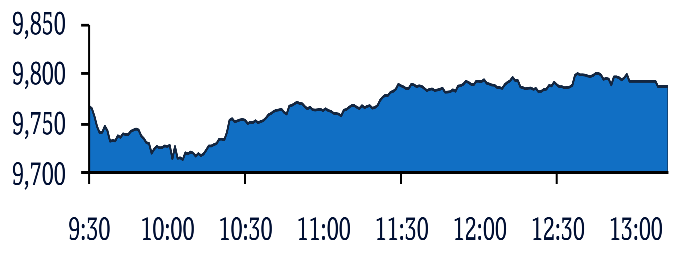
Daily Market Report

Sunday, 27 September 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose marginally to close at 9,788.3. Gains were led by the Telecoms and Insurance indices, gaining 6.9% and 1.3%, respectively. Top gainers were Ooredoo and Vodafone Qatar, rising 7.0% and 6.8%, respectively. Among the top losers, Qatar Cinema & Film Distribution Company fell 9.7%, while Qatari German Company for Medical Devices was down 6.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.1% to close at 8,236.2. Losses were led by the Food and Pharma indices, falling 2.8% and 2.0%, respectively. Abdullah Al-Othaim Markets declined 3.0%, while Basic Chemical Industries was down 2.9%.

Dubai: The DFM Index fell 1.5% to close at 2,252.3. The Transportation index declined 2.3%, while the Real Estate & Construction index fell 2.1%. Dar Al Takaful declined 5.0%, while Arabtec Holding Company was down 4.9%.

Abu Dhabi: The ADX General Index fell 0.5% to close at 4,466.8. The Energy index declined 1.9%, while the Services index fell 1.7%. Eshraq Investments declined 5.0%, while Gulf Cement Company was down 4.9%.

Kuwait: The Kuwait All Share Index fell 0.3% to close at 5,608.8. The Health Care index declined 1.1%, while the Basic Materials index fell 0.9%. Kuwait Hotels declined 14.1%, while Munshaat Real Estate Project was down 12.8%.

Oman: The MSM 30 Index gained 0.1% to close at 3,627.0. The Financial index gained 0.2%, while the other indices ended in red. Dhofar Cattle Feed Company rose 6.1%, while Gulf Invest Services Holding was up 3.1%.

Bahrain: The BHB Index fell marginally to close at 1,450.4. The Hotels & Tourism index declined 0.6%, while the Commercial Banks index fell 0.1%. GFH Financial Group and Bahrain Cinema Company were down 1.8% each.

Market Indicators	24 Sep 20	23 Sep 20	%Chg.
Value Traded (QR mn)	1,164.4	720.7	61.6
Exch. Market Cap. (QR mn)	575,286.6	574,651.8	0.1
Volume (mn)	447.7	359.0	24.7
Number of Transactions	12,506	11,976	4.4
Companies Traded	46	46	0.0
Market Breadth	15:27	6:36	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,817.66	0.0	(1.5)	(1.9)	15.9
All Share Index	3,009.95	(0.2)	(2.1)	(2.9)	16.6
Banks	3,994.41	(0.7)	(2.5)	(5.4)	13.4
Industrials	2,935.91	(0.2)	(4.0)	0.1	25.5
Transportation	2,760.30	(0.6)	(2.9)	8.0	13.1
Real Estate	2,015.58	(0.1)	2.8	28.8	16.5
Insurance	2,090.41	1.3	1.7	(23.6)	32.5
Telecoms	961.99	6.9	6.2	7.5	16.2
Consumer	7,850.02	(0.5)	(2.1)	(9.2)	24.6
Al Rayan Islamic Index	4,116.37	(0.0)	(1.2)	4.2	19.2

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ooredoo	Qatar	7.12	7.0	28,890.4	0.6
Kingdom Holding Co.	Saudi Arabia	8.50	3.0	2,411.8	12.6
Mouwasat Medical Serv.	Saudi Arabia	126.40	2.6	146.8	43.6
Ezdan Holding Group	Qatar	1.92	2.4	28,847.8	211.4
National Bank of Oman	Oman	0.17	1.8	5.1	(8.7)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Properties	Dubai	2.85	(2.4)	19,367.7	(29.1)
Burgan Bank	Kuwait	0.21	(1.9)	4,207.8	(31.3)
Saudi Industrial Inv.	Saudi Arabia	23.00	(1.7)	820.4	(4.2)
Advanced Petrochem. Co.	Saudi Arabia	57.90	(1.7)	550.8	17.2
Banque Saudi Fransi	Saudi Arabia	32.00	(1.5)	193.7	(15.6)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Ooredoo	7.12	7.0	28,890.4	0.6
Vodafone Qatar	1.30	6.8	23,343.6	11.6
Qatar Insurance Company	2.09	3.0	2,260.5	(33.9)
INMA Holding	4.24	2.7	2,302.4	123.2
Baladna	2.05	2.5	25,367.0	105.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	3.71	(9.7)	0.6	68.6
Qatari German Co for Med. Dev.	2.15	(6.8)	8,873.1	268.6
Qatar General Ins. & Reins. Co.	2.15	(2.7)	60.0	(12.6)
United Development Company	1.85	(2.6)	87,969.5	21.7
Salam International Inv. Ltd.	0.60	(2.6)	26,363.1	16.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
United Development Company	1.85	(2.6)	87,969.5	21.7
Investment Holding Group	0.61	(1.3)	52,688.9	8.7
Mazaya Qatar Real Estate Dev.	1.08	(1.8)	47,354.8	50.2
Ooredoo	7.12	7.0	28,890.4	0.6
Ezdan Holding Group	1.92	2.4	28,847.8	211.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Islamic Bank	15.95	(0.3)	289,505.9	4.0
Ooredoo	7.12	7.0	201,135.3	0.6
United Development Company	1.85	(2.6)	165,625.2	21.7
Ezdan Holding Group	1.92	2.4	55,186.2	211.4
QNB Group	17.35	(0.9)	54,094.2	(15.7)

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*	9,788.29	0.0	(1.5)	(0.6)	(6.1)	316.53	156,305.4	15.9	1.5	4.1
Dubai	2,252.25	(1.5)	(3.0)	0.3	(18.5)	68.82	85,680.1	8.5	0.8	4.3
Abu Dhabi	4,466.82	(0.5)	(1.0)	(1.2)	(12.0)	88.17	181,034.2	16.3	1.3	5.5
Saudi Arabia	8,236.17	(0.1)	(1.2)	3.7	(1.8)	2,699.14	2,471,663.2	30.0	2.0	2.5
Kuwait	5,608.82	(0.3)	3.0	5.9	(10.7)	221.12	106,226.9	30.1	1.4	3.5
Oman	3,627.00	0.1	(0.6)	(3.8)	(8.9)	1.72	16,342.4	10.8	0.7	6.7
Bahrain	1,450.39	(0.0)	1.1	5.0	(9.9)	11.82	22,131.7	13.5	0.9	4.8

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

Qatar Market Commentary

- The QE Index rose marginally to close at 9,788.3. The Telecoms and Insurance indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from Arab and Foreign shareholders.
- Ooredoo and Vodafone Qatar were the top gainers, rising 7.0% and 6.8%, respectively. Among the top losers, Qatar Cinema & Film Distribution Company fell 9.7%, while Qatari German Company for Medical Devices was down 6.8%.
- Volume of shares traded on Thursday rose by 24.7% to 447.7mn from 359.0mn on Wednesday. Further, as compared to the 30-day moving average of 367.5mn, volume for the day was 21.8% higher. United Development Company and Investment Holding Group were the most active stocks, contributing 19.6% and 11.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	68.86%	60.74%	94,548,174.1
Qatari Institutions	15.32%	18.36%	(35,416,948.8)
Qatari	**84.18%**	**79.10%**	**59,131,225.3**
GCC Individuals	1.15%	0.79%	4,228,414.7
GCC Institutions	0.08%	0.38%	(3,440,694.5)
GCC	**1.23%**	**1.16%**	**787,720.2**
Arab Individuals	9.00%	9.04%	(479,406.9)
Arab	**9.00%**	**9.04%**	**(479,406.9)**
Foreigners Individuals	1.82%	2.62%	(9,304,772.8)
Foreigners Institutions	3.77%	8.07%	(50,134,765.8)
Foreigners	**5.59%**	**10.69%**	**(59,439,538.6)**

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
09/24	US	Department of Labor	Initial Jobless Claims	19-Sep	870k	840k	866k
09/24	US	Department of Labor	Continuing Claims	12-Sep	12,580k	12,275k	12,747k
09/25	UK	GfK NOP (UK)	GfK Consumer Confidence	Sep	-25	-27	-27
09/25	EU	European Central Bank	M3 Money Supply YoY	Aug	9.5%	10.1%	10.1%

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 3Q2020 results	No. of days remaining	Status
QNBK	QNB Group	11-Oct-20	14	Due
MARK	Masraf Al Rayan	11-Oct-20	14	Due
QIGD	Qatari Investors Group	19-Oct-20	22	Due
DHBK	Doha Bank	27-Oct-20	30	Due
UDCD	United Development Company	28-Oct-20	31	Due
AHCS	Aamal Company	29-Oct-20	32	Due

Source: QSE

News

Qatar

- **Moody's affirms Qatar's 'Aa3' rating with 'Stable' outlook –** Moody's Investors Service (Moody's) has affirmed Qatar's long-term issuer and foreign-currency senior unsecured debt ratings at 'Aa3' and maintained the 'Stable' outlook. The rating affirmation is supported by a number of strengths embedded in Qatar's credit profile, which underpin the sovereign's resilience to shocks, including the current shock triggered by the coronavirus pandemic and lower global oil prices. In particular, these strengths include Qatar's exceptionally high level of per-capita income, its very large hydrocarbon reserves with low extraction costs, the government's very robust net asset position, and an established track record of macroeconomic policy effectiveness. The affirmation also reflects Moody's expectation that over the next few years the government will reduce its debt burden below 50% of GDP from an estimated peak of around 68% of GDP in 2020 through the combination of announced fiscal consolidation measures and a planned debt reduction exercise which will draw on the government's accumulated contingency reserves. The 'Stable' outlook balances elevated regional geopolitical risks and the risk that an extended period of depressed oil prices delays the anticipated reversal of the weakening in government debt and debt affordability metrics against the potential fiscal and economic upside stemming from the planned expansion of the liquefied natural gas (LNG) production capacity. Moody's has also affirmed the 'Aa3' backed senior unsecured issuer rating of SoQ Sukuk A, a special purpose vehicle incorporated in the State of Qatar, which is wholly owned by the Government of Qatar and its debt issuance is, in Moody's view, ultimately the obligation of the Government of Qatar. Qatar's long-term foreign-currency bond and deposit ceilings remain unchanged at 'Aa3' and the short-term foreign-currency bond and deposit ceilings remain unchanged at 'P-1'. Qatar's long-term local-currency bond and deposit country risk ceilings also remain unchanged at 'Aa3'. Moody's expects Qatar's economy to contract by 3.5% this year, largely due to the impact of the pandemic and government spending cuts on the non-hydrocarbon sector, whereas the decline in nominal GDP will be nearly four times as large, being magnified by the decline in oil prices. (Peninsula Qatar)
- **QNB Group to disclose 3Q2020 financial statements on October 11** – QNB Group (QNBK) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 11, 2020. (QSE)
- **AHCS to disclose 3Q2020 financial statements on October 29 –** Aamal Company (AHCS) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 29, 2020. (Bloomberg)
- **Milaha signs key deal with Schlumberger –** Qatar Navigation (Milaha) has entered into a formal agreement to cooperate with leading American oilfield services firm, Schlumberger. The Offshore & Marine pillar of Milaha signed a Memorandum of Understanding (MoU) that will support value building projects while jointly driving 'Tawteen' initiatives for Qatar. Led by Qatar Petroleum, the Tawteen program aims to localize the energy sector's supply chain and create new investment opportunities to retain 'economic value' in Qatar. Signed as a five-year joint development project, it will include a Qatar-owned, Qatar-flagged and Qatar-operated oil well stimulation vessel. The first of these vessels will be designed and outfitted in the country, creating the inaugural 'FLEXSTIM' platform, which will be modified, owned and operated locally. Pre-engineering for this significant scheme has already begun and will evolve during the final quarter of 2020. The resulting Qatar-owned value chain will be a joint service that enhances the expertise of a global multinational service firm like Schlumberger as well as the leading Qatar-based multi-disciplined local service company like Milaha. With over 70 years of presence in Qatar, Schlumberger supplies the petroleum industry with several key services such as seismic acquisition and processing, well testing and directional drilling, artificial lifts, well completions and groundwater extraction. (Gulf-Times.com)
- **Qatargas lowers long-term LNG contract pricing –** Qatar is set to make Australian liquefied natural gas (LNG) less competitive, as the world's No.1 supplier has reportedly cut its long-term contract prices. Qatargas is said to have lowered the index for LNG against crude oil, from 15% to 10.2% to Brent crude on a delivered ex-ship basis. According to Australia's Financial Review, prices fell from around $9 per million British thermal units (MmBtu) to $6.12 per MmBtu (at oil at $60 a barrel). Earlier this month, Qatargas was reported to have closed long-term deals with Sinopec and Singapore's Pavilion Energy, under such terms. None of the companies involved have commented on the matter, Kallanish Energy notes. The slope to Brent means that the price of LNG is calculated as percentage to a Brent crude contract. The reduction is perceived by market players as increased trouble for Australian LNG producers such as Woodside and Santos. Despite the current supply glut and prospects of lower future demand for gas, Qatar is investing a huge amount of money to expand its liquefaction capacity and maintain its global leadership in LNG exports. (Bloomberg)
- **QIIK CEO: Umnia Bank to have 10 branches in Morocco by July-end –** Umnia Bank will have 10 branches in Morocco by July-end, said Qatar International Islamic Bank's (QIIK) CEO, Abdulbasit Ahmad Al-Shaibei, which is the key joint venture partner in the pioneering Islamic bank in the North African Kingdom. Umnia Bank is the result of a partnership among QIIK, Credit immobilier et hotelier (CIH) and Moroccan Deposit and Management Fund. "Umnia Bank has already opened three branches in Morocco; in Casablanca and Rabat. We see Morocco as our gateway to North Africa. There is a huge potential for Islamic banking in North Africa. There is a huge market waiting to be tapped in North Africa, which is in need of Shari'ah-based, value-driven banking," Al-Shaibei told Gulf Times in an interview. Asked whether the general economic slowdown and the regional tension would result in a sluggish growth for Islamic banking, Al-Shaibei said, "Islamic banking has already got a significant market share in the GCC region. Beyond our borders, there are good prospects for Islamic banking." Umnia Bank's Board of Directors recently held a meeting, chaired by

Chairman of the board, Sheikh Dr Khalid bin Thani bin Abdullah Al-Thani, in the presence of Vice Chairman, Lotfi Al-Saqat , and other board members in order to discuss the bank's results for the first half of 2020 as well as the bank's business strategy for the coming period. Sheikh Dr Khalid expressed his satisfaction with the results of Umnia Bank during the past period, as the bank was able to abridge many stages and achieve an optimistic expansion with some 35 branches to date across various cities and regions of the Kingdom of Morocco. This expansion undoubtedly reflects the great demand for the bank's services and the opportunities inherent in the Moroccan market for Islamic banking services. (Gulf-Times.com)

- **QSE announces launch of Q-Disclosure system based on XBRL will go-live on October 1 –** The Qatar Stock Exchange (QSE) announced Saturday another element of its ongoing transparency and disclosure initiatives with the confirmation of its roll-out of Q-Disclosure, an XBRL-based reporting system, which will 'go-live' on October 1, 2020. XBRL (eXtensible Business Reporting Language) is the result of a move towards a single global electronic financial reporting standard allowing more efficient retrieval and analysis of financial information. The standard was developed by an international non-profit consortium of over 650 major companies, and government agencies and adopted by accounting standards bodies, regulators, and banks around the world. XBRL is either in mandated or in voluntarily use in an increasing number of countries, including Australia, Canada, China, France, Germany, Israel, Korea, Spain, Sweden, Singapore, the UK, India, Brazil, Japan, and the US. (Gulf-Times.com)

International

- **Moody's: Global banking well placed to absorb COVID-19 shocks –** Most banking systems across the world are well-placed to absorb the economic shocks triggered by the coronavirus, Moody's Investors Service has said in its recent report. "In contrast to the financial crisis, the banking system is more likely to act as a shock absorber rather than an amplifier," Moody's Investors Service Banking Managing Director Nick Hill said. "But a second wave of the pandemic that leads to new lockdowns and economic turmoil could cause more lasting damage to banks' credit profiles," Hill said. Moody's said in its report that after ten years of broadly benign economic conditions, and relentless regulatory pressure to reinforce balance sheets, most banking systems are in good shape and can withstand the inevitable rise in bad debts over the coming months. "In addition, actions taken by central banks and governments to soften the virus impact have slowed the rise in asset risk and underpinned liquidity and funding," the global rating agency said in its bullish outlook on global banking. Banks with more diversified business models - notably those with capital markets activities - will also prove more robust than those focused on more susceptible activities like lending to small businesses and corporates, said Moody's. However, projecting a different scenario of the global banking industry, S&P Global Ratings said recovery of the sector would stretch to 2023 and beyond. "COVID-19 and the oil price shock of 2020 are taking a heavy toll on global banks. We anticipate it will be difficult for the financial strength ratings on financial institutions to return to pre-crisis levels. We don't expect the world's largest banking sectors, including more than half of G20's, to recover to pre-Covid-19 levels until 2023, or beyond," said S&P, which has taken 335 negative rating actions globally since the outbreak began. "The hit on financial institutions globally has been unambiguously negative," said S&P Global Ratings credit analyst Gavin Gunning. The rating firm said recovery to pre-COVID-19 levels would unlikely come before end-2022 even for less-affected banking jurisdictions. These jurisdictions include China, Canada, Singapore, Hong Kong, South Korea, and Saudi Arabia. (Qatar Tribune)
- **IMF: Global economic outlook 'somewhat less dire' than expected –** The global economic outlook is not quite as dark as expected even just three months ago, a top International Monetary Fund (IMF) official said on Thursday, citing better-than-anticipated economic data from China and other advanced economies. However, IMF spokesman Gerry Rice told reporters the overall global outlook remained challenging as a result of the coronavirus pandemic and its impact on many economic sectors. The situation remained "precarious" in many developing countries and emerging markets other than China, he said, noting that the IMF was also concerned about rising debt levels. The IMF is due to release its latest World Economic Outlook on October 13. In June, it slashed its 2020 global output forecasts further, forecasting the global economy would shrink by 4.9%, compared with a 3.0% contraction predicted in April. Rice gave no fresh numbers, but said recent data from China and other advanced economies was better than expected. "Recent incoming data suggests that the outlook may be somewhat less dire than at the time of the WEO update on June 24, with parts of the global economy beginning to turn the corner," he told a regular briefing. There were also signs that global trade was slowly beginning to recover after widespread lockdowns aimed at containing the spread of the virus, Rice said. (Reuters)
- **G7 ministers back extension of debt freeze for poorest nations, urge reforms –** G7 finance ministers on Friday backed an extension of a G20 temporary freeze in debt payments and recognized the need for broad debt relief in the future, while taking aim at G20 member China over a lack of transparency in its lending. The G20 Debt Service Suspension Initiative (DSSI), approved in April, is aimed at helping developing countries get through the fallout from the coronavirus pandemic. So far, it has helped 43 countries defer $5bn in official debt service payments. However, in a joint statement, the G7 ministers said they "strongly regret" moves by some countries to skip full participation in the DSSI by classifying their state-owned institutions as commercial lenders. While the statement did not mention China specifically, G7 officials said the message was clearly aimed at Beijing, which has failed to include loans by state-owned China Development Bank and other government-controlled entities in its official debt totals when dealing with countries seeking debt relief. G7 ministers acknowledged that some countries will need further relief beyond the current freeze in official bilateral debt payments, and urged the Group of 20 major economies and Paris Club creditors to agree on common terms for restructuring those debts by an October 14 meeting of G20 finance ministers. (Reuters)

- **US labor market slowing as fiscal stimulus fades –** The number of Americans filing new claims for unemployment benefits unexpectedly increased last week, supporting views the economic recovery from the COVID-19 pandemic was running out of steam amid diminishing government funding. The weekly jobless claims report from the Labor Department on Thursday, the most timely data on the economy's health, also showed 26mn people were on unemployment benefits in early September. The faltering labor market recovery and a recent rise in new coronavirus infections has piled pressure on Congress and the White House to come up with another rescue package. Federal Reserve Chair Jerome Powell told lawmakers on Wednesday that Congress and the US central bank needed to "stay with it" in working to support the economy's recovery. More fiscal stimulus is looking increasingly unlikely before the November 3 presidential election. Initial claims for state unemployment benefits rose 4,000 to a seasonally adjusted 870,000 for the week ended September 19. Data for the prior week was revised to show 6,000 more applications received than previously reported. Economists polled by Reuters had forecast 840,000 applications in the latest week. Unadjusted claims increased 28,527 to 824,542 last week. Economists prefer the unadjusted claims number given earlier difficulties adjusting the claims data for seasonal fluctuations because of the economic shock caused by the coronavirus crisis. (Reuters)
- **US business spending digging out of deep hole; outlook uncertain –** New orders for key US-made capital goods increased more than expected in August and shipments raced to their highest level in nearly six years, suggesting a rebound in business spending on equipment was underway after a prolonged slump. The show of confidence by businesses in the report from the Commerce Department on Friday also bolstered expectations for a sharp turnaround in economic activity in the third quarter, thanks to government money, after it was hammered by the COVID-19 pandemic in the first half of the year. However, fiscal aid is running out and new coronavirus cases are rising in the country, clouding the fourth-quarter picture. Federal Reserve Chair Jerome Powell this week stressed the need for more fiscal stimulus, telling lawmakers on Thursday that it could make the difference between continued recovery and a much slower economic slog. Another rescue package appears unlikely before the November 3 presidential election. Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, rose 1.8% last month to the highest level since July 2018. Data for July was revised up to show these so-called core capital goods orders increasing 2.5% instead of 1.9% as previously reported. Core capital goods orders are now above their pre-pandemic level. (Reuters)
- **US core capital goods orders increase more than expected in August –** New orders for key US-made capital goods increased more than expected in August and demand for the prior month was stronger than previously reported, pointing to a steady recovery in manufacturing. Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, rose 1.8% last month, the Commerce Department said on Friday. Data for July was revised up to show these so-called core capital goods orders increasing 2.5% instead of 1.9% as previously estimated. Economists polled by Reuters had forecast core capital goods orders gaining 0.5% in August. (Reuters)
- **Fed's policymakers diverge on outlook for inflation, economy –** Federal Reserve policymakers charged with guiding the economy through its worst collapse in a century diverged broadly this week over what to expect in coming months, with narratives of an unexpectedly fast recovery vying against warnings of a resurgence in the coronavirus pandemic and deepening economic malaise. The central bank's monetary policy is already set on a loose and supportive course, and in broad contours at least is unlikely to change much for the next few years. But in a series of starkly contrasting public statements, policymakers offered differing views on how long it will take the US economy to recover from the crisis brought on by the pandemic. Boston Fed President Eric Rosengren and Chicago Fed President Charles Evans offered gloomy views on the economic outlook and said Congress needs to enact more fiscal stimulus. But St. Louis Fed President James Bullard offered a bullish view on the economic recovery, and Richmond Fed Bank President Tom Barkin said he did not think the Fed was too far off from its 2% inflation target. (Reuters)
- **Britain launches pared-back job protection as COVID-19 surges –** Britain's government launched scaled-back job support on Thursday for workers hit by the resurgent COVID-19 pandemic, but warned not everyone could be helped during an economic meltdown that is threatening millions of jobs. Finance minister Rishi Sunak also unveiled plans to extend loan repayments for businesses and delay ending a tax cut for the hospitality sector that has been drastically hit by coronavirus restrictions. Despite the state support, unemployment looks set to surge by the end of the year, with major employers from British Airways to Rolls-Royce and Marks & Spencer shedding jobs rapidly. "I cannot save every business, I cannot save every job," Sunak told parliament as he announced his Winter Economy Plan, which replaced a planned budget statement and set out a six-month replacement for the jobs furlough scheme. "As the economy reopens it is fundamentally wrong to hold people in jobs that only exist inside the furlough." Prime Minister Boris Johnson said his Finance Minister was right to warn the public that things were going to be tough. Sunak later told reporters it was impossible to predict how many jobs his new measures would save, and that forecasts of fast-rising unemployment by the Office for Budget Responsibility and Bank of England (BoE) "don't make for good reading". Britain's unemployment rate rose to 4.1% in the three months to July with 1.4 million out of work, and the BoE forecast last month it would jump to 7.5% by the end of the year if there was no replacement for the existing furlough scheme. (Reuters)
- **GfK: UK consumer confidence rises to highest since lockdown –** British consumer confidence ticked up in September to its highest level since the coronavirus lockdown started in March, but it remains well below its pre-pandemic levels, a survey showed on Friday. The GfK Consumer Confidence Barometer rose unexpectedly to -25 in September from -27 in August. A Reuters poll of economists had pointed to an unchanged reading. The survey was conducted in the first half of the month - before Tuesday's announcement of new social restrictions to curb a resurgence of the COVID-19 pandemic

across the UK. "Only an unbridled optimist will bet on confidence climbing further," said Joe Staton, client strategy director at GfK, which surveyed 2,000 people between September 1 and September 14 for the European Union. Despite subdued confidence surveys, consumer spending in Britain has rebounded strongly since the initial shock of the lockdown in April, and retail sales are now higher than before the pandemic. But the prospect of rising unemployment makes many economists cautious, especially since finance minister Rishi Sunak confirmed on Thursday that support for furloughed workers would be scaled back sharp from November onwards. Sunak said the government was only willing to continue to subsidize workers whose jobs would be viable in the long-term, and that others would need to find new work. The Recruitment and Employment Confederation said nearly 129,000 job postings were published last week, the highest number since lockdown started. (Reuters)

- **UK public borrowing overtakes financial crisis peak –** British public borrowing surged again in August to a record high, driven by huge outlays to combat the coronavirus pandemic, with the budget deficit so far this tax year overtaking its full-year peak during the global financial crisis. The government has now borrowed 173.7bn Pounds ($221.8bn) in the five months since the start of the financial year in April, outstripping the previous record of 157.7bn Pounds set in the 12 months ending March 2010. Government budget forecasters have warned the deficit could hit 372bn by the end of the tax year, raising borrowing as a share of gross domestic product to 18.9%, a level not seen since World War Two -- far above long-term sustainable rates. Finance Minister Rishi Sunak said on Thursday that now was the time to focus on restoring growth, not reducing borrowing, but tough decisions would be needed in the longer term. Despite this, he has cut support for people whose work remains jeopardized by the pandemic. (Reuters)
- **UK car output falls by nearly half in August –** British car production fell by an annual 45% in August as the sector continues to suffer due to the COVID-19 pandemic pushing down demand, an industry body said on Friday. British factories churned out 51,039 cars last month, leaving output in the first eight months of the year down by nearly 350,000 compared to the same period in 2019, the Society of Motor Manufacturers and Traders (SMMT) said. "Companies are bracing for a second wave with tighter social and business restrictions making the industry's attempts to restart even more challenging," said SMMT Chief Executive Mike Hawes. August 2019 had been a stronger-than-normal month as some carmakers did not undertake their annual summer shutdowns, having brought them forward to prepare for the original Brexit date at the end of March. This year, output looks set to fall by around a third to just under 885,000 vehicles, according to the SMMT. The industry, Britain's biggest exporter of goods, is also facing the challenge of tumbling demand for diesel models, of electrifying model line-ups and handling potential disruption to trade resulting from Brexit. (Reuters)
- **China's industrial profits grow for fourth straight month –** Profits at China's industrial firms grew for the fourth straight month in August, buoyed in part by a rebound in commodities prices and equipment manufacturing, the statistics bureau said on Sunday. China's recovery has been gaining momentum as pent-up demand, government stimulus and surprisingly resilient exports propel a rebound. Industrial firm profits grew 19.1% YoY in August to 612.81 Billion Yuan ($89.8bn), the statistics bureau said. That compares with a 19.6% increase in July and is the fourth straight month of profit growth. However, industrial firms' profits still face external pressures as rising tensions between Washington and Beijing cloud the global trade outlook. Raw material manufacturing profits increased by 32.5% in August, up from 14.7% in July, according to Zhu Hong, an official at the statistics bureau. This was driven in part by a rebound in the prices of international commodities such as crude oil and iron ore, he added. Meanwhile, profits of the general equipment manufacturing sector notched up 37% in August on-year, with electrical machinery up by 13.3% over the same period. Economic indicators in August, ranging from exports to producer prices and factory output, all pointed to a further pickup in the industrial sector. However, factory activity grew at a slower pace with smaller firms facing sluggish market demand and financial strains. The country has introduced a slew of measures to kick-start the economy, from tax and fee reductions to grace periods for the calling in of debt. (Reuters)
- **Vodafone wins international arbitration against India in $2bn tax case –** Vodafone Group Plc said on Friday it had won an international arbitration case against the Indian government, ending one of the most high-profile disputes in the country involving a $2bn tax claim. An international arbitration tribunal in The Hague ruled that India's imposition of a tax liability on Vodafone, as well as interest and penalties, were in a breach of an investment treaty agreement between India and the Netherlands, two sources with direct knowledge of the matter said. India had claimed a total of 279bn Rupees ($3.79bn) including about $2bn in tax, as well as interest and penalties, one of the sources said. The tribunal, in its ruling, said the government's demand is in breach of "fair and equitable treatment" and it must cease seeking the dues from Vodafone. It also directed India to pay 4.3mn Pounds ($5.47mn) to the company as compensation for its legal costs, one of the sources added. The tribunal held that any attempt by India to enforce the tax demand would be a violation of India's international law obligations," Vodafone said in its statement. India's finance ministry said it will carefully study the award, together with its lawyers. "After such consultations, the government will consider all options and take a decision on further course of action including legal remedies," the ministry said in a statement. The ruling brings an end to one of the most controversial disputes in India under international treaty agreements that it enters into with countries to protect foreign investments. (Reuters)
- **Economy Ministry: Russia sees oil output rising after OPEC+ deal expires in 2022 –** Russia expects its oil production to increase after the current OPEC+ deal on output curbs runs its course in April 2022, data from the economy ministry published on Saturday showed. Russia, which the ministry expects to produce 507.4mn tons of oil this year, is seen increasing its production over the next three years to 560mn tons, or 11.2mn barrels per day, in 2023. Ministry data forecasts an increase in oil exports to 266.2mn tons by 2023, slightly lower than last

year's exports. The ministry forecast oil exports of 225mn tons this year, down from 269.2mn tons in 2019. (Reuters)

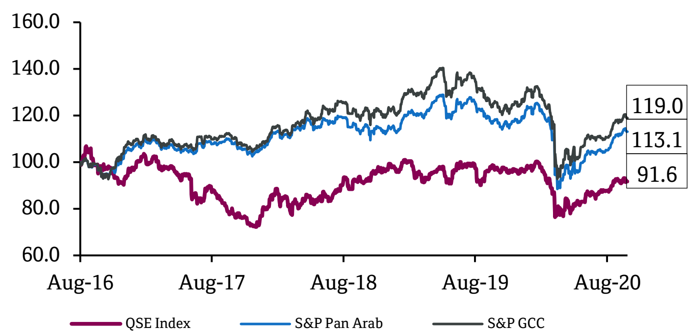
Regional

- **S&P affirms Saudi Arabia 'A-/A-2' ratings; with a Stable outlook –** Low oil prices and the COVID-19 pandemic are taking a toll on Saudi Arabia's economy and budget; GDP is forecast to contract by 4.5% in 2020, and the general government fiscal deficit to rise to at 11% of GDP. However, from 2021 onward, GDP growth, oil prices, and oil volume exports are expected to rebound as global conditions improve. S&P's estimate of Saudi Arabia's relatively strong net asset position on both its fiscal and external balances is still a key support to the rating. Nevertheless, prolonged low oil prices and demand will likely erode its net asset position over the ratings horizon. In S&P's view, the balance of risks is appropriate at the current rating. S&P therefore affirms 'A-/A-2' long- and short-term sovereign credit ratings on Saudi Arabia. The outlook is stable. The stable outlook indicates that we expect Saudi Arabia's relatively strong government and external balance sheets to continue to support the ratings. S&P could lower ratings if it observed fiscal weakening and a rapid erosion of the government's net asset position beyond its expectations, or a sharp deterioration in the sovereign's external position. A sustained rise in geopolitical or domestic political instability that posed a significant and continued threat to the oil sector could also weigh on the ratings. (Bloomberg)
- **Saudi Arabia sees quick tourism rebound after domestic boom –** Saudi Arabia is preparing for a quick rebound in tourism and has not revised its visitor targets for 2021 despite the coronavirus pandemic, Tourism Minister, Ahmed Al-Khateeb said. As the government prepares to reopen its borders to foreign tourists in January, the Kingdom is using its presidency of the Group-of-20 biggest economies to facilitate a resumption of global travel, Al-Khateeb said. "If countries today open their borders, we will be fit to run fast, and this is the plan," he said, a key advisor to Crown Prince Mohammed bin Salman. "We believe people want to travel and they will continue to travel, but we need countries to coordinate their actions." (Bloomberg)
- **Saudi Arabia's BinDawood Holding to delay IPO retail offer –** Saudi Arabia's BinDawood Holding said on Thursday a development relating to the supermarket retailer that requires disclosure in a supplementary prospectus would delay the retail part of an initial public offering (IPO) planned for this month. BinDawood Holding said a supplementary prospectus, to be approved by the Capital Market Authority, will contain "certain additional information regarding, among others, the institutional book-building and the retail offering period, which will no longer begin on September 27." The company and the joint financial advisors expect to provide updates next week, BinDawood said. BinDawood Holding closed its books at the top of its price range, Reuters reported this week, after a bookrunner note said investors bidding below SR96 may not get an allocation. (Reuters)
- **CBUAE urges banks to step up anti-money laundering efforts –** The Central Bank of the UAE (CBUAE) said banks should increase anti-money laundering efforts to safeguard financial stability in the country. "To mitigate the risk of financial crimes, banks are urged to put more efforts towards combating money laundering and financing of terrorism," it said. The bank said more than 300,000 individuals, close to 10,000 small and medium enterprises, and more than 1,500 private companies had benefited from a AED50bn liquidity scheme introduced to cushion against the impact of the COVID-19 pandemic. (Reuters)
- **Israir CEO says expects to start Israel-UAE flights soon –** Israel's Israir said regulators are in discussions with Dubai and the carrier expects to start flying and selling tourism packages to the UAE within a few weeks, CEO, Uri Sirkis told Israel Radio on Thursday. Sirkis said that within two years, 1mn Israelis will pass through Dubai and Abu Dhabi since the new route will offer destinations that previously were not available to Israeli tourists, while flights to East Asia will be shorter. Separately, the Dubai Chamber of Commerce and Industry and Tel Aviv Chamber of Commerce, represented by the Federation of Israeli Chambers of Commerce, signed a strategic partnership agreement paving the way for bilateral cooperation and new business opportunities for members in both markets. (Reuters)
- **UAE's Jebel Ali Free Zone signs MOU with Israeli chambers of commerce –** The UAE's Jebel Ali Free Zone has signed a memorandum of understanding with the Federation of Israeli Chambers of Commerce (FICC), state news agency WAM said on Friday. The "strategic agreement" aims to build new partnerships and facilitate the sharing of information, WAM said. The UAE and Israel agreed in August to normalize ties between the two countries. (Reuters)
- **Uber's Middle East business Careem sees speedier-than-expected recovery –** Uber Technologies Inc-owned Middle East business Careem is seeing its ride service recover more quickly than expected from the coronavirus crisis, while its delivery business is larger than before the pandemic. Careem, which mainly operates in the Middle East, had originally forecast that its ride service would recover at the end of 2021, but now expects it to rebound earlier in the year with some markets already close to pre-COVID levels. "We are seeing a strong recovery in the rides business and we are seeing a pretty significant acceleration in the deliveries business," Careem CEO, Mudassir Sheikha told Reuters. "The delivery business is significantly larger than what it was pre-COVID and continues to grow quite strongly, double digit month on month," he said. Careem, which says it has 1.7mn drivers in 13 countries, has said it has been encouraged by a better than expected pickup in demand as coronavirus restrictions ease. (Reuters)
- **Dubai Insurance says it has not signed agreement with Israel's Harel –** Dubai Insurance Co said on Thursday it had not signed an official agreement with Israel's Harel, a day after the Israeli insurance group said a deal had been reached. The companies met but "the parties have yet to sign (an) official cooperation agreement," Dubai Insurance Chief Executive, Abdellatif Abuqurah said. Harel on Wednesday said the two insurance companies had signed a deal to provide insurance services in both Israel and the UAE. It said the agreement would enable its customers to receive insurance services - business, health and for sea and air trade - in the UAE while UAE citizens would be able to receive the same services in Israel. (Reuters)
- **Dubai-listed Arabtec Holding hires AlixPartners for debt advisory –** Loss-making Dubai-listed contractor Arabtec

Holding has hired advisory firm AlixPartners to help it restructure the company's debt, sources familiar told Reuters. AlixPartners is assessing the company's debt profile, before any potential discussions with Arabtec's creditors, sources said. Arabtec Holding is due to hold a shareholder meeting on Thursday afternoon to decide whether to continue operating or liquidate and dissolve the firm after the pandemic hit projects and led to additional costs. (Reuters)

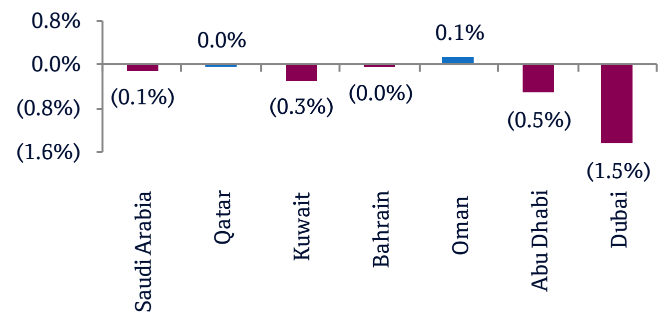
- **Union Properties to consider selling 40% of Dubai Autodrome –** Union Properties' board will discuss offer for proposed sale at AED400mn, Union Properties said. It will also discuss acquisition of existing investments in real estate assets worth AED740mn in UAE. (Bloomberg)
- **Abu Dhabi transfers ownership of ENEC to ADQ holding company –** The Abu Dhabi government has transferred ownership of Emirates Nucear Energy Corp. (ENEC) to Abu Dhabi state-owned holding company ADQ, the holding company said on Thursday. (Reuters)
- **Aldar Properties expects to resume project launches this year –** Aldar Properties aims to resume project launches late this year as the Abu Dhabi property developer sees demand returning, Zawya reported, citing Chief Executive Officer, Talal Al Dhiyebi. The company is clearing more inventory than ever before. It will focus on Yas and Saadiyat destinations as it tries to target affordability mismatch in market. It is looking to develop more projects on behalf of government in future. (Bloomberg)
- **Kuwait Investment Office in talks for Rolls Royce stake –** Kuwait Investment Office and Singapore's GIC are in talks with Rolls Royce for a stake in the company, Sky News reported. Sovereign wealth investors allocated GBP500mn of new shares. Two sovereign funds could get stakes of GBP250mn each Rolls-Royce told Sky: "We continue to review all funding options to enhance balance sheet resilience and strength. No final decisions have been taken as to whether or when to proceed with any of these options or as to the precise amount that may be raised." (Bloomberg)
- **Moody's downgrades deposit ratings of two Kuwaiti banks, changes outlook to stable from ratings under review –** Moody's Investors Service, has downgraded National Bank of Kuwait (NBK) and Kuwait Finance House's (KFH), the long term local and foreign currency deposit ratings to A1 and A2 from Aa3 and A1 respectively. At the same time, the long-term Counterparty Risk Ratings (CRR) and Counterparty Risk Assessment (CRA) of NBK were downgraded to A1 and A1(cr) from Aa2 and Aa2(cr) respectively. KFH's CRR and CRA were confirmed at the A1 and A1(cr) respectively. The standalone baseline credit assessments (BCAs) and other ratings of these banks are unaffected by this rating action. The action concludes the review on the banks' ratings that was initiated on April 01, 2020. The rating action follows Moody's downgrade of Kuwait's government issuer rating to A1 with a stable outlook. The decision to downgrade the government's rating reflects both the increase in government liquidity risks and a weaker assessment of Kuwait's institutions and governance strength. Despite the sovereign rating downgrade, Moody's has maintained the Macro Profile it assigns to Kuwait at Strong -. This reflects the rating agency's view that the Kuwaiti banking system's financial performance will remain robust and that the standalone profiles of these banks are underpinned by their strong solvency and liquidity profile. The rating agency has changed the outlook on the long-term deposit ratings of the two Kuwaiti banks to stable from ratings under review in line with the stable outlook on the sovereign rating. (Moody's)
- **Oman's annual wheat production rises 132% –** Oman's annual wheat production increased 132% in the 2019/2020 agricultural season to 2,226 tons as the area planted increased, state TV said on Saturday, citing a report from the agriculture ministry. The Sultanate harvested 962 tons of wheat in the previous season, it said. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,861.58	(0.3)	(4.6)	22.7
Silver/Ounce	22.89	(1.1)	(14.5)	28.2
Crude Oil (Brent)/Barrel (FM Future)	41.92	(0.0)	(2.9)	(36.5)
Crude Oil (WTI)/Barrel (FM Future)	40.25	(0.1)	(2.1)	(34.1)
Natural Gas (Henry Hub)/MMBtu	1.90	(1.6)	21.8	(9.1)
LPG Propane (Arab Gulf)/Ton	50.63	1.3	(0.5)	22.7
LPG Butane (Arab Gulf)/Ton	56.50	(1.3)	(3.4)	(14.9)
Euro	1.16	(0.4)	(1.8)	3.7
Yen	105.58	0.2	1.0	(2.8)
GBP	1.27	(0.0)	(1.3)	(3.9)
CHF	1.08	(0.2)	(1.8)	4.2
AUD	0.70	(0.2)	(3.5)	0.1
USD Index	94.64	0.3	1.8	(1.8)
RUB	78.19	1.4	3.2	26.1
BRL	0.18	(0.9)	(3.1)	(27.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,326.85	1.2	(1.7)	(1.3)
DJ Industrial	27,173.96	1.3	(1.7)	(4.8)
S&P 500	3,298.46	1.6	(0.6)	2.1
NASDAQ 100	10,913.56	2.3	1.1	21.6
STOXX 600	355.51	(0.5)	(5.6)	(11.5)
DAX	12,469.20	(1.5)	(6.9)	(2.5)
FTSE 100	5,842.67	(0.0)	(4.6)	(25.8)
CAC 40	4,729.66	(1.1)	(7.0)	(18.1)
Nikkei	23,204.62	0.4	(1.8)	1.1
MSCI EM	1,059.10	0.1	(4.5)	(5.0)
SHANGHAI SE Composite	3,219.42	(0.0)	(4.3)	7.7
HANG SENG	23,235.42	(0.3)	(5.0)	(17.2)
BSE SENSEX	37,388.66	2.3	(4.0)	(12.4)
Bovespa	96,999.40	(0.8)	(5.3)	(39.4)
RTS	1,164.68	(2.0)	(5.2)	(24.8)

Source: Bloomberg (*$ adjusted returns)

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