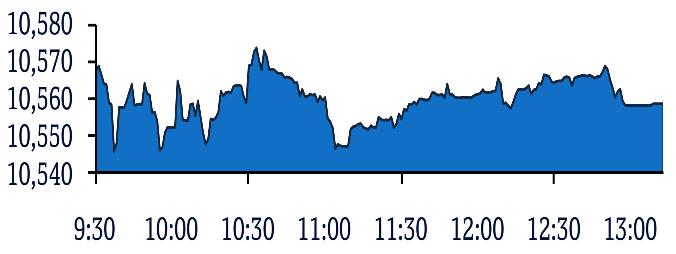
Daily Market Report

Tuesday, 29 December 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined marginally to close at 10,559.4. Losses were led by the Real Estate and Telecoms indices, falling 0.5% and 0.3%, respectively. Top losers were United Development Company and Qatar International Islamic Bank, falling 0.8% each. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 10.0%, while Qatar Industrial Manufacturing Company was up 3.2%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 8,715.4. Losses were led by the Telecom. Services and Pharma, Biotech & Life Science indices, falling 0.8% each. Saudi Arabian Amiantit Co. declined 3.3%, while Sabb Takaful was down 2.7%.

Dubai: The DFM Index fell marginally to close at 2,514.6. The Consumer Staples and Discretionary index declined 3.5%, while the Transportation index fell 1.0%. Dar Al Takaful declined 4.2%, while DXB Entertainments was down 4.0%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 5,106.3. The Energy index rose 0.8%, while the Real Estate index gained 0.3%. Zee stores rose 10.5%, while Union Insurance Company was up 8.3%.

Kuwait: The Kuwait All Share Index gained marginally to close at 5,555.3. The Insurance index rose 1.4%, while the Oil & Gas index gained 0.3%. Kuwait Hotels rose 12.5%, while Metal & Recycling Company was up 9.5%.

Oman: The MSM 30 Index gained 0.3% to close at 3,624.5. Gains were led by the Financial and Serv. indices, rising 0.3% and 0.2%, respectively. Gulf Investments Services rose 5.8%, while Al Sharqiya Investment Holding Company was up 4.5%.

Bahrain: The BHB Index fell 0.3% to close at 1,490.2. The Commercial Banks index declined 0.5%, while the Services index fell 0.1%. Ithmaar Holding declined 1.4%, while Ahli United Bank was down 1.2%.

Market Indicators	28 Dec 20	27 Dec 20	%Chg.
Value Traded (QR mn)	308.3	214.2	43.9
Exch. Market Cap. (QR mn)	609,167.6	608,390.3	0.1
Volume (mn)	179.6	103.9	72.8
Number of Transactions	5,319	4,434	20.0
Companies Traded	44	44	0.0
Market Breadth	23:20	25:17	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,300.02	(0.0)	0.2	5.8	18.0
All Share Index	3,234.48	0.1	0.2	4.4	18.7
Banks	4,292.76	0.0	0.1	1.7	15.2
Industrials	3,140.46	0.1	0.2	7.1	28.0
Transportation	3,306.89	0.3	0.5	29.4	15.1
Real Estate	1,942.32	(0.5)	(0.8)	24.1	17.1
Insurance	2,434.96	1.6	1.9	(11.0)	N.A.
Telecoms	1,046.14	(0.3)	1.8	16.9	15.6
Consumer	8,169.27	(0.2)	0.0	(5.5)	29.0
Al Rayan Islamic Index	4,303.13	(0.2)	(0.0)	8.9	19.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mouwasat Medical Serv.	Saudi Arabia	133.6	2.9	65.2	51.8
Bupa Arabia for Coop. Ins.	Saudi Arabia	118.0	1.7	117.3	15.2
GFH Financial Group	Dubai	0.62	1.6	32,283.2	(26.2)
Emaar Economic City	Saudi Arabia	9.38	1.4	13,489.3	(1.8)
Arabian Centres Co Ltd	Saudi Arabia	24.80	1.3	810.8	(14.9)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	29.55	(1.5)	1,407.0	8.8
Saudi Industrial Inv.	Saudi Arabia	27.50	(1.4)	397.1	14.6
Savola Group	Saudi Arabia	42.95	(1.4)	511.9	25.0
Yanbu National Petro. Co.	Saudi Arabia	66.40	(1.3)	162.0	18.8
Ahli United Bank	Bahrain	0.77	(1.2)	893.4	(19.8)

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%
Qatar General Ins. & Reins. Co.	2.64	10.0	192.9	7.2
Qatar Industrial Manufacturing Co	3.21	3.2	44.2	(10.1)
Mannai Corporation	3.07	2.1	420.5	(0.3)
Salam International Inv. Ltd.	0.66	2.0	54,916.7	27.9
Widam Food Company	6.25	1.6	352.4	(7.5)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.66	2.0	54,916.7	27.9
Investment Holding Group	0.61	0.5	32,978.1	7.6
Al Khalij Commercial Bank	1.84	0.8	17,082.5	40.5
The Commercial Bank	4.40	0.9	13,740.6	(6.4)
Qatar Aluminium Manufacturing	0.97	0.4	7,984.8	24.7

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
United Development Company	1.67	(0.8)	2,104.1	10.1
Qatar International Islamic Bank	9.15	(0.8)	160.1	(5.5)
Qatar Electricity & Water Co.	18.15	(0.8)	38.6	12.8
Barwa Real Estate Company	3.41	(0.7)	940.2	(3.6)
Zad Holding Company	14.99	(0.7)	7.1	8.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
The Commercial Bank	4.40	0.9	60,458.5	(6.4)
Salam International Inv. Ltd.	0.66	2.0	36,501.2	27.9
Al Khalij Commercial Bank	1.84	0.8	31,576.1	40.5
Investment Holding Group	0.61	0.5	20,035.1	7.6
QNB Group	18.09	0.1	16,515.8	(12.1)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,559.36	(0.0)	0.2	2.9	1.3	83.78	165,328.1	18.0	1.5	3.7
Dubai	2,514.60	(0.0)	(0.5)	3.9	(9.1)	29.76	93,280.5	12.1	0.9	3.9
Abu Dhabi	5,106.31	0.2	(0.4)	2.8	0.6	96.20	199,656.7	21.2	1.4	4.8
Saudi Arabia	8,715.38	(0.3)	0.1	(0.4)	3.9	2,262.89	2,431,815.3	35.0	2.1	2.3
Kuwait	5,555.26	0.0	(0.3)	1.8	(11.6)	57.21	103,511.4	35.3	1.4	3.5
Oman	3,624.54	0.3	0.7	(0.5)	(9.0)	2.73	16,315.6	10.9	0.7	7.0
Bahrain	1,490.16	(0.3)	(0.2)	0.9	(7.5)	3.68	22,794.3	14.5	1.0	4.5

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

Qatar Market Commentary

- The QE Index declined marginally to close at 10,559.4. The Real Estate and Telecoms indices led the losses. The index fell on the back of selling pressure from Qatari shareholders despite buying support from GCC, Arab and Foreigners shareholders.
- United Development Company and Qatar International Islamic Bank were the top losers, falling 0.8% each. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 10.0%, while Qatar Industrial Manufacturing Company was up 3.2%.
- Volume of shares traded on Monday rose by 72.8% to 179.6mn from 103.9mn on Sunday. However, as compared to the 30-day moving average of 220.7mn, volume for the day was 18.6% lower. Salam International Investment Limited and Investment Holding Group were the most active stocks, contributing 30.6% and 18.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	38.53%	39.64%	(3,425,284.9)
Qatari Institutions	22.90%	38.14%	(47,006,583.7)
Qatari	**61.42%**	**77.78%**	**(50,431,868.6)**
GCC Individuals	1.29%	1.47%	(560,808.3)
GCC Institutions	5.21%	2.41%	8,635,435.3
GCC	**6.50%**	**3.88%**	**8,074,627.0**
Arab Individuals	11.63%	10.30%	4,105,477.3
Arab Institutions	1.35%	–	4,163,718.6
Arab	**12.98%**	**10.30%**	**8,269,195.9**
Foreigners Individuals	2.56%	2.21%	1,077,112.2
Foreigners Institutions	16.54%	5.83%	33,010,933.5
Foreigners	**19.10%**	**8.04%**	**34,088,045.7**

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
12/28	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Nov	0.00%	1.10%	4.00%
12/28	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Nov	-3.40%	-2.30%	-3.00%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Jan-21	14	Due

Source: QSE

News

Qatar

- **Qatar's Ooredoo, Hutchison in talks to merge Indonesian telco units –** Qatar's telecoms company Ooredoo and Hong Kong conglomerate CK Hutchison Holdings are exploring a deal to merge their Indonesian units, the two companies said. A deal between Indosat and PT Hutchison 3 Indonesia would help them to better compete against state-backed Telkomsel which controls around half of the cellular market in the world's fourth most populous country. Ooredoo, which owns a 65% stake in Indosat, said in a statement the two companies have signed a non-legally binding memorandum of understanding which is valid until April 30, 2021. "Ooredoo is in the early stages of assessing the merits of such a potential transaction," it said. "As part of our corporate strategy, we regularly review our strategic priorities and market position across all of our operations, and their contribution to the Ooredoo Group," added Ooredoo, which operates across the Middle East, North Africa and Southeast Asia. (Reuters)
- **Fitch affirms CBQK rating at 'A' with 'Stable' outlook –** Fitch Ratings (Fitch) has, once again, affirmed The Commercial Bank's (CBQK) unchanged long-term issuer default rating at "A" with a 'Stable' outlook. The rating is driven by an extremely high probability of support from the Qatari authorities, and reflects Qatar's strong ability to support domestic banks, Fitch said. CBQK's strong commercial banking franchise is underpinned by established public and private corporate relationships. According to Fitch, CBQK has succeeded in executing its turnaround strategy that began in 2016 by strengthening its core capitalization, reducing its concentration in real estate and contracting and increasing government and public sector exposure, improving operational efficiency, and strengthening risk controls and oversight of international operations. CBQK's CEO Group, Joseph Abraham said, "Given the challenges imposed by Covid-19, the affirmation of Commercial Bank's stable outlook is a very positive outcome. It is mainly due to the prudent economic management by the government of Qatar as well as our financial strength and commitment to our strategy established in 2016." With Fitch's rating in place, CBQK currently enjoys strong credit ratings from all the major agencies. The bank's long-term outlook is rated A3 by Moody's, and BBB+ by Standard & Poor's. All ratings come with a 'Stable' outlook. (Gulf-Times.com)
- **SIIS opens nominations for its board membership –** Salam International Investment Limited (SIIS) announced the

opening of nominees for the board memberships for the period 2021 to 2023. Applications will be accepted starting from January 03, 2021 till 05:00 pm of February 03, 2021. (QSE)

- **QLM set to complete listing procedures in early January –** Having successfully completed the initial public offering (IPO), QLM Medical and Life Insurance Company is all set to complete the listing procedures in early January 2021, according to the top official of the Qatar Stock Exchange (QSE). "The IPO of QLM has been successfully completed and we look forward to completing the rest of the listing procedures by the company in early January 2021," QSE Chief Executive Rashid bin Ali Al-Mansoori tweeted. QLM's conversion into a public shareholding company is expected to be completed by tomorrow and the first constituent general assembly has been scheduled for tomorrow (December 30, 2020). QLM, a subsidiary of Qatar Insurance Group (QATI), had early this month tapped the market with a 60% IPO at QR3.15 a piece to raise as much as QR659.4mn. (Gulf-Times.com)
- **QP to sell kerosene at international rates –** Qatar Petroleum (QP) said the kerosene sales to retail consumers at distribution stations and to bulk consumers will be based on international prices from January 1, 2021. The country's hydrocarbon bellwether also said it shall periodically set the price and no new bulk consumers will be accepted. The move is based on the earlier announcement of December 26, 2019. QP is responsible for setting the selling price of petroleum products in Qatar. (Gulf-Times.com)
- **GTA signs agreements with banks to facilitate tax payment –** The General Tax Authority (GTA) and QNB signed a financial services agreement. The GTA also signed three Memorandums of Understandings (MoU) with Masraf Al Rayyan, Dukhan Bank, and Al Ahli Bank. The MoUs were on creating an electronic link between the banks and the GTA to encourage the payment of taxes and by using different e-payment methods. The agreement was signed by GTA assistant Head of tax affairs Ghanem bin Khalifa Al-Attiyah; Chief Operating Officer and Executive General Manager at QNB Financial Services Ali Rashid Al-Mohannadi; General Manager and head of wholesale banking at Masraf Al Rayan Mohamed Isamil Al-Emadi; CEO of Dukhan Bank Khalid Youssef Al-Subaei; and Deputy CEO of Al Ahli Bank Mohamed Al-Namla. Al-Attiyah said that the plan to link the authority with banks will gain momentum in the future, adding that the goal is to facilitate the process of paying taxes so that it can be done electronically. He added that the banks were selected based on how ready their infrastructure is to implement the process. He called on other banks to complete their infrastructure so that they can offer the same service in the future. (Gulf-Times.com)
- **Qatar trade surplus at QR9.1bn in November –** Qatar's foreign merchandise trade balance, which represents the difference between total exports and imports, showed a surplus of QR9.1bn in November, registering a rise of nearly QR2bn or 28.6% compared to October 2020. The trade surplus slipped by about QR3.4bn or 27.4% when compared to the corresponding month previous year (November 2019). The total value of exports of goods, including exports of goods of domestic origin and re-exports, in November 2020 reached QR16.6bn, showing a decrease of 25.1% compared to the same month in 2019. On monthly basis, Qatar's exports in November 2020 increased by 8.3% compared to October 2020, preliminary data released by the Planning and Statistics Authority (PSA) showed. On the other hand, the imports of goods in November 2020 amounted to around QR7.5bn, showing a decrease of 22.1% over November 2019. When compared on a MoM basis the imports decreased by 8.9%. The YoY decrease in total exports was mainly due to lower exports of Petroleum gases and other gaseous hydrocarbons (LNG, condensates, propane, butane, among others) reaching at about QR9.5bn in November 2020, a decrease of 32.2%, Petroleum oils & oils from bituminous minerals (crude) reaching QR2.5bn, decreased by 41%, and increase in the Petroleum oils & oils from bituminous minerals (not crude) reaching QR1.4bn, increased by 29.6%. In November 2020, Japan was at the top of the countries of destination of Qatar's exports with close to QR3.0bn, a share of 18% of total exports, followed by China with almost QR2.7bn and a share of 16.5%, and South Korea with about QR2.3bn, a share of 13.9%. (Peninsula Qatar)
- **GECF launches first-ever Annual Short-Term Gas Market Report –** Gas Exporting Countries Forum (GECF) has launched the first edition of the GECF Annual Short-Term Gas Market Report 2020, which aims to become a reference for short-term views and analysis of the global gas and LNG markets, alongside the GECF Global Gas Outlook, which provides the longer-term view on the gas market. The publication of this report coincides with the still unfolding situation around COVID-19, an invisible virus that led to a significant slowdown in global activities with no distinction between economies and races. The pandemic is expected to leave its mark on 2020 and 2021 before allowing the expected recovery to pre-COVID-19 levels. In this context, we have chosen the title of this year's edition: "Gas Market Response to Turbulence: Resilience, Reliability & Lessons Learnt." Throughout the report, the GECF shares its independent assessment on the gas market with the main outcomes of the years 2019 and 2020, as well as the short-term prospects for the full year 2020 and 2021. The publication sheds light on different aspects of the gas market, firstly with an overview of the main risks and challenges that the gas industry is facing today, with an analysis of the influencing factors and the critical areas for the gas industry as a whole, and for GECF Member Countries in particular. Secondly, the report provides a comprehensive analysis of the developments in the gas and LNG industry over the past two years, with a special focus on 2020 and the impact of COVID-19 on the industry. (Peninsula Qatar)
- **Qatar Airways, Oman Air sign pact to expand code-sharing –** Qatar Airways continues to grow its portfolio of strong, globally strategic partnerships by signing an expanded code-share pact with Oman Air that will boost connectivity and provide more flexible travel options for both the airline's customers. The expanded code-share agreement is the first step in further strengthening the strategic co-operation between the two airlines that first began in 2000, it was announced Monday. Sales of the additional destinations will start in 2021. The code-share expansion will "significantly" increase the number of destinations available to Oman Air passengers from three to 65 (subject to regulatory approval) on the Qatar Airways' network across Africa, the Americas, Asia Pacific, Europe, India, and the

Middle East. Qatar Airways passengers will also benefit from additional connectivity, with the ability to book travel on an additional six destinations across Africa and Asia in Oman Air's network. Both airlines will also explore a number of joint commercial and operational initiatives to further optimize their partnership. (Gulf-Times.com)

International

- **Trump administration bolsters order barring US investment in Chinese firms –** The Trump administration on Monday strengthened an executive order barring US investors from buying securities of alleged Chinese military-controlled companies, following disagreement among US agencies about how tough to make the directive. The Treasury Department published guidance clarifying that the executive order, released in November, would apply to investors in exchange-traded funds and index funds as well as subsidiaries of Chinese companies designated as owned or controlled by the Chinese military. The "frequently asked questions" release, posted on the Treasury website on Monday, came after Reuters and other news outlets reported that a debate was raging within the Trump administration over the guidance. The State Department and the Department of Defense had pushed back against a bid by Treasury Department to water down the executive order, a source said. Secretary of State Mike Pompeo said that the announcement "ensures US capital does not contribute to the development and modernization of the People's Republic of China's (PRC) military, intelligence, and security services." "This should allay concerns that US investors might unknowingly support (Chinese military-controlled companies) via direct, indirect, or other passive investments," he added. (Reuters)
- **UK PM Johnson says trade deal is new starting point for EU relationship –** Prime Minister Boris Johnson welcomed Britain's trade deal with the European Union as a new starting point for relations with the bloc in a call with the President of the European Council Charles Michel on Monday. "Just spoken with @eucopresident Charles Michel. I welcomed the importance of the UK/EU Agreement as a new starting point for our relationship, between sovereign equals," Johnson said on Twitter. "We looked forward to the formal ratification of the agreement and to working together on shared priorities, such as tackling climate change." (Reuters)
- **Erdogan: Turkey, UK to sign free trade deal this week –** Turkish President Tayyip Erdogan said on Monday a free trade deal with London would be signed on Tuesday and completed after Thursday, when Britain formally leaves the European Union. The UK trade ministry said on Sunday the two nations will sign a deal that replicates the existing trading terms. The trading relationship was worth 18.6bn Pounds ($25.25bn) in 2019. (Reuters)
- **EU ambassadors approve provisional application of Brexit trade deal –** Ambassadors of European Union governments in Brussels approved on Monday the provisional application from Jan 1, 2021 of the EU-Britain trade deal struck last week. "EU Ambassadors have unanimously approved the provisional application of the EU-UK Trade and Cooperation Agreement as of January 1, 2021," the spokesman for the German EU Presidency Sebastian Fischer said on Twitter. The deal, which ended nine months of negotiations, will now be approved by all 27 EU governments in writing by 1400 GMT on Tuesday, Fischer said. (Reuters)
- **EU-China investment deal likely this week –** China and the European Union are likely to clinch a deal this week that would give EU firms better access to the Chinese market, improve competition conditions and protect EU investment in China, European officials said. Talks on the investment deal began in 2014, but were stuck for years as the EU said China was failing to make good on promises to lift curbs on EU investment despite a pledge to open up the world's second largest economy. But tensions in trade relations between the US and China may have helped change the Chinese position and bring about a deal between Beijing and Brussels, officials said. Other officials close to the talks said that under the deal China would open up its manufacturing sector to EU companies, as well as construction, advertising, air transport, maritime services, telecoms and, to some extent, cloud computing. Talks on investment protection, however, are likely to continue next year and be concluded later, according to an agreed timeline. If there is political agreement on the deal on Wednesday, its transposition into legal texts could take several months. Together with the ratification process, that could mean it will be about year before it is implemented, officials said. (Reuters)
- **France backs Brexit deal but vigilant on implementation –** France backs the draft Brexit trade deal agreed last week between the European Union and Britain but will be vigilant from day one over its proper implementation, President Emmanuel Macron's office said. Britain clinched a narrow deal with the EU on Thursday following months of tortuous negotiations and just seven days before it exits one of the world's biggest trading blocs in its most significant global shift since the loss of empire. (Reuters)
- **Italy business lobbies urge EU to ease credit default rules –** Italy's main banking and industry associations have urged European Union (EU) authorities to temporarily ease EU bank rules on loan defaults and credit provisioning to help businesses cope with the impact of the COVID-19 pandemic. In a letter to the head of the European Commission, Ursula von der Leyen and other senior officials, the groups called for less stringent definitions to be applied to credit defaults to stop temporary liquidity problems forcing firms into bankruptcy. In particular, they said definitions of default, combining a 90 days late payment date criterion with new rules on past due exposures and distressed restructuring could see "a huge number" of borrowers classified as in default. "This would severely affect their access to credit, thus hampering their recovery perspectives," said the letter, sent by banking industry lobby group ABI, the main industry association Confindustria and 14 smaller business groups. The letter echoes concerns previously raised by Italian banks over a stricter definition of default kicking in from January, as well as on so-called calendar provisioning rules, which force banks to write down impaired loans in full over a set number of years. Italy, which has suffered the highest number of COVID-19 deaths in Europe, is also facing a major economic shock with GDP set to drop 9% this year, according to government forecasts, putting the future of thousands of companies at risk. (Reuters)

- **RBI officials back 4% inflation target ahead of review –** India should maintain its medium-term inflation target at 4% when it carries out a five-year review of the goal in March, two senior central bank officials recommended in a paper released on the bank's website on Monday. Retail inflation has stayed around 7% over the last three months, as the government pumped money into the system to revive Asia's third biggest economy from the impact of the coronavirus crisis. High food prices have also contributed to the rise, limiting the space for the Reserve Bank of India (RBI) to further ease its monetary policy. RBI researcher Harendra Kumar Behera and Deputy Governor Michael Patra said the country's trend inflation - the long-term rate looking beyond temporary economic factors - had steadily declined to 4.1%-4.3% since 2014 until the pandemic hit. "A target set below the trend imparts a deflationary bias to monetary policy because it will go into overkill relative to what the economy can intrinsically bear in order to achieve the target," they wrote in the paper seeking comments from the public. "Analogously, a target that is fixed above trend renders monetary policy too expansionary and prone to inflationary shocks and unanchored expectations." They said there was a case to stick to the inflation target of 4% because "if it ain't broke, don't fix it". Maintaining its key interest rates early this month, the RBI said that "inflation targeting is uppermost in our agenda". (Reuters)

Regional

- **SEC EGM approves treating SR3.4bn dividends owed to Saudi Aramco –** Saudi Electricity Company's (SEC) extraordinary general assembly (EGM) approved to treat the SR3.351bn worth of dividends owed by it to the Saudi Arabian Oil Company (Saudi Aramco) since SEC's inception until the end of 1439H as a debt in favour of the Ministry of Finance. The dividends stipulated in the settlement and the Mudarabah agreements that were signed between the company and the finance ministry will be included in the financial liabilities due to the government by SEC, according to a bourse disclosure on Monday. Moreover, the EGM agreed to form and allocate a consensual reserve to pay the dividends of the Mudarabah agreement and further authorised the board to transfer funds from the retained earnings to set up the reserve. (Bloomberg)
- **Al Khodari says 10 projects worth SR994mn withdrawn –** Abdullah Abdul Mohsen Al Khodari Sons Company (Al Khodari) on Monday said that 10 previously-awarded government projects in different stages of work have been withdrawn. The projects are valued at SR994.05mn and are affiliated to the Ministry of Education, the Ministry of Municipal and Rural Affairs, the Ministry of Environment, Water and Agriculture, and the Ministry of Health, Al Khodari said in a bourse disclosure. Al Khodari revealed that the projects were withdrawn during the tenure of the previous board of directors and executive management and that the action was not announced at the time. Initial losses from the projects' withdrawal are estimated at SR260mn, Al Khodari said, noting that it will take all necessary measures against those who did not disclose the withdrawal. (Bloomberg)
- **STC to invest up to $500mn in cloud services with partners –** Saudi Telecom Company (STC) will invest up to $500mn over five years in cloud services in partnership with eWTP Arabia Capital fund and Alibaba Cloud company, STC said in a tweet on Monday. (Reuters)
- **Chemanol submits request to CMA for capital cut, raise –** Methanol Chemicals Company (Chemanol) has submitted a request to the Capital Market Authority (CMA) to reduce its capital and then increase it by way of a rights issue. It further hired Wasatah Capital as the offering financial adviser, according to a bourse filing on Monday. Chemanol wants to cut its capital by SR531.49mn and then raise it via a rights issue by SR480mn. Further details will be provided in due course, the statement concluded. (Bloomberg)
- **Halwani Bros board proposes capital raise, FY20 dividends –** Halwani Bros. Company's board recommended raising the company's capital by 12.5% to SR353.57mn by issuing one share for every eight owned shares, subject to competent approvals. The step comes to support the company's capital in line with its business size and future ambitions, according to a stock exchange statement on Monday. In a separate filing, the board proposed distributing SR47.14mn or 15% of the share's par value in cash dividends to shareholders for fiscal year 2020. (Bloomberg)
- **GASCO to receive SR50.4mn in 4Q2020 dividends from unit –** National Gas and Industrialization Company (GASCO) said its subsidiary, the National Industrial Gases Company (GAS), agreed to distribute cash dividends for the fourth quarter of 2020. GASCO owns 9% of GAS' capital and hence, it will receive SR50.4mn in cash dividends, according to a bourse disclosure on Monday. The distributions' material effect will reflect positively on GASCO's financial results for fiscal year 2020. GASCO's total share of FY20 dividends amounted to SR63mn. (Bloomberg)
- **Saudi Arabia extends entry ban for one more week –** Saudi Arabia announced that it will extend ban on entry to the kingdom by air, land, and sea for another week, state-run Saudi Press Agency (SPA) reported. The step comes in an effort to ensure the safety of citizens and expatriates. However, exceptional cases and the movement of goods, commodities, and supply chains will be exempted from the ban. (Bloomberg)
- **Saudi trade exchange with Arab states hits SR150.4bn in ten months –** Saudi Arabia's trade exchange with Arab states declined in the first ten months of 2020 given the impact of the COVID-19 pandemic on trade movement. The Kingdom's merchandise trade exchange with Arab countries fell by 18.97% in the January-October period to reach SR150.44bn, compared with SR185.66bn in the year-ago period, according to data collected by Mubasher based on official figures. The UAE was the Kingdom's main Arab trading partner for merchandise trade during the ten-month period ended in October, accounting for 41.7% of total trade exchange value at SR62.75bn. Egypt took the second spot with SR23.45bn, followed by Bahrain with SR20.11bn. Moreover, Saudi Arabia achieved a trade surplus of SR41.31bn with Arab states in the January-October period, compared with a surplus of SR57.79bn in the prior-ago period. (Bloomberg)
- **SIDF approves SR17bn worth of loans in 2020 –** The Saudi Industrial Development Fund (SIDF) has approved loans worth more than SR17bn during 2020, an exceptional number in SIDF's history. In this regard, the CEO of the SIDF, Ibrahim

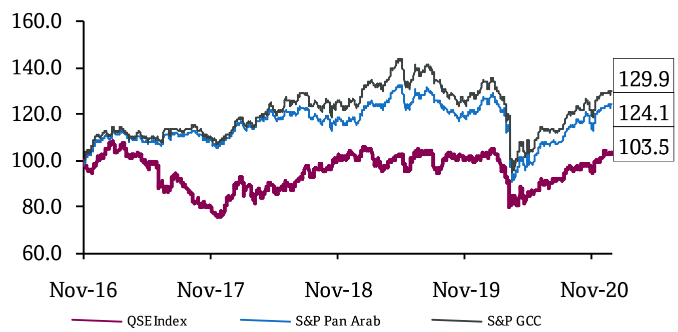
Almojel, said these exceptional results that were achieved during the year were supported by the rising performance of the industrial sector. The loans aim to provide further support to promising sectors so that they become a new pillar for the national economy, according to an official statement. The SIDF was founded to play a leading role in effectuating development policies and programs. It is the primary financial enabler for the industrial transformation in Saudi Arabia. The fund was set up to operate a vital role in promoting industrial investment opportunities, strengthening the local industry, and enhancing its performance, according to the fund's website. (Bloomberg)

- **SWCC says 7 consortia qualified to compete in Ras AlKhair plant privatization –** Head of Privatization at the Saline Water Conversion Corporation (SWCC), Ahmad Mohammad Al-Amro, said that seven regional and global companies and strategic consortia have been qualified to compete in the Ras AlKhair plant privatization. In an interview with Al Arabiya, Al-Amro emphasized the readiness of financing entities to collaborate with these consortia, highlighting that the competition will be offered within the upcoming days and that SWCC will receive bids in the second quarter of 2021. Moreover, he noted that SWCC is one of the most important governmental sectors in the water field and the world's largest desalinated water producer. Ras AlKhair plant was chosen as the first production group for privatization as part of SWCC's privatization works of production assets in an effort to diversify revenue sources and reduce dependency on oil. (Bloomberg)
- **PIF unit makes Saudi Arabia's largest ever private military industry deal –** Saudi Arabian Military Industries (SAMI) is buying a defence, energy, ICT, and security services company in the country's largest ever military industries deal. The purchase of the Advanced Electronics Company (AEC) is expected to be completed in the first quarter of 2021 following regulatory approvals. SAMI, which is a subsidiary of the Public Investment Fund (PIF), announced the deal on Monday during a ceremony attended by senior officials from the Defense Ministry, the General Authority for Military Industries and board members from both companies. (Zawya)
- **UAE extends tourist visas for one month without government fees –** His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, has directed to extend tourist visa for all nationalities for one additional month without any government fees as some states have temporarily closed their airports and restricted travel movement. The decision comes to relax measures for visitors coming to the UAE from around the world to spend end-of-the-year celebrations with their families. All government departments have been directed to facilitate the measures for all UAE tourists and visitors in consideration of the ongoing global circumstances, and to cooperate with all authorities concerned to ensure the comfort and safety of all UAE's visitors. (Zawya)
- **UAE first country in Middle East to add 500 MHz to Wi-Fi network –** The Telecommunications Regulatory Authority (TRA) has added 500 MHz of 6 GHz band for the Wi-Fi radio frequency spectrum at an EIRP of 250 mW. The new addition enables the UAE to become the first country in the Middle East to significantly raise indoor wireless network speed, according to a press release on Monday. This step is in line with the increasing use of wireless services by individuals, companies, and different business sectors in their daily activities. A total of 99% of homes in the UAE has internet access, as shown by the ITU database published in June 2020. (Bloomberg)
- **ADNOC Distribution eyes acquiring fuel distribution assets in Saudi Arabia –** The board of Abu Dhabi National Oil Company for Distribution (ADNOC Distribution) will consider an acquisition of fuel distribution assets in Saudi Arabia. During its meeting set to be held on December 30, 2020, the board will discuss acquiring the assets in exchange for $10mn, according to the company's disclosure to the Abu Dhabi Securities Exchange (ADX) on Monday. It is noteworthy to mention that in 2018, ADNOC Distribution obtained an operating license from Saudi Arabia, allowing the company to operate, own, and manage fuel stations in the Kingdom. (Bloomberg)
- **Al Mal Capital REIT raises AED350mn from IPO on DFM –** Al Mal Capital, a subsidiary of Dubai Investments, has raised AED350mn in an initial public offering (IPO) launched for its newly founded entity Al Mal Capital REIT after closing the subscription period on December 8, 2020. Al Mal Capital REIT will be the first to be listed on the Dubai Financial Market (DFM) in January 2021, after receiving the approval from the Securities and Commodities Authority (SCA) and the DFM, according to a press release on Monday. On 21 December 2020, the SCA approves to grant Al Mal Capital REIT a license to operate as a real estate investment fund. The fund seeks to enter into long-term lease agreements to acquire a diversified portfolio of real estate properties. Hence, Al Mal Capital REIT will use both IPO proceeds and Islamic financing from local banks to invest in various high growth sectors in the UAE, including healthcare, education, and industrial assets, targeting an annual return of 7%. (Bloomberg)
- **DP World selected as preferred bidder to manage multipurpose terminal in Angola –** DP World has been chosen as a preferred bidder to operate and manage the Multipurpose Terminal (MPT) at the Port of Luanda in Angola, according to the Emirates News Agency (WAM). DP World plans to invest $190mn during the 20-year period of the concession to improve the existing infrastructure and acquire new equipment to enhance the efficiency of the MPT. The group aims to raise the annual throughput of the MPT, which manages containers and general cargo, to around 700,000 TEUs per year. With a quay of 610 metres and a depth of 12.5 metres, the MPT is the first seaport terminal located on the western coast of Southern Africa to be operated and managed by DP World. (Bloomberg)
- **ADGM's registered licenses rise 43% in 2020 –** The number of registered licenses in the Abu Dhabi Global Market (ADGM) rose by 43% to 3,211 by the end of 2020, according to a recent press release. ADGM recorded a 193% jump in assets under management throughout 2020 to reach over $85 billion by the end of the year. This record reflects the growth achieved by ADGM across main areas of FinTech, regulation, sustainable finance, and arbitration in 2020 despite the coronavirus (COVID-19) pandemic. (Bloomberg)
- **Sharjah Ruler approves $9.14bn budget for 2021 –** HH Sheikh Sultan bin Muhammad Al Qasimi, Supreme Council Member and Ruler of Sharjah, has approved the general budget for the

Emirate of Sharjah of AED33.6bn for the fiscal year 2021. According to Sharjah Finance Department (SFD), the budget has increased 12% compared to the final 2020 budget with the aim to achieve the strategic vision of the emirate in economic and social development, enhancing financial sustainability, and stimulating the macroeconomic environment. (Zawya)

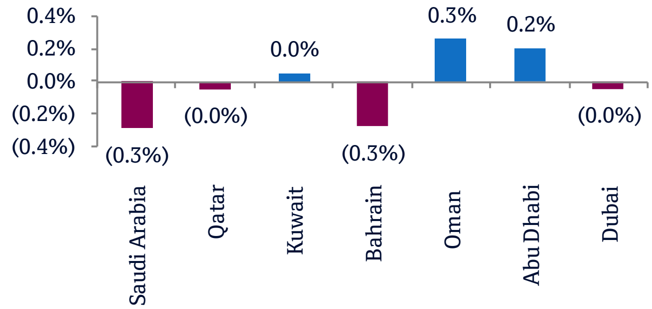
- **Kuwait will not extend suspension of flights, will open borders –** Kuwait will not extend its decision to suspend flights beyond January 1 and will open its land and sea borders the next day, the cabinet said in a statement on Monday. Last week, Kuwait had suspended all commercial flights and closed its land and sea borders until Jan. 1, the government communications office said, over fears about a new, more contagious coronavirus variant. After a cabinet meeting on Monday, in which the health minister confirmed that no new variants of coronavirus have been discovered in Kuwait until this date, the cabinet decided it will not extend the suspension of flights or keep its borders closed. The cabinet decided to open the land and sea ports daily, as of Saturday Jan. 2, from 9 am to 3 pm. These decisions will be reviewed according to developments regarding the spread of coronavirus, the cabinet added. (Reuters)
- **More than 270,000 expatriate workers left Oman this year –** Oman's expatriate worker population fell by more than 270,000, or nearly 16%, from the end of 2019 to November 2020, data from the National Centre for Statistics and Information showed. Oman had 1.44mn non-Omani workers as of November, according to the data, down from 1.71mn expatriate workers at the end of last year. Many foreign workers have left Gulf countries this year as their hydrocarbon-dependent economies were simultaneously hit by the coronavirus pandemic and the drop in oil demand and prices that came with it. The International Labor Organization said earlier this year that it expected an expatriate exodus from the Gulf to be larger than after the 2008-2009 financial crisis and the 2014-2015 plunge in prices for oil, the region's main export. More than 340,000 foreign workers left Oman in 2010 following the financial crisis. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,873.69	(0.5)	(0.5)	23.5
Silver/Ounce	26.25	1.6	1.6	47.0
Crude Oil (Brent)/Barrel (FM Future)	50.86	(0.8)	(0.8)	(22.9)
Crude Oil (WTI)/Barrel (FM Future)	47.62	(1.3)	(1.3)	(22.0)
Natural Gas (Henry Hub)/MMBtu	2.65	0.0	0.0	26.8
LPG Propane (Arab Gulf)/Ton	71.63	2.3	2.3	73.6
LPG Butane (Arab Gulf)/Ton	74.50	6.8	6.8	13.7
Euro	1.22	0.2	0.2	8.9
Yen	103.81	0.4	0.4	(4.4)
GBP	1.35	(0.8)	(0.8)	1.5
CHF	1.13	0.1	0.1	8.9
AUD	0.76	(0.3)	(0.3)	7.9
USD Index	90.34	0.1	0.1	(6.3)
RUB	73.77	(0.6)	(0.6)	19.0
BRL	0.19	(0.6)	(0.6)	(23.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,676.80	0.7	0.7	13.5
DJ Industrial	30,403.97	0.7	0.7	6.5
S&P 500	3,735.36	0.9	0.9	15.6
NASDAQ 100	12,899.42	0.7	0.7	43.8
STOXX 600	398.58	0.8	0.8	4.2
DAX	13,790.29	1.7	1.7	13.3
FTSE 100#	6,502.11	0.0	0.0	(12.0)
CAC 40	5,588.38	1.4	1.4	1.6
Nikkei	26,854.03	0.3	0.3	19.0
MSCI EM	1,252.33	(0.2)	(0.2)	12.4
SHANGHAI SE Composite	3,397.29	0.1	0.1	18.6
HANG SENG	26,314.63	(0.3)	(0.3)	(6.2)
BSE SENSEX	47,353.75	0.8	0.8	11.2
Bovespa	119,123.70	0.1	0.1	(21.5)
RTS	1,391.31	0.9	0.9	(10.2)

Source: Bloomberg (*$ adjusted returns, #Market was closed on December 28, 2020)

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