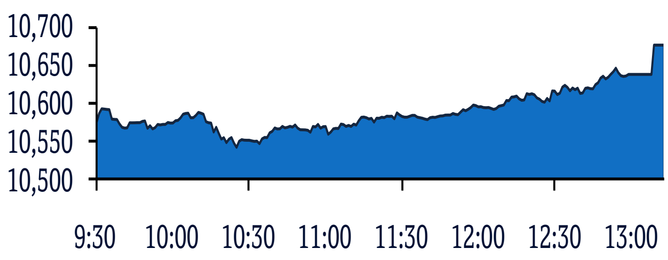
Daily Market Report

Sunday, 10 January 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.9% to close at 10,678.3. Gains were led by the Insurance and Telecoms indices, gaining 2.7% and 1.3%, respectively. Top gainers were Qatar Insurance Company and Qatari German Company for Medical Devices, rising 4.3% and 4.2%, respectively. Among the top losers, Qatar Industrial Manufacturing Co. fell 2.0%, while Qatar General Insurance & Reinsurance Company was down 1.8%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.8% to close at 8,737.2. Gains were led by the Materials and Telecom. Services indices, rising 1.5% and 1.3%, respectively. Alujain Holding rose 8.5%, while National Petrochemical Company was up 6.1%.

Dubai: The DFM Index gained 0.8% to close at 2,625.7. The Investment & Financial Services index rose 2.5%, while the Real Estate & Construction index gained 0.7%. Emirates Refreshments Co. rose 14.9%, while Al Salam Group Holding was up 6.5%.

Abu Dhabi: The ADX General Index gained 0.7% to close at 5,163.7. The Banks index rose 1.3%, while the Real Estate index gained 0.6%. Palms Sports rose 9.9%, while RAK Properties was up 5.9%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 5,537.2. The Financial Services index rose 0.8%, while the Consumer Goods index gained 0.6%. Yiaco Medical Company rose 21.0%, while First Takaful Insurance Co. was up 10.5%.

Oman: The MSM 30 Index fell 0.3% to close at 3,699.4. Losses were led by the Services and Industrial indices, falling 0.8% and 0.6%, respectively. Phoenix Power Company declined 5.5%, while Al Anwar Ceramic Tiles Company was down 3.6%.

Bahrain: The BHB Index fell 0.3% to close at 1,451.2. The Commercial Banks index declined 0.7%, while the other indices ended flat or in green. Khaleeji Commercial Bank declined 5.7%, while Ahli United Bank was down 2.4%.

Market Indicators	07 Jan 21	06 Jan 21	%Chg.
Value Traded (QR mn)	492.5	426.4	15.5
Exch. Market Cap. (QR mn)	618,719.9	612,464.4	1.0
Volume (mn)	180.3	155.9	15.7
Number of Transactions	9,897	8,461	17.0
Companies Traded	46	46	0.0
Market Breadth	31:13	12:29	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,528.64	0.9	2.3	2.3	18.2
All Share Index	3,284.20	1.0	2.7	2.7	19.0
Banks	4,388.89	1.0	3.3	3.3	15.5
Industrials	3,172.29	1.3	2.4	2.4	28.3
Transportation	3,376.50	1.1	2.4	2.4	15.4
Real Estate	1,908.08	(0.4)	(1.1)	(1.1)	16.8
Insurance	2,481.10	2.7	3.6	3.6	N.A.
Telecoms	1,045.94	1.3	3.5	3.5	15.6
Consumer	8,193.81	0.1	0.6	0.6	29.1
Al Rayan Islamic Index	4,332.84	0.8	1.5	1.5	19.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Petrochemical	Saudi Arabia	35.60	6.1	941.4	7.1
BBK	Bahrain	0.50	4.2	68.0	(2.0)
Mouwasat Medical Serv.	Saudi Arabia	141.20	3.7	134.0	2.3
Saudi Industrial Inv.	Saudi Arabia	27.40	3.6	1,051.7	0.0
Rabigh Refining & Petro.	Saudi Arabia	14.36	2.6	9,817.5	3.9

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ahli United Bank	Bahrain	0.71	(2.4)	390.9	(7.2)
Bank Sohar	Oman	0.09	(1.1)	50.0	1.1
Bank Nizwa	Oman	0.10	(1.0)	20.1	(1.0)
ADNOC Distribution	Abu Dhabi	3.87	(1.0)	6,563.8	3.2
Gulf Bank	Kuwait	0.21	(0.9)	17,266.4	(2.3)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Company	2.50	4.3	2,191.7	5.8
Qatari German Co for Med. Devices	2.28	4.2	7,970.0	1.9
Vodafone Qatar	1.40	3.0	6,209.9	4.5
Al Khalij Commercial Bank	2.05	2.8	41,715.4	11.5
Ahli Bank	3.50	2.7	1,037.6	1.5

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Industrial Manufacturing	3.15	(2.0)	4.5	(2.0)
Qatar General Ins. & Reins. Co.	2.60	(1.8)	4.3	(2.3)
United Development Company	1.59	(1.2)	4,161.4	(3.9)
Aamal Company	0.85	(1.0)	1,147.1	(0.4)
Qatar Oman Investment Co.	0.88	(1.0)	1,109.8	(0.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Al Khalij Commercial Bank	2.05	2.8	41,715.4	11.5
Investment Holding Group	0.59	(0.8)	24,391.5	(2.0)
Mazaya Qatar Real Estate Dev.	1.26	(0.9)	10,855.4	(0.2)
Gulf International Services	1.72	(0.6)	10,641.9	0.1
Ezdan Holding Group	1.79	0.7	10,104.9	0.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Al Khalij Commercial Bank	2.05	2.8	85,691.2	11.5
QNB Group	18.74	1.4	76,689.4	5.1
Qatar Fuel Company	19.00	0.0	30,286.7	1.7
Masraf Al Rayan	4.57	1.2	24,134.6	0.8
Barwa Real Estate Company	3.42	(0.1)	18,635.7	0.6

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*	10,678.28	0.9	2.3	2.3	2.3	134.12	168,848.7	18.2	1.6	3.7
Dubai	2,625.66	0.8	5.4	5.4	5.4	110.00	96,134.0	12.5	0.9	3.7
Abu Dhabi	5,163.75	0.7	2.3	2.3	2.3	116.32	201,170.8	20.5	1.5	4.7
Saudi Arabia	8,737.20	0.8	0.5	0.5	0.5	2,258.47	2,427,340.6	35.0	2.1	2.4
Kuwait	5,537.19	0.1	(0.2)	(0.2)	(0.2)	113.05	103,835.8	35.4	1.4	3.6
Oman	3,699.36	(0.3)	1.1	1.1	1.1	1.24	16,666.2	11.1	0.7	6.8
Bahrain	1,451.23	(0.3)	(2.6)	(2.6)	(2.6)	3.88	22,132.6	14.1	1.0	4.6

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

Qatar Market Commentary

- The QE Index rose 0.9% to close at 10,678.3. The Insurance and Telecoms indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Qatar Insurance Company and Qatari German Company for Medical Devices were the top gainers, rising 4.3% and 4.2%, respectively. Among the top losers, Qatar Industrial Manufacturing Company fell 2.0%, while Qatar General Insurance & Reinsurance Company was down 1.8%.
- Volume of shares traded on Thursday rose by 15.7% to 180.3mn from 155.9mn on Wednesday. However, as compared to the 30-day moving average of 208.6mn, volume for the day was 13.6% lower. Al Khalij Commercial Bank and Investment Holding Group were the most active stocks, contributing 23.1% and 13.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	29.07%	46.41%	(85,384,902.6)
Qatari Institutions	29.78%	21.99%	38,372,893.3
Qatari	**58.85%**	**68.39%**	**(47,012,009.3)**
GCC Individuals	0.44%	0.43%	27,103.4
GCC Institutions	5.09%	9.98%	(24,095,382.6)
GCC	**5.53%**	**10.42%**	**(24,068,279.2)**
Arab Individuals	6.76%	8.51%	(8,635,275.1)
Arab Institutions	0.01%	0.04%	(152,292.2)
Arab	**6.77%**	**8.55%**	**(8,787,567.3)**
Foreigners Individuals	2.42%	2.17%	1,204,327.6
Foreigners Institutions	26.44%	10.47%	78,663,528.2
Foreigners	**28.86%**	**12.64%**	**79,867,855.8**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
National Company for Learning and Education**	Saudi Arabia	SR	42.1	-16.8%	6.2	-50.9%	3.8	-67.5%
Al-Oula Company#	Oman	OMR	179.2	-1.8%	–	–	45.5	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, ** Financial for period ending November 30, 2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/07	US	Department of Labor	Initial Jobless Claims	02-Jan	787k	800k	790k
01/07	US	Department of Labor	Continuing Claims	26-Dec	5,072k	5,200k	5,198k
01/07	US	Institute for Supply Management	ISM Services Index	Dec	57.2	54.5	55.9
01/07	UK	Markit	Markit/CIPS UK Construction PMI	Dec	54.6	54.6	54.7
01/07	EU	European Commission	Consumer Confidence	Dec	-13.9	–	-13.9
01/07	EU	Eurostat	CPI Estimate YoY	Dec	-0.3%	-0.3%	-0.3%
01/07	EU	Eurostat	CPI MoM	Dec	0.3%	0.3%	-0.3%
01/07	EU	Eurostat	CPI Core YoY	Dec	0.2%	0.2%	0.2%
01/07	Germany	Markit	Markit Germany Construction PMI	Dec	47.1	–	45.6
01/08	France	INSEE National Statistics Office	Industrial Production MoM	Nov	-0.9%	-1.0%	1.9%
01/08	France	INSEE National Statistics Office	Industrial Production YoY	Nov	-4.6%	-5.0%	-3.9%
01/08	France	INSEE National Statistics Office	Manufacturing Production MoM	Nov	0.5%	-2.0%	0.8%
01/08	France	INSEE National Statistics Office	Manufacturing Production YoY	Nov	-4.3%	-5.9%	-5.4%
01/09	China	The People's Bank of China	Money Supply M0 YoY	Dec	–	10.3%	10.3%
01/09	China	The People's Bank of China	Money Supply M1 YoY	Dec	–	10.2%	10.0%
01/09	China	The People's Bank of China	Money Supply M2 YoY	Dec	–	10.7%	10.7%
01/07	India	Central Statistics Office India	GDP Annual Estimate YoY	2021	-7.7%	-7.5%	4.2%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Jan-21	2	Due
MARK	Masraf Al Rayan	19-Jan-21	9	Due
QFLS	Qatar Fuel Company	21-Jan-21	11	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	17	Due
QAMC	Qatar Aluminum Manufacturing Company	4-Feb-21	25	Due
DHBK	Doha Bank	8-Feb-21	29	Due
QIMD	Qatar Industrial Manufacturing Company	14-Feb-21	35	Due

Source: QSE

News

Qatar

- **MARK and KCBK sign merger agreement –** Masraf Al Rayan (MARK) and Al Khalij Commercial Bank (KCBK) announced that they have entered into a merger agreement, to create a leading Shari'ah-compliant regional bank. The merger will create one of the largest Shari'ah-compliant banks in Qatar and in the Middle East with combined assets worth around QR172bn as of September 30, 2020. Following the Merger, KCBK's business will be absorbed into MARK's business, and MARK will be the remaining legal entity, which will continue to operate in accordance with Islamic Shari'ah principles. HE Ali bin Ahmad Al Kuwari will become Chairman and HE Sheikh Hamad bin Faisal bin Thani Al Thani will become Vice Chairman of the board of the merged entity. The Executive Committee of the board will be chaired by Sheikh Hamad bin Faisal bin Thani Al Thani. The combined entity will have an enhanced presence in Qatar and selected international presence, which will help achieve market leading cost efficiency, increase future growth potential due to an increase in the capital base and have considerable synergy potential that could accelerate value creation for shareholders. The merger will create significant scope for achieving cost efficiencies in the coming years and is expected to unlock cost synergies in the region of 15% of the combined 9M2020 annualized cost base, after integration is completed, driven by increased scale and annual efficiency gains. There is also potential for revenue synergies between the two banks. MARK will issue 0.50 of its shares for every KCBK share, corresponding to a total of 1,800mn new shares issued to KCBK shareholders. The exchange ratio implies a premium to KCBK shareholders of 21.4% versus the share price before the board meeting announcement to discuss the merger (closing share price as of January 5th 2021) and 66.7% versus the share price before the announcement of the initial negotiations regarding a potential merger (closing share price as of June 30th 2020).The Merger Agreement is conditional on, amongst other things, obtaining regulatory approvals and upon the requisite resolutions being passed by the shareholders of MARK and KCBK. Both entities will continue to operate independently until the effective date of the Merger. The management teams of both banks will shortly be setting up a committee to develop a detailed integration plan. (QSE, Peninsula Qatar)
- **QLM set for QSE listing on January 13 –** Qatar Stock Exchange (QSE) announced that it has decided to admit the shares of QLM Life and Medical Insurance Company (QLM) to trading in the market as of Wednesday, January 13, 2021, after completing all necessary technical and administrative procedures. With the listing of QLM, the number of listed companies on QE will increase to 48. An official source at QSE said that the shares of QLM will be listed with the code 'QLMI' in the Insurance sector. As usual, price floatation for QLM will be permitted only for the first day of listing. Price fluctuation on the second day and thereafter will be permitted by 10% up or down as in the case of all other listed companies. The source explained that there will be no change in the trading session during the first day of listing, except for the pre-open period as brokerage companies will be only permitted to enter buy or sell orders for QLM shares starting at 8.30 am during the first listing day only, while the pre-open period for other listed companies will remain as usual at 9 am. The data will become available at the brokerage firms effective from Sunday, January 10, 2021, so investors will be able to submit their buy or sell orders directly to the brokers as of that date, the source added. QLM was established on April 30, 2018 with an authorized capital of QR350mn, which is 100% paid in full. The company's main objective is to carry out life and medical insurance and reinsurance activities under its license issued by the Qatar Central Bank, and any additional insurance activities, which may be licensed to the company in the future. In carrying out its core objective, the company shall be authorized in its Articles of Association to carry out any other activities that do not contradict to its main activities. (QSE, Qatar Tribune)
- **QIIK to disclose its annual financial results on January 26 –** Qatar International Islamic Bank (QIIK) will disclose its financial statement for the period ending December 31, 2020 on January 26, 2021. (QSE)
- **WAM: UAE to reopen all borders with Qatar starting January 9 –** The UAE said it will reopen land, sea, and air borders with Qatar starting January 9, according to state-run WAM news agency. (Bloomberg)
- **Qatar-Saudi land border reopens –** Vehicles have crossed the Saudi Arabian land border from Qatar for the first time since four Arab states severed diplomatic and transport ties with Doha in mid-2017. The development came on Saturday after a deal this week to restore relations between the Gulf neighbors. In a tweet on Saturday, Qatar's General Authority of Customs said, "Land Customs Administration has resumed procedures for receiving travelers to and from the country, in coordination with its partners from the government agencies operating at the Abu Samra border crossing." The Saudi Customs, at Salwa border crossing with Qatar, began operations as the border port

received a number of arrivals from Qatar, completing all customs procedures, according to the health procedures followed in all ports. The Saudi Customs had started working, immediately, after announcing the agreement to open the airspace, land, sea and air ports between Saudi Arabia and Qatar, to equip Salwa port with all technical and operational aspects, in cooperation with all government agencies, to ensure that port meets all requirements to provide distinguished services to all travelers. Saudi state television Al-Ekhbariya on Saturday aired footage of Qatari cars entering the kingdom via the Salwa border crossing. (Qatar Tribune)

- **Qatar Airways to fly to three Saudi cities –** After it was reported on Friday that Qatar Airways would fly to Saudi Arabian capital Riyadh on Monday for the first time since June 2017, the airline on Saturday said it would resume flights to other Saudi cities as well in the coming days. In a tweet on Saturday, Qatar Airways announced that it would resume flights to Saudi Arabia starting with services to Riyadh on Monday, followed by Jeddah on Thursday, January 14, and Dammam on Saturday, January 16. All Qatar Airways flights to Saudi Arabia will be operated exclusively by wide-body aircraft, including the Boeing 777-300, Boeing 787-8 and Airbus A350. Qatar Airways flights will start with a daily service to Riyadh, four flights a week to Jeddah and daily flights to Dammam, the airline tweeted. (Gulf-Times.com)
- **Aamal Company, QCS sign agreement to provide cancer treatment to needy patients –** Aamal Company and Qatar Cancer Society (QCS) have signed a cooperation agreement. The pact will see Aamal Company providing financial assistance to QCS to support provision of cancer treatment for patients who cannot afford it otherwise, and see Aamal Company working with QCS to prevent cancer, promote early detection and support those fighting cancer. (Qatar Tribune)
- **Fitch: Qatar banks' funding, liquidity profiles to get boost from end to blockade –** Qatari banks' funding and liquidity profiles are expected to benefit from the end to the blockade on Qatar, according to Fitch, a global rating agency. “We expect Saudi clients, who withdrew deposits from Qatari banks due to the blockade, to start shifting some of their funds back,” Fitch said in its note. This would provide Qatari banks with an additional pool of liquidity, helping to diversify funding base, reduce the reliance on price-sensitive government-related entity and corporate deposits, and cut funding costs, it said. Although the blockade had led to the withdrawal of about $30bn of non-resident deposits from Qatari banks in June-October 2017, predominantly by Saudi Arabian depositors but also by some from the UAE, causing tightening of foreign-currency liquidity; Fitch said the Qatari authorities stepped in with $40bn of sovereign liquidity injections, consisting mainly of placements by the Qatari Central Bank, the Ministry of Finance and the Qatar Investment Authority. Other non-resident deposits, mostly from Thai asset managers and other Asian depositors, were broadly stable at the start of the blockade and have since increased. Qatari banks' total non-domestic deposits accounted for 25% of their overall deposits at end of the third quarter of 2020, in line with pre-blockade levels. Some banks replaced some of their price-sensitive deposits with interbank borrowings in 2020 to reduce their cost of funding and alleviate the pressure on margins due to the coronavirus pandemic, Fitch said. “The availability of additional sources of liquidity following the lifting of the blockade should also help banks to lengthen their maturity profile and reduce their reliance on short-term funding, which is particularly important for banks with net stable funding ratios below the 100% minimum regulatory requirement,” Fitch said. The end to the blockade should encourage the GCC tourists back to Qatar when the pandemic eventually eases, it said, adding this should help reduce the pressure on the country's realty and hospitality sectors, which are the largest sources of asset-quality stress for banks. The sector-average ‘Stage 3’ (impaired) loan ratio is below 3% but the ‘Stage 2’ (increased credit risk) loan ratio varies significantly among banks, from less than 5% to nearly 30%, indicating significant underlying asset-quality pressure at some banks. Banks with the highest stock of Stage 2 loans are those with the highest exposures to the real estate and building contractor sectors. Qatari banks' issuer default ratings are on ‘Stable’ outlook as they are driven by Fitch's view of an extremely high probability of support for banks from the Qatari authorities, should it be needed. The authorities have a strong record of supporting the banking sector, demonstrated most recently by their liquidity injections in response to the blockade, it said. (Gulf-Times.com)
- **S&P: Qatar's improved ties could aid Qatari insurers –** S&P Global Ratings (S&P) said that Qatar and Saudi Arabia's reopening of their airspace and sea and land borders in an effort to end a longstanding diplomatic dispute could have a positive effect on the business growth and investment returns of Qatari insurers in the medium term. S&P stated, “We anticipate that the restoration of ties between Qatar and Saudi Arabia, as well as with the other countries that had severed relations with Qatar, including Bahrain, Egypt, and the UAE, will improve political and economic collaboration within the GCC and wider region. That said, we do not foresee an impact on our ratings on Qatar (AA-/Stable/A-1+) or on the countries removing the boycott (see "Resolution Of The Qatar Dispute To Improve Political And Economic Cooperation In The GCC Region," published Jan. 7, 2021, on RatingsDirect).” Over time, Qatari insurers are likely to benefit from more regional travel, tourism, and possibly trade, which could lead to an increase in insurable risks and consequently premium income. More foreign investment could also improve Qatari insurers' asset prices and investment returns, since most of their investments are held in Qatar and investment income is a key contributor to their overall earnings. S&P added, “We rate the following insurance companies in Qatar: (1) Qatar Insurance Co. (QATI) and its rated subsidiaries (A/Negative) (2) Al Koot Insurance & Reinsurance Co. S.A.Q. (A-/Stable) (3) Doha Insurance Group (DOHI) (A-/Stable) (4) Al-Khaleej Takaful Insurance Co. (AKHI) (BBB/Stable); – Seib Insurance and Reinsurance Co. LLC (BBB/Stable); and Sharq Insurance LLC (BBB/Negative). The restoration of diplomatic ties does not have an immediate effect on these ratings.” (S&P Global Ratings, Bloomberg)
- **UAE-Qatar trade restart to boost regional investments –** The UAE’s decision to resume trade relations with Qatar has been received with great optimism among the business community here, as the historic deal is poised to see resumption of previous investment and trade opportunities between nations. Of

particular importance will be the reopening of Saudi and Emirati airspace to Qatar ahead of the 2022 FIFA World Cup, which Qatar is hosting. The event is expected to draw more than one million football fans with majority of travelers coming from the East likely to use Dubai as a major layover and travel hub. Qatar's total trade with the UAE stood at $3.5bn just before the year the embargo was imposed. On the tourism front, the UAE, along with its Gulf neighbors have contributed to majority of tourist inflow with a total of 45% of the estimated tourist population. (Zawya)

- **Qatar re-opens chemical trades within GCC after diplomatic breakthrough –** With Saudi-led Gulf Cooperation Council (GCC) members restoring relations with Qatar, polyethylene (PE) and polypropylene (PP) processors in Saudi Arabia can now supply products to the Qatari market. Saudi PE and PP producers are thus hopeful of improved resin uptake following the historic event that brings optimism to the processing community in Saudi Arabia, the latter being a major processing hub in the Middle East. Asia can also expect better and stable supply from the GCC region following the deal. The GCC countries are typical import origins for polyolefins flowing into Asia, particularly into the Chinese market, said ICIS senior analyst Amy Yu. "Restoration of diplomatic relations might mean that the PE cargoes' transport and supply prospects [will] become more stable," Yu said. (Bloomberg)
- **Qatar-GCC trade to rise in 2021 –** The volume of trade between Qatar and the GCC is set to rise significantly this year, after reopening of Saudi border and normalization of relations between Qatar and its neighbors. In the last three years, Qatar's trade with the GCC included imports and exports with Oman and Kuwait only. But, with relations getting back to normal, Qatar-GCC trade will also include imports and exports with Saudi Arabia, Bahrain and the UAE. This will have a major positive impact on trade between Qatar and the GCC. QNA reported yesterday that Saudi customs at Salwa Port has begun receiving arrivals from Qatar. As per the report, the Saudi customs, at Salwa border crossing with Qatar, began operations as the border port received a number of arrivals, coming from Qatar, completing all customs procedures, according to the health procedures followed in all ports. According to the data available with the Planning and Statistics Authority, Qatar's total trade volume with the GCC in the third quarter of last year was around QR3.18bn. Of this total trade, Qatar's exports to the GCC countries were around QR2.47bn while the imports by Qatar from the GCC were around QR707mn. "The opening of border between Qatar and Saudi Arabia is very good news for overall trade. Now we will see a smooth flow of goods between Qatar and the GCC. We expect rise in the trade of food items, pharmaceutical products and construction-related products in the coming months," Chief Financial Officer of a construction company told The Peninsula. (Peninsula Qatar)
- **EIU: Qatar's economy to return to positive growth in 2021 on global LNG demand, GCC diplomatic breakthrough –** Qatar's economy will return to positive growth in 2021, of 1.8%, on the back of economic benefits from a recovery in Chinese and global LNG demand, as well as the diplomatic breakthrough in the GCC crisis, Economist Intelligence Unit (EIU) has said in a report. According to EIU, Qatar's ability to fully service its significant debt obligations remains strong, supported by ample foreign reserves and the assets of the Qatar Investment Authority (QIA) the country's sovereign wealth fund. EIU has given the banking sector risk rating of 'BB', which it said is supported by a robust regulatory framework and solid capital and liquidity indicators. Commercial banks in Qatar have been increasing liquidity from abroad in the form of a number of debt issues, and cash injections from the QIA have bolstered banks' liquidity. The ratio of non-performing loans as a proportion of total loans has historically been low, but is likely to rise in the short term, it said. The country's currency risk is B-rated; EIU said noted that although export earnings were expected to have fallen in 2020, the Riyal's peg to the US dollar is backed by healthy foreign reserves and QIA assets. The current account will have moved into deficit in 2020, but the currency regime is expected to weather the short-term economic shocks, EIU said. (Gulf-Times.com)
- **Qatar offers Deodorized Field Condensate for March –** Qatar Petroleum for the Sale of Petroleum Products Company Limited (QPSPP) is offering 500k-1mn barrels of Deodorized Field Condensate for March loading, according to a tender document. Cargo to load from Ras Laffan. The bids are due at 12:30pm local time on January 13. (Bloomberg)
- **QIA, Enel to develop renewables in Africa –** Enel SpA has signed a joint venture agreement with Qatar Investment Authority (QIA), the Middle East nation's sovereign wealth fund, to own and develop renewable energy projects in Africa. Enel Green Power, a unit of the Italian utility, will partner with QIA, which will acquire a 50% stake in about 800 megawatts of projects built and under construction in South Africa and Zambia and add more plants across the continent, the companies said in a statement Thursday. The Italian company, with plans to increase its renewable capacity to 60% by 2022, said last year that it was searching for a partner in Africa. QIA will acquire half of the Enel unit's stake in four projects under construction in South Africa, and two further plants in operation in the same country as well as in Zambia, subject to approvals. The joint venture will be in charge of financing and building new renewable projects. Enel Green Power said it will retain ownership of more than 500 megawatts of capacity in wind and solar projects in South Africa. (Bloomberg)
- **Public transport sector set for major makeover –** The Public Works Authority (Ashghal) is set to provide a major facelift to Qatar's public transport sector with its Buildings Projects Department working to set up bus depots and stops in various areas. In coordination with the Ministry of Transport and Communications (MoTC), the department is working on eight main bus stations in West Bay, Msheireb, Industrial Area, Al Soudan, Al Gharafa, Education City, Al Wakra and Lusail while four major bus depots are in the making at Lusail, Al Rayyan, Industrial Area and Al Wakra. Ashghal has informed that works are under way at these places where the said facilities are being designed in accordance with the highest global safety and environment standards, GSAS. The bus depots and stations have important design and operational considerations with three-star environmental quality for energy saving and environmental conservation. The bus depots at Lusail, Al Rayyan, Industrial Area and Al Wakra extend from 129,000

square meters to 190,000 square meters in size, while the bus stations have an average capacity of accommodating 25 vehicles. (Gulf-Times.com)

- **Qatar's real estate deals cross QR2.6bn during December 27-31 –** The total value of real estate transactions in the sales contracts registered at the Real Estate Registration Department of the Ministry of Justice from December 27 to 31, 2020, reached QR2.698bn. According to the weekly bulletin issued by the Department, types of real estate traded included plots of land, houses, residential buildings, multi-use buildings, towers and a residential compound. Most of the trading took place in the municipalities of Doha, Al Rayyan, Al Da'ayen, Al Wakrah, Umm Salal, Al Shamal, Al Khor , Ash-Shahaniyah and Al Dhakira. (Qatar Tribune)
- **United Overseas Group to acquire United Arab Chemical Carriers –** Investment company United Overseas Group (UOG) is to acquire Dubai-based shipping company United Arab Chemical Carriers (UACC), the two companies said on Thursday. The deal is subject to regulatory approvals and is expected to close in the first quarter, they said, without disclosing the value. UOG is controlled by shipping industry veterans Peter Georgiopoulos and Leonidas Vrondissi. UACC's main single shareholder is a special purpose vehicle jointly owned by Saudi Arabia's Public Investment Fund (PIF) and the Qatar Investment Authority (QIA), according to the company's website. (Reuters)
- **Qatar, US to set up 2021 Forum for Economy and Investment –** Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani met with US Secretary of the Treasury HE Steven Mnuchin and his accompanying delegation. During the meeting, they reviewed the strategic cooperation relations between the State of Qatar and the US and ways to develop them, in addition to discussing a number of issues of mutual interest. Also, the Prime Minister and Minister of Interior Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani witnessed the signing of a memorandum to establish the joint committee to operate and establish the 2021 Qatar-US Forum for Economy and Investment, between the Ministry of Finance of the State of Qatar and the US Department of the Treasury. (Peninsula Qatar)

International

- **US economy loses jobs as COVID-19 hammers restaurants, bars –** The US economy shed jobs for the first time in eight months in December as the country buckled under an onslaught of COVID-19 infections, suggesting a significant loss of momentum that could temporarily disrupt the recovery from the pandemic. The plunge in nonfarm payrolls reported by the Labor Department on Friday was concentrated in the coronavirus-sensitive leisure and hospitality sector, which lost nearly half a million jobs. But with other industries including retail, manufacturing and construction performing better, the economy is unlikely to tip back into recession. Nearly $900bn in additional pandemic relief approved by the government in late December will probably provide a backstop. More fiscal stimulus is expected now that Democrats have gained control of the US Congress, boosting the prospects for President-elect Joe Biden's legislative agenda. There is also optimism the rollout of coronavirus vaccines will be better coordinated under the incoming Biden administration. Congress on Thursday formally certified Biden's victory in the November 3 election, hours after hundreds of President Donald Trump's supporters stormed the US Capitol. The employment report is one of the final scorecards delivered during the Trump presidency and stands as a reminder of the tumultuous economic crisis that marked his last months in office. (Reuters)
- **US wholesale inventories revised up in November –** US wholesale inventories were unchanged in November instead of falling as initially estimated, the government said on Friday, supporting expectations that inventory investment was likely the main driver of economic growth in the fourth quarter. The Commerce Department estimated last month that wholesale inventories dipped 0.1% in November. Stocks at wholesalers surged 1.3% in October. The component of wholesale inventories that goes into the calculation of GDP fell 0.1% in November. Inventories decreased 2.1% in November from a year earlier. The economy is expected to have expanded at around a 5% annualized rate in the fourth quarter, with the bulk of the rise in gross domestic product seen coming from inventory investment. Businesses are replenishing inventories after they were drawn down early in the pandemic. That has helped to underpin manufacturing. Inventory accumulation is expected to blunt some of the drag on GDP from a widening trade deficit, which hit a more than 14-year high in November. The economy grew at a historic 33.4% pace in the third quarter after shrinking at a 31.4% rate in the April-June period, the deepest since the government started keeping records in 1947. Inventories added to GDP growth in the third quarter after being a drag for five straight quarters. Wholesale stocks of motor vehicles and parts rebounded 0.8% in November after slipping 0.2% in October. Sales at wholesalers rose 0.2% in November after accelerating 1.7% in October. At November's sales pace it would take wholesalers 1.31 months to clear shelves, unchanged from October. (Reuters)
- **The Times: Sunak looking to delay tax rises –** British finance minister Rishi Sunak is expected to delay plans for tax rises until late this year, The Times newspaper reported on Friday, citing a senior government source. The source said the upcoming budget on March 3 was the "wrong time" for tax rises and the plans were likely to be delayed until autumn at the earliest, the newspaper reported. Sunak has also rejected calls to extend a temporary cut to taxes on property purchases, known as stamp duty, that is due to expire at the end of March, the Times reported. A source at the finance ministry told Reuters that it never comments on tax policy. "But the truth is that no decisions have been taken this far in advance, not least given the amount of uncertainty in the current outlook," the source added. Analysts say the temporary stamp duty cut helped to fuel a pandemic boom in Britain's housing market as buyers sought bigger houses with gardens during the coronavirus lockdown. Sunak launched a 4.6bn Pound ($6.2bn) support package for businesses on Tuesday to soften an expected recession caused by a surge in COVID-19 cases that has triggered a third national lockdown. Sunak has previously announced emergency help for the economy worth 280bn Pounds, including a massive job protection scheme that will run until the end of April. Britain's economy looks likely to tip back into recession - shrinking in the final quarter of 2020 and the

first quarter of 2021 - following a record 25% fall in output in the first two months of lockdown last year. (Reuters)

- **Halifax: UK housing market boom slowed ahead of tougher 2021 –** British house prices rose 6.0% in December, the slowest annual rate in four months, and there is likely to be more downward pressure later in 2021 after a surge last year, mortgage lender Halifax said on Friday. House prices were 6% higher in December than a year previously, Halifax said, following a 7.6% rise in November that was the largest in four-and-a-half years. In December alone, prices rose 0.2% - the smallest month-on-month rise for six months. Britain's housing market boomed after the first COVID-19 lockdown as buyers sought bigger houses with gardens. Earlier this week the Bank of England said mortgage approvals in November topped 100,000 for the first time since 2007. Halifax said this activity ought to support house prices in the near term - at least until the end of March when a temporary cut to property purchase tax expires and the "Help to Buy" government subsidy for new-build houses is scaled back. "However, with the pace of the UK's economic recovery expected to be constrained by the renewed national lockdown, and unemployment widely predicted to rise in the coming months, downward pressure on house prices remains likely as we move through 2021," said Halifax Managing Director Russell Galley. (Reuters)
- **German industrial output, exports rise in November –** German industrial output and exports rose in November, adding to signs that the manufacturing sector gave impetus to Europe's largest economy in the fourth quarter. Industrial output was up by 0.9% on the month and exports rose by 2.2%, figures released by the Federal Statistics Office on Friday showed. It was the seventh month in a row that both readings rose, following a lockdown in March and April to contain a first wave of the coronavirus pandemic that sparked an economic crisis expected to push Germany into its worst recession since World War Two. A breakdown of the output data showed that manufacturing and construction compensated for a drop in energy output, which fell by almost 4%. Imports surged by 4.4%, which resulted in both the current account and trade balance shrinking from the previous month. Germany imposed another lockdown in November that was toughened and extended this month as it struggles to contain a second wave of infections, with restaurants, theatres, fitness studios and all other non-essential businesses being forced to close. (Reuters)
- **Japan's November household spending unexpectedly rose –** Japan's household spending unexpectedly rose in November, as consumer sentiment showed cautious signs of recovery from the damage inflicted by the coronavirus pandemic. A one-month state of emergency for the Tokyo area approved by the government on Thursday is likely to hurt the recovery in domestic demand, with some analysts expecting the economy to fall into contraction in the first quarter of this year. Household spending rose 1.1% in November compared to the same month a year earlier, underpinned by strong expenditure on utilities as well as meat and vegetables, official data showed on Friday. The data, which beat a median forecast for a 1.5% decline, marked the second month of expansion following a 1.9% gain in October. However, household spending slipped 1.8% in November from the previous month, the first such decline in four months, with demand for services such as travel tours hurt by a resurgence in COVID-19 infections. Household spending was already under pressure throughout most of last year, due to the heavy hit of the COVID-19 crisis and after the government in October 2019 raised the country's nationwide sales tax. (Reuters)
- **In Japan, wider COVID-19 curbs heighten risk of double-dip recession –** Japan is considering extending a state of emergency from the Tokyo metropolitan area to other regions as coronavirus cases increase, a move that could heighten the risk of a double-dip recession for the world's third-largest economy. Prime Minister Yoshihide Suga conceded that the measures that took effect in the capital region on Friday might also be needed in other parts of the country as infections spread. The government has resisted calls from some experts for wider curbs beyond those imposed in Tokyo because of the economic pain they would cause. Analysts and officials have warned the limited, one-month state of emergency targeting Tokyo and neighboring prefectures could lead to a contraction in economic growth for the current quarter. Another contraction in April-June, though considered unlikely for now, could become a reality if broader and longer curbs become necessary to slow the spread of COVID-19, some analysts say. That would push Japan into another recession, defined as two consecutive quarters of economic contraction, following one in the first half of last year. The western prefecture of Osaka, the country's second-largest urban area, plans to ask the government to impose a state of emergency there, its governor said on Friday. Kyoto and Hyogo - two other prefectures in western Japan - are expected to make the same request, media reported. (Reuters)
- **Chinese telecom firms lose $5.6bn in value as index providers drop them –** Index providers MSCI Inc, FTSE Russell and S&P Dow Jones Indices said they would cut three Chinese telecom companies from benchmarks, part of a widening fallout from a US investment ban that has battered their share prices. The deletions of China Mobile, China Telecom and China Unicom Hong Kong add to a raft of Chinese firms already dropped from indexes because of the ban and will force index tracking funds to sell their stock. The firms have large numbers of passive investors and the announcements wiped a combined $5.6bn off the value of their Hong Kong-traded shares on Friday. "If you're a passive index provider, of course, you need to get out of the way," said Kay Van Petersen, global macro strategist at Saxo Capital Markets in Singapore. "And obviously if you're active and you know the index providers are going to have to get out of the way, you're not going to just be sitting around while something is getting sold off." The index deletions stem from a November order from US President Donald Trump, which bans Americans from investing in Chinese companies that the US deems to have links with China's military. They also come on the heels of a decision by the New York Stock Exchange - after some flip-flopping - to delist the three firms' US-traded American Depositary Receipts on January 11. MSCI said it would remove the three companies from its China indexes on Jan. 8 and FTSE Russell said they would be cut from its Global Equity Index series and China A Inclusion indexes on January 11. S&P Dow Jones Indices will remove the Hong Kong-traded stocks of the three firms, as well as fixed income securities of

China Telecom and China United Network Communications Co Ltd on January 12. (Reuters)

- **China to counter 'unjustified' foreign trade and business laws –** China's Ministry of Commerce on Saturday published new rules for countering "unjustified" laws and restrictions imposed by foreign countries on Chinese companies and citizens, as economic relations between Beijing and Washington deteriorate. The rules on "unjustified extra-territorial application of foreign legislation" were posted on department's website and established a "working mechanism" to assess the legal implications of such incidents. According to the notice, a Chinese person or organization that is restricted by foreign legislation from "engaging in normal economic, trade and related activity with a third State or its citizens," may report it to the commerce department within 30 days. The commerce department will then assess a case for its potential violation of international law, impact on China's sovereignty and national security, and impact on Chinese citizens. When a citizen or other organization "suffers significant losses" from non-compliance with foreign legislation, "relevant government departments may provide necessary support", the notice says. The Chinese government might also enact "necessary counter-measures" in response. The new rules come amid an ongoing backlash against various Chinese companies from foreign governments, especially the US. Last year Washington, citing national security concerns, imposed restrictions on Huawei Technologies Co Ltd, a telecom and consumer hardware giant, that deprive it of critical components and threaten to cripple its smartphone business. Social media giants ByteDance has also been caught in Washington's crosshairs, when last autumn the Trump Administration attempted to force it to sell the US division of its popular app TikTok. (Reuters)

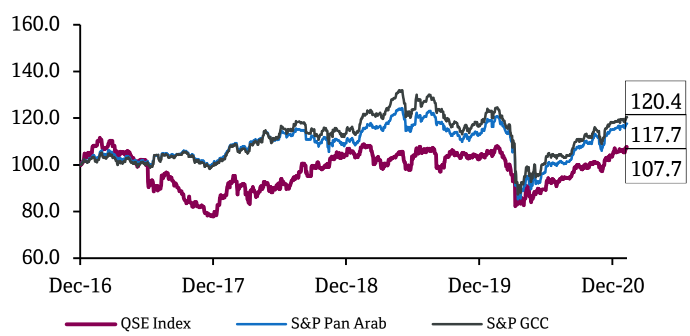
Regional

- **World Bank: Middle East GDP set to rise 2.1% in 2021 –** GDP in the Middle East, is expected to rise 2.1% this year, supported largely by firming global oil demand and easing domestic lockdowns, according to the World Bank. "The recovery is contingent on containment of the pandemic, stabilizing oil prices, no further escalation of geopolitical tensions and the assumption of a vaccine rollout in the second half of the year," the latest Global Economic Prospects report said. For oil exporters, growth is expected to recover to 1.8% this year, on oil demand normalizing, the scheduled easing of OPEC+ oil production cuts, policy support and the gradual loosening of domestic pandemic-related restrictions, it said. The UAE economy is projected to grow 1% this year and 2.4% in 2022, from an estimated 6.3% contraction in 2020. Saudi Arabia's GDP is set to grow 2% this year and 2.2% in 2022, after an estimated decline of 5.4% last year. Kuwait will see a marginal 0.5% growth in 2021 from an estimated 8% contraction last year. Activity in the Kingdom will be supported by "a resumption of public capital investment projects postponed during the pandemic and a recovery of demand after the sharp rise of the value added tax." Growth in oil importers is expected to rebound to 3.2% in 2021 as mobility restrictions are gradually eased and exports and domestic demand recover slowly. The World Bank report sees downside risks to the projections from trajectory of the pandemic and its social impacts, downward pressure on oil prices, domestic political uncertainty, and geopolitical tensions. Oil importers could also be affected by a downturn in oil prices through lower remittances and a decline in foreign direct investment from oil exporting countries in the region. Output in Middle East and North Africa (MENA) oil exporters is estimated to have contracted by 5.7% last year. Oil importers, however, experienced a milder contraction of 2.2% in 2020, reflecting an initially limited COVID-19 outbreak in the first half of the year and lower oil prices. (Zawya)
- **Global connectivity woes hamper Middle East air cargo recovery' –** The lack of international connectivity is hampering air cargo recovery in the Middle Eastern region; IATA said and noted seasonally adjusted demand remains on an upward trend. Middle Eastern carriers reported a decline of 2.2% in YoY international cargo volumes in November, a 1.1% deterioration from October, IATA said. IATA data for global air freight markets in November showed that freight volumes improved compared to October but remain depressed compared to 2019. Capacity remains constrained from the loss of available belly cargo space as passenger aircraft remain parked. Global demand, measured in cargo ton-kilometers (CTKs), was 6.6% below previous-year levels in November (-7.7% for international operations). This was on par with the 6.2 % YoY drop in October. The YoY decline is skewed as November 2019 had a boost in demand from the waning US-China trade war. Seasonally adjusted demand (SA CTKs) continued to improve, increasing 1.6% MoM in November. This was a slight improvement over the monthly growth rate of 1.1% in October. Current MoM gains indicate that SA CTKs will return to 2019 levels around March or April 2021. (Gulf-Times.com)
- **UBS: Saudi's surprise output cut to lift Brent to $60/bbl by mid-year –** UBS raised its forecast for Brent oil prices to $60 per barrel by mid-year, following Saudi Arabia's surprise unilateral production cut and expectations of a sharp recovery in demand in the second quarter on vaccine rollouts and increased travel. With Saudi Arabia's move, OPEC's production increase of 0.5mn bpd for January is reversed in full, which will result in a tighter oil market in the first half of the year, analysts at the Swiss bank wrote in a note. The world's largest oil exporter on Wednesday pledged additional, voluntary oil output cuts of one million (bpd) in February and March, sending benchmark Brent prices to their highest since February. "The Kingdom's preemptive move suggests to us a desire to defend prices and support the oil market amid demand concerns due to extended mobility restrictions in Europe," UBS said. "But if demand falls to a lesser extent, the Saudi move would also help to accelerate the process of reducing oil inventories." (Reuters)
- **Saudi-backed Lucid in talks for electric car factory near Jeddah –** Lucid Motors Inc. is in talks with Saudi Arabia's sovereign wealth fund to build an electric vehicle factory potentially near the Red Sea city of Jeddah, according to sources. The move would mark a significant expansion for Newark, California-based Lucid. Saudi Arabia is trying to become a Middle Eastern hub for manufacturing EVs as it diversifies its economy from oil. The $360bn Public Investment Fund (PIF), already a shareholder in Lucid, will provide much of the money for the site at the King Abdullah Economic City, sources said. Plans are advanced but could change, sources added. PIF and Lucid have

also considered Neom, a new city being developed in the northwest of Saudi Arabia, as a possible site for the plant. Lucid is one of a several U.S. firms seeking to take on Elon Musk's Tesla Inc. The startup is targeting the luxury end of the EV market and its Chief Executive Officer, Peter Rawlinson, was previously Tesla's Chief Engineer on the Model S sedan. (Bloomberg)

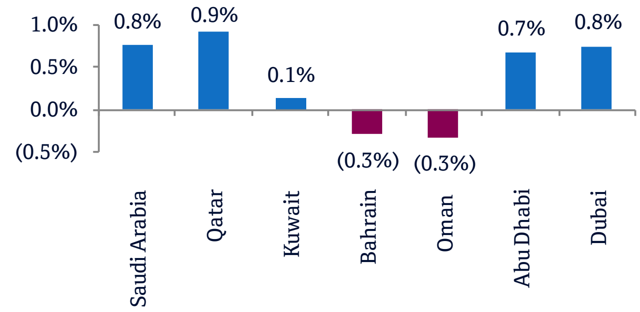
- **SABIC Agri-nutrients starts SAFCO 4 plant after 43-day shutdown –** SABIC Agri-Nutrients completes 43-day maintenance activities and returns to normal operation of SAFCO 4 plant. It sees financial impact at SR110mn, the impact includes SR20mn for surpassing original shutdown period set at 32 days. (Bloomberg)
- **Dubai sees 2020 airport passenger numbers slump 64% –** Passenger traffic through Dubai Airports in 2020 fell by 64% from the year before, as travel restrictions imposed due the coronavirus hammered tourism. The number of people passing through the airport was 17.9mn last year, according to the General Directorate of Residency and Foreigners Affairs in Dubai. That is down from 50.4mn in 2019, according to data from the government agency. While several European nations shut their airports again after the emergence of a new strain of the virus, Dubai has kept its borders open to all tourists since July. (Bloomberg)
- **Dubai Aerospace said to near hiring advisors for bond sale –** Dubai Aerospace Enterprise is close to picking advisors for a potential bond sale of about $750mn as the Middle East's biggest plane-leasing firm seeks to expand its fleet. The firm could appoint around 10 banks, and an announcement may come as soon as next week, sources said. The state-owned company is also seeking to extend by two years its existing dollar revolving credit facility, the sources said. (Bloomberg)
- **Abu Dhabi's $232bn Mubadala wants to take crack at top 10 –** Abu Dhabi's Mubadala Investment Co. is overhauling its structure and deploying capital to double in size to nearly half a trillion dollars in the next decade, a plan that will vault it into the top ranks of the world's sovereign wealth funds. With stakes in businesses from Reliance Industries Ltd.'s retail unit to private equity firm Silver Lake, Mubadala was among a few sovereign investors that last year seized on opportunities from a dislocation in markets caused by the coronavirus pandemic. To help achieve its target, Mubadala will put in place several structural changes later this month, the result of a review that began in 2019, according to a background note it provided to Bloomberg. The focus will be on technology, infrastructure, life sciences and other "future-oriented asset classes," alongside continued investment in renewables and other clean technologies. "We did not pause during the COVID pandemic, but kept investing according to our strategy," Mubadala said. (Bloomberg)
- **ADQ buys Pharmax Pharmaceuticals, invests in Biocon Biologics –** Abu Dhabi state-backed fund ADQ agrees to acquire Pharmax Pharmaceuticals, a UAE-based firm that manufactures and markets generic medication. ADQ also takes a minority stake in Biocon Biologics, a unit of India-based Biocon Ltd. In a statement to Indian stock exchanges, Biocon Ltd. said ADQ would invest $75mn, for a 1.8% stake in the biosimilar business. The deal values Biocon Biologics at a post money valuation of $4.17bn. Biocon Ltd. will hold 89.89% stake in Biocon Biologics after the completion of the deal. (Bloomberg)
- **First Abu Dhabi Bank sells $500 million sukuk as Gulf bonds heat up –** First Abu Dhabi Bank (FAB), the largest lender in the UAE, sold Sukuk, or Islamic bonds, worth $500mn on Thursday, as Gulf issuers start tapping debt investors in what is likely to be another record year for regional bonds. According to a document issued by one of the banks leading the deal and seen by Reuters, the five-year paper offers investors a profit rate equivalent to 90 basis points over mid-swaps. It was marketed earlier on Thursday with an initial price guidance of 100-105 basis points over mid-swaps. The issuance, which will be completed later on Thursday, comes on the heels of a $750mn bond sale by rival Emirates NBD, Dubai's largest bank, on Wednesday - the first public debt issuance from the Gulf region this year. Banks, corporates and governments in the oil-rich Gulf region are expected to rely heavily on debt financing this year after the coronavirus crisis and lower energy prices squeezed their finances. (Reuters)
- **Kuwait's IFA confirms $2.6mn 'rain accident' payout by subsidiary –** Kuwait-based International Financial Advisors (IFA) confirmed on Thursday an insurance payout by one of its subsidiaries following 'rain accidents'. In a statement to the Dubai Financial Market (DFM) IFA said First Takaful Insurance Company had paid an 'amount of compensation' to an insured client after material losses as a result of rain accidents. The statement confirmed the amount was $2.6mn. The client was not named in the IFA statement. (Zawya)
- **Oman to sell OMR100mn of 4.75% 2024 bonds on January 18 –** Oman plans to sell OMR100mn of 4.75% bonds due Jan 20, 2024 in an auction on January 18, 2021. (Bloomberg)
- **Oman set to review public salaries as economic woes take toll –** The Oman Investment Authority said it will review salaries of workers at state-owned companies' workers. The program will rationalize pay and advantages public-sector employees get, it said, and include holding companies as well as fully and partially government-owned companies in 11 sectors of the economy. The Gulf nation has cut its expenditure this year and expects a 19% drop in revenue amid lower oil prices and the spread of COVID-19. (Bloomberg)
- **Bahrain's 3Q2020 real GDP falls 6.9% YoY –** Information & eGovernment Authority in Manama published Bahrain's third quarter preliminary gross domestic product which showed that real GDP fell 6.9% YoY. The GDP came in at BHD3,031mn in 3Q2020 compared to BHD3,256mn in the same quarter a year ago, Crude petroleum and natural gas came in at BHD616mn compared to BHD596mn, manufacturing came in at BHD447mn compared to BHD480mn. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,849.01	(3.4)	(2.6)	(2.6)
Silver/Ounce	25.42	(6.3)	(3.7)	(3.7)
Crude Oil (Brent)/Barrel (FM Future)	55.99	3.0	8.1	8.1
Crude Oil (WTI)/Barrel (FM Future)	52.24	2.8	7.7	7.7
Natural Gas (Henry Hub)/MMBtu	2.76	0.0	15.9	15.9
LPG Propane (Arab Gulf)/Ton	86.50	2.7	15.0	15.0
LPG Butane (Arab Gulf)/Ton	85.00	1.0	22.3	22.3
Euro	1.22	(0.4)	0.0	0.0
Yen	103.94	0.1	0.7	0.7
GBP	1.36	0.0	(0.8)	(0.7)
CHF	1.13	0.0	0.1	(0.1)
AUD	0.78	(0.2)	0.8	0.8
USD Index	90.10	0.3	0.2	0.2
RUB	74.13	0.3	(0.4)	(0.4)
BRL	0.18	(0.1)	(4.1)	(4.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,753.31	0.7	2.4	2.4
DJ Industrial	31,097.97	0.2	1.6	1.6
S&P 500	3,824.68	0.5	1.8	1.8
NASDAQ 100	13,201.98	1.0	2.4	2.4
STOXX 600	411.17	0.4	3.1	3.1
DAX	14,049.53	0.3	1.9	1.9
FTSE 100	6,873.26	0.5	5.8	5.8
CAC 40	5,706.88	0.3	2.8	2.8
Nikkei	28,139.03	2.3	1.8	1.8
MSCI EM	1,353.53	2.4	4.8	4.8
SHANGHAI SE Composite	3,570.11	(0.1)	3.6	3.6
HANG SENG	27,878.22	1.2	2.4	2.4
BSE SENSEX	48,782.51	1.6	1.5	1.7
Bovespa	125,076.60	2.7	1.1	1.1
RTS	1,466.50	2.1	5.7	5.7

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar