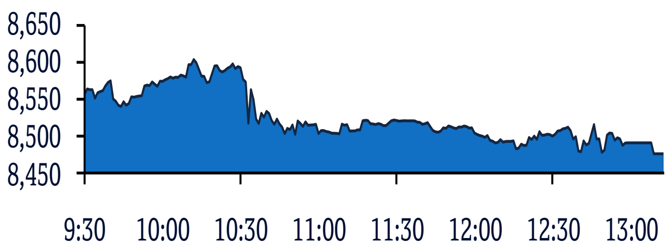
Daily Market Report

Sunday, 29 March 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.6% to close at 8,479.2. Losses were led by the Banks & Financial Services and Transportation indices, falling 2.0% and 1.2%, respectively. Top losers were Alijarah Holding and Mannai Corporation, falling 8.7% and 6.6%, respectively. Among the top gainers, Ahli Bank gained 6.3%, while United Development Company was up 4.4%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.9% to close at 6,326.9. Gains were led by the Software & Services and Media and Ent. indices, rising 5.0% and 4.6%, respectively. Umm Al-Qura Cement Co. and Chubb Arabia Cooperative Ins. were up 10.0% each.

Dubai: The DFM Index fell 0.8% to close at 1,809.1. The Banks index declined 1.7%, while the Investment & Financial Services index fell 1.6%. Dubai Islamic Insurance and Reinsurance declined 4.9%, while Commercial Bank of Dubai was down 4.8%.

Abu Dhabi: The ADX General Index fell 3.8% to close at 3,770.7. The Telecom. index declined 4.8%, while the Real Estate index fell 4.4%. The National Bank of Ras Al Khaimah and Abu Dhabi Commercial Bank were down 5.0% each.

Kuwait: The Kuwait All Share Index fell 0.9% to close at 4,897.4. The Telecom. index declined 2.0%, while the Basic Materials index fell 1.8%. National Consumer Holding Co. declined 19.1%, while Al Masaken Intl Real Estate was down 13.8%.

Oman: The MSM 30 Index fell 0.5% to close at 3,538.7. The Financial index declined 1.3%, while the other indices ended in green. Al Madina Takaful Company declined 9.9%, while National Bank of Oman was down 8.8%.

Bahrain: The BHB Index gained 0.3% to close at 1,388.8. The Services and Commercial Banks indices rose 0.5% each. APM Terminals Bahrain rose 2.8%, while Ahli United Bank was up 2.2%.

Market Indicators	26 Mar 20	25 Mar 20	%Chg.
Value Traded (QR mn)	289.2	269.6	7.3
Exch. Market Cap. (QR mn)	478,961.2	483,656.3	(1.0)
Volume (mn)	128.7	117.3	9.7
Number of Transactions	8,530	9,539	(10.6)
Companies Traded	46	46	0.0
Market Breadth	23:19	38:7	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,215.24	(0.6)	(0.7)	(15.5)	12.5
All Share Index	2,636.36	(1.1)	(1.6)	(14.9)	13.9
Banks	3,839.68	(2.0)	(2.6)	(9.0)	13.3
Industrials	2,130.86	0.5	(0.6)	(27.3)	15.6
Transportation	2,233.62	(1.2)	(3.3)	(12.6)	11.6
Real Estate	1,241.41	1.0	2.8	(20.7)	9.9
Insurance	2,032.83	(0.7)	(0.5)	(25.7)	35.4
Telecoms	796.19	3.4	7.6	(11.0)	13.7
Consumer	6,831.07	(0.2)	(0.6)	(21.0)	16.0
Al Rayan Islamic Index	3,195.24	0.3	0.6	(19.1)	13.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Banque Saudi Fransi	Saudi Arabia	25.25	6.1	412.3	(33.4)
Saudi Cement Co.	Saudi Arabia	45.00	5.5	548.0	(35.8)
Jabal Omar Dev. Co.	Saudi Arabia	22.16	4.3	970.3	(18.4)
Jarir Marketing Co.	Saudi Arabia	121.60	4.1	248.9	(26.6)
Ooredoo	Qatar	6.25	4.1	3,824.1	(11.7)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Bank of Oman	Oman	0.17	(8.8)	938.5	(10.3)
Abu Dhabi Comm. Bank	Abu Dhabi	5.37	(5.0)	1,736.2	(32.2)
First Abu Dhabi Bank	Abu Dhabi	9.79	(5.0)	2,549.3	(35.4)
Emirates Telecom. Group	Abu Dhabi	13.74	(4.8)	1,630.2	(16.0)
Aldar Properties	Abu Dhabi	1.62	(4.7)	3,274.9	(25.0)

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%
Ahli Bank	3.37	6.3	0.1	1.1
United Development Company	0.96	4.4	14,238.7	(36.9)
Ooredoo	6.25	4.1	3,824.1	(11.7)
Qatar Aluminium Manufacturing	0.53	3.3	15,692.0	(32.1)
Investment Holding Group	0.43	2.1	7,620.2	(23.2)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.59	0.5	23,199.8	(4.1)
Qatar Aluminium Manufacturing	0.53	3.3	15,692.0	(32.1)
United Development Company	0.96	4.4	14,238.7	(36.9)
Masraf Al Rayan	3.65	0.1	9,373.2	(7.7)
Salam International Inv. Ltd.	0.23	(1.3)	8,160.0	(55.7)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Alijarah Holding	0.67	(8.7)	7,892.2	(5.7)
Mannai Corporation	3.04	(6.6)	190.7	(1.2)
QNB Group	17.60	(3.5)	3,026.0	(14.5)
Doha Insurance Group	1.05	(2.8)	73.0	(12.5)
Doha Bank	2.01	(2.8)	1,753.6	(20.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.60	(3.5)	53,749.2	(14.5)
Masraf Al Rayan	3.65	0.1	34,123.9	(7.7)
Ooredoo	6.25	4.1	23,816.8	(11.7)
Qatar Electricity & Water Co.	14.21	0.1	23,037.6	(11.7)
Qatar Fuel Company	17.00	(0.6)	14,920.4	(25.8)

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*	8,479.20	(0.6)	(1.1)	(10.7)	(18.7)	78.26	129,606.9	12.5	1.2	4.7
Dubai	1,809.12	(0.8)	(0.6)	(30.1)	(34.6)	72.04	74,092.3	6.6	0.6	6.8
Abu Dhabi	3,770.73	(3.8)	2.3	(23.1)	(25.7)	26.47	111,829.7	11.0	1.0	6.5
Saudi Arabia	6,326.92	1.9	0.9	(17.1)	(24.6)	773.82	1,984,893.4	17.5	1.5	4.2
Kuwait	4,897.43	(0.9)	6.3	(19.3)	(22.0)	106.03	88,455.0	12.6	1.1	4.5
Oman	3,538.74	(0.5)	(0.8)	(14.3)	(11.1)	2.75	15,397.8	7.1	0.7	7.4
Bahrain	1,388.78	0.3	(1.4)	(16.4)	(13.8)	3.06	21,511.0	9.9	0.8	5.6

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

Qatar Market Commentary

- The QE Index declined 0.6% to close at 8,479.2. The Banks & Financial Services and Transportation indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Alijarah Holding and Mannai Corporation were the top losers, falling 8.7% and 6.6%, respectively. Among the top gainers, Ahli Bank gained 6.3%, while United Development Company was up 4.4%.
- Volume of shares traded on Thursday rose by 9.7% to 128.7mn from 117.3mn on Wednesday. Further, as compared to the 30-day moving average of 122.7mn, volume for the day was 4.9% higher. Ezdan Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 18.0% and 12.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.47%	33.58%	(14,776,496.76)
Qatari Institutions	26.37%	16.30%	29,116,862.89
Qatari	**54.84%**	**49.88%**	**14,340,366.13**
GCC Individuals	1.38%	1.68%	(889,409.38)
GCC Institutions	2.14%	3.14%	(2,904,772.47)
GCC	**3.52%**	**4.82%**	**(3,794,181.86)**
Non-Qatari Individuals	11.34%	13.15%	(5,221,037.70)
Non-Qatari Institutions	30.31%	32.15%	(5,325,146.56)
Non-Qatari	**41.65%**	**45.30%**	**(10,546,184.27)**

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
DAMAC Properties Dubai	S&P	Dubai	LT-FIC/ LT-LIC	B+/ B+	B/ B	↓	Negative	–

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, FIC – Foreign Issuer Credit, LIC –Local Issuer Credit)

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Salama Cooperative Insurance Co.*	Saudi Arabia	SR	–	–	–	–	10.1	48.5%
Abdulmohsen Alhokair Group for Tourism and Development*	Saudi Arabia	SR	1,110.0	-3.6%	8.4	N/A	(143.0)	N/A
Aseer Trading, Tourism & Manufacturing Co.*	Saudi Arabia	SR	1,884.0	4.8%	67.0	1.6%	(30.0)	N/A
Saudi Research and Marketing*	Saudi Arabia	SR	2,419.4	15.7%	338.4	75.2%	246.1	190.9%
Saudi Chemical Co.*	Saudi Arabia	SR	2,949.2	0.0%	124.5	-32.3%	32.9	-71.4%
Gulf Navigation Holding*	Dubai	AED	166.3	13.0%	(292.2)	N/A	(324.9)	N/A
Islamic Arab Insurance Company*	Dubai	AED	–	–	–	–	55.0	2,599.3%
Gulf General Investments Co. *	Dubai	AED	532.7	-4.9%	–	–	(165.0)	N/A
Al Khazna Insurance Co.*	Abu Dhabi	AED	–	–	–	–	(13.9)	N/A
Methaq Takaful Insurance Co. *	Abu Dhabi	AED	–	–	–	–	3,885.1	-74.8%
Al Khazna Insurance Co.*	Abu Dhabi	AED	0.9	-98.3%	(24.9)	N/A	(13.9)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/26	US	Bureau of Economic Analysis	GDP Annualized QoQ	4Q T	2.1%	2.1%	2.1%
03/26	US	Bureau of Economic Analysis	GDP Price Index	4Q T	1.3%	1.3%	1.3%
03/26	US	Department of Labor	Initial Jobless Claims	21-Mar	3,283k	1,700k	282k
03/26	US	Department of Labor	Continuing Claims	14-Mar	1,803k	1,791k	1,702k
03/26	UK	Bank of England	Bank of England Bank Rate	26-Mar	0.1%	0.1%	0.1%
03/26	EU	European Central Bank	M3 Money Supply YoY	Feb	5.5%	5.2%	5.2%
03/26	Germany	GfK AG	GfK Consumer Confidence	Apr	2.7	7.5	8.3
03/26	France	INSEE National Statistics Office	Business Confidence	Mar	95	97	105
03/26	France	INSEE National Statistics Office	Manufacturing Confidence	Mar	98	93	101
03/26	France	INSEE National Statistics Office	Production Outlook Indicator	Mar	-33	–	0
03/27	France	INSEE National Statistics Office	Consumer Confidence	Mar	103	91	104
03/26	Japan	Bank of Japan	PPI Services YoY	Feb	2.1%	2.2%	2.3%
03/27	China	National Bureau of Statistics	Industrial Profits YTD YoY	Feb	-38.3%	–	–

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/27	India	Reserve Bank of India	RBI Repurchase Rate	27-Mar	4.40%	–	5.15%
03/27	India	Reserve Bank of India	RBI Reverse Repo Rate	27-Mar	4.0%	–	4.9%
03/27	India	Reserve Bank of India	RBI Cash Reserve Ratio	27-Mar	3.0%	–	4.0%

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 4Q2019 results	No. of days remaining	Status
IGRD	Investment Holding Group	28-Mar-20	-	Due
QGMD	Qatari German Company for Medical Devices	29-Mar-20	0	Due
ERES	Ezdan Holding Group	30-Mar-20	1	Due

Tickers	Company Name	Date of reporting 1Q2020 results	No. of days remaining	Status
QFLS	Qatar Fuel Company	15-Apr-20	17	Due
QIGD	Qatari Investors Group	19-Apr-20	21	Due
UDCD	United Development Company	22-Apr-20	24	Due
DHBK	Doha Bank	22-Apr-20	24	Due

Source: QSE

News

Qatar

- **S&P: Qatar’s ‘very strong’ external and fiscal positions support ratings affirmation –** S&P Global Ratings (S&P) stated that its affirmation of Qatar’s ‘AA-/A-1+’ ratings with a ‘Stable’ outlook is supported by Qatar’s very strong external and fiscal positions. The country’s strong external and fiscal positions are underpinned by relatively low central-government debt and the large external assets Qatar has built up over several years, it has stated. S&P stated it does not expect Qatar's fiscal and external positions to materially deteriorate beyond its current expectations, while hydrocarbon prices could remain low, it stated on Saturday. The ‘Stable’ outlook, S&P stated, indicates its view of broadly balanced risks to the ratings. “Despite our view of continued institutional weakness, we expect a timely policy response from the government in the context of soft economic growth and continued stress in the international capital markets,” S&P stated. Drawing an “upside” scenario, S&P stated, “We could consider raising the ratings if Qatar's political institutions were to develop in line with those of its peers outside the region, and we observed a marked increase in transparency, including greater clarity on the Qatari government's external assets.” S&P’s “downside” scenario stated, “We could lower the ratings if Qatar's public finances or external position materially weakened compared with our forecasts. This could happen, for example, as a result of a decline in hydrocarbon revenue beyond our assumptions without a sufficient fiscal policy response. “Such a weakening could also entail significant capital outflows and larger or more prolonged current account deficits than we currently anticipate, which might reduce Qatar's external buffers to absorb additional shocks.” S&P stated when it last reviewed Qatar it expected Brent oil prices to average $60 per barrel in 2020 and to gradually decline to $55 in 2021 and beyond. “We now assume an average Brent oil price of $30/b in 2020 and $50/b in 2021, and $55/b from 2022,” it stated. (Gulf-Times.com)
- **WOQOD to disclose its 1Q2020 financial statements on April 15 –** Qatar Fuel Company (WOQOD) will disclose its 1Q2020 financial statements on April 15, 2020. (QSE)
- **NLCS’ AGM endorses items on its agenda and approves distribution of 5% cash dividend –** Alijarah Holding (NLCS) held its General Assembly meeting (AGM) on March 25, 2020. The agenda included approving the board's proposal to distribute a dividend of 5% out of the legal reserve of the nominal value per share at the rate of QR0.050, among others. (QSE)
- **QGRI postpones its AGM until further notice –** Qatar General Insurance and Reinsurance Company (QGRI), in view of the current conditions and in the interest and the safety of shareholders and all attendees, has postponed the date of the General Assembly Meeting (AGM), which was scheduled to take place on March 29, 2020. The new date for the AGM will be announced later. (QSE)
- **QISI to hold its AGM on April 12 –** Qatar Islamic Insurance Group’s (QISI) board of directors has invited the shareholders' for the AGM to be held on April 12, 2020. In case the desired quorum for the first meeting is not achieved then the second reserved meeting will be held on April 15, 2020. The agenda includes approving the recommendation made by the board to distribute cash dividend of 37.5% of the share's nominal value, (i.e. QR0.375 for each share held), to the shareholders for 2019, among others. (QSE)
- **Non-essential businesses to remain shut from Friday –** The Ministry of Commerce and Industry has decided to completely close non-essential businesses from Friday, HE the Spokesperson for the Supreme Committee for Crisis Management, Lolwah bint Rashid bin Mohamed Al Khater, announced on Thursday. As a result, all cafes and juice stalls; education services and support centers; workshops and centers concerned with arts, theatrical and entertainment services; wedding and event services and centers; and shoe and watch repair booths will remain closed from Friday, the official Qatar News Agency (QNA) reports. This comes in continuation of the State's efforts to limit gatherings and implement the necessary

preventive measures to curb the spread of the novel coronavirus disease (COVID-19). Other commercial shops' working hours will be limited between 6am and 7pm, and will be prohibited from operating beyond those hours, she explained while addressing a press conference of the committee on Thursday. She noted that the vital sectors identified by the Cabinet, such as food stores, pharmacies and delivery services, including delivery from restaurants, are excluded from this. (Gulf-Times.com)

- **Telecoms sector helps reduce direct communication between individuals –** The Communications Regulatory Authority (CRA) is providing offers and packages for telecom services to help people of Qatar work remotely from home easily and securely at a time when precautionary measures have been taken to limit the spread of COVID-19 in the country. The CRA has taken the initiative with support from the Ministry of Transport and Communications (MoTC), and in cooperation with local telecom service providers Ooredoo Qatar and Vodafone Qatar, as well as with international partner Microsoft, the authority has stated in a statement. “Priorities were set for the telecom sector in Qatar. The first priority was ensuring telecom networks’ continuity and readiness to handle the additional traffic without affecting the quality of services provided to consumers, and to provide consumers with the best possible quality in terms of service and price,” the statement noted. In addition, it is a priority to ensure that employees working in this sector are following all possible prevention measures to stay healthy, which will secure the resources needed for the business continuity. These measures will support all telecom services, such as voice calls and the Internet, to facilitate the work done remotely from home during this period, where consumers need faster connectivity services and additional data at affordable prices, according to the CRA. In this regard, the CRA requested Ooredoo Qatar and Vodafone Qatar for united efforts to meet consumers’ needs by introducing many promotional packages, and setting their duration based on the circumstances. Both Ooredoo Qatar and Vodafone Qatar have doubled the speed of Internet for existing residential customers and also doubled mobile data for residential and business customers, free of additional charges, the authority stated. (Gulf-Times.com)
- **Qatar Chamber committed to ensure sufficient food supplies to local market –** The Food Security and Environment Committee of Qatar Chamber (QC) has reiterated its support to local producers of food products, particularly producers of poultry and vegetables. During a meeting headed by Qatar Chamber’s board member, Mohamed bin Ahmed Al Obaidli, the committee stressed the need to overcoming all obstacles facing importers of food products to ensure the flow of commodities in the local market in light with the current crisis of COVID-19. QC’s board member, Mohamed Gawhar Al Mohamed and Director of Food Security Department at the Ministry of Municipality and Environment Masoud Jarallah Al Marri attended the meeting in the presence of representatives of food and supply chain companies. The meeting reviewed the government measures that intended to guarantee the provision of food supplies in the local market. It also discussed all developments related to the imported food sector from various destinations of origin in light of the high costs of shipping. It stressed the importance of facilitating procedures for entry and exit of commodities to and from ports and to the industrial area, and from the industrial area to sale outlets. The meeting also stressed the importance of supporting productive companies operating in the food sectors, especially those that are working in poultry and vegetables, providing support in customs duties on production inputs. (Qatar Tribune)
- **Qatar's manufacturing sector geared up to meet shortages –** Qatar's manufacturing sector is all geared up to challenge the shortages, particularly in personal hygiene and medical-related products, in view of the global pandemic COVID-19. “The country has the rare finesse to make a giant leap at a critical moment," an analyst said, noting the swift initiatives of Baladna in making Doha more than self-sufficient in the dairy sector, after Qatar came under unjust economic blockade. The flip side of the pandemic is that Qatar has readied itself in the manufacture of those personal hygiene and medical related products, a senior official of a bank said. The Ministry of Commerce and Industry (MoCI), in cooperation with the Qatar Development Bank (QDB), has a mechanism in place to avoid shortage of any essential items in Qatar in the coming period. There have been reports that about five local entities are currently manufacturing disinfectants and sanitizers in order to meet the exponentially growing demand. A Qatar-based sanitizer producer is learnt to have been taking steps to enhance production in view of the shortages expected. “We have deployed alternate plans (to enhance production), if there is any sustained need, then another assembly line can also be established,” a company source said. (Gulf-Times.com)
- **QCB launches mobile payment system for cashless transactions –** HE the Governor of Qatar Central Bank (QCB) Sheikh Abdullah bin Saoud Al Thani has launched the ‘Qatar Mobile Payment System’ (QMP), which provides a new and safe method for immediate electronic payment. The new system was introduced after completing the infrastructure and all the requirements of the central system for electronic payment at the national level, according to international best practices in the field of mobile payment services. The system, which was recently implemented, aims to enable the user to use the electronic wallet on his or her mobile phone to carry out electronic payments from one person to another and pay the purchase price in addition to conducting withdrawals and cash feeds for electronic wallets in an instant, round the clock, seven days a week. It enables the opening of electronic wallets for all users alike, which contributes to enhancing financial inclusion in the country. To make payments easily and quickly, QCB has issued unified specifications and standards for the QR code that enables users to make payments by scanning the response code (QR Code) through the mobile phone at points of sale and public transportation. The Governor said that the launch of this service comes in implementation of Qatar National Vision 2030 to develop an electronic payment environment and access to a high-level national payment system. (Gulf-Times.com)
- **Qatar becomes member of key ICAO committee –** Qatar, represented by the Qatar Civil Aviation Authority (QCAA), has obtained membership of the Committee on Aviation Environmental Protection (CAEP) in the field of aviation of the International Civil Aviation Organization (ICAO). In a

statement, QCAA said that it had been keen during its years of working to protect the environment and mitigate the environmental impacts resulting from the activities of the civil aviation industry. QCAA added that it is constantly endeavoring to cooperate with all international organizations in this field, and to coordinate with them in a manner that contributes to achieving all goals and strengthening capabilities, in addition to its continuous work on applying the criteria of the Sixteenth Supplement related to environmental protection, which made it among the leading countries in this field at the international level. The Committee on Aviation Environmental Protection (CAEP) is a technical committee of the ICAO Council established in 1983. CAEP assists the Council in formulating new policies and adopting new Standards and Recommended Practices (SARPs) related to aircraft noise and emissions, and more generally to aviation environmental impact. (Gulf-Times.com)

- **Qatar signs deals to raise strategic food reserves –** Qatar signed agreements to increase its strategic foodstuff reserves. The agreements are in line with the State's food security plans and also align with the Ministry of Commerce and Industry's efforts to enhance partnership between the public and private sectors. The initiative seeks to strengthen Qatar's position as one of the most prominent countries in the region in terms of adequacy in the strategic stock of goods and the ability to achieve food security to meet the needs of its citizens and residents. Under the agreements, efforts will be made during the first stage to increase the stocks of strategic commodities, especially wheat, rice, cooking oils, sugar, frozen red meat, long-life milk, and powdered milk. Qatar has launched several initiatives aimed at establishing integrated mechanisms that would increase its strategic stocks of food and consumer goods to support its development policies in food security. The State has also launched an electronic system to manage and monitor the strategic stocks, with the aim of activating the partnership between the government and private sectors. The electronic system will enable the authorities to monitor and follow up the State's strategic stock of food and consumer goods, set import rates and establish import sources, identify the most important companies specialized in the field, and monitor the movement of internal trade and national production in the country. It will also help keeping track of the strategic stock accurately and assessing the effectiveness of recycling in the local markets in a manner that preserves the quality and suitability of the products. (Gulf-Times.com)
- **Qatar Airways' revenue down as much as 80%; plans to keep flying –** Qatar Airways, which is continuing to operate a third of its normal schedule, has taken a huge hit from the coronavirus. "With the COVID-19, we have seen a huge drop, of as much as 80% in our revenues," Qatar Airways' CEO, Akbar Al Baker said. (Bloomberg)

International

- **G20 leaders to inject $5tn into global economy in fight against coronavirus –** Leaders of the Group of 20 major economies pledged on Thursday to inject over $5tn into the global economy to limit job and income losses from the coronavirus and "do whatever it takes to overcome the pandemic." Showing more unity than at any time since the G20 was created during the 2008-2009 financial crisis, the leaders said they committed during a videoconference summit to implement and fund all necessary health measures needed to stop the virus' spread. "The G20 is committed to do whatever it takes to overcome the pandemic," along with the World Health Organization and other international institutions, they said. Their statement contained the most conciliatory G20 language on trade in years, pledging to ensure the flow of vital medical supplies and other goods across borders and to resolve supply chain disruptions. But it stopped well short of calling for an end to export bans that many countries have enacted on medical supplies, with the G20 leaders saying their responses should be coordinated to avoid "unnecessary interference." "Emergency measures aimed at protecting health will be targeted, proportionate, transparent, and temporary," they said. The G20 leaders also expressed concern about the risks to fragile countries, notably in Africa, and populations like refugees, acknowledging the need to bolster global financial safety nets and national health systems. "We are strongly committed to presenting a united front against this common threat," the G20 leaders said their statement. (Reuters)
- **IMF says world already in recession, emerging markets need $2.5tn –** The coronavirus has already plunged the global economy into recession, IMF Managing Director Kristalina Georgieva said, adding immense pressure on emerging markets suffering from lost commerce, reduced exports and massive capital outflows. Georgieva told a news conference that emerging market countries need at least $2.5tn in financial resources to get through the pandemic. Internal reserves and borrowing in local markets will be insufficient to cover these needs, so substantial funding from the IMF, other institutions and bilateral creditors will be necessary. (Reuters)
- **IATA urges G20 to support airline industry –** The International Air Transport Association on Thursday urged the group of the 20 major economies to act quickly to prevent irrecoverable damage to the airline industry that has been shaken by the coronavirus crisis. In an open letter, on the day G20 leaders were meeting, the world's largest airline body asked governments to provide, or facilitate financial support for the industry. "The spread of the COVID-19 pandemic around the globe and the resulting government-mandated border closings and travel restrictions have led to the destruction of air travel demand," IATA Chief Executive Alexandre de Juniac wrote in the letter. (Reuters)
- **Oil majors slash 2020 spending 20% after prices slump –** The world's biggest oil and gas companies are slashing spending this year following a collapse in oil prices driven by a slump in demand because of coronavirus and a price war between the top exporters Saudi Arabia and Russia. Cuts already announced by seven major oil companies including Saudi Aramco and Royal Dutch Shell come to a combined $25bn, or a drop of 20% from their initial spending plans of $127bn. Norway's Equinor said it would cut capital expenditure, or capex, by some $2bn while Chevron said on it would slash its capex this year by $4bn. Others such as US giant Exxon Mobil Corp and Britain's BP have said they will cut capital expenditure but haven't given specific figures as yet. Brazilian oil company Petrobras said it was dialling back short-term production, delaying a dividend

payment and trimming its 2020 investment plan, among other measures aimed at reducing costs in the face of the coronavirus pandemic. (Reuters)

- **IEA says global oil demand could drop 20% as 3bn people in lockdown –** Global oil demand could dive by 20% as 3 billion people are in a lockdown because of the coronavirus outbreak, the head of the International Energy Agency (IEA) said on Thursday as he called on OPEC leader Saudi Arabia to help stabilize oil markets. "Today, 3bn people in the world are locked down. As a result of that we may well see sometime throughout this year demand to fall down, as some say, about 20mn barrels per day," Fatih Birol told an Atlantic Council conference call. The world's oil demand stood at 100mn barrels per day (bpd) in 2019. Birol said that, despite huge demand destruction, oil supply was nevertheless set to rise by another 3mn bpd as part of Saudi Arabia's market share battle with Russia. "Being the president of the G20 this year, one would expect that Saudi Arabia will provide a constructive support to the stabilization of the global oil markets based on their past record," he said. He did not say whether Saudi Arabia, Russia and the US could play a stabilizing role together with the IEA. Birol said the IEA, which coordinates energy policies of industrialized nations, would give a clearer outlook and timeframe on the global oil demand in two weeks, when the agency is due to publish its monthly report. However, given the major oversupply, the world might soon run out of global storage capacity. Birol added that demand recovery would neither be easy nor quick. Birol also said he expected US oil production to decline significantly but then surprise the market on the upside when it recovers together with higher oil prices. (Reuters)
- **Global watchdog defers bank capital rules to 2023 due to epidemic –** Global banking regulators said on Friday they will give banks an extra year to implement pending capital rules in order for them to focus on the fallout from the coronavirus epidemic. The Governors and Heads of Supervision (GHOS), the body that oversees the Basel Committee of global banking regulators, said it was deferring several rules until January 2023. "It is important that banks and supervisors are able to commit their full resources to respond to the impact of Covid-19," said Chairman of the GHOS and Governor of the Bank of France, François Villeroy de Galhau. "The measures endorsed by GHOS today aim to prioritize these objectives and we remain ready to act further if necessary." Villeroy said banks needed to commit all their resources during the epidemic to helping the economy and ensuring that the banking system remains financially and operationally resilient. After taxpayers had to bail out undercapitalized lenders in the financial crisis a decade ago, the Basel Committee toughened its rules under a reform known as Basel III. Most of the package has been implemented, but some remaining elements were agreed in December 2017 and due to be introduced in January 2022. These include a revised leverage ratio, changes to models used by big banks to work out how much capital they should hold, and changes to how much capital to hold against trading book assets like derivatives. The "output floor" or minimum capital requirements irrespective of what an internal model comes up with, has also been delayed a year to January 2023. They are meant to complement the initial set of Basel III rules that are already in force without significantly increasing overall capital requirements. (Reuters)
- **Global accounting body tells banks to use judgement over virus losses –** The International Accounting Standards Board said on Friday its rule forcing banks to provision for losses on loans should not be applied in a mechanistic way during the coronavirus epidemic. "A number of assumptions and linkages underlying the way expected credit losses have been implemented to date may no longer hold in the current environment," the IASB said in a statement. (Reuters)
- **US airlines cheer government relief but warn it is no 'cure' for deep industry crisis –** United Airlines Holdings Inc and Delta Air Lines welcomed a $50bn (40.1bn Pounds) relief package they said would protect jobs through September but warned that the continued challenges facing the industry will require more action. Airlines are weathering their largest ever downturn as the coronavirus has ground global travel to a halt. A massive government stimulus package passed on Friday gives airlines some breathing room in terms of managing costs, but they still face tough decisions in the months ahead. "If the recovery is as slow as we fear, it means our airline and our workforce will have to be smaller than it is today," United said in a memo to employees. Based on projections for the spread of the coronavirus and the global economy's reaction, Chief Executive Oscar Munoz and President Scott Kirby said they expect "demand to remain suppressed for months after that, possibly into next year." (Reuters)
- **US consumer sentiment near three-and-a-half year low, spending sluggish –** US consumer sentiment dropped to near a 3-1/2-year low in March as the coronavirus epidemic upended life for Americans, and consumer spending was sluggish in February, strengthening economists' expectations of a deep recession. The reports on Friday followed data on Thursday that showed the number of Americans filing for unemployment benefits rocketed to a record 3.28mn last week, eclipsing the previous record of 695,000 set in 1982. The highly contagious virus, which causes a respiratory illness called COVID-19, is wreaking havoc on the economy, prompting the Federal Reserve to take extraordinary measures and the US Congress to approve a record $2tn stimulus on Friday. Economists say the economy is already in recession. "People are struggling to understand the magnitude and duration of the economic shock from COVID-19," said Chief Economist at FHN Financial in New York, Chris Low. "Job losses are the most vivid demonstration of the new reality. As the reality sinks in, confidence is likely to fall into the mid-50s by May." The University of Michigan's Consumer Sentiment Index fell to a reading of 89.1 this month, the lowest level since October 2016, from a final reading of 101.0 in February. It was the largest monthly drop in the index since October 2008, during the height of the financial crisis. Economists polled by Reuters had forecast sentiment would drop to a final reading of 90.0 this month. The survey's gauge of consumer expectations tumbled to a reading of 79.7 from 92.1 in February. The University of Michigan expected consumer sentiment would decline further because of rising unemployment and the resulting drop in household incomes. (Reuters)

- **We need to act, ECB's Lagarde tells feuding EU on coronavirus rescue –** European Central Bank (ECB) Chief Christine Lagarde urged wrangling EU leaders to act more decisively to cushion the economic hit of the coronavirus pandemic, three sources familiar with the matter said on Friday, as the bloc feuds over how far to go. The European Union's (EU) southern states were left fuming after the bloc's 27 national leaders failed to agree on more support for their economies, which have been battered by the disease, in a six-hour call on Thursday. Lagarde told the call that "further action is required", stressing the need for urgency and telling the leaders that the EU was being too slow to respond to the crisis, said the people who were briefed on the discussions. She warned of forecasts of a deep recession and the cost of complacency, they added. It was the second such call by Lagarde to European policymakers this week, after she made a similar case to the Eurozone Finance Ministers on Monday. In the call on Thursday, Germany and the Netherlands came out forcibly against a push by Italy, Spain, Portugal, France and others to issue joint bonds, an echo of the bloc's feuds during the 2008-12 Eurozone debt crisis that damaged EU unity. (Reuters)
- **S&P Global: Eurozone faces 2% recession, 10% if lockdown lasts –** The coronavirus outbreak will see a 2% recession in the euro zone this year, S&P Global estimated on Thursday, warning that the contraction could be as much as 10% if the current lockdowns in the 19-country region last as long as four months. With the economic costs "mounting quickly as measures to contain the virus increase... the eurozone and UK economies are now facing a recession of -2% for 2020," the ratings agency said in a new report. Risks are still to the downside, however. "For example, we estimate a lockdown of four months could lower eurozone GDP by up to 10% this year," S&P said. (Reuters)
- **Fitch cuts UK's rating on coronavirus debt surge –** Ratings agency Fitch cut Britain's sovereign debt rating on Friday, saying the country's debt levels would jump as the government ramped up its spending to offset the near shutdown of the economy in the face of coronavirus. Fitch downgraded the country by one notch to 'AA-' - the same level as its rating for Belgium and the Czech Republic - from 'AA' and said a further cut could follow as it kept the rating on negative outlook. "The downgrade reflects a significant weakening of the UK's public finances caused by the impact of the COVID-19 outbreak and a fiscal loosening stance that was instigated before the scale of the crisis became apparent," Fitch said. The downgrade also reflects the deep near-term damage to the UK economy caused by the coronavirus outbreak and the lingering uncertainty regarding the post-Brexit UK-EU trade relationship." Facing what some economists say could be Britain's deepest recession in a century after the government ordered many businesses to close to slow the spread of coronavirus, Finance Minister Rishi Sunak has announced a string of stimulus measures to try to prevent a surge in unemployment. (Reuters)
- **Italy business and consumer morale plunge in March as coronavirus impact bites –** Morale among Italian businesses and consumers plummeted in March, data showed on Friday, hit by a coronavirus outbreak that has decimated activity in the Eurozone's third largest economy. The first piece of significant economic data issued by statistics institute ISTAT since the outbreak emerged on Feb. 21 showed its manufacturing confidence index sank to 89.5 in March from 98.8 in February. That was slightly below a median forecast of 90.0 in a Reuters survey of eight analysts. ISTAT's composite business morale index, combining surveys of the manufacturing, retail, construction and services sectors, plunged in March to 81.7 from 97.8, with all sectors nosediving. The composite index was the lowest since June 2013, ISTAT said. Consumer confidence dropped this month to 101.0 from 110.9, the lowest since January 2015 but slightly above the median forecast of 100.5 in Reuters' poll. The surveys were conducted from March 2-13, mainly before the most restrictive measures imposed by the government's lockdown to try to curb the contagion. (Reuters)
- **Japan's Abe pledges 'unprecedented' stimulus to combat virus fallout –** Japanese Prime Minister Shinzo Abe said on Saturday his government will compile an unprecedentedly big economic stimulus that will include cash payouts to households and small firms hit by the fallout from the coronavirus pandemic. "We will lay out a stimulus package of unprecedented size that will exceed the one compiled after the Lehman crisis," Abe told a news conference, adding that the package will include fiscal, monetary and tax measures. The government will compile a supplementary budget for the fiscal year beginning in April in the next 10 days to fund the package, he added. (Reuters)
- **China's industrial firms post steepest fall in profits in a decade –** Profits at China's industrial firms slumped in the first two months of the year to their lowest in at least a decade, with the mining, manufacturing and power sectors all seeing sharp falls, as a virus epidemic battered China's economy. Profits earned by Chinese industrial firms in the first two months dropped 38.3% from a year earlier to 410.7bn Yuan ($58.15bn), worsening from a 6.3% fall seen in December last year, the National Bureau of Statistics (NBS) data showed. It marked the steepest decline in data going back to 2010. The reading combines the results for January and February to exclude distortions caused by the week-long Lunar New Year. The outbreak escalated just as many businesses were closing for the long holiday break in late January, and widespread restrictions on transportation and personal travel, as well as mass quarantine, delayed their reopening for weeks. The decline in profits points to lingering trouble for the manufacturing sector, which is wrestling with fallout from the health crisis that has severely hurt output. Most analysts now expect a contraction in gross domestic product in the first quarter. Industrial production and sales fell sharply amid epidemic control efforts, while the costs of labor and depreciation continued to put pressure on companies, a statistics bureau official said in a statement published alongside the data. Profits for the automobiles, electrical equipment, chemicals and electronics industries saw some of the steepest declines, with those for the latter falling 87%. (Reuters)
- **India's central bank slashes repo rate by 75 bps –** The Reserve Bank of India (RBI) slashed interest rates on Friday, following other central banks, in an emergency move to counter economic fallout from a fast-spreading coronavirus. The RBI said it was maintaining its "accommodative" stance and would maintain its position "as long as necessary" to revive growth, while

ensuring inflation remained within target. The bank's six-member monetary policy committee (MPC) held a meeting this week by video conference to arrive at its decision. It cut the repo rate by 75 basis points to 4.40%, in line with expectations. The reverse repo rate was reduced 90 basis points to 4%. (Reuters)

- **Russia calls for new enlarged OPEC deal to tackle oil demand collapse –** A new OPEC+ deal to balance oil markets might be possible if other countries join in, Kirill Dmitriev, head of Russia's sovereign wealth fund said, adding that countries should also cooperate to cushion the economic fallout from coronavirus. A pact between the Organization of the Petroleum Exporting Countries and other producers, including Russia (known as OPEC+), to curb oil production to support prices fell apart earlier this month, sending global oil prices into a tailspin. "Joint actions by countries are needed to restore the(global) economy… They (joint actions) are also possible in OPEC+ deal's framework," Dmitriev, head of the Russian Direct Investment Fund (RDIF), told Reuters in a phone interview. Dmitriev and the Energy Minister Alexander Novak were Russia's top negotiators in the production cut deal with OPEC. The existing deal expires on March 31. "We are in contact with Saudi Arabia and a number of other countries. Based on these contacts we see that if the number of OPEC+ members will increase and other countries will join there is a possibility of a joint agreement to balance oil markets." Dmitriev declined to say who the new deal's members should or could be. US President Donald Trump said last week he would get involved in the oil price war between Saudi Arabia and Russia at the appropriate time. Dmitriev also said that a global economic crisis was inevitable as global debt to the world's gross domestic product had risen to 323% as of now from 230% at a time of the previous economic crisis of 2008. The virus just triggered it, he said. (Reuters)

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- **IMF urges targeted anti-coronavirus fiscal measures in Gulf states –** The dual shock of the coronavirus outbreak and plunging oil prices should push Gulf states to prioritize fiscal support for affected sectors of their non-oil economies, which are expected to slow this year, the IMF stated. Gulf oil exporters' governments and central banks have so far launched broad-based stimulus packages to mitigate the economic impact of the pandemic. To best support their economies, and preserve their ability to recover after the pandemic, Gulf authorities should adopt a targeted approach, Director of the Fund's Middle East and Central Asia Department, Jihad Azour said. "Not all sectors of the economy are affected this year and therefore you don't need at the beginning to have a blanket type of measures," he told Reuters. "It has to be focused and well designed," he said, adding that central banks and governments needed to coordinate their measures. He mentioned the tourism sectors in Bahrain and Qatar, and transportation and logistics in the UAE, as sectors that should benefit from fiscal support. Stimulus packages offered so far come to nearly 30% of GDP in Bahrain and Oman, more than 10% in the UAE and Qatar and over 4% in Saudi Arabia, according to Fitch Ratings. "The ability to address the problems that are faced by the economy is on a country by country basis and is more important than the size of the (stimulus) package," Azour said. (Reuters)
- **GCC banks are well-positioned to absorb shocks –** At least nine MENA oil exporters would see a fall of an estimated $192bn in their hydrocarbon earnings in 2020, nearly 11% of their combined GDP. Consequently, the cumulative current account balance would shift from a surplus of $65bn in 2019 to a deficit of $67bn in 2020, and the fiscal deficit would widen from 2.9% of GDP to 9.1%, the Institute of International Finance (IIF), noted in its MENA Economic update. The IIF made the forecast based on its baseline scenario of an average oil price of $40/ bbl. Unlike the previous four years, more than two-thirds of the financing need would be raised domestically and by tapping large financial buffers, particularly Sovereign Wealth Funds (SWFs), its analysts said. According to IIF, the quarantines, disruption in supply chains, the crash in oil prices in light of the breakdown of OPEC+, travel restrictions, and business closings point to a recession in the MENA region, the first in three decades. Governments are trying to mitigate the economic damage with stimulus packages; however, many are starting from a weak position. Central banks in the region have cut policy rates and announced plans to provide liquidity to financial institutions, particularly those lending to SMEs, the Institute of International Finance (IIF), noted in its MENA update. Hydrocarbon exporters in the region face an additional direct hit from the crash in oil prices. The service sector activity will be hit the hardest as a result of containment efforts and social distancing. All exporters are likely to record large fiscal deficits due to the collapse in oil revenue, leading to a rise in public debt. Liquidity in banks could tighten as oil-related bank deposits decline, and NPLs could rise. Still, most GCC banks are well-positioned to absorb the shocks. On Qatar, the IIF noted, the Qatar Central Bank (QCB) has reduced the lending rate by 100bps to 2.50% and reduced the repurchase rate (repo) by 50bps to 1.00%. The Central Bank will also provide additional liquidity to local banks and set up a mechanism to encourage banks to postpone private sector loan repayments for six months. The government announced a 3-year stimulus package in the amount of $ 20.6bn (12.5% of GDP) to the private sector to mitigate the effects of the spread of the coronavirus. (Peninsula Qatar)
- **Russia says coronavirus crisis cuts global oil demand by up to 20mn bpd –** Measures to contain the spread of the coronavirus have cut oil demand in the US, Europe and China by around 15mn-20mn bpd, Russian Deputy Energy Minister, Pavel Sorokin said. The coronavirus epidemic has forced governments around the world to try to curb its spread. Entire countries have been put under lockdown, with travel restrictions hitting fuel demand and leading to the grounding of many airlines. The impact of the coronavirus crisis has hit oil prices just as they were coming under pressure from the collapse of a producer agreement to limit supply. They are down nearly two thirds this year following the failure of talks earlier this month between the OPEC and other leading oil producers including Russia. Sorokin said that plans by OPEC to crank up its oil production after the talks failed have put additional pressure on the market. "We have already experienced quite a big shock due to the coronavirus," he said. "However, we could have avoided additional shocks from the OPEC countries' statement that they

are boosting production." He said if oil prices were to remain at $25 per barrel for two to three years, this would create "big problems." He also said that Saudi Arabia had offered to sell its oil at a discount to increase its market share. Sorokin said Europe has been stocking cheap oil and that storage facilities in the region will be overwhelmed in just over a month. Global oil production is around 100mn bpd. (Reuters)

- **Calls mount for new OPEC+ deal as oil demand and prices slide –** Oil producers need to resume cooperation in an effort to stabilize the global market, Russian and OPEC officials said, as the industry reels from a demand and price collapse caused by the coronavirus pandemic and an emerging price war. A three-year supply pact between the OPEC and other producers, including Russia, fell apart this month, prompting OPEC to remove limits on its output. The resulting supply boost has coincided with plummeting demand as governments around the world implement national lockdowns to slow the spread of the virus. That twin pronged assault on prices has sent Brent crude to a 17-year low below $25 a barrel and hammered the income of oil producers. One of the reasons for the breakdown of the deal between OPEC and other producers, a group known as OPEC+, was Russia's reluctance to support bigger curbs to output. However, there are signs that resolve could be softening, with a Senior Russian official telling Reuters that a new OPEC+ deal might be possible if other countries join in. (Peninsula Qatar)
- **OPEC members are not backing request for urgent consultations –** OPEC nations are not giving support to a request from the group's president for emergency consultations over tanking oil prices, according to a delegate. Algeria, which holds the cartel's rotating presidency, urged the secretariat this week to convene a panel that assesses market conditions as oil slumps amid the coronavirus crisis and a price war launched by OPEC's biggest member, Saudi Arabia. However, the request has failed to gather the majority backing necessary to go ahead, said the delegate, who declined to be identified as the group's discussions are private. Riyadh is among those opposing the idea. The Kingdom remains locked in a bitter fight for market dominance with Russia after the two exporters – who had led an alliance between OPEC and non-members – clashed this month over how to deal with the coronavirus crisis. Algeria had asked OPEC's secretariat to convene a teleconference meeting of the Economic Commission Board, at which technical experts from member nations would review the impact of the coronavirus on oil markets. Yet other members aren't convinced of the purpose of such a session, as the stand-off between Riyadh and Moscow needs to be resolved by their respective leaders, the delegate said. (Bloomberg)
- **Kamco: Gulf equity markets set to remain volatile in near term –** Equity markets in the Gulf are slated to remain volatile in the near term and the investors' preference will be for the defensive sectors with relatively inelastic demand for their products and services, combined with higher domestic revenue contribution, Kamco Invest stated in a report. In the long term, once the growing fears of the impact of Covid-19 begins to subside and oil market condition improves, the share prices of sector leaders with strong balance sheets and working capital flexibility in the near term underperforming sectors, are expected to recover rapidly and outperform in the second half (H2) of 2020 on improved revenue visibility and unwinding of supply chain shocks. For the GCC equities, 'we believe investor expectations will now be more focused on the pace of business recovery for frontline stocks and sector leaders with solid balance sheets in H2-2020, and 2021 earnings expectations. Currently, investors can play the dividend opportunities that have emerged (more than 5% dividend yields), with certain dividend record dates beyond March 15, 2020. Kamco Invest's most preferred (defensive) sectors are utilities, telecom and consumer. Within the consumer, the preferred are education, staple food producers and healthcare service providers; while the least preferred are airlines, logistics, real estate, capital goods, banks and insurance. (Gulf-Times.com)
- **GPCA: GCC chemical capacity to increase nearly 34% this decade to 231.8mn tons –** GCC chemical capacity is expected to increase by 33.6% in this decade, reaching 231.8mn tons, driven by refining expansion and chemical integration, a recent report has shown. The GCC overseas production capacity, according to the Gulf Petrochemicals and Chemicals Association (GPCA), is also projected to expand by a CAGR of 7.6% reaching 38.7mn tons by 2027, with the bulk of growth set to take place in Asia. Innovative crude oil-to-chemicals (COTC) technology developments are considered as the "path forward to attractive growth" in chemical production, leading to a yield increase of between 40%-70%, it stated. Continued strong growth in petrochemical demand is expected in the coming years, as demand for chemicals will rise 70% over the next 15 years, driven by strong population increase and rise in the middle class. As a commodity focused industry, GCC chemical producers will continue to contend with key external challenges such as changing industry competitiveness, rising self-sufficiency of China and the US, challenging trade developments and the growing role of technology and innovation. To remain competitive, the GPCA noted regional producers will need to make bold strategic moves into new products, technologies and geographies to continue to claim their global position. "Drawing upon the lessons learned of the past decade, company executives will need to remain vigilant to the many risks and uncertainties lurking on the horizon into 2020, while standing ready to embrace new opportunities for profitable growth in an evolving market landscape. "Building a diverse set of capabilities for the long-term future around the energy transition and the circular economy will be particularly important as will adopting financial discipline and prudent investment strategies. This will help stabilize performance and reassure the chemical markets in the near term, while providing a solid foundation for growth into the new decade," GPCA stated. (Gulf-Times.com)
- **Saudi Arabia 'A-/A-2' ratings affirmed with a Stable outlook –** S&P affirmed its 'A-/A-2' unsolicited long- and short-term foreign and local currency sovereign credit ratings on Saudi Arabia. The outlook is 'Stable'. The 'Stable' outlook reflects our expectation that the current low oil price environment, although affecting fiscal flows, will be counterbalanced by Saudi Arabia's strong government and external balance sheets, with net asset-stock positions on both. S&P could lower our ratings if it observed fiscal weakening beyond our 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 put downward pressure on the ratings. S&P could raise the ratings if Saudi Arabia's economic growth prospects improve beyond our current expectations, for example, as a result of a sustained and significant pick-up in oil prices and volume demand, possibly tied to the end of the COVID-19 pandemic, a significant easing of US-China trade tensions, and a rebound of the global economy. S&P could also raise the ratings should the authorities improve the transparency of accounting for general government assets. (S&P Global)

- **Saudi Arabia closes March Sukuk issuance –** The Saudi Ministry of Finance has closed the March 2020 issuance under the Saudi Arabian Government SAR-denominated Sukuk program. With an issuance size of SR15.568bn, the offering was through three tranches, according to a statement by the Ministry of Finance. The first tranche of SR170mn and a total tranche size of SR2.743bn, matures in 2025. The second tranche with a size of SR504mn, and a total tranche size of SR8.346bn, matures in 2030, while the third tranche with a total size of SR14.894bn matures in 2050. (Zawya)
- **Saudi Arabia's 2019 budget deficit lower at SR130.7bn –** Saudi Arabia's deficit stood at SR130.7bn compared to SR173.8bn in 2018. The total debt stood at SR677.9bn. Saudi Arabia's 2019 revenues were SR975.3bn, including SR661.9bn of oil revenues, according to a Finance Ministry statement. Oil revenues stood at SR661.9bn compared to SR611.2bn in 2018. Non-oil revenues stood at SR313.4bn compared to SR294.4bn in 2018. The total revenues at SR975.2bn compared to SR905.6bn in 2018. The total spending stood at SR1.1tn compared to SR1tn in 2018. (Bloomberg)
- **Saudi Arabia says no talks on new oil deal, Moscow suggests larger OPEC+ –** Saudi Arabia stated it was not in talks with Russia to balance oil markets despite rising pressure from Washington to stop a price rout amid the coronavirus pandemic and an attempt by Moscow to fix a rift with the de facto OPEC leader. A three-year supply pact between the OPEC and other producers, including Russia, fell apart this month after Moscow refused to support Riyadh's plan for deeper production cuts, prompting Saudi Arabia to pledge to raise output to a record high. The resulting supply boost has coincided with plummeting demand as governments around the world implement national lockdowns to slow the spread of the coronavirus. The twin-pronged assault on prices has sent Brent crude LCOc1 to a 17-year low below $25 a barrel and hammered the income of oil producers. "There have been no contacts between Saudi Arabia and Russia energy ministers over any increase in the number of OPEC+ countries, nor any discussion of a joint agreement to balance oil markets," an official from Saudi Arabia's Energy Ministry said, referring to the wider grouping of oil producers. The comment came after a senior Russian official said on Friday that a larger number of oil producers could cooperate with OPEC and Russia, in an indirect reference to the US, the world's biggest producer which has never cut production. "Joint actions by countries are needed to restore the (global) economy. They (joint actions) are also possible in the OPEC+ deal's framework," the Head of Russia's sovereign wealth fund, Kirill Dmitriev said. (Reuters)
- **Saudi Arabian banks donate SR155.1mn to combat coronavirus** – A group of Saudi banks have announced their support for the Health Endowment Fund to combat the spread of the coronavirus disease (COVID-19), with a total of SR155.1mn. The banks wanted to express their sense of social responsibility to support the relentless efforts in the face of the unprecedented global crisis. Saudi Arabian British Bank put forward SR17mn to the fund; Banque Saudi Fransi SR12mn; Al-Rajhi Bank SR25mn; Riyad Bank SR17mn; Arab National Bank SR12mn; the National Commercial Bank SR33mn; Samba Bank donated SR16.5mn, among other banks. (Zawya)
- **Dubai braces for financial hit as coronavirus batters vital tourism –** Dubai braces for financial hit as coronavirus batters vital tourism. The infection is starting to deliver a painful blow to Dubai, one of the most visited cities globally, with some hotels closed and occupancy rates falling to less than 10% in others. Restaurants have been reconfigured to space out dining tables. However, hotel workers worry this slowdown is only the start of something more damaging, and while authorities have said beaches and pools will be closed for just two weeks, officials have indicated those restrictions could be renewed. The outbreak has also revived concerns about the emirate's over-leveraged state coffers. Analysts and financial industry sources say it could force the state to seek a bailout similar to the one extended by oil-rich Abu Dhabi after a 2009 financial crisis. "We expect difficult times to last for months, probably the whole of 2020," a manager at one of Dubai's most renowned hotels told Reuters. (Reuters)
- **Dubai announces economic incentive package for its free zones –** Dubai announced an economic incentive package for its free zones on Saturday in the light of exceptional circumstances related to the coronavirus pandemic. The measure consists of five parts, including postponing rent payments for six months and cancellation of some fines for companies and individuals, the state-run Emirates News Agency reported. The city is home to a number of free zones, including the Dubai International Financial Center. The UAE previously rolled out a $34bn stimulus package to fend off the impact of the coronavirus. (Bloomberg)
- **S&P cuts DAMAC's rating, puts Emaar Properties, Emaar Malls on creditwatch –** S&P downgraded Dubai's DAMAC Properties to 'B' from 'B+' and placed the 'BBB-' (minus) ratings of Emaar Properties and Emaar Malls on creditwatch with negative implications, the ratings agency stated. It also lowered its outlook on DIFC Investments, a unit of the company running Dubai's financial free zone, to 'Negative' from 'Stable'. S&P cited economic pressures from the coronavirus outbreak for the changes. The current supply-demand imbalance in Dubai's real estate market has been exacerbated by the effects of the COVID-19 pandemic. S&P also expect negative employment trends across some key sectors such as tourism and retail, as well as for certain small and midsize enterprises, which could weigh on demand for new properties. Given the global pressures, we also expect to see international demand for property in Dubai to be subdued. In 2019, more than 35,000 residential units were completed, the highest number delivered in a single year in Dubai. Based on developers' announced completion dates, 2020 is likely to be another record year for

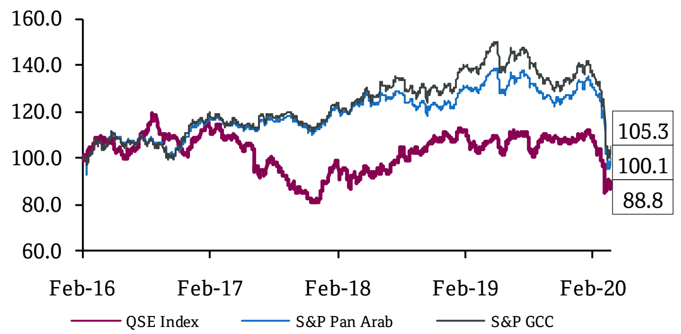
deliveries, adding to supply. S&P believes real estate prices are approaching levels seen at the bottom of the last cycle in 2010, and are even lower on an inflation-adjusted basis and considering sales incentives for off-plan property. While reported COVID-19 infection rates are not relatively high in UAE, Dubai may at some stage see widespread temporary closures of business, similar to that in other regions, or work stoppages, including at construction sites, which could lead to delays in future residential property deliveries. This would increase working capital funding gaps for developers, including Emaar Properties and DAMAC Real Estate. S&P also expects developers' EBITDA margins to contract significantly given that prices may be lower on new sales and that companies may offer discounts to existing customers. However, given the negative macroeconomic backdrop, we might also see higher delinquencies in customer payments than observed historically. (Reuters, Bloomberg)

- **Abu Dhabi affirmed at 'AA' by S&P –** Abu Dhabi's long-term rating was affirmed by S&P at 'AA'. The outlook remains 'Stable'. The 'Stable' outlook reflects our expectation that Abu Dhabi's fiscal position will remain strong over the next two years, although structural and institutional weaknesses will likely persist. Abu Dhabi's economy and public finances depend significantly on oil. Therefore, to act as a buffer against oil price volatility, the government has accumulated one of the largest net asset positions of all sovereigns we rate. This cushions Abu Dhabi from the effect of oil price swings on economic growth, government revenues, and the external account, as well as increasing geopolitical uncertainty in the Gulf region. We also note that the government has proactively implemented fiscal reform measures since the fall in oil prices in 2015 that allowed an almost balanced central government budget in 2018 and 2019. (Bloomberg)
- **S&P cuts First Abu Dhabi Bank's outlook to 'Negative'–** First Abu Dhabi Bank's outlook has been cut to 'Negative' from 'Stable' by S&P. Total amount of public bonds & loans outstanding is AED57.9bn, according to data compiled by Bloomberg. (Bloomberg)
- **S&P cuts ADCB's outlook to Negative –** ADCB's outlook has been cut to 'Negative' from 'Stable' by S&P. The total amount of public bonds & loans outstanding is AED42.8bn, according to data compiled by Bloomberg. (Bloomberg)
- **Abu Dhabi's ADNOC assessing projects with partners amid oil rout –** Abu Dhabi National Oil Co. (ADNOC) is discussing the status of its projects with partners as energy producers globally evaluate the impact plunging crude prices are having on their businesses. ADNOC is engaging with partners and suppliers to ensure responsible progress at their projects, the company's spokesman said. (Bloomberg)
- **S&P lowers Kuwait ratings despite lower oil prices –** S&P cut the rating of the government of Kuwait by one notch this week due to the economic and fiscal effects of lower oil prices. Oil prices have dropped by more than 40% since March 6 when an OPEC output cut agreement collapsed triggering a market share war between Saudi Arabia and Russia. S&P has since halved its oil price assumption for 2020 from an average of $60 per barrel to $30. Lower prices are expected to hit Gulf oil producers hard just as they deal with an economic slowdown from the coronavirus outbreak. "The oil price drop is happening alongside Kuwait's slow reform momentum, which has generally lagged that of other countries in recent years," the agency said in a statement, having lowered Kuwait's rating to 'AA-' (minus) from 'AA'. Kuwait has accumulated large financial wealth from its oil sales but 80% of its exports are destined for Asia, where demand has slowed because of the coronavirus outbreak. This adds risks to its economic outlook, S&P stated, which estimated the government could be looking at a deficit of more than 10% of GDP in 2020. Kuwait must still pass a revised debt law, raising questions about how it will finance deficits. Its sovereign wealth fund stands at about 500% of GDP, but the portion available for budgetary purposes is estimated at only around 50% of GDP, S&P stated. "Absent passage of the debt law, it remains unclear whether Kuwait could face a hard budget constraint or start drawing on assets in the Future Generations Fund, which happened only once before, during the Gulf War." (Reuters)
- **Kuwait Amir directs KD10mn allocation for anti-COVID-19 effort –** HH the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah has instructed Kuwait Foundation for the Advancement of Sciences (KFAS) to allocate KD10mn for an emergency response program to mitigate coronavirus fallout, KFAS stated. The move is meant to back up the great efforts of the government to rein in the spread of the novel coronavirus, known as (COVID-19) worldwide, the KFAS stated. The emergency response program against the globally spreading disease encompasses the realms of public health and education, it added. The anti-COVID-19 endeavor aims at supporting the KFAS-affiliated Desman Diabetes Institute's technique to sequence the genome of the coronavirus, study receptors for high risks of infections with the virus and design highly precise diagnoses, it elaborated. It is also intended to offer relevant training courses to doctors and health care providers directly connected with buttressing field effectiveness and response to contagious diseases, according to the statement. As for education, the aforementioned program mainly targets a tentative online education initiative purposed to continue learning during the class suspension period, it added. (Zawya)
- **S&P cuts Oman rating deeper into Junk –** S&P has lowered crude producer Oman's sovereign ratings deeper into 'Junk' territory, citing external challenges. The changes came after S&P recently cut its forecast the Brent crude oil benchmark to an average of $30 a barrel in 2020, $50 per barrel in 2021, and $55 a barrel from 2022. S&P cut Oman's long-term foreign and local currency sovereign ratings to 'BB-' from 'BB', citing higher external risks and indebtedness. "The sharp drop in oil prices in 2020 will intensify Oman's fiscal and external pressures, leading to a faster deterioration in the government's balance sheet, which has considerably weaker buffers than during the 2014-2015 oil price shock," it stated. The outlook for Oman's ratings is negative, the rating agency said, reflecting the risk that the government's medium-term fiscal consolidation plans could be insufficient to stem the rising state debt. It expects the fiscal deficit will average almost 8% of GDP in 2021-2023. The large funding needs will be predominantly met through the issuance of foreign-currency debt, with the remainder financed by asset draw downs and domestic debt, it stated. S&P expects Oman's external debt - adjusted for liquid external assets - will

rise to 67% of current account receipts in 2023, from about 20% in 2018. The rating agency stated the share of foreign-currency-denominated debt, largely held by non-residents, was high - at above 80% of total debt. “We expect funding costs will rise despite monetary easing in the US, since portfolio flows to emerging markets could dry up and Oman’s macro-fundamentals are under pressure from external developments,” it stated. (Reuters)

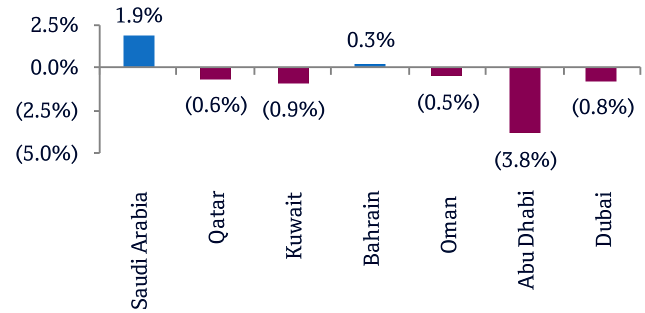
- **S&P trims Bahrain's outlook –** S&P changed the outlook for Bahrain’s ratings to stable from ‘Positive’ due to the country’s dependence on oil revenue. S&P stated that its revenue remained dependent on oil, and hence sensitive to energy price shocks, despite efforts to increase non-energy receipts. “Recent revisions to our 2020 price projections for oil imply more elevated current account deficits for Bahrain, raising external vulnerabilities,” it stated. However, the provision of zero-interest loans from neighboring sovereigns - Saudi Arabia, Kuwait and UAE - and the expectation of further support, if needed, provide the government with an important financing buffer. (Reuters)
- **Bahrain’s February consumer prices rise 0.1% YoY and 0.2% MoM –** The Information & eGovernment Authority in Manama published Bahrain’s February consumer prices which showed that February’s consumer prices rose 0.1% YoY and 0.2% MoM. Food and non-alcoholic beverages price index rose 2.1% YoY in February compared to a rise of 0.2% in the previous month. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,628.16	(0.2)	8.6	7.3
Silver/Ounce	14.47	0.4	14.7	(19.0)
Crude Oil (Brent)/Barrel (FM Future)	24.93	(5.4)	(7.6)	(62.2)
Crude Oil (WTI)/Barrel (FM Future)	21.51	(4.8)	(4.1)	(64.8)
Natural Gas (Henry Hub)/MMBtu	1.70	(1.7)	(3.4)	(18.7)
LPG Propane (Arab Gulf)/Ton	25.13	2.0	(3.3)	(39.1)
LPG Butane (Arab Gulf)/Ton	22.63	0.5	10.4	(65.9)
Euro	1.11	1.0	4.2	(0.6)
Yen	107.94	(1.5)	(2.7)	(0.6)
GBP	1.25	2.1	7.1	(6.0)
CHF	1.05	1.2	3.6	1.7
AUD	0.62	1.7	6.6	(12.1)
USD Index	98.37	(1.0)	(4.3)	2.1
RUB	78.81	1.8	(1.5)	27.1
BRL	0.20	(1.5)	(0.7)	(21.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,827.17	(2.6)	10.7	(22.5)
DJ Industrial	21,636.78	(4.1)	12.8	(24.2)
S&P 500	2,541.47	(3.4)	10.3	(21.3)
NASDAQ 100	7,502.38	(3.8)	9.1	(16.4)
STOXX 600	310.90	(2.6)	10.4	(26.1)
DAX	9,632.52	(3.0)	12.2	(28.0)
FTSE 100	5,510.33	(3.2)	13.3	(31.6)
CAC 40	4,351.49	(3.6)	11.8	(28.1)
Nikkei	19,389.43	5.3	19.7	(17.4)
MSCI EM	842.54	(1.0)	4.9	(24.4)
SHANGHAI SE Composite	2,772.20	(0.1)	1.0	(10.8)
HANG SENG	23,484.28	0.6	3.0	(16.3)
BSE SENSEX	29,815.59	(1.0)	0.0	(31.6)
Bovespa	73,428.80	(6.9)	7.4	(49.9)
RTS	955.34	(6.1)	3.4	(38.3)

Source: Bloomberg(*$ adjusted returns)

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