Q2020, the median asking rent for office space fell by 1.2% QoQ, 4.7% over six months and 12.8% YoY, ValuStrat said. The highest fall in office rents during 1H2020 was experienced in office buildings across C/D-Ring roads. (Gulf-Times.com)

International

- **World Bank Chief Economist: Global economic recovery may take five years –** The global economic recovery from the crisis originated by the coronavirus pandemic may take as much as five years, the World Bank's chief economist Carmen Reinhart said. "There will probably be a quick rebound as all the restriction measures linked to lockdowns are lifted, but a full recovery will take as much as five years," Reinhart said in a remote intervention during a conference held in Madrid. Reinhart said the pandemic-caused recession will last longer in some countries than in others and will exacerbate inequalities as the poorest will be harder hit by the crisis in rich countries and the poorest countries will be harder hit than richer countries. For the first time in twenty years, global poverty rates will rise following the crisis, she added. (Reuters)
- **US labor market recovery stalling; housing market presses ahead –** The number of Americans filing new claims for unemployment benefits fell less than expected last week and applications for the prior period were revised up, suggesting the labor market recovery had shifted into low gear amid fading fiscal stimulus. The weekly jobless claims report from the Labor Department on Thursday, the most timely data on the economy's health, also showed nearly 30mn people were on unemployment benefits at the end of August, laying bare both the continuing economic and human devastation six months after the COVID-19 pandemic started in the US. The Federal Reserve on Wednesday vowed to keep interest rates near zero for a long time, noting that the coronavirus "will continue to weigh on economic activity" in the near term and "poses considerable risks to the economic outlook over the medium term." Fed Chair Jerome Powell said more fiscal support was likely to be needed for the economy. Initial claims for state unemployment benefits fell 33,000 to a seasonally adjusted 860,000 for the week ended September 12. Data for the prior week was revised to show 9,000 more applications received than previously reported. Economists polled by Reuters had forecast 850,000 applications in the latest week. Unadjusted claims dropped 75,974 to 790,021 last week. Economists prefer the unadjusted claims number given earlier difficulties adjusting the claims data for seasonal fluctuations because of the economic shock caused by the coronavirus crisis. (Reuters)
- **Democrats boost US consumer sentiment, current account deficit widens 52.9% –** US consumer sentiment increased in early September, with Democrats growing more upbeat about the economy's outlook ahead of the November 3 presidential election while Republicans' optimism waned slightly. The survey from the University of Michigan on Friday, however, showed President Donald Trump, a Republican, and his Democratic Party challenger, former Vice President Joe Biden, in "a virtual tie" when assessing consumers' responses between July and September on which candidate they thought would win the election, not whom they favored or how they intended to vote. "The September gains were primarily in the outlook for the economy, and it was Democrats that posted gains in economic prospects while optimism about the economy weakened among Republicans," the University of Michigan Surveys of Consumers chief economist Richard Curtin said in a statement. The University of Michigan's consumer sentiment index rose to 78.9 in the first half of this month from a final reading of 74.1 in August. The index remains 22.1 points below February's level. Economists polled by Reuters had forecast the index edging up to a reading of 75 in early September. Consumer sentiment among Democrats increased to 68.4 from a reading of 57.6 in August. It slipped to a reading of 95.7 among Republicans from 98.6. Among independents, consumer sentiment rose to 75.4

from 72.4 last month. Though consumers believed Trump would be better for the economy, 40% did not expect either candidate would have an impact on their personal finances. (Reuters)

- **Trump to shut off TikTok, WeChat to new US users –** The Trump administration will ban WeChat and video-sharing app TikTok from US app stores starting Sunday night, a move that will block Americans from downloading the Chinese-owned platforms over concerns they pose a national security threat. The bans, announced on Friday, affect only new downloads and updates and are less sweeping than expected, particularly for TikTok, giving its parent group ByteDance some breathing space to clinch an agreement over the fate of its US operations. WeChat, an all-in-one messaging, social media and electronic payment app, faces more severe restrictions from Sunday. Existing TikTok users, on the other hand, will see little change until November 12 when a ban on some technical transactions will kick in, which TikTok said would amount to an effective ban. For a Q&A on the real impact, click "We disagree with the decision from the Commerce Department, and are disappointed that it stands to block new app downloads from Sunday and ban use of the TikTok app in the US from November 12," the company said in a statement. "We will continue to challenge the unjust executive order." China's Commerce Ministry expressed its "resolute opposition" and urged the United States to stop its bullying and wrongdoing. "If the US side obstinately clings to its course, China will take necessary measures to resolutely safeguard the legitimate rights and interests of Chinese companies," it said, without elaborating. (Reuters)
- **US Commerce chief defends help for airlines, farmers amid COVID-19 –** US Commerce Secretary Wilbur Ross on Friday defended additional government help for industries such as farming and airlines amid the novel coronavirus pandemic, but signaled little further aid for other sectors such as restaurants. US President Donald Trump on Thursday announced a new round of about $13bn pandemic assistance to farmers while the White House separately suggested giving US airlines $25bn in aid over the next six months to stave off thousands of employee layoffs. The administration's push comes as the White House and Congress remained deadlocked over further economic relief amid the COVID-19 crisis ahead of the November 3 election, although Trump on Thursday appeared to push for sweeping new aid despite a push by fellow Republicans in the Senate for a leaner spending plan. (Reuters)
- **US housing starts drop as multi-family home construction slumps –** US homebuilding fell in August after strong gains in the prior three months, but the housing market remains supported by record low interest rates and demand for properties in the suburbs and low-density areas as many people work from home. Housing starts dropped 5.1% to a seasonally adjusted annual rate of 1.416mn units last month, the Commerce Department said on Thursday. Data for July was revised slightly lower to a 1.492mn-unit pace from the previously reported 1.496mn. Economists polled by Reuters had forecast starts slipping to a rate of 1.478mn units. A survey on Wednesday showed confidence among single-family homebuilders increased to a record high in September. Builders, however, remained concerned about rising costs for materials and delivery delays, especially for lumber. The housing market has outperformed the broader economy despite nearly 30mn people being on unemployment benefits. Unemployment has disproportionately affected low-wage workers, who are typically renters. The 30-year fixed mortgage rate is around an average of 2.86%, according to data from mortgage finance agency Freddie Mac. Home building last month was pulled down by a 22.7% tumble in starts for the volatile multi-family housing segment to a pace of 395,000 units. But construction of single-family housing units, which accounts for the largest share of the housing market, increased 4.1% to a rate of 1.021mn units. (Reuters)
- **Around five million UK jobs still furloughed at end of July, government says –** Around 5mn British jobs remained fully or partly on furlough at the end of July, down from a peak of just under 9mn but still leaving millions of workers facing uncertainty with the scheme due to be wound up at the end of next month. Provisional tax data released on Friday showed employers had registered 4.8mn jobs as furloughed as of July 31, down from a peak of 8.9mn in early May. The government said final data could show an upward revision of around 10%, making it likely that 5.3mn jobs were still furloughed at the end of July. Since July employers have been able to bring furloughed staff back part-time, but still claim furlough payments for the hours when staff are not working. The 4.8mn jobs registered as furloughed included 950,000 where staff are now back working part-time but less than their usual hours, the finance ministry said. Finance minister Rishi Sunak has resisted calls to extend the Coronavirus Job Retention Scheme beyond the end of October but has said he will be "creative" in finding ways to minimize any future rise in unemployment. (Reuters)
- **New UK lockdown likely sooner rather than later, ex-advisor warns –** Britain is likely to need to reintroduce some national coronavirus lockdown measures sooner rather than later, a leading epidemiologist and former senior government health advisor said on Saturday. Neil Ferguson, a professor of epidemiology at London's Imperial College, told the BBC the country was facing a "perfect storm" of rising infections as people return to work and school. Prime Minister Boris Johnson said on Friday that he did not want another national lockdown but that new restrictions may be needed because the country was facing an "inevitable" second wave of COVID-19. "I think some additional measures are likely to be needed sooner rather than later," Ferguson said. Ministers were on Friday reported to be considering a second national lockdown after new COVID-19 cases almost doubled to 6,000 per day, hospital admissions rose and infection rates soared across parts of northern England and London. "Right now we're at about the levels of infection we were seeing in this country in late February, and if we leave it another two to four weeks we'll be back at levels we were seeing more back in mid-March, and that's going to - or could - cause deaths," Ferguson said. (Reuters)
- **UK retail rebounds in bright spot for COVID-hit economy –** British shoppers spent more last month, taking sales further above pre-COVID levels, as strong online demand helped much of the sector rebound faster than the rest of the economy. Retail sales volumes rose by 0.8% in August, the Office for National Statistics said on Friday – slightly above the average 0.7% forecast in a Reuters poll. Compared with a year earlier, they were up 2.8%, just below forecasts of 3.0% annual growth. Sales

had already overtaken pre-COVID levels in July and now stand 4.0% higher than before the crisis, although economists are cautious about what will happen later this year if unemployment rises sharply as forecast. Retailers have benefited from fewer British people holidaying abroad this summer, pent-up demand from the lockdown, and a shift to spending on household goods rather than activities outside the home. However, the rebound masks a sharp split between online and high-street retailers. Online and catalogue sales were up 34.4% on the year in August, while primarily in-store clothing sales were 15.5% lower, despite a 13.5% rise from July. (Reuters)

- **EU to introduce crypto-assets regime by 2024 –** The European Union (EU) will introduce new rules within four years to make cross-border payments quicker and cheaper through the use of blockchain and crypto assets like stablecoins, two EU documents showed. The European Commission is due to set out its strategy for encouraging greater use of digital finance at a time when 78% of payments in the Eurozone are in cash. It also wants a rapid shift to "instant" payments generally as pandemic lockdowns showed the growing role of cashless payments. The EU executive will present a draft law to clarify how existing rules apply to crypto assets and set out new rules where there are gaps, the documents said. "By 2024, the EU should put in place a comprehensive framework enabling the uptake of distributed ledger technology (DLT) and crypto-assets in the financial sector," the documents said. "It should also address the risks associated with these technologies." Stablecoins, a type of cryptocurrency often backed by traditional assets, leapt onto policymakers' agendas last year when Facebook revealed plans for its Libra token. Central banks are now studying whether to launch their own. Brussels also wants to make it easier to share data within the financial sector to encourage competition and a wider range of services, while upholding the principle of "same risk, same rules, same regulation", the documents say. The bloc should also have rules in place within four years to allow new customers to start using financial services quickly once anti-money laundering and identity checks have been completed, it said. "By 2024, the principle of passporting and a one-stop shop licensing should apply in all areas which hold strong potential for digital finance," it said. Instant payment systems should become the "new normal" by the end of 2021. Instant payments are suitable for many uses beyond traditional credit transfers, in particular for physical and online purchases, which are currently dominated by payment card schemes, the documents said. (Reuters)
- **EU looks to fast 5G, supercomputers to boost virus-hit economy –** The European Commission on Friday urged the 27-country bloc to work together to speed up the rollout of fibre and 5G networks to boost the region's virus-hit economy and secure its technology autonomy. EU countries should develop a best practices toolbox by March 30 with the aim of cutting cost and red tape, provide timely access to 5G radio spectrum and allow for more cross-border coordination for radio spectrum for 5G services, the EU executive said. The coronavirus outbreak showed how important internet services and 5G are, European Digital Chief Margrethe Vestager said. "We have seen the current crisis highlight the importance of access to very high-speed internet for businesses, public services and citizens, but also to accelerate the pace towards 5G," she said in a statement. "We must therefore work together towards fast network rollout without any further delays." The Commission also proposed a recommendation to boost research and activities to develop new supercomputing technologies. "Keeping up in the international technological race is a priority, and Europe has both the know-how and the political will to play a leading role," Internal Market Commissioner Thierry Breton said in a statement. The Commission is investing 8bn Euros ($9.46bn)in the next generation of supercomputers. (Reuters)
- **Germany plans reform to avoid bankruptcy wave due to corona –** Germany would relax insolvency rules under proposals set out on Saturday to help avert a wave of bankruptcies in Europe's biggest economy, provided companies hit by the coronavirus crisis have a robust business model. Keen to avoid bankruptcies and mass layoffs, Chancellor Angela Merkel's government has launched a range of stimulus and relief measures as Germany braces for its biggest slump since World War Two, having shrunk by an unprecedented 9.7% in the second quarter. "Companies that can show creditors a realistic prospect of restructuring should be able to implement their concept outside insolvency proceedings," said Justice Minister Christine Lambrecht in a statement. Under the draft reform, which would take effect at the start of 2021, the deadline for firms to file for insolvency would be extended to six from three weeks and authorities will apply more relaxed benchmarks when examining over-indebtedness. The government has already taken steps such as allowing firms in financial trouble due to the pandemic to delay filing for bankruptcy until the end of the year, extending an original deadline of the end of September. (Reuters)
- **Caixabank strikes $5bn Bankia deal as more European bank mergers loom –** Caixabank has agreed to buy Bankia for 4.3bn Euros ($5.1bn) in an all-share deal that creates Spain's biggest domestic lender and signals a pick-up in mergers among Europe's banks as they battle the fallout from the COVID-19 pandemic. The merger will create the largest domestic bank by assets with a combined market value of more than 16bn Euros ($19bn), in a deal underpinned by annual cost savings of 770mn Euros, the companies said on Friday. European banks are under growing pressure to join forces to deal with rising bad debts and record-low interest rates. Italy's Intesa Sanpaolo is taking over Unione di Banche Italiane, and Spain's Sabadell has also held informal talks about a possible tie-up. Caixabank and state-backed Bankia did not say how many jobs would go or branches would close, but main trade union CCOO fears hefty cuts from a merged bank with over 6,300 outlets and more than 51,000 staff in Spain. The deal has been described as a merger, but is in effect a takeover by Caixabank as it is almost three times as big as Bankia by market value and almost twice as big by assets. (Reuters)
- **Finance Minister: France to fight 'appalling' Bridgestone plant closure –** The French government is looking into options to try to prevent the closure of a Bridgestone tire plant in northern France by its Japanese owner, and save jobs, finance minister Bruno Le Maire said. Bridgestone said on Wednesday that it would begin talks to close the factory in Bethune, which employs 863 people, in the face of weak demand for low-profile tires, its main product. "Bridgestone took an appalling decision. The method is appalling, and the consequences are appalling, and we are going to fight," Le Maire told CNews television. French President

Emmanuel Macron's government, which has launched a 100bn-Euro ($118bn) recovery plan to boost growth has made jobs a key priority. France suffered one of the deepest downturns in Europe in the first half of this year as the government put the country under one of the continent's strictest lockdowns to contain the coronavirus outbreak. (Reuters)

- **Japan's August consumer prices fall at fastest pace in four years –** Japan's core consumer prices fell at their fastest pace in almost four years in August, dragged mostly by government-sponsored discounts for domestic travel aimed at supporting the battered tourism sector. The weak consumer price data comes after Bank of Japan Governor Haruhiko Kuroda said on Thursday it would monitor not just price trends but jobs growth in guiding policy, signaling a readiness to ramp up stimulus if job losses heighten the risk of deflation. Japan's new premier Yoshihide Suga on Wednesday pledged to contain COVID-19 and retain his former boss's "Abenomics" growth policies while pushing reforms such as deregulation and digitalization. The core consumer price index (CPI), which includes oil products but excludes volatile fresh food prices, fell 0.4% in August from a year earlier, government data showed on Friday. That compared with the median market forecast for a 0.4% decline and a flat reading in July and matched the level seen in November in 2016. The main factor for the fall in the core CPI was a price decline in accommodation and hotels after the government launched subsidies for national travel discounts from late July to revive tourism. Prices of accommodation fell 32.0% in August from a year earlier, the index showed. (Reuters)
- **Japan's 'Suganomics' will target quick wins, not grand visions –** Japan's new prime minister will pursue economic structural reforms through a mixed bag of policies that target specific industries, rather than a grand strategy to reshape society and boost long-term growth. Armed with a strong grip on Japan's bureaucracy, Yoshihide Suga knows which levers to pull to get results, say government and ruling party officials who know him or have worked with him. But an initial need to consolidate popular support means he will first target quick policy wins that will later give him the political capital to pursue tougher reforms, they said. "He isn't after visions. He's someone who wants to accomplish small goals one by one," said political analyst Atsuo Ito, a former ruling party staff. "He'll initially focus on pragmatic goals that directly affect people's livelihood." Suga has said he will continue his predecessor Shinzo Abe's pro-growth "Abenomics" strategy aimed at pulling Japan out of deflation with heavy monetary and fiscal stimulus coupled with structural reforms. But unlike Abe, Suga's plans for structural reforms will focus more on spurring competition, rather than deeper social change. (Reuters)
- **BOJ's Kuroda says globalization will be sustained despite COVID-19 –** Globalization will be sustained and supply chains will be diversified as firms adjust to novel coronavirus disruption, Japan's central bank governor said on Friday, challenging an assumption the virus will lead to fragmentation of world trade. Resorting to protectionism was not the answer, Bank of Japan (BOJ) Governor Haruhiko Kuroda said. "Globalization and global supply chains will continue, although supply chains will be more diversified and more resilient," Kuroda said at a seminar organized by the Asian Development Bank. Regional financial cooperation was important in coming years as it would offer a safety net in case of another shock, he said. "We will have to continue timely and decisive action, while closely monitoring the impact of COVID-19," Kuroda said. "At the same time, we must … turn this crisis into opportunity to accelerate digitalization and facilitate innovation," said Kuroda, who was head of the Asian Development Bank before assuming the post of BOJ governor in 2013. Kuroda said Japan's economy would likely continue to improve but at a moderate pace, given the worldwide impact of the coronavirus. "The BOJ will continue supporting the economy in cooperation with the new government" led by Yoshihide Suga, he said. (Reuters)
- **Xi: China's economy remains resilient despite external risks –** China's economy remains resilient and there are ample policy tools at Beijing's disposal despite rising external risks, President Xi Jinping said in remarks published on Saturday. The world's second-largest economy has steadily recovered from a virus-induced slump, but analysts say policymakers face a tough job to maintain stable expansion over the next several years to turn China into a high-income nation. "The basic characteristics of China's economy with sufficient potential, great resilience, strong vitality, large space for man oeuvre and many policy instruments have not changed," Xinhua news agency quoted Xi as saying. China has strong manufacturing capacity, very large domestic markets and huge investment potentials, Xi said. Xi reaffirmed a "dual circulation" strategy that would help steer the economy towards greater self-reliance, as US hostility and a global pandemic increase external risks. China still enjoyed "strategic opportunities" in its development, although the coronavirus pandemic has exacerbated global challenges as globalization slows and unilateralism and protectionism are rising, Xi was quoted as saying at a meeting on the country's 14th five-year plan (2021-2025). (Reuters)
- **China's commerce ministry issues rules on 'unreliable entities' list –** China's commerce ministry on Saturday issued rules on its proposed list of "unreliable entities," part of an intensifying rift with the US, saying it will target foreign firms and individuals endangering China's sovereignty and security. After President Donald Trump's administration imposed additional tariffs on Chinese goods and curbs on Huawei Technologies Co. last year, China vowed to draw up a list aimed at punishing foreign firms deemed harmful to Chinese interests. It has yet to publish the list. The US said on Friday it will ban WeChat and video-sharing app TikTok from US stores starting on Sunday night, a move that will block Americans from downloading the Chinese-owned platforms over concerns they pose a national security threat. China's list will target foreign firms and individuals violating normal market transactions in China, interrupting deals with Chinese firms or taking discriminatory measures against Chinese firms, the ministry said. (Reuters)
- **China says 'resolutely opposed' to US moves against WeChat, TikTok –** China's Commerce Ministry said on Saturday it was "resolutely opposed" to the US decision to ban WeChat and video-sharing app TikTok from US app stores starting Sunday night. If the US does not correct its mistakes, then China will take necessary measures to safeguard the legitimate interests of Chinese companies, the ministry added without giving details. (Reuters)

Regional

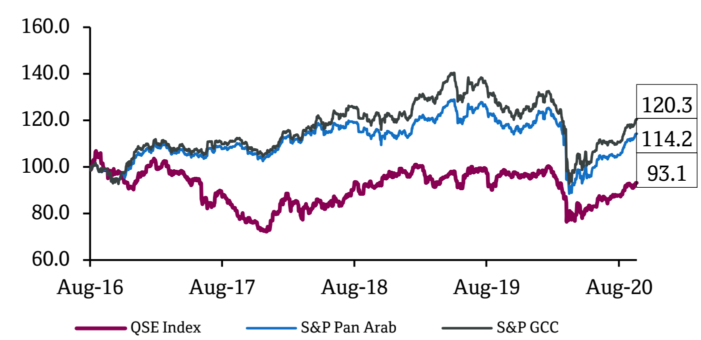
- **ADIB: Gulf loan market subdued but government-related entity deals surge –** Overall loan activity in the Gulf is about 20% to 25% lower than a year ago, but deals by government-related entities have surged in 2020 on the back of acquisitions and infrastructure projects, Abu Dhabi Islamic Bank's Head of corporate finance and investment banking, Amir Riad said on Thursday. The subdued loan market contrasts with international bond issues from the region, which are on track for a record year. Governments have made up the bulk of this year's issuance, with the value of their bond sales already surpassing last year's total. He said Gulf government-related entity (GRE) deals are up by about 40%, with ADIB's loan activity around 20% higher. "Based on the statistics we see, the overall market is down 20-25% if you look at it on an overall basis year to date. Effectively what we have seen is a major uptick in GRE activity," Riad said. "These are event-driven transactions, for example acquisition-driven," he said, adding, "infrastructure financing is an important consideration here in the market." Deals included DP World raising $9bn as part of its delisting and Tabreed raising $692mn to fund its acquisition of Emaar Properties' Downtown Dubai district cooling business. In the wake of the economic downturn resulting from the coronavirus crisis coinciding with weak oil prices, private sector companies have reprioritized their capital expenditure and reviewed their plans, adding they would only look at the debt markets when there is an important need to do so. He also said stimulus measures taken by governments in the Gulf have also helped corporates avoid raising debt, but as payment holiday ends, they will return to tapping the market. "We will see further activity in the corporate space coming back to the market over the next few months as the economy improves and as the health situation, obviously, gets under control," he said. (Zawya)
- **OPEC+ may hold extraordinary October meeting if oil market worsens –** OPEC+ could hold an extraordinary meeting in October if oil markets weaken further, Saudi Energy Minister, Prince Abdulaziz bin Salman said on Thursday, according to an OPEC+ source. Prince Abdulaziz was speaking at a closed-door meeting of OPEC and its allies, led by Russia, which pressed for better compliance with oil output cuts against the backdrop of falling crude prices as uncertainty reigns over the global economic outlook. The group, known as OPEC+, warned that rising COVID-19 cases in some countries could curb energy demand despite initial indications of a decline in oil stocks, according to a draft press release and internal document seen by Reuters on Thursday. The panel of major producers, including Saudi Arabia and Russia, did not recommend any changes to their current output reduction target of 7.7mn bpd or around 8% of global demand, according to a draft press release and an internal report. They will, however, press laggards such as Iraq, Nigeria and the UAE to cut more barrels to compensate for overproduction and possibly extend the compensation period from September to November, according to three OPEC+ sources. (Zawya)
- **Gulf SWFs eyeing India's Reliance Retail unit –** Indian billionaire Mukesh Ambani's offline and online retail business has now become the latest cynosure for global investors and sovereign wealth funds weeks after his digital services firm Jio Platforms has raised Rs1.52tn from overseas. From the Gulf, state investment funds from the UAE and Saudi Arabia, including Mubadala Investment, the Abu Dhabi Investment Authority (ADIA) and Saudi Arabia's Public Investment Fund (PIF), are also reportedly in negotiations with Reliance Retail Ventures (RRVL), the holding company of offline and online retail business of Reliance Industries (RIL). Other overseas investors seeking a stake in India's booming retail spectrum include L Catterton, KKR, Carlyle Group and SoftBank Group. Most of these suitors have already invested in RIL's Jio Platforms. RRVL seeks to offload up to a 15% stake to private equity players and strategic investors to raise up to Rs800bn, while reserving the largest allocation of 40% for Amazon.com. The Indian retail giant, which has 12,000 stores across the country, recently announced its acquisition of retail, logistics and warehousing business of Future Group for Rs247.13bn. Reliance also signaled it would pick up 13% stake in Kishore Biyani's remaining business under Future Enterprises. (Zawya)
- **Saudi Arabia raises SR1.245bn from Sukuk offering –** Saudi Arabia raised SR1.245bn from its local Sukuk offering in September, the finance ministry said. The first tranche is of SR130mn, second tranche of SR1.115bn. (Bloomberg)
- **Saudi trade surplus with Arab states nears SR22.47bn in 1H2020 –** Saudi Arabia registered a trade surplus with Arab countries worth SR22.47bn in the first half (H1) of 2020, a yearly decrease of 37.5% when compared to SR35.93bn in the year-ago half. This decline came amidst a shrink in the trade exchange volume due to the ongoing global economic circumstances resulted from the coronavirus pandemic outbreak. Trade exchange between Saudi and Arab states dipped by 24% or SR26.76bn YoY during 1H2020 when compared to 1H2019, according to data collected by Mubasher based on official figures. The value of Saudi and Arab countries merchandise trade amounted to SR84.51bn in 1H2020, compared with SR111.27bn in the same period in 2019. Saudi exports to Arab states stood at SR53.49bn in the January-June period, down 27.3% YoY from SR73.6bn in the prior-year period. (Zawya)
- **Saudi Arabia crude exports rebound in July from historic lows –** Saudi Arabia’s crude oil exports rebounded in July to 5.73mn bpd from a record low in June, official data showed on Thursday. At 4.98mn bpd, crude exports in June were the weakest on record, according to data from the Joint Organizations Data Initiative (JODI) stretching back to 2002. Output from the OPEC rose by more than 1mn bpd in July as Saudi Arabia and other Gulf members ended voluntary supply cuts, on top of an OPEC-led deal to curb production. An easing of lockdowns and lower supply helped benchmark Brent crude hold above $40 a barrel throughout July after plunging to a 21-year low of $15.98 in April, though gains were kept in check by fears of a second wave of COVID-19. OPEC+ has been reducing output by 7.7mn bpd, or about 8% of global demand, but the group is unlikely to announce further curbs in its virtual meeting later on Thursday. Saudi Arabia’s crude production rose 13.3% MoM in July to 8.48mn bpd, its lowest since December 2002. Saudi’s domestic crude refinery throughput fell 13.2% to 2.09mn bpd in July, while direct crude burn rose by 176,000 bpd to 645,000 bpd. Saudi total oil product demand in July rose by 219,000 bpd to 2.38mn bpd, data on the JODI website showed. (Reuters)

- **JODI: Saudi direct crude burn in July hits highest since 2017 –** Saudi Arabia burned 645k bpd of crude in power plants in July, more than at any time since September 2017, according to data published by the Joint Organisations Data Initiative (JODI). Direct burning of crude usually rises during the hottest summer months to meet increased demand for electricity to power air conditioning. Crude use is expected to spike this year amid soaring temperatures and as fewer Saudis travel overseas during the pandemic. (Bloomberg)
- **Fitch affirms Saudi Aramco at 'A'; outlook Stable –** Saudi Aramco's 'A' Long-Term IDR is constrained by that of its majority shareholder Saudi Arabia (A/Stable), given strong links between the company and the sovereign, in line with Fitch's Government-Related Entities (GRE) and Parent and Subsidiary Linkage (PSL) Rating Criteria. We assess Saudi Aramco's Standalone Credit Profile (SCP) at 'aa+'. Saudi Aramco is the world's largest oil producer. Its business profile is characterized by large scale production, vast reserves, low output costs and expansion into downstream and petrochemicals. Saudi Aramco's upstream operations are focused on a single country; compared with global oil and gas majors its operations are skewed towards crude oil production. Its financial profile benefits from strong pre-dividend free cash flow generation (FCF) and rising but still conservative leverage. Saudi Aramco's financial profile is conservative versus that of international integrated oil producers. Fitch projects that at end-2021 Saudi Aramco's funds from operations (FFO) net leverage will amount to 1.0x, compared with that of Royal Dutch Shell (AA-/Stable, 1.0x), Total SE (AA-/Stable, 1.4x) and BP (A/Stable, 2.2x). At end-2019 Saudi Aramco was in a net cash position, and the increase in leverage has been driven by a combination of its acquisition of SABIC, dividend distributions and low oil prices. Leverage at Upper End: Fitch projects that Saudi Aramco's leverage for 2020-2023 will remain on the upper end of our sensitivities for the current SCP of FFO net leverage of 1x, and that the company may need to take additional measures to bring gearing in line with its own targets (5%-15% through the cycle), such as disposals or dividend cuts. The company's exceptionally high reserve life of over 50 years allows for flexibility around the timing and amount of capex without compromising production volumes, in turn allowing Saudi Aramco to free up additional liquidity without adversely affecting its credit profile, if needed. (Zawya)
- **Fitch assigns Saudi Electricity Company's green Sukuk final rating –** Fitch Ratings has assigned Saudi Electricity Company's (SEC) green Sukuk certificates, \$650mn due 2025, and \$650mn due 2030, issued through Saudi Electricity Global SUKUK Company 5 (SEGSC5), a final rating of 'A-'. The rating is in line with SEC's Long-Term Issuer Default Rating (IDR) and senior unsecured rating of 'A-'. Proceeds from the Sukuk certificates will finance and/or refinance in whole or in part green projects focused on procurement and installation of smart meters as well as construction and operation of infrastructure for connecting renewable energy sources to the grid, as further described in SEC's Green Sukuk Framework. SEGSC5 is also the trustee of the certificates. It is an exempted company with limited liability incorporated in the Cayman Islands and has been established for the sole purpose of issuing the certificates and is wholly owned by SEC. The assignment of the final rating follows the receipt of documents conforming to information already received. The final rating is the same as the expected rating assigned to the senior unsecured debt on September 9, 2020.
- **UAE will fully meet its OPEC+ commitment this month –** UAE's oil production will not exceed its OPEC+ quota in September, Energy Minister, Suhail Al Mazrouei said at press briefing following a meeting of the Joint Ministerial Monitoring Committee (JMMC). The country reaffirmed full support and commitment to the OPEC+ deal. Output rose in August due to tremendous increase in electricity demand. It will make compensatory cuts in October and November and has notified the JMMC of the volumes. (Bloomberg)
- **Eni has proposed building bio-refineries in Abu Dhabi –** Italy's Eni has proposed building bio-refineries in Abu Dhabi, the energy group's Chief Executive, Claudio Descalzi said on Thursday. The Italian oil major has been focusing on developing new clean technologies in recent years as it steps up preparations for a decarbonized future. "Technology becomes a bargaining chip to speak a different language, in areas that are oil and gas," Descalzi said. Eni has recently made a series of oil and gas agreements in Abu Dhabi, including buying a 20% stake in ADNOC Refining. (Reuters)
- **TAQA makes private bond placements of AED1.08bn in Morocco –** Abu Dhabi National Energy Co. (TAQA), makes AED1.08bn in private bond placements in Morocco to diversify its funding base in the country. Placement was "substantially" oversubscribed; resulted in reduction in debt cost of over 20% and extension to debt maturity date by 11 years to March 2038. Issuance follows the option to extend power purchase agreement between TAQA Morocco and Office National de l'Electricité et de l'Eau Potable for an additional 17 years in respect to units 1-4 of its Jorf Lasfar power plant. It stated that TAQA Morocco generates electricity to meet more than 40% of the country's demand. (Bloomberg)
- **Abu Dhabi-backed ADQ acquires 22% of courier Aramex –** Abu Dhabi-backed holding company ADQ said on Thursday it has acquired about a 22% stake in Dubai-based courier Aramex, making it the company's biggest shareholder. The purchase was executed through a series of on-market transactions and an off-market special deal, ADQ said. "Aramex is a global leader in logistics and transportation, and will complement our logistics investments... as we work to expand the logistics ecosystem in the UAE," ADQ's Acting Chief Investment Officer for M&A and alternative investments, Murtaza Hussain said. ADQ, which was established in 2018, owns strategic assets such as Abu Dhabi Ports, Abu Dhabi Airport and bourse operator ADX. The group has also been buying assets in the commodities and agriculture sectors, including General Holding Corporation (Senaat), which has subsidiaries trading in agri-food and industrial assets. (Reuters)
- **Kuwait's IFA agrees on settling KD24.98mn loan –** International Financial Advisors (IFA) has reached an agreement with a bank to settle a loan valued at KD24.98mn, excluding the interest rate due on May 30, 2019. The company, listed on Boursa Kuwait and the Dubai Financial Market (DFM), will pay KD6mn as a settlement for the entire value of the loan in two installments, according to the company's disclosure to the DFM on Thursday. The company will repay the first installment at a total value of KD3mn within two weeks from September 15, 2020, while the second installment worth KD3mn will be paid off in December

2020. After completing the settlement expected in the fourth quarter 4Q2020, profits of KD18.98mn will be deducted as per the signed contract. Hence, the financial impact will be registered in the 4Q2020. It is noteworthy to mention that in April, the company announced accumulated losses of KD15.185mn, representing 56.93% of the capital ratio. (Zawya)

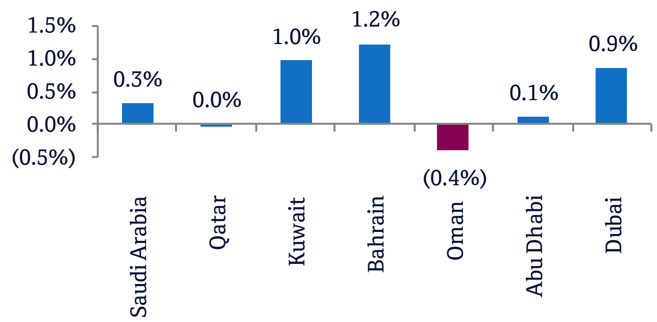
- **BPCL may buy Oman Oil's stake in Bharat Oman Refineries –** Bharat Petroleum Corp. Ltd. may acquire Oman Oil Company's stake in their joint venture Bharat Oman Refineries Ltd., Mint newspaper reported, citing sources. Oman Oil has so far not communicated its willingness to sell its stake to Bharat Petroleum, Director of finance at the Indian state-run firm, N Vijayagopal told the newspaper. Bharat Petroleum owns 63% stake in Bharat Oman Refineries. Bharat Petroleum will take a decision on converting its warrants which will increase the company's stake in Bharat Oman Refineries by 11 percentage points to equity at a later stage. (Bloomberg)
- **S&P: Bahrain banks' asset quality to dwindle but remain contained for now –** Property prices in Bahrain will fall at an accelerated pace while banks will face pressure on profits towards the end of 2020 due to the coronavirus pandemic and low oil prices, according to a new analysis. However, such deterioration, including a potential decline in asset quality indicators, will remain "broadly manageable" even under a base-case scenario, ratings agency S&P said on Thursday. The ratings agency noted that the measures carried out by the country's central bank have been effective so far. The authority has relaxed prudential requirements and asked banks to defer instalments for six months, in a bid to help the private and retail sectors cope with the pandemic. S&P cautioned that if the relief measures are not extended, the asset quality indicators of the country's banks will likely erode towards the end of 2020. The agency said it expects non-performing loans (NPL) ratio to near 10% this year compared to 8% in 2019, while credit losses are likely to more than double to 180 basis points (bps) in 2020-2021 from 80 bps in 2019. "These estimates remain consistent with our current view of Bahrain's economic risks, as per our Banking Industry Country Risk Assessment (BICRA)," S&P said. The country's GDP is forecast to drop by 5% this year, while the slowdown in larger Gulf economies will also weigh on Bahrain's small economy. (Zawya)
- **Investcorp-Tages backs first hedge fund deal –** A joint venture of Investcorp Holdings and Tages Group is backing its first hedge fund since forming in May. The venture, Investcorp-Tages, made an anchor investment in Hickory Lane Capital Management, according to the company. The value of the commitment was not disclosed. Its seed deals will typically range from $50mn to $100mn, a spokesperson said. Investcorp-Tages, which manages $6.4bn, plans to invest in more hedge fund managers at a time when signs are emerging that the industry is back in favor. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,950.86	0.3	0.5	28.6
Silver/Ounce	26.78	(0.9)	0.2	50.0
Crude Oil (Brent)/Barrel (FM Future)	43.15	(0.3)	8.3	(34.6)
Crude Oil (WTI)/Barrel (FM Future)	41.11	0.3	10.1	(32.7)
Natural Gas (Henry Hub)/MMBtu	1.56	(5.5)	(19.2)	(25.4)
LPG Propane (Arab Gulf)/Ton	50.88	(1.5)	7.1	23.3
LPG Butane (Arab Gulf)/Ton	58.50	(2.5)	12.5	(11.9)
Euro	1.18	(0.1)	(0.1)	5.6
Yen	104.57	(0.2)	(1.5)	(3.7)
GBP	1.29	(0.4)	0.9	(2.6)
CHF	1.10	(0.3)	(0.3)	6.2
AUD	0.73	(0.3)	0.1	3.8
USD Index	92.93	(0.0)	(0.4)	(3.6)
RUB	75.73	0.7	0.9	22.2
BRL	0.19	(2.8)	(1.3)	(25.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,367.99	(0.7)	(0.0)	0.4
DJ Industrial	27,657.42	(0.9)	(0.0)	(3.1)
S&P 500	3,319.47	(1.1)	(0.6)	2.7
NASDAQ 100	10,793.28	(1.1)	(0.6)	20.3
STOXX 600	368.78	(0.3)	0.5	(6.3)
DAX	13,116.25	(0.3)	(0.4)	4.8
FTSE 100	6,007.05	(0.6)	0.8	(22.2)
CAC 40	4,978.18	(0.8)	(0.9)	(12.0)
Nikkei	23,360.30	0.6	1.5	3.0
MSCI EM	1,108.53	0.2	1.5	(0.5)
SHANGHAI SE Composite	3,338.09	2.0	3.4	12.6
HANG SENG	24,455.41	0.5	(0.2)	(12.8)
BSE SENSEX	38,845.82	(0.2)	(0.2)	(8.8)
Bovespa	98,289.70	(3.3)	(0.7)	(36.0)
RTS	1,228.64	(1.2)	0.5	(20.7)

Source: Bloomberg (*$ adjusted returns)

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