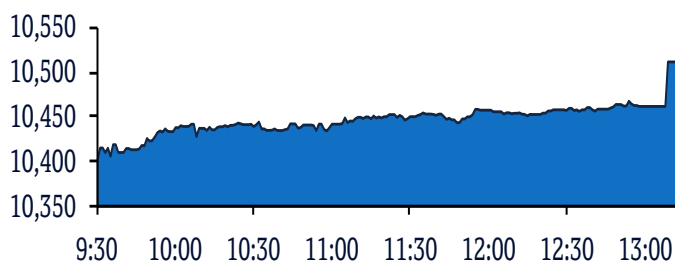


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.8% to close at 10,511.7. Gains were led by the Telecoms and Banks & Financial Services indices, gaining 1.4% and 0.9%, respectively. Top gainers were Doha Bank and The Commercial Bank, rising 4.7% and 3.2%, respectively. Among the top losers, Doha Insurance Group fell 4.2%, while Mesaieed Petrochemical Holding Company was down 3.6%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.5% to close at 8,397.0. Gains were led by the Food & Staples Retailing and Telecommunication Services indices, rising 1.3% and 1.2%, respectively. Saudi Cable Company and Metlife AIG ANB Cooperative Insurance Company were up 10.0% each.

**Dubai:** The DFM Index gained 0.2% to close at 2,769.1. The Consumer Staples and Discretionary index rose 3.2%, while the Real Estate & Construction index gained 0.6%. Dar Al Takaful rose 6.6%, while DXB Entertainments was up 3.9%.

**Abu Dhabi:** The ADX General Index gained 0.5% to close at 5,100.3. The Telecommunication index rose 0.9%, while the Banks index gained 0.6%. Ras Al Khaimah Cement Company rose 3.6%, while Manazel was up 1.5%.

**Kuwait:** Market was closed on January 2, 2020.

**Oman:** The MSM 30 Index gained 0.2% to close at 4,005.1. Gains were led by the Services and Industrial indices, rising 1.2% and 0.5%, respectively. Al Madina Investment rose 10.0%, while National Gas was up 9.9%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,612.1. The Commercial Banks index rose 0.2%, while the other indices ended flat. Ahli United Bank rose 0.5%.

Market Indicators	02 Jan 20	31 Dec 19	%Chg.
Value Traded (QR mn)	121.9	678.3	(82.0)
Exch. Market Cap. (QR mn)	585,366.4	582,744.7	0.4
Volume (mn)	48.2	140.0	(65.6)
Number of Transactions	2,630	5,395	(51.3)
Companies Traded	46	46	0.0
Market Breadth	24:16	18:22	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,342.42	0.8	0.8	0.8	15.3
All Share Index	3,118.76	0.6	0.6	0.6	15.7
Banks	4,259.33	0.9	1.1	0.9	14.8
Industrials	2,929.13	(0.1)	0.1	(0.1)	20.1
Transportation	2,571.32	0.6	(0.9)	0.6	13.8
Real Estate	1,563.65	(0.1)	(0.1)	(0.1)	11.7
Insurance	2,749.03	0.5	0.3	0.5	15.8
Telecoms	907.58	1.4	(0.1)	1.4	15.5
Consumer	8,688.63	0.5	0.9	0.5	19.3
Al Rayan Islamic Index	3,963.22	0.3	0.5	0.3	16.5

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ethiad Etisalat Co.	Saudi Arabia	26.60	3.5	3,902.8	6.4
The Commercial Bank	Qatar	4.85	3.2	705.6	3.2
Masraf Al Rayan	Qatar	4.07	2.8	9,135.3	2.8
Rabigh Refining & Petro.	Saudi Arabia	22.10	2.3	2,111.9	2.0
Ooredoo	Qatar	7.21	1.8	332.3	1.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mesaieed Petro. Holding	Qatar	2.42	(3.6)	4,474.4	(3.6)
Nat. Petrochemical Co.	Saudi Arabia	23.30	(0.9)	167.3	(1.9)
Bank Muscat	Oman	0.43	(0.9)	123.6	(0.9)
HSBC Bank Oman	Oman	0.12	(0.8)	22.0	0.0
Mouwassat Med. Serv. Co.	Saudi Arabia	87.50	(0.8)	48.2	(0.6)

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%
Doha Bank	2.65	4.7	2,609.7	4.7
The Commercial Bank	4.85	3.2	705.6	3.2
Masraf Al Rayan	4.07	2.8	9,135.3	2.8
Islamic Holding Group	1.95	2.6	653.4	2.6
Qatar General Ins. & Reins. Co.	2.52	2.4	12.0	2.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	4.07	2.8	9,135.3	2.8
Aamal Company	0.82	1.1	5,769.4	1.1
Mesaieed Petrochemical Holding	2.42	(3.6)	4,474.4	(3.6)
Ezdan Holding Group	0.62	0.7	3,424.9	0.7
Baladna	1.00	0.0	2,837.1	0.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.15	(4.2)	3.1	(4.2)
Mesaieed Petrochemical Holding	2.42	(3.6)	4,474.4	(3.6)
Aljjarah Holding	0.69	(2.1)	790.5	(2.1)
Al Khaleej Takaful Insurance Co.	1.96	(2.0)	2,084.4	(2.0)
Qatar Industrial Man. Co	3.51	(1.7)	44.0	(1.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Masraf Al Rayan	4.07	2.8	36,871.5	2.8
QNB Group	20.58	(0.0)	17,248.7	(0.0)
Mesaieed Petrochemical Holding	2.42	(3.6)	10,855.5	(3.6)
Doha Bank	2.65	4.7	6,898.9	4.7
Aamal Company	0.82	1.1	4,747.6	1.1

Source: Bloomberg (\* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,511.70	0.8	0.8	0.8	0.8	33.32	160,800.1	15.3	1.6	4.1
Dubai	2,769.09	0.2	0.2	0.2	0.2	10.84	102,055.6	11.0	1.0	4.2
Abu Dhabi	5,100.27	0.5	1.0	0.5	0.5	14.31	142,391.0	15.6	1.4	4.9
Saudi Arabia	8,397.01	0.5	0.5	0.1	0.1	925.27	2,400,709.0	22.6	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	4,005.06	0.2	3.6	0.6	0.6	3.55	17,186.0	7.6	0.7	7.5
Bahrain	1,612.05	0.1	0.5	0.1	0.1	1.21	25,238.0	12.8	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 rose 0.8% to close at 10,511.7. The Telecoms and Banks & Financial Services indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Doha Bank and The Commercial Bank were the top gainers, rising 4.7% and 3.2%, respectively. Among the top losers, Doha Insurance Group fell 4.2%, while Mesaieed Petrochemical Holding Company was down 3.6%.
- Volume of shares traded on Thursday fell by 65.6% to 48.2mn from 140.0mn on Tuesday. Further, as compared to the 30-day moving average of 72.5mn, volume for the day was 33.5% lower. Masraf Al Rayan and Aamal Company were the most active stocks, contributing 18.9% and 12.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	27.54%	51.72%	(29,475,484.65)
Qatari Institutions	28.76%	27.38%	1,687,538.66
<b>Qatari</b>	<b>56.30%</b>	<b>79.10%</b>	<b>(27,787,945.99)</b>
GCC Individuals	0.87%	0.86%	18,506.72
GCC Institutions	3.26%	4.70%	(1,754,598.88)
<b>GCC</b>	<b>4.13%</b>	<b>5.56%</b>	<b>(1,736,092.16)</b>
Non-Qatari Individuals	8.46%	11.80%	(4,074,839.53)
Non-Qatari Institutions	31.10%	3.54%	33,598,877.68
<b>Non-Qatari</b>	<b>39.56%</b>	<b>15.34%</b>	<b>29,524,038.15</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	222k	220k	224k
01/02	US	Department of Labor	Continuing Claims	21-Dec	1,728k	1,680k	1,723k
01/02	US	Markit	Markit US Manufacturing PMI	Dec	52.4	52.5	52.5
01/03	US	Institute for Supply Management	ISM Manufacturing	Dec	47.2	49.0	48.1
01/02	UK	Markit	Markit UK PMI Manufacturing SA	Dec	47.5	47.6	47.4
01/03	UK	Markit	Markit/CIPS UK Construction PMI	Dec	44.4	45.9	45.3
01/03	UK	Bank of England	Money Supply M4 MoM	Nov	0.8%	-	0.0%
01/03	UK	Bank of England	M4 Money Supply YoY	Nov	4.5%	-	3.5%
01/03	UK	Bank of England	M4 Ex IOFCs 3M Annualised	Nov	4.5%	-	3.9%
01/02	EU	Markit	Markit Eurozone Manufacturing PMI	Dec	46.3	45.9	45.9
01/03	EU	European Central Bank	M3 Money Supply YoY	Nov	5.6%	5.7%	5.7%
01/02	Germany	Markit	Markit/BME Germany Manufacturing PMI	Dec	43.7	43.4	43.4
01/03	Germany	German Federal Statistical Office	CPI YoY	Dec	1.5%	1.4%	1.1%
01/03	Germany	German Federal Statistical Office	CPI MoM	Dec	0.5%	0.4%	-0.8%
01/02	France	Markit	Markit France Manufacturing PMI	Dec	50.4	50.3	50.3
01/03	France	INSEE National Statistics Office	CPI MoM	Dec	0.4%	0.3%	0.1%
01/03	France	INSEE National Statistics Office	CPI YoY	Dec	1.4%	1.3%	1.0%
01/02	China	Markit	Caixin China PMI Mfg	Dec	51.5	51.6	51.8
01/02	India	Markit	Markit India PMI Mfg	Dec	52.7	-	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	9	Due
GWCS	Gulf Warehousing Company	14-Jan-20	9	Due
QIBK	Qatar Islamic Bank	15-Jan-20	10	Due
ABQK	Ahli Bank	16-Jan-20	11	Due
MARK	Masraf Al Rayan	20-Jan-20	15	Due
DHBK	Doha Bank	26-Jan-20	21	Due

Source: QSE

**Qatar**

- **WOQOD opens Baaya Petrol Station** – Qatar Fuel Company (WOQOD) opened Baaya Petrol Station that raised its network of various petrol stations to 97. Baaya Petrol Station is spread over an area of 7,400 square meters and has 4 lanes with 8 dispensers for light vehicles, which will serve Baaya area and their neighborhood. Baaya Petrol Station offer round-the-clock services to residents, and include Sidra convenience store, in addition to sale of gasoline and diesel products for light vehicles. Al Muhannadi added that Woqod is currently overseeing the implementation of 15 new petrol stations, which most of them will be operational in the first quarter of year 2020. (Peninsula Qatar)
- **OBG: Qatar’s Islamic financial services sector growth prospects closely tied to country’s economic expansion** – Growth prospects of Qatar’s Islamic financial services (IFS) sector are closely tied to the continued expansion of the country’s economy, which is expected to remain buoyant as its natural gas exports persist, a new report has showed. The continued expansion of the GCC’s Shari’ah-compliant assets is being driven by a number of ongoing regional developments, including the 2022 FIFA World Cup, which is hosted by Qatar, and the stabilization of energy prices, Oxford Business Group (OBG) has stated in a report. The Islamic finance industry has been an important component of the nation’s financial system since the early 1980s, when the first Shari’ah-compliant bank opened its doors for business, OBG stated in its 2019 report. Islamic financial services have been growing at a strong pace over recent years, with Shari’ah-compliant assets expanding at a compound annual growth rate (CAGR) of 11% between 2012 and 2017, outpacing their conventional counterparts. (Gulf-Times.com)
- **Ezdan: Huge public spending to boost real estate growth** – The huge public expenditure on major infrastructure projects and other key sectors such as education and health, as part of the 2020 national budget will support the robust growth of the Qatari economy, including the real estate sector, noted a report by Ezdan Real Estate Company (Ezdan). The monthly report issued by Market Research and Reports Department of Ezdan Real Estate Company depicted the positive indicators made in recently issued reports by international organizations, such as the World Bank, regarding the growth projection on Qatari economy. They projected a growth rate of 3% for the Qatari economy for 2020, which indicates an accompanying growth in the real estate sector, being one of the most vital sectors of the local economy. Such indicators are supported by the 2020 annual budget with a projected QR211bn in revenue and QR210.5bn expenditure, which is 1.9% higher compared to 2019. The report also stressed about the importance of laws regulating and promoting Qatar’s tourism sector. As a result of concerted efforts on the part of National Tourism Council and other entities, there is influx of tourists estimated at around millions of visitors each year. This, in turn, will further boost the real estate sector across all segments including residential, hotel or commercial properties. The monthly report also noted that QR90bn expenditure on major projects (accounting for nearly 43% of total expenses) under the national budget 2020 will strongly support for the real east sector growth. (Peninsula Qatar)
- **Ezdan: Real estate in ‘metro-adjacent’ areas to get a boost** – Real estate in metro-adjacent areas will get a boost with Qatar Rail announcement to operate all metro lines in the country, Ezdan Market Research department has stated in a report. It will also enhance horizontal urban development and revitalize construction activities throughout Qatar. Metro, being a vital means of transportation, will affect all other sectors, it stated. It will lead to an increase in demand for units near metro stations. The increasing significance of the new Metro is evident from Qatar Rail announcement that nearly 333,000 passengers used it on Qatar National Day and that total number of passengers during July and August reached 1.1mn. Also, total areas for shops in Metro stations reached 9,200 square meters in four different categories. Ezdan Real Estate (Ezdan) stated the higher visitor arrivals to Qatar have had a positive effect on residential units and hotels and real estate in general. (Gulf-Times.com)
- **Qatar’s reserve power surplus records highest in region** – The peak electricity demand in Qatar was recorded 8,475 megawatts in 2019 where the power production reached 10,578 megawatts showing a reserve power surplus about 2,000 megawatts, which is the highest in the Arab region. The performance indicators of the power network of Qatar General Electricity and Water Corporation (Kahramaa) are considered the best in the Arab countries and the world in terms of reliability. The excellent performance of Kahramaa aims at keeping pace with urban development and providing an attractive infrastructure for investment, suggests Kahramaa’s performance report of 2019 issued recently. With the commission of Umm Al Houl Power Plant, the power production capacity of Qatar increased by about 30% which is enough to meet the rising demand of electricity in the country which witness fast sustainable development. The total number of disruption in electricity supply in the main network recorded a decrease of 8% in 2019 compared to 2018 and the number of interruptions in the medium voltage network decreased by 17% in 2019 compared to 2018. In 2019, Kahramaa also succeeded in ensuring the supply of electricity on all official occasions and sporting events that the country witnessed by providing technical support to the network and the presence of technical teams on the site of the events. (Peninsula Qatar)
- **Qatar’s automotive sector registers modest growth** – The automobile sector in Qatar appears to be in the fast lane with it witnessing about 4% annual growth in November, mainly paced by private vehicles’ new registration, according to the Planning and Statistics Authority (PSA) data. However, auto loans from the commercial banks in the country were on rough ride with the credit to both the nationals and the expatriates registering declines in the review period, the Qatar Central Bank (QCB) suggests. The new vehicles registration stood at 5,690 in November last year, which however saw 13.5% decline MoM. The new registration of private vehicles reported about 14% rise to 4,184 units, which accounted for 74% of the new vehicles. On a monthly basis, it was down more than 9% in the review period. According to the central bank data, auto loans

for Qataris and expatriates had fallen 18% and 30% respectively during the month in review. Personal loans for Qataris had fallen marginally by about 1%; while those to expatriates recorded about 3% growth. The new registration of trailers surged more than 64% to 64; indicating the increased commercial activities in the country. It saw 28% increase month-on-month in November 2019. It constituted a little over 1% of total new vehicles. The new registration of private transport vehicles stood at 962; constituting 17% of the total in the review period. Such registration, however, fell 18% and 23% YoY and MoM respectively in November 2019. (Gulf-Times.com)

- **Hyundai E&C wins \$530mn Qatar office tower deal** – Leading Korean group Hyundai Engineering and Construction Company (Hyundai E&C) has been awarded a \$530mn contract to build a new office building in Qatar, according to a report. As per the contract awarded by Lusail Real Estate Development Company, Hyundai E&C will build a 70-storeyed building in Lusail City Financial District by the end of October 2022, Yonhap reported. Hyundai E&C has so far won orders worth \$9.4bn for 22 projects in Qatar since 1979, when the builder first clinched an order to build a hotel in Gulf country. (Zawya)
- **Katara Index records steady increase in events, visitors** – The Cultural Village Foundation – Katara released the cultural index for the year 2019 which indicates all its achievement, activities and events during the year. The index covers events, activities and achievements from the beginning of January to December 31, 2019. It is issued every three months, four times a year, in the form of quarterly reports in order to monitor the achievements of Katara during a year. Katara's General Manager, Khalid bin Ibrahim Al-Sulaiti said, in remarks, that the Cultural Village is witnessing a steady increase in the number of events and activities annually, accompanied by an increase in the number of visitors and tourists, which indicates the interaction of the public with the programs and activities of the Foundation. The index highlighted all the major achievements and showcased a striking increase in the number of visitors in 2019 compared to those in 2018. The index showed that 10,033,501 visitors visited Katara in 2019 compared to 7,901,250 in 2018, an increase of more than 26%. In 2019, Katara received 80,464 tourists from different countries of the world, while the number of tourists in 2018 was 76,058 tourists, an increase of nearly 6%. (Gulf-Times.com)
- **Australia's annual two-way trade with Qatar reaches all-time high of QR5.8bn** – Australia's annual two-way goods and services trade with Qatar reached a new all-time high of QR5.8bn, according to the Australian Bureau of Statistics. Two-way trade grew 28% YoY and has increased four-fold over the past decade. Qatar has consolidated its place as Australia's second largest trading partner in the MENA region. Qatar's services exports to Australia also grew strongly at 28% YoY to QR1.93bn. Australian Ambassador Jonathan Muir said, "These numbers are a sign the economic relationship is in good shape and that Australian companies remain strongly engaged in Qatar. The fact that trade was evenly balanced indicates strong complementarities between our economies and that the relationship delivers economic benefit to both countries." (Gulf-Times.com)

## International

- **QNB Group: Robust capital flows to emerging markets likely to continue in 2020** – Robust capital flows to emerging markets (EMs) that have picked up in 2019 are likely to continue this year, QNB Group has stated in its economic commentary. Capital flows to EMs have picked up in 2019, as we expected in May. The main driver was a dovish pivot by the US Federal Reserve (Fed), which shifted from expectations of continued interest rate hikes at the start of the year to delivering three interest rate cuts by the end of 2019, QNB Group noted. The Institute of International Finance (IIF) compile trackers of portfolio capital flows, which cover non-resident purchases of stocks and bonds in a sample of major EM. The trackers are a good indicator for the portfolio flows component of the official Balance of Payment (BoP) data, which are released much later. The IIF use their trackers of portfolio capital flows to inform their projections of non-resident capital flows to EM. In their October outlook, the IIF forecast a modest pickup of non-resident capital flows to EM from \$1.1tn in 2018 and 2019 to \$1.2tn in 2020. They worry that years of low interest rates and quantitative easing by major central banks have left global investors with portfolios that already have a large share allocated to EM, leaving little room for increased purchases of EM assets. (Gulf-Times.com)
- **US factory sector in deepest slump in more than 10 years** – The US manufacturing sector fell into its deepest slump in more than a decade in December as the US-China trade war kept a lid on factory output, orders and employment, although the long-awaited Phase 1 deal between Washington and Beijing could limit further downside. The Institute for Supply Management (ISM) stated its index of national factory activity fell to 47.2 last month from 48.1 in November. It was the lowest reading since June 2009 and, coupled with readings for both new orders and factory employment at multi-year lows, thwarted expectations for a leveling off in the pace of decline in a sector buffeted by trade tensions. The housing sector also appears to be contributing to the growth picture after a prolonged run as a drag. In a separate report, the Commerce Department said US construction spending rose more than expected in November and builders also spent more in earlier months than previously estimated. Construction spending increased 0.6% in November, beating analysts' consensus forecast of a 0.3% gain. Data for October and September was revised to show increases in spending, a reversal from previous estimates of contractions in spending during those months. The gain in November was driven by a 1.9% increase in private home-building, an indication the Fed's rate cut last year, which drove mortgage rates lower, were boosting the economy. (Reuters)
- **US jobless claims edge lower but trend points to uptick in filings** – The number of Americans filing claims for jobless benefits edged lower last week, a positive signal for the US labor market amid recent signs that new claims may be trending slightly higher. Initial claims for state unemployment benefits decreased 2,000 to a seasonally adjusted 222,000 for the week ended Dec. 28, the Labor Department said on Thursday. Economists polled by Reuters had expected 225,000 new claims last week. While claims have been volatile in recent weeks around the US holiday season and end of the year, longer-term

averages suggest the strength in claims data may have ebbed slightly in recent months. In the latest week, the four-week moving average of initial claims rose by 4,750 to 233,250, the highest level since January 2018. Labor market strength is underpinning consumer spending, keeping the economy on a moderate growth path despite headwinds from trade tensions and slowing global growth that have weighed on manufacturing. In November, the US unemployment rate fell back to 3.5%, the lowest in nearly half a century. (Reuters)

- **UK manufacturing output slides at fastest rate since 2012** – British factory output fell in December at the fastest rate since 2012 as a tepid global economy hurt demand and businesses further reduced stocks of goods they had built up in case of a no-deal Brexit, a survey showed on Thursday. The output gauge in the IHS Markit/CIPS UK Manufacturing Purchasing Managers' Index (PMI) fell to 45.6 from 49.1 in November, its lowest since July 2012. Readings below 50 denote contraction. The broader headline PMI, which combines gauges of output, employment and orders, fell to 47.5 from 48.9 - revised up only slightly from a preliminary reading of 47.4 and marking a four-month low. Official data last month showed British economic growth slowed to an annual 1.1% in the third quarter of 2019, and it has not been below this rate since 2010, and industrial output dropped by 1.3% YoY. (Reuters)
- **PMI: Decline in UK construction gathers pace in December** – The downturn in Britain's construction industry deepened in December, driven by the sharpest drop in civil engineering activity since 2009, a survey showed on Friday, underscoring the economy's frailties at the end of last year. The IHS Markit/CIPS UK Construction Purchasing Managers' Index (PMI) fell to 44.4 from 45.3 in November, below all forecasts in a Reuters poll that had pointed to an improved reading of 45.9. The survey was conducted between December 5 and 20, straddling Prime Minister Boris Johnson's landslide election win on December 12. Investors are watching for signs that Johnson's victory has lifted worries about political stability in Britain. IHS Markit, a data company, published a survey on Thursday showing output in Britain's manufacturing sector fell at the fastest rate in seven years in December. It said its construction survey showed activity fell particularly hard in civil engineering and also declined in the house building and commercial sectors. (Reuters)
- **UK house price growth tops 1% for first time in a year** – British house prices rose in annual terms by more than 1% for the first time in 12 months in December, but uncertainty about Brexit is likely to weigh on the market again in 2020, mortgage lender Nationwide said on Friday. House prices increased by 1.4% compared with December 2018, Nationwide said, in line with the median forecast in a Reuters poll of economists. In December alone, house prices rose by 0.1%, compared with a median forecast in the poll for no change. (Reuters)
- **UK consumer borrowing rises at slowest rate since 2014; construction sags** – British consumers increased their borrowing in November at the slowest rate in more than five years and the construction industry's decline worsened in December, figures showed on Friday, adding to signs of an economy that stalled late last year. The Bank of England (BoE) said growth in unsecured consumer lending slowed to 5.7% in

the 12 months to November - ahead of last month's election - the smallest increase since June 2014. Credit card repayments exceeded borrowing for the first time since July 2013. Household spending has helped Britain's economy through its Brexit slowdown. The construction industry's downturn deepened in December, driven by the sharpest drop in civil engineering activity since 2009, an IHS Markit/CIPS survey showed. (Reuters)

- **Eurozone's factory downturn deepened at end of 2019** – Factories across the Eurozone ended 2019 in poor shape with activity contracting for an 11th straight month, according to a survey which suggested the start of the new year is unlikely to see any improvement. IHS Markit's final manufacturing Purchasing Managers' Index (PMI) has been below the 50 mark separating growth from contraction since February, and at 46.3 in December it was below November's 46.9 but higher than a preliminary estimate of 45.9. An index measuring output, which feeds into a composite PMI that is seen as a good gauge of economic health, sank to 46.1 from 47.4. The index measuring new orders dipped to 46.6 from 46.7 and as they did all last year, firms turned to completing backlogs of work to stay active. (Reuters)
- **German factory activity shrinks again in December** – Germany's export-dependent manufacturing sector contracted further in December as the rate of decline in production accelerated for the first time in three months, but output expectations rose slightly, a survey showed on Thursday. IHS Markit's Purchasing Managers' Index (PMI) for manufacturing, which accounts for about a fifth of the economy, fell to 43.7 in December from November's five-month high of 44.1. The final December reading was slightly above a flash reading of 43.4, but remained below the 50.0 mark separating growth from contraction for the 12th month in a row. (Reuters)
- **German inflation subdued in December** – German annual inflation remained subdued in December, data showed on Friday, highlighting the challenge faced by European Central Bank's Chief, Christine Lagarde in maintaining price stability in the Eurozone. German consumer prices, harmonized to make them comparable with inflation data from other European Union countries, rose by 1.5% YoY after posting a 1.2% increase in the previous month, the Federal Statistics Office said. Despite the acceleration, inflation remained below the European Central Bank's target level of close to but below 2% for the eighth month in a row. The reading was higher than a Reuters forecast for 1.4%. On the month, EU-harmonized prices rose by 0.6% in December. Analysts had expected a reading of 0.5%. (Reuters)
- **German employment hits record high in 2019, but momentum fades** – German employment reached a record high in 2019 as higher labor-market participation and increased immigration of foreign workers more than offset demographic change, the statistics office said. The number of people with jobs rose by 402,000, or 0.9%, to 45.3mn despite weaker economic growth last year, the office said. It grew 1.4% in the previous year. "This means that the uninterrupted growth in employment levels that we have seen over the past 14 years is still continuing, albeit with reduced momentum," the office added. For 2020, the government expects employment to grow less

dynamically, reaching 45.4mn. Services recorded the highest YoY increase, of 319,000. The number of people with jobs in manufacturing rose by 59,000. Employment in construction rose by 36,000. The labor market boom is also helping workers get better jobs with improved social security and higher pay. (Reuters)

- **China's central bank says will keep monetary policy prudent, flexible and appropriate** – China will keep monetary policy prudent, flexible and appropriate, and continue to deepen financial reforms, the central bank said today, and reiterating previous policy statements. After a work meeting chaired by People's Bank of China's (PBoC) Governor, Yi Gang, the central bank also vowed to prevent any financial crisis, and said it would continue to help small companies seeking financing, according to a statement posted on PBoC's website. It also said it will continue to let market play a decisive role in the currency exchange rate, but would keep the Yuan exchange rate stable within a reasonable range. China's economic growth cooled to a near 30-year low of 6% in the third quarter, but is expected to meet the government's full-year 2019 target of 6%-6.5%. (Reuters)
- **China to keep same inflation target in 2020 despite food price spike** – China has decided to keep its inflation target unchanged this year at around 3%, sources said, suggesting policymakers will continue to roll out more economic support measures while avoiding aggressive stimulus. Some analysts have speculated that Beijing will raise the inflation target to 3.5%, which would give authorities more room to support the world's second-largest economy as growth tails off to the slowest in nearly 30 years. However, policy sources told Reuters the government expects surging food prices to start easing in the second half of the year, as the government takes steps to address pork shortages. The 2020 inflation target, to be unveiled at the annual parliamentary session in early March, was endorsed by top leaders at the annual closed-door Central Economic Work Conference last month, according to sources. China's consumer price inflation (CPI) accelerated to a near eight-year high of 4.5% in November, as pork prices doubled due to a massive outbreak of African swine fever, but producer prices have remained in deflation for five straight months. (Reuters)

### Regional

- **Saudi Arabian banks increase investments in government bonds** – Banks operating in Saudi Arabia increased its investments in government-issued bonds during November by 25.2% on an annual basis, equivalent to SR76.56bn. The banking sector investments in bonds reached SR379.95bn by the end of last November, compared with SR303.39bn in the same period in 2018, as shown by the monthly bulletin of the Saudi General Authority for Statistics (GaStat). Banks purchased bonds valued at SR897mn during November 2019, registering an increase of 0.2% compared with October. Alinma Bank's CEO, Abdulmohsen Abdulaziz Al Fares previously told Mubasher that the growth in the bank's investment portfolio came primarily from the increased investments in low-risk government bonds, as well as in other Saudi Arabian funds and the Saudi Arabian Stock Exchange (Tadawul). (Zawya)
- **Saudi Arabia bans insurance and re-insurance activities within the same firm** – The Saudi Arabian Monetary Agency (SAMA)

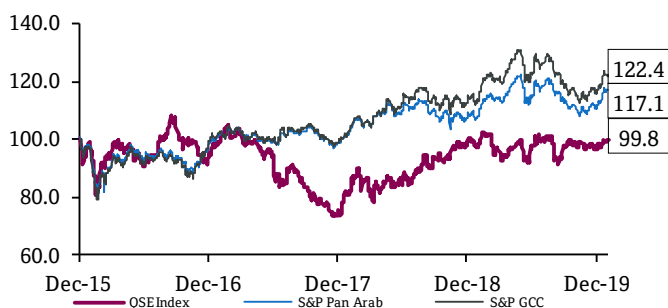
has prohibited combining insurance and reinsurance brokerage activities in the same company, effective immediately, it stated. The agency stated it had taken the decision to increase the stability of the insurance sector, boost its contribution to national economic growth and reduce "wrong practices" in the industry. Companies that currently combine both activities have one year to implement the decision, and must give SAMA their plans to change within three months. (Reuters)

- **Saudi's Asia selling price for Arab light crude unchanged for February** – Saudi Arabia has set its February Arab light crude oil official selling price to Asia at a premium of \$3.70 versus the Oman/Dubai average, unchanged from January, according to a statement from Saudi Aramco. Saudi Aramco lowered its selling price for Arab light crude oil to Northwestern Europe to a discount of \$4.05 a barrel to ICE Brent, down \$2.20 a barrel from the previous month. Saudi Arabia set its February Arab light crude oil official selling price to the United States at a premium of \$3.55 a barrel versus ASCI, up 20 cents a barrel from January. (Reuters)
- **Saudi SMEs' revenue registers SR879.32bn in 2Q2019** – According to a report released by the General Authority for Statistics, total revenue of small and medium-sized enterprises (SMEs) in Saudi Arabia reached SR879.32bn during the second quarter of the fiscal year 2019. Revenue of small enterprises operating in the private sector with a workforce ranging from 6 to 49 employees amounted to SR163.415bn, accounting for 18.6% of total revenue generated by SMEs in 2Q2019. Moreover, the revenue of medium enterprises with a workforce ranging from 50 to 249 employees recorded SR112.39bn in 2Q2019. Small enterprises are hiring 27% of total employees in the Saudi private sector, or 2.265mn employees, while medium enterprises are hiring only 20%, or 1.618mn employees. (Zawya)
- **UAE banks' funding to retail sector up** – The UAE's banking system increased the total value of financial facilitations provided to retail commerce to AED50.4bn during the first nine months of 2019, according to statistics issued by the Central Bank of the UAE. At the end of September 2019, the value of financial facilitations provided to retail commerce grew by 5.4% or AED2.6bn compared to the end of December 2018, said a Wam news agency report. The activity witnessed by the sector is in line with figures recently published by the National Economic Registry, which showed that the number of recent licenses issued in 2019 exceeded 40,000. Financing the retail sector accounts for around 32% of the total facilitations received by the country's commercial sector from January to September 2019, totaling AED157bn. Statistics from the Central Bank of the UAE also showed that facilitation provided to the retail sector grew since the start of 2019, but the highest surge occurred in the third quarter, increasing from AED47bn in June to AED50.4bn in September. (Zawya)
- **Uber officially completes acquisition of Careem for \$3.1bn** – American multinational ride-hailing company Uber Technologies has announced the completion of its acquisition of Dubai-based transportation network company Careem for \$3.1bn. Following the closure of the deal, Careem became a wholly-owned subsidiary of Uber, the American company stated. Careem's Co-Founder and CEO, Mudassir Sheikh will

continue to lead Careem's business. He will report to a board made up of three representatives from Uber and two representatives from Careem. Careem and Uber will operate their respective regional services and independent brands. "Working in parallel, our two platforms will be able to build upon the unique strengths of each, to the benefit of drivers, riders, and the cities we serve across the greater Middle East," Uber's CEO, Dara Khosrowshahi commented. Uber acquired Careem's mobility, delivery, and payments businesses across the greater Middle East region in major markets including Egypt, Jordan, Saudi Arabia, and the UAE. (Zawya)

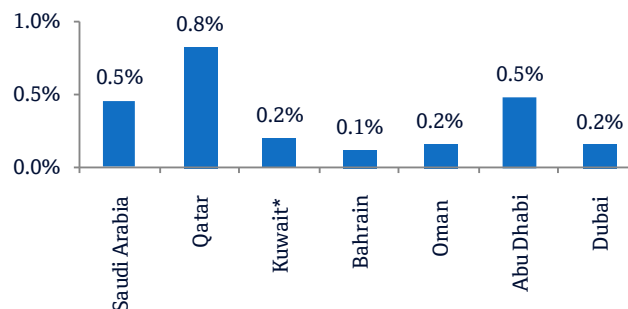
- **Bahrain plans major tourism drive to attract 12.2mn visitors –** Bahrain plans to attract 12.2mn visitors this year, an increase of 5%, as part of an ambitious tourism plan. Details of the tourism projection for 2020 were revealed yesterday by Bahrain Tourism and Exhibitions Authority (BTEA) Chief Executive, Nader Al Moayyed, who said plans were also underway to increase the period of stay of visitors to the country. He said the authority plans to launch the 2020 calendar of events and festivals with a renewed theme, which aims to attract a larger number of visitors. It comes as the new identity and logo for Manama's selection as the Capital of Arab Tourism for 2020 was revealed. The logo comprises intertwined triangles that combine the prominent elements and iconic landmarks carefully chosen to signify the various elements of the country. This includes the national flag, a sail symbolizing the ancient maritime history, and the Bahrain World Trade Centre, representing its modern day presence. "We aim to strengthen and develop intra-tourism between the Arab and international countries and its people through promoting the uniqueness of the Kingdom of Bahrain, which offers both rich historical offerings and modern city life," said Mr Al Moayyed. "We also strive to increase tourism numbers and expect to attract 12.2m visitors in 2020, an equivalent increase of 5%". (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	1,552.20	1.5	2.8	2.3
Silver/Ounce	18.06	0.2	1.6	1.2
Crude Oil (Brent)/Barrel (FM Future)	68.60	3.5	0.6	3.9
Crude Oil (WTI)/Barrel (FM Future)	63.05	3.1	2.2	3.3
Natural Gas (Henry Hub)/MMBtu	2.06	0.5	(1.4)	(1.4)
LPG Propane (Arab Gulf)/Ton	46.63	5.1	4.2	13.0
LPG Butane (Arab Gulf)/Ton	69.63	3.9	1.6	4.9
Euro	1.12	(0.1)	(0.1)	(0.5)
Yen	108.09	(0.4)	(1.2)	(0.5)
GBP	1.31	(0.5)	0.0	(1.3)
CHF	1.03	(0.1)	0.2	(0.5)
AUD	0.70	(0.6)	(0.4)	(1.0)
USD Index	96.84	(0.0)	(0.1)	0.5
RUB	62.10	0.2	0.1	0.2
BRL	0.25	(1.0)	(0.5)	(1.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,363.12	(0.5)	(0.1)	0.2
DJ Industrial	28,634.88	(0.8)	(0.0)	0.3
S&P 500	3,234.85	(0.7)	(0.2)	0.1
NASDAQ 100	9,020.77	(0.8)	0.2	0.5
STOXX 600	418.33	(0.3)	(0.4)	0.1
DAX	13,219.14	(1.2)	(1.0)	(0.6)
FTSE 100	7,622.40	(0.1)	(0.3)	(0.3)
CAC 40	6,044.16	0.1	0.0	0.6
Nikkei#	23,656.62	0.0	(0.2)	0.0
MSCI EM	1,123.87	(0.4)	0.5	0.8
SHANGHAI SE Composite	3,083.79	(0.1)	3.0	1.1
HANG SENG	28,451.50	(0.2)	0.9	1.1
BSE SENSEX	41,464.61	(0.9)	(0.6)	(0.2)
Bovespa	117,706.70	(0.9)	1.2	1.1
RTS	1,564.18	1.0	1.0	1.0

Source: Bloomberg (\*\$ adjusted returns, #Market was closed on January 03, 2020)

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