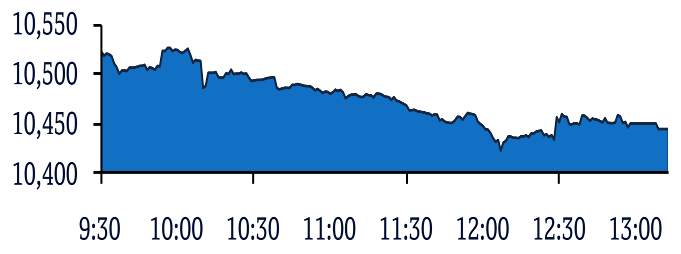
Daily Market Report

Sunday, 13 December 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.7% to close at 10,446.1. Losses were led by the Industrials and Real Estate indices, falling 1.3% and 0.7%, respectively. Top losers were INMA Holding and Qatar Industrial Manufacturing Company, falling 8.8% and 3.0%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 4.3%, while Ahli Bank was up 3.9%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 8,644.0. Losses were led by the Food & Staples Retailing and Food & Bev., falling 1.3% and 1.0%, respectively. Al-Omran Industrial & Trading Co. declined 2.0%, while Savola Group was down 1.8%.

Dubai: The DFM Index gained 0.3% to close at 2,546.8. The Investment & Financial Services index rose 1.1%, while the Services index gained 1.0%. Gulf Navigation Holding rose 9.3%, while SHUAA Capital was up 4.5%.

Abu Dhabi: The ADX General Index gained 0.6% to close at 5,109.2. The Services index rose 4.9%, while the Industrial index gained 2.8%. Ras Al Khaimah White Cement & Construction Materials and Emirates Driving Co. were up 14.9% each.

Kuwait: The Kuwait All Share Index gained 0.2% to close at 5,559.9. The Financial Services index rose 2.0%, while the Utilities index gained 1.9%. Al Bareeq Holding rose 28.2%, while Burgan for Well Drilling Trading & Maint. was up 12.9%.

Oman: The MSM 30 Index gained marginally to close at 3,607.0. However, all indices ended in red. Raysut Cement Company rose 2.4%, while Oman Investment & Finance Company was up 1.1%.

Bahrain: The BHB Index gained marginally to close at 1,490.4. The Insurance index rose 0.6%, while the Commercial Banks index gained 0.1%. Solidarity Bahrain rose 3.2%, while Al Salam Bank-Bahrain was up 2.7%.

Market Indicators	10 Dec 20	09 Dec 20	%Chg.
Value Traded (QR mn)	357.7	430.5	(16.9)
Exch. Market Cap. (QR mn)	603,127.6	607,669.0	(0.7)
Volume (mn)	132.9	196.4	(32.3)
Number of Transactions	8,925	9,680	(7.8)
Companies Traded	46	45	2.2
Market Breadth	10:30	30:13	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,082.21	(0.7)	(0.2)	4.7	17.8
All Share Index	3,205.15	(0.6)	(0.3)	3.4	18.3
Banks	4,252.26	(0.5)	(0.6)	0.8	15.0
Industrials	3,076.78	(1.3)	(2.0)	4.9	27.5
Transportation	3,342.72	(0.1)	4.3	30.8	15.3
Real Estate	1,966.26	(0.7)	2.0	25.6	17.4
Insurance	2,489.14	0.5	(0.9)	(9.0)	N.A.
Telecoms	965.59	(0.4)	3.1	7.9	14.4
Consumer	8,218.26	(0.7)	(0.3)	(5.0)	24.3
Al Rayan Islamic Index	4,275.64	(0.4)	(0.3)	8.2	19.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Kayan Petrochem.	Saudi Arabia	13.42	2.6	23,695.6	20.9
Dr Sulaiman Al Habib	Saudi Arabia	109.60	2.4	312.9	119.2
Abu Dhabi Comm. Bank	Abu Dhabi	6.19	1.8	10,881.7	(21.8)
Sahara Int. Petrochemical	Saudi Arabia	17.14	1.5	6,302.5	(4.6)
Dubai Islamic Bank	Dubai	4.66	1.5	7,489.4	(15.4)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	4.25	(3.0)	1,715.8	(9.6)
Industries Qatar	Qatar	10.64	(2.4)	1,757.3	3.5
HSBC Bank Oman	Oman	0.09	(2.2)	3,005.2	(27.3)
Ezdan Holding Group	Qatar	1.79	(2.0)	17,208.1	191.1
Savola Group	Saudi Arabia	42.75	(1.8)	945.4	24.5

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 General Ins. & Reins. Co.	2.40	4.3	18.9	(2.5)
Ahli Bank	3.38	3.9	10.6	1.3
Qatar First Bank	1.80	3.7	24,160.7	119.9
Qatar National Cement Company	4.06	1.9	19.0	(28.2)
Qatari Investors Group	1.85	1.3	1,781.1	3.4

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
INMA Holding	4.91	(8.8)	5,877.7	158.3
Qatar Industrial Manufacturing	3.20	(3.0)	12.7	(10.4)
The Commercial Bank	4.25	(3.0)	1,715.8	(9.6)
Qatari German Co for Med. Dev.	2.18	(2.9)	7,645.3	274.6
Industries Qatar	10.64	(2.4)	1,757.3	3.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.80	3.7	24,160.7	119.9
Ezdan Holding Group	1.79	(2.0)	17,208.1	191.1
Investment Holding Group	0.61	(0.8)	16,374.2	7.6
Qatari German Co for Med. Devices	2.18	(2.9)	7,645.3	274.6
Mazaya Qatar Real Estate Dev.	1.25	(0.2)	7,252.9	74.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.09	(0.8)	56,411.3	(12.1)
Qatar First Bank	1.80	3.7	42,854.7	119.9
Ezdan Holding Group	1.79	(2.0)	30,999.5	191.1
INMA Holding	4.91	(8.8)	29,780.5	158.3
Qatar Islamic Bank	17.00	0.5	21,541.7	10.9

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*	10,446.06	(0.7)	(0.2)	1.8	0.2	96.95	163,206.3	17.8	1.5	3.8
Dubai	2,546.84	0.3	5.3	5.3	(7.9)	79.82	94,267.7	11.9	0.9	3.8
Abu Dhabi	5,109.19	0.6	2.9	2.9	0.7	124.40	202,118.3	19.8	1.4	4.8
Saudi Arabia	8,643.97	(0.2)	(0.4)	(1.2)	3.0	2,942.10	2,447,851.7	34.7	2.1	2.3
Kuwait	5,559.90	0.2	0.3	1.8	(11.5)	121.31	101,709.5	37.1	1.4	3.5
Oman	3,606.98	0.0	(0.9)	(1.0)	(9.4)	3.93	16,454.3	10.9	0.7	7.0
Bahrain	1,490.39	0.0	(0.4)	0.9	(7.4)	3.17	22,798.8	14.5	1.0	4.5

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

Qatar Market Commentary

- The QE Index declined 0.7% to close at 10,446.1. The Industrials and Real Estate indices led the losses. The index fell on the back of selling pressure from GCC and Foreign shareholders despite buying support from Qatari and Arab shareholders.
- INMA Holding and Qatar Industrial Manufacturing Company were the top losers, falling 8.8% and 3.0%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 4.3%, while Ahli Bank was up 3.9%.
- Volume of shares traded on Thursday fell by 32.3% to 132.9mn from 196.4mn on Wednesday. Further, as compared to the 30-day moving average of 257.3mn, volume for the day was 48.4% lower. Qatar First Bank and Ezdan Holding Group were the most active stocks, contributing 18.2% and 13.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	47.81%	38.01%	35,059,981.3
Qatari Institutions	18.68%	26.39%	(27,573,881.3)
Qatari	**66.49%**	**64.40%**	**7,486,100.1**
GCC Individuals	0.76%	0.32%	1,566,319.8
GCC Institutions	2.22%	3.94%	(6,149,566.7)
GCC	**2.98%**	**4.26%**	**(4,583,246.8)**
Arab Individuals	10.88%	10.56%	1,153,649.8
Arab Institutions	0.03%	0.00%	95,248.8
Arab	**10.91%**	**10.56%**	**1,248,898.6**
Foreigners Individuals	3.27%	3.85%	(2,070,787.3)
Foreigners Institutions	16.35%	16.93%	(2,080,964.6)
Foreigners	**19.62%**	**20.78%**	**(4,151,751.9)**

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Bank Dhofar	Moody's	Oman	LT-FBD	B1	Ba3	↑	Negative	–
Bank Muscat	Moody's	Oman	LT-FBD	B1	Ba3	↑	Negative	–
Bank Nizwa	Moody's	Oman	LT-FBD	B1	Ba3	↑	Negative	–
HSBC Bank Oman	Moody's	Oman	LT-FBD/LT-CRR	B1/Ba1	Ba2/Ba2	↑	Negative	–
National Bank of Oman	Moody's	Oman	LT-FBD	B1	Ba3	↑	Negative	–
Oman Arab Bank	Moody's	Oman	LT-FBD	B1	Ba3	↑	Negative	–
Sohar International Bank	Moody's	Oman	LT-FBD	B1	Ba3	↑	Negative	–
National Bank of Bahrain	Moody's	Bahrain	LT-FBD	B3u	B2u	↑	Stable	–
BBK	Moody's	Bahrain	LT-FBD	B3	B2	↑	Stable	–
Bahrain Islamic Bank	Moody's	Bahrain	FC-CIR/	B3	B2	↑	Stable	–

Source: News reports, Bloomberg (* LT – Long Term, FBD – Foreign Bank Deposits, CIR – Counterparty Risk Rating, CRR – Currency Issuer Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/10	US	Department of Labor	Initial Jobless Claims	05-Dec	853k	725k	716k
12/10	US	Department of Labor	Continuing Claims	28-Nov	5,757k	5,210k	5,527k
12/10	US	Bureau of Labor Statistics	CPI MoM	Nov	0.2%	0.1%	0.0%
12/10	US	Bureau of Labor Statistics	CPI YoY	Nov	1.2%	1.1%	1.2%
12/10	UK	UK Office for National Statistics	Monthly GDP (MoM)	Oct	0.4%	0.0%	1.1%
12/10	UK	UK Office for National Statistics	Monthly GDP (3M/3M)	Oct	10.2%	10.1%	15.5%
12/10	UK	UK Office for National Statistics	Industrial Production MoM	Oct	1.3%	0.3%	0.5%
12/10	UK	UK Office for National Statistics	Industrial Production YoY	Oct	-5.5%	-6.4%	-6.3%
12/10	UK	UK Office for National Statistics	Manufacturing Production MoM	Oct	1.7%	0.3%	0.2%
12/10	UK	UK Office for National Statistics	Manufacturing Production YoY	Oct	-7.1%	-8.4%	-7.9%
12/11	Germany	German Federal Statistical Office	CPI MoM	Nov	-0.8%	–	-0.8%
12/11	Germany	German Federal Statistical Office	CPI YoY	Nov	-0.3%	–	-0.3%
12/10	France	INSEE National Statistics Office	Industrial Production MoM	Oct	1.6%	0.4%	1.6%
12/10	France	INSEE National Statistics Office	Industrial Production YoY	Oct	-4.2%	-5.5%	-5.9%
12/10	France	INSEE National Statistics Office	Manufacturing Production MoM	Oct	0.5%	0.5%	2.3%

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/10	France	INSEE National Statistics Office	Manufacturing Production YoY	Oct	-5.7%	-5.5%	-6.2%
12/10	Japan	Bank of Japan	PPI YoY	Nov	-2.2%	-2.2%	-2.1%
12/10	Japan	Bank of Japan	PPI MoM	Nov	0.0%	0.0%	-0.2%
12/11	India	India Central Statistical Organisation	Industrial Production YoY	Oct	3.6%	1.1%	0.5%

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

News

Qatar

- **The Amir approves general budget for fiscal 2021 –** Assuming a conservative $40 a barrel oil price, Qatar on Thursday presented a QR34.6bn deficit budget for 2021 but hinted at tapping the domestic and global debt markets to cover the expected shortfall. The 2021 state budget, which was approved by His Highness the Amir Sheikh Tamim bin Hamad al-Thani, estimates revenue of QR160.1bn and expenditure of QR194.7bn, leaving a deficit of QR34.6bn. The Amir issued Law No. 22 of 2020 approving the state's general budget for the fiscal year 2021. The law is effective as of January 1, 2021 and shall be published in the official gazette. "This reflects a continued policy of conservative revenue estimation to maintain a fiscal balance and minimise the impact of the fluctuation in energy prices on the state budget," Finance Minister, HE Ali Sherif al-Emadi said, reasoning for $40 oil price in the budget. The 2021 revenue is estimated to be down 24.1% compared with 2020 budget, which was based on a $55 price, said the Ministry of Finance in its explanatory noted. The share of non-oil revenue in total revenue is estimated to be 24% but it is expected that some initiatives and programmes will contribute to increasing this share in the coming years. The allocation for major projects is at QR72.1bn, which includes those for new projects along with ongoing development works in various sectors and those related to hosting the 2022 World Cup. On the sectoral allocation, the budget earmarked QR42.2bn for the defence and security sector, which captures the largest share of 22% due to various projects, contracts, commitments and initiatives. The public finance is earmarked QR39.9bn (20.5%), which includes interest on loans, expenditure towards government support programmes and strategic foodstuff reserves, besides pension funds for civilians and military personnel and social security allocations. The municipality and environment sector allocation is QR25.4bn (13%) to further develop major infrastructure projects, provide water and electricity networks, besides continuing with the maintenance, development and expansion of roads. The education sector allocation stands at QR17.4bn (8.9%). Among the most important projects related to educational services are those for the expansion and development of existing schools and educational institutions. The total allocation for the health sector is QR16.5bn (8.5%). Among the most important projects in the field of healthcare development are the expansion of Hamad Medical Corporation facilities and the establishment of new primary care centres. The current expenditure allocation is at QR60.7bn, a 4.7% jump, due to the cost of operating newly completed projects and the continuation of World Cup projects and programmes. The minor capex or capital expenditure allocation is QR4bn compared to QR3.5bn in the 2020 budget. (Gulf-Times.com)
- **The 2021 budget showcase economic strength, says Qatar Chamber Chairman –** Qatar's budget for 2021, approved by His Highness the Amir Sheikh Tamim bin Hamad al-Thani, confirms the resilience and durability of the national economy amid the impact of COVID-19 on the global economy, Qatar Chamber's Chairman, Sheikh Khalifa bin Jassim Al-Thani has said. Sheikh Khalifa noted that the new budget allows huge spending on major projects, as well as on education and health, which affirms that these sectors are of special interest for His Highness the Amir. He also pointed out that the allocation of QR72.1bn for major projects, a 37% share of the total expenditures worth QR194.7bn, indicates the state's continued efforts to complete the projects related to the 2022 FIFA World Cup in a timely manner. Citing that the budget estimated average oil prices of $40 a barrel, Sheikh Khalifa assured that the budget supports Qatar's plans to continue accomplishing sustainable development, and that it also reflects the sound financial plans adopted by the government in dealing with fluctuations in oil prices. Qatar Chamber's General Manager, Saleh bin Hamad Al-Sharqi said the budget would enhance Qatar's economic performance, which achieved positive progress despite the current circumstances related to the spread of COVID-19. Al-Sharqi lauded the allocation of QR16.5bn for the health sector, an 8.5% share of the total budget, which affirms how the state demonstrates its interest in developing health facilities for the welfare of both the nationals and residents. This also will ensure the establishment of more projects and expansion of medical and health facilities, he stressed. (Gulf-Times.com)
- **QFBQ announces acquisition of The Grand 2 at Papago Park Center –** Qatar First Bank (QFBQ) announced it has acquired The Grand 2 at Papago Park Center, a 358,800 square foot newly completed state-of-the-art Class A office building that is 100% leased to DoorDash under a 15-year triple net lease (NNN), located in Tempe, Arizona - United States, part of the metro Phoenix market. QFBQ's Chairman, HE Sheikh Faisal bin Thani Al-Thani said, "This transaction cements QFBQ's new fee-based income business model, implemented to enhance QFBQ's investment management strategy, and further strengthens its Shari'ah-compliant US Real Estate Portfolio. The new strategy continues to invest in handpicked Shari'ah-compliant real estate assets that provide highly stable income to investors as well as upside potential." Developed and managed by Lincoln Property Company, The Grand 2 is comprised of a nine-story, best in class,

LEED Silver certified building built in 2020 and a seven-level parking structure providing 1687 parking spots. The Grand 2 has the capacity to house approximately 2000 DoorDash employees, making it the company's largest facility. Located within Papago Park Center, a 350-acre, mixed use development spanning 2.6 MSF, the area is a hotbed for multifamily development with 1,316 units and the exquisite high-end Papago Hills retail centre, providing a plethora of on-site restaurants for tenants. (QSE)

- **WOQOD reopens The Pearl-Qatar Petrol Station –** WOQOD announced that it has resumed operations of its Pearl-Qatar Petrol Station after completion of renovation works to enhance safety standards. "The Pearl Qatar Petrol station offers round-the-clock services which include Sidra Convenience Store, auto care service from 6am to 10pm and the sale of Shafaf LPG cylinders, in addition to the sale of gasoline 24 hours," WOQOD stated. (Gulf-Times.com)
- **Qatar to cover 2020 deficit by funds available from previous debt issuances –** Qatar's deficit in the fourth quarter of 2020 is expected to be almost twice that of the previous three quarters put together; but will be covered by the funds available to it from the previous debt issuances in the global financial market, according to the Ministry of Finance (MoF). The deficit in the first three quarters amounted to QR4.2bn. The deficit in the fourth quarter is expected to reach QR7.5bn. Overall, in 2020, the total expected deficit will reach QR11.7bn, the MoF said in an explanatory note presented along with the 2021 budget. These estimates are still preliminary, as the actual performance of the public budget will be reviewed with the final realisations being announced on the MoF website at a later date, it said. It was expected that the general budget for the fiscal year 2020 would achieve a surplus of about QR500mn, based on an average oil price of $55 per barrel. "However, due to the negative implications of the COVID-19 pandemic and the decline in oil prices, a deficit of QR11.7bn is anticipated in 2020," the note said. The deficit estimate is calculated taking into account the decline in revenue to QR170.5bn, a result of the drop in oil prices to a level lower than the budget estimate of $55 per barrel, it said. Oil revenues are estimated to decline 21.4% YoY to QR132bn and non-oil earnings by 10.5% to QR38.5bn in 2020. The country has taken several measures to limit the effects of the COVID-19 pandemic and the decline on global energy prices on the public budget. "The ministry's consolidation efforts resulted in a 13.4% reduction of the State's budget expenditures to QR182.2bn," it said, adding some allocations for secondary items have been rationalised within the salaries and wages expenditure, yielding a decrease of 2.5% from the declared expenditure. The MoF was able to maintain current expenditure at the approved budget level despite the increased spending requirements due to the COVID-19 pandemic, which was achieved by reducing spending on items that do not affect the operational capabilities of government agencies. Some non-priority projects that are not contracted and are not related to hosting the 2022 World Cup have been postponed, while ongoing and committed priority projects continue, it said. (Gulf-Times.com)
- **Qatar identifies projects worth around QR54bn in medium term –** Qatar has identified new projects valued at QR54bn in the medium term; even as the Ministry of Finance (MoF), in cooperation with the Public Works Authority (Ashghal), is working on implementing a strategic plan by linking targeted performance indicators for new projects. "In line with the strategy followed to prioritise public spending and in coordination with Ashghal, a list of new projects approved for the state, which represent QR53.9bn, has been identified. These will be awarded from 2021 to 2023," the MoF said in its explanatory note presented along with the 2021 budget. The 2021 will see new projects valued at QR5.9bn; 2022 (QR9.1bn); 2023 (QR11.5bn); and 2024 and beyond (27.4bn). The Ashghal will see new projects of QR47.5bn, which includes QR35.2bn for development of existing areas and new citizens' lands; QR5.8bn for maintenance; QR4.9bn for drainage and estuaries; and QR1.6bn for roads and public place beautification projects. The first phase of citizens' land projects will see a total cost of QR16.5bn, distributed in 13 regions, and the second phase will see a total cost of QR20.5bn, distributed in 19 regions. The remaining QR6.4bn new projects (of QR53.9bn) will include QR2.2bn for projects belonging to the Ministry of Interior, foreign affairs and culture, the Museums Authority, the Communications Commission, Manateq, Healthcare and Customs; QR2.1bn for the Ministry of Municipality and Environment; QR1.1bn for Hamad Medical Corporation; and QR1bn for the Ministry of Transport and Communications. The planned projects include implementation and completion of the infrastructure in 6,165 plots in different regions to develop housing areas for nationals (Al Wukair South; Al Kheisa; South Simaisma); beautification projects of roads and beaches (West Bay; development of parks and footpaths for main roads, beautification of buildings' facade to host the World Cup); road development at existing locations in several regions (Umm Salal; Al Shafi Street); and development of drainage stations, water treatment plants, pumping and rainwater drainage networks in several regions to prevent flooding due to rain. (Gulf-Times.com)
- **MoF: Qatar's economy expected to recover in 2021 with GDP growth of 2.2% –** Qatar's economy is expected to recover from the effects of the COVID-19 pandemic in 2021 with a GDP growth of 2.2%, according to economic indicators released as part of the 2021 Budget Statement by the Ministry of Finance (MoF) on Thursday. The spread of COVID-19 virus and the decline in energy prices is expected to result in a decrease of 2.6% in real GDP in 2020, the ministry said citing PSA estimates. The most prominent projects that will drive economic recovery are infrastructure projects, road networks, financing housing projects for nationals, and projects for developing public services such as healthcare and education. (Qatar Tribune)
- **Manateq gets overwhelming response to its public draw for Birkat Al Awamer logistics park project –** Manateq has witnessed overwhelming response to its public draw for Birkat Al Awamer logistics park project, wherein the demand outstripped the plots available for lease; indicating the growing confidence of the corporate sector in the fastest growing economy. The company, which is working to diversify Qatar's economy by providing premium infrastructure within strategic zones, has received more than 3,800 applications for the 787 plots, offering a 25-year lease period. Manateq's CEO, Fahad Rashid al-Kaabi, said, "The response to the plot offers has been highly encouraging and underlines the confidence investors have in the future of Manateq and the country's economic diversification strategy." Following the high demand, a public

draw was conducted for the qualified applications from companies with 100% Qatari ownership, to withdraw the winning applications and backup list, with the event being supervised by the Ministry of Commerce and Industry. (Gulf-Times.com)

- **Work on QR17bn Qetaifan Island North on track –** Construction of the QR17bn Qetaifan Island North, which is being groomed to be the biggest entertainment destination in Qatar, is on track and expected to be completed before the World Cup despite the pandemic-induced challenges, officials have said. Speaking to The Peninsula on the sidelines of the island project's sales auction event for its Phase 2 villa plots recently, Managing Director of Qetaifan Projects and Deputy Chairman of Katara Hospitality, Sheikh Nasser bin Abdul Rahman Al Thani said that the island, which spans 1.3mn square meters and with on-going projects spread across 830,000 square meters of land, is set to be operational by the second quarter of 2022. Infrastructure projects including the water park, which is the most anticipated feature at the island, as well as the luxury hotel and plaza among others, are expected to accommodate not only the residents, but also tourists and football fans during the mega sporting event. (Peninsula Qatar)

International

- **Spiraling COVID-19 cases driving up US layoffs; inflation still benign –** The number of Americans filing first-time claims for jobless benefits jumped to a near three-month high last week as mounting new COVID-19 infections led to more business restrictions, further evidence that the pandemic and lack of additional fiscal stimulus were hurting the economy. The weekly unemployment claims report from the Labor Department on Thursday, the most-timely data on the economy's health, followed in the wake of data last week showing job gains in November were the smallest since the recovery started in May. Labor market distress is eroding demand, keeping inflation tame. "Mass unemployment continues to weigh on economic growth and demand," Chief Economist at MUFG in New York, Chris Rupkey said. "If Congress continues to sit on its hands without voting on a new relief package, the plight of the nation's unemployed is going to grow darker by the hour." Initial claims for state unemployment benefits surged 137,000 to seasonally adjusted 853,000 for the week ended December 5, the highest since mid-September. The weekly increase was the largest since March, when the nation was battered by the first wave of coronavirus infections. Economists polled by Reuters had forecast 725,000 applications in the latest week. (Reuters)
- **US producer prices rise moderately; COVID-19 seen taming inflation –** US producer prices barely rose in November, supporting views that inflation would remain benign in the near term as a flare-up in new COVID-19 infections restrains the labor market and demand for services. While other data on Friday showed a surprise improvement in consumer sentiment early in December, that largely reflected increased optimism among Democrats and Independents following Joe Biden's electoral victory over President, Donald Trump. That is unlikely to translate into robust consumer spending, given business restrictions related to the coronavirus outbreak and the accompanying job losses. Millions of unemployed Americans are set to lose their government-funded benefits on December 26, with Congress struggling to agree on another pandemic relief package. "We saw a similar partisan boost to confidence following the 2016 election which was not followed by a spike in consumption, so we doubt this apparent rise in confidence signals a jump in spending either," a Senior US Economist at Capital Economics in New York, Michael Pearce said. The producer price index for final demand edged up 0.1% last month after increasing 0.3% in October, the Labor Department said. That was the smallest gain since April. In the 12 months through November, the PPI advanced 0.8% after increasing 0.5% in October. (Reuters)
- **US household wealth, cash balances, rose through September despite pandemic –** The wealth of US households hit a record $123.5tn in September as rising stock market and home values and an accumulating buffer of cash defied expectations of a pandemic-related crash in household finances, according to new data from the US Federal Reserve on Thursday. The Fed's latest report on US household, business and government financial accounts covers the period from July through September, and thus looks backwards during a period of potential volatility for family balance sheets. Millions may be losing unemployment insurance in coming weeks, and a steady flow of people into unemployment programs suggests available cash balances may have been tapped through the fall to cover expenses. The release also does not give information on how available cash is distributed between higher-wealth families and poorer ones. But as of the end of September at least, well into a period when initial rounds of pandemic-related benefits were beginning to expire for unemployed workers and small businesses, US households on the whole were holding their own. Rising equity markets added $2.8tn to household assets and rising real estate values added around $400bn. (Reuters)
- **ECB's Lagarde bags hard-won deal, but battle with hawks has only begun –** European Central Bank (ECB) President, Christine Lagarde brokered a difficult compromise this week to secure backing for a new pandemic-fighting package of measures, but her battle to convince sceptics among her colleagues and investors has only just begun. The ECB unveiled plans to buy an additional half trillion Euros worth of bonds and give banks even larger subsidies for keeping credit flowing, in a bid to support the Euro Zone economy through the expected end of the coronavirus outbreak. The package, aimed at keeping borrowing costs low for governments, households and firms, takes the ECB closer than ever to outright targeting of specific levels in bond yields and spreads, without saying as much openly. But conversations with five sources on or close to the ECB's Governing Council suggest that the December 9-10 meeting was tense and that disagreements on the new round of bond purchases had started even before it. The ECB had kicked off discussions last week with an envelope of 750bn Euros for bond purchases but cut it down to 500bn Euros before the meeting after receiving pushback. (Reuters)
- **ECB gives euro zone new shot in arm to fight pandemic –** The European Central Bank (ECB) rolled out yet more stimulus measures on Thursday to lift the currency bloc out of a double-dip recession and provide support to the economy while its 350mn people wait for coronavirus vaccines to be deployed. With many businesses shuttered, unemployment surging and

debt hitting record highs, central bank cash has thrown governments and firms a lifeline this year but most of 2021 will pass before significant relief is likely. Making good on its promise to keep supporting the economy during the pandemic, the ECB delivered a complex package, spearheaded by a 500bn Euro, nine-month expansion of its emergency bond purchases scheme, now worth 1.85tn Euros and aimed at keeping firms and governments afloat until the economy is ready to reopen. (Reuters)

- **EU banks face 9.4bn Euro shortfall to meet capital rules –** Major banks in the European Union (EU) will have to collectively find 9.4bn Euros by 2028 to plug a capital shortfall that will emerge under pending rules, the bloc's banking watchdog said. Countries across the world are rolling out the final elements of Basel III, a tougher set of bank capital rules agreed by world leaders after taxpayers had to bail out lenders in the financial crisis over a decade ago. "To comply with the new framework EU banks would need 9.4bn Euros of additional Tier 1 capital," the European Banking Authority (EBA) said, referring to a lender's core capital yardstick. "These estimates are based on the assumption that Basel III requirements are implemented in full." The EBA, which assessed the capital implication of implementing the new rules on a sample of 106 banks in the EU, said Tier 1 minimum requirements would rise by an average 15.4%. The output floor, or new minimum capital backstop being phased in over five years, accounts for roughly half of the 15.4% increase, hitting the biggest "Group 1" banks most around 2027, the EBA said. (Reuters)
- **UK GDP growth slows to six-month low as COVID hits hospitality –** Britain's economic recovery almost ground to a halt in October as a surge in coronavirus cases hammered the hospitality sector, adding to the chances that the economy will shrink over the final three months of 2020. Thursday's official data showed the economy lost momentum as public authorities in much of the UK barred people from socializing in pubs and restaurants, ahead of a broader four-week partial lockdown across England in November. Gross domestic product rose 0.4% in October after expanding 1.1% in September, the Office for National Statistics said, the weakest growth since output collapsed in April during the first lockdown. A limited rollout of a COVID vaccine began this week in Britain, offering hope for a rebound in consumer spending in 2021. But many businesses will face new headwinds from trade restrictions with the European Union (EU) that come into force on January 1 when post-Brexit transition arrangements end. Prime Minister, Boris Johnson and the EU's Chief Executive, Ursula von der Leyen, have given themselves until Sunday to seal a new trade pact that would limit some of the damage, after failing to overcome persistent rifts at a meeting on Wednesday. "The economy continued to grow in October, but at a snail's pace. And with the COVID-19 restrictions likely to remain in place for some time, the economy is in for a difficult few months yet," Economist at Capital Economics, Ruth Gregory said. (Reuters)
- **Bank of England readies armoury to deal with any Brexit disruption –** The Bank of England took steps on Friday to keep banks lending through 2021 as Britain grapples with the COVID-19 pandemic and braces for any market disruption from a big change in the UK's trading relationship with the European Union. Governor, Andrew Bailey said the central bank had done all it could to mitigate risks from a no-deal departure from the EU on December 31, and it was ready to deal with any disruptions to financial markets. "What has the Bank of England got in its armoury, as it were? The answer is a lot. We will use our tools, as we did in March, should we be in that situation," Bailey told a news conference. The BoE ramped up market liquidity auctions at the start of the pandemic, as well as cutting interest rates to a record low and restarting its asset-purchase program. Market disruptions would not threaten financial stability, but Bailey warned that some EU customers might be unable to access British financial services because the EU had not taken mitigating action. "There is a limit to what we can do," Bailey said. Market volatility could be reinforced by some derivative users not being fully ready to trade with EU counterparties or on EU-recognized trading venues, the BoE said. "Financial institutions should continue taking measures to minimize disruption," it said. Prime Minister, Boris Johnson said on Thursday that there was a "strong possibility" that a post-Brexit transition period would end on December 31 without a deal to avoid tariffs on British exports to the European Union. (Reuters)
- **Japan to sell over $1tn of new bonds as pandemic costs balloon –** Japan is likely to sell over $1tn of new government bonds this fiscal year to fund its huge stimulus packages, sources said, as the coronavirus crisis guts tax revenues and strains already tattered finances. Prime Minister, Yoshihide Suga on Tuesday announced a third spending package to speed up the recovery from recession, bringing the combined value of pandemic-related stimulus to $3tn - two-thirds the size of Japan's GDP. The additional cost from the third package will likely boost new debt issuance for the year ending in March 2021 to over 110 trillion yen ($1 trillion) from the current plan of roughly 90tn Yen, three government sources told Reuters on Thursday. When including refinancing bonds to roll over past debt, total issuance of Japanese government bonds (JGB) will exceed a record 270tn Yen in the current year, the sources said. But the government will try to minimize any increase in bonds sold to financial institutions via regular auctions from the current 212tn Yen, mainly by tapping funds reserved from past bond issuance, they said. Even if the government were to raise the amount sold to financial institutions, it will do so mostly for short-term bills to avoid big increases in issuance of JGBs, they said. (Reuters)
- **China to keep economic operations 'within reasonable range' in 2021 –** China will strive to keep economic operations "within a reasonable range" next year, as Beijing seeks to expand domestic demand and boost technology innovation, a top decision-making body of the ruling Communist Party said on Friday. "It is of huge significance that (we) do a good job in economic work, as next year is a year of special importance for China's modernization process," state news agency Xinhua reported, citing a politburo meeting chaired by President, Xi Jinping. The year 2021 will mark the first year of a new five-year plan that China sees as vital to bypass a so-called "middle income trap". Outlining the focus of work next year, the government will step up its anti-trust efforts and prevent the disorderly expansion of capital, the politburo said, adding that it will also ensure the healthy development of the property market. The government will continue with supply-side structural reforms while paying attention to demand-side reforms, it said, adding that China will

also boost its ability to ensure control over and self-sufficiency in its industrial chains and supply chains. (Reuters)

- **China to step up fiscal support for new economic strategy –** China will step up fiscal policy support for a strategy to make its economy mainly rely on domestic demand, supply chains and innovation, Finance Minister, Liu Kun said. China has unveiled a "dual circulation" strategy for the next phase of economic development in which it will rely mainly on "domestic circulation" - the internal cycle of production, distribution, and consumption, supported by innovation and upgrades in the economy. "Fiscal policy has the advantage of optimizing resource allocation and promoting structural adjustments," Liu said in an article republished on the finance ministry's website dated Friday. "Government finance is duty bound to support and speed up the cultivation of a complete domestic demand system, and there is much to be done," Liu said. The government will take steps to boost domestic consumption, including appropriately expanding public consumption, and increase imports of high-quality goods to help upgrade domestic consumption, Liu said. Fiscal policy will also support tech innovation, as some key technologies are controlled by foreign countries, and the upgrading of supply chain, Liu said. China's research and development (R&D) spending has been the second highest in the world for seven consecutive years but it needed to improve spending structure and efficiency, Liu said. (Reuters)
- **China's exports pinched by global run-on shipping containers –** China's world-beating economic rebound from the coronavirus pandemic is being blunted by a global shortage of shipping containers, sending cargo costs to record highs and hampering manufacturers in filling fast-recovering global goods orders. Exports from China surged 21% in November from a year ago as the country's mammoth industrial engine cranked out mountains of appliances, toys, clothes, personal protective equipment and other items currently in high demand around the world. But due to China's lopsided trade balance - exporting three containers for every one imported recently - and delays in containers returning to China due to the pandemic overseas, a severe shortage is now starting to pinch export flows. Roughly 60% of global goods move by container, and according to United Nations trade data there are close to 180mn containers worldwide. "We have so many orders but just cannot ship things," a mirror Salesman in the export manufacturing hub of Yiwu in Zhejiang province, Charles Xu said who supplies US retailers such as Walmart and Home Depot. (Reuters)
- **Reuters poll: India retail inflation expected to stay above 7% in November, economists say –** India's retail inflation probably fell in November from October but remained above the Reserve Bank of India's target, amid high food and petrol prices, a Reuters poll of economists showed. Retail inflation has stayed above the central bank's comfort zone of 2% to 6% for seven consecutive months, a streak not seen since August 2014. The December 4-9 poll of 48 economists forecast a drop in inflation in November to 7.10% from 7.61% in October, which was the highest since May 2014. If realized, November's rate would be above 7.0% for the third consecutive month. "Inflation for November is likely to be lower than October as there was some moderation in prices of vegetables in particular as well as pulses," Chief Economist at CARE Ratings, Madan Sabnavis said. "On the upside, petrol prices had increased which worked in the other direction." At its December 2-4 meeting, the RBI kept its key repo rate at 4.0% and the Monetary Policy Committee retained its accommodative stance while ensuring ample liquidity, playing a delicate balancing act of curbing high inflation and bolstering a nascent economic recovery. The central bank also said inflation would remain elevated. "There is still a lot of liquidity sloshing around in the system, which in combination with normalizing economic activity might produce a dangerous inflationary cocktail," Head of International economics at Rabobank, Hugo Erken said. (Reuters)
- **Russia improves third quarter GDP assessment to contraction of 3.4% YoY –** Russia's economy shrank by 3.4% in YoY terms in the third quarter, showing a smaller than previously reported contraction amid the novel coronavirus pandemic, the Federal Statistics Service said in a second GDP reading on Friday. The service Rosstat had earlier seen GDP shrinking by 3.6% in the third quarter after an 8% decline from April to June. The Russian economy slid into contraction this year as the coronavirus outbreak paralyzed business activity, prompting the central bank to slash interest rates to a record low 4.25%, while a drop in global oil prices dented Russia's government revenues. Rosstat said it revised the preliminary third-quarter estimate after obtaining extra data from the central bank and revised financial reports from companies. (Reuters)

Regional

- **State-related entity debt in Gulf to rise next year, Fitch says –** Government-related-entity (GRE) debt in the six Gulf Arab states, which include Saudi Arabia and the United Arab Emirates, will increase next year, ratings agency Fitch said on Thursday. The coronavirus pandemic has strained the economies of Gulf countries already under pressure from low oil prices, a key source of state revenue. "The economic contraction in 2020 will further exacerbate leverage ratios and magnify the risks of GRE liabilities crystallizing on government balance sheets," it said. Government support for state-related entities is expected, Fitch said, citing their importance to the national economies and status as "national champions". The Gulf Arab states also include Bahrain and Kuwait. GRE debt is a thorny issue for Dubai, which needed a $20bn bailout from oil-rich Abu Dhabi to escape a debt crisis in 2009 that threatened to force some state-linked companies to default on billions of dollars of debt. A prospectus for Dubai's $2bn bond issuance this year said that while the government's direct debt amounted to nearly $34bn at the end of June, Dubai had no consolidated estimates for the outstanding total debt of government-related entities. (Reuters)
- **Middle East airlines' traffic dives 86.7% in October –** Middle Eastern airlines saw an 86.7% traffic drop for October, improved from an 89.3% demand drop in September, the International Air Transport Association (IATA) said. The recovery of passenger demand globally also continued to be disappointingly slow in October, IATA said. Airlines in the Middle East saw capacity dropping 73.6%, and load factor declining by 36.6 percentage points to 37% in October. International passenger demand in October was down 87.8% compared to October 2019, virtually unchanged from the 88% YoY decline recorded in September. Capacity was 76.9% below previous year levels, and load factor

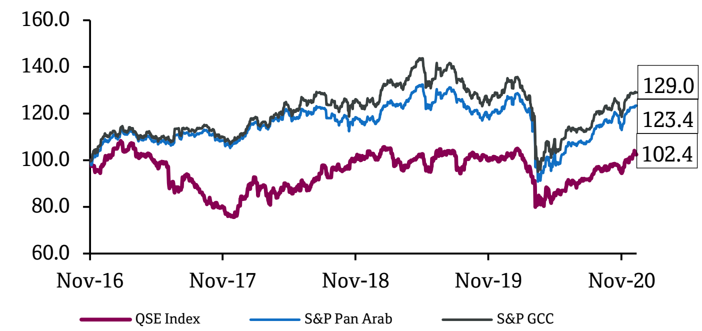
shrank 38.3 percentage points to 42.9%. “Fresh outbreaks of Covid-19 and governments’ continued reliance on heavy-handed quarantines resulted in another catastrophic month for air travel demand,” Director-General and Chief Executive of IATA, Alexandre de Juniac said. Domestic demand drove what little recovery there was, with October domestic traffic down 40.8% compared to the prior year, IATA said. (Zawya)

- **Saudi registers Pfizer COVID-19 vaccine for import, use –** Health authorities in Saudi Arabia have registered the Pfizer-BioNTech COVID-19 vaccine for import and use in the country, state news agency SPA said on Thursday. Saudi Arabia’s Food and Drug Agency registered the vaccine. Procedures necessary for its import and use will begin, the statement said. (Reuters)
- **Saudi Aramco said to tap Moelis to raise billions from asset sales –** Saudi Arabia is looking to emulate neighboring Abu Dhabi by using its state energy firm to raise billions of dollars from investors, as the Kingdom seeks cash to counter a severe recession. Saudi Aramco, the world’s biggest oil company, has hired Moelis & Co. to devise a strategy for selling stakes in some subsidiaries, according to sources. The plan includes raising around $10bn from a stake sale in Aramco’s pipelines, sources said. (Bloomberg)
- **Fitch affirms BSF's IDRs at 'BBB+'; downgrades viability rating –** Fitch Ratings has affirmed Banque Saudi Fransi's (BSF) Long-Term Issuer Default Rating (IDR) at 'BBB+' with a Negative Outlook. Fitch has downgraded BSF's Viability Rating (VR) to 'bbb' from 'bbb+' and removed it from Rating Watch Negative (RWN). Fitch placed all 10 Saudi banks' VRs on RWN in March 2020 to signal heightened risks of a severe deterioration in the domestic operating environment following the sharp fall in oil prices and pressures from the coronavirus-related economic disruptions. The downgrade of BSF's VR reflects Fitch’s view that its financial metrics are more prone to deterioration than larger peers due to a smaller exposure to lower-risk retail assets, providing it with lower protection against a weakening operating environment. The downgrade also represents Fitch's reassessment of the bank's credit profile against domestic and regional peers considering the challenging economic environment. Fitch would not expect deterioration beyond the current rating level in the short to medium term. Fitch's Domestic-Systemically Important Bank SRF of 'BBB+' is applied to all Saudi banks, reflecting its view of a high probability of support for all the country's lenders from the Saudi authorities, if needed. BSF's SRF and SR of '2' have been affirmed. Fitch's assessment considers the authorities' strong ability to support the banking system, given large, albeit decreasing, external reserves. It also reflects a long record of support for Saudi banks, irrespective of their size, franchise, funding structure and level of government ownership. Fitch sees high contagion risk among domestic banks given that the market is fairly small and interconnected. Fitch believes this is an added incentive to provide state support to any Saudi bank if needed, to maintain market confidence and stability. BSF's 'BBB+' Long-Term IDR is driven by potential sovereign support. The Negative Outlook on the Long-Term IDR reflects that on the sovereign. Fitch assigns Short-Term IDRs according to the mapping correspondence described in our bank rating criteria. A Long-Term IDR of 'BBB+' can correspond to a Short-Term IDR of either 'F2' or 'F1'. BSF's 'F2' Short-Term IDR reflects the fact that a significant proportion of Saudi banking sector funding is related to the government and stress on banks would likely come at a time when the sovereign itself is experiencing some form of stress. Fitch judges this "wrong-way" risk as high in Saudi Arabia, and this is reflected in the choice of Short-Term IDR. BSF's VR reflects the bank's strong corporate franchise, conservative risk appetite, sound capital ratios and sound funding and liquidity profile. The VR also reflects the concentrated business model, lower retail assets than peers, weaker asset quality metrics than larger peers and high concentration risk. It also reflects pressures from the economic environment due to the coronavirus crisis and lower oil prices, making the bank more prone to asset quality and profitability deterioration. (Bloomberg)
- **Saudi Exchange sees strong IPO pipeline, cross-listings in 2021 –** The pipeline for new IPO on the Saudi exchange is currently “much better” than that of the past five years, Tadawul’s Chief Executive Officer, Khalid Abdullah Al Hussan said. “We have seen a very active IPO pipeline, we have seen a lot of requests across the various platforms we have,” he said during in a webinar hosted by Bloomberg. He added that there’s been a pipeline from companies based in other countries and interested in benefiting from the liquidity in the Saudi market. Life after Aramco includes plenty more IPOs for Saudi Arabia, cited expectation for the first cross-listing from a company based in another GCC country, without providing details. “At least one, but we are hoping for more.” IPO of the Tadawul itself to happen “very soon,” with the actual process expected to start next year. There’s been over $6bn in net flows from foreign investors to the Saudi market this year, the Joint Senior Country Officer and Head of investment banking for Middle East, North Africa at JPMorgan, Karim Tannir said. That pace of inflows will continue, “and if we get one or two IPOs per quarter, that will only enhance that level of participation” by foreigners. “There is now attention being paid to Saudi Arabia,” he said, highlighting the increase in appetite for Saudi shares from active investors beyond just those that track global benchmarks. (Bloomberg)
- **Saudi Real Estate to cut unit’s capital to SR100mn from SR2.9bn –** Saudi Real Estate will cancel 275.3mn shares in its unit, the company said. The company’s capital will be at SR100mn divided into 10mn nominal shares of equal value. (Bloomberg)
- **UAE GDP expected back at pre-COVID levels by 2023 –** The UAE’s real GDP is expected to recover to 2019 levels by 2023 as a sharp drop in tourism and real estate activities — two key mainstays of the non-oil sector — will drag down the economy in 2020, according to economists and analysts. The $414 billion UAE economy, dominated by Abu Dhabi (59 per cent of 2019 GDP) and Dubai (28%), has been projected to contract 6.6% in 2020 followed by a slight rebound of 1.3% in 2021 by the International Monetary Fund. The Washington-based Institute of International Finance, meanwhile, expects the UAE to experience a contraction of 5.7% in 2020, followed by a modest recovery of 3.1% in 2021. S&P said in a recent report that Abu Dhabi can expect a gradual economic recovery from 2021, but with real GDP only to recover to close to 2019 levels by 2023. “Hydrocarbon sector production will be boosted from 2022 as OPEC+ oil production limits are lifted, and new gas production comes on stream. Non-oil sector recovery will be driven by public

investment in manufacturing particularly petrochemicals, logistics, and construction," Director at S&P Sovereign Ratings, Trevor Cullinan wrote. (Zawya)

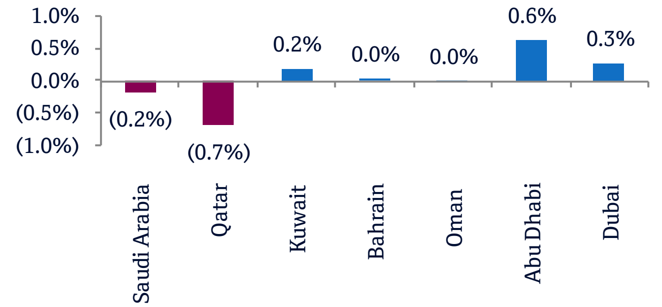
- **Dubai's aviation regulator to become more autonomous –** Dubai issued a new law giving its aviation regulatory body more autonomy. The law, which consolidates Dubai's global leadership in civil aviation, allows Dubai Civil Aviation Authority to sign air traffic rights and implement them in coordination with the federal aviation authority based in the capital Abu Dhabi. The previous law stated that the DCAA had to seek approval from the federal authority. Other highlights: DCAA to represent Dubai locally and internationally in negotiations related to air traffic rights, air space and air navigation. Previous law stated Dubai will regularly report to General Civil Aviation Authority statistics and data on air traffic in the emirate. Law was enacted by the city's Ruler, Sheikh Mohammed Bin Rashid Al Maktoum. Dubai is home to Emirates Airline, the world's largest long-haul carrier, and its airport was the busiest in terms of international traffic before the Covid-19 pandemic. (Bloomberg)
- **Abu Dhabi invests in Indian grocery startup FreshTohome –** FreshToHome receives financial and non-financial incentives from the Abu Dhabi Investment Office, the India-based fish and meat e-commerce company said. It will develop projects in Abu Dhabi with intent to boost Emirate's agriculture technology capabilities. It will also invest in aquaculture and agriculture solutions aimed at supporting food production in arid and desert climates. (Bloomberg)
- **ADNOC hires Standard Chartered to sell waste management assets –** Abu Dhabi National Oil Company (ADNOC) is considering the sale of waste management assets held by one of its units and they could fetch around $500mn, sources close to the deal said, as the state-owned firm seeks to monetize non-core assets. The oil giant has hired Standard Chartered to test investor appetite and arrange a potential sale for some assets held by its unit ADNOC Refining, formerly known as Abu Dhabi Oil Refining Company (TAKREER), sources said. Many potential bidders have already been approached, they said. ADNOC and Standard Chartered declined to comment when contacted by Reuters on Thursday. ADNOC Refining is in charge of the company's refining business. Its responsibilities include crude oil refining and the supply of petroleum products. (Reuters)
- **Major 'economic' changes expected from Kuwait's parliament –** Regarding the expectations from this Parliament concerning economic affairs, it seems that major changes are in order. A parliament of this kind will not accept crusty economic reforms but will go deeper and demand a lot. This is because the parliamentary body includes those familiar with financial affairs and are fiercely fighting administrative corruption, reports Al-Nahar daily. The results of the parliamentary election also reveal that citizens have chosen those who will defend the reforms without compromising their well-being, which will form a buffer against any laws that may increase financial burdens or impose taxes and the like. According to informed sources, the next government must keep pace with the current Parliament, as Ministers with different and radical solutions to the outstanding issues will be able to face the parliament with popular enthusiasm and giant aspirations for a change. The new government formation will undoubtedly bring about influential changes, as the level of achievement will not satisfy all ambitions. The aspects of reform in the parliament are not scarce, and the aspects of reform in the new government should be influential and effective. (Zawya)
- **Kuwait sets export blend crude to Asia at $0.25 premium for January –** Kuwait Petroleum set the January official selling price of Export Blend crude at $0.25/bbl premium to the Oman-Dubai average, according to a statement. That compares with a $0.40/bbl discount for December. (Bloomberg)
- **DESFA undertakes the provision of operation and maintenance services of the KIPIC LNG terminal in Kuwait –** The Hellenic Gas Transmission System Operator (DESFA) was awarded the operation and maintenance services of LNGI (Liquefied Natural Gas Import), the new liquefied natural gas terminal of the Kuwaiti state company, KIPIC. The contract has a duration of minimum five years and it was given to DESFA, after the completion of the second and last phase of the relevant tender, that of technical evaluations and discussions on the contract. The high specialization and know-how of DESFA and of the shareholders Snam and Enagás, who will jointly perform the services, had a decisive contribution to the undertaking of the project. The experience gained by DESFA from managing the Greek transmission system and the LNG terminal in Revithoussa, also had a catalytic contribution to the undertaking of the project. The LNGI Terminal is one of the largest LNG storage and regasification stations in the world, with eight liquefied gas storage tanks, having capacity of 225.000m3 each. According to KIPIC, the purpose of the project is to serve the industrial consumers of natural gas, but also to meet the growing needs of the country for a cleaner fuel for the production of electric power. (Bloomberg)
- **Naturgy's JV GPG to build 97 MW wind farm in Australia –** Naturgy, Kuwait Investment Authority JV Global Power Generation (GPG) has reached an agreement to build 97 MW wind farm in Hawkesdale, Australia, according to Spanish regulatory filing. Required investment is estimated at ~EUR100mn, the farm is expected to start operations in 2H2022, and the contract consists in a 15-year PPA. (Bloomberg)
- **Oman estimates tourism sector losses at $1.3bn on COVID –** Oman estimates that losses incurred by its tourism sector amount to approximately $1.3bn as COVID-19 batters its economy. The Gulf Arab nation expects the sector to be fully operational soon, Undersecretary of Heritage and Tourism at the Ministry of Tourism, Maitha Al Mahrooqi said. (Bloomberg)
- **Bahrain to provide COVID-19 vaccine free for all citizens and residents –** Bahrain will provide the COVID-19 vaccine for free for all citizens and residents, state news agency BNA reported on Thursday. The statement said that distribution of the vaccine will be done through 27 medical centers. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,839.85	0.2	0.1	21.3
Silver/Ounce	23.95	(0.2)	(1.0)	34.2
Crude Oil (Brent)/Barrel (FM Future)	49.97	(0.6)	1.5	(24.3)
Crude Oil (WTI)/Barrel (FM Future)	46.57	(0.4)	0.7	(23.7)
Natural Gas (Henry Hub)/MMBtu	2.45	0.0	0.0	21.5
LPG Propane (Arab Gulf)/Ton	58.88	(1.0)	(0.6)	42.7
LPG Butane (Arab Gulf)/Ton	60.00	(9.8)	(3.6)	(9.6)
Euro	1.21	(0.2)	(0.1)	8.0
Yen	104.04	(0.2)	(0.1)	(4.2)
GBP	1.32	(0.5)	(1.6)	(0.2)
CHF	1.12	(0.5)	0.2	8.7
AUD	0.75	(0.0)	1.5	7.3
USD Index	90.98	0.2	0.3	(5.6)
RUB	72.95	(0.1)	(1.5)	17.7
BRL	0.20	(0.8)	1.8	(20.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,621.89	(0.3)	(0.7)	11.2
DJ Industrial	30,046.37	0.2	(0.6)	5.3
S&P 500	3,663.46	(0.1)	(1.0)	13.4
NASDAQ 100	12,377.87	(0.2)	(0.7)	38.0
STOXX 600	390.12	(0.8)	(1.2)	1.2
DAX	13,114.30	(1.4)	(1.6)	7.0
FTSE 100	6,546.75	(1.4)	(1.9)	(13.4)
CAC 40	5,507.55	(0.8)	(2.0)	(0.6)
Nikkei	26,652.52	(0.0)	(0.2)	18.1
MSCI EM	1,257.66	0.2	0.5	12.8
SHANGHAI SE Composite	3,347.19	(0.8)	(3.0)	16.7
HANG SENG	26,505.87	0.4	(1.2)	(5.5)
BSE SENSEX	46,099.01	0.3	2.3	7.9
Bovespa	115,128.00	(0.0)	3.4	(21.0)
RTS	1,412.88	0.6	4.1	(8.8)

Source: Bloomberg (*$ adjusted returns)

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