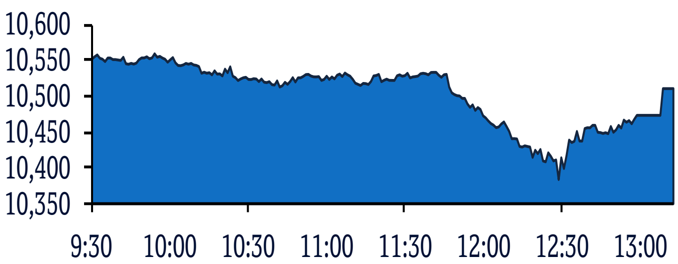
Daily Market Report

Sunday, 22 September 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 10,512.1. Losses were led by the Telecoms and Real Estate indices, falling 5.2% and 1.2%, respectively. Top losers were Ooredoo and Qatar First Bank, falling 6.4% and 4.0%, respectively. Among the top gainers, Qatar National Cement Company gained 5.2%, while Qatar Insurance Company was up 3.2%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.4% to close at 7,926.8. Gains were led by the Telecom. Services and Pharma, Biotech & Life Sci. indices, rising 2.8% and 2.0%, respectively. Tourism Enterprise Co. rose 10.0%, while Bank Albilad was up 8.0%.

Dubai: The DFM Index declined 0.1% to close at 2,819.7. The Services index declined 1.7%, while the Consumer Staples and Disc. index, fell 1.6%. Almadina for Finance and Investment Co. declined 5.6%, while Ithmaar Holding was down 3.8%.

Abu Dhabi: The ADX General Index fell 0.6% to close at 5,124.7. The Energy index declined 1.5%, while the Insurance index fell 1.0%. AXA Green Crescent Insurance Company declined 10.0%, while Wahat Al Zaweya Holding was down 9.7%.

Kuwait: The Kuwait All Share Index gained 0.9% to close at 5,552.5. The Telecommunications index rose 1.6%, while the Industrials index gained 1.5%. Credit Rating & Collection rose 10.0%, while Kuwait Foundry Co. was up 8.0%.

Oman: The MSM 30 Index fell 0.6% to close at 3,992.1. Losses were led by the Industrial and Financial indices, falling 0.9% and 0.6%, respectively. Al Hassan Engineering fell 8.3%, while Al Madina Investment was down 4.2%.

Bahrain: The BHB Index gained 0.1% to close at 1,490.4. The Insurance index rose 1.3%, while the Services index gained 0.1%. Bahrain & Kuwait Insurance Company rose 3.2%, while Al Salam Bank - Bahrain was up 1.1%.

Market Indicators	19 Sep 19	18 Sep 19	%Chg.
Value Traded (QR mn)	849.8	301.2	182.1
Exch. Market Cap. (QR mn)	583,225.4	582,636.0	0.1
Volume (mn)	192.2	107.1	79.4
Number of Transactions	10,504	6,094	72.4
Companies Traded	45	46	(2.2)
Market Breadth	13:29	24:13	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,343.08	(0.3)	0.5	6.6	15.2
All Share Index	3,089.41	(0.1)	0.2	0.3	15.3
Banks	4,066.78	0.4	0.1	6.1	14.1
Industrials	3,189.53	0.3	2.8	(0.8)	18.3
Transportation	2,507.17	(0.6)	(1.2)	21.7	13.8
Real Estate	1,452.35	(1.2)	(3.1)	(33.6)	15.9
Insurance	3,124.93	2.6	6.5	3.9	18.2
Telecoms	930.99	(5.2)	(4.4)	(5.8)	17.0
Consumer	8,625.34	(0.6)	0.4	27.7	17.0
Al Rayan Islamic Index	4,013.73	(0.3)	0.3	3.3	14.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Al Bilad	Saudi Arabia	26.90	8.0	2,970.4	23.4
Saudi Arabian Fertilizer	Saudi Arabia	82.00	5.5	2,654.7	6.4
Rabigh Ref. & Petrochem.	Saudi Arabia	19.40	4.9	2,332.2	1.7
Human Soft Holding Co.	Kuwait	3.19	4.5	419.3	(2.8)
Boubyan Bank	Kuwait	0.54	4.5	3,741.2	7.3

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Burgan Bank	Kuwait	0.31	(7.0)	28,709.3	15.2
Ooredoo	Qatar	7.40	(6.4)	5,819.2	(1.3)
Gulf Bank	Kuwait	0.28	(2.8)	13,918.6	9.1
Banque Saudi Fransi	Saudi Arabia	34.20	(2.7)	1,967.5	8.9
Abu Dhabi Comm. Bank	Abu Dhabi	8.09	(2.5)	9,955.2	(0.9)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar National Cement Company	6.10	5.2	1,105.4	2.5
Qatar Insurance Company	3.56	3.2	7,801.0	(0.8)
Mesaieed Petrochemical Holding	3.09	3.0	24,333.6	105.6
Qatar Navigation	5.93	2.2	24,601.3	(10.2)
Qatar Electricity & Water Co.	15.80	1.9	1,397.1	(14.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	5.93	2.2	24,601.3	(10.2)
Mesaieed Petrochemical Holding	3.09	3.0	24,333.6	105.6
Qatar First Bank	0.32	(4.0)	19,918.9	(22.8)
Masraf Al Rayan	3.55	(2.2)	15,011.1	(14.8)
Ezdan Holding Group	0.66	(0.6)	13,907.9	(49.2)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ooredoo	7.40	(6.4)	5,819.2	(1.3)
Qatar First Bank	0.32	(4.0)	19,918.9	(22.8)
Salam International Inv. Ltd.	0.40	(3.6)	1,805.4	(6.7)
Zad Holding Company	13.36	(3.5)	0.7	28.5
Al Meera Consumer Goods Co.	15.00	(3.0)	1,320.6	1.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.77	1.4	215,132.5	1.4
Qatar Navigation	5.93	2.2	143,986.0	(10.2)
Mesaieed Petrochemical Holding	3.09	3.0	74,040.9	105.6
Masraf Al Rayan	3.55	(2.2)	53,371.0	(14.8)
Industries Qatar	11.16	(1.4)	44,407.6	(16.5)

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*	10,512.06	(0.3)	0.5	2.7	2.1	232.42	160,212.0	15.2	1.6	4.1
Dubai	2,819.69	(0.1)	(2.4)	2.2	11.5	142.36	78,538.0	11.9	1.0	4.4
Abu Dhabi	5,124.72	(0.6)	0.6	(0.8)	4.3	122.00	142,685.4	15.4	1.5	4.8
Saudi Arabia	7,926.82	1.4	1.2	(1.2)	1.3	2,267.73	500,082.0	19.7	1.8	3.8
Kuwait	5,552.51	0.9	(3.4)	(6.5)	9.3	294.67	103,888.1	13.8	1.3	3.8
Oman	3,992.13	(0.6)	(0.7)	(0.3)	(7.7)	6.33	17,441.0	8.1	0.8	6.9
Bahrain	1,490.39	0.1	(3.6)	(2.8)	11.5	5.35	23,259.9	11.2	0.9	5.2

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 0.3% to close at 10,512.1. The Telecoms and Real Estate 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.
- Ooredoo and Qatar First Bank were the top losers, falling 6.4% and 4.0%, respectively. Among the top gainers, Qatar National Cement Company gained 5.2%, while Qatar Insurance Company was up 3.2%.
- Volume of shares traded on Thursday rose by 79.4% to 192.2mn from 107.1mn on Wednesday. Further, as compared to the 30-day moving average of 90.3mn, volume for the day was 112.8% higher. Qatar Navigation and Mesaieed Petrochemical Holding Company were the most active stocks, contributing 12.8% and 12.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	12.17%	19.68%	(63,793,912.24)
Qatari Institutions	18.26%	9.00%	78,662,709.87
Qatari	**30.43%**	**28.68%**	**14,868,797.63**
GCC Individuals	0.22%	0.98%	(6,462,398.44)
GCC Institutions	0.69%	1.33%	(5,391,640.19)
GCC	**0.91%**	**2.31%**	**(11,854,038.63)**
Non-Qatari Individuals	4.59%	3.90%	5,816,567.08
Non-Qatari Institutions	64.07%	65.11%	(8,831,326.08)
Non-Qatari	**68.66%**	**69.01%**	**(3,014,759.00)**

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/19	US	Department of Labor	Initial Jobless Claims	14-September	208k	213k	206k
09/19	US	Department of Labor	Continuing Claims	7-September	1,661k	1,672k	1,674k
09/20	EU	European Commission	Consumer Confidence	September	-6.5	-7.0	-7.1
09/20	Germany	German Federal Statistical Office	PPI MoM	August	-0.5%	-0.2%	0.1%
09/20	Germany	German Federal Statistical Office	PPI YoY	August	0.3%	0.6%	1.1%
09/20	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	August	0.3%	0.3%	0.5%

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

News

Qatar

- **QCB cuts key interest rates by 25bps –** Qatar Central Bank (QCB) announced that it reduced its deposit rate by 25bps to 2.25%, lending rate by 25bps to 4.50%, and the QCB repurchase rate (Repo) by 25bps to 2.25%. The QCB stated that the decision to reduce its deposit rate, lending rate and the repurchase rate is based on the evolving domestic and international macroeconomic developments. QCB's decision comes in line with the US Federal Reserve's (US central bank) decision, announced Wednesday, reducing the key interest rate by a quarter points for the second time this year in a move expected to support economic growth. Countries which their currencies are pegged to the US Dollar raise interest rates in line with a US Federal Reserve's decision. (Peninsula Qatar)
- **Ahli Bank completes its new five-year bond transaction raising $500mn –** Ahli Bank, rated 'A2' by Moody's and 'A' by Fitch, has completed its third bond issuance for $500mn under its $1.5bn EMTN Program in the international debt capital markets. The five-year bond has been assigned an 'A2' credit rating with a 'Stable' outlook by Moody's and carries a coupon rate of 3.125% and was significantly oversubscribed by more than three times with orders from more than 85 investors in Asia, MENA, and Europe. Ahli Bank's Chairman, Sheikh Faisal bin Abdulaziz bin Jassem Al Thani said, "We have successfully completed our third tranche in the midst of challenging market conditions, which confirms the trust and confidence of international investors in Qatar and in Ahli Bank's strong financial position. Ahli Bank's road show covering Asia and Europe was met with a solid reception by investors. We had a great support from our joint lead manager/bookrunner banks, Al Khalij Commercial Bank, Barclays Bank, Mizuho Securities, QNB Capital, and Standard Chartered Bank. The healthy geographic split of investors resulted in Europe taking a 41% share, Asia 32% share, and MENA 27% share." (Gulf-Times.com)
- **Ooredoo unveils enhanced VSAT Internet service for remote connectivity –** Ooredoo has enhanced its VSAT Internet service for remote connectivity, with new packages featuring higher capacities and reduced cost. Ooredoo's VSAT Internet service enables organizations – especially in the oil and gas, transport and logistics, and emergency services industry sectors – to stay connected via reliable and fast satellite broadband services with download speeds of 50mbps. VSAT Internet provides fully secured internet connectivity using the innovative Ka Band VSAT technology. Ka Band uses small spot beams enabling frequency re-use and higher throughput. (Qatar Tribune)
- **Waseef begins renting out Barwa Labour City –** Waseef, the leading property management and marketing company has begun signing contracts for renting low-cost housing units of Barwa Labour City, one of the largest labor housing projects in Qatar, with major Qatari companies in the country. Waseef signed a contract with Al Bandary Engineering & Contracting, and a contract with Al Khayarin Group, to lease over 170 residential villas in the project. The low-cost Barwa Labour City project, which is being developed by Barwa Real Estate Group in three phases, will accommodate over 100,000 workers, and will include over 3,100 residential villas, as well as integrated commercial and administrative facilities consisting of a hyper market at a total area of 5,200 square meters, four two storied

buildings containing over 90 shops, offices and clinics on the upper floor. (Peninsula Qatar)

- **Envoy: Talks on track for Qatar-Germany LNG project –** Preparations are ongoing for the arrival of a large trade delegation led by the Prime Minister of the Federal State of Lower Saxony, Stephan Weil, who is scheduled to visit Qatar by November-end, German Ambassador Hans-Udo Muzel has said. Lower Saxony hosts several ports where a proposed LNG distribution terminal would be located. Muzel said, "Discussions with Qatar Petroleum (QP) are underway and that there are ports in Germany that are tendering for the project. Lower Saxony is where the ports are located and the home of Volkswagen. It is a very commercially active business state with ports on the North Sea coast, as well as the food chamber of Germany with a lot of agriculture-related and food processing industries. In this context, we are looking forward to have continued talks on the LNG terminal and other projects." (Gulf-Times.com)
- **QIA in talks to buy stake in Adani Electricity –** Qatar Investment Authority (QIA) is in talks with the Adani group to buy up to 25% stake in its power retailer unit in Mumbai. The QIA may invest as much as 40bn Rupees for stake in Adani Electricity Mumbai Ltd. (Bloomberg)
- **Big 5 Construct Qatar opens Monday –** The Big 5 Construct Qatar, held under the patronage of HE the Prime Minister and Minister of Interior, Sheikh Abdullah bin Nasser bin Khalifa Al Thani, gets under way at the Doha Exhibition and Convention Center (DECC) on Monday Running till September 25, the event will host more than 150 exhibitors from 20 countries and feature 40 free-to-attend education workshops. "The second edition of Qatar's most important event dedicated to the construction industry is ready to open its doors at the DECC. Backed by its strategic partner, Qatar National Tourism Council (QNTC), the Big 5 Construct Qatar will officially open at 11am and showcase the latest construction solutions and services," the organizers said. (Gulf-Times.com)
- **QIA reaffirms long-term commitment to UK –** Qatar Investment Authority (QIA) has reaffirmed its long-term commitment to the UK, through a strategy of continuous, gradual investment and increased diversification, irrespective of the outcome of Brexit. "QIA has built a world-class portfolio of assets within the UK and successfully established partnerships with several leading British financial institutions," QIA's CEO, Mansoor Al Mahmoud said. Against the backdrop of uncertainty created by Brexit, QIA has continued to invest in the UK, announcing in 2017 an intention to invest an additional £5bn of investment across all regions of the UK, in sectors including infrastructure, technology and energy, he said. With almost 90% of these funds now committed, QIA continues to believe that the UK would fundamentally remain an attractive destination for long-term investment, irrespective of the ultimate outcome of Brexit, according to him. "We will continue to examine and seek exciting opportunities to grow our UK portfolio and we look forward to strengthening our existing UK partnerships and developing new opportunities for the long-term benefit of both nations," he said. (Gulf-Times.com)
- **Qatar Airways' fleet grew 57% since 2014-15 –** Qatar Airways' fleet size has grown by 57%, driven by its aggressive global expansion plan. Its fleet has grown from 159 aircraft in 2014-15 to 250 aircraft as of March 21 this year. It has been a tremendous journey for Qatar Airways Group, which had just four aircraft 20 years ago. Its fleet is made up of 203 passenger aircraft, 25 cargo and 22 Qatar Executive jets. In addition, the Group has sub-leased eight aircraft to Air Italy, according to recently launched Qatar Airways Annual Report 2018-19. With an average aircraft age of less than five years, its state-of-the-art fleet continues to be one of the youngest and most modern in the industry. It receives a new aircraft on average every 13.5 days, which allows it to continue its aggressive route expansion strategy and provide passengers with increased connectivity across the globe. Even the blockade imposed on Qatar by siege countries has failed to deter Qatar Airways from expanding its global network. Since the first day of the blockade, the airline has launched 24 new destinations. For many of these new destinations, Qatar Airways is the first Middle Eastern carrier to operate to that airport. (Peninsula Qatar)

International

- **OECD: Global economy sliding towards weakest growth in decade –** Fed injects cash for third day as calm returns to funding market Bloomberg Paris Intensifying trade conflicts have sent global growth momentum tumbling toward lows last seen during the financial crisis, and governments are not doing enough to prevent long-term damage, Organisation for Economic Co-operation and Development (OECD) stated in its latest outlook. The Paris-based OECD cut almost all economic forecasts it made just four months ago, as protectionist policies take an increasing toll on confidence and investment, and risks continue to mount on financial markets. It sees world growth at a mere 2.9% this year. "Our fear is that we are entering an era where growth is stuck at a very low level. Governments should absolutely take advantage of low rates to invest in the future now so that this sluggish growth doesn't become the new normal," OECD's Chief Economist, Laurence Boone said. The OECD is the latest institution sounding the alarm over the state of the global economy. In the past two weeks, the Federal Reserve, the European Central Bank, the People's Bank of China and numerous of their peers have eased policy to shore up demand, urging governments at the same time that fiscal stimulus will be needed to ensure their efforts will not be futile. Manufacturing has borne the brunt of the economic crisis brought about by a tit-for-tat trade war between the US and China. The services sector has proved unusually resilient to the malaise so far, but the OECD warned that persistent weakness in industry will weigh on the labor market, household incomes and spending. Additional risks stem from a sharper slowdown in China and a no-deal Brexit that could push the UK into a recession and would considerably reduce growth in Europe, according to the report. (Gulf-Times.com)
- **Asia's global clout growing despite trade wars, says McKinsey –** Asia's economies will charge ahead in coming decades, boosting their collective share of trade and capital flows while showing less reliance on the rest of the world, according to a report by McKinsey Global Institute. The continent will continue to have a growing global impact across seven of eight categories – trade, capital, people, knowledge, transport, culture, resources and the environment – reviewed by McKinsey analysts for the

report. By 2040 the region's economies may be home to more than half of the world's middle class, and account for 39% of global consumption. The report is a nod to the long-term structural changes that should be a boon for Asia, even as the US-China trade war and global recession risks weigh on the region, especially its export-oriented economies. Despite slowing growth in China that's roiling markets, the world's number two economy is still adding the size of the Australian economy every year, the analysts wrote. (Gulf-Times.com)

- **Upbeat data suggest US economy still on moderate growth path –** The number of Americans filing applications for unemployment benefits increased less than expected last week, pointing to strong labor market conditions that should continue to support an economy growing at a moderate pace. Initial claims for state unemployment benefits rose 2,000 to a seasonally adjusted 208,000 for the week ended September 14, the government stated. Economists polled by Reuters had forecasted claims increasing to 213,000 in the latest week. Layoffs remain low despite the trade tensions, which have weighed on business investment and manufacturing. However there are concerns that slowing job growth could take some shine off robust consumer spending, which is largely driving the economy. (Reuters)
- **Trump dismisses partial deal with China to end rift –** The US President, Donald Trump said he does not want to make a partial trade deal with China and that voters will not punish him for the ongoing trade war in his 2020 bid for re-election. "I am not looking for a partial deal. I am looking for a complete deal," Trump said. The ongoing trade war between the two nations has roiled global markets and worsened in May when talks broke down. The US and Chinese officials held discussions in Washington this week with the aim of setting up high-level talks in early October. Trump has touted the resumption of negotiations, and last week delayed a planned tariff increase scheduled for October 1 on $250bn in Chinese goods as a gesture of good will. Trump added that he has an amazing relationship with Chinese President, Xi Jinping but that right now they are having a little spat. (Gulf-Times.com)
- **Drop in online shopping knocks UK retail sales in August –** British retail sales unexpectedly fell in August after shoppers bought less online than the month before, when an annual promotion by Amazon appeared to have encouraged them to splash out, official figures showed. The figures gave little obvious sign that either the possibility of a no-deal Brexit on October 31 or a fall in sterling over the summer had dealt a visible blow to consumer spending, which has solidly supported British growth in recent years. Monthly retail sales volumes dipped by 0.2%, the Office for National Statistics stated, compared with an average forecast for a flat reading in a Reuters poll of economists and the first fall in three months. (Reuters)
- **QNB Group: ECB's monetary stimulus to continue –** The European Central Bank (ECB) has decided to launch a new stimulus package at the latest monetary policy meeting of its Governing Council on September 12. The decision came as the Euro area is affected by a negative macroeconomic backdrop, QNB Group stated in its latest report. Adverse developments include a more protracted growth slowdown, lower inflation, and the persistency of significant risks to the outlook, notably global trade tension, Brexit, and idiosyncratic political risks in Italy. The stimulus package announced by departing ECB's President, Mario Draghi encompassed four main measures. They included a cut in policy rates, the reinstitution of large scale net asset purchases or quantitative easing (QE), more attractive targeted longer-term refinancing operations (TLTROs) for banks, and stronger forward guidance signs to investors. (Gulf-Times.com)
- **Negative trend in German exports to continue –** The German economy started the third quarter on a weaker footing, the Finance Ministry stated, putting the blame on a cooling global economy and uncertainties linked to Brexit and trade conflicts that are hurting exports. The ministry also stated in its monthly report that the domestic economy was weakening and the Federal Labor Office was seeing signs of a future rise in unemployment. "The domestic economy is signaling slower activity. Demand for new staff continues to weaken," the ministry stated. It added that the services sector was still giving impetus to the labor market, whose resilience has been sustaining a consumption-driven cycle driven by the European Central Bank's expansionary monetary policy. (Reuters)
- **Japan's core consumer inflation slowed to a new two-year low in August –** Japan's core consumer inflation slowed to a new two-year low in August due to lower oil costs and feeble economic growth, data showed, adding to the central bank's growing challenges in achieving its elusive 2% price target. The nationwide core consumer price index (CPI), which includes oil products but excludes fresh food prices, has rose 0.5% in August from a year earlier, matching a median market forecast and slowing from a 0.6% gain in July. It was the slowest pace of increase since July 2017, when the index rose 0.5%. (Reuters)
- **Japan's government keeps moderate economic view in September –** Japan's government kept its view that the economy is recovering at a moderate pace in September, but flagged persistent weakness in the country's export sector, according to a monthly economic report released by the Cabinet Office. Weakness in the global economy and a bitter trade dispute between the US and China have sparked a nine-month decline in exports, posing major risks to Japan's economy, the world's third-largest. The government left its assessment of most of the individual components of economic growth unchanged, offering a generally positive view of domestic demand ahead of a sales tax hike scheduled for October. However, the housing sector was downgraded for the first time in more than one-and-a-half years due to a decline in new home construction. The government retained its view that corporate profits held at a high level, as long-term strength in services-sector firms offset less rosy performance in the manufacturing sector. It also kept its assessment that capital expenditure was expanding at a moderate pace despite some weak spots in spending by manufacturers, a Cabinet Office stated. (Reuters)
- **BoJ keeps policy steady, signals chance of easing in October –** The Bank of Japan (BoJ) kept monetary policy steady but signaled the chance of expanding stimulus as early as its next policy meeting in October by issuing a stronger warning over the risks threatening the economy. As expected, the BoJ maintained its short-term interest rate target at -0.1% and a

pledge to guide 10-year government bond yields around zero percent under its yield curve control (YCC) policy. Announcing its decision, the central bank stated in a statement that it was becoming necessary to pay closer attention to the chance that the economy will lose sufficient momentum to achieve the BoJ's 2% inflation target. (Reuters)

- **China cuts new loan rate for second month but struggling economy likely needs more –** China cut its new one-year benchmark lending rate for the second month in a row, a step by the central bank to try to wrestle down borrowing costs and support the economy as the Sino-US trade war drags on. As widely expected, China's new Loan Prime Rate (LPR) was cut 5 basis points (bps) at Friday's monthly fixing to 4.2%, the second time it has been trimmed since it was revamped in August, and days after the central bank's latest reduction in banks' reserve requirements (RRR) took effect. (Reuters)
- **China's growth could slip below 6%, analysts warn, as trade war takes toll –** China's economic growth risks slipping below the lower-end of Beijing 2019 target of 6% in the third quarter or over the next year, analysts warn, but government economists are slightly more optimistic as they expect stimulus to help stave off a sharper slowdown. Economists believe China's economic growth likely cooled further this quarter from a near 30-year low of 6.2% in April-June, but they differ on whether the slowing trend could persist despite a raft of government policy measures. Economic activity worsened in August, with growth in industrial production at its weakest in seventeen-and-a-half years, as the US-China trade war dented business confidence, investment and domestic consumption. (Reuters)
- **India cuts corporate taxes to boost manufacturing and revive growth –** India cut corporate tax rates in a surprise move designed to woo manufacturers, revive private investment and lift growth from a six-year low that has led to major job losses and fueled discontent in the countryside. Prime Minister Narendra Modi, under pressure to make good on a promise to deliver growth and tens of thousands of jobs, said the lower tax rates would spur new investment and drive his 'Make In India' plan to boost domestic manufacturing. (Reuters)

Regional

- **Saudi Arabia's foreign assets rise to SR1.913tn in 2Q2019 –** Saudi Arabia's foreign reserve assets increased by 2.7%, or SR49.6bn, QoQ, to reach SR1.913tn in the second quarter of 2019. The Kingdom's foreign assets rose by 1.5% YoY. Total reserve assets went up by 2.7% QoQ, 1.2% YoY, to SR1.923.3tn, during the three-month period ended June 30, 2019, the Saudi Arabian Monetary Agency's (SAMA) data showed. Reserves status in the International Monetary Fund (IMF) grew by 6.3% to SR8.1bn in 2Q2019, while investments in overseas securities fell 3.8% YoY to SR1.180tn in the same period. Deposits and foreign cash surged 15.5% YoY to SR701.2bn in 2Q2019. Special Drawing Rights (SDRs) increased by 5.6% YoY and monetary gold reserves leveled up to SR1.6bn. (Zawya)
- **Saudi Arabia joins IMF's SDDS standard for official statistics –** Saudi Arabia has joined the International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS) for publishing government financial and economic data, state news agency SPA reported. "This standard will contribute to the availability of real-time and comprehensive statistics leading to increased level of data access to financial markets to help make investment decisions in the Kingdom," Saudi Arabia's Finance Minister, Mohammed Al-Jadaan said. Saudi Arabia is trying to diversify its economy away from reliance on oil as part of Crown Prince, Mohammed bin Salman's reform plan Vision 2030. (Reuters)
- **Real crunch from Saudi Arabia's oil outage has yet to be felt –** Saudi Arabia's ability to avert a global oil supply crunch will only become clear in a few weeks, because for now its crude held in storage can fill the gap and mask the scale of damage to its facilities, traders and analysts said. Saudi Arabia stated that production will be back to normal levels in two to three weeks, which means restoring output to about 10mn bpd, after attacks on two sites that usually process and clean up about 5.7mn bpd. While it carries out repairs, the world's biggest oil exporter has promised to keep the physical crude market supplied from its inventories held in the Kingdom and abroad, estimated to have been about 180mn barrels in July. However, traders and analysts are skeptical repairs to the Abqaiq and Khurais sites will be swift, while the lack of transparency about Saudi inventories adds to uncertainty about whether Riyadh can keep markets supplied without disruption. "A lot of October arrival barrels were already on the water so the hole is going to show up toward late October," one senior European oil trader said. "There has been a mad scramble on the paper markets however, the physical scramble will come later." Precisely when any rush for physical crude kicks in will depend on the level of Saudi Arabia's inventories and how long it needs to rely on them to ensure clients receive full allocations. The Joint Organisations Data Initiative (JODI), a body that issues energy data using submissions by its members such as Riyadh, stated that Saudi Arabia's inventories at home and abroad fell 8mn barrels in the month of July - the latest month available - to 180mn barrels. (Reuters)
- **Saudi Aramco sees full oil production from attacked sites by end September –** Saudi Aramco stated that it will bring back by end of September full crude output at Abqaiq and Khurais, the two oil facilities damaged by attacks. Saudi Aramco is shipping equipment from the US and Europe to rebuild the damaged facilities, Saudi Aramco's General Manager for the southern area oil operation, Fahad Abdulkarim told reporters. Reuters reporters were shown repair work under way at both locations, with cranes erected around burnt-out stabilization columns, which form part of oil-gas separation units. "We are working 24/7," he said. "This is a beehive." US shale producers boost oil hedging after the attack: sources At Abqaiq, a number of spheroids, used to separate oil from other elements contained in crude oil, were surrounded by scaffoldings and had two-yards wide punctures in the dome. Saudi Aramco's Vice-President for southern area oil operations, Khalid Buraik said 15 towers and facilities had been hit at Abqaiq, however, it would regain full output capacity by the end of September. (Reuters)
- **Saudi Aramco switches crude grades, delays oil supplies to buyers in Asia –** State oil giant Saudi Aramco has switched crude grades and pushed back crude and oil products deliveries to customers by days after the attacks on its supply hub severely reduced its light oil production and led to output cuts

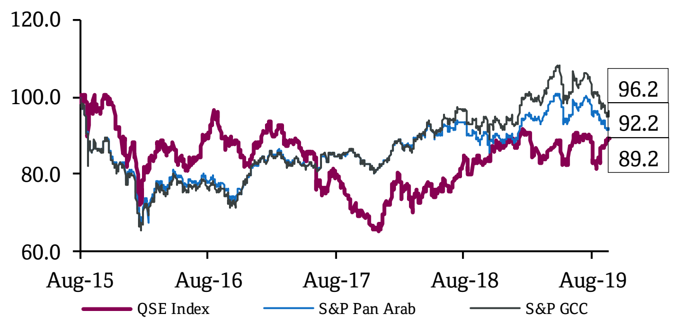
at its refineries. Crude oil loading delays were widespread as most buyers have received Saudi Aramco's request to push back shipments in October by 7-10 days, several sources said, giving the producer more time to maintain exports by adjusting supplies from inventories and its refineries. At least three supertankers that loaded crude in Saudi Arabia this week for China and India had their crude grades switched from light to heavy oil while more buyers in Asia have been asked to delay shipments and switch grades in September and October, according to sources. Unipec, the trading arm of Asia's largest refiner Sinopec, will lift Arab Heavy crude instead of Arab Light and Arab Extra Light onboard Very Large Crude Carriers (VLCCs) Caribbean Glory and Xin Lian Yang this month. VLCC Kalamos will also load Arab Heavy instead of mostly Arab Extra Light for Indian Oil Corp. (Reuters)

- **Saudi Aramco said to trade crude normally without buying more Iraq oil –** Saudi Aramco is trading crude produced outside the country as normal and is not currently seeking to buy additional barrels from Iraq's state oil marketer, according to sources. Saudi Aramco restored about 40% of the interrupted capacity this week and is using stored crude to help meet customer requirements. There have been reports that Saudi Aramco had contacted Iraq's state oil marketer SOMO with a request to buy as much as 20mn barrels of crude. (Gulf-Times.com)
- **Saudi Arabia vows quick recovery despite damage to oil plants –** Saudi Arabia vowed to quickly restore oil production as it revealed extensive damage to key oil plants following weekend aerial strikes. The attacks, which hit state-controlled oil giant Saudi Aramco's facilities in the country's east at Khurais and the world's largest oil processing facility at Abqaiq. This has knocked out half of Saudi Arabia's oil production and prompting President, Donald Trump to sketch out the latest in a series of economic sanctions on Iran. (Gulf-Times.com)
- **Saudi Aramco woes likely to prompt Sasref refinery shutdown –** Saudi Arabia may have brought forward maintenance work at its Sasref refinery in Jubail after the attacks on the country's crude production facilities, ship-tracking company Vortexa stated. The Kingdom is drawing on domestic stockpiles and reducing run rates at refineries so it can meet export commitments to customers, Vortexa analysts said in a September 20 report. A tanker that was expected to load gas oil from Jubail port this week went to Ruwais in the UAE to pick up a cargo instead. Sasref is scheduled to shut the entire Jubail refinery for maintenance, Vortexa stated, without giving specific dates. Yanbu and Jubail are the country's main diesel and jet fuel export hubs and shipments have continued in the aftermath of the attacks, the report showed. Middle distillate exports from September 1 to September 19 were broadly steady compared with the same period last month. However, naphtha exports have fallen this month and the Kingdom only loaded its first cargos from Jubail and Rabigh on September 10. The Sasref refinery is a former joint venture between Saudi Aramco and Shell. The oil major recently sold its stake to the state oil company for $631mn. (Bloomberg)
- **FT: Saudi Arabia may allocate 20% of Saudi Aramco shares to wealthy families –** Saudi Arabia will seek to allocate 20% of Saudi Aramco's listed shares to the country's wealthy families, a similar level to the amounts slated for state pension funds and international investors, with the rest of the offering to go to retail investors, the Financial Times (FT) reported, citing an unidentified source familiar with the transaction. Some families believe they are already overexposed to the energy sector, sources said. (Bloomberg)
- **Saudi Aramco said to add Barclays, BNP, Deutsche and UBS as book runners –** Saudi Aramco has added banks including Barclays, BNP Paribas, Deutsche Bank and UBS Group as book runners on its planned Initial Public Offering (IPO) as it pushes ahead with plans for the blockbuster deal, sources said. The energy giant also picked Credit Agricole, Gulf International Bank and Societe Generale, the sources said. Saudi Aramco is planning to select about 15 book runners in total, including two Chinese firms, one of the sources said. Saudi Aramco is moving fast to add banks in junior roles on the deal after choosing the top underwriters last week. Bankers from the newly appointed underwriters are flying to the Middle East for meetings with Saudi Aramco according to sources. (Bloomberg)
- **DP World seeks to retire Dollar bonds, mulls new sale –** DP World offered to buy back two bonds with a combined face value of $1.5bn as the Dubai-owned ports operator seeks to manage its debt. The company invited holders of $1bn of its 1.75% convertible bonds due 2024 to tender the securities for cash through a reverse book-building process, according to a statement. The offer is meant to "manage upcoming debt maturities" and DP World will use its existing credit facilities, cash reserves or the proceeds from the issue of any new securities to fund the purchases, it stated. DP World also offered to buy for cash its $500mn, 3.25% notes due in 2020. The company has already purchased $152.8mn of its 2024 convertible bonds. The aggregate principal amount of $847.2mn in bonds are outstanding. DP World is also considering options to issue new securities under its $10bn global medium-term note program or $5bn trust certificate issuance program. Citigroup Inc. and Deutsche Bank are acting as joint dealer managers for the deal. (Bloomberg)
- **Dubai waste management firm Averda acquires Zenath Recycling –** Dubai-based waste management firm Averda has acquired Zenath Recycling and Waste Management from Zenath Trading Enterprises for an undisclosed amount, company stated. Averda will get a fleet of 38 trucks and a workforce of about 150 employees as part of the acquisition. "This acquisition gives us increased market share in the UAE and access to a new customer niche," Averda CEO, Malek Sukkar said. "We have a pipeline of acquisitions that we're always monitoring," he said. (Bloomberg)
- **Indonesia says Abu Dhabi extends investment proposals worth at least $1bn –** Indonesia is considering investment proposals from Abu Dhabi's sovereign wealth fund worth at least $1bn, an Indonesian minister said. The proposals offer two scenarios for the Abu Dhabi Investment Authority (ADIA) to invest in Southeast Asia's largest economy, Indonesia's Coordinating Minister of maritime affairs, Luhut Pandjaitan said. In one of the scenarios, the fund could directly invest about $1bn in property projects including in tourism areas. Another option is for Jakarta to set up a new Indonesia Sovereign Wealth Fund (SWF), which will become a pool for funds from various foreign

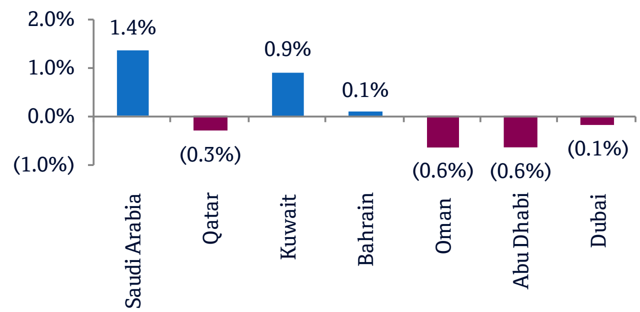
governments, and the UAE could contribute up to $10bn in stages for infrastructure financing or other investments. “The UAE will visit Indonesia next month to meet with the finance ministry and PT SMI to discuss the scheme, regulations and laws needed to support the formation of the SWF,” he said. PT SMI, or Sarana Multi Infrastruktur, is a state-owned infrastructure financing company. Investors from the UAE have agreed to invest in a 100,000 hectare (247,105 acres) plantation for tropical fruit in Indonesia’s Central Kalimantan province, he added. Abu Dhabi has also invited Indonesian President, Joko Widodo to visit the Emirate in January 2020 to follow up on commitments worth $9.7bn signed during Crown Prince, Sheikh Mohammed bin Zayed Al-Nahyan’s visit to the Indonesian capital in July. (Reuters)

- **Kuwait’s state refiner lowers maximum capacity target –** Kuwait National Petroleum Co (KNPC) plans to reach a maximum refining capacity of 1.6mn bpd by 2025, a downward revision of its original 2mn bpd target for expansion, its Chief Executive told Reuters. The OPEC member unveiled an ambitious oil sector growth strategy in early 2018, which is now under review, the state owned refiner’s CEO, Walid Khaled Al-Badr said. “The strategy is under review at this stage,” he said explaining that any plan had to be approved by the Kuwait Petroleum Co. (KPC) and the Supreme Petroleum Council chaired by the Prime Minister, Sheikh Jaber Al Mubarak Al-Sabah. In 2018, Kuwait had said it planned to spend $500bn to boost its crude oil production capacity to 4.75mn barrels per day by 2040, and increase its refining capacity to 2mn bpd. Al-Badr said the strategy was revised every four to five years as corporate planning team looks at market data, changes, parameters and demand on oil products to see whether outlook had changed. (Peninsula Qatar)
- **National Bank of Oman gets $300mn three year syndicated term loan –** National Bank of Oman gets $300mn three year syndicated term loan. Ten regional and international banks took part in the deal, which was oversubscribed, according to a statement from Bank ABC. Bank ABC and Emirates NBD acted as joint coordinators, initial MLAs and book runners. (Bloomberg)

Rebased Performance	Daily Index Performance



Source: Bloomberg



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,516.90	1.2	1.9	18.3
Silver/Ounce	18.00	1.1	3.2	16.1
Crude Oil (Brent)/Barrel (FM Future)	64.28	(0.2)	6.7	19.5
Crude Oil (WTI)/Barrel (FM Future)	58.09	(0.1)	5.9	27.9
Natural Gas (Henry Hub)/MMBtu	2.66	0.4	1.5	(16.5)
LPG Propane (Arab Gulf)/Ton	45.25	(1.1)	6.5	(29.3)
LPG Butane (Arab Gulf)/Ton	55.25	(0.9)	12.2	(20.5)
Euro	1.10	(0.2)	(0.5)	(3.9)
Yen	107.56	(0.4)	(0.5)	(1.9)
GBP	1.25	(0.4)	(0.2)	(2.2)
CHF	1.01	0.2	(0.1)	(0.9)
AUD	0.68	(0.4)	(1.6)	(4.0)
USD Index	98.51	0.2	0.3	2.4
RUB	64.01	0.0	(0.5)	(8.2)
BRL	0.24	0.5	(1.5)	(6.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,197.55	(0.3)	(0.4)	16.6
DJ Industrial	26,935.07	(0.6)	(1.0)	15.5
S&P 500	2,992.07	(0.5)	(0.5)	19.4
NASDAQ 100	8,117.67	(0.8)	(0.7)	22.3
STOXX 600	392.95	(0.1)	(0.3)	11.9
DAX	12,468.01	(0.3)	(0.6)	13.6
FTSE 100	7,344.92	(0.2)	(0.2)	6.9
CAC 40	5,690.78	0.2	(0.0)	15.6
Nikkei	22,079.09	0.2	0.6	12.9
MSCI EM	1,021.26	0.5	(0.5)	5.7
SHANGHAI SE Composite	3,006.45	0.3	(1.0)	16.9
HANG SENG	26,435.67	(0.2)	(3.5)	2.2
BSE SENSEX	38,014.62	5.8	1.6	3.4
Bovespa	104,817.40	(0.3)	(1.2)	10.8
RTS	1,377.38	(0.0)	0.6	28.9

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