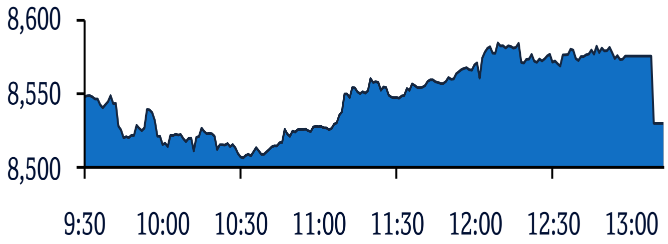
Daily Market Report

Tuesday, 28 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.2% to close at 8,531.3. Gains were led by the Transportation and Telecoms indices, gaining 1.8% and 1.5%, respectively. Top gainers were Qatari Investors Group and Widam Food Company, rising 5.6% and 5.0%, respectively. Among the top losers, Qatar Industrial Manufacturing Company fell 2.8%, while Ezdan Holding Group was down 2.6%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 6,827.8. Losses were led by the Retailing and Utilities indices, falling 1.7% and 1.4%, respectively. Swicorp Wabel REIT declined 5.2%, while Company for Cooperative Insurance was down 4.4%.

Dubai: The DFM Index gained 1.5% to close at 1,986.1. The Insurance index rose 4.8%, while the Banks index gained 2.0%. Mashreqbank rose 14.2%, while SHUAA Capital was up 12.2%.

Abu Dhabi: The ADX General Index fell 0.3% to close at 4,170.1. The Banks index declined 2.4%, while the other indices ended in green. Waha Capital declined 5.0%, while Foodco Holding was down 4.9%.

Kuwait: The Kuwait All Share Index gained 1.4% to close at 4,790.1. The Financial Services index rose 3.4%, while the Consumer Services index gained 1.4%. Amar Finance & Leasing Co. rose 15.0%, while Egypt Kuwait Holding Co. was up 9.9%.

Oman: The MSM 30 Index gained 0.3% to close at 3,524.5. Gains were led by the Industrial and Services indices, rising 0.4% and 0.2%, respectively. Muscat Gases Company rose 9.5%, while Al Sharqiya Investment Holding Co. was up 7.9%.

Bahrain: The BHB Index gained 0.5% to close at 1,308.8. The Commercial Banks and Investment indices rose 0.7% each. GFH Financial Group rose 6.2%, while Ahli United Bank was up 1.5%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	1.29	5.6	1,244.1	(27.8)
Widam Food Company	5.67	5.0	584.1	(16.1)
Alijarah Holding	0.64	3.9	3,540.9	(9.2)
Gulf International Services	1.28	2.4	3,173.9	(25.6)
Qatar National Cement Company	3.41	2.2	99.1	(39.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.61	(2.6)	28,753.7	(0.7)
Baladna	1.01	1.9	16,508.7	1.1
Salam International Inv. Ltd.	0.31	(0.6)	10,067.3	(40.2)
Vodafone Qatar	1.09	0.6	9,582.2	(5.9)
Qatar Gas Transport Company Ltd.	2.40	1.7	8,374.8	0.4

Market Indicators	27 Apr 20	26 Apr 20	%Chg.
Value Traded (QR mn)	288.0	193.3	49.0
Exch. Market Cap. (QR mn)	479,168.2	478,426.7	0.2
Volume (mn)	148.0	234.4	(36.8)
Number of Transactions	9,359	5,193	80.2
Companies Traded	45	44	2.3
Market Breadth	24:15	31:10	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,401.06	0.2	0.7	(14.5)	12.9
All Share Index	2,654.17	0.2	0.7	(14.4)	13.5
Banks	3,804.38	(0.0)	0.3	(9.9)	12.4
Industrials	2,176.01	0.5	0.7	(25.8)	16.7
Transportation	2,526.52	1.8	1.9	(1.1)	12.2
Real Estate	1,204.64	0.9	1.1	(23.0)	10.6
Insurance	2,022.00	(0.8)	0.5	(26.1)	33.8
Telecoms	846.17	1.5	4.1	(5.5)	14.0
Consumer	6,968.28	0.0	0.9	(19.4)	17.3
Al Rayan Islamic Index	3,321.82	0.5	1.4	(15.9)	15.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
GFH Financial Group	Dubai	0.59	7.1	88,807.6	(29.8)
Aldar Properties	Abu Dhabi	1.73	6.1	22,407.6	(19.9)
Mouwasat Medical Serv.	Saudi Arabia	82.30	4.2	130.6	(6.5)
Mabanee Co.	Kuwait	0.60	3.4	1,470.0	(33.7)
Riyad Bank	Saudi Arabia	15.94	3.0	5,558.5	(33.6)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Co. for Cooperative Ins.	Saudi Arabia	70.30	(4.4)	334.3	(8.3)
First Abu Dhabi Bank	Abu Dhabi	11.20	(3.4)	1,571.7	(26.1)
Yanbu National Petro. Co.	Saudi Arabia	42.85	(2.9)	936.9	(23.3)
Jarir Marketing Co.	Saudi Arabia	150.00	(2.8)	234.5	(9.4)
Banque Saudi Fransi	Saudi Arabia	28.10	(2.8)	573.9	(25.9)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Industrial Manufacturing	2.43	(2.8)	4.9	(31.9)
Ezdan Holding Group	0.61	(2.6)	28,753.7	(0.7)
Aamal Company	0.54	(1.8)	8,014.7	(33.2)
Mazaya Qatar Real Estate Dev.	0.59	(1.5)	5,594.6	(18.1)
The Commercial Bank	3.81	(1.0)	2,882.4	(18.9)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.05	0.0	56,014.2	(17.2)
Qatar Electricity & Water Co.	14.80	0.5	23,815.1	(8.0)
Qatar Gas Transport Co. Limited	2.40	1.7	20,120.6	0.4
Ezdan Holding Group	0.61	(2.6)	17,685.7	(0.7)
Masraf Al Rayan	3.76	1.4	17,553.1	(5.2)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	8,531.26	0.2	0.7	3.9	(18.2)	78.54	130,812.9	12.9	0.8	4.7
Dubai	1,986.09	1.5	5.0	12.1	(28.2)	98.68	78,146.9	7.5	0.7	6.3
Abu Dhabi	4,170.08	(0.3)	2.6	11.7	(17.8)	46.55	125,946.7	11.7	1.1	5.9
Saudi Arabia	6,827.80	(0.2)	3.4	5.0	(18.6)	1,409.86	2,072,958.6	18.9	1.6	3.8
Kuwait	4,790.07	1.4	2.2	(0.7)	(23.8)	117.24	86,530.9	13.5	1.1	4.4
Oman	3,524.52	0.3	1.2	2.2	(11.5)	4.02	15,252.7	7.4	0.7	7.9
Bahrain	1,308.78	0.5	0.1	(3.1)	(18.7)	2.14	20,092.8	9.4	0.8	5.9

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 0.2% to close at 8,531.3. The Transportation and Telecoms indices led the gains. The index rose on the back of buying support from Qatari shareholders despite selling pressure from GCC and non-Qatari shareholders.
- Qatari Investors Group and Widam Food Company were the top gainers, rising 5.6% and 5.0%, respectively. Among the top losers, Qatar Industrial Manufacturing Company fell 2.8%, while Ezdan Holding Group was down 2.6%.
- Volume of shares traded on Monday fell by 36.8% to 148.0mn from 234.4mn on Sunday. However, as compared to the 30-day moving average of 141.9mn, volume for the day was 4.4% higher. Ezdan Holding Group and Baladna were the most active stocks, contributing 19.4% and 11.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	29.29%	38.50%	(26,552,576.84)
Qatari Institutions	30.29%	16.58%	39,482,752.09
Qatari	**59.58%**	**55.08%**	**12,930,175.25**
GCC Individuals	0.73%	0.53%	581,460.30
GCC Institutions	1.10%	1.57%	(1,372,018.57)
GCC	**1.83%**	**2.10%**	**(790,558.27)**
Non-Qatari Individuals	10.83%	11.59%	(2,176,496.23)
Non-Qatari Institutions	27.76%	31.22%	(9,963,120.76)
Non-Qatari	**38.59%**	**42.81%**	**(12,139,616.98)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
Dr. Sulaiman Al Habib Med. Serv.	Saudi Arabia	SR	1,343.3	9.4%	258.6	4.2%	246.6	5.3%
Saudi Printing & Packaging Co.	Saudi Arabia	SR	194.3	-3.8%	(3.1)	N/A	(14.9)	N/A
Majan Glass	Oman	OMR	2.7	-3.4%	–	–	(0.3)	N/A
Al Omaniya Financial Services	Oman	OMR	4.5	2.5%	–	–	0.5	-43.3%
Dhofar Insurance Co.	Oman	OMR	13.4	14.2%	–	–	1.1	21.5%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04/27	France	French Labor Office	Total Jobseekers	1Q2020	3,333.8k	–	3,305.8k
04/27	China	National Bureau of Statistics	Industrial Profits YoY	Mar	-34.9%	–	–

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

Earnings Calendar

Tickers	Company Name	Date of reporting 1Q2020 results	No. of days remaining	Status
QFBQ	Qatar First Bank	28-Apr-20	0	Due
QATI	Qatar Insurance Company	28-Apr-20	0	Due
QAMC	Qatar Aluminum Manufacturing Company	28-Apr-20	0	Due
AHCS	Aamal Company	28-Apr-20	0	Due
IGRD	Investment Holding Group	28-Apr-20	0	Due
GWCS	Gulf Warehousing Company	28-Apr-20	0	Due
QGRI	Qatar General Insurance & Reinsurance Company	29-Apr-20	1	Due
ZHCD	Zad Holding Company	29-Apr-20	1	Due
GISS	Gulf International Services	29-Apr-20	1	Due
MERS	Al Meera Consumer Goods Company	29-Apr-20	1	Due
DOHI	Doha Insurance Group	29-Apr-20	1	Due
ORDS	Ooredoo	29-Apr-20	1	Due
BRES	Barwa Real Estate Company	30-Apr-20	2	Due
SIIS	Salam International Investment Limited	30-Apr-20	2	Due
QOIS	Qatar Oman Investment Company	30-Apr-20	2	Due
AKHI	Al Khaleej Takaful Insurance Company	30-Apr-20	2	Due

Source: QSE

News

Qatar

- **MPHC's net profit declines 82.7% YoY and 91.8% QoQ in 1Q2020 –** Mesaieed Petrochemical Holding Company's (MPHC) net profit declined 82.7% YoY (-91.8% QoQ) to QR57.1mn in 1Q2020.The company's 'Share of Profit from Joint Ventures' came in at QR49.0mn in 1Q2020, which represents a decrease of 84.5% both YoY and QoQ. EPS amounted to QR0.005 in 1Q2020 as compared to QR0.026 in 1Q2019. The first-quarter financial results announced yesterday showed total revenues of QR516mn (assuming proportionate consolidation), down 36%, compared to the same period last year. MPHC's business performance during the first quarter was impacted by the declining selling prices against a backdrop of challenging macroeconomic dynamics, which affected its performance since 2019. The performance for the three-month period was also impacted by the planned turnaround and preventive maintenance shutdowns implemented in certain MPHC joint-venture facilities, which caused the production volumes to decline, by 37% compared to the same period last year, to reach 190,000MT. The company's total assets stood at QR14.8bn in March. MPHC has robust liquidity position with closing cash and cash equivalents of QR1.2bn at the end of the first quarter. The financial performance was impacted by the deteriorating global macroeconomic conditions, economic uncertainty, slowing GDP growth and trade conflicts, including COVID-19 and volatile oil prices, which continue to weighed on the demand for MPHC products, resulted in declining selling prices which declined by 18% as compared to the same period last year. During the period, the decline in production volumes, amid planned maintenance shutdowns, negatively affected the sales volumes, which declined by 22% compared to the same period last year, to reach 227,000MT. The decline in selling prices and sale volumes, on a combined basis, contributed to a decrease of QR286mn in the net profit for the three month period that ended on March 31, as compared to the same period last year. MPHC said it continued to benefit from the supply of competitively priced ethane feedstock and fuel gas under long-term supply agreements. Lower feedstock costs on account of decline in feedstock volumes due to planned shutdowns and lowered unit prices positively contributed QR87mn to the net profit for the three month period, as compared to the same period last year. Compared to the fourth quarter of 2019, MPHC revenue declined by 24%, while net profit declined by 88%. The selling prices slightly declined by 1%, as the impact of COVID-19 and the present oil price crisis is partially felt in the prices. Sales volumes declined by 21% mainly due to the decline in production volumes, which declined by 40%, due to planned maintenance shutdowns. MPHC is reviewing its capital expenditure programs to assess whether those expenditures can be either be avoided or delayed, without affecting the quality, safety, environmental aspects and reliability of the operations. This would provide the group with a broader access to free cash flows, which could be diverted towards better investment avenues and can be utilized as a buffer for any unwarranted adversities. MPHC's Chairman, Ahmad Saif Al-Sulaiti said, "In a difficult market, further affected by the unprecedented dual headwinds of COVID-19 and oil price volatility, we remained resilient and continued to implement our five-year business strategy to strengthen MPHC's market position, while driving cost optimization and generating improved shareholder value. Looking ahead, we are in process of implementing new cost optimization measures on our operating and capital expenditures more critically, across all the joint ventures, which will ensure our resilience and agility to adjust to the continuously evolving market." (QSE, Peninsula Qatar, Gulf-Times.com)
- **BLDN posts net profit of QR39.7mn in 1Q2020 –** Baladna (BLDN) posted net profit of QR39.7mn in 1Q2020, with a net profit margin of 16.8%. Earnings per share (weighted average) amounted to QR0.063 per share and retained earnings stood at QR70.0mn. The company's revenue stood at QR237mn in 1Q2020, witnessing YoY growth of 147% as a result of continuous expansion and growth of the product portfolio to 191 products. The Board of Directors has met virtually on April 27, 2020 to discuss and endorse the following agenda items: (i) Acknowledgement of the meeting minutes of the last board meeting dated January 29, 2020, (ii) Present and approve the company's reviewed financial statements for the period ended March 31, 2020, (iii) Consider the distribution of interim cash dividends to shareholders for the period ended March 31, 2020. Accordingly, the Board of Directors has approved the interim reviewed financial statements for the period ended March 31, 2020. Based on the above-mentioned net profit and accumulated profit, the Board of Directors passed a resolution to distribute interim dividends of QR40mn, equivalent to QR0.021 per share. The resolution has also set the date for interim dividend distribution to be Thursday the May 7, 2020. (QSE, Gulf-Times.com)
- **BRES to disclose its 1Q2020 financial statements on April 30 –** Barwa Real Estate Company (BRES) announced its intent to disclose its 1Q2020 financial statements results on April 30, 2020. (QSE)
- **IGU: Qatar maintains position as world's largest LNG exporter in 2019 –** Qatar managed to maintain its position as the largest liquefied natural gas exporter in the world (at 77.8mn tons) in 2019, International Gas Union (IGU) said in its "2020 World LNG Report". Global LNG trade increased further in 2019, reaching 354.73mn tons, an increase of 40.93mn tons since the end of 2018. This constitutes an increase of 13%, a sixth year of consecutive growth, it said. Most of the additional exported volumes in 2019 were from existing exporting markets: US (+13.1mn tons), Australia (+8.7mn tons) and Russia (+11mn tons). "The Qatar LNG expansion plan is progressing towards final investment decision (FID) and those capacity additions could re-position Qatar as the market with the largest liquefaction capacity globally," the IGU noted. According to the IGU, top LNG exporter Qatar is followed by Australia at (75.4mn tons). The US (33.8mn tons) overtook Malaysia (26.2mn tons) as the third largest exporter, and added record export volumes. Russia is now the fourth largest exporter of LNG (29.3mn tons). (Gulf-Times.com)
- **Qatar registers trade surplus of QR7.6bn in March –** The merchandise trade balance of Qatar, which represents the difference between total exports and imports, achieved a surplus of QR7.6bn in March. This represents a monthly

decrease of 43.7% compared to February 2020, while it fell by 42.4% on an annual basis compared to March 2019. According to a statement by the Planning and Statistics Authority (PSA) on the merchandise foreign trade of the country, the value of Qatari exports which includes exports of local origin and re-exports amounted to approximately QR15.9bn during last March, declining by 30.1% on an annual basis. It recorded a monthly decrease of about 25% compared to February 2020. The value of merchandise imports during the aforementioned month recorded about QR8.3bn, a decrease of 13.2% on an annual basis, and a monthly increase of 7.7%. The data indicate that the value of exports of 'oil gases and other gaseous hydrocarbons' recorded an annual decrease of 22.3% to reach about QR10.5bn and the value of 'oils and oils of ores of continental mineral raw materials' decreased by 52.1% to reach approximately QR1.8bn. The value of exports of 'oils and oils obtained from continental minerals other than ores' has decreased by 48.5% to reach about QR0.7bn. Japan took the top spot in destination countries for Qatar's exports during March with a value of approximately QR2.5bn, or 15.5% of the total value of Qatari. South Korea with QR2.4bn, or 14.9%, was the second-biggest destination followed by India with QR2.2bn representing 13.9% of the total value of these exports. The group of jet turbines was at the top of the list of merchandise imports at a value of QR0.5bn, an increase of 179.6%, compared to the same month last year, followed by the group of 'regular aircraft parts and helicopters' with about QR0.4bn and an increase of 57.1%. It was followed by the group of 'cars and other vehicles', cars designed mainly to transport people', which amounted to approximately QR0.3bn, a decrease of 9.3%. The US topped the countries of origin for imports from Qatar in March with a value of approximately QR1.4bn, or 17.2% of the total value of merchandise imports. It was followed by China with a value of QR0.8bn (9.5%) and Germany with a value of QR0.7bn, representing 8.1% of the total imports value. (Qatar Tribune)

- **COVID-19 impact: KPMG highlights top 5 challenges for Qatar's banking sector –** KPMG in Qatar has identified five top critical challenges that could be so serious to Qatar's banking sector in the light of COVID-19 pandemic. The COVID-19 impact on the country's financial services sector includes liquidity pressures, revenue compression and credit quality deterioration, KPMG said in its soon-to-be released COVID-19 case study on Qatar's banking sector. Sharing KPMG's key findings exclusively to The Peninsula, Omar Mahmood, head of Financial Services for KPMG in the Middle East & South Asia, and partner at KPMG in Qatar noted the pandemic is having an unprecedented impact on financial markets globally including in Qatar, with implications for banking businesses, employees, suppliers and customers. This has been coupled with the effects of the drop in oil price, which together create a unique situation we live in today. "While the State of Qatar government has taken a number of proactive measures to ensure that the financial system and wider economy are protected as far as possible from the effects of the COVID-19 pandemic and drop in oil price, there are nevertheless implications that banks will inevitably face", said Omar . In view of this, there are top 5 'challenges' and 'focus areas' for banking executives to consider, he said. The financial services sector will face liquidity pressures in the short, medium and long term, particularly in USD. Given rate cuts, increasing competition, support for the private sector and a general market slowdown, the banking sector will face the challenge of serious revenue compression. Credit quality deterioration is another challenge as businesses struggle with cashflow and profitability and while the real estate sector continues to be challenged. The industry will face Operational Risks from the new norms in working practices, including cyber security threats and AML controls. Finally, Digital transformation and the pace of change in banking operating models will face greater scrutiny as shareholders look for growth The KPMG in Qatar has also highlighted five focus areas – Liquidity & capital analysis: Banks need to thoroughly understand their available capital and liquidity resources and more frequently assess the resilience of these core pillars. Employees: How you treat your employees now, given working practice changes, will have a massive effect on their wellbeing, and consequently on their loyalty and productivity Customer interaction: Effective digital delivery of services, with minimal disruption to customer interaction, is essential while banks deal with staff shortages, office closures and other measures Scenario planning: Using scenario modeling and contingency planning expertise, incorporating the impact of COVID-19 and the drop in oil prices, to help make sound decisions amidst the current volatility Communication & transparency: As the economic impact of the crisis begins to bite, banks will need to ensure that they are communicating effectively with their various stakeholders to manage expectations. (Peninsula Qatar)
- **Qatari start-up gets huge response from online home hunters –** Born with a mission to become the leading property rental platform in the region, Qatari start-up hapondo has become an instant hit in Qatar's real estate market within a very short span of time. The website of hapondo, which went live on March 1, has evoked massive response from online home hunters and real estate brokers alike. "The response has been fantastic from both users and real estate companies. When we launched the platform in March 2020, we had over 15 real estate companies and the majority of those companies are big in the country. In terms of users, we had 30,000 sessions, 120,000 page views, 23,500 property clicks and over 71 percent of the traffic was from Qatar," hapondo Chief Executive Officer Abdulla Al Fadhala told Qatar Tribune. The company that operates from Qatar Science & Technology Park (QSTP) started with over a thousand property listings and the number is growing at a fast pace. (Qatar Tribune)

International

- **US imposes new restrictions on exports to China –** The US on Monday posted rule changes that impose new restrictions on exports to China, including aircraft components and many items related to semiconductors. The new rules will require licenses for US companies to sell certain items to military entities, even if they are for civilian use, and do away with a civilian exception that allows certain US technology to be exported without a license, if they are for a non-military entity and use. The rules were posted for public inspection and will be published in the Federal Register on Tuesday. One rule will affect purchases by entities such as People's Liberation Army, which is involved in civilian activities such as hospitals, according to experts. The other rule is expected to affect items like field programmable gate array integrated circuits, eliminating license exceptions for Chinese importers and Chinese nationals. The administration also posted a third proposed rule change that would force foreign companies shipping certain American goods to China to seek approval not only from their own governments but from the US as well. The actions come as relations between the United States and China have deteriorated amid the new coronavirus outbreak. (Reuters)

- **US Democrats urge paycheck scheme coverage for community, minority lenders –** Top Democrats have urged the US Treasury Department and the Small Business Administration (SBA) to expand opportunities for community development financial institutions (CDFIs) and minority depository institutions (MDIs) in the Paycheck Protection Program funding. The call from the Democratic Party leaders, highlighted in a publicly released letter to the Treasury and SBA late on Sunday, asked for setting aside at least $10bn in the next 48 hours for MDIs and CDFIs to make PPP loans amid the coronavirus outbreak. "SBA and Treasury should use their administrative authority to create a special set-aside of at least $10bn of PPP funds solely dedicated for MDIs and CDFIs," the Democrats said in the letter. It was written by, among others, House of Representatives Speaker Nancy Pelosi, Senate Democratic leader Chuck Schumer and US Representative Maxine Waters, who chairs the House Financial Services Committee. The letter also asked for greater transparency on the part of the processing of funds. The US government notified lenders on Sunday that it will cap how much each bank can lend under the emergency loan program designed to keep workers on payrolls amid the coronavirus pandemic, hours ahead of the reopening of the lending program. The shuttering of the US economy due to the coronavirus pandemic will likely push the national unemployment rate to 16% or higher this month, President Donald Trump's adviser, Kevin Hassett, said earlier on Sunday. (Reuters)
- **Supreme Court tells US government to pay insurers $12bn under Obamacare –** The federal government must "honor its obligations" and pay private insurers $12bn owed to them under an Obamacare provision aimed at encouraging them to offer medical coverage to uninsured Americans, the US Supreme Court ruled on Monday. The 8-1 ruling authored by liberal Justice Sonia Sotomayor paves the way for a significant one-time cash infusion for major companies such as Humana Inc, Anthem Inc and Centene Corp. The justices reversed a lower court's ruling that Congress had suspended the government's obligation to make such payments under the Affordable Care Act, widely known as Obamacare. Unlike other litigation involving Obamacare - long targeted by Republicans for repeal in Congress or invalidation through the courts - this case concerned only payments to insurers and did not directly challenge the law itself. The Supreme Court in its next term, which starts in October, is set to hear a more politically freighted case concerning a bid by 20 Democratic-led states including California and New York to preserve Obamacare in the face of a challenge by Republican-led states backed by President Donald Trump's administration. In Monday's ruling, the court sided with insurers that had argued that the lower court ruling would have let the government pull a "bait-and-switch" and withhold money the companies were promised. (Reuters)
- **UK offers 100% state-backed COVID loans to smallest firms –** British Finance Minister Rishi Sunak bowed to pressure on Monday to do more to help companies survive the coronavirus shutdown, announcing full state guarantees on lending to Britain's smallest businesses. Sunak, who previously opposed 100% government backing for emergency credit for small firms, said the government would fully stand behind commercial loans of up to 50,000 Pounds ($62,000) to firms. Banks handling the loans will not be required to run credit checks or assess the long-term viability of applicants. Firms will have no interest or repayments for the next 12 months. "Some small businesses are still struggling to access credit," Sunak told parliament. "If we want to benefit from their dynamism and entrepreneurial spirit as we recover our economy, they will need extra support." Most British businesses have been shut to the public since March 23 under a government lockdown to slow the spread of COVID-19, the respiratory disease that the coronavirus can cause. Government forecasters have said the economy could contract by 35% in the second quarter of 2020, and Prime Minister Boris Johnson said on Monday it was still too risky to relax the lockdown. Britain last month announced an emergency 330billion-Pound credit scheme including loans of up to 5mn Pounds for small and medium-sized companies, with state guarantees of 80%. However, that program got off to a slow start, with many companies saying they were struggling to get banks to approve their loans. (Reuters)
- **EU firms hit by coronavirus can get loans of up to 5% of turnover –** Companies in the European Union (EU) hit by the coronavirus will be able to ask for a government loan of up to 5% of their 2019 turnover under a measure proposed by the European Commission, a person familiar with the matter said on Sunday. Several EU countries had asked for such a measure, other sources with direct knowledge of the matter told Reuters on Saturday, declining to provide details. The size of the loan could also be up to 40% of the beneficiary's annual wage bill, the person said. Such loans will be considered as subordinated debt, ranked below senior debt holders in the event of a liquidation. Due to that high risk, there will be strict conditions tied to such loans. The cap on turnover or the annual wage bill could still change, as EU competition regulators are seeking feedback from EU countries on the proposal. The EU executive has in recent weeks relaxed its state aid rules and approved trillions of euros via guaranteed loans, grants, subsidized interest rates and short-term export credit insurance offered to virus-hit companies across the bloc. (Reuters)
- **Japan's March jobless rate rises to one-year high as coronavirus hits economy –** Japan's March jobless rate rose to its highest in a year, while job availability slipped to a more than three-year low, official data showed on Tuesday, as the coronavirus outbreak and containment measures caused the nation's job market to ease. While Japan's comparatively low jobless rate is the envy of many nations, rises in the politically sensitive figure could lead to calls for Prime Minister Shinzo Abe's government to do more to stimulate the economy. The

seasonally adjusted unemployment rate rose to 2.5%, its highest level since March last year, internal affairs ministry data showed, and matching economists' 2.5% median forecast. The unemployment rate stood at 2.2% in December, the lowest since 1992. The jobs-to-applicants ratio fell to 1.39 in March, the lowest since September 2016 and below the median forecast of 1.40, health ministry figures showed. "The employment situation is expected to worsen further in April, so I think it's still the start of a deterioration," said Atsushi Takeda, chief economist at Itochu Research Institute. "There is no doubt that the number of unemployed people is rising," he said. "I think there will be a sharp reduction in job offers in April." While conditions in Japan's labor market aren't as severe as in the United States, unemployment in the country could rise to 4% in the months ahead, Takeda said. "A temporary increase (in unemployment) can't be avoided, I think," he said. The steep drop-off in the jobs-to-applicants ratio also reflected a change in the survey method from January, a health ministry official told Reuters. The ratio had stayed at an over 40-year high of 1.63 from late 2018 through to early last year. (Reuters)

- **Bank of Japan expands stimulus as pandemic pain worsens –** The Bank of Japan (BOJ)expanded monetary stimulus on Monday and pledged to buy an unlimited amount of bonds to keep borrowing costs low, as the government tries to spend its way out of the growing economic pain from the coronavirus pandemic. The step, which follows monetary easing only a month ago, puts the BOJ in line with other major central banks that have unleashed unprecedented amounts of monetary support as the health crisis stokes fears of a deep global recession. BOJ Governor Haruhiko Kuroda said the central bank was ready to act further to fight the impact of the novel coronavirus, which he said could do more harm to the global economy than the 2008 collapse of Lehman Brothers. "The current crisis could have a bigger negative impact than the Lehman shock. The government and the central bank obviously need to work together, particularly at a time like this," Kuroda told a news conference. The BOJ also sharply cut its economic forecast and projected inflation would fall well short of its 2% target for three more years, suggesting its near-term focus will be to battle the crisis. To ease corporate funding strains, the BOJ said, it will boost three-fold the maximum amount of corporate bonds and commercial paper it buys to 20tn Yen ($186bn). The central bank also clarified its commitment to buy unlimited amounts of government bonds by scrapping a loose guidance to buy them at an annual pace of 80tn Yen. (Reuters)
- **China asks banks to halt new sales of products that may lead to unlimited losses –** The Chinese regulator has asked commercial banks to halt new sales of a wide range of wealth management products that might lead to unlimited losses for investors, two sources told Reuters. At the weekend, China Banking and Insurance Regulatory Commission (CBIRC) gave verbal instructions to banks to halt new sales of products that could trigger open-ended losses for investors, and requested reports on the outstanding size of related products, according to two direct sources who are familiar with the matter. CBIRC's move came nearly a week after heavy losses were recorded in a crude oil futures trading product sold by the country's fourth-largest lender, Bank of China (BoC). The CBIRC didn't immediately respond to Reuters' request for comment after working hours on Monday. BoC had no comment. Last week BoC said it had settled trades for its crude oil futures trading product at a historic negative value of minus $37.63 per barrel, leaving mainly retail investors crying foul as they said the bank should have done more to protect their interests. Some banks including BoC have been asked to conduct their own investigations into possible loopholes in their risk management since last week, a third source said. Retail investors who shoulder the loss may have lost more than 9bn Yuan ($1.3bn) from BoC's crude oil product, financial news outlet Caixin reported on Sunday citing unnamed sources. Industrial and Commercial Bank of China (ICBC) said on Monday that it will suspend all open positions for retail investor products linked to commodities futures, including crude oil, natural gas, copper and soybeans, from Tuesday. It warned investors on Monday of a possible loss of all investments or cash deposits in these products due to commodities market volatility. (Reuters)
- **RBI chief says 'very challenging' to meet FY21 fiscal deficit target –** Meeting India's fiscal deficit target in the current financial year is going to be challenging and the central bank has not yet made a decision on its monetization, the Reserve Bank of India (RBI) Governor Shaktikanta Das said. India has spent more than a month in a nationwide lockdown, with its industries shut, to stem the coronavirus pandemic that has caused 26,496 infections and 824 deaths, among 2.97 million cases worldwide. "Fiscal measures are important and the government is working on a package of measures," Das told news agency Cogencis in an interview published on Monday. Das said he expected the government to take a judicious and balanced call on the question of the fiscal deficit, while tackling the challenges arising from the pandemic. "Meeting the fiscal deficit target of 3.5% this year (2020-21) is going to be very challenging, and going beyond it becomes unavoidable," he said, adding that direct tax collections may also be hit. Das did not reply specifically to a question whether the RBI would monetize part of the fiscal deficit through private placement of bonds or issuance of any specific pandemic bonds. (Reuters)

Regional

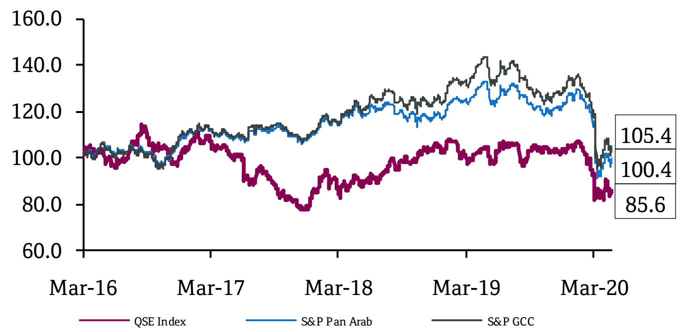
- **IMF calls for Middle East sovereign wealth funds to boost local economies –** Sovereign wealth funds in the Middle East should be used to boost growth, an International Monetary Fund (IMF) official said, as regional economies struggle with the coronavirus pandemic and the crippling impact of lower oil prices. Oil exporters in the Middle East and North Africa (MENA) region are expected to see a yearly decline in oil export receipts this year of $226bn, according to the IMF. This is likely to weigh on their budgets, widening fiscal deficits and potentially limiting governments' firepower to boost economic growth. For Gulf oil exporters this is problematic as government spending has been a key engine of economic transformation plans launched over the past few years to diversify their economies away from oil revenues. Director of the IMF's Middle East and Central Asia Department, Jihad Azour said oil exporters needed to find new areas of growth amid the current downturn caused by plunging oil prices and the new coronavirus outbreak. "Sovereign wealth funds can play a role, regional institutions can play a role," he said during an online conference. Oil prices have slumped this year as lockdowns across the world aimed at containing the pandemic have hammered demand. The sovereign wealth funds of oil-rich governments such as Abu Dhabi, Kuwait, Saudi Arabia, and Qatar are among the world's largest, but they could see their assets decline by $296bn by the end of this year, the Institute of International Finance has estimated. MENA oil exporters are likely to see a 4.2% real GDP contraction this year, Azour said, down from a previous projection of 2.1% growth. He called for an acceleration of reforms aimed at diversifying the regional economies. "There are a certain numbers of taboos that lived with us for some time, that oil exporting economies for example have to be pro-cyclical, this is something that we could break or that instruments cannot be redirected, that sovereign wealth funds cannot be redirected to help the economy grow," he said. Twelve countries in the region - Bahrain, Iran, Morocco, Saudi Arabia, the UAE, Egypt, Tunisia, Kuwait, Libya, Mauritania, Sudan, and Iraq - have provided $64bn in combined fiscal support in response to the pandemic, corresponding to an average of 2.7% of GDP, the IMF said. Central banks in Bahrain, Qatar, the UAE, Morocco, Jordan, Saudi Arabia, and Tunisia, have provided $47bn in combined additional liquidity support. (Reuters)

- **Japan's MUFG expects deep recession across GCC countries –** Japan's Mitsubishi UFJ Financial Group Inc (MUFG) expects countries in the six-nation GCC to be in deep recession this year with overall real GDP contracting 3.7% from a previous growth forecast of 2.9%. The bank said in a research note on Monday the new forecast took into account oil output cuts, the impact of the new coronavirus on the non-oil economies of the region, and the stimulus provided by GCC governments. MUFG estimates the drop in oil prices costs the six nations - Saudi Arabia, the UAE, Kuwait, Qatar, Bahrain and Oman - some $72bn in overall lost oil export receipts for each $10 a barrel drop, and said it expects overall GCC financing requirements of $208bn this year assuming an average Brent price of $43 per barrel. "The GCC region continues to grapple with two ultra-bearish shocks – demand-side destruction caused by COVID-19 and supply-side challenges caused by the oil price collapse," it said. "The GCC region has faced setbacks and shocks over many decades, but seldom has the near-term outlook soured so profoundly." (Reuters)
- **Saudi Arabia makes first wheat purchase from overseas farmland investment –** Saudi Arabia's state grain buyer SAGO said on Monday it bought 60,000 tons of Ukraine wheat from investment firm SALIC, marking its first purchase from agricultural investments overseas aimed at enhancing the country's food security. Gulf states, dependent on imports for around 80% to 90% of their food, have poured cash into buying tens of thousands of hectares of cheap farmland and other agricultural assets elsewhere to shore up their food security for over a decade. Saudi Arabia, the world's top oil exporter, has long encouraged its private sector to invest in agricultural land abroad, without tangible results in terms of imports for SAGO — until Monday's purchase. SALIC, the Saudi Agricultural and Livestock Investment Co and an arm of the desert Kingdom's sovereign wealth fund, was formed in 2011 to secure food supplies for the desert Kingdom through mass production and investments. The Ukraine wheat cargo was bought at $248 a ton, after the Kingdom asked Saudi private investors with farmland overseas on April 6 to supply it with around 10% of its local needs this year. The state grain buyer estimates it will need 355,000 tons from the private sector. The Saudi call comes as regional food importers scramble to beef up reserves as coronavirus lockdowns up-ended supply chains. "The 60,000 tons were purchased from SALIC," a SAGO official told Reuters. The Ukraine wheat that was sourced is of 11% to 12% protein content and is for arrival in September. (Reuters)
- **Saudi Arabia's PIF discloses 5.7% stake in Live Nation –** Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), disclosed a 5.7% passive stake in Live Nation Entertainment Inc. on Monday, sending the concert promoter's shares up 2% in early trading. The ownership of 12.34mn shares makes the investment fund the third-largest stakeholder in the company, according to Refinitiv data. PIF, which manages over $300bn in assets, disclosed an 8.2% stake in coronavirus-hit Carnival Corp earlier in April. Live Nation is an entertainment company that promotes events including ticketing, sponsorship and advertising services. The company, whose shares are down 44% so far this year, warned of a hit to its business earlier in April as a result of postponement or cancellation of shows due to the coronavirus pandemic. Liberty Media Corp is the largest shareholder in Live Nation, with a 25.05% stake, followed by Vanguard, which has a 7.09% stake according to Refinitiv data. (Reuters)
- **Saudi-based APICORP hires Citi, Goldman, StanChart for dollar bonds –** The Arab Petroleum Investments Corporation (APICORP), a Saudi-headquartered multilateral development bank, has hired banks to arrange investor meetings ahead of a potential dollar bond issue, sources said. APICORP has hired Citi, Goldman Sachs and Standard Chartered for the potential issue, which would have a maturity of three or five years and could be launched in the second quarter of this year, subject to market conditions. (Zawya)
- **Saudi's Riyad Bank plans early redemption of SR4bn Sukuk –** Riyad Bank intends an early redemption of its SR4bn Sukuk due in 2025, the Saudi lender said in a statement on Tadawul. The Sukuk redemption will be in full, at face value, at the end of year five (on June 24, 2020). The Sukuk was issued on June 24, 2015 for an aggregate value of SR4bn with an original maturity of ten years, due on June 24, 2025. The bank has obtained regulatory approval for the Sukuk redemption, the statement showed. The redemption amount together with any periodic distribution amount will be transferred by the bank to the Sukuk holders' accounts on June 24, 2020 based on their respective Sukuk holdings as of June 15, 2020 (start of the Sukuk trading suspension period). (Zawya)
- **Saudi government-related funds sell most in shares since August –** Government-related entities in Saudi Arabia were net sellers of about SR857mn of shares in the local exchange for the five days ending April 23, the week when oil price plummeted. That is the most for a week since the country was fully included in the main emerging-market index compiled by MSCI in August, which triggered a surge in buying by foreign funds while locals cashed in. Saudi retail investors and local high-net-worth individuals were net buyers of ~SR524mn and ~SR66mn respectively last week, while qualified foreign institutional

investors bought ~SR58mn, data disclosed by the exchange showed. (Bloomberg)

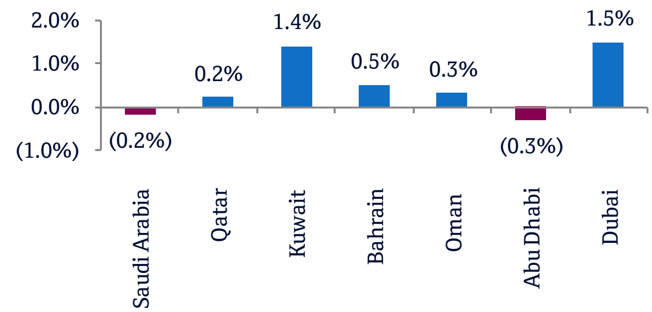
- **Dubai to avoid glare of public markets and raise bonds privately –** Dubai is in talks to raise billions of dollars of debt privately instead of following Gulf neighbors by tapping public markets, as the Emirate looks to bolster its finances and mitigate the economic fallout of the coronavirus pandemic. The Middle East's main business hub is discussing loans and private placements with around a dozen international and domestic banks, according to sources. The Emirate is seeking loans of AED1bn to AED2bn from each lender and asking them to find fixed-income investors to buy private placements, sources said. Dubai would probably repay the debt with a public bond in the next five years, they said. (Bloomberg)
- **ADNOC, ADPower seek developers for offshore electricity network –** Abu Dhabi National Oil Co. (ADNOC) and Abu Dhabi Power Corp. invite companies to submit proposals to jointly finance, build and operate sub-sea electricity lines connecting ADNOC's offshore oil and gas production facilities to onshore power grid, they said. The system will comprise two transmission lines and converter stations. Commercial operations will start in 2025 and 3,200 MW onshore generating capacity will be available via link, which is to replace offshore gas-fired turbines. The project will offer ADNOC potential to use that gas more profitably than it currently does by burning it for power. The project will be funded through special purpose vehicle to be owned 30% each by ADNOC and ADPower and 40% by developers and investors. (Bloomberg)
- **FAB's net profit falls 22.5% YoY to AED2,408.3mn in 1Q2020 –** First Abu Dhabi Bank (FAB) recorded net profit of AED2,408.3mn in 1Q2020, registering decrease of 22.5% YoY. Net interest income fell 1.7% YoY to AED3,060.8mn in 1Q2020. Operating income fell 7.6% YoY to AED4,566.1mn in 1Q2020. Total assets stood at AED835.4bn at the end of March 31, 2020 as compared to AED822.0bn at the end of March 31, 2019. Loans and advances stood at AED381.8bn (-6.4% YoY), while customer accounts and other deposits stood at AED497.1bn (-4.2% YoY) at the end of March 31, 2020. Diluted EPS came in at AED0.20 in 1Q2020 as compared to AED0.27 in 1Q2019. Net impairment charges leapt 44.8% to AED738mn, which it said reflected "prudent provisioning due to a challenging operating environment". (ADX, Reuters)
- **Oman to adjust oil output effective May 1, OPEC says –** Oman notifies OPEC of its plan to voluntarily adjust oil production as of May 1, according to a statement posted on OPEC's website. The adjustment is based on OPEC+ agreements. (Bloomberg)
- **Oman sells OMR24mn 182-day bills at yield 0.846% –** Oman sold OMR24mn of 182-day bills due on October 28, 2020. The bills were sold at a price of 99.5, having a yield of 0.846% and will settle on April 29, 2020. (Bloomberg)
- **Bahrain's March consumer prices fall 1.8% YoY and 1.1% MoM –** Information & eGovernment Authority in Manama published Bahrain's March consumer price which showed that consumer prices fell 1.8% YoY and 1.1% MoM. Food and non-alcoholic beverages price index rose 4.27% YoY in March compared to a rise of 2.1% in the previous month. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills at yield 2.32% –** Bahrain sold BHD70mn of 91-day bills due on July 29, 2020. The bills were sold at a price of 99.417, having a yield of 2.32% and will settle on April 29, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,713.99	(0.9)	(0.9)	13.0
Silver/Ounce	15.21	(0.3)	(0.3)	(14.8)
Crude Oil (Brent)/Barrel (FM Future)	19.99	(6.8)	(6.8)	(69.7)
Crude Oil (WTI)/Barrel (FM Future)	12.78	(24.6)	(24.6)	(79.1)
Natural Gas (Henry Hub)/MMBtu	1.68	(7.2)	(7.2)	(19.6)
LPG Propane (Arab Gulf)/Ton	32.75	(3.7)	(3.7)	(20.6)
LPG Butane (Arab Gulf)/Ton	31.00	(3.1)	(3.1)	(52.7)
Euro	1.08	0.1	0.1	(3.4)
Yen	107.25	(0.2)	(0.2)	(1.3)
GBP	1.24	0.5	0.5	(6.2)
CHF	1.03	(0.3)	(0.3)	(0.8)
AUD	0.65	1.5	1.5	(7.9)
USD Index	100.04	(0.3)	(0.3)	3.8
RUB	74.48	(0.1)	(0.1)	20.1
BRL	0.18	(1.0)	(1.0)	(28.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,022.50	1.8	1.8	(14.2)
DJ Industrial	24,133.78	1.5	1.5	(15.4)
S&P 500	2,878.48	1.5	1.5	(10.9)
NASDAQ 100	8,730.16	1.1	1.1	(2.7)
STOXX 600	335.44	2.1	2.1	(22.3)
DAX	10,659.99	3.4	3.4	(22.3)
FTSE 100	5,846.79	2.2	2.2	(27.5)
CAC 40	4,505.26	2.9	2.9	(27.4)
Nikkei	19,783.22	2.9	2.9	(15.1)
MSCI EM	895.33	1.8	1.8	(19.7)
SHANGHAI SE Composite	2,815.50	0.2	0.2	(9.3)
HANG SENG	24,280.14	1.9	1.9	(13.4)
BSE SENSEX	31,743.08	1.6	1.6	(28.1)
Bovespa	78,238.60	4.8	4.8	(52.2)
RTS	1,083.68	0.2	0.2	(30.0)

Source: Bloomberg (*$ adjusted returns)

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