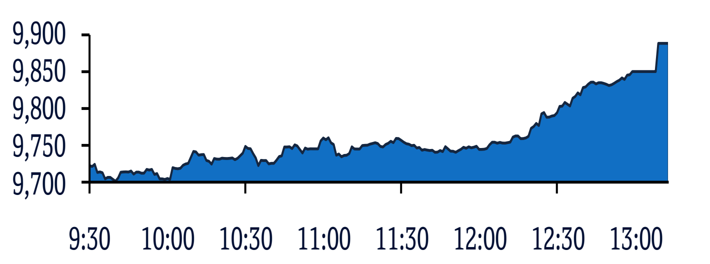
# Daily Market Report

Sunday, 08 November 2020

## QSE Intra-Day Movement




| Market Indicators | 05 Nov 20 | 04 Nov 20 | %Chg. |
|---|---|---|---|
| Value Traded (QR mn) | 280.0 | 279.7 | 0.1 |
| Exch. Market Cap. (QR mn) | 574,005.6 | 564,909.5 | 1.6 |
| Volume (mn) | 127.7 | 200.1 | (36.2) |
| Number of Transactions | 6,870 | 7,031 | (2.3) |
| Companies Traded | 45 | 45 | 0.0 |
| Market Breadth | 35:7 | 22:19 | – |

| Market Indices | Close | 1D% | WTD% | YTD% | TTM P/E |
|---|---|---|---|---|---|
| Total Return | 19,012.16 | 1.7 | 2.0 | (0.9) | 16.8 |
| All Share Index | 3,058.79 | 1.7 | 1.8 | (1.3) | 17.5 |
| Banks | 4,188.82 | 1.9 | 1.7 | (0.7) | 14.8 |
| Industrials | 2,830.66 | 2.2 | 4.2 | (3.5) | 25.3 |
| Transportation | 2,804.77 | 0.2 | (0.6) | 9.8 | 12.8 |
| Real Estate | 1,820.95 | 1.9 | 1.0 | 16.4 | 16.1 |
| Insurance | 2,262.63 | 1.5 | 0.2 | (17.3) | 32.8 |
| Telecoms | 932.27 | 0.6 | 2.1 | 4.2 | 13.9 |
| Consumer | 7,817.01 | 0.0 | 0.7 | (9.6) | 23.0 |
| Al Rayan Islamic Index | 4,051.17 | 1.4 | 2.0 | 2.5 | 18.5 |

## Qatar Commentary

The QE Index rose 1.7% to close at 9,889.5. Gains were led by the Industrials and Banks & Financial Services indices, gaining 2.2% and 1.9%, respectively. Top gainers were Qatar First Bank and United Development Company, rising 6.3% and 3.9%, respectively. Among the top losers, Gulf Warehousing Company fell 0.7%, while Al Meera Consumer Goods Company was down 0.5%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained marginally to close at 8,089.2. Gains were led by the Food & Staples Retailing and Health Care Equip. & Svc indices, rising 1.1% each. Anaam International Holding rose 9.9%, while Saudi Chemical was up 9.4%.

**Dubai:** The DFM Index gained 0.3% to close at 2,160.4. The Banks index rose 1.0%, while the Transportation index gained 0.4%. Ajman Bank rose 4.3%, while Al Salam Sudan was up 3.8%.

**Abu Dhabi:** The ADX General Index gained 0.6% to close at 4,718.0. The Energy index rose 2.0%, while the Banks index gained 0.9%. Abu Dhabi National Energy Company rose 14.7%, while Waha Capital was up 6.7%.

**Kuwait:** The Kuwait All Share Index gained 0.2% to close at 5,474.9. The Telecommunications index rose 0.8%, while the Consumer Goods index gained 0.6%. Privatization Holding Co. rose 6.3%, while Equipment Holding was up 5.5%.

**Oman:** The MSM 30 Index gained 0.4% to close at 3,550.6. Gains were led by the Financial and Services indices, rising 0.5% and 0.1%, respectively. Al Sharqiya Investment Holding rose 3.1%, while Oman & Emirates Investment was up 2.3%.

**Bahrain:** The BHB Index gained marginally to close at 1,441.8. The Investment index rose 0.3%, while the Commercial Banks index gained marginally. Investcorp Holdings rose 2.7%, while Al Salam Bank-Bahrain was up 1.5%.

| GCC Top Gainers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Saudi Industrial Inv. | Saudi Arabia | 21.42 | 3.8 | 1,797.6 | (10.8) |
| Mesaieed Petro. Holding | Qatar | 1.98 | 2.9 | 1,430.2 | (21.1) |
| Investcorp Bank | Bahrain | 11.50 | 2.7 | 10.3 | 1.8 |
| Industries Qatar | Qatar | 9.60 | 2.7 | 1,467.3 | (6.6) |
| QNB Group | Qatar | 18.24 | 2.5 | 2,730.9 | (11.4) |

| GCC Top Losers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Kingdom Holding Co. | Saudi Arabia | 7.38 | (2.3) | 263.7 | (2.3) |
| Jabal Omar Dev. Co. | Saudi Arabia | 31.00 | (2.2) | 1,130.5 | 14.2 |
| Abu Dhabi Islamic Bank | Abu Dhabi | 4.48 | (2.0) | 6,223.9 | (16.9) |
| Rabigh Refining & Petro. | Saudi Arabia | 12.70 | (1.4) | 1,171.2 | (41.4) |
| Emaar Economic City | Saudi Arabia | 9.30 | (1.4) | 2,325.8 | (2.6) |

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% |
|---|---|---|---|---|
| Qatar First Bank | 1.70 | 6.3 | 6,246.7 | 107.9 |
| United Development Company | 1.56 | 3.9 | 6,994.0 | 2.6 |
| Qatari German Co for Med. Devices | 1.61 | 2.9 | 5,217.6 | 175.9 |
| Mesaieed Petrochemical Holding | 1.98 | 2.9 | 1,430.2 | (21.1) |
| Qatar Industrial Manufacturing Co | 2.98 | 2.8 | 197.0 | (16.5) |

| QSE Top Losers | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Gulf Warehousing Company | 4.98 | (0.7) | 433.5 | (9.2) |
| Al Meera Consumer Goods Co. | 20.00 | (0.5) | 24.1 | 30.7 |
| Medicare Group | 8.37 | (0.4) | 104.4 | (1.0) |
| Ezdan Holding Group | 1.57 | (0.4) | 9,859.8 | 154.5 |
| Islamic Holding Group | 3.25 | (0.3) | 700.9 | 71.3 |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Investment Holding Group | 0.55 | 0.4 | 23,681.9 | (3.4) |
| Mazaya Qatar Real Estate Dev. | 1.04 | 1.7 | 14,155.7 | 44.6 |
| Ezdan Holding Group | 1.57 | (0.4) | 9,859.8 | 154.5 |
| Salam International Inv. Ltd. | 0.55 | 0.2 | 7,809.3 | 6.8 |
| Qatar Aluminium Manufacturing | 0.94 | 2.7 | 7,579.8 | 19.7 |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|---|---|---|---|---|
| QNB Group | 18.24 | 2.5 | 49,023.5 | (11.4) |
| Qatar Islamic Bank | 16.49 | 2.4 | 28,510.6 | 7.6 |
| Ezdan Holding Group | 1.57 | (0.4) | 15,390.7 | 154.5 |
| Mazaya Qatar Real Estate Dev. | 1.04 | 1.7 | 14,589.3 | 44.6 |
| Industries Qatar | 9.60 | 2.7 | 13,819.6 | (6.6) |

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* | 9,889.46 | 1.7 | 2.0 | 2.0 | (5.1) | 76.28 | 155,899.9 | 16.8 | 1.4 | 4.0 |
| Dubai | 2,160.44 | 0.3 | (1.3) | (1.3) | (21.9) | 39.33 | 84,027.7 | 9.0 | 0.8 | 4.5 |
| Abu Dhabi | 4,718.01 | 0.6 | 1.2 | 1.2 | (7.0) | 121.64 | 195,530.1 | 18.0 | 1.3 | 5.2 |
| Saudi Arabia | 8,089.15 | 0.0 | 2.3 | 2.3 | (3.6) | 1,928.96 | 2,362,250.5 | 30.2 | 1.9 | 2.4 |
| Kuwait | 5,474.85 | 0.2 | 0.6 | 0.6 | (12.9) | 102.69 | 101,089.7 | 33.3 | 1.4 | 3.6 |
| Oman | 3,550.55 | 0.4 | (0.2) | (0.2) | (10.8) | 0.65 | 16,131.5 | 10.7 | 0.7 | 7.0 |
| Bahrain | 1,441.82 | 0.0 | 1.0 | 1.0 | (10.5) | 2.72 | 21,986.4 | 14.0 | 0.9 | 4.7 |

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

## Qatar Market Commentary

- The QE Index rose 1.7% to close at 9,889.5. The Industrials and Banks & Financial Services indices led the gains. The index rose on the back of buying support from Foreigners shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Qatar First Bank and United Development Company were the top gainers, rising 6.3% and 3.9%, respectively. Among the top losers, Gulf Warehousing Company fell 0.7%, while Al Meera Consumer Goods Company was down 0.5%.
- Volume of shares traded on Thursday fell by 36.2% to 127.7mn from 200.1mn on Wednesday. Further, as compared to the 30-day moving average of 261.3mn, volume for the day was 51.1% lower. Investment Holding Group and Mazaya Real Estate Development were the most active stocks, contributing 18.5% and 11.1% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|---|---|---|---|
| Qatari Individuals | 33.65% | 43.34% | (27,147,991.0) |
| Qatari Institutions | 25.32% | 26.55% | (3,433,203.4) |
| **Qatari** | **58.97%** | **69.89%** | **(30,581,194.4)** |
| GCC Individuals | 0.36% | 1.25% | (2,501,210.6) |
| GCC Institutions | 1.39% | 1.23% | 426,084.5 |
| **GCC** | **1.75%** | **2.49%** | **(2,075,126.1)** |
| Arab Individuals | 8.83% | 9.19% | (997,681.7) |
| **Arab** | **8.83%** | **9.19%** | **(997,681.7)** |
| Foreigners Individuals | 5.61% | 5.02% | 1,654,942.8 |
| Foreigners Institutions | 24.85% | 13.42% | 31,999,059.3 |
| **Foreigners** | **30.46%** | **18.44%** | **33,654,002.2** |

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

## Earnings Releases and Global Economic Data

### Earnings Releases

| Company | Market | Currency | Revenue (mn) 3Q2020 | % Change YoY | Operating Profit (mn) 3Q2020 | % Change YoY | Net Profit (mn) 3Q2020 | % Change YoY |
|---|---|---|---|---|---|---|---|---|
| Alandalus Property Co.* | Saudi Arabia | SR | 37.0 | -13.4% | 11.7 | -54.9% | 3.1 | -78.5% |
| Northern Region Cement Co.* | Saudi Arabia | SR | 172.9 | -11.2% | 30.1 | -20.2% | 21.4 | -18.3% |
| Abdullah Saad Mohammed Abo Moati for Bookstores Co.** | Saudi Arabia | SR | 60.3 | -34.9% | 2.5 | -66.8% | 0.8 | -82.1% |
| Astra Industrial Group* | Saudi Arabia | SR | 433.8 | -3.0% | 29.6 | 4.0% | 19.2 | N/A |
| Saudi Arabian Amiantit Co.* | Saudi Arabia | SR | 116.0 | -37.8% | (39.9) | 5.1% | (55.5) | N/A |
| Filing & Packing Materials Manufacturing Co.* | Saudi Arabia | SR | 41.5 | -10.2% | (1.3) | N/A | (2.9) | N/A |
| Middle East Healthcare Co.* | Saudi Arabia | SR | 492.1 | 27.2% | 171.9 | 43.3% | 34.9 | 5.1% |
| Middle East Specialized Cables Co.* | Saudi Arabia | SR | 136.1 | 14.8% | 7.9 | 119.4% | 4.3 | N/A |
| Wataniya Insurance Co.* | Saudi Arabia | SR | – | – | – | – | (4.7) | N/A |
| Saudi Industrial Investment Group* | Saudi Arabia | SR | 1,436.0 | -26.7% | 225.0 | -45.1% | 85.0 | -46.9% |
| Saudi Steel Pipe Co.* | Saudi Arabia | SR | 156.6 | -0.8% | 13.1 | N/A | 9.6 | N/A |
| Buruj Cooperative Insurance Co.* | Saudi Arabia | SR | – | – | – | – | (10.4) | N/A |
| National Petrochemical Co.* | Saudi Arabia | SR | 1,436.0 | -26.7% | 192.0 | -42.7% | 117.0 | -31.6% |
| Saudi Arabian Cooperative Insurance Co.* | Saudi Arabia | SR | – | – | – | – | 12.5 | 629.6% |
| AXA Cooperative Insurance Co.* | Saudi Arabia | SR | – | – | – | – | 55.7 | 146.8% |
| Dxb Entertainments | Dubai | AED | 2.4 | -97.0% | – | – | (238.0) | N/A |
| Aramex | Dubai | AED | 1,507.2 | 18.7% | 91.5 | -39.4% | 46.2 | -59.4% |
| Abu Dhabi National Insurance Company | Abu Dhabi | AED | – | – | – | – | 93.2 | 22.9% |
| Rak Properties | Abu Dhabi | AED | 57.5 | 1.5% | 19.4 | 25.4% | 14.2 | -20.8% |
| Bahrain Cinema Company# | Bahrain | BHD | 257.0 | -90.2% | 16.4 | -97.5% | 104.1 | -94.0% |
| Seef Properties | Bahrain | BHD | 2.3 | -46.4% | 1.9 | -49.3% | 933.3 | -60.2% |
| Takaful International Company | Bahrain | BHD | – | – | – | – | 0.2 | 48.3% |

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for 9M2020, ** Financial for six months period ended September 30, 2020)

## Global Economic Data

| Date | Market | Source | Indicator | Period | Actual | Consensus | Previous |
|---|---|---|---|---|---|---|---|
| 11/05 | US | Department of Labor | Initial Jobless Claims | 31-Oct | 751k | 735k | 758k |
| 11/05 | US | Department of Labor | Continuing Claims | 24-Oct | 7285k | 7,200k | 7,823k |
| 11/05 | UK | Bank of England | Bank of England Bank Rate | 5-Nov | 0.10% | 0.10% | 0.10% |
| 11/06 | Germany | Deutsche Bundesbank | Industrial Production SA MoM | Sep | 1.60% | 2.50% | 0.50% |
| 11/06 | Germany | Bundesministerium fur Wirtscha | Industrial Production WDA YoY | Sep | -7.30% | -6.50% | -8.70% |
| 11/06 | France | Ministry of the Economy, France | Trade Balance | Sep | -5,745mn | -6,890mn | -7,707mn |
| 11/06 | France | Banque De France | Current Account Balance | Sep | -5.7bn | – | -4.7bn |
| 11/05 | Japan | Markit | Jibun Bank Japan PMI Services | Oct F | 47.7 | – | 46.6 |
| 11/05 | Japan | Markit | Jibun Bank Japan PMI Composite | Oct F | 48.0 | – | 46.7 |
| 11/06 | Japan | Markit | Household Spending YoY | Sep | -10.20% | -10.50% | -6.90% |
| 11/07 | China | National Bureau of Statistics | Exports YoY | Oct | 11.40% | 9.20% | 9.90% |
| 11/07 | China | National Bureau of Statistics | Imports YoY | Oct | 4.70% | 8.60% | 13.20% |
| 11/07 | China | Customs General Administration | Trade Balance CNY | Oct | 401.75bn | 320.40bn | 257.68bn |
| 11/07 | China | National Bureau of Statistics | Trade Balance | Oct | $58.44bn | $46.30bn | $37.00bn |
| 11/07 | China | National Bureau of Statistics | Foreign Reserves | Oct | $3,128bn | $3,143bn | $3143bn |

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

## News

### Qatar

- **Qatar International Islamic Bank issues international bonds for $200.0mn maturing in 2022 –** Qatar International Islamic Bank issued international bonds (XS2059659123) for $200.0mn maturing in 2022. The Depository were Clearstream Banking S.A. and Euroclear Bank, while the Bookrunner was Nomura International. (Bloomberg)
- **Qatari banks' credit witnesses growth in September –** Rise in economic activity in the country has led to increase in credit offtake from banks. The total domestic credit by banks in Qatar has risen by QR5.53bn to reach QR1.03tn in September this year, according to Qatar Central Bank (QCB) data. Demand for loans from services and real estate sector has played a crucial role in banks' credit expansion. Banks credit to the service sector increased from QR186.95bn in September this year from QR184.99bn in August 2020, showing a monthly increase of QR1.96bn. The credit to real estate sector increased from QR153.8bn in September to QR152.7bn in August, registering monthly growth of QR1.2bn. With fall in COVID-19 cases government has gradually eased restrictions imposed on commercial activities to limit the spread of coronavirus. Encouraged by lifting of restrictions and fall in coronavirus cases, private sector has increased its operations. Many companies have also intensified hiring process to meet growing demand in the country. "Increase in bank loans is directly proportional to acceleration of commercial activities. With the consistent decline in COVID-19 cases, we have seen sharp rise in queries in new loans from private firms in the past three months. The queries are mainly coming from real estate, transport and construction sector," a senior official of a private sector bank told The Peninsula. "We have also seen an increase in demand from commercial transport companies. With the easing of restrictions, mobility of people has increased which in turn has increased the demand for taxis and other commercial vehicles," he added. The momentum in the real estate sector has increased. In the last two quarters, the deal size in the real estate sector has nearly doubled, showing revival in the sector. During April-June quarter of this year, deals worth QR5.4bn were signed, according to the Planning and Statistics Authority. While, during July-September quarter, deals worth QR10.1bn were signed, signaling confidence among real estate investors and buyers. Total credit by banks in Qatar, which include credit by banks outside Qatar, reached QR1.11tn at the end of September this year, according to QCB data. Many indicators have shown a sign of recovery in the country's economy. The October Purchasing Managers' Index (PMI) survey data, released last week, has confirmed a sustained rebound in business conditions of Qatar's nonenergy private sector economy. (Peninsula Qatar)
- **FocusEconomics: Qatar economy may rebound next year in both domestic and foreign demand –** Qatar economy is expected to see a rebound next year in both domestic and foreign demand; FocusEconomics said and noted it saw a 2.9% rise in GDP in 2021 and 3.6% in 2022. In the third quarter (3Q) of the year, Qatar economy appeared to have staged a strong recovery, The non-energy private sector PMI averaged markedly higher compared to 2Q, supported by the progressive lifting of restrictions on activity – the country entered phase four of the four-stage easing plan on September 1. That said, the energy sector's performance was seemingly mixed, with a notable month-on-month decline in mining output in August after growth in July. Turning to the final quarter (4Q), the external sector could be weighed on by rising COVID-19 infection rates abroad, although low infections at home have so far allowed the government to keep the domestic economy open. According to FocusEconomics, the economy contracted 6.1% in the second quarter according to recent data, weighed on by a collapse in the non-energy sector due to lockdown restrictions and a milder downturn in the energy sector. Consumer prices fell 3% in September in annual terms, following August's 4.1% drop, on lower prices for recreation and culture, and housing and utilities. Prices are seen declining over 2020 as a whole before rising next year as activity recovers. FocusEconomics panelists see consumer prices falling 1.1% in 2021, which is down 0.1 percentage points from last month's forecast. In 2022, its panel sees inflation averaging 1.9%.

Qatar's GDP may scale up to $215bn in 2025 from $157bn this year, researcher FocusEconomics has said in a report. Next year, Qatar's GDP is projected to reach $167bn, followed by $177bn (2022), $190bn in 2023 and $202bn in 2024. Qatar's international reserves are expected to total $37.6bn by 2024, FocusEconomics said. The country's international reserves are projected at $34bn this year, $34.1bn (2021), $35.8bn (2022) and $36.7bn in 2023. Qatar's merchandise trade balance, which is the difference in value between imported and exported goods, is expected to reach $45.3bn in 2025, latest country forecast by FocusEconomics has shown. This year, the country's merchandise trade balance has been forecast to total $26.2bn, followed by $29.1bn (in 2021), $30.4bn (2022), $34.5bn (2023) and $39.5bn in 2024. The report said Qatar's fiscal balance as a percentage of GDP is set to rise to 3.2% in 2025 from an estimated -7.6% this year. According to FocusEconomics, Qatar's public debt (as a percentage of GDP) has been forecast at 72% this year. GDP per capita, FocusEconomics said, has been estimated to reach $75,694 in 2025 from $56,078 this year. GDP per capita next year will be $59,554, followed by $62,951 in 2022, $67,208 in 2023 and $71,462 in 2024. Qatar's economic growth in terms of nominal GDP will reach 6.2% in 2025 from -10.6% by the year-end. Next year, economic growth in terms of nominal GDP will be 6.4%, 6% in 2022, 7% in 2023 and 6.6% in 2024. The current account balance (as a percentage of GDP) will be 3.5 in 2025 compared with -4.1 in 2020, -1.5 (2021), 3.7 (2022), 4.4 in 2023, 5.9 in 2024. The country's inflation, the report noted, will be -2.2% this year, 1.1% (2021), 1.9% (2022), 2% (2023), 1.8% in 2024 and 1.7% (2025). Qatar's unemployment rate (as a percentage of active population) will remain a meagre 0.2% in 2025, from 0.4% this year. Next year it will be 0.3%, 0.2% in 2022, 2023 and 2024, FocusEconomics said. (Gulf-Times.com)

- **GECF: Future prospects bright for natural gas –** Natural gas will outlive the negative effects of the coronavirus pandemic on the global energy industry in the short term, and even lead the industry's growth in the mediumand long-term, senior official of Russian energy giant Gazprom said at the latest monthly lecture of the Gas Exporting Countries Forum (GECF) held virtually, recently. "The coronavirus pandemic is not a reality that will stay with us forever. The mid-term and long-term fundamental factors that favour natural gas remain unchanged," said Elena Burmistrova, Deputy Chairman of Gazprom Management Committee and the Director-General of Gazprom Export. The GECF Monthly Lecture was entitled "Natural Gas: New Market Realities or Temporary Impediment?" In her analysis of the gas sector's current and future states, Burmistrova pointed out that the natural gas world was already in the throes of an oversupply and warm weather crises before the advent of COVID-19, with the so-called "homeless" LNG without a fixed destination heading to Europe after a dramatic price degradation in Asia. "At the end of 2019, the surplus of gas in European storages was 21 billion cubic meters (bcm) above the levels of late 2019. The pandemic only spurred the crisis … and the imposed restrictions added pressure on ailing gas demand by depressing economic activity," she said, while noting that the EU Industrial Production Index dived to almost -28.7% by April 2020 and gas consumption in the continent – Gazprom's major market – fell 6.5% to 10-year lows in the first half of the year," she said. (Peninsula Qatar)
- **Chamber report: Qatar taking measures to maintain low prices of goods and services –** Amid the COVID-19 crisis, Qatar's competent entities are working to protect the economy and maintain its stability to ensure that necessary goods and services are provided to the public at reasonable prices, Qatar Chamber said in a report. In its monthly economic newsletter for October, the Chamber reported that the State also strives to remove all obstacles facing producers and encourages them to increase production. "The stability and flexibility of economic policies in any country is a key part of its economic agenda due to their significant impact on the investment climate, productivity and on the economic process in general. "This means the country's ability to deal efficiently with all economic and financial fluctuations and reduce their impact on the economy and society. The State of Qatar adopts the free economy approach which limits the country's direct intervention in markets and thereby in fixing prices of goods and services," the report said. At the onset of the COVID-19 health crisis, Qatar Chamber's board of directors held a meeting in March to identify proactive measures that would contribute to the government's efforts in managing COVID-19 infections in the country and to minimize its impact on the economy. During the meeting, the board decided that it will be "in permanent convention until the crisis ends." The decision aims to enhance the private sector's participation in managing the impact of the pandemic. (Gulf-Times.com)
- **Cushman and Wakefield: Further downward pressure on residential rents likely –** Qatar is expected to see further downward pressure on residential rents as new demand fails due to Covid-19 measures to prevent the spread of the pandemic, according to Cushman and Wakefield Qatar (CWQ). Measures taken to stop the spread of COVID-19, including a restriction on entry into Qatar, has "stifled" new demand for residential property, CWQ said in its latest report. Activities in the residential lettings market has almost exclusively been limited to those re-locating within the country throughout the third quarter (3Q), it said. Qatar maintains a cautious approach in opening its borders, it said, highlighting that travel into Qatar remains tightly controlled and is subject to both entry permits and compulsory quarantining for a minimum of seven days. Finding that Qatar has adopted a cautious approach in the re-opening of its borders to non-residents; it said despite these measures, the mobility indices are trending up in September after stalling in August. The average now stands at over 98% of pre-crisis levels, having slipped to 57.3% in August, the report said. The third and fourth phases of the lifting of restrictions took place at the end of July and on September 1 respectively. These phases saw a re-opening of workplaces — with safety measures in place — and schools, which have welcomed students back on a rotation basis to restrict numbers in classrooms. The COVID-related lockdown measures and the associated fall in global oil prices has resulted in both private and public sector cutbacks, which started to filter through to residential occupancy rates in 3Q, according to CWQ. (Gulf-Times.com)

- **Overall office supply space in Doha reaches 4.9mn square meters –** The overall office supply in Doha has increased to approximately 4.9mn square meters (sqm) at the end of September 30, 2020 (3Q2020), and out of that more than 30% of office accommodation is situated in West Bay, Qatar's central business district, according to latest report. Cushman and Wakefield's 3Q Market Review report noted that the demand for office space has reduced as COVID-19 pandemic has put corporate strategies on hold. The leading real estate advisory firm has also said that more than 11% of office space is in Lusail's Marina District, where supply has doubled over in the past 24 months. "The rapid increase in supply has seen vacancy rates reach more than 60% in the Marina District - twice the overall market level – however, increasing interest from occupiers is likely to see a significant increase in office take-up in the district over the next two years," added the report highlighting the office market overview. "As the Marina District (in Lusail) matures, we expect to see tenants attracted by competitive rents, transport and parking provisions, and the increasing amenities and F&B on offer. New office demand has reduced over the past six months, as many companies reassess their corporate strategies due to the COVID-19 pandemic." (Peninsula Qatar)

**International**

- **US allies greet Biden as next president despite Trump refusal to concede –** Some of the US' biggest and closest allies quickly congratulated Joe Biden on his presidential election victory on Saturday even though Donald Trump, with whom several have had rocky relations, had yet to concede. Germany, Canada and France, which have had strained ties with the Trump administration despite being its G7 and NATO partners, were among the first to recognize Biden's victory, soon after major US television networks declared it. Merkel's finance minister, Olaf Scholz, went further, suggesting a Biden administration could mark a reset of trans-Atlantic ties. Canadian Prime Minister Justin Trudeau said he looked forward to tackling "the world's greatest challenges" with the new administration, including climate change, an issue with which many nations have argued over with Trump. British Prime Minister Boris Johnson, who has had a much smoother relationship with Trump, also picked up the theme of climate change in congratulating Biden. Washington formally quit the Paris accord on limiting greenhouse gas emissions on Wednesday, fulfilling a pledge by Trump to withdraw the world's second-largest emitter from the pact. Biden has promised to rejoin the agreement if elected. (Reuters)
- **US weekly jobless claims drop modestly; labor market recovery cooling –** The number of Americans filing new claims for unemployment benefits fell only slightly last week, adding to signs that the economic recovery was losing steam as the COVID-19 pandemic intensifies and fiscal stimulus ends. The economy could be plunged into a period of uncertainty following Tuesday's presidential election, potentially undermining business investment and delaying a much-needed second coronavirus relief package from the government. Democrat Joe Biden edged closer to victory on Thursday, while President Donald Trump alleged fraud without providing evidence, filing lawsuits and calling for recounts in a race yet to be decided two days after polls closed. Initial claims for state unemployment benefits fell 7,000 to a seasonally adjusted 751,000 for the week ended October 31, the Labor Department said. Data for the prior week was revised to show 7,000 more applications received than previously reported. Economists polled by Reuters had forecast 732,000 applications in the latest week. Claims remain above their 665,000 peak during the 2007-09 Great Recession, though they have dropped from a record 6.867mn in March. The weekly unemployment claims report, the most timely data on the economy's health, followed on the heels of reports on Wednesday showing private payrolls increasing less than expected in October and activity in the services industry cooling. With a swift fiscal package unlikely as politics take center-stage, the focus will shift to the Federal Reserve to pump more money into the economy. The US central bank maintained its ultra-easy monetary policy stance on Thursday and pledged again to do whatever it can in coming months to sustain the recovery. (Reuters)
- **US job growth slows; millions experiencing long bouts of unemployment –** The US economy created the fewest jobs in five months in October and more Americans are working part time, underscoring the challenges the next president faces to keep the recovery from the pandemic on track as fiscal stimulus dries up and new COVID-19 cases explode across the country. The Labor Department's closely watched employment report on Friday also showed 3.6mn people out of work for more than six months. Democratic presidential candidate Joe Biden took the lead over President Donald Trump in the battleground states of Pennsylvania and Georgia for the first time on Friday, putting him on the verge of winning the White House. Nonfarm payrolls increased by 638,000 jobs last month after rising by 672,000 in September. That was the smallest gain since the jobs recovery started in May and left employment 10.1mn below its peak in February. Employment was held back by the departure of 147,000 temporary workers hired for the 2020 Census. A 271,000 increase in leisure and hospitality jobs accounted for about two-fifths of the payrolls gain last month. Employment in professional and business services increased by 208,000, with about half in temporary help services. Manufacturing added 38,000 jobs, while construction payrolls increased 84,000. The loss of temporary Census jobs and further layoffs at cash-strapped state and local governments cut overall government employment by 268,000 jobs. Economists polled by Reuters had forecast payrolls advancing by 600,000 jobs in October. Though private payrolls increased 906,000 last month, the labor market recovery has a long way to go. (Reuters)
- **Bank of England ramps up stimulus again to tackle COVID-19 and Brexit hit –** The Bank of England (BoE) increased its already huge bond-buying stimulus by a larger-than-expected 150bn Pounds ($195bn) as it braced for more economic damage from new coronavirus lockdowns and damage from Brexit, too. On the day England began a four-week lockdown to curb a second wave of COVID-19, which is killing as many Britons each day as in May, the BoE said it was still looking into the pros and cons of taking interest rates negative, but gave no update on the process. "If the outlook for inflation weakens, the Committee stands ready to take whatever additional action is necessary to achieve its remit," the BoE said as it cut its growth forecasts. Britain's economy was set to shrink by a record 11% in 2020

overall, more than the 9.5% it had forecast in March, and it cut its estimate for next year's recovery. "The outlook for the economy remains unusually uncertain," the BoE said, pointing to the COVID-19 crisis and the still unresolved trading relationship between Britain and its closest trading partners in the European Union after January 1. Britain's economy has been supported by a surge in debt-fueled spending by the government, and the BoE is buying up many of those bonds. (Reuters)

- **Sunak boosts 200bn-Pound jobs rescue as BoE ramps up bond-buying –** Finance minister Rishi Sunak ploughed more money into Britain's 200bn-pound economic rescue on Thursday in a coordinated move with the Bank of England, which will buy more of the bonds being sold to fund it. A widespread surge in coronavirus infections has forced Prime Minister Boris Johnson to announce a new one-month lockdown in England and has prompted a series of further spending pledges by Sunak to stem the rising tide of job losses. The announcement is Sunak's fourth major revision to his economic plans in six weeks. Critics said he had failed to plan far enough ahead and was plunging businesses into confusion. Sunak extended his costly coronavirus furlough scheme, which provides 80% of the pay of temporarily laid-off workers, until the end of March and he announced billions of pounds in other forms of support. "It's clear the economic effects are much longer lasting for businesses than the duration of any restrictions, which is why we have decided to go further with our support," he told parliament. Earlier, the Bank of England said it was increasing the size of its government bond purchases by 150bn Pounds. (Reuters)
- **Halifax: UK house prices rise at fastest annual pace since 2016 –** British house prices rose in October at the fastest annual rate since June 2016, although there were signs of fading momentum as the COVID-19 pandemic escalated, mortgage lender Halifax said. House prices rose 7.5% in October compared with a year earlier, compared with annual growth of 7.3% in September, Halifax said. But in October alone, house prices rose 0.3% - the weakest growth in four months. (Reuters)
- **EU set to impose tariffs on $4bn US goods next week –** The European Union is poised to move next week to impose tariffs on $4bn of US imports in retaliation for US subsidies for planemaker Boeing, EU diplomats said, teeing up an eleventh-hour showdown with US President Donald Trump A majority of EU governments have backed imposing the widely expected tariffs once EU trade ministers meet next Monday - the latest twist in a transatlantic trade saga that has spanned 16 years and four US presidents. Democratic presidential candidate Joe Biden is edging closer to victory in the US election, but Republican Trump would remain president until January 20 and has plenty of leeway to increase US tariffs on Europe that were imposed in a parallel case over subsidies for Airbus. US Trade Representative Robert Lighthizer last month warned any EU tariffs would "force a US response" and Trump has threatened to "strike back harder". Brussels views its own tariffs - authorized by the World Trade Organization last month - as important leverage in negotiations to end a dispute that began in 2004. In October 2019, Washington imposed tariffs on Airbus planes and other European products from cheese to olives and single-malt whisky. Combined, the two cases represent the world's largest ever corporate trade dispute. Washington argues there is no legal basis for EU tariffs because underlying subsidies to Boeing have been repealed. European officials argue it is only the WTO that can decide on compliance and that last month's green light stands. Both sides accuse the other of failing to obey WTO rulings but are seen as determined to maximize their positions ahead of probable negotiations. (Reuters)
- **German September industry output rises less than forecast as virus drags –** German industrial output rose by less than expected in September as the coronavirus crisis held back activity, data showed, suggesting Europe's largest economy may not have the strength of avoid a double dip. Industrial output increased by 1.6% on the month, figures released by the Federal Statistics Office showed. A Reuters poll had forecast a rise of 2.7%. The rise was driven by a rebound in the auto industry, Germany's largest manufacturing sector, which saw output rise by 10.0% in September after a decline of 10.3% in August. The economy grew by a record 8.2% in the third quarter on higher consumer spending and exports, but an aggressive second wave of infections and a new partial lockdown are now clouding the outlook for the fourth quarter and beyond. A picture is emerging of German industry growing despite the pandemic, while services struggle. A survey released on Wednesday showed that German services activity shrank for the first time in four months in October, a sign the economy was struggling even before the partial lockdown was imposed. (Reuters)
- **Ifo: German factories expect to churn out less in coming months –** Production expectations for the mighty industrial sector of Europe's largest economy have weakened somewhat for the coming months, Germany's Ifo institute said on Friday, adding that it was unclear what impact lockdown measures would have. Its index for production prospects dropped to 17.4 points in October from 20.0 points in September, having previously risen for months. The German statistics office is due to publish industrial output data for September at 0700 GMT, with economists expecting to see a 2.7% increase. (Reuters)
- **Japan's September real wages fall for seventh straight month as COVID-19 weighs –** Japan's inflation-adjusted real wages fell for the seventh straight month in September as the coronavirus impact on firms persisted, government data showed. The economy has recovered from a deep slump caused by the pandemic but the effects of the crisis are still being felt, and any recovery may be moderate. Real wages, a key barometer of households' purchasing power, declined 1.1% in September from a year earlier after a 1.4% drop in August, data by the labor ministry showed. Wage earners' nominal total cash earnings slipped 0.9% to 269,503 Yen (£1,979) in September from a year earlier, down for a sixth consecutive month. The coronavirus crisis prompted companies to cut overtime hours. Overtime pay, a key gauge of strength in corporate activity, declined 12.0% in the year to September, falling for a 13th straight month. Regular pay - or base salary, which makes up most of total cash earnings - rose 0.2% in September, rebounding from a 0.3% fall in August. Special payments,

which predominantly consist of one-off bonuses, fell 8.9% in September from a year earlier, the data showed. (Reuters)

- **Japan's Suga says stable currency moves 'extremely important' –** Japanese Prime Minister Yoshihide Suga on Friday vowed to work closely with overseas authorities to keep currency moves stable, signaling his readiness to respond to any yen spike that threatens to derail the country's fragile economic recovery. "Exchange-rate stability is extremely important," Suga told parliament, when asked how Japan will respond to any changes a new US administration could make to its dollar policy. "We will respond appropriately on markets, while keeping in close contact with overseas authorities," Suga said. He declined to comment on specific currency levels or moves. Suga's remarks followed those by Bank of Japan Governor Haruhiko Kuroda, who said on Wednesday the central bank will work closely with financial authorities to help keep currency moves stable. The dollar fell to 103.59 Yen in Asia on Friday, close to an eight-month low, as a contentious US presidential election diminished hopes for large stimulus to support the economy any time soon. A yen spike has historically been a trigger for monetary easing by the BOJ and jawboning from authorities keen to prevent yen rises from hurting Japan's export-reliant economy. (Reuters)
- **China October exports surge, imports rise amid global recovery –** China exports grew at the fastest pace in 19 months in October, while imports also rose, official data showed on Saturday, as the world's second largest economy continued to recover after being hit hard by the coronavirus crisis earlier this year. Exports in October rose 11.4% from a year earlier, beating analysts' expectations of a 9.3% increase and quickening from a solid 9.9% increase in September. The surge in exports pushed the trade surplus for October up to $58.44bn, compared with the poll's forecast for a $46bn surplus and a $37bn surplus in September. China's trade surplus with the US widened to $31.37bn in October from $30.75bn in September. China's exports have stayed largely resilient amid the COVID-19 global pandemic, as strong demand for medical supplies and reduced manufacturing capacity elsewhere worked in China's favor. China's exports could stay strong in the rest of 2020 as domestic firms resume production faster than global rivals and sell more COVID-19 related goods such as face masks, Liu said. However, some analysts said exports could come under pressure in the coming months, as major European economies, including France, Germany and the United Kingdom, went back into lockdown as a second wave of coronavirus cases gathered strength. Factory activity accelerated at the fastest pace in nearly a decade in October, a private survey showed, although the official survey pointed to some slowdown in the expansion. Export orders expanded. Imports rose 4.7% year-on-year in October, slower than September's 13.2% growth, and underperforming expectations in a Reuters poll for a 9.5% increase, but still marking a second straight month of growth. (Reuters)
- **China October exports rise 11.4% YoY, imports up 4.7% –** China's exports in October rose 11.4% from a year earlier, after 9.9% growth in September, while imports grew 4.7% in October, having surged 13.2% in September, customs data showed. Analysts polled by Reuters had forecast export growth of 9.3% in October from a year earlier and import growth of 9.5%. China posted a trade surplus of $58.44bn in October, compared with a $37bn surplus in September, and a forecast from the Reuters poll for a $46bn surplus in October. (Reuters)
- **Indian banks see revival in loan growth but concerns linger –** Indian banks are loosening their purse strings and lending more as pent-up demand surfaces in the Indian festive season, though growth is still nearly half that seen last year. Several lenders including State Bank of India, the country's largest lender and HDFC Bank, India's most valuable bank by market capitalization saw demand for housing and vehicle loans return to near pre-pandemic levels in the quarter ended September. "Now that the loan moratorium is over and we have a clearer view about repayments, we're feeling more comfortable about lending both on unsecured as well as secured retail loans," said the head of retail banking at a public sector bank, who asked not to be identified as the lender has yet to report its results. Hamstrung by the pandemic, banks had been more risk averse in lending, with credit growth slumping to around 5% in the first quarter of the financial year. The uptick spells good news for the Indian economy that had contracted by 23.9% in April-June, during a stringent lockdown to stem the spread of the pandemic. "After a complete standstill earlier, banks have now also started buying more retail loan securitization pools from non-banking financial companies to boost their portfolio which has also helped credit growth pick up," said Anil Gupta, analyst at credit rating agency ICRA. Even though retail demand has picked up however, corporate credit demand continues to remain sluggish. Analysts also noted that growth still remains slower compared to last year. In September, retail loans grew by 9.2% compared to 17% in the same period last year, according to regulatory data. (Reuters)
- **IBGE: Brazil inflation rises to 0.86% in October, annual rate 3.92% –** Brazilian consumer price inflation, as measured by the IPCA index, was 0.86% in October, government statistics agency IBGE said on Friday, almost exactly in line with the 0.83% that economists in a Reuters poll had expected. Prices rose 3.92% in the 12 months through October, again almost exactly in line with the median forecast of 3.90% in a Reuters poll, and close to the central bank's end-year target of 4.00%. (Reuters)

**Regional**

- **Non-resident MENA capital inflows seen slightly up –** Non-resident capital inflows to the Middle East and North Africa (MENA) region will edge up slightly in 2021 to $177bn in 2021, equivalent to 6.6% of GDP, according to a new report. So far this year hard currency bond issuance by Saudi Arabia, the UAE, Qatar, Bahrain, and Oman has amounted to $91bn, as compared with $99bn for the whole year of 2019. While spreads have narrowed in recent months, they are still wider than pre-COVID levels. "We project gross public external financing needs of the region at about $100bn in 2021, driven largely by the six GCC countries. Strong demand for high-quality assets from the region will remain at least for the next few years given the large financial buffers in the form of official reserves and SWFs (particularly in the UAE, Qatar, Kuwait, and Saudi Arabia) and the resumption of fiscal adjustment," said Garbis Iradian, Chief Economist for MENA at the Institute of International Finance.

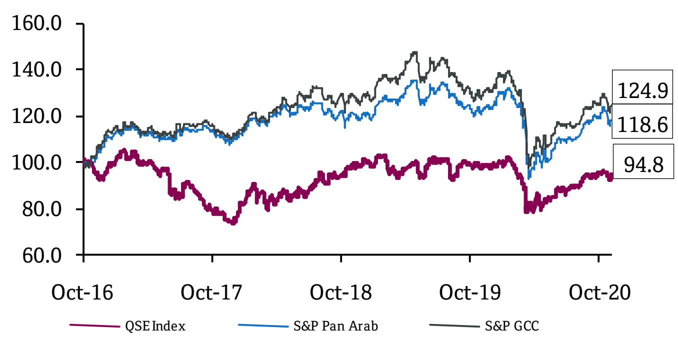
"The modest decline in external financing needs due to narrower fiscal deficits in 2021 would be largely offset by higher external amortization, which is expected to increase from $23bn in 2020 to $49bn in 2021," he said. (Zawya)

- **Gulf tourism sector offers 3mn jobs; $90bn in revenue –** Saudi Arabia's Minister of Tourism Ahmed Al-Khateeb said that the GCC states have made remarkable gains in the tourism sector during the year 2019, contributing 9.7% to the gross domestic product (GDP). "Tourism sector makes available of three million jobs and estimated revenues of more than $90bn, and these figures showed clearly the gains achieved from the tourism sector and the importance of preserving this vital sector," he said citing the statistical figures of the World Tourism Council. The Minister made the remarks while addressing the virtual meeting of the GCC tourism ministers on Thursday. (Zawya)
- **GCC logistics industry ripe for consolidation, says Aramex –** Dubai-listed logistics company Aramex has strongly hinted that the industry could see mergers and acquisitions in the near future, stating in its 3Q2020 financial results that the sector is ripe for consolidation. Aramex posted a YoY 3Q2020 net profit fall of 59%, the company said it was actively seeking potential opportunities that will realize synergies to enhance the sector's efficiency, reliability and end-to-end service level. The company said the road to recovery from COVID-19's impact on the economy is not yet clear. (Zawya)
- **Saudis cut oil prices for Asia as virus clouds energy market –** Saudi Arabia cut most oil pricing for its customers in Asia and the US as a resurgence in the coronavirus clouds the outlook for energy markets. State producer Saudi Aramco decreased December pricing for shipments of key Arab Light crude to Asia, its largest regional market, by 10 cents a barrel to a 50-cent discount to the benchmark. Oil dropped around 10% last week as European nations including Germany and France announced new lockdowns and daily virus cases hit a record in the US. While crude has since recovered most of those losses, the market continues to face headwinds, OPEC Secretary-General Mohammad Barkindo said. Saudi Aramco cut prices for all US grades by 20 cents and raised them by as much as $1 for the northwest Europe and Mediterranean regions. The company shipped almost two-thirds of its oil exports last month to Asia or the US, tanker-tracking data compiled by Bloomberg showed. (Bloomberg)
- **Saudi PIF invests about $1.3bn in Reliance retail ventures –** Saudi Public Investment Fund (Saudi PIF) invests about $1.3bn in Reliance Retail Ventures for an equity stake of 2.04%, according to a statement on its website. (Bloomberg)
- **Saudi Arabia's M3 money supply hits all-time high in 3Q2020 –** Saudi Arabia's cash liquidity - M3 money supply - hit an all-time high in the third quarter of 2020. The Kingdom's cash liquidity reached SR2.088tn during the three-month period ended in September, surpassing May's historic level of SR2.075tn, according to data collected by Mubasher based on figures from the Saudi Arabian Monetary Authority (SAMA). On a yearly basis, cash liquidity rose by 10.6% or SR200.56bn in 3Q2020 from SR1.887tn in 3Q2019. On a quarterly basis, it increased by 1.78% or SR34.45bn when compared to the previous three-month period. During the first nine months of 2020, the GCC nation's cash liquidity hiked by 5.2% or SR102.87bn. It recorded SR2.075tn in August 2020 and SR1.985tn at the end of 2019. (Zawya)
- **UAE records $1.46bn trade balance surplus with Gulf countries –** The UAE's trade balance recorded around AED5.37bn surplus with four Gulf countries during the first quarter of 2020, according to the latest data by the Federal Competitiveness and Statistics Authority (FCSA). The surplus in the UAE's trade balance is attributed to an increase in the country's exports to the four Gulf countries to AED17.83bn in the January-March period of 2020. Meanwhile, the UAE's imports from Saudi Arabia, Bahrain, Kuwait, and Oman reached about AED12.46bn in 1Q2020, while the total value of the re-exports between the UAE and four countries recorded AED24.9bn. Hence, the trade exchange with these countries amounted to AED55.2bn. Saudi Arabia topped the UAE's trade partners with AED25.815bn, followed by Oman with AED11.931bn, Kuwait with AED11.218bn, and Bahrain with AED6.23bn. (Zawya)
- **UAE's net investment in non-financial assets rose to AED32.2bn in 1H2020 –** Net investment by the federal government and local governments in non-financial assets rose to AED32.2bn in the first half of 2020, an increase of 40% as compared with same period in 2019, according to figures issued by the Ministry of Finance. Statistics showed that net investment stood at AED12.1bn in the first quarter of 2020 and surged to AED20.1bn in the second quarter of the year, a 65.7% increase as compared with the first quarter 2019. (Zawya)
- **DEWA inaugurates 20 new substations in 2020 –** Dubai Electricity and Water Authority (DEWA) has announced the inauguration of 20 new electricity substations in 2020, as part of its efforts to provide electricity and water services according to the highest standards of availability, reliability and efficiency. The move includes a 400 kV substation in Dubai South with a conversion capacity of 2020 megavolt-amperes, MVA, and nineteen 132 kV substations in several areas across Dubai with a conversion capacity of 2700 megavolt-amperes. The total cost of the substations has reached AED2.6bn. (Zawya)
- **DXB Entertainments to open new thrill rides, over 1,000 hotel rooms –** Dubai's DXB Entertainments is set to launch new thrill rides and open more than 1,000 hotel rooms as it prepares to resume full operations and recover from the slump caused by the coronavirus lockdown in March. In September, DXB partially re-opened for the first time in months the Dubai Parks and Resorts to the public. "We are currently in the process of rolling out many exciting surprises with the launch of our new rides and the re-opening of our theme parks," said Mohamed Almulla, CEO and Managing Director of DXB Entertainments, in a statement to the Dubai Financial Market. (Zawya)
- **ADNOC, BASF postpone $4bn chemicals project in India due to pandemic –** Investors including BASF and Abu Dhabi National Oil Company (ADNOC) postponed plans to build a $4bn chemicals plant in India, due to the coronavirus pandemic. The group, which also includes Adani Group and Borealis AG, conducted a feasibility study for the project in Mundra, after signing a memorandum of understanding in October 2019. The pandemic's economic impact prompted the investors to consider downsizing the facility, but they opted instead to put their plans on hold, the companies said Thursday in a joint

statement. Demand for petrochemicals, the building blocks for making plastics and other products, has slumped along with oil use as coronavirus lockdowns stifle economies worldwide. Saudi Arabia, the world's biggest oil exporter, scaled back plans last month for a $20bn crude-to-chemicals plant at Yanbu. (Bloomberg)

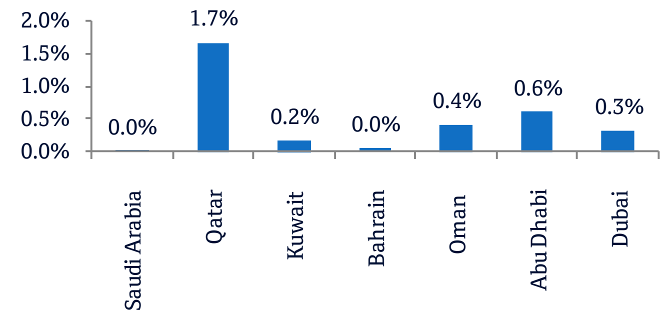
- **Kuwaiti investor Adeem sells GBP1.79mn of Aston Martin shares –** Kuwait-based Adeem Automotive Manufacturing Co. Ltd. (Adeem) sold around 3.34mn shares in UK carmaker Aston Martin Lagonda, according to a filing. Shares sold at price of GBP0.536 each on November 4. (Bloomberg)
- **Kuwait has no choice but to borrow to tackle deficit, says audit body –** Kuwait's State Audit Bureau said the government has no choice but to borrow to plug a growing deficit, but that it must do so alongside implementing economic reforms. The coronavirus pandemic and low oil prices have piled pressure on Kuwait's finances and prompted the government to halt an annual transfer of 10% of revenues to the Future Generations Fund, the country's largest reserve that has only been tapped once during the first Gulf War. The annual transfer will now be made only if Kuwait achieves a budget surplus. After halting the transfer, Kuwait's budget deficit in the fiscal year that ended in March was $12.83bn. "Given the sensitive conditions in the state's public finances, low oil prices, declining revenues, worsening deficits expected in the fiscal year 2020/2021, and efforts being made to confront the coronavirus pandemic, there is no other way but for the state to provide other new resources, including borrowing, but under the presence of controls and a package of financial, economic and legislative reforms," the audit agency said in a report. Kuwait's government is unable to raise international debt due to an impasse with parliament over a long-delayed debt law that would raise the country's debt ceiling. The deficit is plugged from another, much smaller state fund, the General Reserve Fund, where cash and semi-cash resources have been depleted this year. (Reuters)
- **Franklin Templeton: Oman may sell global Sukuk before year-end –** The spreads on Oman's dollar bonds are fairly high and already reflect the country's challenges as it grapples with low oil prices and the coronavirus pandemic, according to Franklin Templeton's Mohieddine Kronfol. "Oman is moving in the right direction," said the Dubai-based Chief Investment Officer for global Sukuk and Middle Eastern and North African fixed income. "They're serious about their fiscal consolidation plans and they're taking decisive steps to address that. We're monitoring developments there and are looking for signs of support from the rest of the GCC," he said. Governments in the Gulf Arab region will continue to raise record amounts of debt to fund their deficits. Kuwait is set to a be significant issuer in 2021 once a law that would allow the government to borrow is passed. That increased supply is likely to be met with just as much, if not more, demand because the region is an important and higher quality part of emerging-market debt. (Bloomberg)

**Rebased Performance**




Source: Bloomberg

**Daily Index Performance**




Source: Bloomberg

| Asset/Currency Performance | Close ($) | 1D% | WTD% | YTD% |
|---|---|---|---|---|
| Gold/Ounce | 1,951.35 | 0.1 | 3.9 | 28.6 |
| Silver/Ounce | 25.61 | 0.9 | 8.3 | 43.5 |
| Crude Oil (Brent)/Barrel (FM Future) | 39.45 | (3.6) | 5.3 | (40.2) |
| Crude Oil (WTI)/Barrel (FM Future) | 37.14 | (4.3) | 3.8 | (39.2) |
| Natural Gas (Henry Hub)/MMBtu | 2.67 | 0.0 | (11.9) | 27.8 |
| LPG Propane (Arab Gulf)/Ton | 56.00 | (0.7) | 5.7 | 35.8 |
| LPG Butane (Arab Gulf)/Ton | 74.75 | 4.5 | 19.1 | 14.1 |
| Euro | 1.19 | 0.4 | 1.9 | 5.9 |
| Yen | 103.35 | (0.1) | (1.3) | (4.8) |
| GBP | 1.32 | 0.1 | 1.6 | (0.8) |
| CHF | 1.11 | 0.4 | 1.9 | 7.5 |
| AUD | 0.73 | (0.3) | 3.3 | 3.4 |
| USD Index | 92.23 | (0.3) | (1.9) | (4.3) |
| RUB | 77.42 | 0.5 | (2.7) | 24.9 |
| BRL | 0.19 | 3.0 | 7.1 | (25.1) |

Source: Bloomberg

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|---|---|---|---|---|
| MSCI World Index | 2,470.05 | 0.1 | 7.7 | 4.7 |
| DJ Industrial | 28,323.40 | (0.2) | 6.9 | (0.8) |
| S&P 500 | 3,509.44 | (0.0) | 7.3 | 8.6 |
| NASDAQ 100 | 11,895.23 | 0.0 | 9.0 | 32.6 |
| STOXX 600 | 366.40 | 0.5 | 9.2 | (6.8) |
| DAX | 12,480.02 | (0.0) | 10.2 | (0.2) |
| FTSE 100 | 5,910.02 | 0.5 | 7.7 | (22.3) |
| CAC 40 | 4,960.88 | 0.2 | 10.2 | (12.2) |
| Nikkei | 24,325.23 | 1.3 | 7.3 | 8.4 |
| MSCI EM | 1,176.36 | 0.9 | 6.6 | 5.5 |
| SHANGHAI SE Composite | 3,312.16 | (0.3) | 4.0 | 14.4 |
| HANG SENG | 25,712.97 | 0.1 | 6.7 | (8.4) |
| BSE SENSEX | 41,893.06 | 1.3 | 6.6 | (2.2) |
| Bovespa | 100,925.10 | 2.6 | 13.7 | (35.5) |
| RTS | 1,178.28 | 0.6 | 10.5 | (23.9) |

Source: Bloomberg (*$ adjusted returns)

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