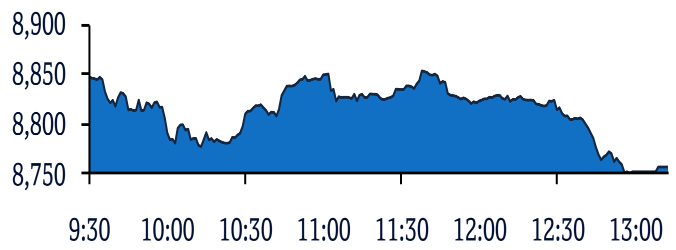
Daily Market Report

Thursday, 07 May 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.5% to close at 8,758.9. Losses were led by the Transportation and Telecoms indices, falling 2.2% and 1.2%, respectively. Top losers were Alijarah Holding and Islamic Holding Group, falling 7.2% and 5.4%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 10.0%, while Qatar Aluminium Manufacturing Company was up 9.9%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.8% to close at 6,655.1. Losses were led by the Media & Ent. and Real Estate indices, falling 2.7% and 2.0%, respectively. Fawaz Abdulaziz Alhokair declined 5.4%, while Saudi Arabian Mining Co. was down 4.2%.

Dubai: The DFM Index fell 0.7% to close at 1,919.0. The Investment & Financial Services index declined 2.5%, while the Consumer Staples and Discretionary index fell 1.9%. Air Arabia declined 3.7%, while Dubai Islamic Insurance was down 3.4%.

Abu Dhabi: The ADX General Index fell 2.0% to close at 4,021.6. The Investment & Financial Services index declined 2.9%, while the Telecom. index fell 2.4%. Ras Al Khaimah Ceramics declined 4.7%, while Waha Capital was down 4.6%.

Kuwait: The Kuwait All Share Index gained 0.3% to close at 4,908.7. The Real Estate index rose 1.7%, while the Industrials index gained 1.2%. Osoul Investment rose 15.4%, while Osos Holding Group Company was up 10.0%.

Oman: The MSM 30 Index fell 0.6% to close at 3,473.2. Losses were led by the Financial and Industrial indices, falling 0.6% and 0.5%, respectively. Oman Cement Company declined 6.8%, while Al Omaniya Financial Services was down 2.5%.

Bahrain: The BHB Index fell 0.8% to close at 1,288.4. The Commercial Banks index declined 1.4%, while the Investment index fell 0.1%. National Bank of Bahrain declined 2.4%, while Ahli United Bank was down 1.6%.

Market Indicators	06 May 20	05 May 20	%Chg.
Value Traded (QR mn)	516.4	513.5	0.6
Exch. Market Cap. (QR mn)	498,703.9	500,197.0	(0.3)
Volume (mn)	373.9	406.5	(8.0)
Number of Transactions	13,994	12,555	11.5
Companies Traded	45	45	0.0
Market Breadth	15:27	39:2	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,838.70	(0.5)	(0.1)	(12.2)	13.8
All Share Index	2,725.02	(0.5)	0.2	(12.1)	14.4
Banks	3,827.66	(1.0)	(1.1)	(9.3)	12.4
Industrials	2,368.73	1.6	4.0	(19.2)	18.8
Transportation	2,705.16	(2.2)	1.9	5.9	13.1
Real Estate	1,386.49	(0.5)	5.6	(11.4)	13.7
Insurance	1,993.20	(0.5)	(1.0)	(27.1)	33.7
Telecoms	808.09	(1.2)	(5.1)	(9.7)	13.6
Consumer	7,036.18	(0.3)	0.2	(18.6)	18.0
Al Rayan Islamic Index	3,465.09	0.2	1.2	(12.3)	16.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mesaieed Petro. Holding	Qatar	1.89	4.5	12,134.7	(24.9)
Mabanee Co.	Kuwait	0.60	2.9	514.0	(29.3)
Agility Public Wareh. Co.	Kuwait	0.66	2.5	2,331.1	(19.7)
Emirates NBD	Dubai	8.44	1.8	5,320.1	(35.1)
Industries Qatar	Qatar	7.36	1.5	3,229.8	(28.4)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Gas Transport Co.	Qatar	2.60	(4.4)	14,254.3	8.8
Saudi Arabian Mining Co.	Saudi Arabia	33.50	(4.1)	541.7	(24.5)
Arabian Centres Co Ltd	Saudi Arabia	20.36	(4.0)	2,118.2	(30.2)
Jabal Omar Dev. Co.	Saudi Arabia	23.82	(3.8)	1,206.3	(12.3)
First Abu Dhabi Bank	Abu Dhabi	10.98	(2.8)	2,520.2	(27.6)

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%
Qatari German Co for Med. Devices	1.35	10.0	4,472.3	131.3
Qatar Aluminium Manufacturing	0.72	9.9	61,517.6	(7.8)
Mannai Corporation	3.12	5.4	88.0	1.3
Mesaieed Petrochemical Holding	1.89	4.5	12,134.7	(24.9)
Qatar Industrial Manufacturing Co	2.58	2.9	52.4	(27.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Alijarah Holding	0.72	(7.2)	11,771.2	2.4
Islamic Holding Group	1.91	(5.4)	603.7	0.5
Qatar Gas Transport Co. Ltd.	2.60	(4.4)	14,254.3	8.8
Medicare Group	6.60	(3.6)	1,442.6	(21.9)
Qatar First Bank	1.04	(3.4)	2,088.0	26.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.88	1.0	109,973.8	43.1
Qatar Aluminium Manufacturing	0.72	9.9	61,517.6	(7.8)
Mazaya Qatar Real Estate Dev.	0.69	(1.9)	37,902.7	(4.5)
Salam International Inv. Ltd.	0.32	0.0	19,131.7	(37.7)
Aamal Company	0.63	(2.2)	17,501.1	(23.1)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	0.88	1.0	98,041.1	43.1
QNB Group	17.20	(0.9)	48,399.8	(16.5)
Qatar Aluminium Manufacturing	0.72	9.9	43,339.9	(7.8)
Qatar Gas Transport Co. Ltd.	2.60	(4.4)	37,929.9	8.8
Mazaya Qatar Real Estate Dev.	0.69	(1.9)	26,754.0	(4.5)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	8,758.90	(0.5)	(0.1)	(0.1)	(16.0)	141.05	136,146.2	13.8	1.4	4.6
Dubai	1,919.04	(0.7)	(5.3)	(5.3)	(30.6)	59.18	76,511.6	7.4	0.7	6.5
Abu Dhabi	4,021.55	(2.0)	(4.9)	(4.9)	(20.8)	33.23	124,395.6	11.6	1.2	6.4
Saudi Arabia	6,655.11	(0.8)	(6.4)	(6.4)	(20.7)	1,141.10	2,080,250.0	19.3	1.6	3.9
Kuwait	4,908.67	0.3	(1.3)	(1.3)	(21.9)	89.27	90,229.9	13.8	1.1	4.3
Oman	3,473.15	(0.6)	(1.9)	(1.9)	(12.8)	1.41	15,170.1	8.6	0.7	7.0
Bahrain	1,288.36	(0.8)	(1.7)	(1.7)	(20.0)	1.42	20,063.5	9.0	0.8	5.5

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

Qatar Market Commentary

- The QE Index declined 0.5% to close at 8,758.9. The Transportation and Telecoms indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Alijarah Holding and Islamic Holding Group were the top losers, falling 7.2% and 5.4%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 10.0%, while Qatar Aluminium Manufacturing Company was up 9.9%.
- Volume of shares traded on Wednesday fell by 8.0% to 373.9mn from 406.5mn on Tuesday. However, as compared to the 30-day moving average of 176.7mn, volume for the day was 111.6% higher. Ezdan Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 29.4% and 16.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	48.38%	42.59%	29,882,970.82
Qatari Institutions	20.05%	13.91%	31,733,388.97
Qatari	**68.43%**	**56.50%**	**61,616,359.79**
GCC Individuals	1.03%	1.22%	(977,430.00)
GCC Institutions	1.08%	1.40%	(1,662,501.11)
GCC	**2.11%**	**2.62%**	**(2,639,931.11)**
Non-Qatari Individuals	16.77%	18.44%	(8,632,070.88)
Non-Qatari Institutions	12.69%	22.44%	(50,344,357.80)
Non-Qatari	**29.46%**	**40.88%**	**(58,976,428.68)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
Abdullah Al Othaim Markets Co.	Saudi Arabia	SR	2,379.5	21.4%	110.6	43.9%	99.6	45.7%
Dur Hospitality Co.	Saudi Arabia	SR	139.9	22.2%	21.0	55.5%	10.9	14.6%
Al Maha Petrol. Products Marketing	Oman	OMR	100.5	-10.3%	–	–	0.1	-86.0%
Oman Qatar Insurance	Oman	OMR	8.3	13.7%	–	–	(0.8)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/06	US	Mortgage Bankers Association	MBA Mortgage Applications	01-May	0.1%	–	-3.3%
05/06	UK	Markit	Markit/CIPS UK Construction PMI	Apr	8.2	21.7	39.3
05/06	EU	Markit	Markit Eurozone Services PMI	Apr	12.0	11.7	11.7
05/06	EU	Markit	Markit Eurozone Composite PMI	Apr	13.6	13.5	13.5
05/06	Germany	Markit	Markit Germany Services PMI	Apr	16.2	15.9	15.9
05/06	Germany	Markit	Markit/BME Germany Composite PMI	Apr	17.4	17.1	17.1
05/06	France	Markit	Markit France Services PMI	Apr	10.2	10.4	10.4
05/06	France	Markit	Markit France Composite PMI	Apr	11.1	11.2	11.2
05/06	India	Markit	Markit India PMI Composite	Apr	7.2	–	50.6
05/06	India	Markit	Markit India PMI Services	Apr	5.4	–	49.3

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

Earnings Calendar

Tickers	Company Name	Date of reporting 1Q2020 results	No. of days remaining	Status
QFBQ	Qatar First Bank	7-May-20	0	Due

Source: QSE

News

Qatar

- **QNB Group completes a $1bn bond issue with a 5-year maturity** – QNB Group announced the successful completion of a five-year bond issuance under its Medium Term Note (MTN) program and listed on the London Stock Exchange. Under this program, a $1.0bn tranche was issued on 5 May 2020.The issuance was part of QNB Group's ongoing strategy to ensure diversification of funding in terms of type, tenor and geography. The Reg S issue attracted strong interest from investors globally and was arranged by Barclays Bank PLC, Credit Agricole CIB, ING, Mizuho, QNB Capital LLC and Standard Chartered Bank (together "Joint Lead Managers"). This success confirms the trust of international investors in QNB Group's strategy and the strength of its financial position. (QSE)

- **BLDN's announces the protocol for claiming the interim dividends –** Baladna (BLDN) has announced that its Board of Directors has passed a resolution to distribute interim dividends for the period ended 31 March 2020. The resolution has also set the due date to be May 7, 2020. Baladna announced the dividends claim protocol as follows: (1) QNB Group is responsible for transferring the shareholders dividends to their registered bank accounts with Qatar Central Securities Depository or QNB Group. (2) Shareholders who do not have registered accounts can also receive the dividend through any of QNB Group branches in cash or by applying to the bank to transfer the dividend to their bank account at any bank inside or outside Qatar by filling an application and sending it to the email address easydividend@qnb.com. (QSE)
- **Qatar Petroleum enters into three exploration blocks in Mexico –** Qatar Petroleum entered into three "farm-in agreements" to acquire about 30% of Total's participating interest in blocks 15, 33 and 34 located in the Campeche basin, offshore Mexico. Each of the farm-in agreements is subject to customary regulatory and other approvals by Total's existing partners and the government of Mexico. On the occasion, HE the Minister of State for Energy Affairs Saad bin Sherida Al-Kaabi, also President and CEO of Qatar Petroleum said, "We are pleased to sign these agreements, which further expand Qatar Petroleum's footprint in Mexico, and demonstrate our commitment to achieving our international growth strategy, with Latin America as a core area in our international portfolio." Al-Kaabi also added, "We look forward to collaborating further with Total, our other partners in these blocks, and the government of Mexico. I would like to take this opportunity to thank the Mexican authorities and our partners for their continued support." The three offshore blocks are situated in the Campeche basin and within 30 kilometers to 90 kilometers of the giant Cantarell and KMZ oil fields. The total area covered by the blocks is approximately 2,300 square kilometers, with water depths ranging from about 10 meters to 1,100 meters. (Gulf-Times.com)
- **S&P Global Ratings downgrades Ezdan Holding Group to 'B-'** – S&P Global Ratings (S&P) thinks that Qatari real estate company Ezdan Holding Group (ERES) may see a decline in its S&P Global Ratings-adjusted EBITDA in 2020 from QR1.1bn in 2019, as it navigates COVID-19 related economic uncertainties. S&P stated, "We are therefore lowering the long-term issuer credit rating on ERES to 'B-' from 'B' and placing it on CreditWatch with Negative implications, and lowering the issue rating on the two Sukuks to 'CCC+' from 'B-'". The CreditWatch Negative indicates that S&P could lower the ratings on ERES over the next three months. (Bloomberg)
- **Fitch affirms Nakilat Inc's bonds at 'A'/'A-'; outlook 'Stable' –** Fitch Ratings (Fitch) has affirmed Nakilat Inc's (Nakilat) USD850mn series A senior secured bonds due 2033 at 'A' and USD300mn series A subordinated second-priority secured bonds due 2033 at 'A-'. The outlooks are 'Stable'. The series A senior secured bonds are rated one notch above Nakilat's senior debt Standalone Credit Profile (SCP) of 'A-', as per Fitch's Government-Related Entities (GRE) Rating Criteria. The series A subordinated secured bonds are notched down from the senior debt to reflect their subordination. In affirming the ratings Fitch considers likely support from Qatar, which indirectly owns Nakilat, that the replacement of Nakilat would be possible albeit with some disruption and that its default would pose a limited threat to the government's financing. Nakilat does not have special legal status in Qatar. It is 100%-owned by Qatar Gas Transport Company Limited (QGTS), which is a joint stock company part-owned by state-owned Qatar Petroleum (QP) and government funds. (Fitch Ratings)
- **QCB launches instructions for financial institutions to address coronavirus risks –** The Qatar Central Bank (QCB) has launched a package of instructions for financial institutions operating in the country with view to addressing the risks of the spread of the coronavirus disease (COVID-19). The QCB has allocated a page on its website with all circulars related to this matter in order to facilitate access to these circulars and enhance ability to implement them. The QCB's step is in light of the current conditions in the world and the region and to complement the precautionary efforts and measures taken by the State of Qatar to prevent and reduce the spread of COVID-19. (Gulf-Times.com)
- **Qatar Airways plans to resume flight services to 52 cities by May-end –** Qatar Airways will begin a phased approach to expanding its network in line with passenger demand and the expected relaxation of entry restrictions around the world. The airline will start a phased rebuilding of network to an initial 52 destinations by the end of May and 80 destinations in June. In a statement on Wednesday, the airline said it maintained flights to at least 30 destinations during this crisis and to most continents, helping to take over 1mn people home. (Qatar Tribune)
- **New York draws more Qatari jet fuel originally booked for Europe –** Another tanker booked to haul jet fuel from Qatar to Europe has been re-routed to New York amid a pile-up of ships outside European ports, according to shipping fixtures and tanker tracking data compiled by Bloomberg. The Orange Victoria loaded about 60k tons jet fuel from Qatar and sailed toward Europe; vessel has now updated its signal to New York. Last month, the BW Rhine was also diverted away from Europe; the ship discharged about 60k tons Qatari jet fuel in New York. (Bloomberg)

International

- **US private payrolls dive by a record 20.2mn –** US private employers laid off a record 20.236mn workers in April as mandatory business closures in response to the novel coronavirus outbreak savaged the economy, setting up the overall labor market for historic job losses last month. The plunge in private payrolls shown in the ADP National Employment Report on Wednesday suggested that national lockdowns to slow the spread of COVID-19, the respiratory illness caused by the virus, could leave lasting scars on the economy, even as large parts of the country reopen non-essential businesses. Data for March was revised to show private payrolls decreasing by 149,000 jobs instead of the previously reported 27,000, which was the first decline since September 2017. Economists polled by Reuters had forecast private payrolls tumbling by 20.050mn jobs in April. The ADP report is jointly developed with Moody's Analytics. The staggering numbers were widely anticipated, since 30.3mn people had filed claims for unemployment benefits since March 21, equivalent to nearly one out of every five workers losing their job in just over a month. The economy contracted in the first quarter at the steepest pace since the fourth quarter of 2008. The slumping economy and rising joblessness are big challenges for President Donald Trump, who is seeking a second term in office in November's election. Trump has been pushing for businesses to reopen and even supported demonstrations in some parts of the country against the "stay-at-home" orders. At least 30 states have partially reopened, though health experts and researchers have predicted a surge in infections and deaths. (Reuters)

- **UK faces bumpy ride on inflation as COVID hits price data –** Britain will likely offer some volatile inflation readings in the months ahead because the coronavirus shutdown has prevented statisticians from getting any prices on a wide range items including pints of draft beer, haircuts and holidays. The Office for National Statistics (ONS) said it had no data on prices in April that account for about 20% of the weighting of its consumer price index. The items that are now unmeasurable provided a snapshot of what Britons can no longer do under the governments lockdown - manicures, air fares, tickets to the theatre and concerts, hotel stays and driving test fees. Those prices would be adjusted in line with overall changes in prices that are available, the ONS said. A further range of prices for goods and services that were available but only in very limited supply would be adjusted in line with similar items, sectoral indexes or the overall index. Jonathan Athow, deputy national statistician for economic statistics, said it was too soon to say whether the changes would push inflation up or down. "There might be some unusual movements, either positive or negative," he said. "We are going to be in a situation which is likely to be more volatile than normal." The ONS also said coronavirus-related changes to the way it calculates the Retail Price Index, which underpins payments on the country's inflation-linked government bonds, will not require government approval. (Reuters)
- **PMI: UK construction activity crashes to all-time low in April –** Britain's construction sector suffered by far its biggest contraction since the launch of widely followed survey of the industry 23 years ago as the coronavirus lockdown shuttered building sites and suppliers. The construction Purchasing Managers' Index (PMI), published by data firm IHS Markit and the Chartered Institute of Procurement and Supply (CIPS), slumped to 8.2 in April from 39.3 in March. The previous low was 27.8, recorded during the depths of the financial crisis in 2009. A Reuters poll of economists had pointed to a much less severe fall, to 22.0. The data also confirmed that Britain's private sector as a whole shrank at fastest rate on record. The Markit/CIPS all-sector PMI sank to 13.4, another all-time low, mirroring the previously announced falls in surveys for the British manufacturing and services sectors. The construction sector survey showed a slump in new contracts as clients closed operations and expectations for the year ahead edged down to a joint record low. Britain's government did not require general construction work to stop to slow the spread of coronavirus, unlike its shutdown orders for much of the economy. But many building companies reported stoppages in March as they sought to comply with guidance to keep workers 2 meters apart. (Reuters)
- **UK says over 2bn Pounds lent on first day of new credit scheme –** Britain's finance ministry said more than 69,000 loans to small businesses worth more than 2 billion pounds were made in the first 24 hours of the launch of the emergency coronavirus credit scheme which carries 100% state guarantees. Seven large lenders received more than 130,000 Bounce Back Loan Scheme applications on Monday, the ministry said. Finance Minister Rishi Sunak announced the new scheme last week after criticism that other programs to help companies survive the coronavirus shutdown were bogged down. (Reuters)
- **PMI: Eurozone business activity ground to near-halt in April –** Eurozone business activity almost ground to a halt last month as government-imposed lockdowns to stop the spread of the coronavirus forced factories to shut, shops and restaurants to close and recreational pursuits to cease, a survey showed. The coronavirus has infected around 3.6 million people globally and killed over 250,000 and with citizens told to stay at home, economic activity has plummeted, and supply chains have been massively disrupted. To combat the economic impact, the European Central Bank has pledged to buy more than 1 trillion euros in assets this year and governments have outlined hundreds of billions in spending plans to support businesses and households. But their collective efforts may not be enough. IHS Markit's final Composite Purchasing Managers' Index (PMI) for the euro zone, seen as a good indicator of economic health, plummeted to 13.6 in April from March's already dire 29.7, easily its lowest reading since the survey began in 1998. That was slightly better than the 13.5 preliminary reading but nowhere near the 50-mark which separates growth from contraction. (Reuters)
- **Eurozone retail sales suffer largest fall on record in March –** Retail sales in the Eurozone suffered their largest decline on record in March as restrictions to stem the spread of the coronavirus were put in place and shoppers reduced their spending on everything except food and online orders. Sales in the 19 countries sharing the euro zone fell by 11.2% in March from February and by 9.2% year-on-year, EU statistics agency Eurostat said on Wednesday. The declines were sharper than market expectations of 10.5% and 8.0% respectively, according to a Reuters poll of economists. The MoM decline was the steepest in Eurostat data going back to 1999. The YoY figure, which has not been negative since the end of 2013, was the worst on record in data reaching back to 2000. It was also twice as large a decline as in February 2009, the worst month of the 2008-2009 financial crisis. The only brighter spots were a sharp 5.0% MoM rise in food sales and a 2.6% increase for mail order and internet shopping. Even pharmaceutical and medical sales dropped, by 0.5%. The sharpest sales declines were for clothing, footwear and textiles and for automotive fuel. The steepest national fall was in France at minus 17.4% month-on-month. Luxembourg, Austria and Spain were not far behind. There was no March data for Italy or Greece. Ireland was the only country to register an increase, with sales going up 0.1% from February, although retail figures are often revised. (Reuters)
- **Eurozone set for record recession, inflation to vanish-Commission –** The Eurozone economy will contract by a record 7.7% this year because of the COVID-19 pandemic, inflation will almost disappear and public debt and budget deficits will

balloon, the European Commission forecast on Wednesday. As the economy contracts this year, consumer prices will almost stagnate, the Commission forecast. The inflation rate will slow to 0.2% in 2020, before accelerating to 1.1% next year, when the Eurozone is to return to growth of 6.3%. Investment will plunge 13.3% this year, it said. With government spending the main fuel for the economy, the effort to keep economies alive will widen budget gaps in the Eurozone to an aggregate 8.5% of GDP this year from 0.6% last year, before the deficit shrinks again to 3.5% in 2021.A surge in public debt will take longer to undo. The Commission forecast Eurozone debt will jump to 102.7% of GDP this year from 86% last year, and recede only to 98.8% in 2021. (Reuters)

- **Gentiloni: EU recovery plan to be ready in weeks, approved in June –** The European Commission will prepare in the next weeks a plan to finance the economic recovery in the European Union (EU), a top EU economic official said on Wednesday, adding he was confident the plan would be approved by EU leaders in June. European Commissioner for Economic and Financial Affairs Paolo Gentiloni told a news conference the plan would include a mix of grants and long-term loans. He also said that the Commission would present to euro zone finance ministers on Friday an eligibility assessment for the use of the euro zone bailout fund's precautionary credit line to fight the COVID-19 pandemic and that all euro zone countries would be eligible for the money. (Reuters)
- **Germany to raise 7.5bn Euros via first syndicated bond since 2015 –** Germany is set to raise 7.5bn Euros ($8.10bn) from the sale of a 15-year bond on Wednesday according to a lead manager update seen by Reuters, in its first sale via a syndicate of banks since 2015. The bond has received final demand of over 35.5bn Euros, including 3.15bn from the lead managers, the update said. It is due to price later on Wednesday at 22 basis points over Germany's existing Feb 2030 bonds, as announced earlier. BNP Paribas, BofA, Credit Agricole, Commerzbank and HSBC are managing the sale. (Reuters)
- **Virus-hit German industrial orders fall at record rate, outlook grim –** Orders for German industrial goods fell in March at their steepest rate since records began in 1991 as demand collapsed due to the coronavirus epidemic, and prospects of a swift recovery in Europe's biggest economy look bleak. Germany is facing its deepest recession since World War Two even though a lockdown that has shuttered shops, businesses and factories is being gradually eased. Foreign and domestic orders for goods slumped 15.6% on the month, Wednesday's Statistics Office figures showed, far worse than the 10.0% drop forecast in a Reuters poll of analysts. Blaming the fall on the global economic shock of the virus and steps taken to slow its spread, the economy ministry dampened hopes of a quick pickup. Chancellor Angela Merkel's government has tried to mitigate the impact of the crisis with a range of steps, including a 750bn Euro stimulus package, and a short-time work subsidy scheme that lets employers move staff to shorter hours and keep them on the payroll rather than laying them off. Demand for capital goods was hit particularly hard in March, falling 22.6% while orders for consumer goods dipped 1.3%. (Reuters)
- **China April yuan-denominated exports up 8.2% YoY, imports down 10.2% –** China's yuan-denominated exports in April rose 8.2% from the same period a year earlier, customs data showed on Thursday. Imports fell 10.2% on year, which left China with a trade surplus of 318.15bn Yuan ($44.85bn) last month, according to Reuters calculations based on customs data. For the first four months of the year, exports declined 6.4% from a year earlier, while imports dropped 3.2%, data showed. (Reuters)
- **China April exports unexpectedly rise 3.5% YoY; imports down 14.2% –** China's exports rose 3.5% in April from a year earlier, confounding market expectations for a sharp fall, as factories restarted production after the coronavirus pandemic, customs data showed on Thursday, while imports shrank 14.2%. Analysts in a Reuters poll had forecast exports would tumble 15.7% from a year earlier after a 6.6% drop in March. Imports were estimated to have contracted 11.2%, worsening from a slide of 0.9% in March. China posted a trade surplus of $45.34bn last month, compared with the poll's forecast for a $6.35bn surplus and $19.93bn surplus in March. (Reuters)
- **PMI: India's services activity collapses as coronavirus paralyses global economy –** India's services activity suffered a shock collapse in April as the coronavirus lockdown crippled global demand, causing a historic spike in layoffs and reinforcing fears of a deep recession in Asia's third-largest economy, a private survey showed. The grim result for the industry, the engine of economic growth and jobs, underlined the pandemic's sweeping impact across India as authorities extended a nationwide lockdown, in effect since March 25, until May 17. The Nikkei/IHS Markit Services Purchasing Managers' Index plunged to an eye-popping 5.4 in April from March's 49.3, an unprecedented contraction since the survey first began over 14 years ago. It also shattered a Reuters poll forecast of 40 and was way off the 50-level separating growth from contraction, with the single digit outcome marking by far the most extreme result among major economies. The steep downturn in activity underlined the widespread havoc wrought by the pandemic worldwide, with many fearing the worst global recession since the 1930s. All of the survey's key gauges plummeted. An index measuring foreign demand for services ceased to an unprecedented 0.0, while an overall demand index also fell to an historic low and firms laid off workers at the quickest clip ever. The latest findings came on the heels of a sister survey on Monday showing factory activity contracted at its sharpest pace on record. (Reuters)
- **World's worst PMI signals 15% contraction in India's economy –** India's dominant services industries crashed last month, signaling a massive contraction in the economy during the strict stay-at-home restrictions. The services purchasing managers index plunged by 43.9 points to 5.4 in April, the lowest in the world, hitting single digits for the first time and staying below 50, the dividing line between contraction and expansion, according to data published by IHS Markit. The services sector makes up more than half of India's gross domestic product. With manufacturing activity also sharply down, the composite index plummeted to 7.2 from 50.6 in March, IHS Markit said. Historical comparisons of the index with GDP suggest the economy contracted at an annual rate of 15% in April, it said. The PMI figures provide the first real glimpse of the devastating hit to the economy from the coronavirus pandemic and the nationwide shutdown that came into effect in the last week of March. Large

swathes of the population have been left destitute, with an estimated 122 million people losing their jobs in April, many of them daily wage earners, a separate private survey showed Tuesday. "Growth in India is clearly under siege," ANZ Banking Group economists Rini Sen and Sanjay Mathur wrote in a note to clients on Wednesday. "We expect the services sector to struggle as more people socially contain themselves even after the lockdown has been fully lifted." PMI surveys across the world are showing deep contractions in manufacturing and services. The UK's services PMI plummeted to its lowest since the survey began in 1996, while survey results for several Asian countries earlier this week showed record plunges in factory output. (Bloomberg)

- **Brazil surprises with bigger rate cut, signals another –** Brazil's central bank slashed interest rates more than expected on Wednesday, cutting its benchmark Selic rate by 75 basis points to a record-low 3.00% and previewing another cut as it battles an economic crisis fueled by the coronavirus pandemic. It was Brazil's biggest rate cut since October 2017 and, recognizing that the downturn will be greater than previously thought, policymakers signaled they are ready to cut rates by up to 75 basis points at their next meeting in June. The bank's nine-person rate-setting committee, known as Copom, said its decision was unanimous, although two policymakers suggested an even larger cut. A Reuters survey of 26 economists at the end of April had forecast a second straight rate cut of 50 basis points at Wednesday's meeting. (Reuters)
- **Fitch lowers Brazil outlook to 'negative' as crisis deepens –** Credit ratings agency Fitch Ratings on Tuesday lowered its outlook on Brazil's sovereign debt to negative from stable, citing a rapidly deteriorating economy, fiscal position and growing political risks amid the coronavirus pandemic. Maintaining its BB- credit rating, Fitch said Brazil's economy is on course to shrink 4% this year, with risks tilted to the downside and vulnerable to further shocks from coronavirus, whose duration and intensity is hard to determine. (Reuters)

Regional

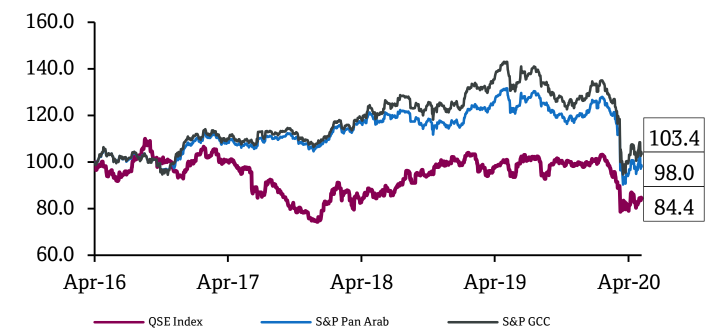
- **IMF: GCC needs enhanced non-oil fiscal revenue and re-evaluation in savings approach –** Faster economic diversification will not resolve the fiscal challenge on its own in the GCC, hence requiring enhanced non-oil fiscal revenue and re-evaluation in their approach to savings, according to a research paper of the International Monetary Fund (IMF). This comes in the wake of oil market undergoing fundamental change and that the new technologies are increasing the supply of oil from old and new sources, while rising environmental concerns move the world gradually away from oil. This spells a significant challenge for oil-exporting countries, including those of the GCC, which account for a fifth of the world's oil production. Although the importance of non-oil sectors has increased in recent decades, many of them rely on oil-based demand either in the form of public spending of oil revenue or private expenditure of oil-derived wealth, it said, adding the 2014–15 oil price shock, which notably slowed non-oil growth in most of the region, was a stark reminder of this dependence. Finding that the ongoing reform efforts in the region to provide momentum over the next five years, however, they need to be accelerated; IMF, in its latest report, said the fiscal revenue the GCC governments generate from the hydrocarbon industry is much higher than what is generated from non-hydrocarbon industries. Thus, even full replacement of the hydrocarbon industry with non-oil activity would still create a significant revenue shortfall, it said. While this has begun to change with the recent introduction of VAT (value added tax) and excises in some countries, there is significant potential to build on this progress, it said. "As the region transitions toward a non-hydrocarbon economy, moving from wide-ranging fees toward fewer broad-based taxes, for example, could provide much-needed revenue diversification while also reducing distortions and facilitating small and medium enterprises development," it added. Suggesting that the countries should re-evaluate their approach to saving; the IMF paper said in the past, a significant portion of oil proceeds were used for public investment which created non-financial wealth and supported rapid economic development. However, the impact on non-hydrocarbon growth has been typically short-lived and, as the economies have developed, growth multipliers from these investments have begun to decline, it said. (Gulf-Times.com)
- **Gulf debt market shows signs of recovery as issuers line up –** Several Gulf issuers, including Abu Dhabi state fund Mubadala and the Saudi-headquartered Arab Petroleum Investments Corp (APICORP), will likely issue bonds as soon as next week, sources said, signaling a revival in the region's primary debt market. Public international bond issuances screeched to a halt in late February, with activity only tentatively restarting early last month. Investment-grade sovereigns Qatar, Abu Dhabi and Saudi Arabia have subsequently raised a combined $24bn in bonds, though corporates and banks have remained cautious so far. Two sources said Mubadala and APICORP could issue bonds as soon as next week. "We are always looking at ways to optimize our capital structure, at the right time in the market and in line with our funding plans," Mubadala's Chief Communications Officer, Brian Lott said in response to a Reuters query. (Zawya)
- **Russian oil output falls near to OPEC+ target –** Russia's oil output in the first five days of May fell to 8.75mn bpd, close to its production target of 8.5mn bpd for May and June under a global deal to cut crude supplies, sources told Reuters. Together with gas condensate, or light oil, which is not part of Russia's target, the country's output was 9.5mn bpd for May 1-5, the first time it has fallen below 10mn bpd since August 2009. While the latest data, which showed production of 1.296mn tons per day including gas condensate, was only for the first few days since the deal kicked in on May 1, it shows Russia is following through on its pledges so far. Russia's Deputy Energy Minister, Pavel Sorokin said that domestic oil producers are striving to reach the target as soon as possible. He also said that the global oil demand declined by around 30% last month and the fall has eased since then. However, recovery to pre-crisis levels would not be achieved quickly. Sorokin added that some countries, where international majors work, may have difficulties with sticking to targets under global oil output cuts deal. He did not name those countries. Russia's gas condensate output is typically about 700,000-800,000 bpd. (Reuters)
- **Saudi Aramco close to inking $10bn deal with group of about 10 banks –** Saudi Aramco is about to finalize a $10bn loan with a

group of roughly 10 banks, sources said, as the oil giant seeks cash amid record low oil prices. Saudi Aramco is raising the loan to back its acquisition of a 70% stake in Saudi Basic Industries Corp (SABIC) from Saudi Arabia's Public Investment Fund, a deal worth almost $70bn, sources have previously told Reuters. While the loan would most likely back the SABIC acquisition, Saudi Aramco could also use the cash for other purposes, including dividend payments. A group of about 10 banks has agreed to provide the financing, with HSBC and Japan's Sumitomo Mitsui Banking Corporation (SMBC) providing the largest commitments of nearly $1.5bn each, sources added. The loan has been agreed upon however, has not yet been finalized, sources said. (Reuters)

- **Saudi Aramco's board member expects company to pay 2020 dividend –** Saudi Aramco is set to maintain payouts to shareholders, board member Mark Moody-Stuart said in an interview with Dubai-based consultant Gulf Intelligence. (Bloomberg)
- **UAE takes lead to set up unified legislative framework in Islamic finance –** The UAE has launched an initiative to create a unified global legal and legislative framework for the Islamic finance sector that will enable the Islamic economy to expand its reach and implement greater standardization within the sector. The global legislative framework was launched by the UAE ministry of finance in partnership with the Islamic Development Bank (IDB) and the Dubai Islamic Economy Development Centre (DIEDC). The Deputy Ruler of Dubai, Sheikh Hamdan bin Rashid Al Maktoum, said, "The Islamic finance sector will benefit greatly from a unified international legal and legislative framework. After its formulation and subsequent approval by internationally accredited relevant authorities, it will be formally established as a legal and legislative framework that serves as the basis for a new international treaty." A memorandum of understanding (MoU) has already been signed between DIEDC and the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), enabling DIEDC to use AAOIFI's standards as a reference in building the international legal framework with the guidance of the Ministry of Finance and IDB. (Zawya)
- **MSMEs in UAE receive AED84.7bn loans in 2019 –** Bank loans to the micro, small and medium-sized enterprises (MSMEs) totaled AED84.7bn in 2019, representing 5.3% of the total domestic credit in the UAE. The value of bank lending to MSMEs accounts for 10.6% of the credit provided to the private corporate sector, according to the latest statistics by the Central Bank of the UAE (CBUAE). Noteworthy to mention, the annual report by the CBUAE revealed that the UAE's GDP grew by an estimated 1.7% in 2019. (Zawya)
- **Dubai developer Nakheel slashes salaries due to coronavirus crisis –** Dubai property developer Nakheel has slashed salaries by as much as 50% as it tries to weather the coronavirus crisis, according to an internal email seen by Reuters, and its Chief Executive resigned in March, a spokeswoman said. Dubai has faced a slowdown in its property sector for most of the previous decade as the global financial crisis and weak oil prices left the regional business hub oversupplied with homes and offices. "Due to the ongoing circumstances, we have reached the stage where it is time to implement some necessary measures to help us weather this storm, safeguard our staff and secure the continuity of our business," state-owned Nakheel said in the email. Top management and other senior executives were told that wages would be halved from April 1, while less senior employees have had their salaries cut by between 30% and 40%. (Reuters)
- **ICE delays start of Abu Dhabi oil futures trading until after 1H2020 –** The Intercontinental Exchange Inc. (ICE) has delayed the start of a new crude futures exchange in Abu Dhabi as the coronavirus crushes energy demand and wreaks havoc on global oil markets. The ICE Futures Abu Dhabi exchange, being set up to trade futures contracts for Murban crude, will not start in the first half of the year as planned, ICE said, without saying exactly when it would start. Brent crude has lost about half its value this year as the coronavirus forces lockdowns and halts economies. (Bloomberg)
- **HSBC Oman names Melika Betley as CEO –** HSBC Oman has appointed Melika Betley as it CEO, replacing Andrew Long. Betley joins from HSBC Bank Middle East Bahrain, where she was the CEO and country manager, according to a statement. (Bloomberg)
- **Bahrain hires banks for potential dual-tranche dollar bonds –** Bahrain has hired banks for a potential dual-tranche dollar bond issuance, sources said, as the junk-rated Gulf oil producer seeks to raise cash amid the new coronavirus outbreak and historically low oil prices. Bahrain was bailed out in 2018 with a $10bn aid package from wealthy Gulf neighbors Saudi Arabia, Kuwait and the UAE to help it avoid a credit crunch in a deal tied to fiscal reform. Bankers and analysts have told Reuters it may need additional Gulf aid as soon as this year. Bahrain has hired Bank ABC, Gulf International Bank, HSBC, JPMorgan, National Bank of Bahrain and Standard Chartered to arrange investor calls on Wednesday, to be followed by a benchmark deal subject to market conditions, the sources said. Benchmark bonds are generally upwards of $500mn. The planned deal consists of 4-1/2-year Sukuk, or Islamic bonds, and 10-year conventional bonds, three sources said. The small oil producer needs to bolster its finances to plug a widening budget deficit due to historically low oil prices. The International Monetary Fund said Bahrain's fiscal deficit is expected to jump to 15.7% of GDP this year from 10.6% in 2019. In a presentation for investors seen by Reuters, Bahrain said it expects a deficit of 4% of GDP this year, down from a 4.7% deficit last year. The potential bond deal marks a step towards recovery for the Gulf debt market, as sub-investment grade issuers had so far been unable to tap the international market due to huge volatility starting in March that followed tumbling oil prices and the spread of the coronavirus pandemic. Bahrain took a $1bn loan from banks to pay down $1.25bn in bonds that matured on March 31, sources have said, after it scrapped bond plans earlier this year due to bad market conditions. The country expects a further drawdown of $1.76bn this year from the $10.25bn aid package that was provided by its Gulf allies in 2018, according to the investor presentation. That package was provided with a 0% interest rate and a maturity of 30 years per drawdown, according to the document. (Zawya)
- **Bahrain sells BHD35mn 182-day bills; bid-cover at 1.71x –** Bahrain sold BHD35mn of 182-day bills due on November 8,

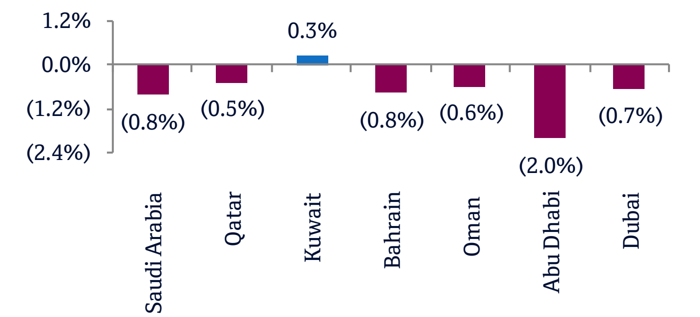
2020. Investors offered to buy 1.71 times the amount of securities sold. The bills were sold at a price of 98.669, having a yield of 2.67% and will settle on May 10, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,685.71	(1.2)	(0.9)	11.1
Silver/Ounce	14.85	(0.7)	(0.8)	(16.8)
Crude Oil (Brent)/Barrel (FM Future)	29.72	(4.0)	12.4	(55.0)
Crude Oil (WTI)/Barrel (FM Future)	23.99	(2.3)	21.3	(60.7)
Natural Gas (Henry Hub)/MMBtu	1.91	(1.0)	13.0	(8.6)
LPG Propane (Arab Gulf)/Ton	37.00	(1.3)	13.4	(10.3)
LPG Butane (Arab Gulf)/Ton	29.00	(5.7)	0.0	(55.7)
Euro	1.08	(0.4)	(1.7)	(3.7)
Yen	106.12	(0.4)	(0.7)	(2.3)
GBP	1.24	(0.7)	(1.2)	(6.8)
CHF	1.03	(0.2)	(1.4)	(0.7)
AUD	0.64	(0.5)	(0.3)	(8.8)
USD Index	100.09	0.4	1.0	3.8
RUB	74.55	1.1	0.2	20.3
BRL	0.18	(2.4)	(4.0)	(29.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,007.60	(0.5)	0.1	(14.9)
DJ Industrial	23,664.64	(0.9)	(0.2)	(17.1)
S&P 500	2,848.42	(0.7)	0.6	(11.8)
NASDAQ 100	8,854.39	0.5	2.9	(1.3)
STOXX 600	334.34	(0.6)	(2.5)	(22.6)
DAX	10,606.20	(1.4)	(3.5)	(22.8)
FTSE 100	5,853.76	(0.6)	0.3	(27.7)
CAC 40	4,433.38	(1.4)	(4.2)	(28.6)
Nikkei#	19,619.35	0.0	0.0	(15.4)
MSCI EM	898.70	0.3	(2.0)	(19.4)
SHANGHAI SE Composite	2,878.14	0.0	0.0	(7.5)
HANG SENG	24,137.48	1.1	(2.1)	(14.0)
BSE SENSEX	31,685.75	0.2	(7.1)	(28.1)
Bovespa	79,063.70	(2.5)	(5.9)	(51.8)
RTS	1,111.43	(1.9)	(1.2)	(28.2)

Source: Bloomberg (*$ adjusted returns, #Market was closed on May 06, 2020)

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