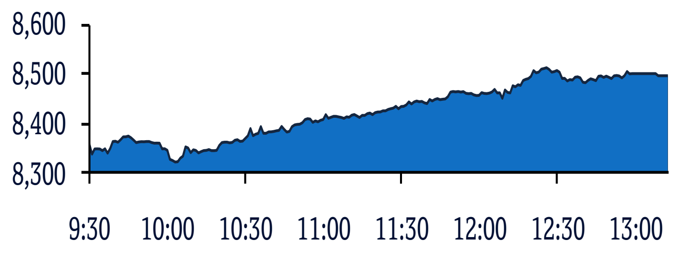
Daily Market Report

Thursday, 23 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 2.1% to close at 8,500.2. Gains were led by the Telecoms and Real Estate indices, gaining 6.2% and 4.1%, respectively. Top gainers were Qatari German Company for Medical Devices and Islamic Holding Group, rising 10.0% and 9.9%, respectively. Among the top losers, Qatari Investors Group fell 2.3%, while Qatar Fuel Company was down 0.4%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.7% to close at 6,541.5. Gains were led by the Utilities and Retailing indices, rising 4.4% and 2.7%, respectively. Al Alamiya Cooperative Ins. rose 9.9%, while Buruj Cooperative Insurance was up 7.1%

Dubai: The DFM Index gained 2.0% to close at 1,862.3. The Real Estate & Construction index rose 3.4%, while the Consumer Staples and Disc. index gained 2.1%. Amlak Finance rose 10.2%, while Al Salam Bank -Bahrain was up 8.3%.

Abu Dhabi: The ADX General Index gained 3.3% to close at 3,987.1. The Telecommunication index rose 5.4%, while the Real Estate index gained 3.9%. Abu Dhabi Ship Building Co. rose 14.7%, while Dana Gas was up 5.7%

Kuwait: The Kuwait All Share Index gained 0.2% to close at 4,718.0. The Consumer Services index rose 2.6%, while the Basic Materials index gained 1.3%. Real Estate Trade Centers Co. rose 26.1%, while Gulf Petroleum Investment was up 18.4%.

Oman: The MSM 30 Index gained 0.2% to close at 3,449.6. Gains were led by the Industrial and Financial indices, rising 1.2% and 0.7%, respectively. Raysut Cement Company rose 7.0%, while Oman Flour Mills was up 6.7%.

Bahrain: The BHB Index fell 0.3% to close at 1,308.5. The Services index declined 1.0%, while the Commercial Banks index fell 0.3%. Bahrain Duty Free Complex declined 9.9%, while BBK was down 2.1%.

Market Indicators	22 Apr 20	21 Apr 20	%Chg.
Value Traded (QR mn)	422.5	287.4	47.0
Exch. Market Cap. (QR mn)	476,410.2	465,092.9	2.4
Volume (mn)	301.4	153.6	96.2
Number of Transactions	10,599	9,453	12.1
Companies Traded	44	45	(2.2)
Market Breadth	40:3	14:30	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,288.45	2.1	(0.9)	(15.1)	12.7
All Share Index	2,637.03	2.1	(1.3)	(14.9)	13.3
Banks	3,810.00	2.2	(1.5)	(9.7)	12.4
Industrials	2,157.90	1.5	(2.9)	(26.4)	16.5
Transportation	2,344.80	2.1	1.6	(8.2)	11.4
Real Estate	1,206.80	4.1	(1.5)	(22.9)	9.5
Insurance	2,032.89	1.1	(3.9)	(25.7)	34.0
Telecoms	812.52	6.2	4.6	(9.2)	13.4
Consumer	6,898.81	0.4	1.0	(20.2)	16.9
Al Rayan Islamic Index	3,286.58	1.9	(0.3)	(16.8)	14.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Arabian Fertilizer	Saudi Arabia	66.90	6.9	190.1	(13.7)
Ooredoo	Qatar	6.28	6.7	1,395.2	(11.3)
Emirates Telecom. Group	Abu Dhabi	15.10	5.4	2,325.0	(7.7)
Barwa Real Estate Co.	Qatar	2.73	5.0	6,163.1	(22.9)
Saudi Electricity Co.	Saudi Arabia	16.62	4.9	1,483.4	(17.8)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Burgan Bank	Kuwait	0.19	(6.3)	3,760.4	(36.2)
Saudi Cement Co.	Saudi Arabia	47.35	(4.7)	402.3	(32.5)
BBK	Bahrain	0.52	(2.1)	74.3	(4.7)
Mabanee Co.	Kuwait	0.56	(1.8)	1,039.7	(38.1)
Banque Saudi Fransi	Saudi Arabia	26.70	(1.5)	666.8	(29.6)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	0.87	10.0	11,007.2	50.0
Islamic Holding Group	1.87	9.9	1,676.5	(1.7)
Ezdan Holding Group	0.61	9.9	124,682.3	(0.8)
Mazaya Qatar Real Estate Dev.	0.59	9.9	32,788.0	(18.2)
Salam International Inv. Ltd.	0.27	7.1	11,461.6	(47.2)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	1.27	(2.3)	1,734.5	(29.3)
Qatar Fuel Company	16.64	(0.4)	589.0	(27.3)
Qatar Oman Investment Co.	0.44	(0.2)	567.7	(34.5)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.61	9.9	124,682.3	(0.8)
Mazaya Qatar Real Estate Dev.	0.59	9.9	32,788.0	(18.2)
Qatar Gas Transport Company Ltd.	2.20	1.9	21,007.0	(7.9)
Salam International Inv. Ltd.	0.27	7.1	11,461.6	(47.2)
Investment Holding Group	0.40	3.3	11,247.0	(28.5)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	0.61	9.9	75,236.4	(0.8)
QNB Group	16.95	2.4	46,733.7	(17.7)
Qatar Gas Transport Co. Limited	2.20	1.9	46,061.2	(7.9)
Qatar Electricity & Water Co.	14.69	1.2	21,260.6	(8.7)
Mazaya Qatar Real Estate Dev.	0.59	9.9	19,012.2	(18.2)

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*	8,500.23	2.1	(0.9)	3.6	(18.5)	115.38	130,060.0	12.7	1.3	4.7
Dubai	1,862.28	2.0	0.1	5.1	(32.6)	66.66	75,045.2	7.1	0.7	6.7
Abu Dhabi	3,987.06	3.3	0.4	6.8	(21.4)	46.16	116,790.8	11.2	1.1	6.2
Saudi Arabia	6,541.47	0.7	(1.4)	0.6	(22.0)	1,047.14	1,990,318.9	18.2	1.6	4.1
Kuwait	4,717.96	0.2	(0.6)	(2.2)	(24.9)	89.94	85,992.9	12.9	1.1	4.5
Oman	3,449.58	0.2	(2.5)	0.0	(13.4)	2.35	15,031.5	7.3	0.6	8.0
Bahrain	1,308.53	(0.3)	(0.3)	(3.1)	(18.7)	3.61	20,277.2	9.4	0.8	6.0

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 2.1% to close at 8,500.2. The Telecoms and Real Estate indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Qatari German Company for Medical Devices and Islamic Holding Group were the top gainers, rising 10.0% and 9.9%, respectively. Among the top losers, Qatari Investors Group fell 2.3%, while Qatar Fuel Company was down 0.4%.
- Volume of shares traded on Wednesday rose by 96.2% to 301.4mn from 153.6mn on Tuesday. Further, as compared to the 30-day moving average of 130.4mn, volume for the day was 131.1% higher. Ezdan Holding Group and Mazaya Qatar Real Estate Development were the most active stocks, contributing 41.4% and 10.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	31.59%	38.63%	(29,735,774.09)
Qatari Institutions	27.84%	22.48%	22,650,877.54
Qatari	**59.43%**	**61.11%**	**(7,084,896.56)**
GCC Individuals	0.56%	1.52%	(4,022,127.78)
GCC Institutions	0.68%	1.46%	(3,326,000.39)
GCC	**1.24%**	**2.98%**	**(7,348,128.17)**
Non-Qatari Individuals	12.51%	12.50%	23,929.98
Non-Qatari Institutions	26.82%	23.41%	14,409,094.75
Non-Qatari	**39.33%**	**35.91%**	**14,433,024.73**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
Umm Al-Qura Cement Co.	Saudi Arabia	SR	96.5	51.8%	45.0	61.8%	38.5	79.2%
Najran Cement Co.	Saudi Arabia	SR	156.4	46.8%	46.1	228.1%	40.1	562.4%
Nat. Shipping Co. of Saudi Arabia	Saudi Arabia	SR	2,082.2	22.1%	505.8	34.1%	419.2	133.8%
Yamama Cement Co.	Saudi Arabia	SR	290.0	35.6%	131.3	77.7%	124.0	75.5%
Al Moammar Information Sys. Co.	Saudi Arabia	SR	228.0	8.0%	21.9	20.1%	17.2	46.3%
Emirate Integrated Telecom. Co.	Dubai	AED	2,988.0	-4.8%	349.5	-19.0%	355.1	-21.0%
Oman Packaging Co.	Oman	OMR	3.1	-2.9%	–	–	0.4	66.1%

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04/22	US	Mortgage Bankers Association	MBA Mortgage Applications	17-Apr	-0.3%	–	7.3%
11/01	US	Markit	Markit US Manufacturing PMI	Oct	51.3	51.5	51.5
11/01	US	Institute for Supply Management	ISM Manufacturing	Oct	48.3	48.9	47.8
11/01	US	Institute for Supply Management	ISM Employment	Oct	47.7	–	46.3
04/22	UK	UK Office for National Statistics	CPI MoM	Mar	0.0%	0.0%	0.4%
04/22	UK	UK Office for National Statistics	CPI YoY	Mar	1.5%	1.5%	1.7%
04/22	EU	European Commission	Consumer Confidence	Apr	-22.7	-20	-11.6

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 1Q2020 results	No. of days remaining	Status
KCBK	Al Khalij Commercial Bank	23-Apr-20	0	Due
DBIS	Dlala Brokerage & Investment Holding Company	23-Apr-20	0	Due
NLCS	Alijarah Holding	23-Apr-20	0	Due
MARK	Masraf Al Rayan	23-Apr-20	0	Due
QCFS	Qatar Cinema & Film Distribution Company	26-Apr-20	3	Due
MPHC	Mesaieed Petrochemical Holding Company	27-Apr-20	4	Due
BLDN	Baladna	27-Apr-20	4	Due
QATI	Qatar Insurance Company	28-Apr-20	5	Due
QAMC	Qatar Aluminum Manufacturing Company	28-Apr-20	5	Due
AHCS	Aamal Company	28-Apr-20	5	Due
IGRD	Investment Holding Group	28-Apr-20	5	Due
GWCS	Gulf Warehousing Company	28-Apr-20	5	Due
GISS	Gulf International Services	29-Apr-20	6	Due

MERS	Al Meera Consumer Goods Company	29-Apr-20	6	Due
DOHI	Doha Insurance Group	29-Apr-20	6	Due
Tickers	**Company Name**	**Date of reporting 1Q2020 results**	**No. of days remaining**	**Status**
ORDS	Ooredoo	29-Apr-20	6	Due
AKHI	Al Khaleej Takaful Insurance Company	30-Apr-20	7	Due

Source: QSE

News

Qatar

- **DHBK's bottom line rises 5.4% YoY in 1Q2020, above our estimate –** Doha Bank (DHBK) reported net profit of QR324.1mn in 1Q2020 as compared to net profit of QR307.5mn (+5.4% YoY) in 1Q2019 and net loss of QR64.6mn in 4Q2019, above our estimate of QR288.5mn (variation of +12.3%). Net interest income increased 11.2% YoY and 13.1% QoQ in 1Q2020 to QR548.0mn. The company's net operating income came in at QR749.2mn in 1Q2020, which represents an increase of 17.9% YoY (+6.6% QoQ). The bank's total assets stood at QR106.4bn at the end of March 31, 2020, up 10.5% YoY. However, on QoQ basis the bank's total assets decreased 1.7%. Loans and advances to customers were QR65.3bn, registering a rise of 11.3% YoY at the end of March 31, 2020. However, on QoQ basis loans and advances to customers decreased 0.7%. Customer deposits rose 0.6% YoY to reach QR54.8bn at the end of March 31, 2020. However, on QoQ basis customer deposits fell 6.3%. EPS remained flat YoY at QR0.10 in 1Q2020. DHBK's Chairman, Sheikh Fahad bin Muhamad bin Jabor Al-Thani said, "The bank would make all efforts to be a main pillar in supporting companies and individuals, and would work in line with the plan pursued by Qatar to address the obstacles faced by its customers during this period to overcome this crisis. The bank's assurance comes in the wake of His Highness the Amir Sheikh Tamim bin Hamad Al-Thani's directives to provide support to all sectors in view of the COVID-19 pandemic and accordingly the Qatar Central Bank also came out with support measures. (QNB FS Research, QSE, Gulf-Times.com)
- **QNNS' bottom line rises 1.7% YoY and 121.4% QoQ in 1Q2020, in-line with our estimate –** Qatar Navigation's (QNNS) net profit rose 1.7% YoY (+121.4% QoQ) to QR283.2mn in 1Q2020, in line with our estimate of QR297.1mn (variation of -4.7%). The company's Operating Revenue came in at QR689.9mn in 1Q2020, which represents a decrease of 2.8% YoY. However, on QoQ basis Operating Revenue rose 20.9%. EPS remained flat YoY at QR0.25 in 1Q2020. QNNS' operating profit slipped to QR200mn, from QR216mn for the same period in 2019. Milaha Maritime & Logistics' net profit decreased by QR11mn, mainly due to lower freight forwarding volumes and project work. Milaha Gas & Petrochem's net profit increased by QR69mn, driven by improved market rates benefitting both the company's wholly owned assets and joint ventures and associates. Milaha Offshore's bottom line decreased by QR60mn, with increased vessel impairments totaling QR74mn more than offsetting higher vessel utilizations. Milaha Capital's net profit has increased by QR5mn mainly due to gain on sale of land which offset lower dividend and held for trading portfolio income. Milaha Trading's bottom line also increased by QR1mn, due to improved operating margins in the company's bunker and trading agencies units. QNNS will conduct an investor conference call on Monday at 1:30pm Doha time, to further discuss its first quarter financial results. (QNB FS Research, QSE, Gulf-Times.com, Peninsula Qatar)
- **VFQS' bottom line rises 10.0% YoY and 35.9% QoQ in 1Q2020, above our estimate –** Vodafone Qatar's (VFQS) net profit rose 10.0% YoY (+35.9% QoQ) to QR47.9mn in 1Q2020, above our estimate of QR36.0mn (variation of +33.1%). The company's Revenue came in at QR540.7mn in 1Q2020, which represents an increase of 1.0% YoY. However, on QoQ basis Revenue fell 5.4%. EPS amounted to QR0.011 in 1Q2020 as compared to QR0.010 in 1Q2019. The increased in total revenue driven by continued growth in the company's postpaid and fixed broadband services (GigaHome). Service revenue grew by 7.2% to reach QR508mn. Vodafone Qatar is now serving 1.73mn mobile customers. EBITDA for the period increased by 11% YoY to reach QR200mn, positively impacted by higher service revenue, the continued effectiveness in implementing the company's cost optimization program, and lower local termination rates. Consequently, EBITDA Margin rose by 3.2 percentage points to 37%. Vodafone Qatar provides a comprehensive range of services including voice, messaging, data, fixed communications, IoT and ICT managed services in Qatar, for both consumers and businesses alike. The company commenced commercial operations in 2009. Its state-of-the-art network infrastructure is expanding to cover key locations in the country with fiber connectivity and 5G, along with an extensive digital ecosystem, which will contribute to Qatar's continued growth and prosperity. (QNB FS Research, QSE, Gulf-Times.com)
- **WOQOD's AGM endorses items on its agenda and approves the distribution of 80% cash dividend** – Qatar Fuel (WOQOD) has disclosed the results of the Ordinary Assembly meeting (AGM) held by utilizing online facilities on April 22, 2020, and endorsed the items listed on its agenda, including the approval of the distribution of QR795mn from net profits realized for the year 2019 representing QR0.8 per share to shareholders by way of dividends, among others. (QSE)
- **QIIK's bottom line remains almost flat YoY and up ~78% QoQ in 1Q2020, in-line with our estimate –** Qatar International Islamic Bank's (QIIK) net profit remained almost flat YoY (+~78% QoQ) to ~QR267mn in 1Q2020 (1Q2019: ~QR266mn), in line with our estimate of QR270mn (variation of ~-1%). EPS remained flat YoY at QR0.18 in 1Q2020. QIIK's CEO, Abdulbasit Ahmed Al-Shaibei noted that the bank's total revenues for 1Q2020 amounted to QR656.2mn compared to QR558.1mn at the end of the same period of last year, with a growth rate 17.6%. The bank also improved operational efficiency, which contributed to a

decrease in cost to income ratio to be at 20.5%. He said, "The bank's total assets increased by the end of the first quarter to QR60.2bn with a growth rate of 10.9%, whereas the financing portfolio reached QR38.5bn compared to QR31bn by the end of Q1, 2019, with a growth rate of 24%. Customer deposits reached QR36.3bn with a growth rate of 2.9% compared to the same period of last year, the earnings per share reached QR0.18 while the capital adequacy under Basel III stood at 18.4%, thus reflecting the strength of QIIB's financial position." Al-Shaibei noted, "QIIK's results during the first quarter were consistent with the goals set by the Board of Directors, which are based on making the best use of the great opportunities provided by the Qatari economy in its various sectors. Our planned focus is on the local market. We seek to participate in development plans and benefit from the strength and high solvency of the Qatari economy as well as the opportunities it provides. Our results for the first quarter are consistent with QIIB's long track record of achieving stable growth rates despite all challenges posed by the market factors. However, hard work and planning helped us adapt to these factors, achieve stability in our operational performance and reduce risks to a minimum." The CEO noted, "During the first quarter of 2020, the bank continued to invest in and focus on strengthening its technological infrastructure and developing its alternate channels, which enhances the bank's provision of smart services and facilitates the fulfillment of the customers' banking needs, without having them visit the bank branches". (QNB FS Research, QSE, Gulf-Times.com)

- **MCGS posts ~2% YoY increase but ~40% QoQ decline in net profit in 1Q2020, below our estimate –** Medicare Group's (MCGS) net profit rose ~2% YoY (but declined ~40% on QoQ basis) to ~QR21mn in 1Q2020, below our estimate of QR24mn (variation of ~-15%). EPS remained flat YoY at QR0.07 in 1Q2020. (QNB FS Research, QSE)
- **UDCD's net profit declines 71.2% YoY and 52.9% QoQ in 1Q2020 –** United Development Company's (UDCD) net profit declined 71.2% YoY (-52.9% QoQ) to QR49.2mn in 1Q2020. The company's Revenue came in at QR296.1mn in 1Q2020, which represents a decrease of 44.1% YoY (-30.7% QoQ). EPS amounted to QR0.014 in 1Q2020 as compared to QR0.048 in 1Q2019. (QSE)
- **QIMD posts 27.8% YoY decrease but 20.6% QoQ increase in net profit in 1Q2020 –** Qatar Industrial Manufacturing Company's (QIMD) net profit declined 27.8% YoY (but rose 20.6% on QoQ basis) to QR24.5mn in 1Q2020. The company's Sales came in at QR97.9mn in 1Q2020, which represents an increase of 2.0% YoY (+40.1% QoQ). EPS amounted to QR0.05 in 1Q2020 as compared to QR0.07 in 1Q2019. (QSE)
- **QGMD reports net loss of QR2.4mn in 1Q2020 –** Qatari German Company for Medical Devices (QGMD) reported net loss of QR2.4mn in 1Q2020 as compared to net loss of QR3.0mn in 1Q2019 and QR1.9mn in 4Q2019. The company's Revenue came in at QR2.1mn in 1Q2020, which represents a decrease of 25.5% YoY. However, on QoQ basis Revenue rose 9.8%. Loss per share amounted to QR0.021 in 1Q2020 as compared to loss per share of QR0.026 in 1Q2019. (QSE, Peninsula Qatar)
- **MCCS reports net loss of ~QR21mn in 1Q2020 –** Mannai Corporation (MCCS) reported net loss of ~QR21mn in 1Q2020 as compared to net profit of ~QR50mn in 1Q2019 and net profit of QR121.6mn in 4Q2019. Loss per share amounted to QR0.05 in 1Q2020 as compared to EPS of QR0.11 in 1Q2019. MCCS posted revenue of QR2.7bn in the first quarter of this year. In the same period last year, the revenue stood at QR2.9bn. Lockdown measures have impacted trading activities, in particular the jewelery, and information technology segment, where project revenues have been delayed to later in the year, the company stated. Majority of the business operations are currently closed due to the lockdown, in particular the head office, showrooms and service centers located at Salwa Industrial area, Doha. Jewelery outlets located across GCC were also closed due to the precautionary and lockdown measures implemented, MCCS stated. (QSE, Gulf-Times.com)
- **Hassad signs agreements to develop marketing process at central markets –** Hassad, Qatar's premier investor in the food sector, has signed agreements with major companies operating in the country's food sector in order to operate key divisions of the central markets in Al Sailiya and Al Wakra. Announcing this Wednesday, Hassad said the signing of the pacts is in line with its plan to develop integrated marketing platforms. Hassad signed an agreement with Al Meera Consumer Goods Company (MERS) to operate designated spaces for a hypermarket, it said in a statement. The company signed another agreement with Widam Food (WDAM) to operate the automated slaughterhouse, poultry, fish and meat stores, as well as a section of the barns at Al Wakra and Al Sailiya central markets. (QSE, Gulf-Times.com)
- **Woqod to distribute dividend from today –** Qatar Fuel (Woqod) will commence dividend distribution from today April 23, 2020 after approval from the company's AGM held on April 22, 2020. Shareholders who have registered their bank account information with Qatar Central Depository, will have their dividends credited directly in their respective bank accounts. Shareholders who have not registered with Qatar Central Securities Depository may collect their dividends directly from QNB Group branches starting today. Shareholders who have not received their dividends for previous years can also collect these by visiting QNB Group branches. (Peninsula Qatar)
- **QP inks QR11bn LNG carrier agreement with China's shipyard –** Qatar Petroleum (QP) on Wednesday announced that it has entered into an agreement to reserve LNG ship construction capacity in China to be utilized for Qatar Petroleum's future LNG carrier fleet requirements as part of its ongoing North Field expansion projects. QP signed the deal with Hudong-Zhonghua Shipbuilding Group, a unit of China State Shipbuilding Corporation (CSSC). Pursuant to the agreement, a significant portion of Hudong's LNG ship construction capacity will be reserved for Qatar Petroleum through the year 2027. The agreement was signed by Minister of State for Energy Affairs and Qatar Petroleum President and CEO HE Saad Sherida Al Kaabi and CSSC Chairman Lei Fanpei during a virtual ceremony held on Wednesday. Qatargas CEO Sheikh Khalid Bin Khalifa Al Thani, Hudong Chairman Chen Jianliang, and Senior Executives from Qatar Petroleum, Qatargas, CSSC, and Hudong were also present during the virtual agreement signing ceremony. The deal potentially worth more than QR11 billion ($3bn) involves 174,000 cubic meter LNG carriers. (Qatar-Tribune)

- **Qatar's private sector exports grow 6% to QR1.95bn in February –** The exports of the Qatari private sector grew 6% to reach QR1.95bn in February compared to QR1.85bn in January. According to the Qatar Chamber's monthly economic newsletter for April, Aluminum topped the list with exports worth QR415mn, recording an increase of 33% compared to QR311mn in January. The second group was steel with exports worth QR244mn, decreasing by 39% compared to QR398mn in January. Essential oil exports came in third place with exports amounted to QR166mn, compared to QR82mn in January. Chemical fertilizers were in fourth place with exports amounting to QR91mn, keeping its value almost the same as in January. In fifth place was paraffin with exports amounting to QR75mn, an increase of 54% compared to QR49mn in January. Helium gas and other industrial gas exports amounting to QR62mn were recorded as the sixth-largest. It was a slight increase of 8% compared to January. Lutreine was at the seventh place with exports amounting to QR59mn compared to QR42mn in January. Chemicals and petrochemical substances were at the eighth and ninth places respectively. Chemical exports amounted to QR50mn recording a 35% decrease compared to January, while petrochemical exports amounted to QR42mn, almost the same value as in January. The report indicated that exports via the 'General Model' was the largest value, amounting to QR1bn, followed by exports through GSP with a total value of about QR466mn. Exports of the GCC model came in third place with a value of about QR423mn, followed by Arab certificate of origin with a value of QR46mn and finally the certificate of unified GCC to Singapore, which amounted to QR19mn. The report also reviewed an analysis of the country's foreign trade in February 2020 and the private sector trade according to the certificates of origin issued by the chamber for exporting companies. According to the figures given by The Planning and Statistics Authority for February 2020, the total value of foreign merchandise trade statistics amounted to QR29bn, showing a decrease of 10.2% compared to January 2020. In February 2020, the total exports of goods including exports of goods of domestic origin and re-exports amounted to around QR21.3bn, while the Qatari imports during the same month amounted to about QR7.7bn. (Qatar Tribune)
- **Qatar's private sector playing vital role during Covid-19 pandemic –** Qatar's private sector has continued to play an active role in maintaining the country's economic development amid the challenges wrought by the impact of the novel coronavirus (Covid-19) pandemic. In the April issue of Qatar Chamber's monthly economic magazine, Al Moltaqa, Director General Saleh bin Hamad Al-Sharqi said Qatar's private sector gave a rapid response to the State's plans and directives to protect the country and its residents from the impact of the health crisis. Al Moltaqa's April issue, which is now being circulated in PDF format, also focuses on the developing role of the private sector in the country's economic activity, sustainable development initiatives, and the government's responsibility towards society. The magazine also emphasized Qatar Chamber's ongoing role during the pandemic. At the onset of the health crisis, the chamber activated a series of initiatives and meetings through its board of directors, sectorial committees, and executive management, "leaving no stone unturned in combating the repercussions of the spread of Covid-19." Qatar Chamber also announced a number of measures to ensure that the private sector is playing "a complementary role" in the measures taken by the government to address the impact of the pandemic on the economy. (Gulf-Times.com)
- **Sidra Medicine develops new method for COVID-19 testing –** Sidra Medicine, a member of Qatar Foundation, has develops a new COVID-19 virus testing method. The method addresses the challenge of global shortages in conventional kits, by proposing a different RNA (ribonucleic acid) extraction using alternative test components. (Peninsula Qatar)

International

- **Global steel output falls 6% in March as crisis shuts furnaces –** Global crude steel production fell 6% to 147.1mn tons in March from a year earlier, World Steel Association data showed on Wednesday, as the coronavirus crisis forced the closure of furnaces. Crude steel output from China, the world's top producer and consumer of the metal, however, has seen only modest production erosion from the coronavirus pandemic, with output down 1.7% in March to 79mn tons. However, other regions such as Europe and Japan have been hit hard due to slumping demand from automakers and construction projects. Steel production in the European Union tumbled 20.4% to 12mn tons in March, while North American output dropped 9.4% to 9.7mn tons. In Asia, Japanese output shed 9.7% in March to 8.2mn tons while India reported a slide of 13.9% to 8.7mn. The steel association, whose members represent about 85% of global steel production, cautioned that the figures were preliminary. "Due to the ongoing difficulties presented by the COVID-19 pandemic, many of this month's figures are estimates from national and regional associations, which may be revised with next month's production update," it said in a statement. (Reuters)
- **ELFA: US business borrowing for equipment jumps about 9% in March –** US companies' borrowings for capital investments rose about 9% in March from a year earlier, the Equipment Leasing and Finance Association (ELFA) said on Wednesday. The companies signed up for $8.9bn in new loans, leases and lines of credit last month, up from $8.2bn a year earlier. Borrowings rose 31% from the previous month. "During the first half of the month, economic activity and industry performance were strong, mirroring overall strength in the US economy," ELFA Chief Executive Officer Ralph Petta said. "However, during the second half of March, as the coronavirus pandemic's impact — both from a health and economic standpoint — entered the country's consciousness, all that changed," he added. Washington-based ELFA, which reports economic activity for the nearly $1-trillion equipment finance sector, said credit approvals totaled 74.2% in March, down from 74.7%% in February. ELFA's leasing and finance index measures the volume of commercial equipment financed in the US. The index is based on a survey of 25 members, including Bank of America Corp, CIT Group Inc and the financing affiliates or units of Caterpillar Inc, Dell Technologies Inc, Siemens AG, Canon Inc and Volvo AB. The Equipment Leasing and Finance Foundation, ELFA's non-profit affiliate, reported monthly confidence index of 22.3 in April due to the impact of the pandemic, down from 46.0 in March. (Reuters)

- **J.D. Power: US auto sales show signs of life after gloomy coronavirus March –** Auto retail sales in the US are beginning to recover from a massive slump in March due to the outbreak of the coronavirus and nationwide stay-at-home orders, according to analysts at research firm J.D. Power on Wednesday. Retail sales stabilized during the first two weeks of April and are now showing signs of recovery, the analysts said. J.D. Power, which receives extensive sales data from US auto dealerships, compares actual sales to its pre-virus forecast for the industry. "For the week ending April 19, retail sales were down 48% from the pre-virus forecast, an improvement of 3 percentage points from the week ending April 12," J.D. Power analyst Tyson Jominy said. Around 300,000 new vehicles were sold during the first 19 days of April. J.D. Power said the recovery will also extend to the used vehicle market, which it expects to recover in the second half of the year when demand heats up. During March, sales in some areas with high infection rates, such as New York, declined by as much as 80%, the firm's data showed. However, throughout the crisis, light duty pickup trucks proved the most resilient, with sales down only 16%. That is a boon to U.S. carmakers whose production plans show a growing reliance on ever-larger gas-powered vehicles which they can sell at higher profits. The analysts on Wednesday said sales in May would be critical for the auto industry, with several states relaxing stay-at-home restrictions and pent-up consumer demand flooding in to vehicle sales. (Reuters)
- **UK inflation falls as shoppers turn cautious in virus crisis –** Britain's inflation rate dropped in March when oil prices tumbled and the coronavirus crisis escalated, official data showed on Wednesday, with a fall in clothing and footwear prices signaling how cautious shoppers were turning. In what is likely to be the start of a sharp decline in inflation, the consumer price index was 1.5% higher compared with March 2019, as a Reuters poll of economists had predicted, slowing from February's 1.7% rise. A fall in clothing and footwear prices was the biggest drag on the index in March, the Office for National Statistics said. "Prices usually rise between February and March, and this year's fall is the first since 2015 and only the second since the start of the constructed (inflation) series in 1988," the ONS said. Sales were likely to have been impacted by the coronavirus outbreak and retailers resorted to discounting more items on sale, reversing the usual pattern in March as new lines hit the shops, the ONS added. Although prices were collected on March 17 - a few days before a full-scale lockdown began - the ONS said consumer behavior might have changed in expectation of the restrictions. The Bank of England, which has a 2% inflation target, is likely to see the fall in inflation as keeping the way clear for its massive stimulus push to soften a looming and deep coronavirus recession. BoE Deputy Governor Ben Broadbent said on Monday inflation in Britain was likely to fall below 1% in the coming months. The coronavirus crisis was also changing the way the ONS does its work. Price collectors had difficulties gathering prices of flour, pasta and eggs which have been in high demand among shoppers stocking up on food and ran out in many shops. In April, price data collectors are gathering data from retailers' websites and by phoning and emailing them, rather than visiting shops, to comply with the government's lockdown order, ONS statistician Phil Gooding said. Petrol prices at the pump fell by 5.1 pence per liter between February and March, the biggest drop since December 2018 as global oil prices tumbled due to the economic hit from the pandemic and a price war between Russia and Saudi Arabia. It was a similar story for manufacturers. (Reuters)
- **EU 'misunderstandings' push back deal on coronavirus economic recovery –** It may take European Union (EU) countries until the summer or even longer to agree on how exactly to finance aid to help economies recover from the coronavirus pandemic as major disagreements persist, a bloc official said on Wednesday. A summit on Thursday is expected to produce only a broad agreement to use the EU's 2021-27 joint budget to help kick-start growth. The bloc's 27 national leaders should also rubber-stamp 500bn Euros of rescue measures effective from June. The novel coronavirus has claimed tens of thousands of lives in Europe and measures to curb its spread have left economies at a virtual standstill. "My hope is to make progress in June, July," said the EU official, who is involved in preparing the leaders' summit. However, a final deal might take even longer: "Political lines are moving … but it will take time," the official stressed. A call on Monday between the leaders of Germany, France, the Netherlands, Italy and Spain went only some way to reconciling the two camps, squabbling over Europe's pandemic response. "There is this misunderstanding that the south wants to use the COVID crisis to put their old debt on the shoulders of the north," the official said, referring to COVID-19, the respiratory disease the virus causes. "The north fears debt mutualization will contaminate their financial and economic positions in the future through decisions taken by the south." (Reuters)
- **EU says air travel will need social distancing, US airlines taking their own steps –** The European Commission will next month present a set of rules for the safe reopening of air travel when coronavirus lockdowns end, including social distancing in airports and planes, while some US airlines are taking their own protective measures. EU Transport Commissioner Adina Valean said on Wednesday that measures under consideration would include the wearing of masks and disinfection of planes and airports. "All this should be part of those guidelines and probably by mid-May we can put forward this strategy we are working on," Valean said on Twitter. The move came as debate heats up in the US, the world's busiest domestic market, on how to apply rules on social distancing or protective gear to air travel. It is unclear if the Federal Aviation Administration has the authority to compel passengers or flight crews to wear face coverings on airplanes. Some US airlines have implemented their own measures including blocking middle seats, pausing automatic upgrades and changing the boarding process. (Reuters)
- **Eurozone consumer confidence falls to -22.7 in April –** Eurozone consumer confidence fell by 11.1 points in April from the March number, figures released on Wednesday showed. The European Commission said a flash estimate showed euro zone consumer morale decreased to -22.7 this month from -11.6 in March. Economists polled by Reuters had expected a fall to -19.6. In the European Union as a whole, consumer sentiment fell by 11.6 points to -22.0. The European Commission said that due to the coronavirus (COVID-19) crisis no data could be collected in Italy. (Reuters)
- **Lagarde draws line on how far ECB largesse can go –** European Central Bank (ECB) President Christine Lagarde drew the line on

how far the ECB could go in helping virus-stricken euro zone countries on Wednesday, saying lending to governments directly would be illegal and handing out cash to citizens difficult. The ECB is on course to buy 1.1tn Euros ($1.19tn) worth of mainly sovereign bonds this year to keep credit cheap for governments, households and companies struggling with the pandemic. It has pledged to do even more if needed. With the Bank of England already lending to its own government, investors have been speculating about which other central banks would follow suit as the world grapples with the worst recession in almost a century. However, Lagarde drew the line at buying debt directly from Eurozone governments and poured cold water on the notion of "helicopter money" drops for households. "The Treaties have been understood to mean that primary market purchase of government debt, i.e. the direct financing of governments, would undermine the capability of this objective to encourage such disciplined budgetary policy," she said in a letter to a member of the EU Parliament published on Wednesday. This suggested the ECB would continue hoovering up bonds only on the secondary market even if it comes close to owning a third of the debt of countries such as Germany and Portugal. Writing to another member of parliament, Lagarde added that the provision of helicopter money has never been discussed by the ECB policymakers and proposals floated so far in the public debate lacked concreteness. (Reuters)

- **Germany sees debt ratio rising to 75.25% of GDP this year –** Germany expects its debt-to-gross domestic product (GDP) ratio to rise to 75.25% this year, up from 60%, due to new borrowing and a range of measures aimed at cushioning the economic blow of the coronavirus crisis, the finance ministry said on Wednesday. "German financial policy is currently being shaped by the fight against the COVID-19 pandemic and its economic consequences," said the ministry in a statement. During the financial crisis 2008/09, the ratio ballooned by roughly 18 percentage points from 64% in 2007 to 82% in 2010. (Reuters)
- **France warns it would not back EU budget which falls short on pandemic response –** France warned on Wednesday it would not give its blessing to the European Union's next long-term budget if wasn't big enough to tackle the economic fallout of the coronavirus pandemic. French President Emmanuel Macron has said the EU had "no choice" but to set up a fund that "could issue common debt with a common guarantee" and has also called for the future EU budget currently being discussed to be bigger than its current size. "The president was clear on this: we will not give our agreement to a budget which doesn't change enough to take into account the response to this crisis," a French presidency official said. French Finance Minister Bruno Le Maire has sought to ease opposition in some northern countries such as Germany and the Netherlands to the joint issuance of debt by proposing a temporary European recovery fund strictly focused on future investments. While France is open to the idea of creating the fund within the EU's budget, Le Maire said on Tuesday that it would be more effective if it was set up as a standalone special purpose vehicle. On Wednesday, the French presidency official said France would rather have short stop-gap EU budgets than agreeing to a "bad deal" on the so-called multiannual financial framework (MFF), the EU's long-term budget for 2021-2027. France also backs a Spanish proposal for a "recovery fund" for the EU in principle, the official said, adding that the terms can be discussed but it should have long debt maturities. (Reuters)
- **Pandemic reduces BoJ's options in backstopping frail economy –** The Bank of Japan (BoJ) is set to boost funding support for companies, but it will avoid cutting interest rates, sources say, as it could encourage people to step out of their homes to splurge and undermine government efforts to curb the coronavirus outbreak. The dilemma for the BoJ underlines the difficulties of managing Japan's approach to controlling the spread of the virus, which lacks punitive measures applied in lockdowns of many Western countries. At next week's rate review, the BoJ is expected to take further steps to ease funding strains for companies hit by the pandemic such as boosting purchases of corporate bonds and commercial paper (CP), sources have told Reuters. More radical monetary easing steps to spur demand - such as interest rate cuts - are off the table as they could hamper government efforts to keep households home and businesses shut, said sources familiar with the BoJ's thinking. The BoJ may need to take bolder easing steps to prevent bankruptcies and job losses from triggering a banking crisis, but such discussions will likely have to wait until the latter half of this year, a second source said. (Reuters)
- **Japan to block foreign acquisitions of drug and ventilator makers –** Japan plans to block foreign companies from acquiring domestic drug and medical equipment makers, to protect access to medicine and ventilators that have proven critical amid the coronavirus outbreak, a media report said on Wednesday. The Japanese government will add companies that specialize in vaccines, medicine and advanced medical equipment to its list of businesses deemed critical to national security, the Nikkei financial daily said. The move comes as Japan's Fujifilm Holdings Corp's (4901.T) has gained global attention for its anti-flu drug Avigan, which is being tested as a treatment for COVID-19, the disease caused by the new coronavirus. German government sources told Reuters last month that the U.S. administration was looking into how it could gain access to a potential vaccine being developed by German firm, CureVac. German officials have said they wanted to ensure that vaccines against the coronavirus were developed in Germany and Europe. (Reuters)
- **PMIs: Japan's coronavirus shutdowns pummel service, factory sectors –** Japan's services sector shrank at a record pace in April, while factories also fell quiet across the country due to the widening fallout from the coronavirus pandemic as an economic contraction deepens. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI), released on Thursday, slumped to a seasonally adjusted 43.7 from a final 44.8 in March, its lowest since April 2009. The au Jibun Bank Flash Japan Services PMI index plunged to 22.8 on a seasonally adjusted basis, marking the lowest since the start of the services sector survey in September 2007. Services sector activity compared with a final reading of 33.8 in the previous month. Large parts of the world's third-largest economy have come to a standstill after the government announced a month-long state of emergency to fight the widening virus pandemic. "The current state of emergency will stay in place until 6 May," said Joe Hayes, economist at IHS Markit, which compiles the survey. "Given Japan's lagged response relative to other parts of the

world, one would expect this to be extended, meaning the harsh economic effects are likely to drag out further." The economy looks set to contract at an annual rate of more than 10% in the second quarter, Hayes added, likely marking the third straight quarter of contraction. The PMI manufacturing survey showed the downturn in factory output gained speed from the previous month, with the sub-index hitting its lowest in nine years. Companies overwhelmingly said that was due to the coronavirus pandemic, IHS Markit said, which triggered factory shutdowns, delayed deliveries and led to a plunge in sales. (Reuters)

Regional

- **S&P: GCC banks to generate positive net income in 2020 –** The strength of earning capacity of banks in the GCC will help them navigate the shocks related to COVID-19 and the oil price drops, S&P said. It expects most of the banks to generate positive net income in 2020. The rating agency noted the GCC banks have raised around $20bn of hybrid capital the GCC banks instruments over the past five years and some of them are reaching their first call dates in 2020. The S&P sees COVID-19 pandemic and the drop in oil price as a profitability rather than a capital event, and therefore it does not foresee banks systematically skipping coupon payments on their hybrid instruments or writing down the principal amount. S&P Credit Analyst, Mohamed Damak said: "Overall, we estimate that rated GCC banks could absorb up to a $36bn shock before starting to deplete their capital base. This corresponds to about 3x our calculated normalized losses, which implies a substantial level of stress in our view" The rating agency said that some GCC issuers have already proactively refinanced some instruments approaching their first call date in 2020, benefiting from then-supportive market conditions. It expects such issuers to call the instruments unless the regulator prevents them from doing so or the banks decide to extend call dates. (Peninsula Qatar)
- **Russian Energy Minister says oil demand at its lowest ebb –** Russian Energy Minister, Alexander Novak said on Wednesday global oil demand, cut by up to a third by the coronavirus crisis, has hit its lowest, but said the market would be volatile until a global deal on output cuts takes effect from May 1. "Today, we are probably at the most active stage of the global oil demand decline. According to various estimates, the decline has reached at the moment some 20-30mn barrels per day," Novak said. "This moment is the deepest (in decline) and it won't be permanent. We hope, that as the restrictive measures (related to the coronavirus) are lifted, demand would rise and this would stabilize the oil markets," Novak said. The OPEC and other large oil producers led by Russia, a group known as OPEC+, agreed earlier this month to cut their combined production by 9.7mn bpd in May-June to support the oil market. Other leading oil producers, such as the United States, Norway and Canada, are also expected to join the cuts, which together with OPEC+ would total 20mn bpd, or around a fifth of global oil production. (Reuters)
- **ING: Pressure on GCC pegs to last, with Oman, Bahrain vulnerable –** GCC countries have considerable resources to resist currency devaluations, though pressure on their pegs will persist in the coming weeks through the forwards market, according to ING. "The more vulnerable of the GCC currencies, Oman and Bahrain, can stay under pressure in the FX forwards market through the spring," the firm's London-based strategists, Chris Turner and Trieu Pham wrote in a report. The prospect a second-half recovery in Brent crude to $35-$45 per barrel means the pegs are likely to remain intact. Implied yields on the FX forwards will probably drop in the next few months. GCC has a long history of defending currency pegs and has considerable resources. Kuwait, Qatar, Saudi Arabia, and the UAE boast substantial sovereign-wealth assets. Based on import cover and short-term debt-to-FX reserves, Bahrain looks the least able to withstand sustained pressure. Bahrain could probably still get financial support from GCC peers if needed; there are also concerns that allowing one GCC member to devalue would lead to contagion in the region. Oman's starting point into the current crisis is more favorable than Bahrain's, but its large fiscal and current-account deficits are a concern. Given its neutral foreign policy, it is unclear whether stronger GCC countries would be willing to step in to save Oman. (Bloomberg)
- **Saudi Finance Minister says 1Q2020 coronavirus impact on state revenues will be limited –** Saudi Arabia's Finance Minister, Mohammed Al-Jadaan said on Wednesday the impact of the new coronavirus outbreak on oil and non-oil revenues would be very limited in the first quarter. The government would announce additional measures to support the economy before the end of June, he added. Saudi Arabia may borrow an additional SR100bn this year and total debt could reach SR220bn, the Kingdom's Finance Minister added. The health of the private sector is the government's biggest concern amid the global new coronavirus outbreak, and would be supported to get through the crisis, he said. Saudi Arabia has the financial capacity to deal with the global economic crisis caused by the new coronavirus outbreak and keep the deficit under control, he said. The government does not expect to withdraw more than SR120bn, he added. (Reuters)
- **Saudi Arabia expects negative growth in non-oil private sector this year –** Saudi Arabia's Finance Minister, Mohammed Al-Jadaan said he expects negative growth in the non-oil private sector this year for the first time. Lowering oil exports would have an effect on the country's GDP, he said. (Reuters)
- **Saudi government considering more measures to cut spending amid coronavirus outbreak –** Saudi Arabia's Finance Minister, Mohammed al-Jadaan said that the government was looking at additional measures to reduce spending amidst the coronavirus outbreak. Cuts in expenses on items such as travel, events, tourism, entertainment, sports would lead to savings, he said. (Reuters)
- **Saudi Arabia's March consumer prices rise 1.5% YoY and 0.1% MoM –** General Authority for Statistics in Riyadh published consumer price indices which showed that consumer prices 1.5% YoY and 0.1% MoM in March. Price index for food and beverages rose 0.7% MoM in March compared to a rise of 1.2% in the previous month. (Bloomberg)
- **Saudi Aramco picks HSBC, Japan's SMBC for $10bn loan –** Saudi Aramco has chosen HSBC and Japan's Sumitomo Mitsui Banking Corporation (SMBC) to coordinate talks with other banks for a loan of about $10bn the oil giant plans to seek, two sources close to the matter said. The financing would help the company to back its acquisition of a 70% stake in Saudi Basic Industries Corp (SABIC) from Saudi Arabia's Public Investment Fund, a deal worth almost $70bn, sources told Reuters last week. The two

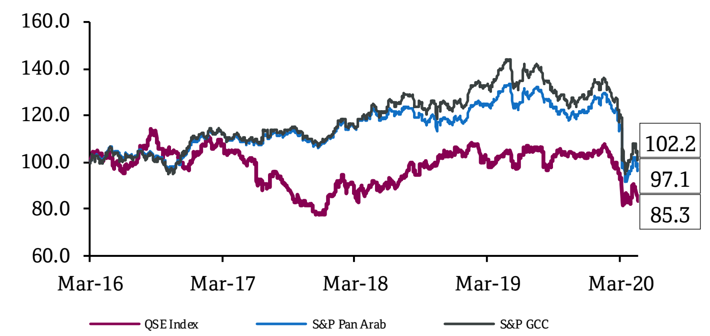
banks “are coordinating the loan by putting down large amounts,” sources said. Saudi Aramco said it continued to review its financial options “as part of its normal course of business, while prudently preserving its pristine balance sheet and its resilience”. (Reuters)

- **Stimulus package of $70bn 'to benefit UAE's real estate sector' –** The recent announcements by the Central Bank of the UAE (CBUAE), introducing packages worth $70bn aimed at stimulating the economy and mitigating the economic impact of the Covid-19 outbreak will benefit the real estate sector significantly, CEO of Seven Tides, Abdulla bin Sulayem said. CBUAE has also reduced the reserve requirements for demand deposits for UAE banks, by half, from 14% to just 7%, which will pump an additional AED61bn into the financial system, improving liquidity and underpinning the banks’ ability to extend their lending further still. As previously announced, banks will also have access to a AED50bn fund, offering capital at zero interest to help them extend more finance to the market. This will also enable banks to offer relief to existing borrowers by deferring principal and interest payments, until December 31, 2020, remarked Bin Sulayem. "The increased liquidity, will also enable banks to offer and compete for new loans and mortgages in the market, as well as supporting their existing customers. It is crucial for the real estate sector that developers and investors have continued access to funding,” said the top official. Another positive step is the increase in the loan-to-value (LTV) ratio applicable to mortgages for first-time buyers. This has been increased by up to 5%, he added. Bin Sulayem said with this, the first-time expat buyers can now increase their loan-to-value (LTV) ratio from 75% to 80% for properties below AED5mn and from 65% to 70% for properties above AED5mn. And for a first time Emirati buyer this would increase the ratio from 80% to 85% for properties below AED5mn and from 70% to 75% for properties above AED5mn. For both first-time Emirati and expat buyers this would increase the maximum off-plan LTV from 50% to 55%. So, on an off-plan property valued at say two million dirhams, a first-time buyer, will only be required to raise a AED900,000 deposit, which depending on the developer, in many cases can be paid in instalments, instead of AED1mn previously, a reduction of AED100,000. (Zawya)
- **Dubai Financial Market launches new ESG Index consisting of 20 companies –** The S&P/Hawkamah UAE ESG Index is developed in cooperation with S&P Dow Jones Indices and the Hawkamah Institute for Corporate Governance in the UAE (Hawkamah). It is supported and approved by the UAE Securities and Commodities Authority (SCA). “The appropriate implementation of best practices of corporate governance, disclosure and transparency as well as environmental and social commitment is essential to boost UAE markets’ competitiveness, attract further investments and sustain growth noting that investment institutions across the world are increasingly factoring these matters in investment decisions process,” Chairman of the DFM, Essa Kazim said. The inaugural index sample consists of 20 listed companies and provides 5 years back tracking, enabling market participants to access index performance since 2015. The index sample is reconstituted once a year in November and the top 20 stocks are automatically added to the index. The reconstitution process uses data gathered by Hawkamah. “All companies in the selection universe are subject to an assessment process which incorporates ESG criteria against which the company’s disclosure practices are evaluated; the Transparency & Disclosure methodology,” DFM said in a statement. “There are two categories, one focusing on environment & social indicators and the other focusing on corporate governance indicators. The evaluation process seeks information relating to companies’ disclosure of the ESG indicators available in the public domain, such as a company’s annual report, Web site, press releases, and/or the disclosures made on stock exchanges. The final aim is to determine whether a company has made transparent disclosures in such documents on any of the indicators that are part of the ESG assessment system,” it added. (Zawya)
- **CBD's net profit falls 7.3% YoY to AED315.3mn in 1Q2020 –** Commercial Bank of Dubai (CBD) recorded net profit of AED315.3mn in 1Q2020, registering decrease of 7.3% YoY. Net interest income and net income from Islamic financing fell 1.7% YoY to AED484.7mn in 1Q2020. Total operating income fell 2.3% YoY to AED756.5mn in 1Q2020. Total assets stood at AED89.9bn at the end of March 31, 2020 as compared to AED88.1bn at the end of December 31, 2019. Loans and advances and Islamic financing (net) stood at AED62.3bn (+3.6% YTD), while customers’ deposits and Islamic customer deposits stood at AED63.9bn (+0.9% YTD) at the end of March 31, 2020. EPS came in at AED0.11 in 1Q2020 as compared to AED0.12 in 1Q2019. (DFM)
- **Du sees flaws in business model amid coronavirus, CEO says –** The coronavirus lockdown in the UAE is revealing weaknesses in network provider Du’s business model, the company’s Chief Executive Officer, Johan Dennelind said. Chief among them is Du’s inability to make money from the higher usage of data services from customers who are forced to work from their homes, he said. Another weakness is a lack of efficient capital spending, he said. The company, which currently charges fixed rates for many of its data services, is studying ways to offer “smarter pricing” plans, Dennelind said. (Bloomberg)
- **Abu Dhabi Sheikh said to invest $1bn in top grocer LuLu –** An investment firm backed by a member of Abu Dhabi’s royal family agreed to buy a stake worth just over $1bn in LuLu Group International, which runs one of the Middle East’s largest hypermarket chains, according to sources. The company led by Sheikh Tahnoon Bin Zayed Al Nahyan acquired an almost 20% holding in the Abu Dhabi-based supermarket group founded by Indian entrepreneur Yusuff Ali, sources added. It was not immediately clear which company Sheikh Tahnoon is using for the investment or if he was buying the stake in his personal capacity, sources said. Sheikh Tahnoon is the Chairman of Royal Group, which has holdings in businesses such as media, trade, financing and real estate among others, according to its website. He is also the Chairman of First Abu Dhabi Bank. (Bloomberg)
- **Wataniya Takaful General Assembly to distribute 6% cash dividends to shareholders –** Chairman of the Board of National Takaful Company, Watania, Ali Saeed bin Harmal Al Dhaheri said that during its meeting, the company's annual general assembly approved distributing 6% cash dividends to shareholders for the results of the year 2019 for the second year in a row, noting that 5% cash dividends were distributed for the year 2018. In a press release published after the general

assembly meeting, Al Dhaheri declared that the company has performed well in light of the various challenges facing the insurance sector, such as competitive prices and challenges related to the collection of amounts owed. The company overcame these challenges by putting tight control on expenditures, despite the fluctuations in the investment climate in 2019. He added that the company will continue to enhance its resources and focus on reducing risks in its investment portfolio to achieve sustainable investment returns. The Chairman of the Board said, "This clearly shows that the company's strategic 'back to basics' plan adopted in 2016 has begun to bear fruit. The company will continue to diversify its resources and monitor its expenditures to ensure sustainable returns for its shareholders. We will also continue to invest in our various IT platforms to ensure a smooth customer experience and increase our efficiency and productivity." (Zawya)

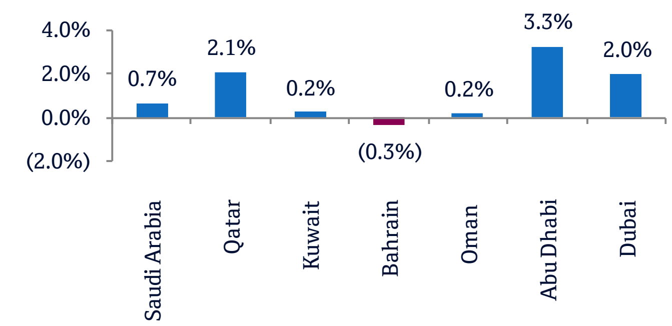
- **Kuwait to review feasibility of Bahrain's Ahli United Bank takeover –** Kuwait’s Finance Minister has asked its sovereign wealth fund to review the feasibility of the takeover of Bahrain’s Ahli United Bank (AUB) by its subsidiary Kuwait Finance House (KFH), state news agency KUNA reported on Wednesday. The decision came due to the fallout of the coronavirus outbreak and a global recession predicated by experts, KUNA said. KFH said earlier this month that it was postponing its acquisition of AUB until December due to the outbreak. (Reuters)
- **Omani banks to freeze personal loans repayment for three months –** Central Bank of Oman (CBO) has asked banks and financial institutions to freeze repayments of personal and housing loans for three months to help workers overcome the coronavirus crisis, state news agency ONA reported. The decision will take effect in May and no additional commission fees will be required from customers, ONA said, adding that banks should restructure loans if needed. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,714.08	1.7	1.9	13.0
Silver/Ounce	15.10	1.4	(0.5)	(15.4)
Crude Oil (Brent)/Barrel (FM Future)	20.37	5.4	(27.5)	(69.1)
Crude Oil (WTI)/Barrel (FM Future)	13.78	37.7	(24.6)	(77.4)
Natural Gas (Henry Hub)/MMBtu	1.90	(1.0)	11.8	(9.1)
LPG Propane (Arab Gulf)/Ton	35.63	13.1	(8.1)	(13.6)
LPG Butane (Arab Gulf)/Ton	32.00	16.4	(15.8)	(51.1)
Euro	1.08	(0.3)	(0.5)	(3.5)
Yen	107.75	(0.0)	0.2	(0.8)
GBP	1.23	0.4	(1.3)	(7.0)
CHF	1.03	(0.2)	(0.5)	(0.4)
AUD	0.63	0.7	(0.7)	(9.9)
USD Index	100.39	0.1	0.6	4.1
RUB	75.93	(1.5)	2.6	22.5
BRL	0.18	(2.6)	(4.1)	(26.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,968.27	1.9	(2.4)	(16.5)
DJ Industrial	23,475.82	2.0	(3.2)	(17.7)
S&P 500	2,799.31	2.3	(2.6)	(13.4)
NASDAQ 100	8,495.38	2.8	(1.8)	(5.3)
STOXX 600	330.14	1.5	(1.5)	(23.5)
DAX	10,415.03	1.3	(2.4)	(24.2)
FTSE 100	5,770.63	2.6	(1.8)	(29.0)
CAC 40	4,411.80	1.0	(2.4)	(28.9)
Nikkei	19,137.95	(0.8)	(4.0)	(18.3)
MSCI EM	888.64	1.2	(1.4)	(20.3)
SHANGHAI SE Composite	2,843.98	0.7	0.0	(8.3)
HANG SENG	23,893.36	0.4	(2.0)	(14.8)
BSE SENSEX	31,379.55	3.2	(0.5)	(29.1)
Bovespa	80,687.20	0.0	(0.8)	(48.2)
RTS	1,066.01	5.3	(1.2)	(31.2)

Source: Bloomberg (*$ adjusted returns)

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