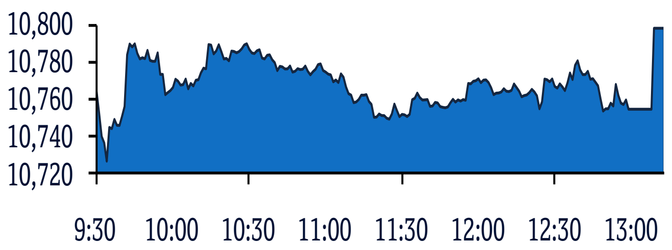
Daily Market Report

Thursday, 21 January 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 10,799.2. Gains were led by the Industrials and Telecoms indices, gaining 1.7% and 1.6%, respectively. Top gainers were Qatari German Company for Medical Devices and Dlala Brokerage & Investment Holding Company, rising 10.0% and 4.7%, respectively. Among the top losers, INMA Holding fell 4.0%, while Masraf Al Rayan was down 2.2%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 8,878.3. Losses were led by the Telecom and Food & Beverages indices, falling 1.1% and 1.0%, respectively. Arabian Cement declined 3.4%, while Dallah Healthcare Co. was down 3.2%.

Dubai: The DFM Index gained 1.4% to close at 2,792.3. The Consumer Staples and Discretionary index rose 2.9%, while the Services index gained 2.4%. Emirates Refreshments Company rose 14.8%, while Deyaar Development was up 6.1%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 5,676.2. The Real Estate index rose 7.8%, while the Insurance index gained 1.3%. ALDAR Properties rose 8.1%, while Gulf Cement Company was up 7.6%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 5,681.2. The Utilities index rose 2.3%, while the Oil & Gas index gained 2.1%. Metal & Recycling Company rose 20.6%, while Dar Al Thuraya Real Estate Company was up 19.4%.

Oman: The MSM 30 Index gained 1.0% to close at 3,715.8. Gains were led by the Industrial and Financial indices, rising 1.4% and 0.7%, respectively. Al Madina Investment Co. rose 9.1%, while Galfar Engineering & Contracting was up 8.2%.

Bahrain: The BHB Index fell 0.3% to close at 1,447.6. The Services index declined 1.1%, while the Commercial Banks index fell 0.2%. Nass Corporation declined 2.4%, while Bahrain Telecommunication Company was down 1.7%.

Market Indicators	20 Jan 21	19 Jan 21	%Chg.
Value Traded (QR mn)	614.4	559.6	9.8
Exch. Market Cap. (QR mn)	626,034.0	624,526.4	0.2
Volume (mn)	221.7	226.1	(1.9)
Number of Transactions	11,849	13,745	(13.8)
Companies Traded	45	46	(2.2)
Market Breadth	23:21	19:24	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,761.14	0.3	(1.1)	3.5	18.3
All Share Index	3,307.59	0.1	(1.0)	3.4	19.0
Banks	4,328.24	(0.5)	(1.6)	1.9	15.2
Industrials	3,280.78	1.7	(0.5)	5.9	29.3
Transportation	3,595.86	0.9	(0.1)	9.1	16.4
Real Estate	1,949.78	(0.3)	1.2	1.1	17.2
Insurance	2,498.05	0.2	(2.3)	4.3	N.A.
Telecoms	1,129.61	1.6	0.7	11.8	16.8
Consumer	8,210.28	(0.2)	(0.5)	0.8	29.2
Al Rayan Islamic Index	4,346.39	(0.1)	(1.2)	1.8	20.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Aldar Properties	Abu Dhabi	3.60	8.1	58,387.6	14.3
Emirates NBD	Dubai	11.95	4.4	3,311.6	16.0
Industries Qatar	Qatar	12.09	3.3	1,729.3	11.2
Bank Dhofar	Oman	0.10	3.0	167.3	7.2
Ooredoo Oman	Oman	0.42	2.5	349.9	6.6

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates Telecom. Group	Abu Dhabi	20.14	(3.2)	5,975.1	19.2
SABIC Agri-Nutrients	Saudi Arabia	90.60	(2.6)	251.6	12.4
Masraf Al Rayan	Qatar	4.42	(2.2)	5,919.3	(2.4)
Bahrain Telecom. Co.	Bahrain	0.59	(1.7)	524.7	(1.7)
Advanced Petrochem. Co.	Saudi Arabia	64.10	(1.5)	303.2	(4.3)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	3.14	10.0	22,710.3	40.4
Dlala Brokerage & Inv. Holding Co.	1.84	4.7	9,880.3	2.5
QLM Life & Medical Insurance Co.	3.76	4.3	3,875.8	19.2
Qatar First Bank	1.81	3.6	30,702.3	5.2
Industries Qatar	12.09	3.3	1,729.3	11.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.81	3.6	30,702.3	5.2
Ezdan Holding Group	1.77	(0.4)	24,042.9	(0.3)
Qatari German Co for Med. Devices	3.14	10.0	22,710.3	40.4
Salam International Inv. Ltd.	0.64	(0.6)	14,261.1	(1.2)
Investment Holding Group	0.56	(0.4)	13,650.6	(5.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
INMA Holding	5.30	(4.0)	4,055.9	3.6
Masraf Al Rayan	4.42	(2.2)	5,919.3	(2.4)
Qatar Industrial Manufacturing	3.05	(1.6)	338.8	(4.8)
Al Khalij Commercial Bank	2.15	(1.2)	1,585.2	17.0
Qatari Investors Group	1.82	(1.2)	563.4	0.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.43	(0.4)	107,562.8	3.4
Qatari German Co for Med. Dev.	3.14	10.0	68,668.7	40.4
Qatar First Bank	1.81	3.6	54,978.3	5.2
Ezdan Holding Group	1.77	(0.4)	43,284.8	(0.3)
Masraf Al Rayan	4.42	(2.2)	26,285.6	(2.4)

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*	10,799.22	0.3	(1.1)	3.5	3.5	168.18	171,157.7	18.3	1.6	3.6
Dubai	2,792.31	1.4	3.3	12.1	12.1	155.04	100,694.9	13.2	1.0	3.5
Abu Dhabi	5,676.15	0.3	7.8	12.5	12.5	193.47	218,440.7	22.7	1.6	4.3
Saudi Arabia	8,878.30	(0.3)	(0.2)	2.2	2.2	1,681.14	2,433,371.2	35.5	2.1	2.4
Kuwait	5,681.16	0.1	0.4	2.4	2.4	117.08	106,643.5	36.3	1.4	3.5
Oman	3,715.81	1.0	2.1	1.6	1.6	6.46	16,687.8	13.4	0.7	6.8
Bahrain	1,447.55	(0.3)	(0.8)	(2.8)	(2.8)	6.08	22,066.1	14.1	1.0	4.6

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

Qatar Market Commentary

- The QE Index rose 0.3% to close at 10,799.2. The Industrials and Telecoms indices led the gains. The index rose on the back of buying support from Arab and Foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- Qatari German Company for Medical Devices and Dlala Brokerage & Investment Holding Company were the top gainers, rising 10.0% and 4.7%, respectively. Among the top losers, INMA Holding fell 4.0%, while Masraf Al Rayan was down 2.2%.
- Volume of shares traded on Wednesday fell by 1.9% to 221.7mn from 226.1mn on Tuesday. However, as compared to the 30-day moving average of 181.9mn, volume for the day was 21.9% higher. Qatar First Bank and Ezdan Holding Group were the most active stocks, contributing 13.8% and 10.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	46.34%	53.17%	(41,949,604.8)
Qatari Institutions	19.03%	14.98%	24,906,206.0
Qatari	**65.37%**	**68.15%**	**(17,043,398.8)**
GCC Individuals	0.86%	0.92%	(360,386.9)
GCC Institutions	1.39%	5.66%	(26,218,299.9)
GCC	**2.25%**	**6.58%**	**(26,578,686.8)**
Arab Individuals	11.35%	11.05%	1,867,222.1
Arab Institutions	0.00%	0.01%	(74,953.8)
Arab	**11.35%**	**11.06%**	**1,792,268.3**
Foreigners Individuals	3.80%	4.19%	(2,368,011.8)
Foreigners Institutions	17.22%	10.03%	44,197,829.1
Foreigners	**21.02%**	**14.22%**	**41,829,817.3**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Yanbu National Petrochemical Co.	Saudi Arabia	SR	1,378.6	-7.0%	371.3	103.7%	332.7	94.7%
International Holdings Co.*	Abu Dhabi	AED	7,059.9	460.7%	–	–	3,019.8	497.2%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/20	US	Mortgage Bankers Association	MBA Mortgage Applications	15-Jan	-1.9%	–	16.7%
01/20	UK	UK Office for National Statistics	CPI MoM	Dec	0.3%	0.2%	-0.1%
01/20	UK	UK Office for National Statistics	CPI YoY	Dec	0.6%	0.5%	0.3%
01/20	EU	Eurostat	CPI YoY	Dec	-0.3%	-0.3%	-0.3%
01/20	EU	Eurostat	CPI MoM	Dec	0.3%	0.3%	0.3%
01/20	Germany	German Federal Statistical Office	PPI MoM	Dec	0.8%	0.3%	0.2%
01/20	Germany	German Federal Statistical Office	PPI YoY	Dec	0.2%	-0.4%	-0.5%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
IHGS	INMA Holding Group	25-Jan-21	4	Due
GWCS	Gulf Warehousing Company	26-Jan-21	5	Due
QIIK	Qatar International Islamic Bank	26-Jan-21	5	Due
QNCD	Qatar National Cement Company	27-Jan-21	6	Due
CBQK	The Commercial Bank	27-Jan-21	6	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	6	Due
QIGD	Qatari Investors Group	1-Feb-21	11	Due
VFQS	Vodafone Qatar	2-Feb-21	12	Due
UDCD	United Development Company	3-Feb-21	13	Due
QAMC	Qatar Aluminum Manufacturing Company	4-Feb-21	14	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	7-Feb-21	17	Due
QCFS	Qatar Cinema & Film Distribution Company	8-Feb-21	18	Due
IQCD	Industries Qatar	8-Feb-21	18	Due
DHBK	Doha Bank	8-Feb-21	18	Due
QEWS	Qatar Electricity & Water Company	14-Feb-21	24	Due
ORDS	Ooredoo	14-Feb-21	24	Due
QIMD	Qatar Industrial Manufacturing Company	14-Feb-21	24	Due

Source: QSE

News

Qatar

- **Qatar Airways to resume flights to UAE on January 27 –** Qatar Airways will resume flights to the UAE, starting with services to Dubai on January 27, followed by Abu Dhabi on January 28, it was announced on Wednesday. Qatar Airways flights will start with a double-daily service to Dubai and one daily flight to Abu Dhabi, the airline said in a tweet. Passengers in the UAE will have the ability to connect to the largest network in the region with over 800 weekly frequencies to more than 120 destinations, the airline added. (Gulf-Times.com)
- **Egypt and Qatar agree to resume diplomatic ties, Cairo says –** Egypt and Qatar have agreed to resume diplomatic relations, the Egyptian foreign ministry said on Wednesday, making Cairo the first to officially do so under an Arab deal to end a long-running dispute with Doha. (Reuters)
- **PM instructs government entities to announce tenders, auctions on unified website –** Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani has instructed that all government agencies and bodies funded by the state must commit to announce all tenders and auctions on the unified website for government tenders. The aim is to ensure justice, transparency and equal opportunities, and providing information to investors on the needs of government agencies. This came as the PM, chairing the Cabinet's regular meeting on Wednesday, listened to the presentation made by HE Minister of Finance on the progress of work on the unified site for government tenders. The Cabinet also listened to the explanation provided by HE Minister of Public Health on the latest developments to limit the spread of the coronavirus (COVID-19). The Cabinet affirmed the continuation of work with regard to the precautionary measures that have been taken in order to combat the pandemic. (Qatar Tribune)
- **QFLS posts 19.1% YoY decrease but 75.8% QoQ increase in net profit in 4Q2020, above our estimate –** Qatar Fuel Company's (QFLS, WOQOD) net profit declined 19.1% YoY (but rose 75.8% on QoQ basis) to QR278.7mn in 4Q2020, above our estimate of QR246.7mn (variation of +13.0%). In FY2020, QFLS' net profit (excluding minority rights) amounted to QR707.4mn, compared to an amount of QR1,216.4mn achieved in the past year FY2019, representing a decrease rate of 41.8%. Earnings per share for the period amounted to QR0.71, compared to QR1.22 for the past year, while shareholders' equity decreased by about 1.3% to reach about QR8.6bn compared to QR8.7bn for FY2019. The decline in net profit and earnings per share was attributed to the slowdown caused by the spread of the COVID-19 pandemic, which the company managed to reduce its negative impact by taking several proactive steps and initiatives to ensure continuity of its business under these critical circumstances, in addition to the continuation of the company's efforts to implement its policy of increasing efficiency and rationalizing expenditures, which had a significant impact on reducing the decline in profits achieved compared to 2019. The CEO and Managing Director, Saad Rashid Al Muhannadi stated that there was an upward trend in results for the third and fourth quarters of 2020 driven by increased fuel sales and the market recovery from COVID-19 pandemic impacts. Based on the company's profits in 2020, and taking into account the requirements of current and future projects that the company intends to establish through the approved five-year business plan, the Board has recommended to the company's Annual shareholders' general assembly scheduled for March 8, 2021 to approve a cash dividend distribution to shareholders of QR0.46/share. In terms of the company's operations, Saad Rashid Al Muhannadi explained that year 2020 witnessed a decrease in total sales of petroleum products by about 21%, compared to the same period in 2019, due to supply and demand factors and the negative effects of the Corona pandemic, where diesel sales decreased by 9%, Super gasoline by 10%, premium gasoline by 9%, jet fuel by -33%, bitumen by 60%, LPG by 3%,

and oil retail sales across gas stations decreased by 2% compared to the year 2019 results. On the other hand, sales of bunker fuel and natural gas increased by 7% and 13%, respectively, compared to the same period in 2019, while non-oil retail sales revenues, including Sidra sales, increased by 11%, due to the opening of several new petrol stations. In this regard, Al Muhannadi pointed out that the company has supported the non-oil retail services sector by marketing its automotive service products (oils and greases) through tie-up with international manufacturers of these products. The Board reviewed and approved the current and future projects that the company plans to establish, where the company has opened one technical inspection center, and 12 new petrol stations, thus increased the number of stations operating by the end of 2020 to 108 stations, and the number of technical inspection centers reached 12 centers. The first quarter of 2021 will witness the completion of the construction and operation of three new stations, in addition to five other stations to be completed in year 2021. Al Muhannadi explained that the company has a dynamic plan for the construction of new petrol stations, which will be periodically reviewed according to the demand conditions and the need for petrol stations. Based on the expansion of the petrol stations construction as mentioned above, the share of WOQOD in the petroleum retail market increased by 3% to about 85% compared to the previous year 2019. (QNB FS Research, QSE, Peninsula Qatar)

- **QNB Group witnesses overwhelming response for its $1bn bond issue –** QNB Group, the largest financial institution in the Middle East and Africa, has witnessed overwhelming response from global investors for its $1bn fixed-rate bond issue, indicating the growing confidence of international investing community in Qatar and the bank. "The Reg S issue attracted strong interest from investors globally and was arranged by Credit Agricole CIB, HSBC, Mizuho, QNB Capital and Standard Chartered Bank (together joint lead managers)," QNB Group said in its regulatory filing with the Qatar Stock Exchange. This success confirms the trust of international investors in QNB Group's strategy and the strength of its financial position, it said. The lender successfully completed the bond issuance under its Euro Medium Term Note (EMTN) program and listed on the London Stock Exchange. The issuance was part of QNB Group's ongoing strategy to ensure diversification of funding in terms of type, tenor and geography. Qatar's corporate sector is increasingly inclined towards global debt markets because of the prevailing low rate regime, given the robust bailout measures adopted by the various governments. (Gulf-Times.com)
- **QSE: QGMD affirms no information affecting increase in trading volume on its shares –** Qatari German Company for Medical Devices (QGMD) has affirmed that there is no undisclosed information or decisions affecting the increase in trading volume of its shares, Qatar Stock Exchange (QSE) said. Based on the principle of disclosure and transparency, QSE had consulted QGMD regarding the high volume of trading of its shares. In the response, the company stated that there was no information or decisions that were not disclosed affecting the increase in trading volume of its shares, QSE said in a statement on its website. QSE noted that the QGMD affirmed its full commitment to laws and legislations related to the principles of disclosure and transparency, and its keenness on the interests of dealers. The shares of QGMD gained 9.98% to reach QR3.14 a share on at the end of the trade on Wednesday. The volume of trading on the share reached 22.71mn shares, with the liquidity of QR68.67mn, through the implementation of 1,005 transactions. (Qatar Tribune)
- **Potential acquisition by GWCS' subsidiary –** In compliance with the acquisition and merger code issued by Qatar Financial Markets Authority No. (2) for the year 2014, including Article No (5) which states "A listed company must immediately disclose to the authority and the market its intention to submit a potential offer and any initial understanding of a potential offer that has been made among the concerned persons". Accordingly, Gulf Warehousing Company (GWCS) would like to disclose its intention (possible proposal) for an indirect acquisition by a subsidiary of GWC Q.P.S.C (GWC Chemicals LLC) a fully owned entity, which intends to acquire Aerochem Logistics WLL and their chemical storage facility for the purpose of expanding its activities. (QSE)
- **QCFS to disclose its annual financial results on February 08 –** Qatar Cinema & Film Distribution Company (QCFS) will disclose its financial statement for the period ending December 31, 2020 on February 08, 2021. (QSE)
- **IQCD board of directors meeting on February 08 –** Industries Qatar (IQCD) has announced that its board of directors will be holding a meeting on February 08, 2021 to discuss the financial results of the company for the financial year ended December 31, 2020 and other items related to year-end closing activities. (QSE)
- **Al Rayan Qatar ETF to disclose its annual financial statements on January 28 –** Al Rayan Qatar ETF will disclose its financial statements for the year ended December 31, 2020 on January 28, 2021 (QSE)
- **PSA: Qatar posts robust 5.6% real growth in 3Q2020 –** A strong rebound in wholesale and retail trade, hospitality, utilities, information and communication, and manufacturing sectors helped Qatar post a robust 5.6% QoQ real growth in the third quarter of 2020, according to official data. An healthy 9% inflation-adjusted growth in the non-hydrocarbons and a 0.7% in mining and quarrying sectors led the country's GDP at constant prices (base year 2013) reach QR171.66bn in the review period, according to figures released by the Planning and Statistics Authority (PSA). On a yearly basis, the country's real GDP fell 4.5% in the third quarter of 2020 with mining sector and non-mining sectors declining 3.6% and 5% respectively; even as the agriculture sector saw a robust 4% expansion. The International Monetary Fund (IMF) has estimated that Qatar's real growth in 2020 would be subdued but will rebound in 2021. Qatar's expected 5% growth next year is in contrast to an estimated 4.3% decline this year on account of the Covid-19 pandemic, the IMF said, and the country's forecasted real economic growth in 2021 will be better than the 4.7% averaged for the Middle East North Africa and Pakistan region. Within non-hydrocarbons, on a quarterly basis, the wholesale and retail trade sector is estimated to have surged 65.3%, accommodation and food (49.8%), utilities (21.3%), information and communication (12.8%), manufacturing (9%), real estate (7.8%), finance and insurance (7.2%)and

construction (1%); while transport and storage was down 0.5%. (Gulf-Times.com)

- **Real Estate trading exceeds QR1bn –** The total value of real estate transactions in the sales contracts registered with the Real Estate Registration Department of the Ministry of Justice from January 10 to 14 reached QR1.187bn. The types of real estate traded included plots of land, houses, residential buildings, a residential complex and a commercial building. Most of the trading took place in the municipalities of Doha, Al Rayyan, Al Da'ayen, Umm Salal, Al Shamal, Al Wakrah, Al Khor and Al Dhakira. The volume of real estate circulation during the period from January 3 to 7 was QR365.666mn. (Qatar Tribune)

International

- **Biden rolls back Trump policies on wall, climate, health, Muslims –** US President Joe Biden signed 15 executive actions shortly after being sworn on Wednesday, undoing policies put in place by his Republican predecessor, Donald Trump, and making his first moves on the pandemic and climate change. Signing several actions in front of reporters in the Oval Office on Wednesday afternoon, Biden said there was "no time to waste" in issuing the executive orders, memorandums and directives. "Some of the executive actions I'm going to be signing today are going to help change the course of the COVID crisis, we're going to combat climate change in a way that we haven't done so far and advance racial equity and support other underserved communities" said Biden. "These are just all starting points" Aides said the actions the Democratic president signed included a mask mandate on federal property and for federal employees, an order to establish a new White House office coordinating the response to the coronavirus, and halting the process of withdrawing from the World Health Organization. Biden signed a document to begin the process of re-entering the Paris climate accord and issued a sweeping order tackling climate change, including revoking the presidential permit granted to the contentious Keystone XL oil pipeline. Among a raft of orders addressing immigration, Biden revoked Trump's emergency declaration that helped fund the construction of a border wall and ended a travel ban on some majority-Muslim countries. On the economic front, Biden asked the US Centers for Disease Control and Prevention to extend a moratorium on evictions until the end of March, and the Department of Education to suspend student loan payments until the end of September. (Reuters)
- **Biden White House pledges data, transparency, respect for free press –** President Joe Biden's press secretary held her first news conference on Wednesday, seven hours after Biden's inauguration, vowing to bring truth and transparency back to government. Jen Psaki, who served as the chief spokeswoman at the State Department under former President Barack Obama, told reporters she had a "deep respect for the role of a free and independent press in our democracy." Marking a contrast to former President Donald Trump and his top aides' treatment of what they called "the fake news media," Psaki pledged professional, civil exchange. "There will be moments when we disagree, and there will certainly be days where we disagree for extensive parts of the briefing even, perhaps," she said. "But we have a common goal, which is sharing accurate information with the American people." Biden plans to "bring transparency and truth back to the government to share the truth, even when it's hard to hear," she said. Psaki said she expected to hold daily briefings at the White House on weekdays, and to make available health officials to explain efforts to get the COVID-19 pandemic under control. (Reuters)
- **Biden swiftly begins sweeping away Trump's immigration barriers –** US President Joe Biden signed half a dozen executive orders on Wednesday to reverse several hardline immigration policies put in place by former President Donald Trump, although migration experts warn that it will take months or longer to unravel many of the restrictions imposed in the past four years. In a sharp departure from his Republican predecessor, Biden, a Democrat, just hours after being sworn in also sent an immigration bill to Congress that proposes opening a path to citizenship for millions of immigrants living in the US unlawfully. The executive actions, signed at a ceremony at the White House, included immediately lifting a travel ban on 13 mostly Muslim-majority and African countries, halting construction of the US-Mexico border wall and reversing a Trump order preventing migrants who are in the US illegally from being counted for congressional districts. Biden also signed a memorandum directing the Department of Homeland Security (DHS) and the US attorney general to preserve the Deferred Action for Childhood Arrivals (DACA) program, which protects migrants who came to the country as children from deportation, and reversed Trump's executive order calling for stricter immigration enforcement away from the country's international borders. (Reuters)
- **Biden looks to galvanize COVID-19 fight, vaccinations as he takes office –** President Joe Biden attempted to jump-start the US government's response to the coronavirus pandemic on Wednesday, signing a string of executive orders intended to lead a country reeling from its worst public health crisis in more than a century. Biden takes office a day after the US marked a total of 400,000 deaths from COVID-19 since the pandemic began spreading widely last March. Vaccination programs have lagged far behind the target of 20mn Americans inoculated by the end of 2020. "We're entering what may be the toughest and deadliest period of the virus and must set aside politics and finally face this pandemic as one nation," Biden, a 78-year-old Democrat, said in his inauguration speech. The US has reported nearly 200,000 new COVID-19 infections and 3,000 deaths per day on a seven-day rolling average, according to Reuters data. More than 123,000 Americans were hospitalized with COVID-19 as of Wednesday. The actions Biden signed on Wednesday included a mask mandate on federal property and for federal employees, an order to establish a new White House office coordinating the response to the virus and halting the process of withdrawing from the World Health Organization, aides said. The Biden administration also intends to join the COVAX alliance, an initiative led by the World Health Organization and two other groups that seeks to secure greater access to COVID-19 vaccines for poor countries. (Reuters)
- **UK inflation starts climb as effects of COVID and Brexit combine –** British inflation gathered speed in December, starting what is expected to be a climb this year as pandemic-fighting measures, Brexit and a recovery in the economy

combine to push up costs for consumers and businesses. Consumer prices rose 0.6% in annual terms after a 0.3% increase in November, the Office for National Statistics said. A Reuters poll of economists had pointed to a rate of 0.5%. A temporary easing of COVID-19 travel restrictions helped to push up air and sea fares while a rise in global oil prices made fuel more expensive and the price of clothes also rose. Inflation has been below the Bank of England's 2% target since mid-2019 and the COVID-19 pandemic pushed it close to zero as the economy tanked. But it is likely to rise as the impact of value-added tax cuts and other emergency pandemic measures fade from the statistical comparisons, and because of Britain's new, less open trading relationship with the European Union. A Reuters poll of economists published last week showed inflation is likely to rise to close to the BoE's 2% target by the end of this year, and some like Capital Economics think it will peak at 2.5%. But economists see little pressure on the BoE to start raising interest rates from their all-time low any time soon with Britain's economy still about 10% smaller than before the pandemic. Samuel Tombs, an economist with Pantheon Macroeconomics, said a rise in unemployment after the end of the government's job protection scheme - scheduled for April - was likely to keep a lid on domestic inflation pressures. (Reuters)

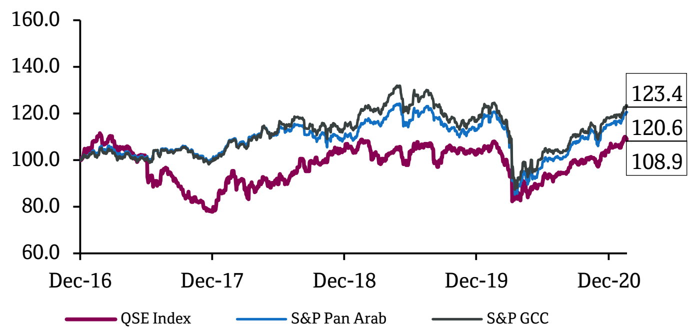
- **The Times: British to face ban on entering EU under German plan to shut borders –** European governments would be allowed to ban all UK residents from entering their countries and cut all passenger transport links with Britain under a German proposal to the European Union, the Times reported on Thursday. EU member states are free to impose temporary bans on entry and on transporting passengers entering from non-EU countries with virus variant areas, the Times reported bit.ly/3iyBdkk, citing a draft proposal reviewed by the newspaper. Separately, the EU is prepared to ease post-Brexit border friction if Britain drops its plan to create a "Singapore on the Thames", Times reported bit.ly/3iEbCH2 citing diplomatic sources. (Reuters)
- **EU welcomes Biden's decision for US to re-join Paris climate accord –** The European Union welcomed the decision by President Joe Biden for the US to re-join the Paris Agreement on climate change, European Commission Executive Vice-President Frans Timmermans said bit.ly/2Kx6702 late on Wednesday. Biden on Wednesday began signing executive actions, which among others, addressed climate change and initiated the process of the US rejoining the Paris climate accord. Former US President Donald Trump withdrew the US from the Paris deal. (Reuters)
- **Japan's exports post first annual gain in two years in December –** Japan's exports rose for the first time in two years in December, driven by shipments to China, government data showed, offering a glimmer of hope for policymakers counting on an export-led recovery amid a resurgence of the coronavirus. A recovery in exports may ease the risk of a double-dip recession, while the Bank of Japan is seen upgrading its growth forecast for next fiscal year at its rate review ending Thursday. The central bank is expected to stand pat on policy. Still, the pace of recovery in Japan's shipments paled in comparison with neighboring export hubs such as China, Taiwan and South Korea, all of which saw a double-digit growth led by global demand for chip and tech products. The Ministry of Finance data out on Thursday showed Japan's exports rose 2.0% in December from a year earlier, slightly below a 2.4% increase expected by economists in a Reuters poll but up from a 4.2% decline in the previous month. It marked the first annual increase since November 2018. In a worrying sign, however, car exports fell 4.2% in the year to December, with shipments to the European Union plunging 32.2%. The fall comes as carmakers like Toyota Motor Corp and Nissan Motor Co Ltd are set to cut vehicle production this month due to a shortage of semiconductors as demand rebounds from the coronavirus crisis. For the full year 2020, Japan's car exports fell 20% – the biggest decline since shipments more than halved during the 2009 global financial crisis – making it the main culprit behind overall yearly export decline of 11.1%, the data showed. (Reuters)
- **BOJ revises up next year's growth forecast, holds fire on policy –** The Bank of Japan (BOJ) kept monetary policy steady on Thursday and revised up its economic forecast for next fiscal year, signaling that it has delivered sufficient stimulus for now to cushion the blow from the COVID-19 pandemic. As widely expected, the central bank kept unchanged its target for short-term interest rates at -0.1% and that for 10-year government bond yields around 0% in a two-day rate review. In a quarterly review of its projections, the BOJ trimmed its economic forecast for the current year ending in March to a 5.6% contraction from the previous forecast for a 5.5% decline. But it revised up its growth projection for next fiscal year to a 3.9% expansion from a 3.6% increase forecast in October. Deputy Governor Masayoshi Amamiya was absent from the meeting because a relative took the PCR test for the coronavirus, the BOJ said. The BOJ eased policy twice last year mostly by ramping up asset purchases and creating a new facility to funnel funds via financial institutions to cash-strapped firms hit by COVID-19. (Reuters)
- **China worries about lagging consumption as broader economy shakes off COVID –** China will be looking to tweak its economic policies to get consumers to spend more, policy advisers in Beijing said after retail sales emerged as a weak spot in better-than-expected GDP data, underlining the need for reform. They said that while supporting employment was key in the short run, reforms to help fatten ordinary people's wallets were needed to boost domestic spending - a priority for President Xi Jinping's "dual circulation" strategy to cut China's reliance on overseas markets. The advisers are influential in Beijing, and their recommendations are likely to be considered. Calls for deepening reforms to spur domestic consumption have been rising since Xi unveiled the dual circulation strategy last year. Allowing more migration to cities, increasing the minimum wage, and easing restrictions like one on the sale of cars in big metros could be some of the policy initiatives to be considered, the advisers said. China's economy grew 2.3% in 2020, according to official data this week, making it likely the only major economy that expanded last year. But retail sales fell 3.9% over the full year, marking the first contraction since 1968, and final consumption dragged on growth for the first time in at least four decades, the data showed. (Reuters)

Regional

- **Saudi Arabia pips Russia to be China's biggest oil supplier in 2020 –** Saudi Arabia, the world's biggest oil exporter, beat Russia to keep its ranking as China's top crude supplier in 2020, Chinese government data showed on Wednesday. Oil demand in China, the world's top oil importer, remained strong last year even as the coronavirus crisis hammered global appetite. Chinese imports rose 7.3% to a record of 542.4mn tons or 10.85mn bpd. Saudi shipments to China in 2020 were rose 1.9% from a year earlier to 84.92mn tons, or about 1.69mn bpd, data from the General Administration of Chinese Customs showed. Russia was a close second with shipments of 83.57mn tons, or 1.67mn bpd, up 7.6% from 2019, the data showed. In December, Saudi supplies were 6.94mn tons, down 0.8% from the same month a year earlier, while Russian volumes fell 15.7% to 6.2mn tons. (Reuters)
- **Saudi Arabia raises SR2.96bn from domestic Sukuk offering –** Saudi Arabia has raised SR2.96bn from January's local currency Sukuk offering, the Ministry of Finance said in a statement on Wednesday. The first tranche is of SR2.08bn due in 2028, the second tranche of SR880mn is due in 2033. (Bloomberg)
- **Brookfield, KKR said to eye $10bn Aramco pipeline stake –** Brookfield Asset Management Inc. and KKR & Co. are among top infrastructure investors weighing bids for a stake in Saudi Aramco's oil pipelines, sources said. Apollo Global Management Inc. has also been studying whether to make an offer, the sources said. The stake sale could fetch Aramco around $10bn, the sources said. The world's top oil producer has asked for expressions of interest and aims to receive non-binding offers next month, according to sources. The sale could also draw interest from Chinese investment funds. Some bidders may team up given the size of the transaction, the people said. Aramco has been seeking to raise funds by selling stakes in non-core assets, mirroring a strategy adopted by Abu Dhabi National Oil Co. An investor group including Brookfield and GIC Pte invested $10.1bn in ADNOC's natural-gas pipelines last year. While large Canadian pension funds often pursue such assets, some may shy away from the Aramco deal given political tensions between their government and Saudi Arabia, according to the people. Deliberations are at an early stage, and details of the potential transaction could change, the sources said. (Bloomberg)
- **Saudi's NCB tightens guidance for Tier 1 Sukuk, orders top $4.8bn –** National Commercial Bank (NCB), Saudi Arabia's biggest lender, has set the yield for Tier 1 US dollar-denominated Sukuk at 3.5%, a document showed on Wednesday, which will be the lowest-ever launch yield for perpetual bonds from the Gulf. It received over $5.3bn in orders for the perpetual Islamic bonds, for which it had given initial price guidance of around 4.125% earlier on Wednesday, documents from one of the banks arranging the deal showed. NCB is seeking to raise $1bn via the Sukuk, two financial sources said. The deal is expected to close later on Wednesday. (Zawya)
- **Moody's: Post-merger, NCB Cap to become Saudi's largest asset management firm –** Moody's Investors Service expects the potential merger between Saudi Arabia's National Commercial Bank (NCB) and Samba Financial Group to reinforce NCB's asset management arm. "If successfully executed, the merger will bring long-term benefits to NCB Capital including some product diversification into fixed income and alternative products, based on the assumption that NCB Capital shall be the surviving entity," it said in a note Wednesday. The two banks entered a binding merger agreement in 3Q2020 following which the parent banks approved the merger of the capitals between NCB Capital and Samba Capital & Investment Management Company (Samba Capital) once the banks merger has been completed. The merger, subject to regulatory approval, will reinforce the position of the merged entity as Saudi Arabia's biggest asset manager, based on assets under management (AUM), the ratings agency said. The company will also gain access to a new client and business-partner base. As of end of September 2020, NCB Capital had a 31% market share in Saudi Arabia, making it the largest player, while Samba Capital had a 4% share, occupying the sixth position. Moody's estimates that the merged entity will have a combined market share of around 35% -40%. NCB Capital's AUM will increase by about 12% -15%, pro-forma as of September 2020, creating a dominant player in the market, assuming that NCB Capital shall be the surviving entity. The entity will remain a small player on a global scale. According to Moody's, the merger poses some short-term downside risks. "Profitability will likely be negatively affected because of merger related expenses, but we expect synergies to support operational efficiency and profitability over time. The merger also raises initial integration risks, including a potential loss of focus on executing approved budgets and projects given the merged entity's large size." (Zawya)
- **Trump lifts tariffs on aluminum imports from UAE effective February 3 –** Outgoing President Donald Trump on Wednesday said he would exempt the UAE from a 10% tariff imposed on most aluminum imports in 2018, saying the two countries had reached a quota agreement that would restrict aluminum imports. In a proclamation issued by the White House shortly before the inauguration of President-elect Joe Biden, Trump said the agreement was reached given the important security relationship that existed between the two countries. UAE joins Argentina, Australia, Canada and Mexico, which have also been excluded from the aluminum tariffs. (Reuters)
- **UAE's November money supply rose 5.1% YoY –** The Central Bank of the UAE (CBUAE) published money supply, bank loans and assets data for November which showed that UAE's November money supply rose 5.1% YoY. The M1 money supply rose 1.6% MoM, M2 money supply fell 2.4% MoM, M3 money supply fell 2.2% MoM. (Bloomberg)
- **UAE phone firms Etisalat and Du to raise foreign ownership to 49% –** The boards of Etisalat and Du approve increasing foreign ownership limit to 49%, according to regulatory filings. Etisalat raises limit from 20%. Du said local and international telecom companies are not permitted to own shares in the company. (Bloomberg)
- **Dubai's December consumer prices fall 4.3% YoY and 0.4% MoM –** Dubai Statistics Center published Emirate of Dubai's consumer price indices for December which showed that consumer prices fell 4.3% YoY and 0.4% MoM. The prices fell 0.38% MoM in December. Annual inflation in 2020 was -3.02%. (Bloomberg)

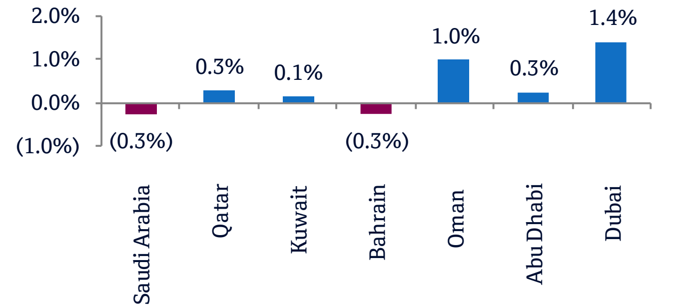
- **Masdar enters strategic deal with Emirates NBD Asset Management –** Abu Dhabi Future Energy Company (Masdar) has entered a strategic deal with Emirates NBD Asset Management to receive management services for the recently launched green fund. Masdar, wholly owned by Abu Dhabi's Mubadala Investment Company, announced last week its new real estate investment trust (REIT) with an initial valuation of AED950mn to AED1bn. The "Masdar Green REIT" has been established at the Abu Dhabi Global Market (ADGM) as a qualified investor fund (QIF), offering investors the opportunity to put their money in a portfolio of sustainable real estate assets, which initially include four commercial properties within Masdar City. With the new agreement, Masdar Capital Management and Emirates NBD Asset Management will able to share their "significant experience and expertise" in sustainable real estate and property asset management. (Zawya)
- **FAB to buy Egyptian business of Lebanon's Bank Audi –** First Abu Dhabi Bank (FAB) has agreed to buy the Egyptian business of Lebanon's Bank Audi in a deal which will make the largest lender in the UAE also one of the biggest foreign banks in Egypt. FAB's first international acquisition will increase its Egyptian business to more than $8bn in assets, while the sale proceeds will help Bank Audi's capitalization and financial resilience, the banks said in a joint statement on Wednesday. The sale of Bank Audi's assets in Egypt comes as Lebanese banks are face the country's worst financial crisis since its civil war. Bahrain's Bank ABC this week said it had agreed to buy the Egyptian subsidiary of Lebanon's Blom Bank for $427.30mn. The value of the deal to buy Bank Audi's Egypt unit, which had total assets of $5.3bn at the end of September last year, was not disclosed, but the two banks said it is expected to be completed within the next few months, with regulatory approvals in the UAE and Egypt still required. UBS advised FAB and EFG Hermes was adviser to Bank Audi on the deal, which came after talks between the two banks resumed late last year following a suspension in May during the coronavirus outbreak. (Reuters)
- **Morgan Stanley: Etisalat to lure $830mn with higher foreign cap –** Abu Dhabi-based telecom operator Etisalat would attract inflows in the order of $830mn if the company approves an increase in foreign ownership limit to 40% from 20%, according to Morgan Stanley. That is due to potential increase in weight in EM indexes compiled by MSCI (+$530mn, likely to happen in May), and FTSE Russell (+$300mn), analysts write in a note. For Dubai-based operator Du, which also said it aims to increase foreign ownership limit, liquidity metric is still below the necessary for inclusion, "therefore, in our view, the stock would not be added to MSCI EM despite any FOL change for now." Analysts highlight that earlier this week, First Abu Dhabi Bank disclosed more details of its ownership structure, which increases its chances to earn a higher weight within MSCI's index. The recent developments in the UAE are seen as supportive of a tactical overweight rating on the country's equities market. (Bloomberg)
- **Zee Stores acquires majority of Royal Horizon –** Zee Stores, a subsidiary of International Holdings Company (IHC), has acquired 60% of privately-held Royal Horizon Holding in exchange for AED80mn. Founded in 2008, Royal Horizon Holding is a distributor of soft commodities to government and private sector buyers in the UAE, according to a press release on Wednesday. The worth of acquisition is divided into AED40mn payable to shareholders and AED 40 million as a capital infusion to Royal Horizon. Commenting on the acquisition, the CEO of Zee Stores, Falal Ameen, said: "The majority acquisition of Royal Horizon gives us an immediate entry into the retail food space, with stores in Ajman, RAK, and Al Ain and a medium-term strategy of opening 4 more stores by 2025 and affording us over 138,000 sq/f of retail space for our combined 25,000+ food and retail products." (Zawya)
- **Sharjah Islamic Bank posts AED405.8mn net profit in FY2020 –** Sharjah Islamic Bank's (SIB) net profits decreased to AED405.8mn in FY2020 compared to AED545.5mn for the year 2019, a decline of 25.6%. The bank reported an increase in its operating profits before provisions by 8.7%, amounting to AED697.7mn, compared to AED642.1mn for the same period last year. The bank has been prudent to hedge the potential risks owing to the difficult economic conditions and has made a provision on its financial assets amounting to AED255.8mn, compared to AED96.8mn from the last year. As a result, the. SIB successfully attracted more deposits during the period as customer deposits increased by 23% to reach AED33.6bn in December 31, 2020 compared to AED27.3bn at the year-end December 31, 2019. (ADX)
- **Oman sells OMR100mn 2024 bonds at yield of 4.86%; bid-cover at 1.5x –** Oman sold OMR100mn of bonds due in January 20, 2024 on January 18, 2021. Investors offered to buy 1.5 times the amount of securities sold. The bonds were sold at a price of 99.695, have a yield of 4.86% and settled on January 20, 2021. (Bloomberg)
- **Bahrain gets $2bn in bond sale after deficit spike –** Bahrain sold $2bn in three-tranche bonds on Wednesday, a document showed, after the coronavirus pandemic and low oil prices exacerbated its fiscal deficit and pushed total outstanding debt to nearly $40bn. The debt sale comes amid uncertainty over future fiscal help for the small oil-producing state, as wealthier Gulf neighbors who have previously come to Bahrain's aid have their own financial woes to deal with. It sold $500mn in a seven-year tranche at 4.25%, $1bn in 12-year bonds at 5.25% and $500mn in 30-year notes at 6.25%, the document from one of the banks arranging the deal showed. Bahrain had given initial price guidance of around 4.875% for the seven-year tranche, around 5.75% for the 12-year and around 6.75% for the 30-year - tightening after it received more than $10.15bn in orders. Bahrain's fiscal deficit is estimated to have more than doubled to $4.4bn last year, compared with a budgeted $2.1bn, according to a bond prospectus reviewed by Reuters, that cited preliminary estimated figures. That pushed its deficit to 14% of GDP, compared with a budgeted 7% and a deficit that was 5% of GDP in 2019. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,871.84	1.7	2.4	(1.4)
Silver/Ounce	25.84	2.4	4.3	(2.1)
Crude Oil (Brent)/Barrel (FM Future)	56.08	0.3	1.8	8.3
Crude Oil (WTI)/Barrel (FM Future)	53.24	0.5	1.7	9.7
Natural Gas (Henry Hub)/MMBtu	2.60	0.0	(7.1)	9.2
LPG Propane (Arab Gulf)/Ton	85.25	(4.2)	(10.3)	13.3
LPG Butane (Arab Gulf)/Ton	84.75	(7.4)	(9.2)	13.0
Euro	1.21	(0.2)	0.2	(0.9)
Yen	103.54	(0.3)	(0.3)	0.3
GBP	1.37	0.2	0.5	(0.1)
CHF	1.12	(0.1)	0.2	(0.5)
AUD	0.77	0.7	0.6	0.7
USD Index	90.48	(0.0)	(0.3)	0.6
RUB	73.51	(0.2)	(0.2)	(1.2)
BRL	0.19	1.3	0.1	(1.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,761.48	1.1	1.7	2.7
DJ Industrial	31,188.38	0.8	1.2	1.9
S&P 500	3,851.85	1.4	2.2	2.6
NASDAQ 100	13,457.25	2.0	3.5	4.4
STOXX 600	410.84	0.6	0.8	2.0
DAX	13,921.37	0.7	1.1	(0.0)
FTSE 100	6,740.39	0.5	0.3	4.3
CAC 40	5,628.44	0.4	0.4	0.4
Nikkei	28,523.26	(0.1)	0.2	3.6
MSCI EM	1,400.97	1.4	3.2	8.5
SHANGHAI SE Composite	3,583.09	0.7	0.7	4.1
HANG SENG	29,962.47	1.1	4.9	10.1
BSE SENSEX	49,792.12	1.1	1.8	4.5
Bovespa	119,646.40	(0.0)	(1.3)	(1.8)
RTS	1,486.90	1.1	0.9	7.2

Source: Bloomberg (*$ adjusted returns)

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