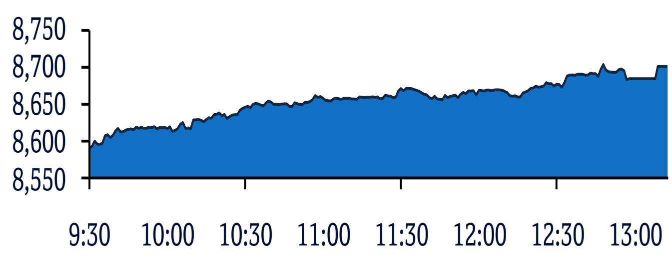
Daily Market Report

Thursday, 30 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.2% to close at 8,701.1. Gains were led by the Transportation and Real Estate indices, gaining 3.4% and 3.1%, respectively. Top gainers were Qatari Investors Group and Ezdan Holding Group, rising 10.0% each. Among the top losers, Al Khaleej Takaful Insurance Company and Qatar National Cement Company were down 1.6% each.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.5% to close at 6,985.3. Gains were led by the Real Estate and Consumer Durables indices, rising 3.5% and 2.3%, respectively. Ash-Sharqiyah Dev. Co. rose 8.0%, while Taiba Investments Co. was up 6.0%.

Dubai: The DFM Index gained 0.3% to close at 2,004.1. The Services index rose 1.6%, while the Real Estate & Construction index gained 1.4%. Arabtec Holding Co. rose 7.0%, while Amlak Finance was up 5.0%.

Abu Dhabi: The ADX General Index gained marginally to close at 4,222.0. The Consumer Staples index rose 1.9%, while the Real Estate index rose 0.5%. Methaq Takaful Insurance rose 11.7%, while Sudatel Telecom. Group Co. was up 10.1%.

Kuwait: The Kuwait All Share Index gained 0.9% to close at 4,888.9. The Telecom. index rose 2.7%, while the Consumer Services index gained 2.1%. Investors Holding Group Co. rose 17.0%, while Al Mal Investment Company was up 11.8%.

Oman: The MSM 30 Index gained marginally to close at 3,538.9. The Industrial index gained 0.7%, while the other indices ended in red. Gulf International Chemicals rose 7.6%, while Voltamp Energy was up 6.9%.

Bahrain: The BHB Index gained 0.1% to close at 1,308.7. The Services index rose 0.4%, while the other indices ended flat or in red. Bahrain Telecom Co. rose 0.8%, while Arab Banking Corp was up marginally.

Market Indicators	29 Apr 20	28 Apr 20	%Chg.
Value Traded (QR mn)	448.8	396.1	13.3
Exch. Market Cap. (QR mn)	490,773.4	483,580.5	1.5
Volume (mn)	421.0	251.2	67.6
Number of Transactions	10,760	11,087	(2.9)
Companies Traded	47	45	4.4
Market Breadth	37:9	35:9	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,727.50	1.2	2.7	(12.8)	13.6
All Share Index	2,705.06	1.1	2.6	(12.7)	14.2
Banks	3,857.41	0.8	1.7	(8.6)	12.5
Industrials	2,228.16	1.8	3.1	(24.0)	17.6
Transportation	2,708.52	3.4	9.3	6.0	13.1
Real Estate	1,278.39	3.1	7.3	(18.3)	11.2
Insurance	2,003.50	(0.5)	(0.4)	(26.7)	33.7
Telecoms	847.48	1.0	4.3	(5.3)	14.0
Consumer	7,042.34	0.3	1.9	(18.6)	17.4
Al Rayan Islamic Index	3,388.97	1.0	3.5	(14.2)	15.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	27.45	6.0	1,973.0	1.1
The Commercial Bank	Qatar	3.95	4.0	2,708.2	(16.0)
Sahara Int. Petrochemical	Saudi Arabia	15.20	3.8	7,737.2	(15.4)
Agility Public Wareh. Co.	Kuwait	0.61	3.4	3,946.2	(25.4)
Saudi Cement Co.	Saudi Arabia	51.60	3.3	340.8	(26.4)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
HSBC Bank Oman	Oman	0.10	(8.7)	810.0	(21.5)
Kingdom Holding Co.	Saudi Arabia	6.71	(1.3)	958.9	(11.1)
Sohar International Bank	Oman	0.08	(1.2)	454.2	(24.2)
Qatar Insurance Co.	Qatar	2.00	(1.1)	5,646.8	(36.7)
Dubai Islamic Bank	Dubai	3.59	(0.8)	5,675.5	(34.8)

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%
Qatari Investors Group	1.43	10.0	2,486.8	(20.1)
Ezdan Holding Group	0.74	10.0	179,944.9	20.2
Aamal Company	0.60	9.9	26,368.2	(26.4)
Qatari German Co for Med. Devices	0.86	9.9	33,123.0	46.9
Qatar Cinema & Film Distribution	2.53	9.5	2.0	14.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.74	10.0	179,944.9	20.2
Qatari German Co for Med. Devices	0.86	9.9	33,123.0	46.9
Investment Holding Group	0.45	8.1	29,565.7	(19.7)
Aamal Company	0.60	9.9	26,368.2	(26.4)
Mazaya Qatar Real Estate Dev.	0.63	7.1	24,927.7	(12.0)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Al Khaleej Takaful Insurance Co.	1.76	(1.6)	1,204.4	(12.3)
Qatar National Cement Company	3.40	(1.6)	191.5	(39.9)
Baladna	1.02	(1.4)	3,462.4	1.6
Qatar Insurance Company	2.00	(1.1)	5,646.8	(36.7)
Gulf Warehousing Company	4.80	(1.0)	602.7	(12.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	0.74	10.0	130,970.0	20.2
Qatari German Co. for Med. Dev.	0.86	9.9	27,904.8	46.9
QNB Group	17.20	0.6	27,682.4	(16.5)
Ooredoo	6.35	0.8	26,900.0	(10.3)
Qatar Gas Transport Co. Limited	2.55	2.2	16,049.9	6.8

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*	8,701.06	1.2	2.7	6.0	(16.5)	122.57	133,883.0	13.6	0.8	4.6
Dubai	2,004.09	0.3	6.0	13.1	(27.5)	79.11	78,495.9	7.6	0.7	6.2
Abu Dhabi	4,221.98	0.0	3.9	13.0	(16.8)	35.24	128,423.8	12.2	1.2	5.8
Saudi Arabia	6,985.33	1.5	5.8	7.4	(16.7)	1,432.17	2,084,042.4	19.5	1.7	3.7
Kuwait	4,888.89	0.9	4.3	1.4	(22.2)	107.08	89,048.1	13.8	1.1	4.4
Oman	3,538.87	0.0	1.6	2.6	(11.1)	4.56	15,318.4	8.5	0.8	6.9
Bahrain	1,308.65	0.1	0.1	(3.1)	(18.7)	9.94	20,202.8	9.4	0.8	5.9

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

Qatar Market Commentary

- The QE Index rose 1.2% to close at 8,701.1. The Transportation and Real Estate indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from non-Qatari shareholders.
- Qatari Investors Group and Ezdan Holding Group were the top gainers, rising 10.0% each. Among the top losers, Al Khaleej Takaful Insurance Company and Qatar National Cement Company were down 1.6% each.
- Volume of shares traded on Wednesday rose by 67.6% to 421.0mn from 251.2mn on Tuesday. Further, as compared to the 30-day moving average of 144.5mn, volume for the day was 191.4% higher. Ezdan Holding Group and Qatari German Company for Medical Devices were the most active stocks, contributing 42.7% and 7.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	33.98%	51.68%	(79,423,806.27)
Qatari Institutions	34.02%	13.53%	91,975,155.59
Qatari	**68.00%**	**65.21%**	**12,551,349.32**
GCC Individuals	1.19%	1.43%	(1,047,673.79)
GCC Institutions	4.06%	1.18%	12,920,092.00
GCC	**5.25%**	**2.61%**	**11,872,418.21**
Non-Qatari Individuals	16.09%	17.75%	(7,459,522.54)
Non-Qatari Institutions	10.67%	14.45%	(16,964,245.00)
Non-Qatari	**26.76%**	**32.20%**	**(24,423,767.54)**

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
Khaleeji Commercial Bank	Moody's	Bahrain	LCR/CRA/BCA/ABCA/LT-CRA(F)/LT-CRA(D)	B2/B1(cr)/b2/b2/B1/B1	B3/B2(cr)/caa1/caa1/B2/B2	↓	Negative	–

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, LCR – Local Currency Rating, CRA– Counterparty Risk Assessment, CRR(F) – Counterparty Risk Rating (Foreign), CRR(D) – Counterparty Risk Rating (Domestic) BCA – Baseline Credit Assessment, ABCA – Adjusted Baseline Credit Assessment)

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
Eastern Province Cement Co.	Saudi Arabia	SR	234.0	29.3%	78.0	90.2%	85.0	84.8%
Baazeem Trading Co.	Saudi Arabia	SR	97.3	24.8%	10.2	22.5%	8.9	26.9%
Muscat Finance	Oman	OMR	3.0	-12.3%	1.0	-31.1%	0.4	18.6%
Al Batinah Dev. & Inv. Holding Co.#	Oman	OMR	98.6	22.9%	–	–	(23.5)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04/29	US	Mortgage Bankers Association	MBA Mortgage Applications	24-Apr	-3.3%	–	-0.3%
04/29	US	Bureau of Economic Analysis	GDP Annualized QoQ	1Q2020	-4.8%	-4.0%	2.1%
04/29	EU	European Central Bank	M3 Money Supply YoY	Mar	7.5%	5.5%	5.5%
04/29	EU	European Commission	Consumer Confidence	Apr	-22.7	–	-22.7
04/29	Germany	German Federal Statistical Office	CPI MoM	Apr	0.3%	0.1%	0.1%
04/29	Germany	German Federal Statistical Office	CPI YoY	Apr	0.8%	0.7%	1.4%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 1Q2020 results	No. of days remaining	Status
QFBQ	Qatar First Bank	30-Apr-20	0	Due
BRES	Barwa Real Estate Company	30-Apr-20	0	Due
SIIS	Salam International Investment Limited	30-Apr-20	0	Due
QOIS	Qatar Oman Investment Company	30-Apr-20	0	Due
AKHI	Al Khaleej Takaful Insurance Company	30-Apr-20	0	Due

Source: QSE

News

Qatar

- **GISS' net profit declines 65.5% YoY and 3.2% QoQ in 1Q2020, beating our estimate –** Gulf International Services' (GISS) net profit declined 65.5% YoY (-3.2% QoQ) to QR8.7mn in 1Q2020, above our estimate of QR5.4mn. The company's Revenue came in at QR831.7mn in 1Q2020, which represents an increase of 15.6% YoY (+7.6% QoQ). EPS amounted to QR0.005 in 1Q2020 as compared to QR0.014 in 1Q2019. Revenues were up on strong growth across the business segments following the group's aggressive business strategy. GISS' net profit was down 65% as it was severely impacted by the insurance segment, owing to significant unrealized losses reported within its investment portfolio due to the current market volatilities. The group's finance cost declined 15% to QR51mn in 1Q2020, on the back of the drop in Libor (London Interbank Offered Rates). Total assets stood at QR11bn at the end of March 2020. On the liquidity front, the closing cash, including short-term investments, was QR1bn. The total debt at group level was QR4.8bn. GDI made a remarkable QR13mn and QR6mn savings on direct and finance costs respectively, thus helping it narrow net losses by 98% to QR0.4mn. Its revenues were up 2% to QR290mn. Al Koot's revenue rose 21% to QR231mn, while it saw a net loss of QR45mn. "Going forward, the insurance segment would continue its efforts to enhance its market share and to re-price its current contracts in medical business, to better manage the claims and rationalize the claim exposure to enhance the overall segment profitability," it said. The aviation revenues were up 32% to QR185mn, translating as a 63% growth in net earnings to QR58mn. "Going forward, the aviation segment will continue to focus on key international markets, which provides opportunities in oil and gas aviation services sector," it said. Amwaj saw 19% growth in revenues to QR135mn due to successful expansion of the core industrial catering and manpower contracting services, and higher occupancy level at Mesaieed and Dukhan camps. This led to an almost doubling of profits to QR8mn in 1Q2020. During 1Q2020, GISS continued its path of repositioning the core oil and gas services segments by minimizing cost base, maximizing asset utilization, and worked on unlocking further growth opportunities in order to enhance its market share. Qatar's North Filed East Project or NFE has embarked on the drilling campaign, where the first of 80 NFE development wells was spudded on March 29, 2020, by the jack-up rig "GulfDrill Lovanda" (a rig owned by GulfDrill – a Qatar Financial Centre registered joint venture between GDI and Sea Drill), which is managed and operated by GDI. This project would provide many opportunities, going forward, for the group to capture significant market share in domestic oil and gas services sector, thus driving future gains at GISS. (QNB FS Research, QSE, Gulf-Times.com, Qatar Tribune)
- **Qatar's Gulf Drilling International is restructuring $1.3bn in debt –** Gulf Drilling International, onshore and offshore oil and gas drilling company in Qatar and fully owned by Gulf International Services (GISS), is restructuring and refinancing as much as $1.3bn of debt, according to its parent. "With the negotiated lower margins and in the current low-interest rate environment, the refinancing will not only assist the Group in reducing interest cost, but also provide a more optimum and efficient debt structure," GISS stated in its first-quarter earnings statement. (Bloomberg)
- **ORDS' net profit declines 8.0% YoY and 15.9% QoQ in 1Q2020 –** Ooredoo's (ORDS) net profit declined 8.0% YoY (-15.9% QoQ) to QR386.8mn in 1Q2020.The company's revenue came in at QR7,295.3mn in 1Q2020, which represents an increase of 1.4% YoY. However, on QoQ basis revenue fell 8.2%. EPS amounted to QR0.12 in 1Q2020 as compared to QR0.13 in 1Q2019. Revenue growth supported by robust growth in Indonesia, Tunisia, Myanmar and other markets, which was partially offset by a COVID-19 impact, a reduction in handset sales and macroeconomic weakness in some of our other markets. EBITDA declined by 5% YoY to QR3.0bn, impacted by measures to contain the spread of COVID-19 in many territories as well as challenging market conditions in Algeria, Kuwait and Oman. Group net profit attributable to Ooredoo shareholders declined due to the reduction in EBITDA which was partially offset by a more favorable foreign exchange environment compared to the same period last year. Data revenues accounts for more than 50% of total Revenue driven by our data leadership and digital transformation initiatives across the countries we operate in. Ooredoo Group has healthy cash reserve and liquidity levels to be able to absorb the impact of COVID-19 for the year 2020. As the COVID-19 lockdowns continues, it is expected to result in economic weakness in most of our markets with a corresponding impact on the performance of ORDS' operations. Sheikh Saud bin Nasser Al Thani, Group CEO of Ooredoo said, "In 1Q2020 Ooredoo Group has increased our revenue and we have delivered good results Growth was driven by strong performances in most of our markets, and in particular in Indonesia and Tunisia where revenues grew 7% and 16% respectively, supported by Indosat Ooredoo's refreshed strategy and the implementation of Ooredoo Tunisia's value creation plan. Business in Myanmar has been growing as well. Ooredoo Qatar continues to be our highest revenue generator, reporting QR1.8bn in total revenues for 1Q2020. The implementation of nationwide lockdowns across many of our geographies impacted EBITDA as margins came under pressure due to changing customer behavior. EBITDA for 1Q2020 was QR3.0bn compared to QR3.2bn for the same period last year. We continue to implement strong cost optimization programs across all our OpCos to manage some of the impact from the pandemic and weakening economic activity. Our leading digital infrastructure and focus on customer experience enabled us to grow our user base by 6% during the first quarter of 2020 compared to the same period last year. Our digital platforms and home deliveries enabled our customers to avail our services and manage their accounts from the safety of their homes. In Oman, we continued to deliver double digit growth in fixed revenues, in Iraq, we increased our customer base, while in Tunisia we maintained our number 1 position by customer market share." (QSE, Company Release)
- **Indosat Ooredoo maintained its growth trajectory in 1Q2020 –** Indosat Ooredoo maintained its growth trajectory from 2019 reporting a 7% increase in revenues to QR1.7bn in 1Q2020 compared to the same period last year, mainly driven by higher ARPU due to a significant increase in data traffic. Strict cost management contributed to EBITDA growth of 9% to QR700mn

during the first quarter of 2020 compared to the same period last year as the company reorganized operations to achieve greater efficiency. EBITDA margin increased to 42% for the same period, up from 41% in 1Q2019. Indosat Ooredoo's customer base grew by 5% to 56mn, compared to the same period last year, as the company continued to offer transparent and flexible solutions to its customers powered by its leading physical and digital infrastructure. Indosat Ooredoo continues to implement a careful cost management program to mitigate some of the expected revenue declines as people and businesses across Indonesia are impacted by the COVID-19 pandemic. The company has also taken steps to ensure network readiness for the anticipated surge in fixed line and data usage. (Company Press Release)

- **Ooredoo updates on COVID-19 impact –** Ooredoo's Chairman said, "We do expect to see some negative impact on our operations, similar to other global telecom operators. The group has healthy cash reserve and liquidity levels to be able to absorb impact of COVID-19 for year 2020. As COVID-19 lockdowns continues, it is expected to result in economic weakness in most of our markets with a corresponding impact on performance of our operations." The group CEO said, "We continue to implement strong cost optimization programs across all our opcos to manage some of impact from pandemic. Towards end of period (1Q2020), Ooredoo Qatar saw some business impact from COVID-19 outbreak, particularly on B2B revenue. Ooredoo Kuwait revenues in 1Q2020 were QR656mn compared to QR673mn in 1Q2019. COVID-19 lockdown added pressure on economy and correspondingly impacted performance of Ooredoo Kuwait." (Reuters)
- **MERS posts 14.1% YoY increase but 19.7% QoQ decline in net profit in 1Q2020 –** Al Meera Consumer Goods Company's (MERS) net profit rose 14.1% YoY (but declined 19.7% on QoQ basis) to QR50.6mn in 1Q2020.The company's Sales came in at QR887.0mn in 1Q2020, which represents an increase of 16.9% YoY (+21.7% QoQ). EPS amounted to QR0.25 in 1Q2020 as compared to QR0.22 in 1Q2019. (QSE, Gulf-Times.com)
- **ZHCD's net profit declines 10.1% YoY and 29.5% QoQ in 1Q2020 –** Zad Holding Company's (ZHCD) net profit declined 10.1% YoY (-29.5% QoQ) to QR45.0mn in 1Q2020.The company's Operating Revenue came in at QR325.2mn in 1Q2020, which represents a decrease of 4.9% YoY. However, on QoQ basis Operating Revenue rose 14.1%. EPS amounted to QR0.19 in 1Q2020 as compared to QR0.21 in 1Q2019. (QSE, Gulf-Times.com)
- **QGRI's bottom line declines ~45% YoY in 1Q2020 –** Qatar General Insurance & Reinsurance Company (QGRI) reported net profit of ~QR11mn (down ~45% YoY) in 1Q2020 as compared to net profit of ~QR20mn in 1Q2019 and net loss of ~QR476mn in 4Q2019. EPS amounted to QR0.013 in 1Q2020 as compared to QR0.023 in 1Q2019. (QSE)
- **DOHI posts ~17% YoY decrease but ~65% QoQ increase in net profit in 1Q2020 –** Doha Insurance Group's (DOHI) net profit declined ~17% YoY (but rose ~65% on QoQ basis) to ~QR15mn in 1Q2020. The earnings per share amounted to QR0.029 in 1Q2020 as compared to QR0.035 in 1Q2019. (QSE)
- **QATI to hold investors relation conference call on April 30 –** Qatar Insurance Group (QATI) will hold the conference call with the Investors to discuss the financial results for 1Q2020 on April 30, 2020 at 11:30 pm, Doha Time. (QSE)
- **Qatar PPI drops more than 25% in March –** The substantially weakened earnings in the hydrocarbons and manufacturing sectors led Qatar witness a more than 25% plunge YoY in PPI (producers' price index) this March, according to the official data. Qatar's PPI — a measure of the average selling prices received by the domestic producers for their output — saw a 17.9% MoM fall, the figures released by the Planning and Statistics Authority (PSA), suggested. The PSA had released a new PPI series in late 2015. With a base of 2013, it draws on an updated sampling frame and new weights. The previous sampling frame dates from 2006, when the Qatari economy was much smaller than today and the range of products made domestically much narrower. The mining PPI, which carries the maximum weight of 72.7%, plummeted 29.9% on a yearly basis as price of crude petroleum and natural gas plunged 30% and that of stone, sand and clay by 4.7% in the review period. The PPI for mining registered a 21% shrinkage MoM in March this year on the back of a 21.1% slump in the price of crude petroleum and natural gas; even as there was a marginal 0.1% rise in the price of stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the PPI basket, witnessed a 14.7% yearly decline in March 2020 on an 18.4% fall in the price of basic chemicals, 17.2% in refined petroleum products, 1.5% each in basic metals and other chemical products and fibers, 0.6% in rubber and plastic products and 0.5% in beverages. Nevertheless, there was a 3% increase in the price of paper and paper products, 2.6% in juices, 1.5% in grain mill and other products, 0.3% in dairy products and 0.2% in cement and other non-metallic products. The manufacturing sector PPI had seen a monthly 11.1% contractions in March 2020 as the price of refined petroleum products plunged 14.1%, basic chemicals (13.5%), other chemical products and fibers (2.1%) and rubber and plastics products (0.4%); whereas that of basic metals rose 5.5%, cement and other non-metallic mineral products (2.9%), grain mill and other products (1.4%) and beverages (0.1%). However, the utilities group, which has a mere 0.5% weightage in the PPI basket, saw its index shrink 5.5% on yearly basis in March this year as water and electricity prices had fallen 7.7% and 4.1% respectively. The index had seen a 7.7% decline MoM this March with electricity and water indices dropping 8.2% and 7.2% respectively. (Gulf-Times.com)
- **Qatar's virus package, mega projects take center stage in OBG report –** Qatar's bid to continue diversifying its economy, while introducing a QR75bn ($20.6bn) stimulus package to ease the impact of the COVID-19 pandemic, is explored in detail in a new report by the global research and advisory firm Oxford Business Group (OBG). The Report: Qatar 2020 shines a spotlight on the country's list of megaprojects, many of which will support the country as it prepares to host the 2022 FIFA World Cup. It also considers Qatar's plans to increase liquefied natural gas (LNG) output by around two-thirds, while cushioning the industry against the recent fall in demand for hydrocarbons, fueled by the coronavirus. Key initiatives highlighted include the planned expansion of Hamad International Airport, which is expected to begin this year. Projects undertaken at Qatar's ports, and the part they have played in opening up new trade routes and boosting cruise arrivals, are also examined. Qatar's decision to

sharpen its focus on gas production, after withdrawing from the Organization of the Petroleum Exporting Countries in early 2019, is given wide-ranging coverage. There is in-depth analysis of the expansion planned for the North Field – the world's largest non-associated gas field – to around 126mn tons per annum by 2027. In addition, the report considers the key part that Qatar is poised to play in meeting growing global demand for cleaner sources of power generation. Tourism has been identified as one of the sectors of Qatar's economy with high-growth potential, boosted by improvements to infrastructure and hospitality. OBG's report documents Qatar's efforts to increase visitor numbers by broadening its offerings to include sporting events, museums, archaeological sites and medical facilities. It also charts the progress made by the authorities since the blockade to tap new source markets. The country's rapidly developing education sector is another focus. OBG considers the key contribution that infrastructure investment is making to the sector's expansion. It also tracks the growing role played by the private sector in boosting activity across the segments. (Qatar Tribune)

- **Number of workers in one residential unit limited to five –** Housing more than five workers in one residential unit within family residential areas is a violation of the law, according to a ministerial decision announced yesterday. Those not complying with the law will be penalized with imprisonment of up to six months and a fine ranging from QR50,000 to 100,000, or any one of the two. HE the Minister of Municipality and Environment Abdullah bin Abdulaziz bin Turki Al-Subaie issued Ministerial Decision No 105 of 2020 defining family residential areas and what is considered workers' camps within those areas, in addition to determining those exempted from this decision, the official Qatar News Agency reported yesterday based on a statement by the Ministry of Municipality and Environment (MME). The decision comes in implementation of the provisions of Law No 15 of 2010 on the prohibition of workers' camps within family residential areas, amended by Law No 22 of 2019. Decision No 105 of 2020 excludes female workers, regardless of the nature of their work, as well as domestic workers in houses and similar categories, such as maids and drivers. The ministerial decision said housing more than five workers in one of the places within family residential areas is a violation of the provisions of the law. A warning shall be sent to the violator, be it the tenant, the property owner or both, in addition to issuing a report of the violation and eventually ordering the eviction of the building, the MME statement notes. In case of non-compliance, forced eviction will be carried out along with the disconnection of electricity and water supply. (Gulf-Times.com)
- **Qatar to reduce employees at workplaces in government, private sectors –** Qatar's cabinet has decided to extend several measures to stem the spread of coronavirus including the reduction of employees at workplaces in the government and private sectors, state news agency QNA stated. The cabinet decided to reduce the number of workers transported by buses to half of the current capacity. In the same meeting headed by the Prime Minister and Interior Minister, Qatar's cabinet approved a draft air services agreement between the government and China's Macao Special Administrative Region. (Reuters)

International

- **Coronavirus savages US economy in first quarter; bigger hit still to come –** The US economy contracted in the first quarter at its sharpest pace since the Great Recession as stringent measures to slow the spread of the novel coronavirus almost shut down the country, ending the longest expansion in the nation's history. The drop in gross domestic product (GDP) reported by the Commerce Department on Wednesday reflected a plunge in economic activity in the last two weeks of March, which saw millions of Americans seeking unemployment benefits. The rapid decline in GDP reinforced analysts' predictions that the economy was already in a deep recession and left economists bracing for a record slump in output in the second quarter. "If the economy fell this hard in the first quarter, with less than a month of pandemic lockdown for most states, don't ask how far it will crater in the second quarter because it is going to be a complete disaster," said Chief Economist at MUFG in New York, Chris Rupkey. Gross domestic product declined at a 4.8% annualized rate last quarter, weighed down by a collapse in spending on healthcare as dentists' offices closed and hospitals delayed elective surgeries and non-emergency visits to focus on patients suffering from COVID-19, the potentially lethal respiratory illness caused by the virus. That was the steepest pace of contraction in GDP since the fourth quarter of 2008. Households also drastically cut back on purchases of motor vehicles, furniture, clothing and footwear. Receipts for transportation, hotel accommodation and restaurant services also plunged. Businesses further tightened their purse strings and liquidated inventory, helping to overshadow positive news from a shrinking import bill, the housing market and more spending by the government. Economists polled by Reuters had forecast GDP falling at a 4.0% rate last quarter. The economy, which grew at a 2.1% rate in the fourth quarter, was in its 11th year of expansion, the longest on record. (Reuters)
- **Fed Chief: US economy faces hard slog back from pandemic –** The head of the Federal Reserve on Wednesday dashed lingering hopes for a fast rebound from the coronavirus pandemic, saying the US economy could feel the weight of consumer fear and social distancing for a year or more in a prolonged climb from a deepening hole. After a two-day policy meeting in which the US central bank kept interest rates near zero and promised to expand emergency programs as needed to help the battered economy, Fed Chair Jerome Powell offered no sanguine words about how fast the country might return - if ever - to the near-record low unemployment and solid growth of just a few weeks ago. A first phase of a recovery may actually happen soon, Powell told journalists in a videoconference after the end of the policy meeting, as some U.S. states allow stores and even restaurants to reopen under tightened rules meant to sustain progress in curbing a pandemic that has killed more than 60,000 people in the country. But even if that takes hold by late summer, "that's the period as well that creates the risks of new outbreaks of the virus," Powell said, a scenario that health officials and economic analysts say could leave the economy in a recurring cycle of tentative reopening followed by reimpose restrictions to fight new outbreaks. As the easing of social distancing rules proceeds, "people will come out of their homes, start to spend again, we will see unemployment go

down, we will see economic activity pick up," Powell said. "That could be a large increase … It is unlikely it will bring us quickly back to pre-crisis levels." (Reuters)

- **BCC: UK small firms use furlough scheme to avoid permanent job cuts –** Three of every four small British businesses have temporarily laid off staff using an emergency government scheme to pay their wages, minimizing permanent job losses during the coronavirus lockdown so far, a survey published on Wednesday showed. The British Chambers of Commerce (BCC) said 76% of member firms it surveyed had furloughed some of their staff under the wage-guarantee scheme, up from 71% a week earlier, and almost none had made staff permanently redundant. BCC Director-General Adam Marshall said the plan was an essential part of supporting businesses through the crisis and needed to be extended. "While the furlough scheme cannot be indefinite, it will need to run well beyond June 30 in some form to help businesses transition toward a 'new normal' as the lockdown is eased," he said in a statement. Finance Minister Rishi Sunak said on Monday that half a million firms had made claims in the first week of the job retention scheme, covering more than 4mn jobs at a cost of 4.5bn Pounds to the public finances. In another survey released on Wednesday, the Chartered Institute of Personnel and Development (CIPD) - whose members typically work at somewhat larger employers than the BCC - said 46% of firms had furloughed staff, and another 10% planned to do so. However it criticized the scheme for not allowing firms to reduce staff hours, rather than furlough them completely. The all-or-nothing approach to furlough would also make it harder to bring back staff gradually as social distancing measures are lifted, CIPD Chief Executive Peter Cheese said. (Reuters)
- **BRC: UK retailers cut non-food prices by most on record –** British retailers cut the prices of non-food items by the most since at least 2006 this month as they try to shift stock that they are struggling to sell due to the coronavirus, industry data showed on Wednesday. After figures on Tuesday showed the biggest fall in sales since December 2008, the data from the British Retail Consortium added to signs of the damage to the sector from the closure of non-essential stores to slow the spread of COVID-19. Non-food prices in April were 3.7% lower than a year before, the sharpest drop since the survey began in 2006, the BRC said. "With lockdown effectively closing the high street, non-food retailers are reliant on online sales and prices have fallen as they look to sell stock," said Mike Watkins, head of retailer and business insight at market research firm Nielsen, which sponsors the survey. Clothing, footwear and furniture saw the biggest discounts, the BRC added. By contrast, food price inflation rose to its highest since June 2019 at 1.8% in April, up from 1.1% the month before, as supermarkets scrapped sales promotions to reduce supply shortages. Shop prices overall fell by 1.7%, the largest decline since January 2017. BoE officials have said they expect inflation to fall as the crisis hits demand. Deputy Governor Ben Broadbent said last week he expected inflation to sink below 1% in the coming months, less than half the BoE's 2% target, pushed down by tumbling global oil prices as well as the coronavirus impact on consumption. (Reuters)
- **Germany expects record recession in 2020 because of coronavirus –** The coronavirus pandemic will plunge Germany's economy into its deepest recession since World War Two, Economy Minister Peter Altmaier said on Wednesday as the government cut its economic growth forecast for this year. "We're facing major challenges, both economically and politically," Altmaier told reporters in Berlin, presenting the government's updated growth forecast for Europe's largest economy. Berlin cut its estimate for gross domestic product (GDP) growth in 2020 to -6.3% from +1.1% predicted in January. It expects the recession to bottom out in the second quarter and economic activity to pick up again after that, provided a second wave of infections can be avoided. For 2021, the government expects the economy to rebound with an expansion rate of +5.2%. The forecasts are based on the assumption that authorities can gradually unwind lockdown measures imposed to contain the spread of the coronavirus. Altmaier said Germany should not rush to ease the lockdown measures as this would increase the risk of a second wave of coronavirus infections, which could hamper the expected economic recovery in the second half of the year. "Because only if we lift economic and social restrictions step-by-step, and with a sense of proportion, can we start with the slow recovery in the second half of year," Altmaier said. Europe's most populous country has 157,641 confirmed coronavirus cases and 6,115 deaths, according to data from the Robert Koch Institute for infectious diseases. The government expects consumer price inflation to drop to 0.5% in 2020 and rebound to 1.5% in 2021. Unemployment is seen rising to 2.62mn in 2020 from an average 2.27mn in 2019, with the number of people working reduced or zero hours under the government's expanded Kurzarbeit short-time work schemes expected to soar to 3mn.
- **German inflation eases further in April –** German annual inflation slowed further in April to well below the European Central Bank's target, data showed on Wednesday, giving the ECB additional leeway to deploy stimulus policy to counter the economic impact of the coronavirus pandemic. German consumer prices, harmonized to make them comparable with inflation data from other European Union countries, rose by 0.8% year-on-year after a 1.3% increase in the previous month, the Federal Statistics Office said. The reading was the lowest since November 2016 and came in above a Reuters forecast for 0.5%. On the month, EU-harmonized prices rose by 0.4% in April. That compared with a Reuters forecast for 0.1%. While prices for fresh food jumped, the recent oil price slump put a noticeable damper on the inflation rate for household energy, Commerzbank analyst Marco Wagner said. "Due to the corona crisis, however, many other prices cannot be surveyed as usual, which limits the informative value for the underlying inflation in particular," Wagner added. The European Central Bank targets inflation of close to but below 2% for the single currency bloc. The European Central Bank has ditched a cap on how many bonds it can buy from any single Eurozone country, clearing the way for potentially unlimited money-printing as it scales up its response to the pandemic. (Reuters)
- **DIW: German economy to shrink by 10% in second quarter –** The German economy will contract by more than 6% this year, the DIW economic institute said on Wednesday, adding that the recession prompted by the coronavirus pandemic would be

deeper than during the 2008 financial crisis. DIW said Europe's biggest economy likely contracted by 2% in the first quarter and will shrink by 10% in the April-June period as large sectors of the economy were brought to a standstill by the outbreak. (Reuters)

- **China committed to Phase 1 trade deal despite pandemic –** China remains "very, very committed" to meeting its commitments under a Phase 1 trade deal with the US, despite the unprecedented economic and health impacts of the new coronavirus outbreak, a senior US trade official said on Wednesday. The official told reporters that US officials were talking regularly, and often daily, about implementation of the trade deal and to make sure that China fulfilled its extensive agreements to buy American goods and services. The US Trade Representative's office kept China on its priority watch list for concerns about intellectual property (IP) protections, and was watching closely to see whether it implemented changes agreed to as part of the trade agreement and continue to open its market to foreign investment, the official said. "China's placement on that list reflects the urgent need to remedy a range of IP-related concerns, including China's system of pressuring, and coercing, technology transfer, the need for fundamental structural changes to strengthen IP protection, and enforcement in the widespread infringing activity within its borders," the official said. He said the Phase 1 agreement did include "very robust" provisions on IP protections and they were being implemented through a number of actions by China. The official said there were challenges presented by the coronavirus outbreak, but the overall experience showed Beijing was sticking to its commitments under the trade deal. As part of the trade deal signed on January 15, Beijing agreed to nearly double its US farm product purchases and lower several agricultural trade barriers that Washington said limited access to the lucrative Chinese market. (Reuters)
- **China's factory activity expands for second month, but slump in export orders deepens –** Factory activity in China expanded for a second straight month in April as more businesses resumed work from the coronavirus-led shutdowns, but a worsening slump in export orders pointed to a long road to recovery for the embattled economy. China's official Purchasing Managers' Index (PMI) eased to 50.8 in April from 52 in March, China's National Bureau of Statistics said on Thursday, but stayed above the neutral 50-point mark that separates growth from contraction on a monthly basis. Analysts polled by Reuters had expected a PMI reading of 51. With the coronavirus under control domestically, China's economy has begun to open up again as authorities loosen lockdown restrictions including stay-at-home orders. However, the recovery remains sluggish and analysts warn the rest of the year will be bumpy for businesses and consumers, especially due to depressed external demand and mounting job losses. That has left Chinese manufacturers with reduced export orders and a logistics logjam, as many exporters grapple with rising inventory, high costs and falling profits. Some have let workers go as part of the cost-cutting efforts. The survey's sub-index of export orders dived to 33.5 in April from 46.4 in March with some factories even having their orders cancelled after reopening, said Zhao Qinghe, senior statistician at the NBS. That pushed overall business activity down, with a reading of new orders falling to 50.2 from 52.0 a month earlier. The expansion in production also eased in April. (Reuters)

Regional

- **OPEC+ should focus on market share as oil demand recovers –** The alliance of OPEC, Russia and other oil producers, known as OPEC+, should focus on the global market share for the group's crude once demand starts recovering from the coronavirus crisis, Moscow said. OPEC+, set up in 2016, has worked to support prices by cutting output. However, Russia and others have long complained that this has mainly benefited US producers which have ramped up output and snatched market share. Russia and OPEC member Saudi Arabia spearheaded the latest efforts by OPEC+ to cut production by the equivalent of 10% of global supplies from May 1 in a bid lift prices as demand for crude plunged by as much 30% due to global lockdowns. The deal seeks to reduce a glut of oil that is struggling to find a home as global storage facilities rapidly fill. Riyadh, Moscow and other OPEC+ members have also pushed for curbs from other producers, particularly the US. Russian Energy Minister, Alexander Novak said that, once demand returned, OPEC+ should shift strategy and focus on the group's market share to evaluate how effective its actions were. OPEC+ now has commercial oil inventories as a main focus. "Stocks, supply and demand balance should be closely followed but it makes sense to switch to targeting market share which belongs to OPEC+ given increase in global demand," Novak told Interfax news agency when asked if the group should shift its focus from the stockpiles to market share. (Reuters)
- **GCC deficit could reach $250bn with a 16% drop in non-oil output –** In a possible optimistic scenario, the oil prices are expected to recover averaging $40 in 2020-21 and the production will remain in line with the OPEC+ quotas, according to research firm Mena ADVISORS. The Mena ADVISORS, in its latest report on the region, has established 3 possible scenarios to estimate a range of different outcomes from the COVID-19 shock on the GCC the Baseline, Pessimistic and Optimistic. The Baseline Scenario does not expect the OPEC+ deal to hold out to the end of 2021. It is unlikely to succeed in raising the oil price significantly as this is a demand shock rather than a supply shock. Based on this assumption the oil price is expected to average $30 in 2020-21 and for production to remain around 10% below full capacity. Full capacity for most of the GCC is not likely to be a sustainable level of production. Qataris assumed to have constant hydrocarbon production in all scenarios as it is no longer an OPEC member and is largely a gas rather than crude oil producer. (Peninsula Qatar)
- **Credit profile of GCC banks to weaken over COVID-19, lower oil prices –** Standalone credit profiles of GCC banks are set to weaken following the coronavirus pandemic and the drop-in oil prices, Fitch Ratings said. GCC governments announced stimulus packages for their banking sectors to mitigate the economic impact of the pandemic, but Fitch expects banks' profitability and asset quality to deteriorate, leading to pressure on some banks' viability ratings. "GCC countries announced monetary, fiscal and macro-prudential stimulus measures dwarfing any previously seen in the region. These are equivalent to significant proportions of GDP and could be increased if the crisis deepens," the ratings agency said. For

example, the UAE and Saudi Arabia announced support packages of $77bn and $56.5bn respectively. This is over 15% of GDP for the UAE and over 7% of GDP for Saudi Arabia. More than 50,000 coronavirus cases have been reported in the GCC so far, as governments urge the public to stay indoors or observe social distancing. Despite OPEC+ agreeing earlier in April to cut their output by 9.7mn bpd for May-June, Brent oil prices have been trading this week near the $20 per barrel level, mainly on lower demand. Fitch expects interest rate cuts and financial aid, such as temporary loan repayment relief, to help the sectors hit hardest by the economic impact of the pandemic, particularly SMEs and the private sector. However, the ratings agency said GCC banks' asset quality will deteriorate as not all borrowers will be able to weather the impact of the sharp economic contraction. In addition to the oil sector, key non-oil sectors like real estate and construction, hospitality, transport, trade and retail are also vulnerable. To cushion the impact of the coronavirus, most GCC central banks relaxed capital and liquidity requirements, and scaled back other lending restrictions. "However, we view this as rating-negative as it could lead to weaker underwriting standards and higher risk appetite, and could ultimately result in weaker asset quality," Fitch said. The ratings agency believes that the most visible negative outcome of these measures will be the pressure on banks' profitability. "While asset quality will weaken, the true extent of loan performance deterioration will be masked by loan deferral programs and regulatory permission for banks to apply large flexibility in impairment recognition under IFRS 9, aimed at avoiding excessive pro-cyclical impacts for what could be a fairly short-term shock," Fitch said. (Zawya)

- **MENA businesses should review insurance policies to cover COVID-19 losses –** The global COVID19 outbreak is an opportunity for businesses in the Middle East and North Africa (MENA) to evaluate property insurance policies to mitigate financial losses and stay ahead of competition when the market emerges from the current crisis, according to top global insurance broker and risk advisor Marsh. Companies should evaluate their property insurance policies to upscale their resilience and enhance recovery options, the firm said in a new report. Marsh, which is present in more than 130 countries, has recommended organizations to work closely with their brokers, counsel and other advisors to overcome potential challenges. CEO of Marsh in Middle East and Africa, Christos Adamantiadis urged all businesses to communicate with their insurance consultant to gain an understanding of how their policies will respond to any ongoing financial loss. "The pace and scope of government actions globally is changing daily, it is therefore essential that businesses act now to minimize disruption, respond to the new normal and start to build recovery and rebound strategies for the future." As the virus continues to rapidly spread across the MENA region, some countries have shut down or enforced heavy restrictions on many public activities resulting in low economic activity, said the report. "Many property insurance policies include coverage for business interruption loss by civil authority; however, during this time insurers are more likely to view those coverages as being triggered only by insured physical loss or damage," it said. Marsh, whose annual revenues have reached $17bn, expects that many insurers will deny cover where the virus is suspected to be present, even if physical loss or damage takes place. (Zawya)
- **IATA: Middle Eastern airlines post 45.9% traffic decrease in March –** Middle Eastern airlines posted a 45.9% traffic decrease in March, reversing a 1.6% increase in February, IATA's latest report has shown. Capacity slid 33.5%, and load factor dropped 13.7 percentage points to 59.9%. Global passenger traffic results for March showed that demand (measured in total revenue passenger kilometers or RPKs) dived 52.9% compared to the year-ago period. This was the largest decline in recent history, reflecting the impact of government actions to slow the spread of Covid-19, IATA said. In seasonally adjusted terms, global passenger volumes returned to levels last seen in 2006. March capacity (available seat kilometers or ASKs) fell by 36.2% and load factor plummeted 21.4 percentage points to 60.6%. Asia-Pacific airlines led the decliners, as March traffic dropped 65.5% compared to the year-ago period, which was more than double the 30.7% decline in February. Capacity fell 51.4% and load factor collapsed 23.4 percentage points to 57.1%. African airlines' traffic fell 42.8% in March, which was a huge deterioration from a 1.1% decline in February. Capacity dropped 32.9%, and load factor contracted 10.5 percentage points to 60.8%. Demand for domestic travel shrank 47.8% in March compared to March 2019 with double-digit percentage declines in all markets. This compared to a 21.3% year-to-year decline in February. Capacity fell 24.5% and load factor plunged 26 percentage points to 58.1%. IATA's Director General and CEO, Alexandre de Juniac said, "March was a disastrous month for aviation. Airlines progressively felt the growing impact of the Covid-19 related border closings and restrictions on mobility, including in domestic markets. (Gulf-Times.com)
- **APICORP adds $500mn financing program to support energy clients –** The Arab Petroleum Investments Corporation (APICORP) has added another $500mn to the roughly $2bn of allocated financing for 2020 to help its energy sector clients deal with impact of the coronavirus and oil price fluctuations, its Chief Executive, Ahmed Ali Attiga said. Owned by the countries that comprise the Organization of Arab Petroleum Exporting Countries (OAPEC), APICORP's mandate is to promote the development of the public and private energy industry in the region. "The $500mn figure is an additional allocation to our program for 2020 which is in the range of $2 plus billion which we normally do every year," he said. The package will be deployed to support sustainable impact-driven projects and offer funding and working capital to utilities, renewables, petrochemicals, amongst other energy sub-sectors, according to a statement. "It is a COVID-19 recovery intervention which will concentrate on the worst hit sectors and countries like Bahrain, Oman, Iraq, Egypt and other countries in the region," Attiga said. Since the start of the year oil prices have lost more than two-thirds of their value. Fuel demand is down about 30% worldwide in April and supply will outstrip demand for months due to the pandemic. "The COVID-19 crisis has created a full range of new challenges at the same time with oil price fluctuations," he added. Although it is too early to assess the extent of the impact, Attiga said, first-quarter results has shown early signs of financial pressure. "This is a drop in the bucket compared to the need," the CEO said, which requires APICORP to work with other multilateral

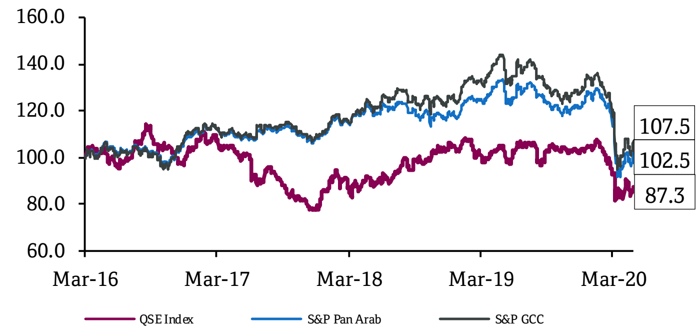
development banks and financial partners to mobilize funding and mitigate the impact. (Reuters)

- **Saudi crude buyers cancel at least seven supertankers after freight hike –** US buyers of Saudi Arabian crude oil cancelled at least 7 April-loading tankers after a jump in freight costs, industry sources said, likely to result in lower-than-expected shipments from the world's top exporter. The move shows how some buyers are not rushing to take extra oil despite a slide in prices this month to below $16 a barrel, the lowest this century, as demand has collapsed following government measures to contain the spread of the coronavirus. In March, Saudi Arabia had cut its official selling prices for April crude and vowed to boost exports after a supply cut deal by the Organization of the Petroleum Exporting Countries and rivals like Russia collapsed. However, tanker rates soared and Saudi Arabia told buyers it would cut compensation payments for freight costs because of extraordinary conditions in the freight market. Freight costs jumped globally because more ships were needed to deliver oil after Saudi Arabia and other Middle East producers ramped up output after the talks to extend the OPEC-led production cut deal broke down at the start of March. (Reuters)
- **Belarus buys first oil from Saudi Arabia -refiner Belneftekhim –** Belarus, which has long relied on Russian oil, has purchased its first crude from Saudi Arabia, according to state refiner Belneftekhim. It has bought 80,000 tons of Arab Light crude oil from Saudi Aramco for delivery to the port of Klaipeda in May, Belneftekhim told Reuters. "It's our first tanker (with Arab oil)," a Belneftekhim representative told Reuters. Further cooperation with Saudi Aramco will depend on the "market situation", he said. The tanker Ionic Astrapi loaded crude at Sidi Kerir on April 27 and is expected to arrive at Klaipeda on May 11, according to shipping data on the Refinitiv Eikon terminal. The oil will be delivered to refineries by rail. (Reuters)
- **UAE's Finance Ministry receives 2021 Federal budget through electronic system –** UAE'S Finance Ministry said that it has received 2021 federal budget through electronic system. (Reuters)
- **Moody's downgrades Dubai utility DEWA to Baa2, outlook still negative –** Moody's on Wednesday downgraded the rating of Dubai Electricity & Water Authority (DEWA), the state-owned monopoly provider of electricity and water in Dubai, to Baa2 from Baa1 and maintained a Negative outlook. Many investors view the ratings of government-related entities in Dubai as an indicator of the government's own credit profile as Dubai is not rated by any of the major ratings agencies. "Moody's expects the coronavirus outbreak will aggravate the structural slowdown in real GDP growth for the Emirate of Dubai, contributing to the further deterioration of fiscal strength of the government via increasing debt levels," the rating agency said in a report. "The downgrade also reflects the risk of sustained large dividend transfers from DEWA to the government of Dubai as a result of the deteriorating economic and fiscal health of the Emirate." Moody's said DEWA's financial policies and governance ultimately being controlled by the government of Dubai could materially affect its credit profile. DEWA paid the Dubai government AED4.5bn in dividends last year versus AED1bn in 2018, Moody's said. Despite the downgrade and Negative outlook, Moody's said DEWA benefited from strong business and financial profiles and expected the company to generate 8.5 billion dirhams of cash from operations over the next year. (Reuters)
- **ADQ fully acquires National Petroleum Construction Company –** ADQ (formerly Abu Dhabi Developmental Holding Company) today announced it had assumed full ownership of National Petroleum Construction Company (NPCC), after acquiring the 30% shares previously held by Consolidated Contractors International Company, ICC. ADQ, one of the region's largest holding companies, has acquired the remaining shares of NPCC, one of the UAE's leading energy sector Engineering, Procurement and Construction (EPC), following its announcement last month that it added 14 companies to its portfolio. One of these companies included the General Holding Corporation, Senaat, NPCC's previous majority shareholder. Commenting on the acquisition, CEO of ADQ, Mohamed Hassan Al Suwaidi said, "ADQ comprises some of Abu Dhabi's most successful and ambitious enterprises, and we look forward to working more closely with NPCC as we further develop a world-class portfolio of companies that add tangible value to the economy. NPCC can help to strengthen the oil and gas sector of the UAE, elevate the status of Abu Dhabi as a fast-growing global hub for energy sector EPC operations, whilst contributing to our nation's overall economic growth." He continued, "Local manufacturing is a key pillar of our growth strategy at ADQ. NPCC, along with a number of other subsidiaries, will play a pivotal role in shaping the future of this sector. We will work with NPCC to explore opportunities for mutual benefits and collaborations to help boost the revenues of national industries both locally and abroad." NPCC set a record year of growth in 2019, achieving the highest revenue earned since its formation in 1973. The focus of the company's operations has been to create in-country value, recording over AED1bn in local procurement and services contracts awarded in the past two years. NPCC has also announced a new board of directors, with Khalifa Sultan Al Suwaidi as Chairman of the Board. (Zawya)
- **Abu Dhabi said to shelve sale of $2bn private equity book –** The Abu Dhabi Investment Authority (ADIA) is delaying the sale of $2bn in private-equity fund stakes after the outbreak of the deadly coronavirus. The sovereign wealth fund, which is estimated to have about $580bn under management, was in talks with several investors including Money Manager Ardian about selling chunks of the portfolio, according to sources. The market turmoil triggered by the crisis made it difficult for them to agree on how much the stakes were worth, sources said. (Bloomberg)
- **Abu Dhabi's Waha Capital to invest bulk of $200mn in US stocks –** Abu Dhabi investment firm Waha Capital plans to spend as much as $200mn over the next few months, mainly on US equities. "We can see a good number of opportunities in the US, mainly in listed companies" after coronavirus-related declines, Chief Executive Officer, Amr Al Menhali said. Waha Capital has a "good amount of cash," allowing it to buy without borrowing. The first transaction could close as early as this or next week, he said, declining to provide further details. Waha Capital, which manages about $3.6bn of assets, in December sold the remainder of a stake in New York-listed AerCap Holdings NV. It used the proceeds of more than AED900mn to

repay some debt and plans to invest the rest, Al Menhali said. (Bloomberg)

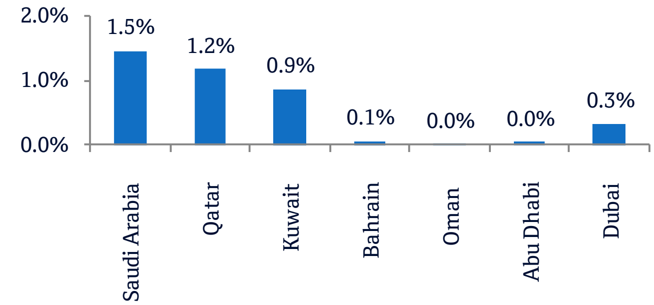
- **NBF's net profit falls 55% YoY to AED75.4mn in 1Q2020 –** National Bank of Fujairah (NBF) recorded net profit of AED75.4mn in 1Q2020, registering decrease of 55.0% YoY. Operating Income rose 0.5% YoY to AED417.5mn in 1Q2020. Operating profit before impairment losses rose 2.9% YoY to AED293.3mn in 1Q2020. Total assets stood at AED43.3bn at the end of March 31, 2020 as compared to AED42.8bn at the end of March 31, 2019. Loans and advances and Islamic Financing receivables stood at AED27.2bn (+0.3% YTD), while customers' deposits and Islamic customer deposits stood at AED32.0bn (+0.3% YTD) at the end of March 31, 2020. EPS came in at AED0.04 in 1Q2020 as compared to AED0.08 in 1Q2019. (ADX)
- **HBMO posts net loss of OMR4.5mn in 1Q2020 –** HSBC Bank Oman (HBMO) recorded net loss of OMR4.5mn in 1Q2020 as compared to net profit of OMR8.1mn in 1Q2019. Operating Income fell 14.4% YoY to OMR19.0mn in 1Q2020. Total assets stood at OMR2.5bn at the end of March 31, 2020 as compared to OMR2.4bn at the end of March 31, 2019. Net loans and advances to customers stood at OMR1.5bn, while customers' deposits stood at OMR2.1bn at the end of March 31, 2020. (MSM)
- **Bahraini bank Al Baraka boosts provisions to cover any virus impact –** Al Baraka Banking Group increased provisions by 10-12% in the first quarter to deal with any fallout from the coronavirus as it notched up a double-digit increase in net profit, its Chief Executive, Adnan Ahmed Yousif said on Wednesday. The Bahraini Islamic lender with operations in more than a dozen countries, has not publicly disclosed its first-quarter results in line with a directive from the Central Bank of Bahrain, as the new coronavirus pandemic and tumbling oil prices have mounted pressure on Bahrain's economy. "These provisions were taken as a precaution," he told Reuters, adding, "it reflects the economy. Once the factories stop, you anticipate that something will happen." Other banks in the region, including Dubai's largest bank Emirates NBD, have also increased their provisions in anticipation of the coronavirus outbreak's impact on the credit market. Yousif, who is also the Chairman of the Bahrain Association of Banks, declined to give further details about Al Baraka's provisions and profit. He said that some Bahraini banks were limiting lending to sectors including construction, oil, services and retail, but that his bank was not. He expected Gulf banks to see an 8-9% increase in non-performing loans (NPLs) in 2020. He said he did not expect to see a large rise in NPLs at Al Baraka, in part because all its non-Bahrain operations are outside the Gulf and due to pre-emptive provisioning. He said around 35-40% of Al Baraka's deposits are liquid, which he said was "very high". He said around 40% of Al Baraka's lending was corporate and 60% was split between retail customers and small enterprises. (Reuters)
- **Bahrain sold BHD300mn of 6% 2023 bonds on April 29 –** Bahrain plans to sell BHD300mn of bonds due on May 3, 2023 in an auction on April 29. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,713.41	0.3	(0.9)	12.9
Silver/Ounce	15.30	0.9	0.3	(14.3)
Crude Oil (Brent)/Barrel (FM Future)	22.54	10.2	5.1	(65.8)
Crude Oil (WTI)/Barrel (FM Future)	15.06	22.0	(11.1)	(75.3)
Natural Gas (Henry Hub)/MMBtu	1.73	(4.9)	(4.4)	(17.2)
LPG Propane (Arab Gulf)/Ton	34.25	3.4	0.7	(17.0)
LPG Butane (Arab Gulf)/Ton	30.50	(2.4)	(4.7)	(53.4)
Euro	1.09	0.5	0.5	(3.0)
Yen	106.68	(0.2)	(0.8)	(1.8)
GBP	1.25	0.3	0.8	(5.9)
CHF	1.03	0.1	(0.1)	(0.6)
AUD	0.66	1.0	2.9	(6.6)
USD Index	99.57	(0.3)	(0.8)	3.3
RUB	73.02	(1.5)	(2.1)	17.8
BRL	0.19	3.1	4.8	(24.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,070.76	2.3	4.2	(12.2)
DJ Industrial	24,633.86	2.2	3.6	(13.7)
S&P 500	2,939.51	2.7	3.6	(9.0)
NASDAQ 100	8,914.71	3.6	3.2	(0.6)
STOXX 600	347.06	1.9	5.9	(19.4)
DAX	11,107.74	3.0	8.1	(18.9)
FTSE 100	6,115.25	2.7	7.2	(24.0)
CAC 40	4,671.11	2.4	6.9	(24.5)
Nikkei	19,771.19	-	3.2	(14.9)
MSCI EM	919.66	1.9	4.6	(17.5)
SHANGHAI SE Composite	2,822.44	0.5	0.6	(8.9)
HANG SENG	24,643.59	0.3	3.4	(12.1)
BSE SENSEX	32,720.16	2.8	5.9	(25.0)
Bovespa	83,170.80	4.5	16.7	(46.8)
RTS	1,144.64	3.2	5.9	(26.1)

Source: Bloomberg (*$ adjusted returns)

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