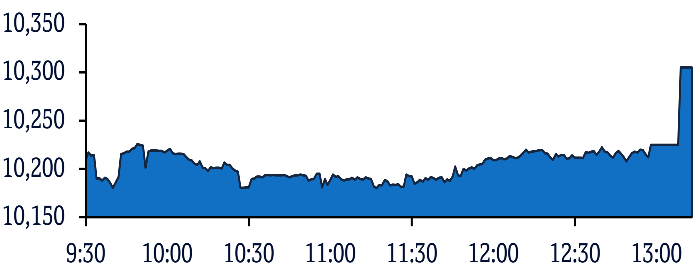
Daily Market Report

Sunday, 21 March 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.9% to close at 10,305.0. Gains were led by the Telecoms and Industrials indices, gaining 1.6% and 1.3%, respectively. Top gainers were Medicare Group and Vodafone Qatar, rising 5.5% and 4.5%, respectively. Among the top losers, Qatar Insurance Company fell 2.5%, while Investment Holding Group was down 2.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.2% to close at 9,486.0. Losses were led by the Banks and Telecom. Services indices, falling 2.2% and 1.0%, respectively. Advanced Petrochem. declined 4.0%, while National Petrochem. was down 3.9%.

Dubai: The DFM Index gained 0.1% to close at 2,603.9. The Consumer Staples and Discretionary index rose 4.2%, while the Telecommunication index gained 1.1%. Emirates Refreshments Co. rose 15.0%, while Dubai Refreshment Co. was up 8.0%.

Abu Dhabi: The ADX General Index fell 0.2% to close at 5,735.7. The Telecommunication and Real Estate indices declined 1.1% each. Sharjah Cement & Industrial Dev. declined 10.0%, while Abu Dhabi Aviation Co. was down 2.3%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 5,802.8. The Oil & Gas index rose 1.1%, while the Insurance index gained 0.9%. Gulf Investment House rose 9.2%, while Real Estate Trade Centers Co was up 7.3%.

Oman: The MSM 30 Index gained 0.4% to close at 3,753.5. Gains were led by the Financial and Industrial indices, rising 0.5% and 0.3%, respectively. National Bank of Oman rose 2.1%, while Madina Takaful was up 2.0%.

Bahrain: The BHB Index gained 0.1% to close at 1460.5. The Commercial Banks index rose 0.4%, while the Services index gained 0.3%. Nass Corporation rose 8.1%, while INOVEST Company was up 1.7%.

Market Indicators	18 Mar 21	17 Mar 21	%Chg.
Value Traded (QR mn)	921.6	396.9	132.2
Exch. Market Cap. (QR mn)	597,498.4	592,782.7	0.8
Volume (mn)	392.0	173.4	126.1
Number of Transactions	13,519	10,702	26.3
Companies Traded	48	47	2.1
Market Breadth	23:22	16:28	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,371.38	1.1	1.2	1.5	19.2
All Share Index	3,266.73	0.9	1.1	2.1	19.8
Banks	4,259.32	1.2	1.4	0.3	15.3
Industrials	3,333.13	1.3	0.7	7.6	37.0
Transportation	3,501.73	(0.0)	(1.0)	6.2	23.7
Real Estate	1,833.95	0.2	(0.5)	(4.9)	17.6
Insurance	2,582.94	(1.7)	3.2	7.8	96.0
Telecoms	1,056.98	1.6	4.0	4.6	24.7
Consumer	8,076.71	0.3	1.2	(0.8)	27.2
Al Rayan Islamic Index	4,386.28	1.5	1.4	2.7	20.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	4.74	4.1	5,206.1	7.7
Industries Qatar	Qatar	12.10	2.1	2,502.5	11.3
National Bank of Oman	Oman	0.15	2.1	575.9	(6.9)
HSBC Bank Oman	Oman	0.10	2.0	1,984.6	13.2
Qatar Islamic Bank	Qatar	16.20	1.9	2,556.8	(5.3)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Oman Arab Bank	Oman	0.15	(8.0)	66.6	(21.1)
Advanced Petrochem. Co.	Saudi Arabia	67.50	(4.0)	1,015.6	0.7
National Petrochem. Co.	Saudi Arabia	37.75	(3.9)	119.2	13.5
Al Rajhi Bank	Saudi Arabia	91.80	(3.7)	7,360.9	24.7
Yanbu National Petro. Co.	Saudi Arabia	66.30	(3.5)	956.1	3.8

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%
Medicare Group	10.00	5.5	1,140.1	13.1
Vodafone Qatar	1.68	4.5	32,691.9	25.5
Qatar Aluminium Manufacturing	1.19	4.2	123,458.9	23.1
The Commercial Bank	4.74	4.1	5,206.1	7.7
Mannai Corporation	3.33	3.1	2,539.2	11.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	1.19	4.2	123,458.9	23.1
Baladna	1.67	1.6	51,759.6	(6.9)
Vodafone Qatar	1.68	4.5	32,691.9	25.5
Salam International Inv. Ltd.	0.65	(1.2)	27,826.9	(0.2)
Investment Holding Group	0.74	(2.4)	23,317.5	24.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Company	2.50	(2.5)	2,267.6	5.8
Investment Holding Group	0.74	(2.4)	23,317.5	24.0
INMA Holding	4.93	(1.6)	1,115.1	(3.7)
Al Khaleej Takaful Insurance Co.	2.71	(1.5)	956.5	42.8
Alijarah Holding	1.24	(1.3)	5,231.0	0.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Aluminium Manufacturing	1.19	4.2	148,854.8	23.1
QNB Group	17.40	0.5	130,048.1	(2.4)
Masraf Al Rayan	4.17	(0.3)	94,786.8	(8.1)
Baladna	1.67	1.6	87,353.4	(6.9)
Vodafone Qatar	1.68	4.5	54,354.3	25.5

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*	10,304.95	0.9	0.8	1.6	(1.3)	248.75	161,264.8	19.2	1.5	2.9
Dubai	2,603.91	0.1	1.2	2.1	4.5	72.55	97,316.8	21.4	0.9	3.7
Abu Dhabi	5,735.69	(0.2)	1.8	1.3	13.7	360.14	220,247.2	22.9	1.6	4.3
Saudi Arabia	9,485.96	(1.2)	(1.1)	3.7	9.2	2,867.33	2,491,420.6	36.8	2.2	2.2
Kuwait	5,802.82	0.1	1.1	2.7	4.6	236.57	109,486.9	55.5	1.4	3.3
Oman	3,753.46	0.4	1.4	3.9	2.6	4.85	17,051.6	12.1	0.7	7.3
Bahrain	1,460.52	0.1	(0.6)	(0.4)	(2.0)	1.88	22,310.5	35.9	0.9	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 0.9% to close at 10,305.0. The Telecoms and Industrials 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.
- Medicare Group and Vodafone Qatar were the top gainers, rising 5.5% and 4.5%, respectively. Among the top losers, Qatar Insurance Company fell 2.5%, while Investment Holding Group was down 2.4%.
- Volume of shares traded on Thursday rose by 126.1% to 392.0mn from 173.4mn on Wednesday. Further, as compared to the 30-day moving average of 215.5mn, volume for the day was 81.9% higher. Qatar Aluminium Manufacturing Company and Baladna were the most active stocks, contributing 31.5% and 13.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	31.40%	29.88%	14,001,442.2
Qatari Institutions	17.09%	22.32%	(48,175,132.3)
Qatari	**48.49%**	**52.20%**	**(34,173,690.1)**
GCC Individuals	1.27%	3.16%	(17,371,123.5)
GCC Institutions	2.25%	2.27%	(238,091.3)
GCC	**3.52%**	**5.43%**	**(17,609,214.8)**
Arab Individuals	9.46%	8.12%	12,384,503.1
Arab Institutions	0.02%	0.03%	(51,496.5)
Arab	**9.48%**	**8.14%**	**12,333,006.6**
Foreigners Individuals	1.91%	1.97%	(512,511.7)
Foreigners Institutions	36.60%	32.27%	39,962,409.9
Foreigners	**38.51%**	**34.23%**	**39,449,898.2**

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
Zamil Industrial Investment Co.*	Saudi Arabia	SR	3,383.0	-16.2%	(60.8)	N/A	(159.9)	N/A
AXA Cooperative Insurance Co.*	Saudi Arabia	SR	1,417.8	0.6%	–	–	19.5	-14.1%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/18	US	Department of Labor	Initial Jobless Claims	13-Mar	770k	700k	725k
03/18	US	Department of Labor	Continuing Claims	6-Mar	4,124k	4,034k	4,142k
03/18	US	Bloomberg	Langer Consumer Comfort	14-Mar	48.6	–	49.4
03/18	UK	Bank of England	Bank of England Bank Rate	18-Mar	0.10%	0.10%	0.10%
03/19	UK	GfK NOP (UK)	GfK Consumer Confidence	Mar	-16	-20	-23
03/19	Germany	German Federal Statistical Office	PPI MoM	Feb	0.70%	0.80%	1.40%
03/19	Germany	German Federal Statistical Office	PPI YoY	Feb	1.90%	2.00%	0.90%
03/19	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Feb	-0.40%	-0.40%	-0.60%

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
QOIS	Qatar Oman Investment Company	22-Mar-21	1	Due
MRDS	Mazaya Qatar Real Estate Development	24-Mar-21	3	Due

Source: QSE

News

Qatar

- **DHBK authorizes several banks to work jointly on group investor meetings –** Doha Bank (DHBK) has mandated ING as sole Global Coordinator and Joint Lead Manager and Barclays, Credit Suisse, Deutsche Bank, J.P. Morgan, Mizuho Securities, MUFG, and QNB Capital as Joint Lead Managers to organize a series of investor calls. A benchmark five-year fixed rate US Dollar-denominated senior unsecured Regulation bond (in registered form) transaction under Doha Bank's $2bn Euro medium term note program will follow, subject to market conditions. (QSE)
- **MCCS to hold its AGM on April 7 –** Mannai Corporation (MCCS) announced that the General Assembly Meeting (AGM) will be held on April 7, via videoconferencing at 04:30 pm. In case of not completing the legal quorum, the second meeting will be held on April 14, 2021, via videoconferencing at 04:30pm. The agenda includes – (1) Discussing and approving the company's balance sheet and profit and loss account for the year ended December 31, 2020, and (2) Reviewing and approving the Board of Directors' proposal for a cash dividend payment of Qatari Dirham 1 per share, being 1% of the nominal share value, among others. (QSE)
- **ORDS eyes 30% of Indonesian market after Hutch deal completes –** Ooredoo (ORDS) is eyeing as much as 30% of the market share in Indonesia after completing a merger involving its unit in the country. CK Hutchison Holdings Ltd and Ooredoo started talks last year to combine their Indonesian wireless phone businesses to fend off competition in Southeast Asia's biggest market by subscribers. Ooredoo has a 65% stake in PT Indosat, which surged as much as 16% in Jakarta, taking gains this year to more than 30%. Negotiations are ongoing and the companies are awaiting regulatory approvals, Ooredoo's Managing Director, Aziz Aluthman Fakhroo said in an interview with Bloomberg Television. "Hopefully we will get there by the end of this year. In 2020, Indosat managed to be the number two player in Indonesia, with market share around 17%. The combination with Hutch will put us as a clear number two, taking us to 27%-30% revenue market share in Indonesia," Fakhroo said. Indosat is also nearing completion of the sale of 4,000 towers, which analysts expect to happen before the end of the exclusive negotiations for the merger. Fakhroo said that while he can't comment on those sales, the company has close to 20,000 towers across its operations and can extract quite significant value from them. Ooredoo is also considering expanding its digital payments and sales segments, which Fakhroo said are "big areas of focus," as peers in the Gulf move on with plans to invest more in fintechs. (Gulf-Times.com)
- **Ooredoo Oman announces the resignation of its CEO –** Ooredoo (ORDS) announced that Ooredoo Oman has accepted Mr. Ian Dench's resignation from his post as Chief Executive Officer, effective June 30, 2021. The appointment of the new Ooredoo Oman CEO will be announced in due course. (QSE)
- **QFBQ successfully exits CMRC Limited for $31.5mn –** Qatar First Bank (QFBQ) has announced its successful exit of its $31.5mn investment in CMRC Limited, one of its private equity investments in the Middle East. With the successful exit the bank achieved a net IRR (internal rate of return) of 19%. In 2015, QFB acquired an adjusted stake of 13.5% in CMRC Limited, the leading medical rehabilitation center in the Gulf region. The company's turnover has increased from $15mn in 2015, to more than $54mn in 2020. The successful exit of QFBQ's investment in CMRC comes in line with the bank's strategic decision to further strengthen its liquidity provision, balance sheet and to focus on exploring further investment opportunities. The bank's recent transaction also comes in line with its plans to explore new markets and industries, and to expand its investments to new locations and regions around the world. (Gulf-Times.com)
- **WOQOD eyes 90% market share by 2021 end –** Qatar Fuel Company (WOQOD) is aiming to increase its market share in the country to 90% by increasing the number of petrol stations. The share of the company in the petroleum retail market reached 85% at the end of last year. "Due to the expansion of petrol stations, the share of WOQOD in the retail market of petroleum products has increased to about 85% by the end of 2020, and we are currently working to raise this percentage to 90% by the end of this year," said Saad Rashid Al Muhannadi, CEO and Managing Director, WOQOD, in the latest Annual Report of the company. "As for the technical inspection centers, we have opened and operated one more center, and therefore the number of active centers has reached 12 centers. Also, we have opened 20 new Sidra Shops for consumer products, including three shops designated in metro stations," he said. WOQOD's share in the petroleum retail market was 82% in 2019 as it had total 96 petrol stations at the end of the year. The company, which is the largest fuel retailer in Qatar, currently has 109 petrol stations in the country. At the end of the 2020, the total count of the petrol stations was 108. The company opened Al Mearad -3 petrol station in February that raised its network of petrol stations to 109. According to the latest Annual report, the company plans to open eight new petrol stations during the current year, which would increase the total number of stations in the country to 116. "The first quarter of 2021 will witness the completion of the construction and commissioning of three new stations, in addition to five more stations expected to be completed in 2021," said Saad Rashid Al Muhannadi in the annual report. (Peninsula Qatar)
- **IGRD to holds its AGM on April 13 –** Investment Holding Group (IGRD) announced that the General Assembly Meeting (AGM) will be held on April 13, 2021, virtually through a conference call at 09:00 pm. In case of not completing the legal quorum, the second meeting will be held on April 19, 2021, virtually through a conference call at 09:00 pm. The agenda includes (1) Review and approve the Balance Sheet statement and Profit or Loss statement and (2) Review the Board of Director's recommendation to forgo the dividends distribution for the financial year 2020, among others. (QSE)
- **Qatar Petroleum issues 'Invitation to Tender' package to ship owners for future LNG carrier fleet –** Qatar Petroleum issued an Invitation to Tender (ITT) for chartering LNG carriers for its future LNG shipping requirements, including its ongoing expansion projects in the North Field, which will raise Qatar's LNG production capacity from the current 77mn tons per year to 126mn tpy by 2027. The ITT package, which was issued to a

large group of LNG ship owners, aims at selecting world-class ship owners for the long-term time charter of LNG carriers to satisfy the future requirements of Qatar Petroleum and its subsidiaries. In addition to the North Field Expansion Project, the ITT package also covers the requirements for the LNG volumes that will be produced from the Golden Pass LNG export project in the US. Furthermore, the ITT includes options to replace time charters for a number of Qatar's LNG carriers that will expire in the next few years. On the occasion, HE the Minister of State for Energy Affairs Saad Sherida Al-Kaabi, also President and CEO of Qatar Petroleum, said, "The release of this ITT package reflects the steadfast progress Qatar Petroleum is making on the expansion of our LNG production capacity both in Qatar and abroad." Upon receiving the responses to the ITT, Qatar Petroleum will review bidders' technical and commercial capabilities with the objective of assigning selected ship owners to the shipyards' construction slots, which were previously reserved at a number of Chinese and Korean shipyards. Al-Kaabi concluded his remarks by saying, "As we have previously announced, Qatar Petroleum entered into agreements with major Korean and Chinese shipyards to reserve LNG ship construction capacity for building as many as 100 new LNG carriers to cater for the needs of North Field Expansion Project as well as for Qatar Petroleum's future LNG carrier fleet requirements, in what will be the largest LNG shipbuilding program in history. The release of this ITT package is a major milestone in our efforts towards securing the most qualified ship owners and operators for our future LNG carrier fleet." Qatar Petroleum has entrusted Qatargas with the management of this important ship-owner selection program on its behalf. (Gulf-Times.com)

- **IIF: Qatar weathers pandemic and low oil prices well –** Qatar's economy has weathered the pandemic and the plunge in oil prices relatively well than its Gulf neighbors, according to the Institute of International Finance (IIF), a US-based economic think-tank. "The contraction in the economy was less severe and the fiscal deficit (is) much lower than other GCC countries," the IIF said in its latest report. The economy was not impacted by the OPEC+ agreement as more than 70% of the hydrocarbon exports are in the form of natural gas and Qatar is not part of the OPEC+ oil production cuts, the IIF said. The IIF said the prospects stand to improve further with the resolution of the three-year-long GCC crisis, achieved early this year. The strong rebound in the economy, 3.3% growth for 2021, will be supported by increasing gas production and restoration of trade and financial flows with Saudi Arabia, the UAE and Bahrain, the report said, forecasting that Qatar's hydrocarbon sector is expected to grow 2.2% and non-oil by 4% this year. The IIF estimates that Qatar's real (inflation-adjusted) growth is expected to plateau at 3.3% in 2022 with hydrocarbons slated to expand by 3% and non-hydrocarbons by 3.5%. Qatar's inflation, based on consumer price index, is expected to rise 2.4% this year, which is then expected to moderate to 2.1% in 2022, the IIF said. Qatar's lower fiscal breakeven oil prices ($52 per barrel in 2021) and its large public foreign assets provide substantial fiscal space, it said, adding nonetheless, the authorities (have) rationalized non-priority spending and postponed non-World Cup-related investment projects. "The fiscal balance will shift from a small deficit in 2020 to a surplus of around 3% of GDP in 2021," it said, adding that the surplus could swell to more than 4% in 2022. (Gulf-Times.com)
- **Weekly real estate deal volume exceeds QR815mn –** The total value of real estate transactions in the sales contracts registered with the Real Estate Registration Department of the Ministry of Justice between March 7 to 11 was QR815.97mn. The types of real estate traded included plots of land, houses, residential buildings, and a residential complex. Most of the trading took place in the municipalities of Al Wakrah, Al Da'ayen, Doha, Al Rayyan, Al Khor, Al Dhakira, Umm Salal, and Al Shamal. The volume of real estate circulation during the period from February 28 to March 4 reached QR450.47mn. (Peninsula Qatar)
- **Minimum wage comes into effect from today –** In the implementation of Law No. 17 of 2020 regarding setting the minimum wage for workers and domestic workers, the Ministry of Administrative Development, Labour and Social Affairs has announced the implementation of the new minimum wage for all workers, starting from today. In this context, all companies must comply with the minimum wage of 1,000 Qatari Riyals and revise the employment contracts accordingly. As well as to allocate an allowance by the employer in the event that adequate housing and food for the worker or domestic worker are not provided, and the minimum housing allowance is QR500, the minimum food allowance is QR300, with the obligation to amend the employment contracts, the Ministry said in a statement on its website yesterday. Last September, the Ministry announced a six-month transition period to modify the conclusion of contracts so that employers could be able to prepare for the transition. (Peninsula Qatar)

International

- **IMF economist sees only 'transitory' bump in inflation from US stimulus –** President Joe Biden's $1.9tn US stimulus plan could trigger a temporary bump in consumer prices, but inflation was not likely to last long, International Monetary Fund Chief Economist Gita Gopinath said in an interview broadcast on Friday. Gopinath told National Public Radio that the US Federal Reserve had tools to address inflation if the increase in prices endured, but cautioned that a quick increase in interest rates could be "quite disorderly." Gopinath said she agreed with US Federal Reserve Board Chairman Jerome Powell that a surge in inflation to 2.4% this year, above the central bank's 2% target, would be a "one-time" bump in prices that would not change inflation going forward. "You're likely to see a transitory bump in inflation, but it's not going to last," Gopinath said, citing what she described as slack in the US labor market, the decreased sensitivity of inflation to slack in the market, and widespread expectations that inflation would be close to 2%. IMF officials have warned that central banks needed to stay vigilant against a sudden spike in rates. Gopinath said it would be important to keep an eye on inflation expectations, and if they started to point to a sustained increase, that could result in consequences. She noted that any Fed move to raise interest rates quickly if inflation did go up, versus a more gradual adjustment, could result in some turbulence. "The Fed does have tools, including raising interest rates, but it's … not necessarily going to be smooth," she said. "If you have to raise interest rates very quickly, that in the past has led to recessions." (Reuters)

- **US weekly jobless claims increase; mid-Atlantic factory activity near 50-year high –** The number of Americans filing new claims for unemployment benefits unexpectedly rose last week, but the labor market is regaining its footing as an acceleration in the pace of vaccinations leads to more businesses reopening. The improving health situation, combined with extremely accommodative monetary and fiscal policy, is boosting manufacturing, putting the economy on course for its fastest growth pace in 37 years this year. Factory activity in the mid-Atlantic region raced to its highest level in nearly 50 years in March, other data showed on Thursday. "It is best to look through the weekly ups and downs of initial claims," said Gus Faucher, chief economist at PNC Financial in Pittsburgh, Pennsylvania. "The labor market is set for a dramatic improvement through the rest of 2021." Initial claims for state unemployment benefits increased 45,000 to a seasonally adjusted 770,000 for the week ended March 13, from 725,000 in the prior week, the Labor Department said. Data for the prior week was revised to show 13,000 more applications received than previously reported. (Reuters)
- **UK furlough scheme pays out millions to foreign states and tax exiles –** Billionaire tax exiles, the British National party, Saudi royals and oil-rich Gulf states have claimed millions of pounds in taxpayer-funded furlough money, the Guardian can disclose. The revelations, based on analysis of government information, have sparked dismay among MPs at the use of a scheme designed to support struggling businesses and prevent mass unemployment, with one complaining of public money being scattered "like confetti". Beneficiaries behind companies that have drawn on the coronavirus job retention scheme include: Members of the Saudi royal family, Qataris behind Harrods and the Ritz, The ruler of Dubai, Tax exiles Jim Ratcliffe and Guy Hands, Billionaires Evgeny Lebedev, Len Blavatnik and Mohamed Al Fayed and The British National party. The government first published information about claimants last month, when it released data on the 750,000 businesses using the scheme in December 2020. Since then, details of some claimants have emerged, including Tony and Cherie Blair, and golf courses owned by Donald Trump. But many of the beneficiaries have remained hidden until now, often due to complex company ownership structures. The Guardian cross-referenced government data with Companies House filings that reveal who owns a controlling stake in UK businesses. (Bloomberg)
- **UK set to undershoot its still towering borrowing forecast –** Britain's borrowing to pay for the coronavirus crisis is likely to be a little less huge than forecast in the financial year about to end, but the deficit remains on course to be by far the biggest since World War Two. The government borrowed 19.1bn Pounds ($26.6bn) last month, less than the 21.0bn Pounds forecast in a Reuters poll although still a record for February. January's borrowing was revised down by 5.6bn Pounds, largely reflecting lower government procurement spending, the Office for National Statistics said. Finance minister Rishi Sunak responded to the COVID-19 crisis last year by ramping up spending on jobs and income protection, welfare and the health service and cutting taxes. That helped take the budget deficit in the first 11 months of the financial year to almost 279bn Pounds, the highest in peacetime relative to the size of the economy. The Office for Budget Responsibility said it was now likely that borrowing would come in below the estimate of almost 355bn Pounds that it made two weeks ago. The YTD figures published on Friday by the ONS do not include the 27.2bn Pounds of COVID-19 loan write-offs that the OBR estimates will need to be made. The OBR said the expected undershoot reflected greater under-spending by government departments than it had forecast. (Reuters)
- **GfK: UK consumer morale leaps in March to hit one-year high –** British consumer morale struck a one-year high this month as the public became increasingly confident that an economic recovery from the COVID-19 pandemic is approaching and that they would benefit directly, a survey showed on Friday. The monthly consumer confidence index from market research firm GfK rose to -16 from -23 in February. While still some way below the its long-run average of -9, the survey showed rising optimism in all of its components. Economists polled by Reuters had expected a smaller increase to -20. The readings came a day after the Bank of England said Britain's economic recovery was gathering pace thanks to the speed of COVID-19 vaccinations. But its policymakers are split over the prospects for longer-term improvement, dampening speculation about a reversal of stimulus. GfK said household expectations for the economic outlook and personal finances improved rapidly this month, with the latter hitting a three-year high. (Reuters)
- **UK borrows 19.1bn Pounds in February –** Britain's government borrowed 19.1bn pounds last month, less than the 21.0bn Pounds ($29.2bn) forecast in a Reuters poll, taking borrowing in the first 11 months of the financial year to almost 279bn Pounds, official data showed on Friday. (Reuters)
- **French Finance Minister keeps growth target after new restrictions –** Finance Minister Bruno Le Maire said he was maintaining a 6% growth target for the French economy in 2021 after the government imposed new restrictions to contain the COVID-19 pandemic in several French regions, including Paris. "I confirm our ambition to reach a 6% growth in 2021," he told France Inter radio on Saturday. (Reuters)
- **Japan's consumer price falls narrow on fuel cost gains –** The pace of annual declines in Japan's core consumer prices slowed for a second straight month in February, as rising fuel costs offset some of the downward pressure from sluggish household spending due to the coronavirus pandemic. The data comes ahead of the Bank of Japan's closely watched policy meeting that ends on Friday, where the bank will come up with ways to make its stimulus program more sustainable as the pandemic keeps inflation distant from its 2% target. The nationwide core consumer prices, which includes oil products but excludes fresh food prices, fell 0.4% in February from a year earlier, government data showed on Friday, matching a median market forecast. It followed a 0.6% decline in January. "Headline inflation recovered further in February due mainly to a pickup in energy inflation and should continue to rebound over the coming months as energy becomes a significant tailwind," said Tom Learmouth, economist at Capital Economics. Stripping away the effect of fresh food and energy, consumer prices rose

0.2% in February after increasing 0.1% in January, the data showed. Japan's economy expanded for two straight quarters after suffering its worst postwar slump in April-June last year due to lockdown measures imposed to contain the virus. Analysts expect the economy to contract again in the current quarter as renewed curbs to combat a third wave of infections hurt consumption. The BOJ's strategy is to keep borrowing costs ultra-low and wait for demand to rebound strongly enough to spur economic growth, a plan that is under threat by the pandemic. Japan's output gap, which indicates the difference between actual output of an economy and its maximum potential, stood at 20tn Yen ($183.37bn), Cabinet Office estimates showed on Friday. (Reuters)

- **Japan's malls and restaurants brace for Olympics without foreigners –** Shopping malls and restaurants in Japan will miss out on a business boom, as Tokyo expects to hold the Olympics without overseas spectators, dealing another blow to industries already on the ropes from the coronavirus. In the years leading up to the Games, developers have poured billions of dollars into shopping and dining complexes to serve an influx of foreigners, with major investments made in Tokyo's central Shibuya district, iconic for its scramble crossing. But the number of foreign visitors has dropped from nearly 32mn in 2019 to almost zero, causing the government to halt a spending survey that showed their consumption that year was worth $44bn. Now Tokyo 2020's expected decision to block foreigners from attending the Games means a boost the service sector was counting on to recover lockdown-related losses will not materialize. (Reuters)
- **China's soybean imports from Brazil plunged in January-February on cargo delays –** China's soybean imports from Brazil fell sharply in the first two months of 2021 compared to the same period last year, customs data showed on Saturday, as rain delayed some shipments from the top exporter. China, the world's top buyer of soybeans, brought in 1.03mn tons of the oilseed from Brazil in Jan-Feb, down nearly 80% from 5.14mn tons a year earlier, data from the General Administration of Custom showed. Rain in Brazil has slowed the harvest and exports in the South American country, forcing some crushers in China to consider curbing operations. Shipments from the US to China in Jan-Feb totaled 11.9mn tons, nearly double the volume of 6.1mn tons in the previous year. China stepped up purchases of US farm produce, including soybeans, after the two sides signed an initial trade deal in January 2020. China's total imports of soybeans in the first two months of 2021 fell 0.8% to 13.41m n tons. (Reuters)
- **Russian economy shrinks by 2.8% YoY in February –** Russia's GDP fell 2.8% YoY in February, the economy ministry said on Friday, compared to a drop of 2.2% YoY the previous month. After shrinking 3.1% in 2020, its sharpest contraction in 11 years, Russia's oil-dependent economy is set to recover to pre-crisis levels by the end of this year, the central bank said on Friday while raising interest rates. (Reuters)
- **Russia lifts interest rates amid rising inflation, geopolitical risks –** Russia's central bank raised its key interest rate to 4.5% on Friday, embarking on a monetary tightening cycle triggered by a weaker Rouble that pushed inflation higher and geopolitical risks that stirred market turmoil. Russia raised its key rate by 25 basis points, the first change since it cut the rate in July 2020 to a record low of 4.25% as the economy was rocked by the plunge in crude prices, the country's main export. The coronavirus pandemic has buffeted the economy, which is on track to rebound this year. "The economy is recovering with a greater confidence ... while inflationary pressure and inflationary risks have increased," Central Bank Governor Elvira Nabiullina said as she explained the rate decision. "In these conditions, we are starting to return to the neutral monetary policy," Nabiullina said, confirming the neutral rate range at 5%-6%. The decision to raise the rate was at odds with a Reuters poll that forecast Russia would keep the cost of lending steady before raising it later this year. The central bank said the economy was expected to recover to pre-pandemic levels before the end of 2021, saying it "holds open the prospect of further increases in the key rate at its upcoming meetings." ING Bank analysts said "a further 25-basis-point hike on 23 April appears to be a done deal." The central bank's move follows a recent depreciation in the rouble that was driven by fears of US sanctions on Russia. It was in line with rate moves by central banks in Brazil and Turkey this week. Annual inflation, the central bank's main focus, had spiked to 5.8% as of mid-March and is only expected to slow to the central bank's 4% target in the first half of 2022, later than previously expected, the bank said. (Reuters)
- **FGV: Brazil March industrial confidence lowest since August –** Brazilian industrial confidence fell in March for a third month to its lowest since last August, a survey showed on Friday, as a deadly second wave of the COVID-19 pandemic sweeps the country and triggers new lockdown measures in many states. The Fundacao Getulio Vargas's national industrial confidence index for March fell 4.0 points to a seasonally adjusted 103.9 from 107.9 in February, a preliminary reading showed. That is the lowest since August 2020, and a further slip from December's 10-year high. The current conditions index fell 4.1 points to 110.8 and the expectations index fell 4.0 points to 96.9, FGV said in a media release. This is the first time since August the expectations index has been below the "neutral" level of 100, it said. Capacity utilization fell 0.7 percentage points to 78.4%, the lowest since September, FGV said. (Reuters)

Regional

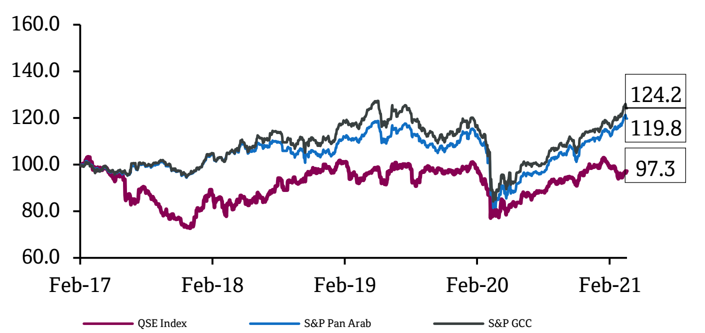
- **KPMG: GCC banks look to consolidate to boost profitability –** Banks in GCC are looking to consolidate to strengthen their profitability against the backdrop of Covid-19 pandemic and volatile oil prices, KPMG has said in a report. The year 2020 has been a challenging for banks operating in the region. For economies that are highly reliant on oil revenue, the volatile prices resulted in contractions in credit and equity markets along with global financial market developments and the underlying domestic vulnerabilities, KPMG noted. Despite the banking sector soundness that provided an important cushioning in the GCC to the oil price decline since 2014, liquidity conditions have started to tighten due to the recent dual shock. According to KPMG, the current unprecedented times of the pandemic have resulted in subdued business activity, especially for small and medium sized enterprise's (SME), which account for nearly 85%–90% of registered companies in the region. This has resulted in banks experiencing surge in non-performing loans or credit losses, further impacting net interest margins. In GCC, the overall net profit declined by 34.7%. (Gulf-Times.com)

- **Moody's: Rise in oil price could reduce external financing needs for GCC countries –** A $20 rise in oil price could enhance fiscal revenues by 5% to 10% in the Gulf countries and the current higher prices, if sustained, will reduce immediate government borrowing and external financing needs, especially for Qatar, according to Moody's, a global credit rating agency. Highlighting that in the past week, oil prices have risen to nearly $70 per barrel, up from $52 at the end of last year; Moody's said "if sustained during the rest of the year, higher oil prices will reduce the immediate government borrowing and external financing needs of GCC sovereigns, most significantly for Kuwait, Oman and Qatar." Despite still weak global oil demand, it said, crude oil prices have gained in anticipation of a strong economic recovery in 2021 on the back of the global vaccination drive and large government stimulus packages, especially in the US. The oil price rally has been supported by the greater than expected production restraint from the members of the OPEC, especially Saudi Arabia which announced in January that it would only produce around 8mn bpd in February and March (extending this later to April), nearly 15% less than the production schedule agreed last April and 18% less than the average daily production rate during 2016-20. (Gulf-Times.com)
- **Saudi's January crude exports hit highest in nine months –** Saudi Arabia's crude oil exports rose in January for a seventh straight month to the highest since April 2020, according to the Joint Organizations Data Initiative (JODI) website on Thursday. Crude exports from the world's biggest oil exporter rose to 6.582mn bpd in January from December's 6.495mn bpd. Total crude and oil products exports rose to 7.75mn bpd in January from 7.71mn bpd a month earlier. Saudi's crude output, meanwhile, climbed to 9.103mn bpd in January from 8.98mn bpd in December. The country's domestic refinery crude throughput rose to 2.343mn bpd while crude stocks fell to 137.207mn barrels in January. (Reuters)
- **Saudi says no impact on oil supplies in Aramco refinery attack –** Saudi Arabia said that drones attacked an Aramco refinery in Riyadh, resulting in a fire that was later controlled, with no impact on oil supplies, according to state-run Saudi Press Agency, which cited an official at the Energy Ministry. No casualties were reported. (Bloomberg)
- **Saudi Arabia fund provided firms with $4.5bn in loans last year –** The Saudi Industrial Development Fund (SIDF) gave 212 loans worth $4.5bn to companies last year, most of them small businesses, it said in a statement on Thursday. The loans went to 201 companies in areas including industry, mining, energy, and logistics, with 84% of the financing provided to small and medium enterprises. The government fund aims to promote industry in the kingdom as it seeks to transform its oil-dependent economy. (Reuters)
- **Saudi state carrier Saudia raises $3bn to fund aircraft orders –** State-owned Saudi Arabian Airlines (Saudia) has signed a financing agreement worth $3bn to partially finance requirements for aircraft it has ordered, the state airline said in a statement on Thursday. The amount covers the airline's aircraft financing requirements until mid-2024, helping finance the purchases of 73 aircraft, previously ordered, it said in a statement. The agreements were signed with Al Rajhi Bank, Saudi British Bank (SABB), Arab National Bank (ANB), Samba, Bank AlJazira, and Bank Albilad, while HSBC Saudi advised on the deal, it said. Saudia has ordered Airbus A320neo, A321neo, A321XLR, and Boeing 787-10 jets. (Reuters)
- **Binladin debt restructuring is about to get more scrutiny –** A debt restructuring proposal designed to prevent the collapse of construction giant Saudi Binladin Group may face more scrutiny from creditors. The lenders that want a bigger say in the process have held discussions with Rothschild & Co and may decide to appoint the investment bank in the coming weeks, the sources said. Talks are ongoing, and no final decisions have been made, sources said. Creditors may also choose to hire another advisor or none at all, they said. While it is not unusual for creditors to seek an independent counsel, they are acting almost a year after Binladin hired Houlihan Lokey Inc as an adviser for what would be one of the Middle East's biggest debt revamps. The plan is a response to what banks deem to be the lack of transparency that surrounds the process and an approach by Houlihan that they fear will result in a one-sided deal, according to the people. Houlihan has warned that it would consider resorting to Saudi bankruptcy regulations to overcome any dissent among lenders, they said. Houlihan said lenders are not coming under pressure. "Absolutely no discussions have been had with creditors around use of available tools to implement the deal" as the firm is "working with the company and its stakeholders towards a comprehensive recapitalization," Houlihan's Managing Director for the Middle East, Turkey and Africa, Arun Reddy said. (Gulf-Times.com)
- **CBUAE: UAE economy to grow 2.5% in 2021 after shrinking 5.8% last year –** The UAE economy contracted 5.8% last year but is likely to post 2.5% growth this year, The Central Bank of the UAE (CBUAE) said in a report on Thursday. The coronavirus crisis hit the Gulf state hard last year, both via the shock of low oil prices and the huge toll it took on vital non-oil economic sectors such as tourism. Real non-hydrocarbon gross domestic product declined by 5.7% last year, according to central bank estimates. Non-oil GDP is likely to grow 3.6% this year, however, while oil GDP is likely to remain flat because of production cuts agreed by OPEC and its allies, the central bank said. "Real non-oil GDP growth is expected to be driven by increasing fiscal spending, pick up in credit and employment, relative stabilization of the real estate market, boosted by recovery in confidence and the Dubai EXPO in 2021." The central bank expects to see a full economic recovery in 2022, with growth rising to a 3.5% rate. Events such as the Dubai Expo world fair scheduled to run from October this year to March 2022 as well as the soccer World Cup in Qatar next year are also likely to provide some support. (Reuters)
- **Dubai awards $147mn rail contract to Franco-Japanese group –** Dubai's Road and Transport authority said on Saturday it had awarded a $147mn contract for the operation and maintenance of its rail services to a French-Japanese consortium. The contract for the operation and maintenance of Dubai's metro and tram systems runs for 15 years, with nine initially and a 6-

year extension, from September 2021. The consortium includes Keolis, Mitsubishi Heavy Industries Engineering and Mitsubishi Corporation. The award of the contract follows a public tender released by the RTA, the Dubai authority said in a statement. (Reuters)

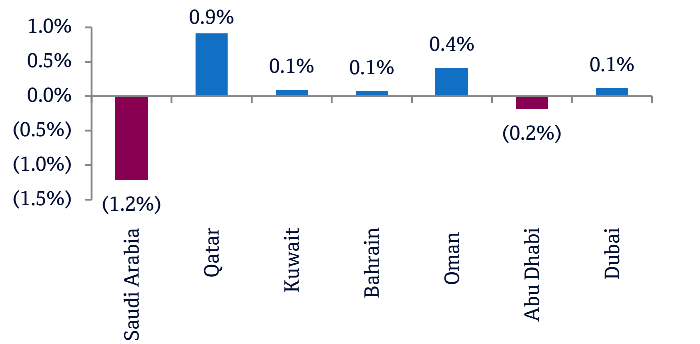
- **DP World optimistic for 2021 amid pent-up demand –** Ports operator DP World gave an optimistic outlook for 2021 on Thursday, citing pent-up demand for cargo and an easing of geopolitical tensions after the change of U.S. administration. Sultan Ahmed bin Sulayem, who is Chairman and Chief Executive of the Dubai state-owned global ports operator, said that demand and supply chain capabilities had also improved as a result of the coronavirus pandemic. "You are always cautious ... (but) the outlook this year looks good for many reasons," he said on a call with reporters after DP World reported a 29% fall in profit for 2020 compared with 2019, when it was inflated by a land sale. Bin Sulayem had cautioned during Donald Trump's time as president that trade tensions between the United States and other countries made for a challenging environment. (Reuters)
- **ADNOC Distribution plans to open 70-80 new stations in 2021 –** ADNOC Distribution plans to open 70-80 new stations in 2021. Of these, 30-35 new stations are expected to open in the UAE, including 12 to 18 stations in Dubai, ADNOC Distribution said in the annual report. It plans to add 40-45 new stations in Saudi Arabia. It includes 35 station acquisitions already announced and another 5-10 organic build outs. Targeting to become "a leading fuel operator" in Saudi by 2025. Evaluating potential inorganic growth opportunities in international markets, including Saudi Arabia. (Bloomberg)
- **Oman LNG offers spot cargo for April 29-May 1 delivery to Asia –** Oman LNG offers a cargo on a DES basis for April 29-May 1 delivery to ports in North Asia, according to traders with knowledge of the matter. (Bloomberg)
- **Muscat Finance - Long-Term National Rating revised to 'omA-' following recalibration of Oman national scale; outlook remains Stable –** Capital Intelligence Ratings (CI Ratings or CI) announced that it has revised the Long-Term rating on the Oman National Scale of Muscat Finance (MF) to 'omA-' from 'omBBB+'. The Short-Term rating on the same scale has been affirmed at 'omA2'. The Outlook on the ratings remains Stable. (Capital Intelligence)
- **National Finance Company's - Long-Term National Rating revised to 'omA-' following recalibration of Oman national scale; outlook remains Stable –** Capital Intelligence Ratings (CI Ratings or CI) announced that it has revised the Long-Term rating on the Oman National Scale of National Finance Company (NFC) to 'omA-' from 'omBBB+'. The Short-Term rating on the same scale has been affirmed at 'omA2'. The Outlook on the ratings remains Stable. (Capital Intelligence)
- **Ominvest's Corporate and National revised following Sovereign rating action and recalibration of Oman national scale; outlook remains Negative –** Capital Intelligence Ratings (CI Ratings or CI), announced that it has lowered the Long-Term Corporate Rating of Oman International Development and Investment Company (Ominvest) to 'BB' from 'BB+'. The Short-Term Corporate Rating remains unchanged at 'B'. The Outlook on the ratings remains Negative, in line with the sovereign outlook. (Capital Intelligence)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,745.23	0.5	1.0	(8.1)
Silver/Ounce	26.25	0.7	1.3	(0.6)
Crude Oil (Brent)/Barrel (FM Future)	64.53	2.0	(6.8)	24.6
Crude Oil (WTI)/Barrel (FM Future)	61.42	2.4	(6.4)	26.6
Natural Gas (Henry Hub)/MMBtu	2.44	0.0	(5.4)	2.4
LPG Propane (Arab Gulf)/Ton	88.63	1.0	(6.2)	17.8
LPG Butane (Arab Gulf)/Ton	94.75	1.1	(11.1)	36.3
Euro	1.19	(0.1)	(0.4)	(2.6)
Yen	108.88	(0.0)	(0.1)	5.5
GBP	1.39	(0.4)	(0.4)	1.5
CHF	1.08	(0.2)	0.0	(4.8)
AUD	0.77	(0.2)	(0.3)	0.6
USD Index	91.92	0.1	0.3	2.2
RUB	74.10	(0.3)	1.1	(0.4)
BRL	0.18	1.3	1.2	(5.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,796.14	(0.2)	(0.4)	3.9
DJ Industrial	32,627.97	(0.7)	(0.5)	6.6
S&P 500	3,913.10	(0.1)	(0.8)	4.2
NASDAQ 100	13,215.24	0.8	(0.8)	2.5
STOXX 600	423.35	(0.9)	(0.3)	3.4
DAX	14,621.00	(1.2)	0.5	3.3
FTSE 100	6,708.71	(1.5)	(1.1)	5.6
CAC 40	5,997.96	(1.2)	(1.1)	5.3
Nikkei	29,792.05	(1.3)	0.4	3.0
MSCI EM	1,336.84	(0.8)	(0.8)	3.5
SHANGHAI SE Composite	3,404.66	(1.7)	(1.4)	(1.7)
HANG SENG	28,990.94	(1.4)	0.9	6.3
BSE SENSEX	49,858.24	1.6	(1.5)	5.3
Bovespa	116,221.60	2.5	3.9	(7.6)
RTS	1,474.05	(1.0)	(3.0)	6.2

Source: Bloomberg (*$ adjusted returns)

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