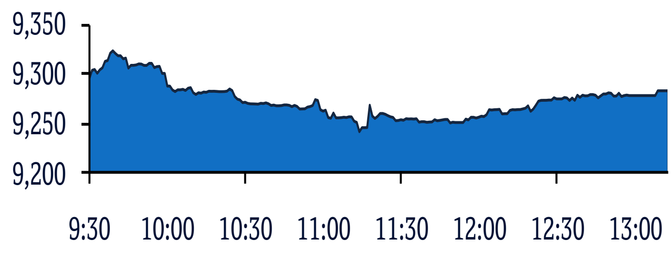
Daily Market Report

Monday, 22 June 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.4% to close at 9,285.1. Losses were led by the Telecoms and Industrials indices, falling 0.5% and 0.4%, respectively. Top losers were Ahli Bank and Doha Bank, falling 5.3% and 1.9%, respectively. Among the top gainers, Salam International Investment Limited gained 9.7%, while Dlala Brokerage & Investment Holding Company was up 8.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.1% to close at 7,345.9. Losses were led by the Pharma, Biotech and Food & Beverages indices, falling 1.5% and 1.3%, respectively. Allied Cooperative Ins. declined 9.8%, while Arabian Pipes Co. was down 5.2%.

Dubai: The DFM General Index declined 0.9% to close at 2,058.9. The Banks index fell 3.1%, while the Services index declined 0.3%. Commercial Bank of Dubai declined 5.0%, while Emirates NBD fell 3.9%.

Abu Dhabi: The ADX General index fell 0.2% to close at 4,334.7. The Investment & Financial Services index declined 3.6%, while the Real Estate index fell 2.0%. Gulf Medical Projects Company declined 5.0%, while Waha Capital Co. was down 4.9%.

Kuwait: The Kuwait Main Market Index rose 0.5% to close at 5,045.7. The Consumer Goods index gained 1.2%, while Consumer Services index rose 1.1%. Specialities Group Holding Co. gained 7.5%, while Kuwait Finance & Inv. Co. was up 5.5%.

Oman: The MSM 30 Index rose 0.3% to close at 3,525.3. Gains were led by the Financial index and Industrial index, rising 0.4% and 0.2%, respectively. Al Madina Investment rose 9.1%, while United Power was up 5.2%.

Bahrain: The BHB Index gained marginally to close at 1,274.6. The Service index rose 0.2%, while the other indices ended flat or in red. APM Terminals Bahrain rose 1.7%, while Bahrain Telecommunication Company was up 0.3%.

Market Indicators	21 Jun 20	18 Jun 20	%Chg.
Value Traded (QR mn)	275.7	854.4	(67.7)
Exch. Market Cap. (QR mn)	527,484.3	529,212.7	(0.3)
Volume (mn)	218.7	368.6	(40.7)
Number of Transactions	5,813	12,705	(54.2)
Companies Traded	44	46	(4.3)
Market Breadth	16:24	21:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,850.35	(0.4)	(0.4)	(7.0)	14.6
All Share Index	2,880.90	(0.2)	(0.2)	(7.0)	15.3
Banks	4,019.38	(0.4)	(0.4)	(4.8)	13.2
Industrials	2,628.26	(0.4)	(0.4)	(10.4)	20.9
Transportation	2,685.15	(0.0)	(0.0)	5.1	13.0
Real Estate	1,469.66	1.3	1.3	(6.1)	14.5
Insurance	1,983.15	1.3	1.3	(27.5)	33.8
Telecoms	880.61	(0.5)	(0.5)	(1.6)	14.8
Consumer	7,431.78	(0.0)	(0.0)	(14.0)	19.0
Al Rayan Islamic Index	3,724.02	(0.1)	(0.1)	(5.7)	17.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Co for Coop. Insurance	Saudi Arabia	71.60	3.2	372.1	(6.7)
Saudi Cement Co.	Saudi Arabia	51.30	2.4	494.3	(26.8)
Qatar Insurance Co.	Qatar	1.94	2.3	8,660.6	(38.5)
National Shipping Co.	Saudi Arabia	36.05	2.0	1,332.1	(9.9)
Ominvest	Oman	0.35	1.7	5.1	2.9

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates NBD Bank	Dubai	8.84	(3.9)	1,507.4	(32.0)
Dubai Islamic Bank	Dubai	3.87	(2.5)	3,606.7	(29.8)
Aldar Properties	Abu Dhabi	1.75	(2.2)	8,463.8	(19.0)
Savola Group	Saudi Arabia	44.25	(2.2)	379.0	28.8
Arabian Centres Co Ltd	Saudi Arabia	22.24	(2.0)	3,400.6	(23.7)

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%
Salam International Inv. Ltd.	0.37	9.7	66,232.7	(28.0)
Dlala Brokerage & Inv. Holding Co.	1.22	8.8	7,265.8	99.5
Islamic Holding Group	2.95	5.4	4,147.1	55.3
Investment Holding Group	0.52	3.2	23,259.6	(8.7)
Qatar Industrial Manufacturing Co	2.92	3.1	98.6	(18.2)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ahli Bank	3.00	(5.3)	36.0	(10.0)
Doha Bank	2.15	(1.9)	3,899.7	(15.2)
Alijarah Holding	0.75	(1.5)	2,986.7	6.0
Mesaieed Petrochemical Holding	2.11	(1.4)	1,231.3	(16.0)
Qatar Islamic Bank	16.25	(1.2)	79.6	6.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.37	9.7	66,232.7	(28.0)
Ezdan Holding Group	0.90	(0.1)	26,321.7	47.0
Investment Holding Group	0.52	3.2	23,259.6	(8.7)
United Development Company	1.23	1.7	14,687.4	(19.4)
Barwa Real Estate Company	3.07	1.7	8,756.5	(13.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Barwa Real Estate Company	3.07	1.7	26,822.4	(13.3)
Salam International Inv. Ltd.	0.37	9.7	23,873.0	(28.0)
Ezdan Holding Group	0.90	(0.1)	23,819.2	47.0
United Development Company	1.23	1.7	17,937.0	(19.4)
Qatar Insurance Company	1.94	2.3	16,839.5	(38.5)

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*	9,285.13	(0.4)	(0.4)	5.0	(10.9)	75.02	144,003.2	14.6	1.3	4.3
Dubai	2,058.85	(0.9)	(0.9)	5.8	(25.5)	43.97	79,317.3	6.2	0.6	4.6
Abu Dhabi	4,334.75	(0.2)	(0.2)	4.7	(14.6)	14.97	488,020.0	13.4	1.1	5.9
Saudi Arabia	7,345.88	(0.1)	(0.1)	1.8	(12.4)	1,292.88	2,223,502.5	21.9	1.6	3.5
Kuwait	5,045.74	0.5	0.5	1.0	2.8	22.76	28,740.0	14.7	1.1	3.8
Oman	3,525.34	0.3	0.3	(0.5)	(11.5)	1.33	15,346.0	9.8	0.7	6.8
Bahrain	1,274.55	0.0	0.0	0.4	(20.8)	1.34	7,280.0	9.2	0.8	5.5

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 declined 0.4% to close at 9,285.1. The Telecoms and Industrials indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Ahli Bank and Doha Bank were the top losers, falling 5.3% and 1.9%, respectively. Among the top gainers, Salam International Investment Limited gained 9.7%, while Dlala Brokerage & Investment Holding Company was up 8.8%.
- Volume of shares traded on Sunday fell by 40.7% to 218.7mn from 368.6mn on Thursday. Further, as compared to the 30-day moving average of 218.9mn, volume for the day was 0.1% lower. Salam International Investment Limited and Ezdan Holding Group were the most active stocks, contributing 30.3% and 12.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	43.75%	45.16%	(3,863,888.10)
Qatari Institutions	30.62%	28.24%	6,553,384.69
Qatari	**74.37%**	**73.40%**	**2,689,496.59**
GCC Individuals	2.13%	2.95%	(2,260,165.56)
GCC Institutions	1.82%	1.05%	2,144,049.34
GCC	**3.95%**	**4.00%**	**(116,116.22)**
Non-Qatari Individuals	16.89%	17.73%	(2,320,163.69)
Non-Qatari Institutions	4.78%	4.87%	(253,216.68)
Non-Qatari	**21.67%**	**22.60%**	**(2,573,380.37)**

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

Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2020 results	No. of days remaining	Status
DHBK	Doha Bank	27-Jul-20	35	Due

Source: QSE

News

Qatar

- **QIGD postpones its EGM to June 23 due to lack of quorum –** Qatari Investors Group (QIGD) has postponed its Extraordinary General Assembly Meeting (EMG) to June 23, 2020 from June 21, 2020, due to lack of quorum. (QSE)
- **IMF: Policy space for Qatar to continue pursuing targeted policies, liquidity support to hard-hit sectors –** Qatar is among MENA (Middle East and North Africa) countries, where policy space is available to continue pursuing a mix of timely and targeted policies and liquidity support to hard-hit sectors and groups in view of COVID-19, the International Monetary Fund (IMF) has said in a report. These could include direct cash transfers; strengthening of existing social safety nets; targeted reductions in tariffs and excises on healthcare goods and services; temporary direct subsidies or deferred tax payments to vulnerable businesses to avoid sectoral dislocations (for example, SMEs or hospitality sectors); and expenditure-based incentives to firms (such as accelerated depreciations for investment) to support production of undersupplied goods and services. These and other measures, however, should be temporary to avoid creating lasting burdens on budgets, the IMF noted in a regional economic outlook update. For countries with more limited fiscal space, especially those with high debt or large financing needs, the scope to respond to the broader economic slowdown may be limited. However, where possible, room could be created within existing envelopes through reprioritizing and postponing non-essential spending; and rationalizing capital expenditure. Such policies should be part of a broader package of gradual medium-term fiscal consolidation with plans to rebuild buffers and ensure fiscal sustainability. The IMF suggested central banks should stand ready to provide further liquidity to banks, particularly those lending to SMEs, while closely monitoring financial stability. This includes direct liquidity provision, maintaining or increasing credit lines, and providing guarantees to SMEs and state-owned enterprises. In addition, consideration could be given to temporary easing of prudential and regulatory measures, such as adjusting loan-to-deposit ratios, deferred loan payments, and allowing banks to use capital conservation buffers. International support may be needed for those with limited policy space, including from ongoing conflict. (Gulf-Times.com)
- **Ashghal starts work on QR303mn Roads and Infrastructure Project to the west of Al Bayt Stadium –** Public Works Authority (Ashghal) has started work on the QR303mn Roads and Infrastructure Project in Al Egda Al Heedan and Al Khor (Package 1) at the west of Al Bayt Stadium, it was announced on Sunday. The project covers Al Egda area to the west of Al Khor Road and Al Heedan area to the east. The aim is to develop internal streets in the area and provide infrastructure facilities, including storm-water and foul sewer drainage networks. Hamad Al-Badr, project engineer in Ashghal Roads Projects Department, said that the project provides services for 738 new residential plots through infrastructure services and enhancing local streets to provide connectivity to future public facilities in the area, such as schools, mosques, commercial complexes and youth centers. The engineer explained that the project includes developing a road network with a total length of 19 kilometers street lighting, road signs and road markings, as well as other road safety elements. The project also has a 38 kilometers pedestrian and cycle track. Project works also include a 23.7 kilometers long foul sewer network, 33 kilometers surface and groundwater drainage network, and 6.7 kilometers Treated Sewage Effluent (TSE) network along with a 20.4 kilometers potable water network. In addition, new sewage pipelines along with a new system to ensure the flow distribution will be installed and connected with Qatar's main sewage network. Construction works will also include an emergency flood area with a total capacity of 44,000 cu m to provide proper protection

for the entire area against flooding and excess rainfall. (Gulf-Times.com)

- **GORD partners with EESL to deploy energy efficient solutions across Qatar –** Continuing its commitment to environmental conservation and sustainability, the Gulf Organisation for Research and Development (GORD) has collaborated with Energy Efficiency Services Limited (EESL) to support local and regional projects seeking energy efficient solutions. A Memorandum of Understanding (MoU) was signed virtually between GORD and EESL. The organizations will collaborate to provide to Qatari stakeholder the solutions and technologies in energy efficiency, renewable energy, sustainable transport solutions, carbon offsetting and carbon neutrality. According to the agreement, GORD and EESL plan to collaborate in manufacturing, supply and installation of energy efficient lighting systems. Another possible area of cooperation is the deployment of electric vehicles charging infrastructure. With a promising potential, the global passenger electric vehicles sales jumped from 450,000 in 2015 to 2.1mn in 2019, according to BloombergNEF's Electric Vehicle Outlook 2020. In Qatar, the number of electric and hybrid cars is expected to reach as high as 10% of the total market by 2022, thus requiring more EV charging stations. Other areas of co-operation in the MoU include the deployment of large-scale smart metering system, sustainable and energy efficient HVAC systems, renewable energy projects, sustainability consulting assignments and carbon neutral projects. (Gulf-Times.com)

International

- **US housing set to ride out the pandemic's economic storm –** US home prices will defy the current economic downturn and ride out the storm, supported by record low mortgage rates and limited supply, according to a Reuters poll that showed housing outpacing consumer price rises this year and next. The US housing market, which was at the epicentre of the previous financial crisis that led to a global recession, is expected to remain a bright spot amid a sharp downturn as the coronavirus pandemic continues to wreak economic havoc. The pandemic has infected more than 2.2mn people in the US, claiming around 120,000 lives and infections are rising in many parts of the country. According to the June 9-19 poll of over 40 housing strategists, house prices will rise 3.0% this year and next. Three months ago they were expected to rise 3.4% and 3.2% respectively, so the forecast is remarkably stable, given the economy is taking its worst hit on record and unemployment has soared to levels not seen since the Great Depression. (Reuters)
- **American Airlines seeks $3.5bn in new financing –** American Airlines Group Inc said on Sunday it plans to secure $3.5bn (2.83bn Pounds) in new financing, to improve the airline's liquidity as it grapples with travel restrictions caused by the coronavirus. The company plans to raise $1.5bn by selling shares and convertible senior notes due 2025, the airline said in a statement. Additionally, the airline said it will offer $1.5bn in senior secured notes and that it intends to enter into a new $500mn term loan facility due 2024. The company expects to use the net proceeds from the stock and convertible notes offerings for general corporate purposes and to enhance its liquidity position, the airline added. (Reuters)
- **UK to seek new powers to scrutinize foreign takeovers –** Britain will seek changes to the law to allow scrutiny of some foreign takeovers to ensure they do not threaten the country's ability to tackle public health emergencies such as the coronavirus outbreak, the government said on Sunday. Proposals for changes to the Enterprise Act will be put before parliament on Monday to allow the government to intervene if businesses such as vaccine research companies become takeover targets. "These powers will send an important signal to those seeking to take advantage of those struggling as a result of the pandemic that the UK government is prepared to act where necessary to protect our national security," Business Secretary Alok Sharma said in a statement. The government said the economic disruption caused by the pandemic meant that some critical businesses were more at risk of hostile takeovers or being sold to "malicious parties". Under the proposed new powers, the government would be able intervene in three sectors considered to be central to national security: artificial intelligence, cryptographic authentication technology and advanced materials. The changes would be in addition to powers brought in two years ago to allow the government to intervene in takeovers of companies involved in military products and technologies. (Reuters)
- **UK may need to suspend wages-pensions link due to COVID distortion –** Britain's government might need to temporarily break the link between wage growth and annual increases in old-age pensions due to the big swings in earnings growth that are likely due to COVID support measures, a senior legislator said on Friday. Pensions stand to go up very sharply because of an expected leap in wage growth next year, reflecting the end of the government's coronavirus job retention scheme - under which many workers are currently getting 80% of their salary - this year. Since June 2010, Britain's state pension has risen by whichever is higher of consumer price inflation, average earnings growth or 2.5%, under a system called the 'triple lock'. "A way forward might be to temporarily suspend the wages element of the lock," Mel Stride, chair of parliament's Treasury Committee, said. "This might not entirely conform to the Conservative Party manifesto, but I think most people would recognize that a potential double-digit percentage increase is unrealistic." Torsten Bell, chief executive of the Resolution Foundation think tank, told the Treasury Committee last week that average earnings in Britain might bounce back by 18% next year, which represented an unrealistic increase for pensioners. Prime Minister Boris Johnson's spokesman said on Wednesday that the government had no plans to break the triple lock after media reports that finance minister Rishi Sunak was considering the option. (Reuters)
- **Changing of guard at top German court signals de-escalation for ECB –** Changes to the composition of Germany's top court are likely to make it less confrontational towards the European Central Bank (ECB) following a ruling about bond purchases that sent shockwaves around Europe, according to two sources close to the court. In its ruling last month, the Constitutional Court gave the ECB three months to justify bond purchases under its flagship stimulus program or lose the Bundesbank as a participant, raising questions about the future of the Euro. While Berlin is likely to have the final say on whether the ECB's justification is sufficient, the plaintiffs behind the case have

signaled they could bring fresh legal action against new ECB stimulus plans, which could lead to more market turmoil. However, there will be a changing of the guard at the German court in Karlsruhe on Monday. A key change will be a new judge joining a bench widely seen to have a narrow Eurosceptic majority: Astrid Wallrabenstein, who was nominated by the pro-European Greens and has suggested there should be a thaw in relations with the European Court of Justice (ECJ), which cleared the ECB's plan. She will take the place on the bench vacated by Andreas Vosskuhle, president of the court whose term has expired and is leaving. His role as president will go to Stephan Harbarth, a conservative lawmaker from 2009-2018. (Reuters)

- **German economy has passed low point of crisis –** Germany's economy had passed the worst of the crisis caused by the coronavirus outbreak and was now expected to recover gradually, Bundesbank President Jens Weidmann told German newspaper Frankfurter Allgemeine Sonntagszeitung. Restrictions in Germany imposed because of the pandemic are slowly being lifted, allowing economic activity to resume. "The low point should be behind us by now and things are looking up again. Following the sharp slump, we only see a comparatively gradual recovery," Weidmann told the paper. In June, the ECB downgraded its forecasts for the Eurozone, predicting an 8.7% economic contraction in 2020 as its baseline case and a 12.6% fall in its "severe" scenario. Weidmann said state aid was a legitimate tool for boosting the economy to help healthy companies survive but said the nation should not become dependent on public money. "It is important that the measures are targeted and temporary," Weidmann said, calling for a return to "sound budgetary positions." (Reuters)
- **Italy PM says budget deficit likely to rise further amid pandemic –** Italy's budget deficit, currently projected to reach 10.4% of domestic output this year, is likely to expand further as the country tries to prop up the economy amid the coronavirus pandemic, Prime Minister Giuseppe Conte said on Sunday. Measures to avoid layoffs as well as to help struggling sectors such as tourism could not wait until September, when the government would present a comprehensive plan to relaunch the economy after the coronavirus crisis, he said. "A further increase in the budget deficit is likely," Conte told a press conference. He said the government was worried about weak consumer spending and had discussed a possible sales tax reduction, but no decision had been taken on such a costly measure. The government was working instead to reduce the gap between a worker's gross and net salary, commonly known as the "tax wedge", he said. Conte said a single ultra-fast broadband network, a push towards digital payments and the transition to renewable energy sources would be the planks of the September plan. (Reuters)
- **China eases green rules for petrol-electric hybrids, giving makers space to manoeuvre –** China re-classified petrol-electric hybrid vehicles on Monday so they get more favorable treatment than all-petrol or diesel counterparts under new clean car rules, making it easier for automakers to meet environment quotas and offer more choice. China has some of the world's strictest rules regarding the production of fossil-fuel vehicles, as it battles unhealthy levels of air pollution in its crowded cities. Those rules have pushed both domestic and international automakers including Tesla Inc and Volkswagen AG to spend billions of dollars on the development and production of new energy vehicles (NEVs), such as all-electric, plug-in hybrid and hydrogen fuel cell vehicles. Plug-in hybrid technology differs from that of petrol-electric hybrid vehicles. Automakers in China are obliged to manufacture NEVs to win "points" to make up for a portion of the negative points they incur when they produce internal combustion engine vehicles. However, the system has been criticized for offering few incentives for automakers to improve petrol cars' efficiency. (Reuters)

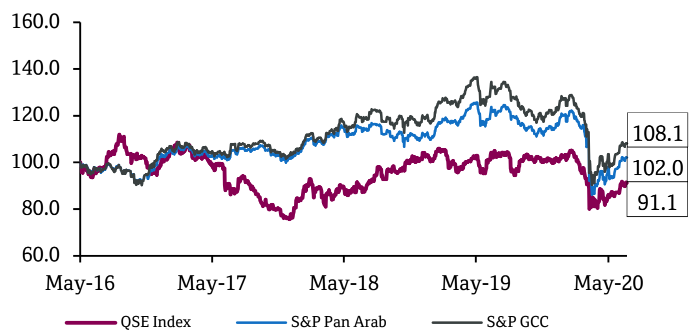
Regional

- **Bank for International Settlements: GCC cross-border multi-currency payment system under way –** A dedicated GCC cross-border and/or multi-currency (CBMC) system is expected to go live by later this year. The forthcoming GCC RTGS system (GGC-RTGS) will settle payments in the currencies of the Gulf region countries, the Bank for International Settlements (BIS) noted in its quarterly review. Cross-border payments are generally slower, more expensive and more opaque than domestic ones. They tend to flow through the so-called correspondent banking network, where chains of banks work to get funds from the payer to the payee. Replacing the payment chains (or parts thereof) with dedicated cross-border and/or multi-currency payment systems is one of the ways to potentially improve cross-border payments. Cross-border and multi-currency payment systems have the potential to make cross-border payments faster, cheaper and more transparent. According to BIS, currently, there are about half a dozen multi-currency cross-border systems in operation and two projects under way. They fall into three groups, based on the services offered: cross-currency, choice of currency and PvP (payment versus payment) arrangements. Cross-currency service allows the payer to be debited in one currency and the payee to be credited in another. The projects under way are the Gulf Cooperative Council RTGS system (GGC-RTGS) and Directo a México. (Peninsula Qatar)
- **GPCA: Fertilizers, pandemic mitigation products not impacted because of Covid-19 –** The demand for products used in the manufacturing of sanitizing products, personal protection, and health care "remained upbeat" and the production of fertilizers was "not impacted" because of the Covid-19 pandemic, the Gulf Petrochemicals and Chemicals Association has said in a report. For chemicals used to fight Covid-19, prices have stayed moderate, while fertilizer prices improved by 3% in March compared with February 2020, the GPCA said in a white paper entitled "Covid and Chemicals." Referring to estimates by global consultancy firm McKinsey, the GPCA said the oil and gas and chemical sectors will start to recover in 3Q2020. Prices are "expected to rebound" with the resumption of consumer demand. However, if the situation persists and prices remain depressed beyond a year, the long-term impact will be severe, it said. According to the GPCA, the chemical industry in the Gulf region must plan and prepare for the post-Covid period, turning adversity into advantage, and capitalize on the lessons learned to retain and enhance its global competitiveness. In the white paper, the GPCA provides exclusive insights into the impact of

the coronavirus pandemic on supply and demand, petrochemical prices, the dual shock from the pandemic and the oil price collapse, as well as the implications on the region's supply chain and international trade. According to the paper, the pandemic is revealing flaws in the supply chain that the chemical industry has relied upon for decades, which presents an invaluable opportunity to address existing weaknesses and transform the region's supply chain. (Gulf-Times.com)

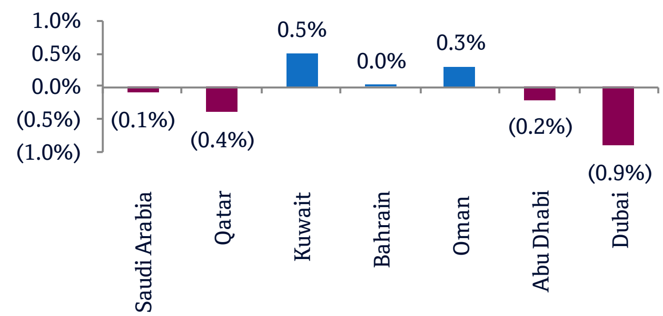
- **Saudi Arabia to launch $4bn tourism development fund –** Saudi Arabia plans to start a tourism development fund with an initial $4bn investment, the ministry of tourism said on Sunday, as part of plans to diversify the economy in the face of the coronavirus pandemic and low oil prices. The Tourism Development Fund will launch equity and debt investment vehicles to develop the tourism sector in collaboration with private and investment banks, the ministry said in a statement. "The launch of the fund at this time, as the tourism sector faces unprecedented global challenges, is testament to investor and private-sector confidence in the long-term outlook for tourism in Saudi Arabia," Minister of Tourism, Ahmed Al-Khateeb said. Tourism is one of the main pillars of Saudi economic reforms aimed at weaning the country off its dependence on oil revenue. (Reuters)
- **Saudi miner Ma'aden reschedules phosphate subsidiary's debt –** Saudi Arabian Mining Co's (Ma'aden) phosphate subsidiary is rescheduling and refinancing about $4.1bn of debt to give it more flexibility to pursue growth and development projects, the company said on Sunday. The subsidiary, Ma'aden Wa'ad Al Shamal Phosphate Company, will reschedule SR6.7bn owed to Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), and transfer the debt to the Public Pension Agency. It will refinance SR8.6bn owed to a syndicate of banks and other financial institutions by using new debt from a syndicate of commercial banks, Ma'aden said in a bourse filing. The creditors are Alinma Bank, Bank AlJazira, Bank Albilad, Al Rajhi Banking & Investment Corporation, National Commercial Bank, Samba Financial Group, Banque Saudi Fransi, Saudi British Bank and Riyad Bank, Ma'aden said. "The new financing facilities provide attractive and flexible corporate loan terms and conditions, in place of the more restrictive project financing terms and conditions originally put in place," Ma'aden said. The new "covenant-lite" terms are a step towards allowing Ma'aden to pursue new growth and development projects, it said. Before the deal, the debt was to be repaid in semi-annual instalments over 16-1/2 years from the end of 2018. The new structure has a murabaha facility, a wakala facility and a conventional facility, all to be repaid over 15 years starting June 30, 2022. (Reuters)
- **Saudi property financing firm Amlak says sets price range for IPO –** Saudi Arabian real estate financing firm Amlak International has set the price range for its planned initial public offering (IPO) at between SR15 and SR17, it said. The book building for the offered shares will start on Monday and will last until June 29, it said. The company is planning to float 30% of its shares in Riyadh, in what will be the exchange's first IPO since the coronavirus crisis. (Reuters)
- **STV leads funding for Saudi educational tech firm –** Noon Academy, an educational technology company in Saudi Arabia, has raised $13mn in a funding round led by Riyadh-based venture capital fund STV, it said. Noon Academy will use part of the capital in the "pre-B" fundraising to open a hub in London, where its product, design and data teams will be based. It said it had effectively doubled its user base to over six million during the global coronavirus pandemic. Alturki Holding and NFX Ventures also took part in the funding round, it said. (Reuters)
- **Amlak Finance says all creditors sign debt restructuring accord –** Amlak Finance said all of its creditors signed on terms to restructure its debt after one abstained last month. The Dubai-based Islamic mortgage provider will now proceed to execute the new terms of the agreement, which "will allow more flexibility to adapt to current market conditions," it said. (Bloomberg)
- **Kuwait considers halting automatic 10% transfer to wealth fund, says govt official –** Kuwait is considering making an annual 10% transfer of state revenue to its wealth fund conditional on budget surpluses, a government official told Reuters, as it seeks to bolster its finances amid low oil prices and the coronavirus pandemic. Despite its vast financial wealth, the oil exporting nation could see its deficit widen to over 11% of GDP this year from a 4.8% surplus last year, the International Monetary Fund has estimated. Kuwait cannot access international debt due to parliament opposition to a debt law proposed by the government. The Future Generations Fund, which is managed by the Kuwait Investment Authority (KIA), automatically receives 10% of the state's oil revenue every year. The KIA also manages the General Reserve Fund, which has been depleting at a fast rate to plug the budget deficit. The official, confirming a report by local newspaper Al Qabas, said the government wants to make the 10% revenue transfer conditional on achieving a budget surplus. He said the government would submit legislation on that to parliament but did not specify when. The move could save more than KD1bn in the current fiscal year, the official said on condition of anonymity. Established in 1976, the Future Generations Fund invests state revenue abroad. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,743.87	1.2	0.8	14.9
Silver/Ounce	17.62	1.4	0.8	(1.3)
Crude Oil (Brent)/Barrel (FM Future)	42.19	1.6	8.9	(48.6)
Crude Oil (WTI)/Barrel (FM Future)	39.75	2.3	9.6	(43.4)
Natural Gas (Henry Hub)/MMBtu	1.46	1.4	(12.0)	(30.1)
LPG Propane (Arab Gulf)/Ton	51.38	0.7	3.8	24.6
LPG Butane (Arab Gulf)/Ton	50.38	(1.0)	(3.1)	(24.1)
Euro	1.12	(0.2)	(0.7)	(0.3)
Yen	106.87	(0.1)	(0.5)	(1.6)
GBP	1.24	(0.6)	(1.5)	(6.8)
CHF	1.05	(0.1)	0.0	1.6
AUD	0.68	(0.2)	(0.5)	(2.6)
USD Index	97.62	0.2	0.3	1.3
RUB	69.46	(0.6)	(1.0)	12.0
BRL	0.19	1.3	(4.9)	(24.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,208.97	(0.3)	2.1	(6.3)
DJ Industrial	25,871.46	(0.8)	1.0	(9.3)
S&P 500	3,097.74	(0.6)	1.9	(4.1)
NASDAQ 100	9,946.12	0.0	3.7	10.8
STOXX 600	365.46	0.6	3.2	(12.1)
DAX	12,330.76	0.4	3.2	(6.9)
FTSE 100	6,292.60	1.1	3.1	(16.6)
CAC 40	4,979.45	0.4	2.9	(16.7)
Nikkei	22,478.79	0.6	0.8	(5.0)
MSCI EM	1,001.36	0.6	1.5	(10.2)
SHANGHAI SE Composite	2,967.63	1.0	1.6	(2.7)
HANG SENG	24,643.89	0.7	1.4	(12.6)
BSE SENSEX	34,731.73	1.5	2.8	(15.8)
Bovespa	96,572.10	0.5	4.1	(16.5)
RTS	1,249.67	1.5	0.9	(19.3)

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar