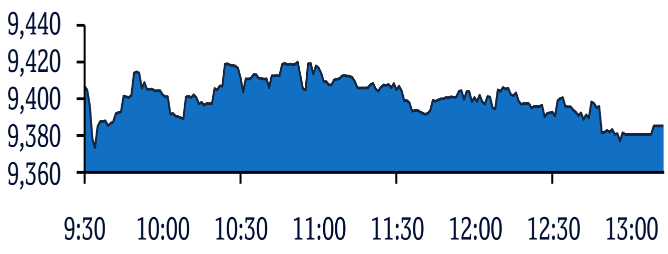
Daily Market Report

Thursday, 23 July 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.1% to close at 9,386.2. Losses were led by the Insurance and Industrials indices, falling 2.2% and 0.2%, respectively. Top losers were Qatari German Co. for Medical Devices and Qatar General Insurance & Reinsurance Co., falling 10.0% and 4.9%, respectively. Among the top gainers, Dlala Brokerage & Investment Holding gained 10.0%, while Qatar Oman Investment Co. was up 9.9%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 7,427.9. Gains were led by the Consumer Durables & Apparel and Telecommunication Services indices, rising 2.4% and 1.7%, respectively. Halwani Bros Co. and Baazeem Trading were up 9.9% each.

Dubai: The DFM Index fell 1.1% to close at 2,065.3. The Consumer Staples and Discretionary index declined 3.0%, while the Real Estate index fell 2.2%. Arabtec Holding Co. declined 4.9%, while Al Salam Group Holding was down 4.2%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 4,262.2. The Telecom. index rose 1.9%, while the Industrial index gained 0.9%. Gulf Pharmaceutical Industries rose 10.1%, while Abu Dhabi Ship Building Co. was up 3.2%.

Kuwait: The Kuwait All Share Index fell 2.4% to close at 4,862.0. The Banks index declined 2.7%, while the Industrials index fell 2.6%. Mashaer Holding Company declined 9.6%, while National Shooting Company was down 9.3%.

Oman: The MSM 30 Index gained 1.3% to close at 3,521.7. Gains were led by the Financial and Services indices, rising 1.6% and 0.1%, respectively. Sohar International Bank rose 6.2%, while Gulf Investments Services was up 4.8%.

Bahrain: The BHB Index fell 0.8% to close at 1,292.9. The Commercial Banks index declined 1.6%, while the other indices ended flat or in green. Ahli United Bank declined 3.0%.

Market Indicators	22 Jul 20	21 Jul 20	%Chg.
Value Traded (QR mn)	400.5	584.6	(31.5)
Exch. Market Cap. (QR mn)	549,681.9	549,481.4	0.0
Volume (mn)	227.3	286.8	(20.8)
Number of Transactions	8,499	11,899	(28.6)
Companies Traded	45	45	0.0
Market Breadth	17:24	26:17	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,044.58	(0.1)	0.8	(5.9)	15.1
All Share Index	2,929.42	(0.1)	0.6	(5.5)	16.1
Banks	4,046.28	(0.1)	0.4	(4.1)	13.8
Industrials	2,646.48	(0.2)	1.2	(9.7)	20.9
Transportation	2,876.93	0.7	0.2	12.6	13.8
Real Estate	1,616.12	(0.0)	2.2	3.3	16.0
Insurance	2,061.19	(2.2)	(1.4)	(24.6)	32.8
Telecoms	930.00	0.4	1.0	3.9	15.6
Consumer	7,452.75	(0.1)	1.2	(13.8)	21.5
Al Rayan Islamic Index	3,774.06	(0.2)	0.2	(4.5)	17.6

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Sohar International Bank	Oman	0.09	6.2	3,453.7	(19.5)
Ahli Bank	Oman	0.13	4.0	2,688.3	5.0
Saudi Telecom Co.	Saudi Arabia	99.20	2.3	1,029.9	(2.6)
Emirates Telecom. Group	Abu Dhabi	16.92	1.9	15,671.6	3.4
Jarir Marketing Co.	Saudi Arabia	147.40	1.2	136.3	(11.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Burgan Bank	Kuwait	0.18	(6.4)	8,608.1	(42.4)
Mabanee Co.	Kuwait	0.56	(4.3)	1,674.1	(34.3)
Boubyan Bank	Kuwait	0.51	(3.6)	2,223.2	(17.1)
Agility Public Wareh. Co.	Kuwait	0.71	(3.4)	4,000.4	(13.4)
Mobile Telecom. Co.	Kuwait	0.52	(3.2)	5,208.7	(14.0)

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%
Dlala Brokerage & Inv. Holding Co.	1.68	10.0	5,535.6	174.8
Qatar Oman Investment Company	0.73	9.9	20,020.9	9.1
Aamal Company	0.78	6.0	24,623.4	(4.2)
INMA Holding	4.12	4.0	7,875.6	116.7
Ezdan Holding Group	1.42	1.9	9,792.6	130.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	2.02	(10.0)	35,959.9	247.4
Aamal Company	0.78	6.0	24,623.4	(4.2)
Qatar Aluminium Manufacturing	0.83	(1.3)	24,042.8	5.9
Qatar Oman Investment Company	0.73	9.9	20,020.9	9.1
Investment Holding Group	0.50	0.6	15,137.5	(10.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	2.02	(10.0)	35,959.9	247.4
Qatar General Ins. & Reins. Co.	2.11	(4.9)	7.0	(14.2)
Qatari Investors Group	2.09	(4.6)	2,111.4	16.8
Mannai Corporation	2.92	(3.2)	41.0	(5.2)
Al Khaleej Takaful Insurance Co.	1.72	(2.5)	3,461.1	(14.0)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatari German Co for Med. Dev.	2.02	(10.0)	76,766.5	247.4
QNB Group	18.14	(0.1)	44,894.0	(11.9)
INMA Holding	4.12	4.0	32,315.8	116.7
Qatar Aluminium Manufacturing	0.83	(1.3)	20,192.9	5.9
Aamal Company	0.78	6.0	19,024.2	(4.2)

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*	9,386.16	(0.1)	0.8	4.3	(10.0)	109.43	150,118.1	15.1	1.4	4.3
Dubai	2,065.30	(1.1)	0.6	0.0	(25.3)	58.39	80,074.5	6.8	0.7	4.7
Abu Dhabi	4,262.19	0.1	(0.3)	(0.6)	(16.0)	93.49	163,651.9	14.0	1.3	6.0
Saudi Arabia	7,427.89	0.1	0.0	2.8	(11.5)	1,624.47	2,232,540.0	22.3	1.8	3.5
Kuwait	4,861.96	(2.4)	(3.7)	(5.2)	(22.6)	137.70	92,371.9	14.2	1.1	4.1
Oman	3,521.71	1.3	2.1	0.2	(11.5)	14.30	15,964.2	10.1	0.8	6.8
Bahrain	1,292.92	(0.8)	(0.7)	1.2	(19.7)	4.10	19,759.2	9.7	0.8	5.4

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 0.1% to close at 9,386.2. The Insurance and Industrials indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from Arab and Foreigners shareholders.
- Qatari German Company for Medical Devices and Qatar General Insurance & Reinsurance Company were the top losers, falling 10.0% and 4.9%, respectively. Among the top gainers, Dlala Brokerage & Investment Holding Company gained 10.0%, while Qatar Oman Investment Company was up 9.9%.
- Volume of shares traded on Wednesday fell by 20.8% to 227.3mn from 286.8mn on Tuesday. Further, as compared to the 30-day moving average of 292.9mn, volume for the day was 22.4% lower. Qatari German Company for Medical Devices and Aamal Company were the most active stocks, contributing 15.8% and 10.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	49.59%	53.70%	(16,440,589.6)
Qatari Institutions	14.48%	14.92%	(1,760,181.2)
Qatari	**64.07%**	**68.61%**	**(18,200,770.8)**
GCC Individuals	1.28%	1.02%	1,036,771.9
GCC Institutions	0.82%	1.67%	(3,437,297.1)
GCC	**2.09%**	**2.69%**	**(2,400,525.2)**
Arab Individuals	12.99%	10.75%	8,976,736.6
Arab	**12.99%**	**10.75%**	**8,976,736.6**
Foreigners Individuals	5.28%	3.16%	8,460,195.5
Foreigners Institutions	15.57%	14.78%	3,164,363.9
Foreigners	**20.85%**	**17.95%**	**11,624,559.4**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
Arriyadh Development Co.	Saudi Arabia	SR	57.4	-10.7%	37.6	-15.5%	54.6	9.0%
Saudi Telecom Co.	Saudi Arabia	SR	14,920.0	9.7%	3,062.0	-11.9%	2,724.0	-4.4%
Takween Advanced Industries Co.	Saudi Arabia	SR	292.7	-8.3%	18.7	N/A	10.0	N/A
Saudi Automotive Services Co.	Saudi Arabia	SR	297.4	-49.8%	13.8	20.0%	4.4	-13.3%
Al Moammar Information Sys. Co.	Saudi Arabia	SR	319.5	34.2%	26.9	36.1%	24.8	90.4%
Saudi Arabian Fertilizer Co.	Saudi Arabia	SR	928.7	14.1%	360.0	10.8%	359.8	-5.4%
Emirate Integrated Telecom. Co.	Dubai	AED	2,668.4	-16.3%	227.6	-52.0%	215.3	-53.6%
Emirates Telecom Group Co.	Abu Dhabi	AED	12,492.1	-3.0%	3,248.7	-0.9%	2,387.8	7.0%
Bahrain Family Leisure#	Bahrain	BHD	24.8	-91.9%	(121.1)	N/A	(126.6)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/22	US	Mortgage Bankers Association	MBA Mortgage Applications	17-Jul	4.1%	–	5.1%
07/22	Japan	Markit	Jibun Bank Japan PMI Mfg	Jul	42.6	–	40.1
07/22	Japan	Markit	Jibun Bank Japan PMI Services	Jul	45.2	–	45
07/22	Japan	Markit	Jibun Bank Japan PMI Composite	Jul	43.9	–	40.8

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 2Q2020 results	No. of days remaining	Status
KCBK	Al Khalij Commercial Bank	23-Jul-20	0	Due
CBQK	The Commercial Bank	23-Jul-20	0	Due
QAMC	Qatar Aluminum Manufacturing Company	23-Jul-20	0	Due
WDAM	Widam Food Company	23-Jul-20	0	Due
NLCS	Alijarah Holding	23-Jul-20	0	Due
QATI	Qatar Insurance Company	26-Jul-20	3	Due
QFBQ	Qatar First Bank	27-Jul-20	4	Due
BRES	Barwa Real Estate Company	27-Jul-20	4	Due
QIMD	Qatar Industrial Manufacturing Company	27-Jul-20	4	Due
IQCD	Industries Qatar	27-Jul-20	4	Due
DHBK	Doha Bank	27-Jul-20	4	Due
QGRI	Qatar General Insurance & Reinsurance Company	28-Jul-20	5	Due
VFQS	Vodafone Qatar	28-Jul-20	5	Due

Tickers	Company Name	Date of reporting 2Q2020 results	No. of days remaining	Status
MCGS	Medicare Group	28-Jul-20	5	Due
QISI	Qatar Islamic Insurance Group	28-Jul-20	5	Due
ORDS	Ooredoo	28-Jul-20	5	Due
AHCS	Aamal Company	29-Jul-20	6	Due
UDCD	United Development Company	29-Jul-20	6	Due
BLDN	Baladna	5-Aug-20	13	Due
AKHI	Al Khaleej Takaful Insurance Company	5-Aug-20	13	Due
QGMD	Qatari German Company for Medical Devices	9-Aug-20	17	Due
IGRD	Investment Holding Group	10-Aug-20	18	Due
SIIS	Salam International Investment Limited	10-Aug-20	18	Due
DBIS	Dlala Brokerage & Investment Holding Company	11-Aug-20	19	Due
MCCS	Mannai Corporation	11-Aug-20	19	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Aug-20	20	Due
MERS	Al Meera Consumer Goods Company	12-Aug-20	20	Due
GISS	Gulf International Services	12-Aug-20	20	Due
MPHC	Mesaieed Petrochemical Holding Company	13-Aug-20	21	Due

Source: QSE

News

Qatar

- **QIIK posts 4.0% YoY increase but 4.8% QoQ decline in net profit in 2Q2020, in-line with our estimate –** Qatar International Islamic Bank's (QIIK) net profit rose 4.0% YoY (but declined 4.8% on QoQ basis) to QR254.3mn in 2Q2020, in line with our estimate of QR242.9mn (variation of +4.7%). Total income from financing & investing activities decreased 6.5% YoY and 16.8% QoQ in 2Q2020 to QR512.9mn. The company's Total Income came in at QR555.4mn in 2Q2020, which represents a decrease of 5.5% YoY (-15.4% QoQ). EPS remained flat YoY at QR0.16 in 2Q2020 (1Q2020: QR0.18). The bank's total assets stood at QR59.3bn at the end of June 30, 2020, up 9.5% YoY. However, on QoQ basis the bank's total assets decreased 1.5%. Financing Assets were QR35.0bn, registering a rise of 11.5% YoY at the end of June 30, 2020. However, on QoQ basis Financing Assets decreased 8.9%. Customers' current accounts rose 7.4% YoY to reach QR7.5bn at the end of June 30, 2020. However, on QoQ basis Customers' current accounts fell 0.2%. In 1H2020, QIIK has posted net profit of QR512.6mn, up 0.4% on the same period last year. QIIK's CEO, Abdulbasit Ahmad Al-Shaibei said the bank's total revenues for the first half amounted to QR1.21bn, up 5.7% on QR1.14bn on the same period last year. He affirmed that the bank succeeded in developing a strategy that focuses on enhancing the efficiency of its operations, which was evident during 1H2020, after a decrease in the cost-to-income ratio to 21.4%, which is considered one of the best in the Qatari banking sector. Total customer deposits amounted to QR34.8bn in 1H2020, up 4.6 % on the same period last year, Al-Shaibei said. Al-Shaibei said, "QIIK's results during the first half were in line with the directives of the Board of Directors, the estimates and the preliminary projections that we were planning, although our ambitions are still greater. What really helped us were the Qatari economy's inherent strengths, long-term strategy, creative initiatives and opportunities that allow the various sectors to face different circumstances and challenges". Regarding the bank's financing portfolio during 1H2020, Al-Shaibei said, "the bank will continue to focus on the local market and on its partnerships with the various vital sectors in Qatar. The past period proved that the most effective investment is the one made in the domestic market, be in terms of rich opportunities, low risks, appropriate investment environment or high-level legal, legislative, financial and regulatory environment." He added, "During the first half of this year, QIIB started to actively implement its plans to enhance the quality of its operations. In line with that, we have invested extensively in our technological infrastructure, especially alternative channels that represent the future for various banking services. The bank paid special attention to cybersecurity issues, and in appreciation of its efforts in this field, it was awarded, for the fifth year in a row, the highest certificate in the protection of banking cards data (PCI-DSS), granted by SISA to institutions and banks that excel in meeting security standards in this field." QIIK' Chairman and Managing Director, Sheikh Dr Khalid bin Thani bin Abdullah Al-Thani said, "The first half gave us the opportunity to review our strategy and emphasis on its strengths, which focused on the local market, and addressed numerous operational challenges, competition and other emerging factors that required a closer look and deeper analysis of the existing, expected and unexpected risks. During the first half, QIIK continued to work closely with the domestic business sector to finance various large, medium and small scale projects. The bank participated in various initiatives launched by the Government and supervisory authorities to enhance the resilience of the business sector, which started to bear its outcome through the improvement of companies' businesses. The atmosphere in general is optimistic with the continuation of various major projects, the figures that the Qatari economy are expected to achieve by most reliable sources and credit rating agencies, which may remain among the best in the region. Additionally, the high competitiveness of the Qatari economy puts it in a globally advanced position." (QNB FS Research, QSE, Gulf-Times.com)
- **QNCD's net profit declines 58.9% YoY and 74.6% QoQ in 2Q2020 –** Qatar National Cement Company 's (QNCD) net profit declined 58.9% YoY (-74.6% QoQ) to QR13.8mn in 2Q2020.The company's Revenue came in at QR124.5mn in 2Q2020, which represents a decrease of 24.2% YoY (-25.0% QoQ). In 1H2020,

QNCD recorded net profit of QR68.3mn compared to net profit amounting to QR100.1mn for the same period of the previous year. EPS amounted to QR0.104 in 1H2020 as compared to QR0.153 in 1H2019. (QSE)

- **QETF to disclose the semi-annual financial statements on August 6 –** Qatar Exchange Traded Fund (QETF) will disclose the semi-annual financial statements for the period ending June 30, 2020 on August 6, 2020. (QSE)
- **QIGD to hold second AGM on July 26 due to lack of quorum –** Qatari Investors Group (QIGD) will hold its second Ordinary General Assembly Meeting (AGM) on July 26, 2020 at 5:30 pm, due to lack of quorum. (Gulf-Times.com)
- **Qatar Airways seeks $5bn in compensation –** Qatar Airways Group has launched four international investment arbitrations against the UAE, Bahrain, Saudi Arabia and Egypt, who have imposed an illegal air, sea and land blockade against Qatar since 2017. The arbitrations seek redress for the blockading states' actions to remove Qatar Airways from their markets and to forbid the airline from flying over their airspace. Qatar Airways is seeking a total of at least $5bn from the blockading states as compensation for their unlawful actions. For three decades, Qatar Airways made substantial investments in the four blockading countries in order to serve hundreds of thousands of passengers and to transport tens of thousands of tons of cargo to and from each of these countries annually. Starting June 5, 2017, without prior warning, the UAE, Bahrain, Saudi Arabia and Egypt took collective measures targeting Qatar Airways and its operations. (Gulf-Times.com)
- **Moody's announces completion of a periodic review of ratings of Ras Laffan Liquefied Natural Gas Co. Ltd (II) –** Moody's Investors Service (Moody's) has completed a periodic review of the ratings of Ras Laffan Liquefied Natural Gas Co. Ltd (II) and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion. Ras Laffan Liquefied Natural Gas Co. Ltd (II)'s (the Issuer) A1 senior secured ratings reflect: (1) the standalone credit quality of the Issuer which operates in conjunction with its affiliate Ras Laffan Liquefied Natural Gas Co. Ltd (II), (together, RL II-3), with Moody's baseline credit assessment (BCA) in the baa1-baa3 range, and (2) Moody's assessment of a high probability of support from the Government of Qatar (Aa3), should it become necessary. RL II-3's BCA reflects: (1) Compelling commercial and industrial rationale and strong competitive position, (2) Very strong financial metrics, even in a low oil price environment, (3) Generally beneficial project finance structural features, although lacking certain security interests and subject to limitations on the likely effectiveness of certain creditor protections, (4) Event risk considerations, including asset concentration risk and geopolitical risk, and (5) Exposure to commodity price risk, although such risks are substantially mitigated by strong financial metrics. Moody's considers RL II-3 as a single entity from a credit perspective since all senior secured debt raised by RL 3 is unconditionally and irrevocably guaranteed by RL II, and vice versa. (Bloomberg)
- **Kahramaa announces successful financial closure of Siraj-1 power project –** Qatar General Electricity and Water Corporation (Kahramaa) has announced the successful financial closure and completion of all financial arrangements with the international financers who were involved in the Siraj-1 solar power plant project, the first of its kind in Qatar to produce electricity using photovoltaic technology with a capacity of 800MW. The projects company (Siraj-1 Company) has obtained the senior loans, which had been provided by Japan Bank for International Cooperation (JBIC) and Mizuho Corporate Bank. After the projects financial closure, the levelized electricity cost (LEC) was set at Dh5.281 (1.449 US cents) per KW/h, which is the lowest price in the world for this type of projects. Achieving this competitive pricing is evidence for the trust of the investors and developers in Qatari market as well as implementing the latest and most innovative engineering solutions to build and operate the solar plant, according to a statement. Last January, Kahramaa signed the agreements of Siraj-1 plant. According to the agreements, Kahramaa - the owner and operator of the transmission and distribution system of electricity and water in Qatar - will purchase electricity produced from the plant, while Siraj-1 must construct and operate the project. Siraj-1 Company is owned by Siraj Energy (60%) and a consortium of Japan's Marubeni Corp and France's Total Solar International (40%). The project will be constructed, owned and operated for 25 years. Then, the assets will be transferred to Kahramaa complying with the "build, own, operate, and transfer (BOOT) model. The QR1.7bn project will be constructed on a 10 square kilometer land plot in the Al Kharsaah area west of Doha that has been allocated to Kahramaa in accordance to the Amiri Decree No (19) of 2018. The plant will have a total capacity of 800MW which equals about 10% of Qatar's current peak electricity demand. Some 350MW will be linked to the grid in the first phase in the second quarter of 2021. The commercial commissioning of the total capacity will be in the first quarter of 2022 in order to achieve the objectives of the National Strategic Development 2018-2022. (Gulf-Times.com)
- **Up to 80% employees to return to workplace from July 28 –** The Cabinet has further eased coronavirus (COVID-19) restrictions by allowing up to 80% of employees in both the government and private sectors to return to their places of work from July 28. The rest 20% employees can continue to work remotely from their homes or upon request depending on conditions until further notice. The move is part of the plan to gradually lift the COVID-19 restrictions in Qatar. The Cabinet also amended its decision regarding stopping medical services in health facilities. As per the decision, private healthcare facilities can operate at 80% of their capacity, while continuing to provide emergency services. However, previous exceptions decided by the Cabinet in this regard will continue. (Qatar Tribune)
- **Al Asmakh: Apartment rents stabilize in May –** Apartment rents in better managed properties have stabilized in May, Al Asmakh Real Estate (Al Asmakh) has said in its May report. "Most sought after units are 2BR and 3BR apartments, and 4BR

villas in the compounds. Rental rates are firm for such units in the better managed properties with high standards of hygiene and security," the report said. Commenting on the trends in real estate transactions happening in the country, the report said, "The control in issuance of the building permit signs stability in supply that eventually reciprocates into increase in absorption of the ready-to-move-in properties. Investor sentiments are holding up as the YoY transactions under the vacant land segment are within marginal fluctuations. The major downward trend is noticed under the apartments and single family houses where the individuals and small investors are involved." The investor inclinations is observed for those lands which are in and around Doha with an approval of G+5 to G+10 storied residential apartment buildings, and low-rise commercial with retail strip on ground floor. The report, however, said that transaction count and value decreased by 45% in May when compared with the same month of the previous year. The real estate firm has cited COVID-19 pandemic as the main reason for the reduction in transaction value. Commenting on the hospitality sector, the report said the average daily rate (ADR) outlook for hotels in the country is stable. (Qatar Tribune)

- **Singapore seen as Qatar's LNG hub in Southeast Asia –** Singapore could serve as Qatar's hub for liquefied natural gas (LNG) in the Southeast Asian region, Singapore's Ambassador to the State of Qatar Jai Sohan Singh said in a webinar hosted by Doha Bank on Wednesday. Qatar and Singapore have many synergies that should be explored, among which are collaborations in several areas such as health, Fintech, and LNG, said Singh during the event titled 'Bilateral & Synergistic Opportunities between Qatar and Singapore'. "In the field of LNG, what we can actually look at is for Qatar to use Singapore as a storage hub for the Southeast Asian region. This would give LNG-importing countries in the region a greater sense of security. And I think both Qatar and Singapore could serve as regional hubs; Singaporean companies can look at Qatar as a gateway to the Middle East, Turkey, Azerbaijan, and Georgia. Qatari companies can look at Singapore to explore not only Southeast Asia but also the Asia Pacific markets, such as in China, India, South Korea, and Japan," Singh said, who stressed that bilateral trade between Qatar and Singapore amounted to QR22.5bn in 2019. (Gulf-Times.com)

International

- **US gives China 72 hours to shut Houston consulate as spying charges mount –** The US gave China 72 hours to close its consulate in Houston amid accusations of spying, marking a dramatic deterioration in relations between the world's two biggest economies. China's foreign ministry called the move an "unprecedented escalation" and threatened unspecified retaliation. Ministry spokeswoman Hua Chunying said the Chinese Embassy in the US had received "bomb and death threats" because of "smears & hatred" fanned by Washington. "The US should revoke its erroneous decision," she tweeted. "China will surely react with firm countermeasures." Communist Party rulers in Beijing were considering shutting the US consulate in the central city of Wuhan in retaliation, a source with knowledge of the matter said. The State Department said the Chinese mission in Houston was closed "to protect American intellectual property and Americans' private information". The move comes in the run-up to the November US presidential election, in which President Donald Trump and his Democratic rival, Joe Biden, have both tried to look tough in response to China. (Reuters)
- **US home sales rack up record gain; tight supply, COVID-19 seen slowing momentum –** US home sales increased by the most on record in June, boosted by historically low mortgage rates, but the outlook for the housing market is being clouded by low inventory and high unemployment amid the COVID-19 pandemic. The report from the National Association of Realtors on Wednesday, which also showed house prices rising to an all-time high last month, confirmed a shift toward bigger homes and properties away from urban centers as companies allow employees flexibility to work from home because of the coronavirus. The upbeat housing market news was overshadowed by a relentless surge in new COVID-19 infections, which has prompted some authorities in the hard hit South and West regions to either shut down businesses again or pause re-openings, threatening the economy's recovery from the COVID-19 slump. Existing home sales jumped 20.7% to a seasonally adjusted annual rate of 4.72mn units last month. The percentage gain was the largest since 1968 when the NAR started tracking the series. Sales plunged to a 3.91mn unit pace in May, the lowest level since October 2010. June's increase ended three straight months of decreases, though home resales remained 18% below their pre-pandemic level. Economists polled by Reuters had forecast sales rebounding 24.5% to a rate of 4.78mn units in June. Existing home sales, which make up about 85% of U.S. home sales, fell 11.3% on a YoY basis in June. (Reuters)
- **Britain's economy racing as lockdown lifts, but outlook has not improved –** Britain will expand at its quickest pace in decades this quarter after shrinking at its fastest pace in centuries last quarter, a Reuters poll found, as vast swathes of the economy have reopened following a nationwide shutdown to control the coronavirus. Despite near-term optimism, almost 85% of respondents, 32 of 38, thought the outlook for the British economy had stayed the same or worsened over the past month, with only six saying it had improved. The virus has infected almost 15 million people across the world and Britain has the highest death toll in Europe - despite the government forcing businesses to close and citizens to stay home. But many restrictions have now been eased and people are emerging from their homes, returning to work and spending money again, so the economy was expected to expand 12.2% this quarter, the July 13-21 Reuters poll showed, better than the 10.5% recovery predicted last month. That bounce back comes after an historic 18.9% contraction penciled in for last quarter and nearly all economists who responded to an extra question said the biggest threat to the recovery would be a second wave of virus infections. (Reuters)
- **S&P Global: COVID recovery fund a 'breakthrough' for EU sovereign creditworthiness –** The European Union's 750bn Euro post-pandemic recovery fund is a positive for the bloc's sovereign ratings, agency S&P Global said on Wednesday. One of S&P's top sovereign analysts, Frank Gill, said in a new report that the political consensus in establishing the Fund and

endowing it with debt-raising capacity, was a major step forward for the EU and the 19-country Euro area in particular. "In that respect, the EU Recovery Fund is positive for European sovereign credit quality and for the institutional effectiveness of all member states, especially those in the Euro area." "The story is not over yet, but the establishment of a shared fiscal mechanism is a breakthrough for EU sovereign creditworthiness." (Reuters)

- **EU fund seen as turning point for Eurozone financial assets –** Investors cheered a key step toward fiscal integration in the European Union (EU) via a new recovery fund agreed on Tuesday, seeing it as a turning point for the region's financial assets plagued for years by debt crises and a north-south divide. The 750bn Euro ($864.68bn) fund had been hailed as a game changer and unprecedented act of solidarity in almost seven decades of European convergence. The move helped the single currency hit one-and-a-half-year highs. For years, threats like Greece's debt crisis and a euro sceptic populist government in Italy had stirred fear among investors that the end could be near for the Eurozone. So it was no surprise that the euro and Italian government bonds - assets that have taken a beating whenever those threats flared up - shined on hopes of European fiscal integration. Investors say the landmark deal to rescue EU economies from the coronavirus crisis bodes well for the euro and the bloc's equities, while Italy's soaring debt levels could cap further gains in Italian government bonds (BTPs). BTPs have returned 6% since the recovery package was first proposed in May, and Tuesday's breakthrough deal sent borrowing costs in Italy to their lowest since March, wiping much of the coronavirus sell-off. (Reuters)
- **EU plan to tackle COVID-19 drug shortages hit by health budget cuts –** A decision to focus its fiscal firepower on economic recovery has forced the EU to sharply scale back plans to address chronic shortages of drugs, including COVID-19 treatments, by bringing back manufacturing capacity from Asia. As part of a budget deal to relaunch the economy that they agreed early on Tuesday after a marathon summit, European Union leaders cut planned healthcare expenditure to 2027 by 80%. The bloc has for years faced shortages of critical drugs, including vaccines and antibiotics, and now is struggling to buy medicines needed by COVID-19 patients in intensive care units. To address those problems, its executive commission had proposed creating from scratch a common seven-year health budget worth 9.4bn Euros ($10.9bn). Shortages have worsened during the COVID-19 crisis, as supply chains were disrupted and drug exporting countries temporarily focused on their domestic markets. The EU is heavily dependent on medicines and medical ingredients from India and China. However, pressed by the urgent need to relaunch the wider economy, the EU leaders cut the healthcare fund to 1.7bn Euros. (Reuters)
- **No easy approval of EU stimulus deal, says parliament head –** The European Parliament will not rubber stamp a European Union leaders' accord on a massive coronavirus stimulus, the assembly's head said on Wednesday, pledging to reverse research cuts and tie disbursements to democratic values. While welcoming the 750bn Euro ($865bn) recovery fund agreed by leaders after five days of negotiations, parliament president David Sassoli said the assembly wanted to reshape the related 1.1tn Euro ($1.27tn) EU budget. "There is a proposal on the table, but we would like to improve that, above all by trying to give answers to some of the cuts that we've deemed unjustified," he told a news conference a day after EU leaders clinched a deal. Judged an historic breakthrough by French President Emmanuel Macron because the bloc will raise common debt on a large scale for the first time, the summit deal came at the price of reductions to climate-friendly funds, research and money for the Erasmus student exchange program. (Reuters)
- **Japan raises economic view for second month, but wary over virus resurgence –** Japan's government slightly raised its economic view for a second straight month in July, though authorities conceded that the situation remained severe in light of a renewed spike in coronavirus cases in many parts of the world. The government described the world's third-largest economy as "showing signs of picking up" from the recession induced by COVID-19, underscoring cautious optimism among policymakers as more countries started re-opening economies from lockdowns to rein in the virus. Although the global economy has shown some recent signs of bottoming out, analysts say demand for cars and other durable goods is unlikely to recover strongly, given the resurgence of infections in major economies. Japan is in the grip of its worst postwar recession as the health crisis takes a heavy toll of business and consumer activity. The economy is forecast to shrink 5.3% this fiscal year, the biggest contraction in decades, followed by a 3.3% bounce next year, a Reuters poll showed. With car exports to China, the US and the European Union bottoming out, and with auto production starting to pick up from June, the government raised its view on exports and output. Shipments were about to stop contracting, and output showed signs of picking up in some industries, although declining as a whole, it said. However, a cabinet office official said an exports recovery was unlikely to be very strong. (Reuters)
- **Japan's travel ban has hit 85% of European businesses there –** Japan's travel ban to stop the spread of the coronavirus has hit a majority of European firms in the country and could prompt those businesses to rethink their future in the world's third-largest economy, a European business lobby said on Wednesday. Many countries have imposed travel curbs amid the pandemic but Japan's are among the most strict, effectively banning entry of tourists and visa holders coming from 129 countries. Even permanent residents are restricted entry unless they are granted an exception under humanitarian grounds, while in the US and Europe, non-citizen residents are allowed to return. A recent survey by the European Business Council of 376 members in Japan showed that 85% had been negatively impacted by the ban, with 44% reporting financial losses. The EBC said the travel restrictions run counter to international treaties. The way the ban was handled creates an air of unpredictability that may cause CEOs to "rethink their policy regarding Japan," he said. Japan allows its citizens to return to the country if they take a coronavirus test at the port of entry and observe a period of self-quarantine. Foreigners living in Japan face much higher hurdles for re-entry, such as demonstrating the need to visit dying relatives or be reunited with family in the country. (Reuters)

- **Brazil jobless insurance claims suggest light at end of unemployment tunnel –** New unemployment insurance claims in Brazil fell in the first two weeks of July, official figures showed on Wednesday, suggesting the labor market may slowly be emerging from the depths of the coronavirus crisis. New claims totaled 288,845 in the first two weeks of July, according to an Economy Ministry presentation, down 4.3% from the preceding two-week period and 1.9% lower from the same period a year ago. It was the first time this year since early April that new claims have been lower than the same period last year, the presentation showed, with the gap steadily narrowing since the record surge in late April and early May. The rise in the first two weeks of July brought the total number of claims in January to mid-July to 4.24mn, up 13.4% from last year, the ministry said. Some 67.7% of the claims in the first two weeks of July were done online, indicating that the month will have the lowest share of online claims since March as social isolation and quarantine measures ease further. (Reuters)

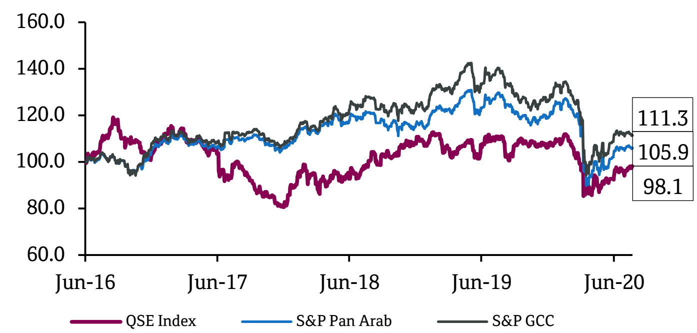
Regional

- **S&P: Gulf firms to delay investments due to oil, coronavirus shocks –** Companies in the Gulf, battered by low oil prices and the coronavirus crisis, are likely to delay investments this year as they manage costs and liquidity, S&P said, cautioning a recovery would take at least a few quarters. S&P has taken negative rating actions on 16 entities in the six-member GCC and expects a mid-to-high single-digit economic contraction for most GCC countries this year. "We expect broad-based pressure across most sectors and markets in the region but some will feel it more than others as economic activity decelerates, disposable income declines, and employment trends weaken," the agency said in a report. Aviation and tourism have been hit hardest, it said, particularly in Dubai, where transport and tourism are vital for the economy. Dubai's real estate sector, sluggish for most of the past decade, will face further pressure, S&P said. This month it cut the credit ratings of two of the emirate's biggest property firms to "junk" status. It anticipates significant weakening in credit ratios amid a limited recovery in the second half of this year, as well as lingering oversupply and soft demand, particularly from international buyers. (Reuters)
- **Saudi Arabia to widen privatization scope –** Saudi Arabia will look to sell assets in sectors not previously considered for privatization, the country's Finance Minister, Mohammed Al-Jadaan said on Wednesday, as the country contends with the economic impact of sustained low oil prices. Saudi Arabia, the world's largest oil exporter, is facing a sharp recession because of the coronavirus crisis and depleted oil revenues. The IMF has forecast a 6.8% contraction this year, but Finance Minister said at Bloomberg event that he expects the economy to contract less than that. "A lot of factors work in our favour, local and domestic tourism for example is picking up very nicely this month," he said. Saudi Arabia has planned a series of privatizations in recent years, including the initial public offering of state-owned oil giant Aramco, which took place last year. "We're looking at sectors that haven't been targeted before for privatization," he said, mentioning healthcare and education. Asked how much revenue privatizations would generate; he said the sale of assets would generate more than SR50bn in the next four to five years. (Reuters)
- **Saudi wealth fund PIF has ample liquidity –** Saudi Arabia's Finance Minister said on Wednesday that the Kingdom's sovereign wealth fund, the Public Investment Fund (PIF) has ample liquidity in the local market. He added that the PIF would allot via secondary offerings part of their local holdings to make sure they "recycle mature investments" and invest in something else that the private sector finds difficult to invest in. "That's not driven by need of liquidity though, they have ample liquidity," he added. (Reuters)
- **Saudi Arabia's SAGO lets milling companies buy wheat globally –** Saudi Grains Organization (SAGO) will allow firms that bought two of its flour mills through a privatization program to procure wheat either from SAGO or directly from global markets, the state agency said in an emailed statement. (Bloomberg)
- **DIB's net profit falls 27% YoY to AED1,009.0mn in 2Q2020 –** Dubai Islamic Bank (DIB) recorded net profit of AED1,009.0mn in 2Q2020, registering decrease of 27% YoY. Net income fell 4.2% YoY to AED2,292.3mn in 2Q2020. Total assets stood at AED294.8bn at the end of June 30, 2020 as compared to AED231.8bn at the end of June 30, 2019. Islamic financing and investing assets (net) stood at AED200.3bn (+32.7% YTD), while customers' deposits stood at AED206.5bn (+25.6% YTD) at the end of June 30, 2020. EPS came in at AED0.13 in 2Q2020 as compared to AED0.21 in 2Q2019. (DFM)
- **MASQ's net profit falls 85.7% YoY to AED84.8mn in 2Q2020 –** Mashreqbank (MASQ) recorded net profit of AED84.8mn in 2Q2020, registering decrease of 85.7% YoY. Net interest income and net income from Islamic products fell 21.5% YoY to AED717.2mn in 2Q2020. Operating income fell 13.1% YoY to AED1,307.8mn in 2Q2020. Total assets stood at AED173.3bn at the end of June 30, 2020 as compared to AED159.4bn at the end of June 30, 2019. Loans and advances measured at amortized cost stood at AED60.8bn (-1.5% YTD), while customers' deposits stood at AED84.6bn (+10.7% YTD) at the end of June 30, 2020. EPS came in at AED0.47 in 2Q2020 as compared to AED3.34 in 2Q2019. (DFM)
- **ADNOC and ADQ form JV to invest in chemical projects –** Abu Dhabi National Oil Company (ADNOC) and holding company ADQ have signed a joint venture deal to invest in chemicals projects in the planned Ruwais Derivatives Park, a statement from ADNOC said on Wednesday. ADNOC will hold a 60% equity stake in the venture, while Abu Dhabi's ADQ, a state-owned holding company, will have the remaining 40%, the statement said. ADNOC and ADQ's investment platform will evaluate and invest in anchor chemicals projects in the Ruwais park in Abu Dhabi. ADNOC CEO, Sultan Al-Jaber said this was part of a strategy to develop the United Arab Emirates' (UAE) derivatives sector and attract foreign investment. The two companies will conduct a comprehensive feasibility study of projects for Ruwais. The results of the study are due before the end of 2020 and will include opportunities for prospective investors. The joint venture will be incorporated in the Abu Dhabi Global Market free zone, pending approvals, with both companies jointly determining the management team and board. (Reuters)
- **Sharjah Islamic Bank reports net profit of AED251.2mn 1H2020 –** Sharjah Islamic Bank's (SIB), net profit for the first half

amounted to AED251.2mn, compared to AED290.5mn from last year, a decrease of 13.5%. It recorded an 8.6% increase in its operating profits amounting to AED332.3mn in the first half of 2020 compared to AED305.9mn for the same period last year. This decline was a result of the increase in net provisions for impairment, which amounted to AED81.1mn, compared to AED15.3mn from the same period last year. an increase of AED65.8mn, equivalent to 429%. The balance sheet reflects the bank’s total assets of AED52.7bn at the end of June 2020, a projected growth of 13.5% compared to AED46.4bn at the end of 2019. The bank continued to diversify its financing facilities portfolio across different economic sectors in accordance with its prudent credit policy that takes into consideration the effects of the prevailing market volatility and instability in global and regional capital market on banking operations. Financing facilities reached AED29.7bn, an increase of AED3.9bn or 15.6% compared to AED25.1bn last year. SIB successfully attracted more deposits during the period as customer deposits increased by 18.0%, to reach AED32.2bn compared to AED27.3bn at the end of 2019. Liquid assets reached AED10.8bn or 20.6% of total assets at the end of June 2020, compared to 19.8% in the first quarter. (Zawya)

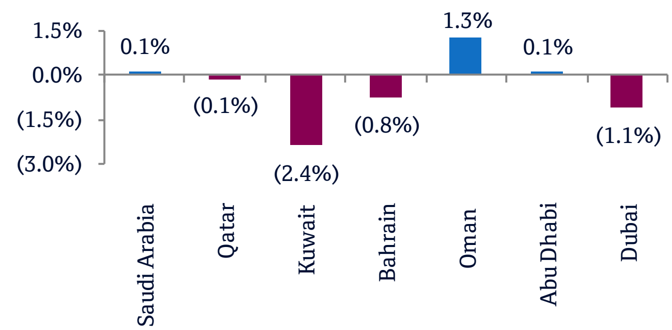
- **BBK's net profit falls 27.0% YoY to BHD29.2mn in 1H2020 –** BBK recorded net profit of BHD29.2mn in 1H2020, registering decrease of 27.0% YoY. Net interest and similar income fell 29.2% YoY to BHD40.8mn in 1H2020. Total operating income fell 22.7% YoY to BHD61.6mn in 1H2020. Total assets stood at BHD4.0bn at the end of June 30, 2020 as compared to BHD3.9bn at the end of June 30, 2019. Loans and advances to customers stood at BHD1.6bn (-4.1% YTD), while customers’ current, savings and other deposits stood at BHD2.4bn (+9.6% YTD) at the end of June 30, 2020. Diluted EPS came in at BHD0.022 in 1H2020 as compared to BHD0.032 in 1H2019. (Bahrain Bourse)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,871.41	1.6	3.4	23.3
Silver/Ounce	23.00	7.9	19.0	28.8
Crude Oil (Brent)/Barrel (FM Future)	44.29	(0.1)	2.7	(32.9)
Crude Oil (WTI)/Barrel (FM Future)	41.90	(0.1)	3.2	(31.4)
Natural Gas (Henry Hub)/MMBtu	1.63	0.0	(6.3)	(22.0)
LPG Propane (Arab Gulf)/Ton	51.63	1.5	7.0	25.2
LPG Butane (Arab Gulf)/Ton	53.00	2.4	7.6	(19.1)
Euro	1.16	0.4	1.2	3.2
Yen	107.15	0.3	0.1	(1.3)
GBP	1.27	0.0	1.3	(3.9)
CHF	1.08	0.4	1.0	4.1
AUD	0.71	0.2	2.1	1.7
USD Index	94.99	(0.1)	(1.0)	(1.5)
RUB	71.09	0.5	(1.1)	14.7
BRL	0.20	1.1	5.3	(21.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,327.76	0.3	1.5	(1.3)
DJ Industrial	27,005.84	0.6	1.3	(5.4)
S&P 500	3,276.02	0.6	1.6	1.4
NASDAQ 100	10,706.13	0.2	1.9	19.3
STOXX 600	373.44	(0.3)	1.4	(7.4)
DAX	13,104.25	0.0	2.7	2.1
FTSE 100	6,207.10	(1.0)	0.1	(21.0)
CAC 40	5,037.12	(0.8)	0.6	(13.1)
Nikkei	22,751.61	(1.0)	0.1	(2.3)
MSCI EM	1,077.78	(0.7)	2.2	(3.3)
SHANGHAI SE Composite	3,333.16	0.1	3.6	8.7
HANG SENG	25,057.94	(2.3)	(0.1)	(10.7)
BSE SENSEX	37,871.52	(0.2)	2.8	(12.3)
Bovespa	104,289.60	2.0	6.9	(28.8)
RTS	1,255.10	(0.4)	3.2	(19.0)

Source: Bloomberg (*$ adjusted returns)

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