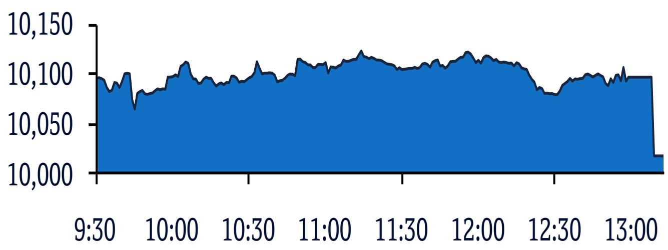
Daily Market Report

Wednesday, 24 February 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.6% to close at 10,020.0. Losses were led by the Industrials and Transportation indices, falling 0.9% and 0.4%, respectively. Top losers were Qatar Islamic Bank and Qatari Investors Group, falling 3.4% and 2.5%, respectively. Among the top gainers, Doha Insurance Group gained 10.0%, while Qatar Industrial Manufacturing Company was up 2.6%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.8% to close at 9,151.7. Gains were led by the Diversified Financials and Banks indices, rising 5.0% and 1.5%, respectively. Nama Chemicals Co and Etihad Atheeb Telecommunication Co. were up 10.0% each.

Dubai: The DFM Index gained 0.2% to close at 2,547.2. The Telecommunication index rose 3.0%, while the Services index gained 1.3%. Emaar Development rose 3.1%, while Emirates Integrated Telecomm was up 3.0%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 5,670.9. The Consumer Staples index rose 2.2%, while the Services index rose 1.2%. Al Dhafra Insurance Co. rose 13.0%, while Methaq Takaful Insurance was up 4.0%.

Kuwait: The Kuwait All Share Index fell 0.7% to close at 5,656.8. The Industrials index declined 2.5%, while the Utilities index fell 1.9%. Metal & Recycling Co declined 12.2%, while Bayan Investment Co. was down 10.3%.

Oman: The MSM 30 Index gained 0.4% to close at 3,574.6. Gains were led by the Services and Financial indices, rising 0.4% and 0.2%, respectively. Al Madina Takaful Company rose 9.4%, while Musandam Power Company was up 3.3%.

Bahrain: The BHB Index fell 1.8% to close at 1,460.5. The Commercial Banks index declined 3.4%, while the Services index fell 0.4%. Ahli United Bank declined 5.8%, while Ithmaar Holding was down 1.7%.

Market Indicators	23 Feb 21	22 Feb 21	%Chg.
Value Traded (QR mn)	414.0	436.8	(5.2)
Exch. Market Cap. (QR mn)	582,287.0	581,211.2	0.2
Volume (mn)	129.5	176.0	(26.4)
Number of Transactions	10,687	10,971	(2.6)
Companies Traded	47	45	4.4
Market Breadth	25:21	11:32	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,395.33	(0.3)	(2.1)	(3.3)	17.8
All Share Index	3,104.79	0.1	(1.5)	(3.0)	18.2
Banks	4,077.76	0.6	0.0	(4.0)	14.7
Industrials	3,119.52	(0.9)	(4.0)	0.7	24.8
Transportation	3,335.03	(0.4)	(2.5)	1.1	15.3
Real Estate	1,791.83	0.0	(2.8)	(7.1)	17.3
Insurance	2,320.28	0.0	(2.2)	(3.2)	N.A.
Telecoms	1,036.27	0.8	(2.2)	2.5	24.2
Consumer	7,574.56	(0.1)	(2.8)	(7.0)	27.4
Al Rayan Islamic Index	4,122.94	(0.5)	(2.8)	(3.4)	19.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Al Rajhi Bank	Saudi Arabia	87.90	4.0	9,271.1	19.4
Saudi Kayan Petrochem.	Saudi Arabia	15.00	3.9	12,792.5	4.9
National Petrochem. Co.	Saudi Arabia	38.30	3.5	293.7	15.2
Saudi Ind. Inv. Group	Saudi Arabia	28.70	3.1	2,434.8	4.7
Ooredoo Oman	Oman	0.41	2.5	795.3	4.6

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ahli United Bank	Bahrain	0.74	(5.8)	986.5	(3.3)
Agility Pub. Warehousing	Kuwait	0.69	(4.7)	12,097.0	2.7
Qatar Islamic Bank	Qatar	15.76	(3.4)	2,944.5	(7.9)
Co. for Cooperative Ins.	Saudi Arabia	81.80	(3.4)	290.5	2.6
Banque Saudi Fransi	Saudi Arabia	28.70	(3.0)	1,285.5	(9.2)

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%
Doha Insurance Group	1.72	10.0	2,088.5	23.3
Qatar Industrial Manufacturing Co	2.78	2.6	135.1	(13.5)
QNB Group	16.81	2.4	7,828.7	(5.7)
Ezdan Holding Group	1.63	2.3	13,307.2	(8.5)
Zad Holding Company	14.51	2.2	38.5	(2.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	1.04	(1.6)	19,992.8	7.9
Investment Holding Group	0.56	1.1	14,401.5	(7.0)
Ezdan Holding Group	1.63	2.3	13,307.2	(8.5)
Salam International Inv. Ltd.	0.60	0.8	8,038.6	(7.8)
QNB Group	16.81	2.4	7,828.7	(5.7)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Islamic Bank	15.76	(3.4)	2,944.5	(7.9)
Qatari Investors Group	1.77	(2.5)	2,801.6	(2.4)
Doha Bank	2.23	(2.5)	361.2	(5.8)
Ahli Bank	3.85	(2.5)	6.2	11.7
Qatar National Cement Company	4.33	(2.1)	1,289.5	4.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.81	2.4	131,327.1	(5.7)
Qatar Islamic Bank	15.76	(3.4)	46,867.0	(7.9)
Ezdan Holding Group	1.63	2.3	21,661.0	(8.5)
Qatar Aluminium Manufacturing	1.04	(1.6)	20,923.2	7.9
Qatar Fuel Company	16.95	(1.1)	15,429.9	(9.3)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,020.04	(0.6)	(2.5)	(4.3)	(4.0)	113.05	158,032.7	17.8	1.4	3.8
Dubai	2,547.24	0.2	(1.1)	(4.0)	2.2	66.49	94,714.7	20.8	0.9	3.8
Abu Dhabi	5,670.93	0.2	0.5	1.4	12.4	296.04	216,344.9	22.7	1.6	4.3
Saudi Arabia	9,151.71	0.8	1.4	5.2	5.3	4,244.11	2,445,218.2	35.0	2.2	2.3
Kuwait	5,656.84	(0.7)	(0.6)	(2.1)	2.0	193.11	107,260.6	50.2	1.4	3.4
Oman	3,574.59	0.4	0.3	(2.2)	(2.3)	5.24	16,181.1	10.9	0.7	7.6
Bahrain	1,460.46	(1.8)	(1.4)	(0.1)	(2.0)	4.98	22,788.1	28.0	0.9	4.6

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any)

Qatar Market Commentary

- The QE Index declined 0.6% to close at 10,020.0. The Industrials and Transportation indices led the losses. The index fell on the back of selling pressure from GCC and Foreign shareholders despite buying support from Qatari and Arab shareholders.
- Qatar Islamic Bank and Qatari Investors Group were the top losers, falling 3.4% and 2.5%, respectively. Among the top gainers, Doha Insurance Group gained 10.0%, while Qatar Industrial Manufacturing Company was up 2.6%.
- Volume of shares traded on Tuesday fell by 26.4% to 129.5mn from 176.0mn on Monday. Further, as compared to the 30-day moving average of 173.2mn, volume for the day was 25.2% lower. Qatar Aluminium Manufacturing Company and Investment Holding Group were the most active stocks, contributing 15.4% and 11.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	30.65%	25.82%	19,987,044.8
Qatari Institutions	20.34%	19.14%	4,955,140.7
Qatari	**50.99%**	**44.96%**	**24,942,185.6**
GCC Individuals	0.86%	0.95%	(383,291.9)
GCC Institutions	3.83%	4.95%	(4,635,951.0)
GCC	**4.69%**	**5.90%**	**(5,019,242.9)**
Arab Individuals	10.52%	10.30%	922,437.5
Arab	**10.52%**	**10.30%**	**922,437.5**
Foreigners Individuals	2.14%	2.33%	(783,698.0)
Foreigners Institutions	31.67%	36.52%	(20,061,682.2)
Foreigners	**33.81%**	**38.84%**	**(20,845,380.3)**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
02/23	EU	Eurostat	CPI YoY	Jan	0.9%	0.9%	0.9%
02/23	EU	Eurostat	CPI MoM	Jan	0.2%	0.2%	0.2%
02/23	EU	Eurostat	CPI Core YoY	Jan	1.4%	1.4%	1.4%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
QFBQ	Qatar First Bank	25-Feb-21	1	Due
QGRI	Qatar General Insurance & Reinsurance Company	28-Feb-21	4	Due
QISI	Qatar Islamic Insurance Group	28-Feb-21	4	Due
AKHI	Al Khaleej Takaful Insurance Company	3-Mar-21	7	Due
WDAM	Widam Food Company	3-Mar-21	7	Due
QGMD	Qatari German Company for Medical Devices	4-Mar-21	8	Due
ZHCD	Zad Holding Company	6-Mar-21	10	Due
DBIS	Dlala Brokerage & Investment Holding Company	8-Mar-21	12	Due
IGRD	Investment Holding Group	15-Mar-21	19	Due

Source: QSE

News

Qatar

- **AHCS' net profit rises YoY to QR78.9mn in 4Q2020 on adjusted basis, bang in-line with our estimates –** Aamal Company's (AHCS) net profit excluding "net fair value loss on investment properties" rose YoY to QR78.9mn in 4Q2020 from QR64.5mn in 4Q2019 (3Q2020: QR71.2mn), bang in-line with our estimates of QR77.8mn (variation of +1.4%). However, net profit attributable to AHCS equity holders declined YoY to QR31.7mn in 4Q2020 as compared to QR64.5mn in 4Q2019 (3Q2020: QR71.2mn). The company's revenue came in at QR334.8mn in 4Q2020, which represents a decrease of 4.0% YoY (-0.9% QoQ). In FY2020, AHCS posted net profit of QR123.3mn as compared to QR322.3mn in FY2019. EPS amounted to QR0.02 in FY2020 as compared to QR0.05 in FY2019. AHCS has earned total revenue of QR1.3bn in 2020, up 1% on the previous year, driven by increased revenue in its industrial manufacturing, trading and distribution segments. The company's gross profit was down 21.4% to QR341mn compared to QR434mn in the previous year. Net profit before share of net profits of associates and joint ventures, accounted for using the equity method and fair value gains/losses on investment properties (net underlying profit), was down 25.8% to QR192.9mn in 2020 compared to QR259.9mn in the previous year. Net underlying profit margins decreased by 5.3 percentage points to 14.8%, while share of net profits from associates and joint ventures accounted for using the equity method decreased 19% to QR50.4mn in 2020 from QR62.3mn in 2019. The company witnessed fair value losses on investment properties of QR121.6mn in 2020, while there were no fair value gains or losses on investment properties in 2019. Net capital expenditure was down 11.9% to QR42.6mn in 2020 compared to QR48.3mn in the previous year. AHCS' Chairman, HE Sheikh Faisal bin Qassim Al-Thani said, "AHCS' financial results for the year, and in particular the performance of our property segment, were impacted by a drop in property valuations and by our decision to waive rents for tenants at both City Center Doha and Souk Al Harraj. Despite the financial impact, this was absolutely the right decision to take, one that was driven by our desire to support the economy in these challenging times and, in particular, to support our tenants who we have always regarded as partners. AHCS' financial strength and resilient business model enabled us to continue to perform well at an operational level across our industrial manufacturing, property and trading and distribution segments. Highlights included the completion of the redevelopment work at City Center Doha, the start of production at Senyar Drums Factory (the first specialized cable drum manufacturer in Qatar), investment for a new Glass Reinforced Pipe (GRP) production line at Advanced Pipes and Casts, and the expansion of the Ebn Sina Pharmacy chain. AHCS' Board of Directors is pleased to recommend for approval a 2020 cash dividend of 4%. We remain confident in the outlook for Aamal Company and in our ability to deliver for all our stakeholders." (QNB FS Research, QSE, Gulf-Times.com, Qatar Tribune)
- **QNNS reports net profit, adjusted for impairments, of QR800.5mn in 2020 vs. QR818.5mn in FY2019 –** In FY2020, Qatar Navigation (QNNS, Milaha) posted net profit of QR59.1mn as compared to QR546.8mn in FY2019, mainly due to 'impairment on property, vessels and equipment' which stood at QR741.4mn (FY2019: QR271.8mn). However, net profit adjusted for impairments came in at QR800.5mn vs. QR818.5mn in FY2019. QNNS reported net loss of QR324.6mn in 4Q2020 as compared to net profit of QR127.9mn in 4Q2019 and net profit of QR83.7mn in 3Q2020. On the other hand, 4Q2020 adjusted net loss was much lower at QR15.3mn. The company's operating revenue came in at QR555.5mn in 4Q2020, which represents a decrease of 5.8% YoY. However, on QoQ basis operating revenue rose 14.0%. The Board of Directors decided to recommend 30% cash dividend of the par value of a share, equivalent to QR0.3 per share. Milaha Gas and Petrochem's operating profit jumped 114% YoY to QR112mn, driven by both an increase in revenue and a drop in overall expenses. Net profit for the segment, however, dropped by QR4mn compared to 2019, as a result of a loss recorded in one of its joint venture companies. Milaha Offshore's operational performance remained strong despite logistical challenges and additional expenses brought on by the COVID-19 pandemic. The segment results were brought down by QR345mn in increased vessel impairments compared to 2019, resulting in a QR556mn net loss. Milaha Maritime and Logistics' net profit decreased by QR8mn compared to the same period in 2019, and was largely attributed to the COVID-19 pandemic, which not only impacted shipping volumes and logistics work but also increased health and safety expenses. Milaha Capital's revenue decreased by QR52mn and net profit by QR122mn compared to the same period in 2019. One-time gains and impairments recorded in 2020 netting to a decline of QR81mn, coupled with lower rental income brought overall performance down. Milaha Trading's revenue was down QR86mn, with the bottom line remaining flat compared to 2019. (QNB FS Research, QSE, Gulf-Times.com)
- **MCGS' bottom line rises 4.6% YoY and 84.3% QoQ on adjusted basis in 4Q2020, above our estimate –** Medicare Group's (MCGS) net profit excluding "Fair value gain on investment properties" (QR0.05mn) rose 4.6% YoY (+84.3% QoQ) to QR35.8mn in 4Q2020, above our estimate of QR27.3mn. The company's operating income came in at QR129.6mn in 4Q2020, which represents a decrease of 3.7% YoY (-2.2% QoQ). In FY2020, MCGS posted net profit of QR85.5mn as compared to QR78.2mn in FY2019. EPS amounted to QR0.3 in FY2020 as compared to QR0.28 in FY2019. (QNB FS Research, QSE)
- **MERS' bottom line rises 9.5% YoY and 109.6% QoQ in 4Q2020 –** Al Meera Consumer Goods Company's (MERS) net profit rose 9.5% YoY (+109.6% QoQ) to QR69.0mn in 4Q2020.The company's sales came in at QR741.4mn in 4Q2020, which represents an increase of 1.7% YoY. However, on QoQ basis sales fell 2.3%. In FY2020, MERS recorded net profit of QR209.0mn as compared to QR186.6mn in FY2019. EPS amounted to QR1.05 in FY2020 as compared to QR0.93 in FY2019. The board of directors also proposed a 90% cash dividend on the paid-up capital of QR0.90 per share, totaling QR180mn for 2020, which is subject to shareholders approval during the annual general assembly. In the first half of 2020, to combat the shortage of supply of essential goods brought about by COVID-19, MERS made great efforts to ensure that all its stores have adequate supplies of fast-moving consumer goods

(FMCG), groceries, and foodstuff to meet the increased demands of the communities. The unprecedented demand for products across multiple categories led to strong top-line results. As a result, MERS' operations in 2020 were positively impacted by COVID-19-related activities. The company recorded consolidated sales of QR3.4bn in 2020. Gross profit increased to QR592.1mn, an increase of 14.2% over 2019. However, rental income during the year was negatively impact by the pandemic. As part of MERS' dedication to the community and in support of local businesses to overcome the economic impact of COVID-19 outbreak in the country, MERS provided various incentives, including rent-free concessions up to four months, plus rescheduling of rent payments to assist the retail tenants who had been directly affected by the lockdown. As a result, rental income for the year decreased by QR9.7mn, to QR65.1mn compared to the same period in 2019. (QSE, Gulf-Times.com)

- **SIIS reports net loss of QR49.4mn in 4Q2020 –** Salam International Investment Limited (SIIS) reported net loss of QR49.4mn in 4Q2020 as compared to net loss of QR82.9mn in 4Q2019 and net loss of QR11.2mn in 3Q2020.The company's revenue from contracts with customers came in at QR368.0mn in 4Q2020, which represents a decrease of 29% YoY. However, on QoQ basis revenue from contracts with customers rose 3.7%. In FY2020, SIIS recorded net loss of QR146.6mn as compared to net loss of QR18.4mn in FY2019. Loss per share amounted to QR0.13 in FY2020 as compared to loss per share of QR0.02 in FY2019. SIIS' board recommended non-distribution of dividends for this year. (QSE)
- **BRES signs $157mn refinancing pact with Ahli United Bank –** Barwa Real Estate Company (BRES) announced it has signed a refinancing agreement for a facility with Ahli United Bank amounting to $157.14mn, with the aim of refinancing part of the current obligations. The term of the new financing is up to 3 years. The refinance aims to strengthen the Group's financial position. It should be noted that there is no conflict of interest between the contracting parties in this agreement. (QSE)
- **QNNS to holds its AGM on March 16 –** Qatar Navigation (QNNS, Milaha) announced that the General Assembly Meeting AGM will be held on March 16, 2021, at the company's Head Office located in Ain Khaled (Industrial Area No. 523, Area 56, Zone E) at 06:30 pm. In case of not completing the legal quorum, the second meeting will be held on March 21, 2021, at the company's Head Office located in Ain Khaled (Industrial Area No. 523, Area 56, Zone E) at 04:30 pm. (QSE)
- **CBQK to hold its AGM online on March 10 –** In reference to the board of directors of The Commercial Bank (CBQK) invitation to the Shareholders' Ordinary General Meeting (AGM) published in the newspaper on February 17, 2021, in compliance with instructions issued by the Ministry of Health to limit the spread of the Coronavirus pandemic, the Ordinary General Meeting (AGM) will be held virtually using the Zoom application on March 10, 2021 at 6:30 p.m. In case the quorum of the above meeting is not met, the second meeting shall be held on March 23, 2021, at the same time. Registrations will be accepted in person at Commercial Bank Plaza, ground floor, Al Markhiyah Street, Al Dafna, two hours ahead of the scheduled time or by sending the required shareholder information to alphaqatar2020@gmail.com at least one day before the meeting. (QSE)
- **AHCS to hold its AGM on March 30 –** Aamal (AHCS) announces that the General Assembly Meeting (AGM) will be held on March 30, 2021, using zoom application at 04:30 pm. In case of not completing the legal quorum, the second meeting will be held on March 31, 2021, using zoom application at 04:30 pm. (QSE)
- **DOHI to hold its AGM on March 22 –** Doha Insurance (DOHI) announced that the General Assembly Meeting (AGM) will be held on March 22, 2021, at La Cigale Hotel at 04:30 pm. In case of not completing the legal quorum, the second meeting will be held on March 29, 2021, at La Cigale Hotel at 04:30 pm. (QSE)
- **GISS discloses list of candidates for membership of the board of directors –** With reference to the announcement made by Gulf International Services (GISS) on February 03, 2021 on the opening of nomination period for membership of the Board of Directors for shareholders (individuals and companies) for four seats for a term of three years (2021-2024), the following shareholders have applied for the membership of GISS board of directors. Eligibility of candidates and identification of independent candidates were thoroughly verified by the Company's Nomination and Remuneration Committee (NRC): (1) Mr. Ali Jaber Hamad Al-Marri, representative of the General Retirement & Social Insurance Authority (corporate). (2) Sheikh Jassim bin Abdullah Al-Thani, representative of Qatar Investment Authority (corporate/independent). (3) Mr. Saad Rashid Al-Muhannadi, representative of Woqod Vehicles Inspection "FAHES" (corporate). (4) Mr. Mohammed Nasser Al-Hajri, representative of Qatar Electricity & Water Company (corporate/independent). The board elections will be considered for approval at the Company's General Assembly meeting (AGM), which will be held on March 10, 2021. GISS further notes that shareholders may have access to the details of all eligible candidates, their qualifications and experience by visiting the company's headquarters well before the date set for the Company' s AGM. (QSE)
- **QGMD opens nominations for its board membership 2021 –** Qatari German Company for Medical Devices (QGMD) announced the opening of nominees for the board memberships, years from 2021 to 2024. Applications will be accepted starting from February 28, 2021 till 04:00 pm of March 04, 2021. (QSE)
- **QLMI targets an enhanced growth rate in near future –** QLM Life & Medical Insurance Company (QLMI) recently declared its financial results for the financial year 2020. The company recorded an increase in its net profits by 12.8% which stood at QR98.05mn as compared to QR86.87mn in the previous year 2019. The financial results were approved by board of directors in the meeting chaired by His Excellency Sheikh Saud bin Khalid bin Hamad Al Thani, Chairman of the board. In reference to the agenda item of dividend, the board of directors, took into consideration the general economic conditions, market conditions, expansion and growth plans and all other factors that affect the business. In addition, the board also considered the clear guidance as provided to the investors in section 10.3 of the IPO prospectus regarding 2020-2021 interim dividend to be declared based on Q1'2021 profits and recommended that no

dividends shall be declared for distribution for FY2020. Sheikh Saud bin Khalid bin Hamad Al Thani also mentioned that as per the dividend policy “any declared profits may be distributed in the form of cash dividends or through capitalization of profits, or a combination of both, according to the recommendation of the board of directors and approval in the general meeting, subject to obtaining the required regulatory and other necessary approvals”. The company was initially incorporated on 30 June 2011 in the form of a limited liability company at Qatar Financial Centre. Thereafter, effective 1st January 2019, through portfolio transfer the business operations of the company were transferred to a new company formed under the jurisdiction of Ministry of Commerce and Industry and regulated by the Qatar Central Bank. Since then the company has been fully compliant with QCB’s regulations and in line with regulatory requirements which requires all insurance companies to be listed at the Qatar Stock Exchange, the company was converted into a Qatari public shareholding company, and its shares were listed at the Qatar Stock Exchange on 13 January 2021. Commenting on the company's results, His Excellency Sheikh Saud bin Khalid bin Hamad Al Thani, Chairman of the Board of Directors, stated "The company has a developed a robust and clear long-term strategy to grow the business and has a strong financial position with good liquidity to meet its commitments and to ensure that it delivers to the expectations of all the stakeholders and creates shareholder value and provide for good return in form of dividends to the shareholders in accordance with its dividend declaration and distribution policy”. The Earnings per share for the year 2020 was QR0.28 as compared to QR0.25 per share in the previous year 2019. As stated in the IPO prospectus, QLM Life and Health Insurance intends to distribute interim dividends for the period covering January 2021 to March 2021 from its net profit earned for the period and in accordance with the above mentioned dividend policy as set out in the company's offering prospectus. As regards the credit rating, the company has been recently affirmed a credit rating of “A” minus with stable outlook by Standard and Poor’s on the basis of its own financial strength and on a stand-alone basis. The company has plans to foray into the retail segment and shall soon be launching individual life and medical insurance products in the market. This will further help to strengthen its market dominant position and enhance the public profile of the company. (QSE)

- **QFMA issues new rulebook for offering, listing of securities –** The Qatar Financial Markets Authority (QFMA) has issued its new rulebook ‘Offering & Listing of Securities on the Financial Markets Rulebook’. The issuance comes as a part of its regulatory and supervisory role over the Qatari capital market sector, to make procedures and requirements for offering and listing available to a larger segment of companies. This is part of the continuous development and update of capital market regulations and legislation, and in line with the global development of this vital sector, as well as the needs of the capital market in the state. The key issues included in the new rulebook is the standardization of both requirements for offering and listing of the two main and second markets and the regulation of the relationship between them by adding requirements for transferring the listing of companies from the main market to the second market, with the aim of increasing the correlation between the two markets, activating trading and listing in the second market, and promoting the standards for the continued listing of companies in the main market. The new rulebook also included allowing the direct listing without going public offering ‘IPO’ in both markets, and adding some modern mechanisms based on the best international practices related to securities public offering, suiting the local market and contributing to finding several alternatives for pricing of public offering for shares, such as book building mechanism. It also included providing the opportunity for companies that offer their shares in a public offering to the public to use the proper mechanisms to maintain price stability for shares. The new rulebook also included many controls that contribute to increasing the transparency and raising disclosure level particularly in the main market, in line with modern technological changes in this regard. The QFMA hopes that implementing this new rulebook will increase the number of the listed companies, their shares’ turnover rates, the liquidity volume, the activation of the secondary market and the encouragement of its listing, as well as will contribute to increasing the relative weight of Qatari companies in international investment indicators and attracts more investments to the Qatari capital market. The rulebook will be implemented with an effect from April 1 this year. “We thank QFMA for this issuance, which comes within the continuous development of capital market regulations,” Qatar Stock Exchange CEO Rashid Al Mansoori said in a tweet. (Qatar Tribune)
- **Kahramaa aims to extend DC services to individual villas –** Qatar General Electricity and Water Corporation (Kahramaa) represented by District Cooling Services Department is conducting a feasible study to help set up investment projects of district cooling (DC) plants enabling individual villas and houses to benefit from the most efficient cooling system. “DC plant cuts 40% electricity consumption, reduces maintenance costs and runs longer up to 25 years compared to the conventional cooling system which needs to be replaced within five to seven years,” said Director of District Cooling Services Department, Eng. Abdulaziz Al Hammadi. Speaking in a Qatar TV program yesterday, Al Hammadi said that the District Cooling System needs a plant with minimum cooling capacity of 5,000 tons for its efficiency which covers 400 to 500 villas therefore it is not feasible to set up a separate DC plant for one or two villas. (Peninsula Qatar)

International

- **US consumer confidence improves as COVID-19 cases fall; house prices accelerate –** US consumer confidence increased in February, with households slightly more upbeat about the labor market amid declining new COVID-19 infections and expectations for additional money from the government to help the economy’s recovery from the pandemic. The survey from the Conference Board on Tuesday also showed consumers warming up to overseas vacations, though fewer intended to purchase homes, automobiles and other big-ticket items over the next six months. Consumers anticipated higher inflation as well. This fits in with economists’ predictions that demand will swing back to services from goods by summer as more

Americans get vaccinated, and boost price pressures. There are concerns in some quarters that very accommodative fiscal and monetary policy will ignite inflation this year. Federal Reserve Chair Jerome Powell has played down these fears, citing three decades of lower and stable inflation. On Tuesday, Powell told lawmakers that the US central bank would keep interest rates low and continue to pump money into the economy through bond purchases "at least at the current pace until we make substantial further progress towards our goals ... which we have not really been making." The Conference Board said its consumer confidence index rose to a reading of 91.3 this month from 88.9 in January. Confidence remains well below its lofty reading of 132.6 last February. (Reuters)

- **Powell says economy still needs Fed support, pushes back on inflation worries –** Federal Reserve Chair Jerome Powell, pushing back on suggestions that loose monetary policy risked unleashing inflation and financial risks in what may be an emerging economic boom, said the central bank would keep its attention focused on getting Americans back to work as a vaccine-related recovery proceeds. "Monetary policy is accommodative and it continues to need to be accommodative ... Expect us to move carefully, patiently, and with a lot of advance warning," before any changes, Powell said in response to questions from Republican lawmakers about whether a faster-than-expected recovery still required crisis-level assistance. Powell, who was testifying before the US Senate Banking Committee, acknowledged the potentially fast growth to come as the coronavirus crisis eases and vaccinations expand. Coming updates to the Fed's outlook may show the economy expanding "in the range" of 6% this year, he said, and overall output conceivably returning in the next few weeks to the pre-pandemic level. Such a rebound would have been unthinkable even a few weeks ago, but the rollout of COVID-19 vaccines coupled with federal fiscal support that has bolstered household income has boosted the economic outlook for the year. When asked what his message was to financial markets, Powell did not talk about the risks of rising bond yields or a possible spike in inflation, but of the roughly 10mn jobs still missing compared to a year ago, and the need for the US central bank's policy to stay wide open until that is fixed. (Reuters)
- **UK data points to record outflow of foreign workers in 2020 –** Almost a million people born outside Britain may have left the country last year as the coronavirus pandemic appears to have triggered the biggest net outflow of foreign-born workers on record, according to official data released on Tuesday. Figures from the Office for National Statistics suggested there were 795,000 fewer foreign-born workers in Britain in the final three months of 2020 than a year earlier, and nearly a million fewer foreign-born residents aged over 16. Britain has suffered Europe's highest death toll from coronavirus and the biggest economic hit of any major economy. Some sectors which previously employed large numbers of foreign workers, such as hospitality, have been especially hard hit. Tuesday's figures come from an official survey of Britain's labor market - not the main immigration data, which has been suspended due to the pandemic - and the ONS said the figures should be "used with caution" for a range of reasons. The method by which responses to the survey are scaled up into total numbers of people assumes that Britain's overall population still grew at its pre-pandemic rate - potentially giving a misleading starting point for the estimates. The survey is also not designed to capture migration flows, and the pandemic means telephone calls have replaced the ONS's door-to-door interviews, making it harder to tell if reduced numbers of foreign-born respondents reflect a change in the sample or an underlying change. In cases where European Union nationals had not previously completed paperwork to ensure British residency rights after Brexit, they could face legal difficulties. Workers born in the EU accounted for the majority of departures in the past year in the ONS figures. The way in which the ONS calculates the data meant that it could still be underestimating the outflow, Portes said. Other signals from the data, such as an apparent return of more than 1mn Britons from abroad, looked implausible, he added. The ONS said it could not give guidance on the likely direction of any revisions to the data. (Reuters)
- **UK jobless rate hits 5.1% as Sunak readies more job support –** Britain's jobless rate rose to 5.1% in the last three months of 2020, its highest in nearly five years but still lower than it would have been without a huge coronavirus jobs support scheme that finance minister Rishi Sunak looks set to extend next week. Separate data from the Office for National Statistics showed that the number of employees on company payrolls in January rose by 83,000 from December, the second monthly increase and its biggest since January 2015. The jobless rate - the highest since the first three months of 2016 - was in line with the median forecast in a Reuters poll of economists. Unemployment has been suppressed by the government's Job Retention Scheme which is supporting about one in five employees. The program is Britain's most expensive COVID economic support measure and will cost an estimated 70bn Pounds ($98bn) by its scheduled expiry date of April 30. But figures based on tax data show the number of employees on business payrolls has still fallen by 726,000 since February 2020 - equivalent to just over 2% of the workforce - with the majority of job losses suffered by workers aged under 25. The Bank of England has said it thinks the unemployment rate will jump to almost 8% in mid-2021 after the furlough scheme ends. Sunak is expected to announce an extension of his jobs support, at least for sectors hardest hit by the government's lockdowns, in a March 3 budget statement. (Reuters)
- **UK jobless rate rises to highest since early 2016 –** Britain's unemployment rate rose to 5.1% in the last three months of 2020, official data showed, its highest since the first quarter of 2016 but still a lot lower than it would have been without the government's coronavirus jobs support scheme. Separate data from the Office for National Statistics showed that the number of employees on company payrolls in January rose by 83,000 from December. (Reuters)
- **Ifo: Sentiment among German exporters at highest since September 2018 –** Sentiment among German exporters in the industrial sector posted another improvement this month, hitting its highest level since September 2018, the Ifo economic institute said on Tuesday. "The strong performance of China's economy and the pickup in production in the US is helping German exporters," Ifo President Clemens Fuest said. The chemicals and engineering sectors see their exports rising, and automakers now also see orders from abroad growing again.

The export expectations of electrical equipment hit their highest level since February 2018, Ifo said. Overall, the export sentiment index rose to 10.7 points in February from 7.5 points in January, posting its third monthly rise in a row. (Reuters)

- **Mega cities fan China's home prices further in test for policymakers –** New home prices in China grew at a faster pace in January, driven by red-hot demand in the country's mega cities despite several rounds of government cooling measures, raising the challenge for policymakers as they try to curb financial risks. Average new home prices in 70 major cities increased 0.3% in January from a month earlier, the fastest growth since September, according to Reuters calculations based on data released by the National Bureau of Statistics. That compared with an uptick of 0.1% in December. On a YoY basis, new home prices rose 3.9%, quickening from a 3.8% gain in December. As China's economy rebounds from the COVID-19 shock, authorities have stepped up curbs on the property sector to safeguard against financial risks as concerns grow of a speculative bubble in some parts of the market. The NBS data showed 53 cities reported monthly growth, with the number rising from 42 in December. The relentless upward price pressure was again mainly driven by bigger cities. New home prices growth in tier-1 cities, including Beijing, Shanghai, Guangzhou and Shenzhen, quickened 0.6% from the previous month, while second-hand home prices posted a sharper gain of 1.3%, with growth in both sectors outpacing lower-tier cities. The price uptick at the beginning of the year can be mainly attributed to the record volume of credit issued in January, said Zhang Dawei, an analyst with property agency Centaline. (Reuters)

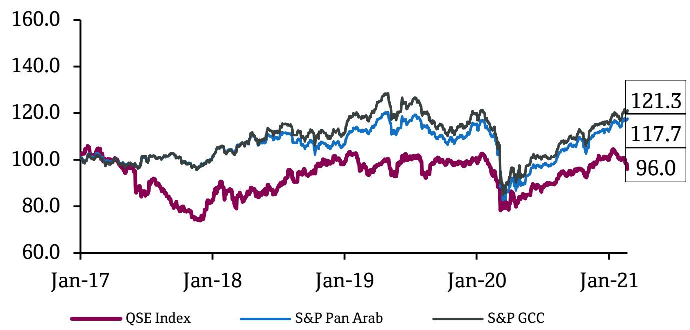
Regional

- **Saudi Arabia turns to Euro-bond amid near record-low yields –** Saudi Arabia is tapping international bond markets for the second straight month, marketing Euro-denominated debt to take advantage of ultra-low borrowing costs and help reduce its reliance on dollar debt. The world's largest crude exporter is planning a two-part, benchmark-sized deal with a three-year and nine-year offering, according to sources. Saudi Arabia raised $5bn from a two-part dollar-bond offering in January. The Kingdom has picked BNP Paribas, Goldman Sachs Group Inc. and HSBC Holdings as global coordinators, and Citigroup Inc, JPMorgan Chase & Co, Standard Chartered and Samba Capital as passive joint bookrunners to organize a global investor call on Tuesday. A potential sale comes at a time when the recovery in Brent crude prices has eased fiscal pressures in the region. The oil price is still well below what most of the Gulf economies need to balance their budgets. "The yields will probably be particularly low, sub 1%, and it makes sense for them to try and diversify their funding a little," a Money Manager at GAM Holdings AG in London, Richard Briggs said. "Things have been marginally weaker in emerging-market credit over the last few days, but the timing isn't shocking, and the big surge we've seen in oil prices should add further support to the credit." The Kingdom is tapping euro-denominated bonds only for the second time since July 2019, when it sold $3.4bn of 2027 and 2039 securities, after attracting over EUR14.5bn in demand. (Bloomberg)
- **S&P: PIF's spending programs will boost banks –** Saudi Arabia's banks are expected to benefit from the sovereign wealth fund's spending spree this year, although low interest rates and a rollback of central bank support may weigh on profits, S&P said. "Mortgage origination will remain buoyant and corporate lending is likely to pick up as Public Investment Fund (PIF) programs create business for contractors," the ratings agency said in a report. The sovereign investor is a key lever for the Kingdom's efforts to revive growth after what may be the deepest recession the world's largest crude exporter has experienced since 1987. Handed $40bn last year to buy global stocks, the PIF plans to plow the same amount into the domestic economy this year and again in 2022. The Kingdom tripled VAT to 15% in July as it endured twin economic shocks from the spread of the coronavirus pandemic and turmoil in the oil market. Inflation is expected to rise during the first quarter compared to the same period the previous year due to the residual effect of VAT, the central bank said on Monday. "The Saudi economy will recover in 2021-2022 from the shocks of 2020 as global demand for oil recovers and private consumption increases," S&P said. "That said, real GDP will not return to 2019 levels until 2022." S&P also said: "Cost of risk will remain elevated in 2021, despite stronger-than-expected estimates for 2020, as the Saudi Central Bank lifts its forbearance measures. Combined with very low interest rates, this will weigh on banks' profitability." (Bloomberg)
- **PIF bets on startups with Hambro Perks investment –** London firm's $50mn Oryx Fund will focus on Middle East, Saudi Arabia's sovereign wealth fund, Public Investment Fund (PIF) is backing a Middle East venture-capital fund run by Hambro Perks Ltd., joining the trend for state investors in the region to put money into early-stage companies. The Public Investment Fund of Saudi Arabia is an anchor investor in the $50mn Oryx Fund, which will target fintech, health and education technology startups across the Middle East and North Africa, according to Dominic Perks, co-founder of London-based venture firm Hambro Perks. He declined to say how much the Saudi fund, also known as PIF, has invested. Oryx is the first Western venture-capital fund to get backing from PIF, which made the investment through its Jada unit, according to a statement from Hambro Perks. Other investors include Saudi Venture Capital Co. and Riyadh Valley Co. (Bloomberg)
- **Former Saudi oil minister Zaki Yamani dies, Okaz newspaper says –** Saudi Arabia's former Oil Minister, Sheikh Zaki Yamani, has died in London, Saudi's Okaz newspaper said on Tuesday. He will be buried in the city of Mecca in Saudi, the paper added. (Reuters)
- **Saudi Taiba terminates contract with Millennium & Copthorne –** Taiba Investments unit AlAqeeq Real Estate Development terminates contractual relationship with Millennium & Copthorne Middle East Holdings to operate hotels. Hotels will be operated under management of AlAqeeq Real Estate directly. The contract was signed in November, 2014, says termination may have financial impact that cannot be estimated yet. (Bloomberg)
- **Food and drinks group Agthia eyes acquisitions to become big regional player –** Abu Dhabi-listed food and drinks group Agthia Group is looking into making more acquisitions to turn the

company into one of the region's top players in the food and beverage industry, its CEO, Alan Smith said on Tuesday. After doing a number of deals already Agthia has a "pipeline of ideas" for additional targets to strengthen its position at home and abroad. "Certainly we want to be a big regional player in the F&B business and more in the consumer space, so we want to move into that branded space where we can start building master brands across the region," CEO, Alan Smith said. Agthia's products include bottled water, dairy products and baked goods. (Reuters)

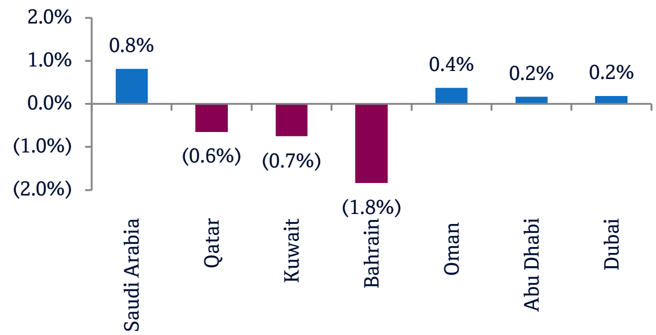
- **Dubai Aerospace Enterprise signs lease accord with IndiGo –** Dubai Aerospace Enterprise has signed a long-term lease agreement for seven Airbus A321neo aircraft with IndiGo, India's largest passenger airline. All seven aircraft will be powered by CFM International's LEAP engines and are scheduled to be delivered in 2021. (Bloomberg)
- **Kuwait looks at palliative liquidity measures in reforms stalemate –** Kuwait is trying to cover its fiscal shortfall through asset swaps and tapping its sovereign wealth fund as a standoff between government and parliament pushes the cabinet to look for palliative measures while structural reforms remain deadlocked. The Gulf state, hit hard by lower oil prices and the COVID-19 pandemic, faces near-term liquidity risks, largely because parliament has not authorized government borrowing. The cabinet submitted a draft bill to parliament last week that would allow it to withdraw up to $16.54bn per year from the country's Future Generations Fund (FGF). The fund, a nest egg for when oil runs out that is managed by Kuwait Investment Authority (KIA), has only been tapped once, during the first Gulf War. But the proposal may not be approved and government sources said in any case it would only buy some time without addressing longer-term budgetary needs. "Five billion dinars will not solve the problem ... The proposal is not a substitute for the public debt law, which parliament must pass," said one source. He said the proposal is part of a four-step approach to addressing the deficit, estimated at around $40bn in fiscal 2021/2022. (Reuters)
- **Finance Minister: Kuwait expects parliament to cooperate on solutions to budget financing –** Kuwait said on Tuesday it was confident parliament would cooperate to find solutions and implement financial reforms to cover its deficit, the Finance Ministry said in a statement. It said the oil-rich Gulf state expects a budget deficit of KD55.4bn from fiscal year 2020/21 to fiscal year 2024/25, but that the country's finances remained "strong" due to the Future Generations Fund, Kuwait's largest state fund. (Reuters)
- **Ahli United Bank reports net profit of $452.2mn in FY2020 –** Ahli United Bank reported net profit for the full year of $452.2mn in FY2020 compared to $730.5mn in FY2019. The bank has declared dividend per share of 1.25 cents for the financial year. It has also proposed bonus shares of 1 for 20 held. (Bloomberg)
- **Agility says Tribunal ruled against it in Korek telecom case –** Agility says the International Center for the Settlement of Investment Disputes dismissed its claims and relief requests in the case against Iraq in the Korek telecom case. Tribunal asks Agility to settle $5.2mn as fees and administration costs for the arbitration. Agility considering options to apply for annulment of the decision. Agility says court case relates to "Iraq's expropriation of Agility's investment of over $380mn, its failure to treat Agility fairly and equitably, and its failure to accord Agility with due process, each in breach of the bilateral investment treaty signed between Kuwait and Iraq." Agility says moving "expeditiously" to pursue claims of more than $700mn directly against Korek, Sirwan Barzani and others in a separate arbitration. (Bloomberg)
- **Warba Bank FY2020 net income came in at KD5.63mn –** Warba Bank reported net income of KD5.63mn in FY2020 compared to KD16.5mn. Operating revenue came in at KD78.8mn, an increase of 32% YoY, operating profit came in at KD52.6mn, an increase of 41% YoY. (Bloomberg)
- **GFH Financial buys Chicago Distribution Center in $135mn deal –** GFH Financial Group acquired a distribution facility in Chicago in a transaction valued at over $135mn, according to a statement. The transaction was undertaken in partnership with Silver Creek Commercial Development, a US-based asset manager. The facility has been leased to Michelin North America since November 2015. (Bloomberg)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 4.7x –** Bahrain sold BHD100mn of 364-day bills due on February 24, 2022. Investors offered to buy 4.7 times the amount of securities sold. The bills were sold at a price of 97.936, have a yield of 2.08% and will settle on February 25. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,805.73	(0.2)	1.2	(4.9)
Silver/Ounce	27.67	(1.6)	1.4	4.8
Crude Oil (Brent)/Barrel (FM Future)	65.37	0.2	3.9	26.2
Crude Oil (WTI)/Barrel (FM Future)	61.67	0.3	4.1	27.1
Natural Gas (Henry Hub)/MMBtu	2.83	0.0	0.0	19.0
LPG Propane (Arab Gulf)/Ton	96.00	1.6	0.0	27.6
LPG Butane (Arab Gulf)/Ton	91.75	(5.2)	(6.4)	22.3
Euro	1.22	(0.1)	0.3	(0.5)
Yen	105.25	0.2	(0.2)	1.9
GBP	1.41	0.4	0.7	3.2
CHF	1.10	(1.0)	(1.0)	(2.2)
AUD	0.79	(0.1)	0.5	2.8
USD Index	90.17	0.2	(0.2)	0.3
RUB	74.31	0.0	0.2	(0.1)
BRL	0.18	0.5	(1.1)	(4.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,789.21	0.0	(0.6)	3.7
DJ Industrial	31,537.35	0.0	0.1	3.0
S&P 500	3,881.37	0.1	(0.6)	3.3
NASDAQ 100	13,465.20	(0.5)	(2.9)	4.5
STOXX 600	411.32	(0.6)	(0.7)	2.4
DAX	13,864.81	(0.8)	(0.8)	(0.1)
FTSE 100	6,625.94	0.3	0.5	5.9
CAC 40	5,779.84	0.1	0.3	3.4
Nikkei#	30,156.03	-	0.8	8.0
MSCI EM	1,398.20	0.0	(2.2)	8.3
SHANGHAI SE Composite	3,636.36	(0.2)	(1.8)	5.7
HANG SENG	30,632.64	1.0	(0.0)	12.5
BSE SENSEX	49,751.41	0.0	(2.0)	5.1
Bovespa	115,227.50	2.5	(3.5)	(8.1)
RTS#	1,455.33	-	(1.2)	4.9

Source: Bloomberg (*$ adjusted returns, #Market was closed on February 23, 2021)

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