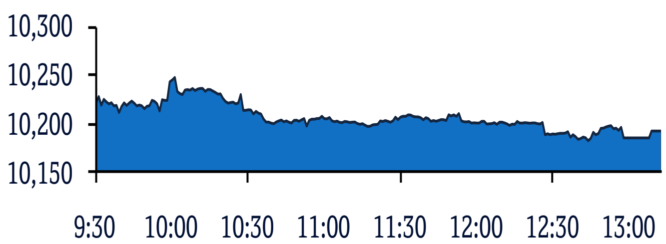
Daily Market Report

Wednesday, 24 March 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 10,194.1. Losses were led by the Insurance and Real Estate indices, falling 0.8% and 0.3%, respectively. Top losers were Doha Insurance Group and Qatar Oman Investment Company, falling 7.5% and 4.7%, respectively. Among the top gainers, Qatari Investors Group gained 4.4%, while Qatar Navigation was up 4.1%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.6% to close at 9,489.6. Losses were led by the Pharma and Energy indices, falling 1.7% and 1.1%, respectively. Al-Etihad Cooperative Insurance Co. declined 7.7%, while Tabuk Cement Co was down 3.6%.

Dubai: The DFM Index fell 0.7% to close at 2,533.6. The Banks index declined 1.0%, while the Real Estate & Construction index fell 0.6%. Emirates NBD declined 2.2%, while Emaar Malls was down 1.8%.

Abu Dhabi: The ADX General Index gained marginally to close at 5,735.4. The Investment & Financial Serv. index rose 1.0%, while the Energy index gained 0.6%. Commercial Bank Int. rose 7.7%, while The Nat. Bank of Ras Al Khai. was up 5.3%.

Kuwait: The Kuwait All Share Index fell 0.6% to close at 5,792.6. The Banks index declined 1.2%, while the Utilities index fell 0.4%. Amwal International Investment Co. declined 18.1%, while Sharjah Cement & Industrial was down 5.7%.

Oman: The MSM 30 Index gained 0.1% to close at 3,736.0. The Financial index gained 0.1%, while the other indices ended in red. Al Anwar Investment rose 5.0%, while Raysut Cement Company was up 2.2%.

Bahrain: The BHB Index fell 0.3% to close at 1,465.6. The Industrial index declined 0.8%, while the Commercial Banks index fell 0.5%. Nass Corporation declined 8.3%, while Ahli United Bank was down 1.4%.

Market Indicators	23 Mar 21	22 Mar 21	%Chg.
Value Traded (QR mn)	381.1	440.0	(13.4)
Exch. Market Cap. (QR mn)	591,681.9	592,696.9	(0.2)
Volume (mn)	187.4	201.7	(7.1)
Number of Transactions	9,545	10,484	(9.0)
Companies Traded	47	47	0.0
Market Breadth	17:27	22:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,152.21	(0.3)	(1.1)	0.4	19.0
All Share Index	3,237.28	(0.2)	(0.9)	1.2	19.6
Banks	4,204.03	(0.3)	(1.3)	(1.0)	15.1
Industrials	3,310.79	(0.3)	(0.7)	6.9	36.8
Transportation	3,497.09	1.0	(0.1)	6.1	23.6
Real Estate	1,821.85	(0.3)	(0.7)	(5.5)	17.2
Insurance	2,590.69	(0.8)	0.3	8.1	96.3
Telecoms	1,035.47	(0.1)	(2.0)	2.5	24.2
Consumer	8,096.76	(0.0)	0.2	(0.6)	27.8
Al Rayan Islamic Index	4,351.95	(0.2)	(0.8)	1.9	20.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Kingdom Holding Co.	Saudi Arabia	8.25	2.0	5,932.7	3.8
Mesaieed Petro. Holding	Qatar	1.86	1.8	10,121.6	(9.1)
GFH Financial Group	Dubai	0.63	1.3	5,052.5	3.3
Agility Public Wareh. Co.	Kuwait	0.73	1.3	3,753.9	7.5
Bank Nizwa	Oman	0.10	1.1	53.6	(1.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Industrialization	Saudi Arabia	15.38	(2.7)	7,470.3	12.4
Saudi Kayan Petrochem.	Saudi Arabia	15.56	(2.6)	5,640.4	8.8
Saudi Industrial Inv.	Saudi Arabia	29.55	(2.3)	1,458.6	7.8
Emaar Economic City	Saudi Arabia	11.00	(2.3)	8,935.1	19.4
Emirates NBD Bank	Dubai	10.95	(2.2)	2,781.8	6.3

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	1.94	4.4	10,239.8	7.2
Qatar Navigation	7.70	4.1	1,980.1	8.6
Al Khaleej Takaful Insurance Co.	3.15	3.2	10,902.5	65.7
Mesaieed Petrochemical Holding	1.86	1.8	10,121.6	(9.1)
Aamal Company	1.04	1.7	10,513.7	21.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.73	1.0	16,421.7	22.5
Qatar Oman Investment Company	0.86	(4.7)	16,014.0	(3.4)
Qatar Aluminium Manufacturing	1.17	0.8	15,941.5	21.4
Salam International Inv. Ltd.	0.65	(0.6)	13,496.9	0.5
Qatar First Bank	1.86	(0.5)	12,673.5	7.9

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.92	(7.5)	908.5	38.1
Qatar Oman Investment Co.	0.86	(4.7)	16,014.0	(3.4)
Medicare Group	9.47	(4.1)	849.6	7.1
Dlala Brokerage & Inv. Holding Co	1.69	(1.4)	1,140.1	(5.8)
Qatar International Islamic Bank	8.65	(1.3)	567.3	(4.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Al Khaleej Takaful Insurance Co.	3.15	3.2	35,285.5	65.7
Qatar First Bank	1.86	(0.5)	23,790.3	7.9
Qatari Investors Group	1.94	4.4	19,818.7	7.2
Mesaieed Petrochemical Holding	1.86	1.8	18,802.2	(9.1)
Qatar Aluminium Manufacturing	1.17	0.8	18,636.6	21.4

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*	10,194.08	(0.3)	(1.1)	0.5	(2.3)	102.80	159,458.3	19.0	1.5	2.9
Dubai	2,533.59	(0.7)	(2.7)	(0.7)	1.7	32.31	94,940.3	20.8	0.9	3.8
Abu Dhabi	5,735.40	0.0	(0.0)	1.3	13.7	287.20	220,701.3	22.7	1.6	4.3
Saudi Arabia	9,489.63	(0.6)	0.0	3.8	9.2	2,773.00	2,486,827.8	37.3	2.2	2.3
Kuwait	5,792.58	(0.6)	(0.2)	2.5	4.4	133.29	109,181.5	57.6	1.4	3.0
Oman	3,736.01	0.1	(0.5)	3.4	2.1	5.24	16,956.6	12.1	0.7	6.9
Bahrain	1,465.59	(0.3)	0.3	(0.1)	(1.6)	1.51	22,415.2	36.0	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 0.3% to close at 10,194.1. The Insurance and Real Estate indices led the losses. The index fell on the back of selling pressure from Arab and Foreign shareholders despite buying support from Qatari and GCC shareholders.
- Doha Insurance Group and Qatar Oman Investment Company were the top losers, falling 7.5% and 4.7%, respectively. Among the top gainers, Qatari Investors Group gained 4.4%, while Qatar Navigation was up 4.1%.
- Volume of shares traded on Tuesday fell by 7.1% to 187.4mn from 201.7mn on Monday. Further, as compared to the 30-day moving average of 220.7mn, volume for the day was 15.1% lower. Investment Holding Group and Qatar Oman Investment Company were the most active stocks, contributing 8.8% and 8.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	47.47%	45.67%	6,835,349.9
Qatari Institutions	17.37%	17.44%	(259,277.1)
Qatari	**64.84%**	**63.12%**	**6,576,072.8**
GCC Individuals	0.45%	0.97%	(1,973,998.4)
GCC Institutions	1.44%	0.58%	3,307,659.5
GCC	**1.90%**	**1.55%**	**1,333,661.0**
Arab Individuals	13.58%	13.78%	(795,669.5)
Arab	**13.58%**	**13.78%**	**(795,669.5)**
Foreigners Individuals	3.77%	5.03%	(4,806,926.9)
Foreigners Institutions	15.92%	16.53%	(2,307,137.5)
Foreigners	**19.69%**	**21.55%**	**(7,114,064.4)**

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

Ratings, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Qatar International Islamic Bank	Capital Intelligence	Qatar	FSR/ST-FCR/LT-FCR	A/A1/A	A/A1/A	–	Stable	–
Qatar Insurance Company	S&P	Qatar	ICR/FSR	A/A	A/A	–	Negative	–

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, FSR- Financial Strength Rating, FCR – Foreign Currency Rating, ICR – Issuer Credit Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/23	UK	UK Office for National Statistics	Jobless Claims Change	Feb	86.6k	–	-20.8k

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
MRDS	Mazaya Qatar Real Estate Development	24-Mar-21	0	Due

Source: QSE

Tickers	Company Name	Date of reporting 1Q2021 results	No. of days remaining	Status
QIGD	Qatari Investors Group	21-Apr-21	28	Due

Source: QSE

News

Qatar

- **KCBK's AGM endorses items on its agenda –** Al Khalij Commercial Bank (KCBK) announced the results of the AGM. The meeting was held on March 23, 2021 and the following resolution were approved, among others. (1) Discussed and approved the Company's financial statements and income statement for the year ended December 31, 2020; (2) Adopted the profits appropriation policy and approved the proposal of the Board of Directors regarding the distribution of cash dividends in the rate of 5.6% of the share nominal value (QR 0.056 per share) for the year ended December 31, 2020 and (3) Extended the mandate of the Board of Directors of the Company with its current composition and members as elected in the General Meeting of Shareholders of the Company on 27 February 2018 until the Effective Date of the proposed merger with Masraf Al Rayan, subject to the approval of the extraordinary general assembly of shareholders on the merger. (QSE)
- **Total Assets increased by 0.6% MoM in February 2021 (up 1.3% YTD) – The loan book went up by 0.8% MoM (up 2.4% YTD) while deposits increased by 1.3% MoM (+0.8% YTD) in the month of February 2021.** Public sector pulled total credit growth higher (up 2.0% MoM in February), as private sector posted a growth of 0.3% MoM. As deposits increased by 1.3% in February, the LDR declined to 126.7% vs. 127.3% in January. **Non-Resident Deposits increased by 4.5% MoM (+2.6% YTD) driving overall deposits growth. Private sector deposits increased by 0.3% MoM (+1.5% YTD 2021).** On the private sector front, the consumer segment posted a gain of 1.3% MoM (up 3.2% YTD) while the companies & institutions' segment declined by 0.9% MoM (-0.5% YTD 2021). **Public sector deposits declined by 0.3% MoM (-2.1% YTD 2021) for the month of February 2021**. Looking at segment details, the government institutions' segment (represents ~58% of public sector deposits) went up by 0.2% MoM (-3.5% YTD 2021). Moreover, the semi-government institutions' segment posted a growth of 1.7% MoM (-12.0% YTD 2021). The government segment decreased by 1.8% MoM (up 5.2% YTD). **The overall loan book went up by 0.8% in February 2021.** Total domestic public sector loans increased by 2.0% MoM (up 6.9% YTD). The government segment's loan book went up by 5.1% MoM (+15.9% YTD 2021). However, the government institutions' segment (represents ~53% of public sector loans) declined by 0.1% MoM (+1.3% YTD), while the semi-government institutions' segment moved down by 0.6% MoM (-0.6% YTD). **Private sector loans gained by 0.3% MoM and are up 0.6% YTD**. Real Estate followed by Consumption and others positively contributed toward the loan growth. On the other hand, the Services sector pulled credit growth down in the month of February 2021. **Real Estate** (contributes ~23% to private sector loans) increased by 1.2% MoM. **Consumption and Others** (also contributes ~23% to private sector loans) increased by 1.0% MoM (+0.9% YTD). **General Trade** (contributes ~21% to private sector loans) increased by 0.1% MoM. However, the **Services** segment (contributes ~26% to private sector loans) declined by 0.8% MoM (-2.3% YTD). Finally, the **Industry** segment went up by 0.3%. (QCB, QNBFS Research)
- **DHBK to disclose its 1Q2021 financial results on April 28 –** Doha Bank (DHBK) will disclose its financial statement for the period ending March 31, 2021 on April 28, 2021. (QSE)
- **QNCD board of directors to meet on April 07 –** Qatar National Cement Company (QNCD) has announced that its board of directors will be holding a meeting on April 07, 2021 to discuss and approve the financial statement for 1Q2021. (QSE)
- **S&P affirms QATI's ratings with Negative outlook –** S&P Global Ratings (S&P) affirmed its 'A' issuer credit and financial strength ratings on Qatar Insurance Company (QATI) and its guaranteed subsidiaries. The outlook remains Negative. S&P stated, "At the same time, we affirmed our 'BBB+' rating on QATI's subordinated debt issued through Qatar Reinsurance Company Ltd. and QIC (Cayman) Ltd. We believe that QATI will likely receive repayment of the outstanding amount of its loan to MS in the first half of 2021. This follows an investment by Pollen Street into MS announced in January 2021. We believe that QATI has managed the delayed repayment well such that it receives compensation on its loan while maintaining its important distribution relationship with MS. QATI reported a much-reduced net profit in 2020 of QR126mn (2019: QR671mn) driven by additional claims from both COVID-19 and natural catastrophes. QATI's combined ratio of 112% was higher than our expectation for 2020 and at the higher end of the reinsurance peer group. We have previously viewed QATI as having less volatility in its results than peers in the reinsurance sector such as Markel, Axis, and Lloyd's, but in recent years QATI has come closer to their levels of volatility." Despite QATI's strong investment performance, without the gain made on the partial sale of its subsidiary, QLM Life and Medical Insurance Company (QLMI), the group would have recorded a net loss in 2020. FY2020 is the fourth consecutive year that QATI has recorded an underwriting loss. While its Gulf segments have continued to perform well, QATI's international segments (Qatar Re in particular) have dragged down the overall underwriting result. S&P added, "We have therefore maintained our Negative outlook on QATI. Despite pressure from its underwriting results, QATI's capital has improved over 2020 and early 2021. The group now has an excess of capital above our 'AAA' benchmark in our risk-based model. We expect QATI to maintain this throughout 2021-2023 as the group is likely to experience low-to-no growth over the same period." QATI's management took several steps to improve the group's capital position in 2020-2021. The most important of these was raising $300mn in hybrid capital early in 2020, but the group also improved capital adequacy by de-risking its investment portfolio and choosing not to pay a dividend in respect of the 2020 year. The Negative outlook reflects our view that QATI's underwriting performance may continue to weigh on the group's overall performance and that QATI's international operations will underperform its peers in the reinsurance and specialty markets over the next 12 months. This underperformance may reflect a weakening of the group's position in these markets. (Bloomberg)
- **BRES signs a financing agreement –** Barwa Real Estate Group (BRES) announced signing a new financing agreement for the amount of $92.85mn. The purpose of the new facility is to

finance a part of the budgeted capital expenditures of the projects for the year 2021. The term of the new financing is up to 5 years. The new financing agreement is in compliance with the provisions of Shari'ah. It should be noted that there is no conflict of interest between the contracting parties in this agreement. (QSE)

- **IHGS announces commencing the distribution of dividends –** INMA Holding (IHGS) announced commencing the distribution of Dividends cheques to its esteemed shareholders for the financial year ending December 31, 2020 as of March 24, 2021 during the official working hours from 8:30 am to 3:30 pm. Shareholders are requested to contact investors relation Department on the 1st floor of building No. Q03, Al-kahraba Street -South at Msheireb City to collect their cheques. (QSE)
- **CI affirms QIIK's rating at 'A' with Stable outlook –** Capital Intelligence Ratings (CI) has affirmed Qatar International Islamic Bank (QIIK's) rating at 'A' with a Stable outlook, which reflects the strength of the bank's financial position. The global ratings agency also praised the bank's numerous strengths. In its report, which monitors QIIK's financial indicators, CI affirmed the bank's long-term foreign currency rating at 'A' and short-term foreign currency rating at 'A1', after analyzing the bank's performance and various financial indicators during the past period. CI indicated that QIIK's high rating is due to overall good assets quality, sound franchises in Islamic and retail banking segments providing strong customers deposit base, good capital adequacy and strong profitability. The agency said, "The rating is also based on the high likelihood of extraordinary government support in case of need, and on the government's strong track record of support for Qatari banks, as the government's financial capacity to support banks is also considered strong given Qatar's sovereign rating at AA -." Capital Intelligence indicated that QIIK has a high-quality finance portfolio, supported by its strong risk mitigation strategies, and that ROAA is better than the sector average, supported by its broadly stable financing margins, as its repricing offsets the higher funding cost while benefiting from continued operations efficiency gains. QIIK is also expected to continue achieving better than average results in the banking sector thanks to the cost of credit and the low cost-to-income ratio. (Qatar Tribune)
- **QSE launches Venture Market for SMEs –** Qatar Stock Exchange (QSE) has launched its much-awaited Venture Market, providing a new platform for Small and Medium Enterprises (SMEs) to list their shares in the stock market. This market serves as a dedicated stock exchange for SME listings and gives an alternative platform to raise funds. Al Faleh Educational Holding will be the first company to list in the Qatar Exchange Venture Market. "We are all extremely proud to open QSE's Venture Market and welcome the first SME to the extended QSE 'family' and look forward to them being an outstanding addition to our markets," QSE's CEO, Rashid bin Ali Al Mansoori, said in a tweet yesterday. "Qatar Stock Exchange launched its Venture Market to provide SME's with a clear alternative route to market as well as allowing them to diversify sources of funding and increasing company's equity base," he added. Launch of Venture Market is a big boost for SMEs in Qatar as it allows small businesses to list share with lighter regulatory requirements. Opening of this market will encourage more SMEs to list share on the exchange. Al Faleh Educational Holding has already obtained the approval of the Qatar Financial Markets Authority, Qatar Stock Exchange and the Ministry of Commerce and Industry to convert the company from a limited liability company to a Qatari public shareholding company. Al Faleh Educational Holding runs three schools, including Doha Academy and Doha International Kindergarten, in addition to a top-ranked university that is also the first UK University to operate on a dedicated campus in Qatar, AFG College with the University of Aberdeen. Rashid bin Ali Al Mansoori said, "Qatar Stock Exchange put the amended criteria in place to provide an additional route to market for SME's who sought to list without all the resource requirements and costs associated with the Main Market. Qatar Stock Exchange launched its Venture Market demonstrating its long-term commitment to providing multiple routes to access Qatar's capital markets." (Peninsula Qatar)
- **ORDS launches new Narrowband-IoT solution for business customers –** Ooredoo (ORDS) has announced the launch of a new game-changing solution for its business customers. ORDS's new cost-effective, energy-efficient, secure Narrowband-IoT connectivity solution enables customers to deploy IoT sensors in the field to help accelerate digital transformation within Qatar. The end-to-end solution is backed up by ORDS's team of in-house IoT experts; product managers, hardware and software developers, consultants, solution architects and technical support. This new solution is yet another key milestone extending ORDS's growing portfolio of IoT connectivity solutions. Thanks to its extensive portfolio, customers will be able to leverage the power of NB-IoT for a wide range of use cases, with a battery life of up to 10 years. (Qatar Tribune)
- **Ooredoo Maldives Launches first ever tier-3 ready Data Centre in the Maldives –** Ooredoo Maldives launched the first ever tier-3 ready Data Centre in the Maldives, providing unparalleled connectivity, storage, security and support systems for IT-based services and operations, designed to provide reliability and safety for all types of customer segments. Located in the emerging smart city of Hulhumale', Ooredoo Maldives Data Centre (OMDC) is a world-class-state-of-the-art Data Centre which anticipates to bolster a quick and easy transition to new technologies supporting Maldivian and regional businesses from across government, corporate and the hospitality sector. (Bloomberg)
- **Qatar sells 10-Year Term LNG to Sinopec at 10.0%-10.19% of Brent –** According to sources, Qatar Petroleum sells term liquefied natural gas to Sinopec at 10.0%-10.19% of Brent crude per-barrel prices. Mideast nation will supply 2mn tons per annum of LNG to Sinopec starting in January 2022. (Bloomberg)
- **Renewables a key component of Qatar Petroleum's climate roadmap –** Qatar Petroleum (QP) aims to play a vital role in shaping the future of global energy delivery by developing substantial solar capacity around the region, QP said in its latest Sustainability Report. In line with its policy of creating low carbon energy, some 800MW electricity is to be generated from Siraj, near Al Kharsaa, from photovoltaic solar technology. Additional PV solar capacity of two 400 MW plants at QP

industrial cities is currently in the planning stage and earmarked to come online before 2025, QP noted. Renewables are the fastest-growing energy source in the world and can potentially fulfil between 36% and 67% of global electricity demand by 2040. Solar energy is expected to generate 19% of total global power by 2040 under the sustainable development scenario (SDS). "We quickly adopted renewables, making them a key component of our climate roadmap, leading to a more diverse energy mix by actively promoting the development and introduction of new forms of alternative energy," QP said. Through its interest in the Siraj venture, QP has committed to an ambitious solar plant project, which is currently under construction and will employ photovoltaic (PV) solar technology to generate 800MW of electricity near Al Kharsaa, Qatar. The total capacity will be implemented over two phases – with Phase 1 delivering 400MW in 2021 and Phase 2 scheduled for completion a year later. Additional PV solar capacity of two 400MW plants at QP industrial cities is currently in the planning stage and earmarked to come online before 2025. Electricity produced from these plants will be used to supply planned LNG and petrochemical expansion projects, QP noted. (Gulf-Times.com)

- **Eat Just raises $200mn from Qatar sovereign wealth fund, Microsoft cofounder –** Eat Just, the plant-based and cultivated meat company and pioneer in the alternative protein space, has raised $200mn in growth-stage funding, taking its total raised since founding in 2011 to over $650mn. Qatar's sovereign wealth fund led the round joined by private investment firm Charlesbank Capital Partners and Vulcan Capital, the investment arm of the estate of Microsoft co-founder and philanthropist Paul G. Allen. The funding will be used to build capacity for Eat Just's various products; accelerate research and development programs and build its brands internationally. (Bloomberg)

International

- **Cold weather chills new US home sales; current account deficit soars in 2020 –** Sales of new US single-family homes fell to a nine-month low in February amid bitterly cold weather, and expensive lumber and rising mortgage rates could cool the housing market this year. The report from the Commerce Department on Tuesday followed on the heels of data this month showing a plunge in homebuilding and permits for future construction in February. There has been demand for bigger houses to accommodate home offices and remote schooling as the COVID-19 pandemic lingers. But a record jump in lumber prices and labor and land shortages is increasing costs for builders, hampering their ability to ramp up construction. The dearth of homes is boosting house prices, which together with a sustained rise in mortgage rates since February, is making homeownership more expensive for first-time buyers. New home sales plunged 18.2% to a seasonally adjusted annual rate of 775,000 units last month. Economists polled by Reuters had forecast new home sales would tumble 6.5% to a rate of 875,000 units in February. Though new homes account for a small share of total sales, they are a leading indicator for the housing market as they are counted at the signing of a contract. Separately on Tuesday, the Commerce Department said the current account deficit, which measures the flow of goods, services and investments into and out of the country, surged 34.8% to a 12-year high of $647.2bn in 2020 as the pandemic severely disrupted exports. The deficit could remain big this year as the stimulus-driven economic recovery draws in imports. The current account gap represented 3.1% of GDP last year, also the largest share since 2008 and up from 2.2% in 2019. The wider deficit is likely not an issue for the US because of the dollar's status as the world's reserve currency. Economic growth this year is expected to top 7%. That would be the fastest growth since 1984 and would follow a 3.5% contraction last year, the worst performance in 74 years. (Reuters)
- **UK jobless rate falls as workers drop out of labor force –** Britain's jobless rate unexpectedly fell in the three months to January, a change that partly reflected people giving up their job hunt as lockdown measures tightened at the start of the year, official figures showed. The main jobless rate dropped to 5.0% in the three months to January from 5.1% in the final quarter of 2020, in contrast to forecasts in a Reuters poll for a small rise to 5.2%. None of the economists polled had expected a fall. "The latest labor market data are somewhat mixed but show considerable resilience overall," said Howard Archer, chief UK economist at consultants EY ITEM Club. Part of the drop in the headline unemployment rate was due to high jobless numbers for October alone dropping out of the three-monthly figures. The drop also reflected an increase in the proportion of the potential workforce classed as 'inactive', such as students, parents looking after their children full time and people who have temporarily given up looking for work. This 'inactivity rate' rose by 0.3 percentage points over the past three months to 21.0%, its highest since early 2019, while the share of people in employment fell by 0.3 percentage points over the same period, equivalent to a drop of 147,000. Since January non-essential shops and most businesses open to the public have been closed in England to slow a surge in more infectious variants of COVID, with similar measures in other parts of the UK. (Reuters)
- **EU extends temporary catch limits on fish stocks shared with Britain –** European Union (EU) ministers agreed on Tuesday to extend to the end of July temporary EU catch limits for fish stocks shared with Britain, to ensure fishing can continue uninterrupted while Brussels and London seek a full-year deal. In their post-Brexit trade deal, the EU and Britain agreed to jointly set limits each year for fishing their shared stocks after Britain completed its exit from the 27-country bloc on December 31. They had hoped to negotiate this month a full-year agreement on fishing opportunities for 2021. As a temporary solution, EU ministers agreed to apply until July 31 EU catch limits for shared stocks based on scientific advisors' recommendations. This will replace a temporary rule, which had rolled over last year's EU catch limits for stocks including plaice, cod, haddock and whiting, until March 31. "We found a solution so that EU fleets can continue to operate in their traditional fishing grounds after 31 March," said Portuguese maritime minister Ricardo Serrao Santos, who chaired the meeting. A European Commission representative said EU-British talks last week made significant progress towards a proper agreement, but that the roughly 75 fish stocks concerned meant the talks were complex and required further time. Brussels sets annual limits on catches from around 100

commercial stocks of fish shared between EU countries in European waters, to avoid over-fishing. The EU and Britain are also negotiating catch limits for shared deep-sea stocks in 2022. Separately, Norway, Britain and the EU this month reached a deal on catch limits for jointly managed North Sea fish stocks following Brexit. Access to one another's fish stocks became a vexed issue in Brexit divorce negotiations, with the two sides ultimately agreeing a gradual fall in the quotas European fleets can catch in British waters, reaching a 25% reduction in value terms after 5-1/2 years. After that, there will be annual talks to set the amount EU boats can catch in British waters and vice-versa. (Reuters)

- **Flash PMI: Japan's factory activity picks up in March on growing output, orders –** An expansion of Japan's factory activity gathered pace in March, a private sector survey showed on Wednesday, helped by the prospect of a global economic recovery as an increasing number of countries roll out COVID-19 vaccines. But the service sector remained gloomier, with businesses suffering from the coronavirus pandemic's fallout even after the government lifted a state of emergency in the Tokyo region. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) rose to a seasonally adjusted 52.0 in March from a final 51.4 in February. That meant manufacturing activity came in above the 50.0 threshold that separates contraction from expansion for the second straight month. The PMI survey showed that activity was helped by growing output and new orders. Future output, which shows firms' growth expectations for the year ahead, also remained strongly positive. But the survey highlighted pressure on firms from higher input prices, which had already risen sharply in the previous month. Manufacturers reported input prices were at their highest since November 2018, leading to the widest gap between input and output prices since December 2014. Despite the expanding output and orders, manufacturers were hesitant to take on workers, reporting the third straight month of job shedding. The PMI survey also showed the service sector remained pessimistic as fallout of the health crisis persisted, the survey showed. The au Jibun Bank Flash Services PMI index was in line with the previous month's reading, rising to 46.5 on a seasonally adjusted basis from February's final of 46.3. The au Jibun Bank Flash Japan Composite PMI, which is calculated using both manufacturing and services, stood at 48.3 in March, largely unchanged from the previous month's final of 48.2. (Reuters)
- **Japan lowers exports view, says economy shows weakness in March report –** Japan's government in March cut its view on exports for the first time in 10 months, and said overall economic conditions were still showing weakness due to the coronavirus pandemic. Authorities also urged attention to how the spread of COVID-19 is affecting the Japanese and other economies, days after the end of a state of emergency in the capital, Tokyo, and three neighboring prefectures. "The economy shows some weakness, though it continued picking up amid severe conditions due to the coronavirus," the government said in its economic report for March. Among key economic elements, the government slashed its assessment of exports, a key driver of Japan's trade-reliant economy, for the first time since May, saying they were increasing at a slower pace. Behind the downgrade was a slowdown in car exports, which showed signs of flattening out after manufacturers front-loaded shipments ahead of an expected recovery from the health crisis, especially in the US, a government official said. Analysts expect Japan's economy to shrink sharply in the current quarter as the emergency that ended on Sunday weighed on business activity and consumer spending. But they are also anticipating the decline will be followed by a rebound of an annualized 5.3% in the second-quarter, a Reuters poll showed last month, as economic activity is expected to pick up following the easing of lockdown measures. Authorities upgraded their view on bankruptcies and of firms' assessment of business conditions, saying they were showing signs of picking up, though severe spots remained. (Reuters)

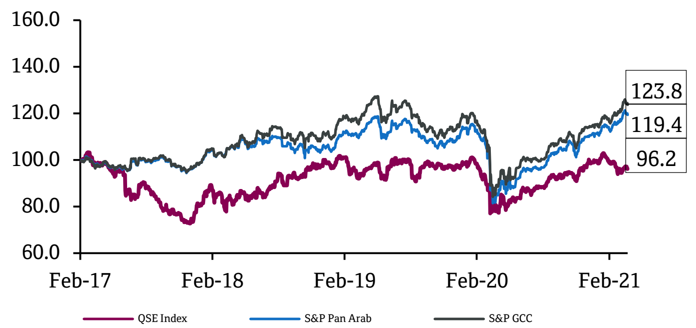
Regional

- **OPEC+ won't pump more oil than market can handle –** The UAE's Energy Minister, Suhail al-Mazrouei said on Tuesday that OPEC+ is unlikely to pump more oil than the market can handle. "I don't think there is an idea to pump a lot of oil, more than the market can handle," he told Forbes Middle East in an interview when asked about possible scenarios for the OPEC+ meeting on April 1. (Reuters)
- **Saudi Central Bank licenses two more fintech cos to provide payment services –** The Saudi Central Bank said on Tuesday it has granted licenses to two more financial technology companies, International Digital Solutions Co and Azm Fintech Co, to provide payments services, boosting the total number of such licenses to 13. Financial centers in the Gulf region are looking to cultivate a financial startup scene to position themselves as regional powerhouses in financial technology, or fintech. (Reuters)
- **Dubai Ruler announces government shake-up –** Amid growing competition among Gulf states to position themselves for a post-oil future, Dubai's Ruler, Sheikh Mohammed bin Rashid al-Maktoum on Tuesday announced plans to restructure his government to make it more efficient. Sheikh Mohammed said on Twitter that all Dubai officials and directors of government institutions will sign binding three-year contracts with set outcomes and pay. Dubai's economy, which is the region's most diversified, was one of the hardest hit by the coronavirus pandemic. S&P estimated that GDP contracted 10.8% last year. Earlier this month the Dubai government said it plans to boost tourism and hotel capacity by 134% over the next two decades, as part of a wider plan to make the emirate more competitive. (Reuters)
- **UAE to invest $10bn in Indonesia's sovereign wealth fund –** The UAE will invest $10bn in Indonesia's new sovereign wealth fund to be spent on projects inside Southeast Asia's biggest economy, the UAE state news agency reported on Tuesday. This marks the biggest foreign investment commitment for the Indonesia Investment Authority (INA) and the first since its February launch. Authorities have previously said the INA had also received commitments of up to $10bn prior to its launch, from global companies and agencies, such as the US International Development Finance Corporation and Japan Bank for International Cooperation, and some foreign pension funds. Jakarta will seed the fund with $5bn in cash and other assets. Unlike many other sovereign wealth funds, which manage excess oil revenues or foreign exchange reserves, the

INA seeks foreign funds as co-investors to finance the country's economic development and aid pandemic recovery. (Reuters)

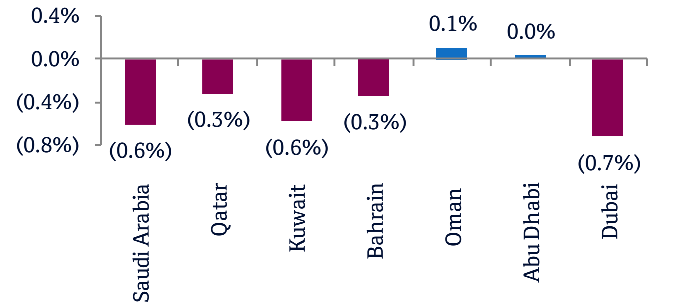
- **UAE's industrial exports valued at $22.9bn over 10 months –** The Federal Competitiveness and Statistics Centre's figures revealed that the UAE's industrial exports in the first 10 months of 2020 were valued at AED84.2bn. These figures highlight the key role of the industrial sector in driving national economic development and its ability to maintain its activity despite the negative economic repercussions of the coronavirus (COVID-19) pandemic around the world. The industrial sector's contribution to GDP accounted for some 10 percent of the total in 2019, according to a previous report issued by Colliers International Middle East and North Africa (MENA). The Ministry of Economy's statistics also revealed that the current GDP was AED1.546tn in 2019, while the contribution of the non-oil sector's GDP at current prices was 70.2% during the same period. (Zawya)
- **Tristar Transport IPO to raise up to $160mn in Dubai –** Tristar Transport plans to raise between $120mn and $160mn an IPO on the Dubai Financial Market, the company says in a statement. Offer size is expected to represent up to 24% of the total issued ordinary shares after the offering. Offering will comprise 199mn new shares issued by Tristar; up to 88.8mn shares to be sold by existing shareholders including Agility Public Warehousing, Gulf Investment Corporation Emirates Investment Authority has the right to subscribe for 5% of the offer shares. The completion of the offering is currently expected to take place in April. BofA Securities and Citigroup Global Markets serve as joint global coordinators and joint bookrunners. (Bloomberg)
- **Abu Dhabi funds invest $150mn in Telegram messaging app –** Abu Dhabi state fund Mubadala Investment Co and Abu Dhabi Catalyst Partners, part-owned by Mubadala, said on Tuesday they had invested a combined $150mn in messaging app Telegram. Mubadala invested $75mn in five-year, pre-initial public offering (IPO) bonds of Telegram, while Abu Dhabi Catalyst Partners invested a further $75mn. "Telegram's user base has reached a critical mass that places it amongst global tech giants," Mubadala executive Faris Sohail Faris al-Mazrui said. "Telegram is well-positioned for an inflection point that will transform it into a leading global technology company." The Russian Direct Investment Fund (RDIF) said Tuesday it joined Mubadala Investment Co. in buying convertible bonds of Telegram, but the messaging app denied the Kremlin-controlled entity was an investor. (Reuters, Bloomberg)
- **Gulf Capital buys US health tech firms for $60mn, plans to expand –** Abu Dhabi-headquartered Gulf Capital announced on Tuesday the acquisition of two healthcare technology companies in the US for $60mn, and its CEO said the investment firm is looking to expand over the coming year. Gulf Capital, which manages over $2.5bn in assets, said it had completed the purchase of majority stakes in US-based Eclat Health and Hansei Solutions, which specialize in revenue cycle management solutions for healthcare providers. The investments were worth $60mn roughly evenly split, Gulf Capital CEO, Karim El Solh told Reuters. "Our focus on healthcare has paid off very nicely because it's been one of the very few sectors that's been growing during the pandemic," he said. "The other two sectors that are doing very well for us are technology and payments." Gulf Capital's third private equity fund, worth $750mn, has been 78% deployed, El Solh said. "Next year we hope to come to market with a new fund," he said, adding the company plans to add about 10 people to its 50 employees. The new private equity fund, which it plans to launch next year, would be roughly the same size as the third fund, he said. (Reuters)
- **Agility to remain majority shareholder in Tristar after IPO –** Agility Public Warehousing plans to sell 14.98% of Tristar Transport in IPO in Dubai. The Kuwaiti firm will retain 50.14% of Tristar after IPO. The financial impact is yet to be determined. (Bloomberg)
- **Kuwait sells KD200mn 91-day bills; bid-cover at 13.3x –** Kuwait sold KD200mn of 91-day bills due on June 22. Investors offered to buy 13.3 times the amount of securities sold. The bills have a yield of 1.125% and settled on March 23, 2021. (Bloomberg)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 4.57x –** Bahrain sold BHD100mn of 364-day bills due on March 24, 2022. Investors offered to buy 4.57 times the amount of securities sold. The bills were sold at a price of 98.454, have a yield of 1.55% and will settle on March 25, 2021. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,727.07	(0.7)	(1.0)	(9.0)
Silver/Ounce	25.06	(2.7)	(4.5)	(5.1)
Crude Oil (Brent)/Barrel (FM Future)	60.79	(5.9)	(5.8)	17.4
Crude Oil (WTI)/Barrel (FM Future)	57.76	(6.2)	(6.0)	19.0
Natural Gas (Henry Hub)/MMBtu	2.49	0.0	1.5	4.8
LPG Propane (Arab Gulf)/Ton	88.00	(2.5)	(0.6)	16.9
LPG Butane (Arab Gulf)/Ton	93.00	(3.1)	(3.6)	24.0
Euro	1.18	(0.7)	(0.5)	(3.0)
Yen	108.59	(0.2)	(0.3)	5.2
GBP	1.38	(0.8)	(0.9)	0.6
CHF	1.07	(1.1)	(0.5)	(5.3)
AUD	0.76	(1.6)	(1.5)	(0.9)
USD Index	92.34	0.6	0.5	2.7
RUB	76.39	2.0	3.1	2.7
BRL	0.18	(0.2)	(0.5)	(5.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,788.01	(0.8)	(0.3)	3.6
DJ Industrial	32,423.15	(0.9)	(0.6)	5.9
S&P 500	3,910.52	(0.8)	(0.1)	4.1
NASDAQ 100	13,227.70	(1.1)	0.1	2.6
STOXX 600	423.31	(0.9)	(0.4)	2.9
DAX	14,662.02	(0.7)	(0.2)	3.1
FTSE 100	6,699.19	(1.2)	(1.0)	4.5
CAC 40	5,945.30	(1.1)	(1.3)	3.9
Nikkei	28,995.92	(0.6)	(2.5)	0.3
MSCI EM	1,323.77	(0.9)	(1.0)	2.5
SHANGHAI SE Composite	3,411.51	(1.1)	0.1	(1.6)
HANG SENG	28,497.38	(1.4)	(1.7)	4.5
BSE SENSEX	50,051.44	0.4	0.3	5.6
Bovespa	113,261.80	(1.1)	(3.0)	(10.4)
RTS	1,435.67	(2.2)	(2.6)	3.5

Source: Bloomberg (*$ adjusted returns)

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