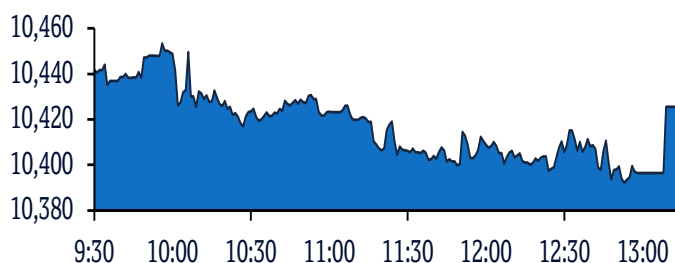


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.2% to close at 10,425.5. Losses were led by the Telecoms and Transportation indices, falling 1.6% and 1.3%, respectively. Top losers were Al Khaleej Takaful Insurance Company and Qatar Gas Transport Company Limited, falling 5.7% and 2.4%, respectively. Among the top gainers, Doha Insurance Group gained 5.3%, while Qatar Industrial Manufacturing Company was up 2.9%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.4% to close at 8,358.9. Losses were led by the Banks and Energy indices, falling 0.7% and 0.6%, respectively. Saudi Ind. Investment Group declined 2.8%, while Al Kathiri Holding Co. was down 2.4%.

**Dubai:** The DFM Index fell 0.2% to close at 2,764.9. The Banks index declined 0.5%, while the Telecommunication index fell 0.4%. Dar Al Takaful declined 4.3%, while SHUAA Capital was down 3.5%.

**Abu Dhabi:** The ADX General Index fell 0.3% to close at 5,075.8. The Banks index declined 0.7%, while the Telecommunication index fell 0.4%. Invest Bank declined 9.0%, while Ras Al Khaimah Cement Co. was down 3.4%.

**Kuwait:** The Kuwait All Share Index gained 0.2% to close at 6,282.5. The Oil & Gas index rose 1.6%, while the Telecommunications index gained 0.5%. Al Masaken Intl. Real Estate rose 10.0%, while Alargan International Real Estate was up 9.0%.

**Oman:** The MSM 30 Index gained 0.4% to close at 3,998.9. Gains were led by the Industrial and Services indices, rising 1.7% and 0.6%, respectively. Muscat Finance rose 7.8%, while Al Sharqia Investment Holding was up 7.8%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,610.2. The Services index rose 0.3%, while the Commercial Banks index gained 0.2%. Zain Bahrain rose 1.9%, while Seef Properties was up 1.5%.

Market Indicators	31 Dec 19	30 Dec 19	%Chg.
Value Traded (QR mn)	678.3	195.9	246.3
Exch. Market Cap. (QR mn)	582,744.7	584,399.6	(0.3)
Volume (mn)	140.0	50.2	179.2
Number of Transactions	5,395	4,988	8.2
Companies Traded	46	47	(2.1)
Market Breadth	18:22	22:18	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,183.83	(0.2)	(0.0)	5.7	15.1
All Share Index	3,099.21	(0.2)	0.0	0.7	15.6
Banks	4,220.43	(0.4)	0.1	10.2	14.7
Industrials	2,932.01	0.2	0.2	(8.8)	20.1
Transportation	2,555.53	(1.3)	(1.5)	24.1	13.7
Real Estate	1,565.04	0.2	0.0	(28.4)	11.8
Insurance	2,734.61	1.1	(0.2)	(9.1)	15.7
Telecoms	894.98	(1.6)	(1.5)	(9.4)	15.2
Consumer	8,646.40	0.3	0.4	28.0	19.2
Al Rayan Islamic Index	3,950.88	0.1	0.2	1.7	16.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ethiad Etisalat Co.	Saudi Arabia	25.70	2.8	2,051.6	2.8
Arabian Centres Co. Ltd.	Saudi Arabia	29.70	1.9	178.4	1.9
Savola Group	Saudi Arabia	34.95	1.7	475.6	1.7
Emaar Economic City	Saudi Arabia	9.64	0.9	1,137.1	0.9
Dar Al Arkan Real Estate	Saudi Arabia	11.10	0.9	4,607.8	0.9

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Ind. Inv. Group	Saudi Arabia	23.34	(2.8)	722.7	(2.8)
National Shipping Co.	Saudi Arabia	39.20	(2.0)	264.1	(2.0)
Jabal Omar Dev. Co.	Saudi Arabia	26.65	(1.8)	2,954.5	(1.8)
Saudi British Bank	Saudi Arabia	34.25	(1.3)	72.5	(1.3)
Arab National Bank	Saudi Arabia	27.05	(1.3)	196.1	(1.3)

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%
Al Khaleej Takaful Insurance Co.	2.00	(5.7)	4,932.9	132.8
Qatar Gas Transport Co. Ltd.	2.39	(2.4)	9,031.7	33.3
Qatar First Bank	0.82	(2.4)	3,264.2	(29.8)
Ooredoo	7.08	(2.1)	5,049.6	(5.6)
The Commercial Bank	4.70	(1.7)	12,138.9	19.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.59	(0.4)	180,961.5	5.6
The Commercial Bank	4.70	(1.7)	57,063.6	19.3
Industries Qatar	10.28	0.0	55,681.1	(23.1)
Qatar Fuel Company	22.90	0.4	52,855.9	38.0
Qatar Electricity & Water Co.	16.09	0.6	49,296.6	(13.0)

Source: Bloomberg (\* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.20	5.3	2.5	(8.3)
Qatar Industrial Manufacturing Co	3.57	2.9	368.9	(16.4)
Qatar General Ins. & Reins. Co.	2.46	1.7	11.1	(45.2)
Qatar Insurance Company	3.16	1.3	8,658.2	(12.0)
Mesaieed Petrochemical Holding	2.51	0.8	1,879.3	67.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.62	(1.6)	21,152.7	(52.6)
The Commercial Bank	4.70	(1.7)	12,138.9	19.3
Barwa Real Estate Company	3.54	0.6	11,612.3	(11.3)
Masraf Al Rayan	3.96	(0.3)	10,231.0	(5.0)
Qatar Gas Transport Company Ltd.	2.39	(2.4)	9,031.7	33.3

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar**	10,425.51	(0.2)	(0.0)	2.7	1.2	185.41	160,080.0	15.1	1.5	4.1
Dubai*	2,764.86	(0.2)	(0.0)	3.2	9.3	83.14	101,922.8	11.0	1.0	4.2
Abu Dhabi*	5,075.77	(0.3)	0.5	0.9	3.3	120.32	141,715.7	15.5	1.4	4.9
Saudi Arabia	8,358.85	(0.4)	0.0	(0.4)	(0.4)	861.55	2,395,823.3	22.5	1.9	3.2
Kuwait*	6,282.46	0.2	0.6	6.0	23.7	112.77	117,907.0	15.5	1.5	3.4
Oman	3,998.88	0.4	0.0	0.4	0.4	6.85	17,178.9	7.5	0.7	7.5
Bahrain*	1,610.18	0.1	0.4	5.5	20.4	10.70	25,206.9	13.0	1.0	4.8

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (\*\* TTM; \* Value traded (\$ mn) do not include special trades, if any, # Data as of December 31, 2019)

## Qatar Market Commentary

- The QE Index declined 0.2% to close at 10,425.5. The Telecoms and Transportation indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Al Khaleej Takaful Insurance Company and Qatar Gas Transport Company Limited were the top losers, falling 5.7% and 2.4%, respectively. Among the top gainers, Doha Insurance Group gained 5.3%, while Qatar Industrial Manufacturing Company was up 2.9%.
- Volume of shares traded on Tuesday rose by 179.2% to 140.0mn from 50.2mn on Monday. Further, as compared to the 30-day moving average of 70.5mn, volume for the day was 98.5% higher. Ezdan Holding Group and The Commercial Bank were the most active stocks, contributing 15.1% and 8.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	7.54%	5.25%	15,541,369.29
Qatari Institutions	6.83%	8.54%	(11,546,755.77)
<b>Qatari</b>	<b>14.37%</b>	<b>13.79%</b>	<b>3,994,613.52</b>
GCC Individuals	0.08%	0.28%	(1,362,451.52)
GCC Institutions	2.09%	0.62%	9,969,772.74
<b>GCC</b>	<b>2.17%</b>	<b>0.90%</b>	<b>8,607,321.22</b>
Non-Qatari Individuals	3.18%	2.77%	2,799,275.17
Non-Qatari Institutions	80.27%	82.54%	(15,401,209.90)
<b>Non-Qatari</b>	<b>83.45%</b>	<b>85.31%</b>	<b>(12,601,934.74)</b>

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

## Global Economic Data and Earnings Calendar

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/02	US	Department of Labor	Initial Jobless Claims	28-Dec	-	220k	222k
01/02	US	Department of Labor	Continuing Claims	21-Dec	-	1,680k	1,719k
01/02	US	Markit	Markit US Manufacturing PMI	Dec	-	52.5	52.5
01/02	UK	Markit	Markit UK PMI Manufacturing SA	Dec	-	47.6	47.4
01/02	EU	Markit	Markit Eurozone Manufacturing PMI	Dec	-	45.9	45.9
01/02	Germany	Markit	Markit/BME Germany Manufacturing PMI	Dec	-	43.4	43.4
01/02	Germany	German Federal Statistical Office	Retail Sales MoM	Nov	-	1.00%	-1.90%
01/02	Germany	German Federal Statistical Office	Retail Sales NSA YoY	Nov	-	1.10%	0.80%
01/02	France	Markit	Markit France Manufacturing PMI	Dec	-	50.3	50.3
12/31	China	Markit	Composite PMI	Dec	53.4	-	53.7
12/31	China	China Federation of Logistics	Manufacturing PMI	Dec	50.2	50.1	50.2
12/31	China	China Federation of Logistics	Non-manufacturing PMI	Dec	53.5	54.2	54.4
01/02	China	Markit	Caixin China PMI Mfg	Dec	51.5	51.6	51.8
01/02	India	Markit	Markit India PMI Mfg	Dec	-	-	51.2

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
QNBK	QNB Group	14-Jan-20	12	Due
GWCS	Gulf Warehousing Company	14-Jan-20	12	Due
QIBK	Qatar Islamic Bank	15-Jan-20	13	Due
ABQK	Ahli Bank	16-Jan-20	14	Due
MARK	Masraf Al Rayan	20-Jan-20	18	Due
DHBK	Doha Bank	26-Jan-20	24	Due

Source: QSE

## Qatar

- **MARK to hold its board meeting on January 20** – Masraf Al Rayan (MARK) announced that the board of directors will hold its meeting on January 20, 2019 to discuss and approve the financial statement for the financial year ended December 31, 2019. (QSE)
- **Ahli Bank opens the door for candidacy to the board of directors** – Ahli Bank's board of directors announced that nomination for election of the board of directors is now open for six board seats for three years (2020-2022), starting from January 5, 2020 till January 9, 2020. (QSE)
- **Ahli Bank holds its Annual Ordinary General Assembly Meeting on February 26** – Ahli Bank announced that the Ordinary General Assembly Meeting of Ahli Bank is determined to be held on February 26, 2020 and in case of non completion of the quorum, the substitution date shall be on March 4, 2020. (QSE)
- **WOQOD opens new fuel stations in expansion drive** – Qatar Fuel Company (WOQOD) announced the opening of Al Sailiya-2 Petrol Station and the expansion of Al Markhiya Petrol Station, as well as opening of two mobile petrol stations at The Pearl and South Al Aamriya, raising its petrol stations network to 96. WOQOD's Managing Director and CEO, Saad Rashid Al-Muhannadi said, "WOQOD aspires to expand its petrol station network in the country to meet the rising demand for petroleum products and achieve the goal of providing customers with access to best-in-class products and services at their convenience and comfort. WOQOD has recently accelerated the process for the construction of new petrol stations to meet the fuel and energy needs of the country." The Al Sailiya-2 Petrol Station is spread over a 10,000 square meters area and has three lanes with nine dispensers for light vehicles. The Al Markhiya Petrol Station expansion is spread over a 5,300 square meters area and has three lanes with three dispensers for light vehicles, in addition to the existing four dispensers with four lanes. (Gulf-Times.com)
- **No change in prices of diesel and petrol for January** – Qatar Petroleum announced the diesel and gasoline prices for the month of January 2020, where the prices of Premium petrol (91), Super petrol (95) and diesel for January will be at the same level as December 2019. The company set the price of one liter of diesel at QR1.85 in January, with no change from December 2019 price. The price for one liter of Super petrol (95) is set at QR1.90 in January. Premium petrol (91) is set at QR1.75 per liter in January without change from December 2019 price. (Gulf-Times.com)
- **Ezdan: Real estate sale deals reach QR22.4bn in 2019** – Qatar's real estate market witnessed 3,752 property transactions worth QR22.4bn in 2019, covering various municipalities, according to a report by Ezdan Real Estate Company (Ezdan). Citing figures released by the Ministry of Justice's Real Estate Registration Department, the report stated 1,065 transactions worth QR5.1bn were recorded in the first quarter of 2019. In 2Q2019, 930 transactions were valued at QR5.7bn, while 823 transactions worth QR4.5bn were made in the third quarter. The 4Q2019 hit a record high of QR7.1bn from 934 deals, the report stated. In December 2019, the Real Estate Registration Department noted that 234 transactions were made worth QR1.2bn. From December 22 to 26, 2019, 51 transactions recorded from seven municipalities, namely Umm Salal, Al Khor, Al Dhakhira, Doha, Al Rayyan, Shamal, Al Daayen, and Al Wakrah amounted to QR153mn. The sales included land lots, multi-use building and land lots, as well as residential structures. Doha ranked first in terms of deal value by sale of a multi-use land lot spread over 1,264 square meters in the Old Airport zone for QR13mn at QR955 per square foot. (Gulf-Times.com)
- **Brokerage arms of Qatari commercial banks constitute 52% of turnover on QSE** – The brokerage arms of the commercial banks in Qatar cornered lion's share of trade turnover on the Qatar Stock Exchange (QSE), which closed on a high note in 2019, a year that saw the listed companies adopt stock-split, through which the face value got reduced by one-tenth. QNB Financial Services (QNB FS), Commercial Bank Financial Services (CBQ FS) and Al Ahli Brokerage were seen constituting 52% of the total turnover in 2019, which also saw the advent of Baladna on the trading floor, thus expanding the universe of listed constituents to 47 on the QSE. The QNB Group's subsidiary topped among the nine brokerage houses in the QSE, constituting 31% of the total share trade turnover during 2019. QNB FS' trade turnover amounted to QR46.51bn, growing 2% YoY. CBQ FS, the stock broking arm of The Commercial Bank, accounted for 12.34% of trade turnover (QR18.51bn), which saw a yearly 26% plunge, and Al-Ahli Brokerage, a subsidiary of Ahli Bank, saw its trade turnover shrink 3% to QR12.28bn, cornering a market share of 8.19% during January-December 2019. The Banks and Financial Services sector led trading value accounted for 41.65% of the total trading value, followed by the Industrials, which accounted for 22.89%. The Consumer Goods and Services sector ranked third, accounting for 12.59%, and Real Estate sector, which accounted for 10.36% during 2019 which saw global index compiler MSCI include Qatar International Islamic Bank, a Shari'ah-principled lender, in its index. (Gulf-Times.com)
- **Container traffic through Qatar ports rises about 9% YoY in November** – An about 10-fold growth in the container traffic through Hamad Port helped Qatar register an impressive expansion in net tonnage during November 2019, according to the official estimates. The container traffic through Qatari ports witnessed about 9% YoY increase to 5.75mn tons in November last year, according to the data released by the Planning and Statistics Authority. On a monthly basis, the net tonnage grew more than 11%. The total number of vessels calling on Qatar ports stood at 491, which, however, registered 6% and 10% decline respectively on annual and monthly basis respectively in November 2019. The official data was devoid of details regarding number of vessels and net tonnage through Ras Laff a port in November 2019. Hamad Port, which has seen the world's largest shipping companies seek entry and growth in the Qatari and regional markets, berthed 137 vessels in November 2019, which saw more than 7% and 8% shrinkage YoY and MoM respectively. The container traffic through the port stood at 2.48mn tons in

November, which recorded about 10-fold growth on yearly basis, even as it saw 6% decline MoM. Hamad Port's strategic geographical location offers opportunities to create cargo movement towards the upper Gulf, supporting countries such as Kuwait and Iraq, and south towards Oman, QTerminals' Chief Executive, Neville Bissett had earlier said. In November 2019, total exports (free on board) of goods (including exports of goods of domestic origin and re-exports) grew about 11% on a monthly basis but showed a 13% decline on a yearly basis. Qatar's total imports (valued at cost insurance and freight) showed a 16% growth MoM and 2% on a yearly basis. (Gulf-Times.com)

- Credit facilities rise to QR1,026.5bn in November** – The QCB has released its monthly bulletin for November 2019, which included a wide range of money and banking statistics for the month of November. Bank Deposits increased in November 2019 by about QR5.2bn from October to the level of QR830.5bn in October. They were divided between private sector deposits, public sector deposits and non-resident deposits. While private sector deposits rose to QR367.7bn compared to QR366.9bn in October, public sector deposits increased marginally by QR0.8bn to QR260.2bn, and nonresident deposits rose by QR3.7bn to QR202.5bn. Total credit facilities granted by banks have grown steadily and reached QR1,026.5bn in November 2019 from QR1,003.3bn in October, and QR940.8bn a year ago. Credit granted to the public sector rose in November 2019 by about QR17.1bn up from October to reach the level of QR303.6bn, but it was still lower by about QR26.7bn from a year ago – due to the government repayment of part of its debt to the banks. On the other hand, the credit granted to the private sector increased in November by about QR26.5bn from October to reach QR647.3bn, and it was about QR115.4bn higher than a year ago. Credit granted Abroad decreased by QR1.6bn from October to QR75.2bn, it was still below the level of a year ago of QR79.6bn. At the end of November 2019, the Money Supply (M2) increased by 0.8% to the level of QR563.5bn. The growth came as a result of the narrow Money Supply (M1) increase by 3.4% to QR127.6bn, and the quasi-money marginal increase by 0.05% to QR435.8. (Peninsula Qatar)
- Kahramaa opened 32 new electrical transmission stations in 2019** – The Qatar General Electricity and Water Corporation (Kahramaa) opened 32 new electrical transmission stations and completed cable laying works by spending an approximate amount of QR3bn, during 2019. The year 2019 has turned to be a year of achievements for Kahramaa through implementing projects and maintaining quality of service with the highest standards for customers, Kahramaa stated in a statement. According to Kahramaa statistics, the production capacity of electricity reached 10,578 MW in 2019. While power generation went up by about 30%, water production increased by 40%. Kahramaa also raised the efficiency of the electrical network through the implementation of periodic maintenance programs. Corrective measures in stations, cables and lines resulted in an estimated savings of about QR53mn. As many as 8,116 subscribers and 1,500 establishments were connected and 1,286 new distribution stations opened. The number of failures in the main network came down by 8% in 2019 while the number of interruptions in the medium voltage network decreased by 17%. (Peninsula Qatar)

- Lusail, The Pearl and Al Dafna to see maximum number of residential units supply in 2020** – ValuStrat, the region's leading real estate consulting group, has adjusted its supply projections in Qatar's residential market upwards to 10,000 units for 2020 due to delayed deliveries in 2019. Seventy percent of the total supply is projected to launch in prime locations such as Lusail, The Pearl-Qatar and Al Dafna which might influence the market rent in the areas once projects are handed over. Vacancy in secondary locations may increase as residents 'trade up'. Capital values of low-quality villas outside Doha may experience downward pressure as a result of increasing competitiveness of villas in prime locations. ValuStrat noted that World Bank has projected Qatar's population will grow to 2.88mn in 2020. In the Office segment, 65% of the projected one million square meters gross leasable area (GLA) in pipeline for 2020 is concentrated in Lusail. This is expected to continue to put pressure on rents in the area. Retail performance in terms of occupancy is projected to improve due to temporary increase in demand as World Cup 2020 nears, especially for shopping centers which are introducing anchor tenants from entertainment and specialty Food & Beverage to draw footfall. Upcoming malls in 2020 include J Mall in Al Markhiya, La Plage 04 Mall in The Pearl-Qatar and Doha Mall in Al Maamoura. The ValuStrat Q4, 2019 stated that during first two months, real estate transactions totaled 700 with value of QR5.9bn, up by 34% compared to same period in 2018. In the Office segment, Quarterly influx of supply induced landlords to reduce asking rents and offer further incentives in the form of rent-free period up to four months (differing contract periods). In 4Q2019, the residential sales volume rose 8% on QoQ basis. (Peninsula Qatar)
- Government funding, private sector support spur growth of Qatari startups** – Funding provided by government entities, as well as support from the private sector has helped spur further growth in Qatar's entrepreneurship ecosystem in 2019, particularly among startups and small and medium-sized enterprises (SMEs). In a January 2019 launch ceremony, the Ministry of Transport and Communications' (MoTC) Digital Incubation Centre (DIC) announced that the DIC will incubate 25 new startups, bringing the total number of startups currently incubated in the centre to 58 startups, of which 12 are growing, according to a Digital Incubation Center's Manager, Duha Ali Al-Buhendi. During the event, al-Buhendi said the DIC has already invested QR4.7mn on local startups in 2018. The amount included initial investments from Qatar Development Bank (QDB), Qatar Science and Technology Park (QSTP), and angel investors. In September at the announcement of the event 'Catalysing the Future', QSTP's Executive Director, Yosouf Saleh stated that QSTP has allotted \$50mn in the next five years to support startups in the country. He added that QSTP, a part of Qatar Foundation Research, Development and Innovation (QF RDI), had invested over QR4.3bn in RDI activities by international companies registered with the science and technology park. (Gulf-Times.com)
- Qatar's state investor also part of Tencent's Universal deal** – Qatar Investment Authority (QIA) is another member of the Tencent-led consortium buying a 10% stake in Vivendi's Universal Music Group, a source familiar with the deal said on Tuesday. (Reuters)

## International

- **Trump says US-China trade deal will be signed on January 15** – The US President, Donald Trump said that Phase 1 of trade deal with China would be signed on January 15 at the White House, though considerable confusion remains about the details of the agreement. The president wrote in a tweet that he would sign the deal with “high level representatives of China” and that he would later travel to Beijing to begin talks on the next phase. Last week, Trump said he and Chinese President Xi Jinping would host a signing ceremony to ink the Phase 1 deal. The Phase 1 deal, struck earlier this month, is expected to reduce tariffs and boost Chinese purchases of American farm, energy and manufactured goods while addressing some disputes over intellectual property. However, no version of the text has been made public, and Chinese officials have yet to publicly commit to key planks, such as increasing imports of US goods and services by \$200bn over two years. China bought \$130bn in the US goods in 2017, before the trade war began, and \$56bn in services, the US data showed. (Reuters)
- **EU seeks reset in trade talks with US** – The European Union’s (EU) new trade commissioner, Irishman Phil Hogan, said he would seek a reset of EU-US trade relations on a number of contentious issues when he meets his US counterpart for the first time next month. The Trump administration imposed tariffs on European steel and aluminum in mid-2018. It has done the same to \$7.5bn worth of EU products over a dispute about subsidies for European plane maker Airbus, and is threatening action against France over a digital services tax. Hogan, who was promoted from the role of EU farm chief this month, spoke to US trade representative Robert Lighthizer just before Christmas, he told the Irish Times newspaper. (Reuters)
- **China cuts banks' reserve ratios again, frees up \$115bn to spur economy** – China’s central bank stated it was cutting the amount of cash that all banks must hold as reserves, releasing around \$114.91bn in funds to shore up the slowing economy. The People’s Bank of China (PBoC) stated it will cut banks’ reserve requirement ratio (RRR) by 50 basis points, effective January 6. The move would bring the level for big banks down to 12.5%. The PBoC has now cut RRR eight times since early 2018 to free up more funds for banks to lend as economic growth slows to the weakest pace in nearly 30 years. Premier Li Keqiang raised expectations of an imminent RRR cut in a speech in late December, saying authorities were considering more measures to lower financing costs for smaller companies, including broad-based and targeted RRR reductions aimed at helping more vulnerable parts of the economy. The PBoC stated it expects total liquidity in the banking system to remain stable ahead of the Lunar New Year. Of the latest funds released, small and medium banks would receive roughly 120bn Yuan, the central bank stated, stressing that it should be used to fund small, local businesses. (Reuters)
- **China's central bank says economic growth resilient despite large pressure** – China’s central bank stated on Wednesday that economic growth remains resilient despite relatively large downward pressure and mounting external uncertainty. The People’s Bank of China (PBoC) will work on preventing and

defusing financial risks amid profound changes in the domestic and international economy, it stated in a statement following the fourth-quarter meeting of its monetary policy committee. The PBoC stated it will keep the Yuan exchange rate balanced and stable and use multiple monetary tools and flexible policy to maintain liquidity. It also said it will keep M2 money supply and social financing growth in line with nominal GDP growth. China’s economic growth has cooled to near 30-year lows. Though economic activity has shown hints of a pick up recently, analysts widely expect Beijing to roll out further stimulus measures in 2020 to avert a sharper slowdown. (Reuters)

- **China's factory activity grows as easing trade spat revives demand** – Manufacturing activity in China expanded for a second straight month in December as seasonal demand and signs of progress in trade talks with Washington boosted factories’ output and order books. China’s official Purchasing Managers’ Index (PMI) was unchanged at 50.2 in December from November, the National Bureau of Statistics stated, slightly higher than the 50.1 expected in a Reuters poll of analysts. It also remained above the 50-point mark that separates monthly growth from contraction. Growth in China’s services sector activity cooled in December with the official non-manufacturing PMI dropping to 53.5, from an eight-month high of 54.4 in November, a separate NBS survey showed. The official services PMI slipped to 53.5, from an eight-month high of 54.4 in November, the National Bureau of Statistics stated. The official December composite PMI, which includes both manufacturing and services activity, fell to 53.4 from November’s 53.7. (Reuters)
- **India's November infrastructure output contracts for third straight month** – India’s infrastructure output contracted for the third consecutive month to 1.5% in November from a year earlier, data showed. During April-November, output was flat from the year-ago period, according to the data. Infrastructure output, which comprises eight sectors such as coal, crude oil and electricity, accounts for nearly 40% of the country’s industrial output. (Reuters)

## Regional

- **JBC: OPEC-14 output falls 80k bpd to 29.37mn bpd in December** – OPEC-14 output fell 80k bpd to 29.37mn bpd in December. Saudi Arabia’s production fell the most, followed by Kuwait, Libya and Venezuela, consultant JBC Energy stated in a report. Saudi Arabia reduced by 80k bpd to 9.9mn bpd. Angola increased most, by 75k bpd; Iraq also boosted. JBC revised the OPEC-14 estimate for November down by 485k bpd because of much lower-than-expected output from Saudi Arabia. (Bloomberg)
- **Saudi economy contracted 0.46% in 3Q2019** – Saudi Arabia’s economy contracted by 0.46% in the third quarter from a year earlier, hit by a drop in oil output as the de facto leader of OPEC cut production, government data showed. Mining and quarrying saw the biggest decline, 6.39%, fuelled by a 6.52% drop in crude petroleum and natural gas output, the data showed. Petroleum and refining dropped 6.11%, leading to a 2.4% decline in manufacturing output, the data from the General Authority of Statistics stated. (Zawya)
- **Mortgage loans of \$18.4bn offered over 11 months in Saudi Arabia** – The monthly bulletin of the Saudi Arabian Monetary Authority (SAMA) on Monday showed that 155,893 mortgage

loans worth a total of \$18.395bn were offered by all financing institutions in 2019 up to November. Housing loans registered a 254% increase in terms of their number and a 167% increase in terms of volume compared to the same period last year. Newly signed mortgage loans registered a rise of 13,000 to 20,525 in November compared to the same period last year. Financing grew by 154% in November YoY, reaching SR9bn, a 205% increase. According to the bulletin, 94% of new individual mortgage loans in November were concluded through commercial banks, with 6% through financing companies. (Zawya)

- **Non-Arab foreign investment in UAE stocks AED12.5bn in 2019** – The net investments of non-Arab foreign investors in the UAE’s financial markets doubled 11 times in 2019, jumping to AED12.5bn. The level of net investments of non-Arab foreigners in the Dubai and Abu Dhabi markets are the highest in five years, which reflects their success in attracting foreign investments. The Securities and Commodities Authority, SCA, continued adopting systems to attract capital and local and international expertise in 2019, by upgrading markets at international index providers. Four years ago, the UAE was upgraded to an emerging market by the MSCI Emerging Markets Index, which was a global acknowledgement that the country’s financial markets have reached international standards, leading to more long-term capital flow from foreign investors. Foreign investors in the UAE’s financial markets are classified into three categories, which are non-Arabs, Gulf Cooperation Council, GCC, citizens and Arab investors. (Zawya)
- **UAE’ nuclear plant to be operational in 1Q2020** – The Arab world’s first commercial nuclear plant should start operating in 1Q2020, Abu Dhabi government-owned newspaper Al-Ittihad reported, citing the Emirates Nuclear Energy Corp. Barakah Unit 1, the first of four planned reactors in the UAE, is currently in a testing phase and is on track to receive an operating license from regulators, the paper said. The plant will then start loading nuclear fuel, begin generating power, and ramp up to full commercial operation within several months, Al-Ittihad said. State-run ENEC is also preparing to start tests on its second reactor, according to the report. (Bloomberg)
- **Budget deficit increases until end of fiscal year 2019/’20 to KD2.5bn** – The fiscal deficit recorded in the public budget increased from the beginning of the fiscal year 2019/2020 until the end of last November to KD2.5bn, before deducting the share of the future generations’ fund, which is estimated at 10% of the total state revenue, Al-Rai daily reported. The sources pointed out that the volume of revenues recorded by the public budget during the past eight months amounted to about KD11.5bn, while the value of expenses for this period amounted to KD14bn, which means that the total deficit achieved with the share of the future generations reserve is calculated to be about KD3.65bn. (Zawya)
- **Kuwait attracts \$3.2bn foreign investments in 4 years** – Kuwait’s foreign direct investments (FDIs) have totaled \$3.2bn in four years from January 2015 until March 2019, according to the commerce and industry minister of Kuwait Khaled Nasser Abdullah Al Roudan. The foreign investments have injected into the field of information systems services, oil and gas, construction, training, health, energy, consulting, market

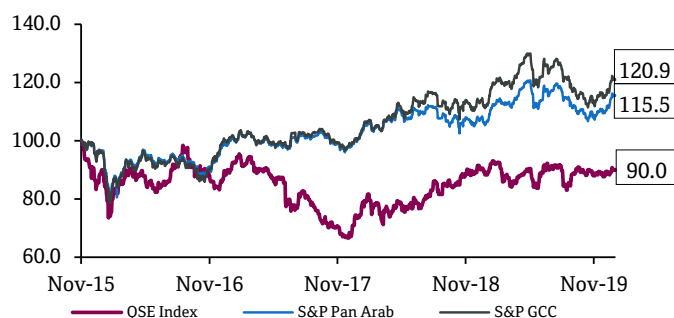
research and leisure activities, Al Roudan referred in the fourth annual report for 2018/2019 by Kuwait Direct Investment Promotion Authority (KDIPA). The Kuwaiti minister added that these investments have a positive direct impact on economic and social levels, such as providing job and training opportunities for the national workforce, transferring the latest technology and supporting the local economy. (Zawya)

- **Oman 2020 budget increases spending to OMR13.2bn, sees deficit at 8% of GDP** – Oman’s government expects to increase spending this year by 2% to OMR13.2bn, its state news agency (ONA) stated. The government also expects a deficit of OMR2.5bn, or the equivalent of 8% of the GDP. Some 80% of the deficit will be funded through external and domestic borrowing, while the remainder will be funded by drawing from reserves. Revenues are estimated at OMR10.7bn, assuming an average oil price of \$58 per barrel this year. (Reuters)
- **Oman’s deficit at five-year low** – On the back of rise in government revenue and fall in spending, the budget deficit in the Sultanate dropped to five-year low. According to a report from the National Centre for Statistics and Information (NCSI), the deficit fell by 5.6% to OMR1.92bn till the end of October 2019. The budget deficit for the same period of 2018 stood at OMR2.04bn, Oman News Agency reports quoting NCSI. The significant recovery in oil prices in the last couple of years, supported by the government’s actions to rationalize public expenditures, helped improve the fiscal balance. The total revenue fell by 1.1% to OMR8.60bn for the first 10 months of 2019, over the same period of the previous year. The net oil revenue of Oman government fell by 7.6% to OMR4.97bn at the end of October 2019, from OMR5.37bn for the same period of the previous year, the report added. Revenue from natural gas dropped 8.9% to OMR1.43bn. The introduction of the excise tax is one of the key fiscal reforms implemented in 2019 to raise non-oil revenue. (Zawya)
- **Oman’s first industrial park to open in January 2020** – Oman’s first and very own industrial park is coming next year in January that will feature as the automobile as well as a construction hub. Sandan Development announced the readiness of the Sandan Industrial Park on Monday, December 30, 2019 which is located 35 minutes from Muscat in Halban. It is expected to open on January 22, 2020, as the first integrated industrial city managed by the private sector in the Sultanate. It will possess the infrastructure that meets the needs of investors and service seekers, according to the developers. (Zawya)
- **Oman Arab Bank proposes share swap merger with Alizz Islamic Bank** – Oman Arab Bank has proposed 81%:19% share swap ratio for potential merger with Alizz Islamic Bank, according to a statement. Oman Arab Bank will issue its shares to Alizz Islamic Bank based on the audited 2019 net book value of both banks. Oman Arab Bank will become a listed holding company; Alizz Islamic Bank will become a fully owned subsidiary of Oman Arab Bank. (Bloomberg)
- **Petrofac gets Oman contracts worth combined \$130mn** – Petrofac has announced a new contract award, under a 10-year Framework Agreement signed in 2017, and the award of an additional scope of work with Petroleum Development Oman (PDO), according to a statement. The combined value is approximately of \$130mn. The new award is an engineering,

procurement and construction management services contract for the Mabrouk North East Development Project in Oman. Other scope of work awarded is to provide further services for PDO's Yibal Khuff Project. (Bloomberg)

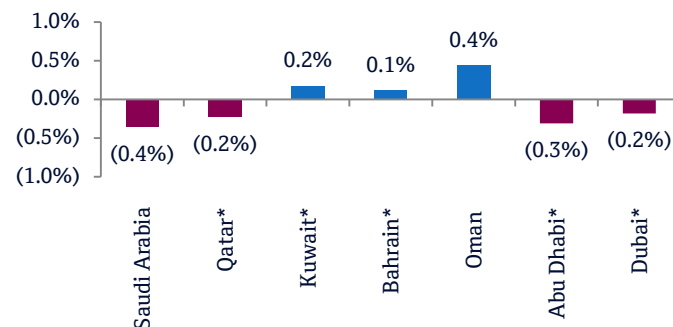
- **Bahrain signs customs deal with Saudi Arabia** – Customs president Shaikh Ahmed bin Hamad Al Khalifa and Saudi Customs governor Ahmed Al Hakbani signed an agreement on the Economic Operator program, jointly implemented by both. Shaikh Ahmed said the signing was a result of a series of meetings to set mechanisms for joint work with consideration to security requirements. The Saudi official highlighted that the agreement will reinforce historical relations and hoped it will promote the flow of goods between both countries. The Authorised Economic Operator (AEO) is defined as one of the participating party in the movement of international trade in a manner that conforms to international customs regulations or to equivalent adopted standards of supply chain security. It includes importers, exporters, manufacturers, brokers, transportation companies, ports, airports, ports operators, warehouses, and distributors. (Zawya)
- **Bahrain's imports drop 17%** – Bahrain has reported a 17% drop in the value of its imports for November which fell to BHD379mn from last year's figure of BHD455mn, according to data released by the Information and eGovernment Authority (iGA). The top 10 countries accounted for 70% of the value of imports, with the remaining countries accounting for 30%, stated iGA in its foreign trade report of November, encompassing data on the balance of trade, imports, exports (national origin) and re-exports. (Zawya)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg (\*Data as of December 31, 2019)

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,517.29	0.0	0.0	0.0
Silver/Ounce	17.85	0.0	0.0	0.0
Crude Oil (Brent)/Barrel (FM Future)#	66.00	(3.6)	(3.2)	22.7
Crude Oil (WTI)/Barrel (FM Future)#	61.06	(1.0)	(1.1)	34.5
Natural Gas (Henry Hub)/MMBtu#	2.09	2.0	0.0	(35.7)
LPG Propane (Arab Gulf)/Ton#	41.25	(3.5)	(7.8)	(35.0)
LPG Butane (Arab Gulf)/Ton#	66.38	(2.4)	(3.1)	(5.2)
Euro	1.12	(0.0)	0.0	(0.0)
Yen	108.76	0.1	(0.0)	0.1
GBP	1.33	(0.0)	0.0	(0.0)
CHF	1.03	0.0	0.0	0.0
AUD	0.70	(0.1)	0.0	(0.1)
USD Index	96.45	0.1	(0.0)	0.1
RUB#	61.99	0.0	(0.1)	(11.1)
BRL#	0.25	0.0	0.6	(3.4)

Source: Bloomberg (#Market was closed on January 01, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index#	2,358.47	0.2	(0.3)	25.2
DJ Industrial#	28,538.44	0.3	(0.4)	22.3
S&P 500#	3,230.78	0.3	(0.3)	28.9
NASDAQ 100#	8,972.60	0.3	(0.4)	35.2
STOXX 600#	415.84	0.1	(0.5)	20.8
DAX#	13,249.01	0.0	(0.4)	23.0
FTSE 100#	7,542.44	0.5	(0.1)	16.7
CAC 40#	5,978.06	0.1	(0.6)	23.9
Nikkei#	23,656.62	0.0	(0.2)	19.8
MSCI EM	1,114.63	(0.0)	(0.4)	(0.0)
SHANGHAI SE Composite#	3,050.12	0.7	1.9	20.8
HANG SENG#	28,189.75	(0.5)	(0.2)	9.7
BSE SENSEX	41,306.02	(0.1)	(0.6)	(0.1)
Bovespa#	115,645.30	0.0	0.1	26.9
RTS#	1,548.92	0.0	(0.0)	44.9

Source: Bloomberg (\*\$ adjusted returns, #Market was closed on January 01, 2020)

## Contacts

### Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

### Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

[shahan.keushgerian@qnbfs.com.qa](mailto:shahan.keushgerian@qnbfs.com.qa)

### QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

### Zaid al-Nafsoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

[zaid.alnafsoosi@qnbfs.com.qa](mailto:zaid.alnafsoosi@qnbfs.com.qa)

**Disclaimer and Copyright Notice:** This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNB FS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB FS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNB FS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNB FS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNB FS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNB FS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNB FS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNB FS.

**COPYRIGHT:** No part of this document may be reproduced without the explicit written permission of QNB FS.