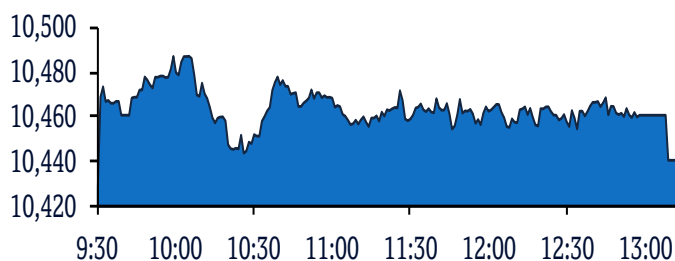


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.2% to close at 10,440.7. Gains were led by the Insurance and Real Estate indices, gaining 1.2% and 0.8%, respectively. Top gainers were Qatar First Bank and Qatar General Insurance & Reinsurance Company, rising 10.0% and 5.1%, respectively. Among the top losers, Mesaieed Petrochemical Holding Company fell 2.2%, while Medicare Group was down 1.8%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 8,185.5. Gains were led by the Transportation and Food & Staples indices, rising 1.7% and 1.1%, respectively. Metlife AIG ANB Coop. rose 10.0%, while Medit. & Gulf Ins. & Reins. was up 9.9%.

Dubai: The DFM Index gained 0.5% to close at 2,805.5. The Insurance and Banks indices rose 1.2% each. Al Salam Sudan rose 10.3%, while Gulf Navigation Holding was up 4.7%.

Abu Dhabi: The ADX General Index fell 0.3% to close at 5,165.1. The Investment & Financial Services index declined 1.2%, while the Banks index fell 0.5%. United Arab Bank declined 9.7%, while Invest Bank was down 7.9%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 6,344.7. The Consumer Goods index rose 1.5%, while the Banks index gained 0.7%. Amar Finance & Leasing Co. rose 17.9%, while Arzan Financial Group for Financing was up 17.7%.

Oman: The MSM 30 Index fell 0.2% to close at 4,079.4. Losses were led by the Financial and Services indices, falling 0.3% and 0.1%, respectively. Al Hassan Engineering Co. declined 16.0%, while Al Madina Investment Co. was down 4.2%.

Bahrain: The BHB Index gained 0.8% to close at 1,659.1. The Commercial Banks index rose 1.3%, while the Investment index gained 0.3%. Esterad Investment Company rose 5.3%, while Ahli United Bank was up 2.1%.

Market Indicators	29 Jan 20	28 Jan 20	%Chg.
Value Traded (QR mn)	184.6	180.5	2.3
Exch. Market Cap. (QR mn)	579,606.0	578,093.9	0.3
Volume (mn)	61.9	81.7	(24.2)
Number of Transactions	5,092	4,778	6.6
Companies Traded	45	45	0.0
Market Breadth	27:12	12:30	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,211.83	0.2	(1.7)	0.1	15.1
All Share Index	3,099.61	0.4	(1.6)	0.0	15.6
Banks	4,288.78	0.7	(1.4)	1.6	14.9
Industrials	2,811.12	(0.8)	(2.9)	(4.1)	19.7
Transportation	2,547.38	0.3	(0.8)	(0.3)	13.3
Real Estate	1,577.03	0.8	(1.8)	0.8	11.7
Insurance	2,733.41	1.2	(0.7)	(0.0)	15.7
Telecoms	893.15	0.4	(0.9)	(0.2)	15.2
Consumer	8,517.86	(0.3)	(1.4)	(1.5)	18.9
Al Rayan Islamic Index	3,924.03	(0.0)	(1.8)	(0.7)	16.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli United Bank	Bahrain	1.11	2.1	1,853.3	5.7
Aldar Properties	Abu Dhabi	2.24	1.8	4,133.6	3.7
HSBC Bank Oman	Oman	0.13	1.6	20.0	3.3
National Comm. Bank	Saudi Arabia	45.80	1.6	5,832.3	(7.0)
Savola Group	Saudi Arabia	35.30	1.4	238.8	2.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mesaieed Petro. Holding	Qatar	2.21	(2.2)	1,995.7	(12.0)
Saudi Basic Ind. Corp.	Saudi Arabia	87.20	(1.9)	3,642.2	(7.1)
Mouwasat Med. Serv. Co.	Saudi Arabia	81.10	(1.7)	94.2	(7.8)
Bank Dhofar	Oman	0.12	(1.7)	20.0	(5.7)
Saudi Arabian Mining Co.	Saudi Arabia	42.30	(1.6)	530.7	(4.7)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	2.21	(2.2)	1,995.7	(12.0)
Medicare Group	8.30	(1.8)	205.7	(1.8)
Industries Qatar	9.99	(1.2)	1,228.6	(2.8)
Islamic Holding Group	1.86	(1.1)	331.2	(2.1)
Baladna	1.00	(1.0)	826.5	0.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.41	1.0	36,197.4	(0.9)
Al Meera Consumer Goods Co.	15.70	(0.4)	19,724.0	2.6
Qatar Islamic Bank	16.64	0.8	15,188.8	8.5
Qatar First Bank	0.99	10.0	12,862.8	21.0
Industries Qatar	9.99	(1.2)	12,333.6	(2.8)

Source: Bloomberg (* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.99	10.0	13,131.1	21.0
Qatar General Ins. & Reins. Co.	2.69	5.1	2.0	9.3
Doha Insurance Group	1.11	3.7	675.7	(7.5)
Qatari German Co for Med. Devices	0.65	2.4	7,237.3	11.9
Aljjarah Holding	0.76	1.7	583.2	8.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.99	10.0	13,131.1	21.0
Qatari German Co for Med. Devices	0.65	2.4	7,237.3	11.9
Ezdan Holding Group	0.63	0.0	6,044.6	2.3
Qatar Aluminium Manufacturing	0.77	(0.6)	3,741.6	(1.0)
Qatar Oman Investment Company	0.57	0.7	2,085.7	(14.5)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,440.73	0.2	(1.7)	0.1	0.1	50.38	158,174.5	15.1	1.5	4.1
Dubai	2,805.53	0.5	(1.1)	1.5	1.5	45.10	104,540.8	13.5	1.0	4.2
Abu Dhabi	5,165.06	(0.3)	(1.5)	1.8	1.8	41.53	146,106.6	16.0	1.4	4.8
Saudi Arabia	8,185.51	0.2	(2.4)	(2.4)	(2.4)	991.46	2,340,256.8	21.9	1.8	3.3
Kuwait	6,344.69	0.5	(0.4)	1.0	1.0	192.35	118,664.5	15.8	1.5	3.4
Oman	4,079.39	(0.2)	0.2	2.5	2.5	8.03	17,425.2	7.3	0.7	7.3
Bahrain	1,659.07	0.8	0.3	3.0	3.0	7.60	26,024.5	13.2	1.0	4.7

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

Qatar Market Commentary

- The QE Index rose 0.2% to close at 10,440.7. The Insurance 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.
- Qatar First Bank and Qatar General Insurance & Reinsurance Company were the top gainers, rising 10.0% and 5.1%, respectively. Among the top losers, Mesaieed Petrochemical Holding Company fell 2.2%, while Medicare Group was down 1.8%.
- Volume of shares traded on Wednesday fell by 24.2% to 61.9mn from 81.7mn on Tuesday. Further, as compared to the 30-day moving average of 77.9mn, volume for the day was 20.6% lower. Qatar First Bank and Qatari German Company for Medical Devices were the most active stocks, contributing 21.2% and 11.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	32.69%	27.66%	9,288,690.56
Qatari Institutions	30.64%	33.81%	(5,866,314.21)
Qatari	63.33%	61.47%	3,422,376.35
GCC Individuals	0.37%	0.53%	(298,510.54)
GCC Institutions	3.40%	0.57%	5,226,447.24
GCC	3.77%	1.10%	4,927,936.70
Non-Qatari Individuals	10.56%	9.96%	1,101,990.50
Non-Qatari Institutions	22.34%	27.47%	(9,452,303.56)
Non-Qatari	32.90%	37.43%	(8,350,313.06)

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
Dubai Islamic Bank	Fitch	Dubai	LT-IDR/ST-IDR/VR/SR/SFR	A/F1/bb+/1/A	A/F1/bb+/1/A	-	Stable	-

Source: News reports, Bloomberg (* LT - Long Term, ST - Short Term, SFR-Support Floor Rating, IDR - Issuer Default Rating, SR - Support Rating, VR - Viability Rating)

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Ethiad Atheeb Telecom. Co.	Saudi Arabia	SR	77.3	-25.6%	(4.8)	N/A	(9.8)	N/A
Savola Group	Saudi Arabia	SR	5,495.6	2.8%	313.4	N/A	137.3	N/A
Dur Hospitality Co.	Saudi Arabia	SR	173.8	54.0%	34.9	96.2%	24.5	129.5%
Nat. Shipping Co. of Saudi Arabia	Saudi Arabia	SR	1,939.4	8.9%	382.6	-0.9%	249.1	172.5%
Saudi Electricity Co.*	Saudi Arabia	SR	65,040.0	1.5%	6,572.0	9.2%	1,415.0	-19.5%
Saudi Basic Industries Corp.**	Saudi Arabia	SR	32.8	-18.5%	(0.6)	N/A	(0.7)	N/A
International Holdings Co.*	Abu Dhabi	AED	1,249.0	119.0%	176.0	N/A	507.4	2413.7%
Esterad Investment Company*	Bahrain	BHD	4.4	154.6%	-	-	2.7	455.1%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/29	US	Mortgage Bankers Association	MBA Mortgage Applications	24-Jan	7.2%	-	-1.2%
01/29	EU	European Central Bank	M3 Money Supply YoY	Dec	5.0%	5.5%	5.6%
01/29	Germany	GfK AG	GfK Consumer Confidence	Feb	9.9	9.6	9.7
01/29	France	INSEE National Statistics Office	Consumer Confidence	Jan	104	102	102
01/29	Japan	Economic and Social Research Institute	Consumer Confidence Index	Jan	39.1	39.5	39.1

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2019 results	No. of days remaining	Status
NLCS	Aljarah Holding	30-Jan-20	0	Due
DHBK	Doha Bank	2-Feb-20	3	Due
QIGD	Qatari Investors Group	2-Feb-20	3	Due
QATI	Qatar Insurance Company	2-Feb-20	3	Due
VFQS	Vodafone Qatar	3-Feb-20	4	Due
MCGS	Medicare Group	4-Feb-20	5	Due
UDCD	United Development Company	5-Feb-20	6	Due
QIMD	Qatar Industrial Manufacturing Company	5-Feb-20	6	Due
IQCD	Industries Qatar	10-Feb-20	11	Due
QAMC	Qatar Aluminum Manufacturing Company	12-Feb-20	13	Due
QEWS	Qatar Electricity & Water Company	12-Feb-20	13	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Feb-20	13	Due
DOHI	Doha Insurance Group	12-Feb-20	13	Due
SIIS	Salam International Investment Limited	13-Feb-20	14	Due
ORDS	Ooredoo	13-Feb-20	14	Due
QGRI	Qatar General Insurance & Reinsurance Company	17-Feb-20	18	Due
AHCS	Aamal Company	18-Feb-20	19	Due

Source: QSE

News

Qatar

- CBQK posts 24.8% YoY increase but 9.3% QoQ decline in net profit in 4Q2019, misses our estimate** – The Commercial Bank's (CBQK) net profit rose 24.8% YoY (but declined 9.3% on QoQ basis) to QR517.1mn in 4Q2019, missing our estimate of QR589.0mn (variation of -12.2%). Net interest income increased 78.5% YoY and 42.1% QoQ in 4Q2019 to QR1,024.4mn. The company's net operating income came in at QR1,493.6mn in 4Q2019, which represents an increase of 76.7% YoY (+48.4% QoQ). The bank's total assets stood at QR147.5bn at the end of December 31, 2019, up 9.3% YoY (+1.3% QoQ). Loans and advances to customers were QR88.0bn, registering a rise of 4.0% YoY at the end of December 31, 2019, mainly due to the government and public sector. However, on QoQ basis Loans and advances to customers decreased 1.2%. Investment securities rose 21% to QR26.8bn, primarily in sovereign bonds. Customer deposits rose 6.3% YoY and 2.7% QoQ to reach QR76.3bn at the end of December 31, 2019, with the increase mainly in the current and call deposits. In FY2019, The Commercial Bank Group has reported a 21% YoY jump in net profit to QR2.02bn. EPS amounted to QR0.44 in FY2019 as compared to QR0.35 in FY2018. The board of directors proposed a dividend distribution to shareholders of QR0.2 per share i.e. 20% of the nominal share value. The financials and proposed dividend distribution are subject to Qatar Central Bank approval and endorsement by shareholders at the bank's Annual General Meeting. Net interest income for the group rose 19% to QR2.96bn in 2019 and net interest margin improved to 2.5% against 2.1% a year ago. "The increase in margins is mainly due to lower cost of funds as we dynamically managed our liability book in a falling interest rate environment through a change in liability book mix. Within the asset book, the investment book yields improved," CBQK's Vice

Chairman, Hussain Alfardan said. Non-interest income grew 35% to QR1.38bn in 2019 on jump in net fee and commission income, mainly from cards and transactional banking, foreign exchange earnings and income from investment securities. Total operating expenses grew at a group level, up 5%, to QR1.23bn in 2019, driven by staff expenses due to the IFRS 2 accounting of its performance rights (share options) granted to staff. The group's net provisions fell 22% to QR653.7mn in 2019. The non-performing loan ratio declined to 4.9% compared to 5.6% a year ago. The loan coverage ratio increased to 82.1% against 78.6% in 2018. The group impaired its associate United Arab Bank (UAB) by QR413.9mn in 2019, on conversion from asset held-for-sale to an associate as the UAB's book value was higher than the industry standard model used for its valuation. Reiterating the commitment to efficiency and cost optimization, Joseph Abraham, the group Chief Executive said it continued to invest in the processes digitization and in sourced key functions, which led the cost-to-income ratio improve to 28.3% from 33.4%, thus contributing to a 34% rise in operating profit for 2019. Despite challenging market conditions and lira depreciation by about 21%, Turkey's Alternatif Bank reported a 10% jump in net profit to QR100mn. It grew customer deposits by 4%; while loans and advances shrank 3% at the end of 2019. NBO, performed steadily during 2019, reporting a net profit of QR485mn. (QNB FS Research, QSE, Gulf-Times.com)

- QFLS' bottom line rises 3.0% YoY and 6.5% QoQ in 4Q2019, in-line with our estimate** – Qatar Fuel Company's (QFLS) net profit rose 3.0% YoY (+6.5% QoQ) to QR344.6mn in 4Q2019, in line with our estimate of QR336.9mn (variation of +2.3%). The company's revenues came in at QR5,741.7mn in 4Q2019, which represents a decrease of 7.1% YoY. However, on QoQ basis revenues almost came in flat i.e. QR5,740.9mn in 3Q2019. In

FY2019, higher sales income and efficiency, cost optimization as well as better investment and cash returns helped WOQOD to post a net profit of QR1.22bn, an increase of 5% YoY. In view of the profitability, the company has suggested QR0.8 cash dividend to be approved by shareholders at the annual general assembly scheduled on March 18, 2020. EPS stood at QR1.22 in FY2019 compared to QR1.17 the previous year and net worth increased 5% YoY to QR8.7bn. The year 2019 witnessed a record high in total fuels sales aggregating 10.5bn liters, representing a 1.4% annual growth, super gasoline (5%), premium gasoline (2%), jet fuel (6%), bunker fuel (42%), liquefied petroleum gas or LPG (2%) and natural gas (49%); whereas those of diesel product fell 8% on lower demand. Retail petroleum sales recorded a 24% increase, diesel (12%), super gasoline (37%), premium gasoline (24%), and sales of non-fuel retail business, including Sidra C-Store sales (13%). The increase in retail sales was on account of the opening of several additional petrol stations. The year saw the completion of 30 petrol stations, most of which are operational, and the rest are in process of completing governmental procedures and approvals which are expected to be in operation by the end of the first quarter 2020. WOQOD has an ambitious plan to raise the number of fuel stations to 150 by 2022, which will have a positive impact in providing service to citizens and residents and in enhancing shareholders' rights. "The number of stations that were built in 2019 contributed to raising the WOQOD's share in the retail fuel market to 82% by the end of 2019 compared to 66% in 2018," a company spokesman said. Last year witnessed the completion of the bitumen expansion project, which provides an adequate storage capacity and enhances the ability of WOQOD to increase its share in the local market, as well to ensure the product availabilities in the country at appropriate times for customers at competitive prices. (QNB FS Research, QSE, Gulf-Times.com)

- **IHGS' bottom line declines 8.9% YoY in 4Q2019** – Islamic Holding Group (IHGS) reported net profit of QR0.74mn in 4Q2019 as compared to net profit of QR0.82mn in 4Q2018, (which represents a decline of 8.9% YoY) and net loss of QR0.18mn in 3Q2019. The company's net brokerage & commission income came in at QR0.80mn in 4Q2019, which represents a decrease of 23.1% YoY. However, on QoQ basis Net brokerage & commission income rose 12.1%. In FY2019, IHGS recorded net profit of QR397,049 compared to net profit amounting to QR417,872 for the same period of the previous year. EPS amounted to QR0.0070 in FY2019 as compared to QR0.0074 in FY2018. The board of directors recommended not distributing profits for the fiscal year ending on December 31, 2019. (QSE)
- **AHCS board to meet on February 18 to discuss the financial statements** – Aamal Company (AHCS) announced that its board of directors will hold its meeting on February 18, 2020 to discuss and approve the consolidated financial statements for the period ended December 31, 2019. (QSE)
- **QGRI board to meet on February 17 to discuss the financial statements** – Qatar General Insurance & Reinsurance Company (QGRI) announced that its board of directors will hold its meeting on February 17, 2020 to discuss and approve the consolidated financial statements for the period ended December 31, 2019. (QSE)

- **Baladna announces board meeting's result** – Baladna announced the results of its board of directors' meeting held on January 29, 2020 where the board discussed the company's performance for the year 2019 and approved the budget for the year 2020, the company's Delegation of Authority, Board of Directors Charter and Governance Policies. (QSE)
- **WOQOD opens Rawdat Al Hamama -3 new petrol station** – As part of Qatar Fuel Company's (WOQOD) ongoing expansion plans to be able to serve every area in Qatar, WOQOD opened Rawdat Al Hamama -3 Petrol Station on January 29, 2020, and by this it raised its network of various petrol stations to 102. Rawdat Al Hamama -3 Petrol Station is spread over an area of 12,750 square meters and has 3 lanes with 9 dispensers for light vehicles, which will serve Rawdat Al Hamama area and their neighborhood. Rawdat Al Hamama -3 Petrol Station offer round-the-clock services to residents, and include Sidra convenience store, manual car wash, Oil Change and tire repair, and sale of LPG cylinders "SHAFAF", in addition to sale of gasoline and diesel products for light vehicles. (QSE)
- **QEWS postpones its board meeting to February 16 to discuss the financial statements** – Qatar Electricity & Water Board (QEWS) has postponed its board meeting to February 16, 2020 instead of February 12, 2020 to discuss the financial statements for the year ending December 31, 2019. (QSE)
- **GISS' subsidiary is launch customer for Leonardo's AW189K series** – Gulf Helicopters Company (GHC), a subsidiary of Gulf International Services (GISS) and a major player in the offshore transport sector and an established AW139 and AW189 operator, is the launch customer for the Leonardo's AW189K series, which will be pressed into service in the second half of 2020. The AW189, which is manufactured by the Milan Stock Exchange-listed Leonardo, has already demonstrated it to be one of the company's most successful models through its sales, deliveries and flight hours. (Gulf-Times.com)
- **QCB asks banks to strengthen KYC norms to fight financial crimes** – The Qatar Central Bank (QCB) has asked banks and financial institutions to strengthen their KYC (know-your-customer) norms as part of due diligence to combat all kinds of financial crimes, including money laundering and terror financing. Cautioning that financial crimes are developing rapidly with the progress of technology to impact the economy and financial stability; QCB's Deputy Governor and Chairman of the National Anti-Money Laundering and Combating the Financing of Terrorism Committee Sheikh Mohamed bin Hamad Al Thani emphasized the need for uniting efforts in the face of these crimes. Addressing the Compliance Challenges and Combating Financial Crime Conference, organized by the Union of Arab Banks (UAB) and the World Union Of Arab Bankers; he asked the financial sector to understand the risks of all kinds of financial crimes, and called for due diligence at combating it according to the best practices, as well as adopting financial technology innovations and enhance financial inclusion. Qatar has made necessary amendments to a number of laws related to combating money laundering and terrorist financing which contribute to setting the best legislative practices for an integrated system, he said, affirming Doha's commitment to international standards issued by the Financial Action Task Force (FATF). (Gulf-Times.com)

- **Oversupply in Qatar’s real estate market likely to peak in the next 2-3 years** – Oversupply in Qatar’s real estate market is likely to reach a peak in the next two to three years as new supply is delivered prior to the 2022 FIFA World Cup. The new supply is likely to slow down thereafter until it is absorbed by new demand, leading global real estate consultant Cushman & Wakefield said in its 2020 outlook which was announced during the company’s quarterly breakfast briefing on Qatar’s real estate performance yesterday. It added that there will be a temporary peak in demand in late 2022, which will distort the market dynamics temporarily. Major investment in tourism projects should provide a welcome boost to the tourism sector, but sustaining 50,000 hotel rooms may prove a challenge in the coming years. However, government initiatives, deregulation and relaxed ownership rules will help to diversify the economy and encourage inward investment, which is required to sustain the real estate market. The high concentration in new real estate development projects continues to put downward pressure on rents, as supply of residential, office, and retail property surpasses the growth in demand. The launch of Qatar Rail services last year also provided substantially increased connectivity between the city’s residential, commercial and leisure districts providing a boost to real estate developments in proximity to the 37 metro stations. (Peninsula Qatar)
- **Cabinet approves draft law for food safety committee** – The Cabinet has approved its draft decision on the establishment of a permanent committee concerned with food safety in the country. This came during the Cabinet’s regular meeting Wednesday, the official Qatar News Agency (QNA) reported. According to the provisions of the draft, the 'Standing Committee for Human Food Safety' will be established at the Ministry of Public Health (MoPH). It will be headed by a representative of the MoPH and have, as members, representatives from the relevant authorities. (Gulf-Times.com)

International

- **Fed keeps rates steady, to tailor Treasury bill purchases later this year** – The Federal Reserve held interest rates steady on Wednesday at its first policy meeting of the year, with the head of the US central bank pointing to continued moderate economic growth and a strong job market, and giving no sign of any imminent changes in borrowing costs. “We believe the current stance of monetary policy is appropriate to support sustained economic growth, a strong labor market and inflation returning to our symmetric 2% objective,” Fed Chair Jerome Powell said at a news conference following the central bank’s unanimous decision to maintain the key overnight lending rate in a range of between 1.50% and 1.75%. He noted signs that global economic growth was stabilizing and diminishing uncertainties around trade policy, concern about both of which were key factors in the Fed’s decisions to cut rates three times last year. (Reuters)
- **US fourth quarter goods trade deficit widens, prompting growth forecast cuts** – The US goods trade deficit rose sharply in December as imports rebounded and businesses became more cautious on accumulating inventory, prompting some economists to cut their fourth quarter economic growth estimates. The housing market also provided some discouraging news on Wednesday, with contracts to purchase previously owned homes dropping by the most in more than nine-and-a-

half years in December. The housing market has been regaining momentum after slumping in 2018 and the first half of 2019, thanks to lower mortgage rates. The Commerce Department said the goods trade gap, which had dropped for three straight months due to declining imports, surged 8.5% to \$68.3bn last month. In December, goods imports surged 2.9% to \$205.3bn after decreasing 1.3% in November. Imports were boosted by industrial supplies, food, consumer and capital goods. Motor vehicle and parts imports, however, fell last month. Exports of goods rose 0.3% last month to \$137.0bn after increasing 0.8% in November. There were increases in exports of industrial supplies and capital goods. Exports of consumer goods and motor vehicles and parts dropped. Food exports were unchanged last month. (Reuters)

- **BoE rate cut hangs in balance at Carney’s last policy meeting** – The Bank of England (BoE) appears close to cutting interest rates for the first time in more than three years in Governor Mark Carney’s final policy vote on Thursday, the day before Britain leaves the European Union. The British central bank will assess the economy’s near standstill in late 2019, against early signs that Prime Minister Boris Johnson’s emphatic victory in December’s election has boosted confidence, at least for now. Financial markets priced in a 45% chance on Wednesday that the Monetary Policy Committee would cut Bank Rate to 0.5% from 0.75%. Economists polled by Reuters two weeks ago predicted a 6-3 vote to keep rates on hold. Two policymakers, Michael Saunders and Jonathan Haskel, have been voting for a rate cut since November. Comments from Carney and two other policymakers since then have raised the chance that a majority of MPC members will now back a cut. (Reuters)
- **BRC: Decline in UK shop prices eases in January** – The rate of decline in prices on the British high street slowed in January, an industry survey showed on Wednesday. Shop prices fell by 0.3% in annual terms, following a 0.4% drop in December, the British Retail Consortium trade body and market research firm Nielsen said. “There is no inflationary pressure coming from the high street as shoppers remain nervous about spending and discounting continues for many non-food retailers,” Mike Watkins, head of retailer and business insight at Nielsen, said. Prices over the previous six months had fallen by an average 0.5% in annual terms. “Whilst promotions in supermarkets have returned to more normal levels post-Christmas, the sector remains embattled with fierce price competition which looks set to continue,” Watkins added. (Reuters)
- **Nationwide: UK house prices rise at fastest pace since November 2018** – British house prices rose in January at their fastest annual rate since November 2018, adding to signs of a modest pick up in the housing market and broader economic confidence since December’s election, industry figures showed on Wednesday. Nationwide Building Society said annual house price growth in January increased to 1.9% from December’s 1.4%, above all forecasts in a Reuters poll of economists, in what it called a “modest pickup”. House prices in January alone rose by 0.5% on the month, up from 0.1% in December and above the average forecast of a 0.3% rise. The Bank of England will need to weigh up signs of a recent economic pick-up against an overall sluggish picture in official measures of growth at the end of last

year, when it decided whether to announce an interest rate cut on Thursday. (Reuters)

- **Consumer morale rises unexpectedly in Germany, France, Italy** – Consumer morale in Germany, France and Italy rose unexpectedly at the start of the year, data showed on Wednesday, suggesting that shoppers are ready to open their wallets and support overall growth in the three biggest economies of the Eurozone. The surprisingly solid figures are likely to please European Central Bank President Christine Lagarde, who has called on the single currency bloc to create more of its economic growth at home if it is to withstand headwinds from abroad. In Germany, Europe's largest economy, the GfK institute said that its consumer sentiment indicator, based on a survey of some 2,000 Germans, rose to 9.9 points heading into February from 9.7 in the previous month. This confounded a Reuters poll prediction for a reading of 9.6. In France, the second-biggest economy in the Eurozone, consumer confidence rose unexpectedly in January despite major strikes against pension reform grabbing headlines and causing transport chaos through much of the month. The INSEE official statistics agency said its monthly consumer confidence index rose to 104 from 102 in December, when it hit the lowest level since July as massive transport strikes erupted. Economists polled by Reuters had on average forecast that the index would hold steady. In Italy, consumer confidence this month rose to 111.8 from 110.8 in December, higher than a median forecast of 110.5 registered in the Reuters' poll. The latest data comes against a backdrop of continued sluggish growth in the Eurozone's third largest economy. (Reuters)
- **ECB data point to widening split in Eurozone economy** – Bank lending to Eurozone companies dropped to a two-year low last month while household lending expanded to a post-financial-crisis high, suggesting a widening rift in the bloc's economy, European Central Bank data showed on Wednesday. Many companies in the Eurozone are struggling with plunging trade and a manufacturing recession, but consumers remain relatively optimistic. Wages and employment are still rising and the service sector continues to expand. Lending growth to non-financial corporations slipped to 3.2% from 3.4% a month earlier, the lowest figure in 24 months. At the same time, lending to households accelerated to 3.7% from 3.5%, the best reading in 11 years. The monthly flow of loans to businesses was just 0.7bn Euros, less than a tenth of the average monthly flow last year and the second-worst monthly reading all year. The drop came as companies shied away from long-term credit, the segment the ECB is hoping to boost with ultra-cheap funding. The 23.8bn Euro monthly flow of household loans, meanwhile, was the best figure since early 2008 as consumers were picking up cheap mortgages. (Reuters)

Regional

- **Saudi Arabia's general reserve levels down by 4% in 2019** – Saudi Arabia's general reserve declined by 4% YoY to SR469.6bn in 2019, according to data from the Saudi Arabian Monetary Authority (SAMA). On a monthly basis, the general reserve went down by 4.3% YoY in December 2019, from SR490.47bn in November. Saudi Arabia's current account dropped to SR59.6bn in 2019, compared to SR72.8bn in the year-ago period. Moreover,

the Kingdom's current account decreased by 3.06% YoY in December 2019, against SR57.85bn in November. (Zawya)

- **Saudi Arabia's SABIC sees slowdown in 2020** – The CEO of Saudi Basic Industries Corp (SABIC), Yousef Al-Benyan, said he expects a slowdown in 2020, although it was too early to determine the impact of the outbreak of China's coronavirus on demand. SABIC had not suspended travel or taken any other measures because of the virus, he said at a news briefing following the company's publication of its financial results. "We haven't had any ban in terms of trade or travel to China so far," he added. SABIC reported a fourth-quarter net loss of SR720mn, the first quarterly loss in over a decade, due to lower average selling prices and a write down at an affiliate. Saudi Aramco plans to complete its takeover of SABIC this year, in a push to diversify away from sales of crude oil. The two companies have not specified any potential cost savings from the deal. Saudi Aramco has said that the SABIC shares it will not own will continue to trade on the Riyadh exchange. While SABIC itself has been in the market for acquisitions in specialty chemicals, it has so far been unable to agree with Clariant of Switzerland about collaborating in a high-performance plastics venture, Al Benyan said. The Saudi state-run company acquired a 24.99% stake in Clariant in 2018, but SABIC's takeover by Saudi Aramco has hampered its ties. "Clariant will remain one of our future growth opportunities," he said. "We will wait for the right moment when the market really improves in order for us to go back and negotiate with them." (Reuters, Bloomberg)
- **NCB posts 18.8% YoY rise in net profit to SR11,401.4mn in FY2019** – The National Commercial Bank (NCB) recorded net profit of SR11,401.4mn in FY2019, an increase of 18.8% YoY. Total operating profit rose 8.9% YoY to SR20,607.1mn in FY2019. Total revenue for special commissions/investments rose 7.7% YoY to SR20,527.1mn in FY2019. Total assets stood at SR507.3bn at the end of December 31, 2019 as compared to SR452.2bn at the end of December 31, 2018. Loans and advances portfolio (financing & investment) stood at SR282.3bn (+6.5% YoY), while customer deposits stood at SR353.4bn (+10.9% YoY) at the end of December 31, 2019. EPS came in at SR3.68 in FY2019 as compared to SR3.08 in FY2018. (Tadawul)
- **Fitch affirms Dubai Islamic Bank; upgrades Noor bank's IDR on acquisition completion** – Fitch Ratings has affirmed UAE-based Dubai Islamic Bank's (DIB) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable outlook. At the same time Fitch has upgraded Noor Bank's Long-Term IDR to 'A' from 'A-' and Short-Term IDR to 'F1' from 'F2'. The agency has also affirmed and withdrawn Noor's VR. Noor Bank's VR and SRF withdrawn for the following reason: Reorganization of rated entity (for reasons other than financial distress). DIB's acquisition of Noor was executed on January 22, 2020 in the form of a share swap, with Noor bank becoming a fully-owned subsidiary of DIB. As part of the transaction, DIB issued 651mn shares to Noor bank's shareholders in exchange for all of Noor bank's shares, and both banks retained their equity bases. The government of Dubai (through Investment Corporation of Dubai) directly owns about 26% of DIB's shares following the Noor acquisition. The upgrade of Noor's IDRs to the level of DIB's reflects completion of the acquisition, as a result of which Noor bank became an integral and fully-owned subsidiary of DIB. Fitch has also revised Noor

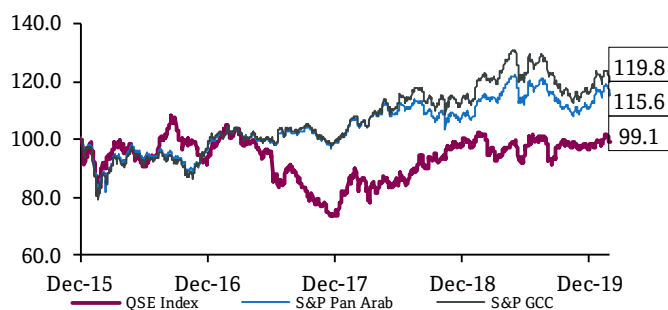
bank's support assessment to institutional support from DIB, as the agency believes this would now be the primary form of support for Noor, in case of need. DIB's IDRs are based on potential support from the UAE authorities, as a domestic systemically important bank. In Fitch's view, this support would flow through to Noor bank if needed. The withdrawal of Noor's SRF reflects the completion of the acquisition and the change of support assessment to institutional from sovereign. The affirmation of DIB's IDRs, SR and SRF reflects Fitch's view of an extremely high probability of support available to the bank from the UAE authorities if needed. Fitch's view of support factors in the sovereign's strong capacity to support the banking system, sustained by sovereign wealth funds and recurring revenue mostly from hydrocarbon production. Fitch also expects high willingness from the authorities to support the banking sector. This has been demonstrated by the UAE authorities' long track record of supporting domestic banks, as well as by the authorities' close ties with and part-government ownership links to a number of banks. (Fitch Ratings)

- **ENBD REIT announces 3Q2019 NAV of \$246mn** – ENBD REIT (CEIC), a Shari'ah compliant real estate investment trust managed by Emirates NBD Asset Management, has announced a net asset value (NAV) of \$246mn (\$0.98 per share) as at December 31, 2019. This follows the dividend payment to shareholders of \$4.9mn on December 17, 2019, as compared with the previous quarter's NAV of \$254mn cum-dividend. ENBD REIT's property portfolio value stands at \$429mn, reducing from \$435mn in the previous quarter, as a result of valuation losses predominantly in residential holdings, as well as smaller adjustments in the office and retail assets. These valuation losses are attributed to a general softness in the local real estate market. The portfolio comprises diverse holdings totaling 11 properties across office, residential and alternative asset classes. Occupancy across the portfolio improved slightly to 81% with a healthy Weighted Average Unexpired Lease Term (WAULT) of 3.37 years. As on December 31, 2019, the REIT's loan-to-value (LTV) ratio stood at 42%, and generated a net rental yield of 4.2% on NAV, or 8.7% on market capitalization at the prevailing share price. This week, ENBD REIT published a notice calling for an Extraordinary General Meeting (EGM) on February 12, 2020 to seek approval from shareholders to transition to a privately held structure, subject to various other regulatory approvals. The REIT's management believes that the proposed private structure is better suited for shareholders looking to realize improved returns over a fixed investment horizon. (Zawya)
- **ADIB plans to end several banking services in the UK** – Abu Dhabi Islamic Bank (ADIB) has announced plans to streamline its UK operations which are aimed at ending several banking services as the Shari'ah compliant lender's UK branch plans to focus on commercial real estate financing. ADIB said that it will maintain its presence in the UK, with the focus on developing successful commercial real estate financing but will refrain from providing regulated services to customers, which includes account services, savings, deposits and safe deposit boxes. The bank said that the decision follows a rigorous evaluation process that took into consideration the high demand for commercial real estate financing in the UK, where the bank has built a strong full-service property financing solution to support clients'

investment strategies in commercial real estate in compliance with Islamic Shari'ah principles. (Zawya)

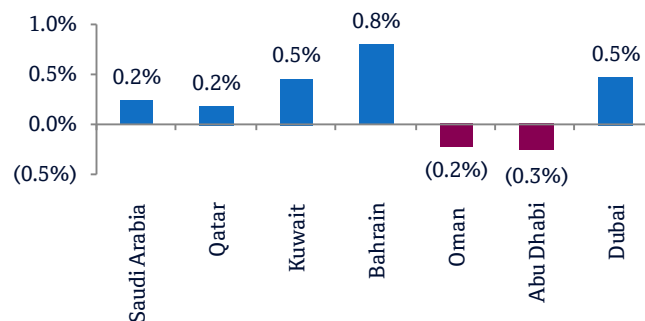
- **Burgan Bank gets approval for selling stake in Bank of Baghdad** – The Central Bank of Iraq (CBI) has approved the sale of Burgan Bank's 51.8% stake in Bank of Baghdad to United Gulf Holding Company (UGH), a sister company of the Kuwait-based bank and another subsidiary of the Kuwait Projects Holding Company (KIPCO). Although the transaction is forecast to have a one-time negative effect by KD9mn on the bank's 2019 net income, part of this effect is likely to be offset by KD4mn after the transaction is completed, according to a statement to Boursa Kuwait. The transaction will improve the Kuwaiti bank's quality of assets through reducing its bad debts by around KD34mn, representing 70 basis points (bps) on the group's bad debts ratio. On January 5, Burgan Bank highlighted that the deal allows it to focus on its main market in Kuwait while integrating and collaborating with its subsidiaries in Turkey, Algeria, and Tunisia. (Zawya)
- **Banks to provide \$650mn loan for Kuwait wastewater plant** – A group of six local and international banks has agreed to provide a \$650mn 26-year loan to finance the construction and operation of Kuwait's Umm al-Hayman Company for Waste Water Treatment project, three of the lenders said. The consortium of banks is led by Al Ahli Bank of Kuwait, Commercial Bank of Kuwait and KfW IPEX-Bank. It also includes DZ Bank, the Korea Development Bank and Siemens Bank. Kuwait's Ministry of Public Works signed a public-private partnership (PPP) with the project company last week to develop the plant, the statement from the lenders said. Umm al-Hayman Company for Waste Water Treatment is 40% owned by its developers WTE Wassertechnik GmbH and Kuwait's International Financial Advisors, 10% by the Kuwait Investment Authority and 50% by Kuwait Authority for Partnership Projects (KAPP), it said. KAPP aims to offer shares to the public through an initial public offering (IPO) once the plant is operational, it said. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,576.83	0.6	0.3	3.9
Silver/Ounce	17.56	0.5	(3.0)	(1.6)
Crude Oil (Brent)/Barrel (FM Future)	59.81	0.5	(1.4)	(9.4)
Crude Oil (WTI)/Barrel (FM Future)	53.33	(0.3)	(1.6)	(12.7)
Natural Gas (Henry Hub)/MMBtu	1.94	(2.0)	1.0	(7.2)
LPG Propane (Arab Gulf)/Ton	42.50	5.6	6.3	3.0
LPG Butane (Arab Gulf)/Ton	79.25	(2.5)	(0.2)	21.0
Euro	1.10	(0.1)	(0.1)	(1.8)
Yen	109.02	(0.1)	(0.2)	0.4
GBP	1.30	(0.1)	(0.4)	(1.8)
CHF	1.03	(0.0)	(0.2)	(0.6)
AUD	0.68	(0.1)	(1.1)	(3.8)
USD Index	97.99	(0.0)	0.1	1.7
RUB	62.55	0.4	0.8	0.9
BRL	0.24	(0.8)	(1.1)	(5.0)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,373.52	0.0	(0.9)	0.6
DJ Industrial	28,734.45	0.0	(0.9)	0.7
S&P 500	3,273.40	(0.1)	(0.7)	1.3
NASDAQ 100	9,275.16	0.1	(0.4)	3.4
STOXX 600	419.41	0.4	(1.2)	(1.2)
DAX	13,345.00	0.1	(1.9)	(1.1)
FTSE 100	7,483.57	0.1	(1.9)	(2.7)
CAC 40	5,954.89	0.5	(1.3)	(2.4)
Nikkei	23,379.40	0.7	(1.7)	(1.4)
MSCI EM	1,097.51	(0.4)	(2.0)	(1.5)
SHANGHAI SE Composite#	2,976.53	0.0	0.0	(1.6)
HANG SENG	27,160.63	(2.8)	(2.8)	(3.4)
BSE SENSEX	41,198.66	0.4	(1.1)	(0.3)
Bovespa	115,384.80	(1.3)	(3.5)	(5.1)
RTS	1,570.65	(0.1)	(1.8)	1.4

Source: Bloomberg (*\$ adjusted returns, #Market was closed on January 29, 2020)

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

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