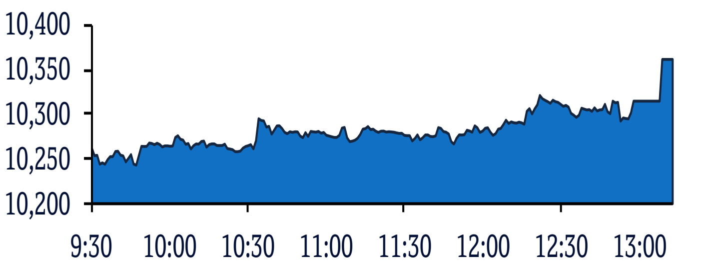
Daily Market Report

Sunday, 17 November 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.8% to close at 10,363.2. Gains were led by the Insurance and Consumer Goods & Services indices, gaining 1.8% and 1.2%, respectively. Top gainers were Doha Insurance Group and Qatar Insurance Company, rising 3.9% and 2.3%, respectively. Among the top losers, Medicare Group fell 1.5%, while Islamic Holding Group was down 1.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.1% to close at 7,924.2. Losses were led by the Diversified Fin. and Software & Serv. indices, falling 3.9% and 2.0%, respectively. Abdullah Saad Mohammed declined 10.0%, while Thob Al Aseel was down 9.9%.

Dubai: The DFM Index gained 1.9% to close at 2,701.5. The Banks index rose 3.4%, while the Consumer Staples and Discretionary index gained 2.1%. Khaleeji Commercial Bank gained 12.8%, while Dar Al Takaful rose 6.1%.

Abu Dhabi: The ADX General Index gained 1.3% to close at 5,137.6. The Services index rose 4.3%, while the Banks index gained 2.0%. Abu Dhabi National Hotels Company rose 9.0%, while First Abu Dhabi Bank was up 2.9%.

Kuwait: The Kuwait All Share Index fell 0.2% to close at 5,729.5. The Consumer Services index declined 1.1%, while the Real Estate index fell 0.7%. Alargan Int. Real Estate declined 22.2%, while Danah Al Safat Foodstuff Co. was down 12.6%.

Oman: The MSM 30 Index gained 0.4% to close at 4,083.9. Gains were led by the Financial and Services indices, rising 0.4% and 0.3%, respectively. Muscat Gases rose 6.2%, while Al Jazeera Services was up 5.2%.

Bahrain: The BHB Index fell 0.4% to close at 1,505.0. The Commercial Banks index declined 0.6%, while the Investment index fell 0.1%. Ahli United Bank declined 1.2%, while GFH Financial Group was down 0.4%.

Market Indicators	14 Nov 19	13 Nov 19	%Chg.
Value Traded (QR mn)	244.3	202.8	20.5
Exch. Market Cap. (QR mn)	572,358.0	566,660.2	1.0
Volume (mn)	65.5	63.9	2.5
Number of Transactions	6,108	6,034	1.2
Companies Traded	44	42	4.8
Market Breadth	24:12	29:7	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,069.17	0.8	0.9	5.1	15.0
All Share Index	3,055.68	0.9	0.8	(0.8)	15.0
Banks	4,094.17	1.1	0.9	6.9	13.8
Industrials	2,966.50	0.6	0.1	(7.7)	20.4
Transportation	2,591.31	(0.4)	(1.1)	25.8	13.9
Real Estate	1,492.63	0.5	0.9	(31.8)	11.2
Insurance	2,770.17	1.8	3.1	(7.9)	15.9
Telecoms	928.06	0.6	0.5	(6.0)	15.8
Consumer	8,657.16	1.2	1.7	28.2	19.2
Al Rayan Islamic Index	3,956.11	0.7	0.8	1.8	16.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	11.70	5.9	10,159.5	36.9
Bank Dhofar	Oman	0.13	3.2	54.0	(16.8)
First Abu Dhabi Bank	Abu Dhabi	15.58	2.9	2,813.3	10.5
Qatar Insurance Co.	Qatar	3.18	2.3	725.6	(11.4)
Qatar Electricity & Water	Qatar	16.55	2.2	217.0	(10.5)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Kingdom Holding Co.	Saudi Arabia	6.83	(7.2)	1,115.3	(12.4)
Banque Saudi Fransi	Saudi Arabia	34.75	(2.7)	959.6	10.7
DP World	Dubai	12.55	(2.3)	262.3	(26.6)
Saudi British Bank	Saudi Arabia	34.25	(2.1)	56,880.1	4.9
Saudi Kayan Petrochem.	Saudi Arabia	10.20	(1.4)	4,184.3	(22.7)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.06	3.9	15.0	(19.0)
Qatar Insurance Company	3.18	2.3	725.6	(11.4)
Qatar Electricity & Water Co.	16.55	2.2	217.0	(10.5)
Mesaieed Petro. Holding Co.	2.61	2.0	3,095.9	73.7
QNB Group	19.59	1.9	2,801.6	0.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.64	0.3	8,925.2	(50.5)
The Commercial Bank	4.46	0.2	6,383.6	13.2
Qatari German Co. for Med. Dev.	0.61	(1.0)	4,855.8	8.1
Doha Bank	2.54	(0.8)	4,326.5	14.4
Qatar International Islamic Bank	9.94	0.6	3,740.6	50.3

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Medicare Group	8.60	(1.5)	52.3	36.3
Islamic Holding Group	2.06	(1.4)	2,056.1	(5.7)
Qatar Navigation	6.06	(1.3)	456.6	(8.2)
Gulf International Services	1.83	(1.1)	625.0	7.6
Qatari German Co. for Med. Dev.	0.61	(1.0)	4,855.8	8.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.59	1.9	54,204.4	0.5
Qatar International Islamic Bank	9.94	0.6	37,064.8	50.3
The Commercial Bank	4.46	0.2	28,553.6	13.2
Qatar Fuel Company	22.99	1.9	11,883.5	38.5
Doha Bank	2.54	(0.8)	10,879.5	14.4

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*	10,363.20	0.8	0.9	1.7	0.6	67.05	157,226.8	15.0	1.5	4.1
Dubai	2,701.48	1.9	0.1	(1.7)	6.8	73.29	100,742.0	10.7	1.0	4.3
Abu Dhabi	5,137.62	1.3	0.1	0.6	4.5	35.91	142,390.0	15.8	1.4	4.9
Saudi Arabia	7,924.19	(0.1)	1.6	2.3	1.2	1,075.55	498,841.2	20.4	1.7	3.8
Kuwait	5,729.47	(0.2)	0.6	0.2	12.8	50.29	107,231.7	14.2	1.3	3.7
Oman	4,083.94	0.4	1.1	2.1	(5.5)	4.90	17,549.6	7.6	0.8	7.3
Bahrain	1,504.97	(0.4)	(0.9)	(1.2)	12.5	7.31	23,465.7	11.3	0.9	5.2

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 0.8% to close at 10,363.2. The Insurance and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Doha Insurance Group and Qatar Insurance Company were the top gainers, rising 3.9% and 2.3%, respectively. Among the top losers, Medicare Group fell 1.5%, while Islamic Holding Group was down 1.4%.
- Volume of shares traded on Thursday rose by 2.5% to 65.5mn from 63.9mn on Wednesday. However, as compared to the 30-day moving average of 68.5mn, volume for the day was 4.4% lower. Ezdan Holding Group and The Commercial Bank were the most active stocks, contributing 13.6% and 9.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	18.47%	30.05%	(28,294,609.97)
Qatari Institutions	19.32%	33.40%	(34,391,948.78)
Qatari	**37.79%**	**63.45%**	**(62,686,558.75)**
GCC Individuals	1.71%	1.04%	1,635,544.73
GCC Institutions	5.62%	3.03%	6,333,927.36
GCC	**7.33%**	**4.07%**	**7,969,472.10**
Non-Qatari Individuals	7.92%	8.84%	(2,250,460.14)
Non-Qatari Institutions	46.95%	23.64%	56,967,546.79
Non-Qatari	**54.87%**	**32.48%**	**54,717,086.65**

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

Ratings, Earnings Releases and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Barwa Bank	Fitch	Qatar	LT-IDR/ST-IDR/VR/SR/SFR	A/F1/bb+/1/A	A/F1/bb+/1/A	–	Stable	–
Al Khalij Commercial Bank	Fitch	Qatar	LT/ST/LT-IDR/ST-IDR/VR/SR/SFR	A/F1/A/F1/bb/1/A	A/F1/A/F1/bb/1/A	–	Stable	–
QNB Group	Fitch	Qatar	LT-IDR/ST-IDR/VR/SR/SFR	A+/F1/bbb+/1/A+	A+/F1/bbb+/1/A+	–	Stable	–
The Commercial Bank	Fitch	Qatar	LT-IDR/ST-IDR/VR/SR/SFR	A/F1/bb+/1/A	A/F1/bb+/1/A	–	Stable	–
Qatar Islamic Bank	Fitch	Qatar	LT-IDR/ST-IDR/VR/SR/SFR	A/F1/bbb/1/A	A/F1/bbb/1/A	–	Stable	–
Ahli Bank	Fitch	Qatar	LT-IDR/ST-IDR/VR/SR/SFR	A/F1/bbb-/1/A	A/F1/bbb-/1/A	–	Stable	–
Qatar International Islamic Bank	Fitch	Qatar	LT-IDR/ST-IDR/VR/SR/SFR	A/F1/bb+/1/A	A/F1/bb+/1/A	–	Stable	–

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, FSR- Financial Strength Rating, FCR – Foreign Currency Rating, LCR – Local Currency Rating, IDR – Issuer Default Rating, SR – Support Rating, LC – Local Currency, FBD – Foreign Bank Deposits, LBD – Local Bank Deposits, CRA – Counterparty Risk Assessment, BCA – Baseline Credit Assessment, ABCA – Adjusted Baseline Credit Assessment)

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2019	% Change YoY	Operating Profit (mn) 3Q2019	% Change YoY	Net Profit (mn) 3Q2019	% Change YoY
Baazeem Trading Co.	Saudi Arabia	SR	68.2	3.5%	4.6	-16.9%	3.1	-15.1%
Arabtec Holding	Dubai	AED	1,616.7	-30.9%	–	–	(437.4)	N/A
Shuaa Capital	Dubai	AED	89.5	418.5%	–	–	21.4	-60.6%
Dubai Islamic Insurance And Reinsurance Co.	Dubai	AED	57.7	-12.9%	–	–	1.3	6.7%
Emaar Development	Dubai	AED	3,387.8	11.3%	–	–	687.5	0.8%
Foodco Holding	Abu Dhabi	AED	53.4	-39.3%	–	–	7.1	232.4%
Al Fujairah National Insurance Company	Abu Dhabi	AED	69.9	3.0%	–	–	3.5	-49.9%
Fujairah Cement Industries	Abu Dhabi	AED	107.2	-26.0%	–	–	0.9	159.5%
Sharjah Insurance Company	Abu Dhabi	AED	12.7	-8.8%	–	–	3.5	2.3%
Al Buhaira National Insurance Co.	Abu Dhabi	AED	226.3	79.6%	–	–	7.1	-10.5%
Al Ain Ahlia Ins. Co.	Abu Dhabi	AED	288.3	10.4%	–	–	11.3	212.6%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/14	US	Department of Labor	Initial Jobless Claims	9-Nov	225k	215k	211k
11/14	US	Department of Labor	Continuing Claims	2-Nov	1,683k	1,683k	1,693k
11/15	US	Federal Reserve	Industrial Production MoM	Oct	-0.8%	-0.4%	-0.3%
11/15	US	Federal Reserve	Manufacturing (SIC) Production	Oct	-0.6%	-0.7%	-0.5%
11/14	EU	Eurostat	Employment QoQ	3Q2019	0.1%	–	0.2%
11/14	EU	Eurostat	Employment YoY	3Q2019	1.0%	–	1.2%
11/14	EU	Eurostat	GDP SA YoY	3Q2019	1.2%	1.1%	1.1%
11/14	EU	Eurostat	GDP SA QoQ	3Q2019	0.2%	0.2%	0.2%
11/15	EU	Eurostat	CPI YoY	Oct	0.7%	0.7%	0.7%
11/15	EU	Eurostat	CPI MoM	Oct	0.1%	0.2%	0.2%
11/15	EU	Eurostat	CPI Core YoY	Oct	1.1%	1.1%	1.1%
11/14	France	INSEE National Statistics Office	CPI MoM	Oct	0.0%	-0.1%	-0.1%
11/14	France	INSEE National Statistics Office	CPI YoY	Oct	0.8%	0.7%	0.7%
11/15	Japan	Ministry of Economy Trade and	Industrial Production MoM	Sep	1.7%	–	1.4%
11/15	Japan	Ministry of Economy Trade and	Industrial Production YoY	Sep	1.3%	–	1.1%
11/14	China	National Bureau of Statistics of China	Industrial Production YoY	Oct	4.7%	5.4%	5.8%
11/14	China	National Bureau of Statistics of China	Industrial Production YTD YoY	Oct	5.6%	5.6%	5.6%
11/14	China	National Bureau of Statistics of China	Retail Sales YoY	Oct	7.2%	7.8%	7.8%
11/14	China	National Bureau of Statistics of China	Retail Sales YTD YoY	Oct	8.1%	8.1%	8.2%
11/14	China	National Bureau of Statistics of China	Surveyed Jobless Rate	Oct	5.1%	–	5.2%

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

News

Qatar

- **Fitch affirms QNB Group at 'A+'; outlook 'Stable' –** Fitch Ratings (Fitch) has affirmed QNB Group's Long-Term Issuer Default Rating (IDR) at 'A+' with a 'Stable' outlook. QNB Group's Viability Rating (VR) has also been affirmed at 'bbb+'. QNB Group's IDRs, Support Rating (SR) and Support Rating Floor (SRF) reflect Fitch's expectation of an extremely high probability of support from the Qatari authorities for domestic banks in case of need. This reflects the strong ability of Qatar to support its banks, as indicated by its rating (AA-/Stable), combined with Fitch's belief of a strong willingness to support the banking sector and the bank. QNB Group's 'A+' SRF is one notch higher than all other Qatari banks' SRFs. This reflects its flagship status, role in the Qatari banking sector and close business links with the state. QNB Group's 'bbb+' VR reflects the bank's dominant franchise in Qatar, close links to the Qatari government and solid management quality. It also reflects the bank's sound funding and liquidity, with ability to access additional funding if needed and strong asset quality metrics. Profitability is stronger than most peers due to its lower-cost domestic funding base and higher margins from international operations. The VR also factors in the bank's higher risk appetite, as indicated particularly by its acquisitions in Turkey and Egypt, and generally by its strong expansion plans outside Qatar. The rating further reflects QNB Group's adequate, but declining core capital and leverage ratios (compared with pre-2016 levels), which benefit from zero percent risk weighting on higher levels of government lending than other Qatari banks. High loan and deposit concentrations, which would otherwise constrain the rating, are mitigated by QNB Group's largest borrowers and depositors being primarily lower-risk Qatari government-related entities (GREs). (Bloomberg)
- **Fitch affirms CBQK at 'A'; outlook 'Stable' –** Fitch Ratings has affirmed The Commercial Bank's (CBQK) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook. It has also affirmed its Viability Rating (VR) at 'bb+'. CBQK's VR reflects its weak asset quality despite the bank's de-risking strategy, pressured core capital ratios and moderate internal capital generation, weak profitability, high deposit concentration and higher reliance on wholesale funding than peers. The VR also factors in CBQK's well established franchise in Qatar and its solid management quality. CBQK is the third-largest bank in Qatar, accounting for about 9% of total banking system assets. CBQK's asset-quality metrics suffer from the bank's high but declining exposure to the real-estate sector in Qatar (27% of the loan book at end-3Q2019) and from its Turkish subsidiary (Alternatifbank; B+/Negative), which accounted for 12% of gross loans. Impaired loan origination was high at 2.7% in 2018 and mainly in the domestic real estate sector. The impaired loans ratio dropped to 4.9% at end-3Q2019 (5.6% at end-2018) due to partial settlements of some of its largest impaired exposures, but remains above the peer average. (Fitch)
- **Fitch affirms Qatar International Islamic Bank at 'A' with 'Stable' outlook –** Fitch Ratings (Fitch) has affirmed Qatar International Islamic Bank's (QIIK) Long-Term Issuer Default Rating (IDR) at 'A' with a 'Stable' outlook. QIIK's Viability Rating (VR) has also been affirmed at 'bb+'. QIIK's IDRs, Support Rating (SR) and Support Rating Floor (SRF) reflect Fitch's expectation of an extremely high probability of support from the Qatari authorities for domestic banks in case of need. This reflects the strong ability of Qatar to support its banks, as indicated by its rating (AA-/Stable), combined with Fitch's belief of a strong willingness to support the banking sector, including QIIK. QIIK's SRF is at the Qatari banks' domestic

systemically important bank (D-SIB) SRF of 'A', and is not differentiated by franchise or level of government ownership because we see an extremely high probability that all rated Qatari banks would receive support should they require it. This belief also partly reflects the risk of contagion (small number of banks and high concentration of banks in the system) and the importance of the banking system in building the local economy. The 'Stable' outlook on QIIK's Long-Term IDR mirrors that on the Qatari sovereign. (Bloomberg)

- **Fitch affirms QIBK at 'A'; outlook 'Stable' –** Fitch Ratings has affirmed Qatar Islamic Bank's (QIBK) Long-Term Issuer Default Rating (IDR) at 'A' with a 'Stable' outlook. QIBK's Viability Rating (VR) has also been affirmed at 'bbb'. QIBK's Support Rating Floor (SRF) is at the Qatari banks' domestic systemically important bank (D-SIB) SRF of 'A', and is not differentiated by franchise or level of government ownership because we see an extremely high probability that all rated Qatari banks would receive support should they require it. The 'Stable' outlook on QIBK's Long-Term IDR mirrors that on the Qatari sovereign. (Bloomberg)
- **Fitch affirms KCBK at 'A'; outlook 'Stable' –** Fitch Ratings has affirmed Al Khalij Commercial Bank's (KCBK) Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook. KCBK's SRF is at the Qatari banks' domestic systemically important bank (D-SIB) SRF of 'A', and is not differentiated by franchise or level of government ownership because we see an extremely high probability that all rated Qatari banks would receive support should they require it. The Stable Outlook on KCBK's Long-Term IDR mirrors that on the Qatari sovereign. The VR of KCBK is constrained by its narrow franchise in Qatar, where its operations are concentrated, and undiversified business model with significant concentration on both sides of its balance sheet. The VR also reflects adequate core capital ratios, a weak funding structure and profitability below most domestic peers'. It also reflects the bank's conservative risk management and adequate asset quality and liquidity. The bank's main activities are corporate, treasury and private banking. Asset quality is adequate. The impaired loans ratio was stable at 1.9% at end-9M2019. Reserve coverage of impaired loans improved to 242% at end-3Q2019 from 228% at end-2018 but should be considered in light of KCBK's high loan book concentration and significant Stage 2 loans. Stage 2 loans were equal to a high 14.1% of gross loans at end-9M2019, although this is comparable to peers' and Fitch considers the bank to be fairly conservative in its classification of Stage 2 loans. Total reserves coverage of Stage 2 loans and impaired loans was just 29%. (Fitch)
- **Fitch affirms Ahli Bank at 'A'; outlook 'Stable' –** Fitch Ratings has affirmed Ahli Bank's Long-Term Issuer Default Rating (IDR) at 'A' with a Stable Outlook. The Viability Rating (VR) has also been affirmed at 'bbb-'. The Stable Outlook on Ahli Bank's Long-Term IDR mirrors that on the Qatari sovereign. The VR of Ahli Bank reflects its adequate, albeit deteriorated, asset-quality metrics, sound profitability and capital ratios as well as sufficient liquid assets. It further takes into account high balance-sheet concentrations, a weak funding structure and the bank's small domestic franchise. Ahli Bank's asset quality metrics further deteriorated in 9M2019. The impaired loans ratio was flat at a reasonable 1.7% with reserves coverage of a healthy 145%. However, Stage 2 loans rose sharply to 11.7% at end-3Q2019 from 6.1% at end-2018, due mainly to real-estate loans. The real-estate sector has come under pressure in Qatar; it accounted for a high 27% of Ahli Bank's gross loans at end-3Q2019. Single-name concentration is high, as for most peers, with the 20-largest exposures representing 2.2x equity at end-3Q19. (Fitch)
- **London Stock Exchange lists QIIK's $300mn AT1 perpetual Sukuk –** The London Stock Exchange (LSE) listed Qatar International Islamic Bank's (QIIK) $300mn Sukuk the bank successfully issued last week as Additional Tier 1 Perpetual capital instrument. On November 13, QIIK had successfully issued the $300mn Sukuk. The issuance witnessed strong appetite from investors and was oversubscribed about nine times, with a book order that exceeded $2.6bn. The issue was priced at fixed rate of 4.875% a year, which QIIK stated "is the lowest pricing ever" of this AT1 from the GCC. (Gulf-Times.com)
- **QFBQ issues a supplementary disclosure on signing one of its subsidiaries a contract to sell its full stake –** Qatar First Bank (QFBQ) announced that with Ref No. W-M-77-2019, "We inform you that under our letter sent to QFMA on third November 2019 Ref No. No.IR/0112/2019, we notified QE and QFMA of the sale process immediately upon occurring. Despite we have earlier received a written offer from the acquirer, but more than once expressed his intentions not to proceed with the transaction, which called on the bank not to disclose until the signing of a binding sale agreement to avoid any disclosure that is not based on officially trustworthy information related to the solid intention of the acquirer. Consequently, we believe that we complied with the provisions of Article 5 of the Mergers and Acquisitions Law issued by QFMA." The company making the acquisition is called Toppan Gravity which is a Hong Kong based printing company. "We don't have information on its board of directors or capital as it is a privately held company," it stated. No P&L impact is expected following the consummation of the deal. The acquisition target is Future Industries Holding which owned 100% beneficial ownership in FutureCard Industries. FutureCard Industries is based in Sharjah and has a paid-in capital of AED20mn. It added, "We owned 71.3% of Future Industries Holding. Other shareholders included Nizar Rajjoub 23% and Omar AL Shamsi 5.7%." Toppan Gravity acquired 100% of the company for a total of $14mn and it also acquired QFBQ's debt for ~$12mn. The acquisition was funded through internal resources with no use of debt. The acquisition was to create synergies and grow their business in the Middle East. The FutureCard manufactures smart cards. The exit enables QFBQ to reinvest the proceed in better suited investments. No conflict of interest arises from the transaction. (QSE)
- **Qatar's trade surplus at QR40.7bn in 2Q2019 –** Qatar's foreign merchandise trade balance, which represents the difference between total exports and total imports, has showed a surplus of QR40.7bn in the second quarter of 2019. This trade surplus was QR47.7bn in the same quarter of previous year, according to 'Window on Economic Statistics of Qatar' report released by The Planning and Statistics Authority (PSA). Total exports, which included exports of domestic origin and re-exports,

amounted to QR66.9bn in the second quarter while imports of merchandise amounted to QR26.3bn in the second quarter of 2019. Japan, South Korea, China, Singapore were among the largest export markets of Qatar while the US, China, Germany, India, UK were among the countries where imports came from during the second quarter of this year. According to the report, the quarterly GDP at current prices in 2Q2019 was estimated at QR163.45bn, which shows a decline of 3.9% compared to estimated QR170.14bn in 2Q2018. When compared to previous quarter (1Q2019) revised estimate of QR168.14bn, a decrease of 2.8% is recorded. The quarterly GDP at constant prices in 2Q2019 was QR200.21bn shows a decrease of 1.4% compared to estimated QR203.14bn in 2Q2018. However, compared to 1Q2019 revised estimate of QR202.12bn a decrease of 0.9% is recorded. The quarterly Consumer Price Index (CPI) for the second quarter of 2019 showed an increase of 0.3% compared to the previous quarter, and 0.5% decrease when compared to the corresponding quarter of 2018. The Producer Price Index (PPI) for 2Q2019 showed a decrease of 3.5%, when compared with the previous quarter (1Q2019), and 7% when compared with the corresponding quarter of 2018. (Peninsula Qatar)

- **Signing of contract between Qatar Petroleum and LNG terminal in Zeebrugge highlight of excellent ties –** The signing of a major contract between Qatar Petroleum and the LNG terminal in the port of Zeebrugge, operated by Fluxys, served as a highlight of Qatar and Belgium's excellent bilateral relations, Belgian Ambassador, Bart De Groof has said. "Qatar will use the full capacity of the terminal until the year 2044 at least. This is a major confirmation of the place Belgium is playing in the distribution of Qatari LNG, as the main gateway to Northwest Europe," the envoy said in his speech at the Belgian King's Day. He noted that the contract is also an important policy statement on energy for both countries. According to De Groof, Qatar embarked on what he described as a dynamic program of diversification of its markets while Belgium is revising its energy generation mix with gas being an important role in the drive towards clean energy. "With the present contract, Qatar and Belgium enter a win-win partnership," he stressed. (Gulf-Times.com)
- **Ooredoo to mull cutting stake in $4bn Myanmar Unit –** Ooredoo is considering reducing its stake in its Myanmar unit amid fierce competition in one of the world's newest mobile-phone markets, according to sources. Ooredoo has been gauging interest from potential investors including state-owned China Telecommunications Corp. about taking a stake in its Myanmar business. A deal could value the unit at as much as $4bn, the sources said. A transaction could involve a partner investing in Ooredoo's Myanmar business in return for a stake of around 40%. Ooredoo would lower its exposure to a country where it faces steep price competition from Mytel SA, a new player backed by Vietnam's Viettel Global Investment JSC, and Norway's Telenor ASA. Ooredoo has been seeking cash to fund next-generation network rollouts in other markets. No final decisions have been made, and talks could still fall apart, the sources said. Other investors for Ooredoo's Myanmar unit may still emerge. (Bloomberg)
- **Ooredoo's new IoT Asset Management solution to optimize business operations –** Ooredoo has introduced the new Ooredoo Asset Management solution that leverages the Internet of Things (IoT) to optimize business operations and enable new services. Across industry verticals, such as facilities management, construction, manufacturing, oil and gas, and transport and logistics, organizations often face challenges in monitoring and optimizing their assets and related work efficiency across multiple and distributed sites or projects. These assets can include machines, equipment, and devices, ranging from construction machines to power generators. In response to feedback from customers, Ooredoo's Asset Management is a cloud-based solution that allows organizations to gain full and real-time visibility on their assets. Qatar's organizations can optimize their costs, productivity, efficiency, and predictive maintenance. (Qatar Tribune)
- **With QR22.7bn budget, Qatar gives importance to health sector –** Qatar Chamber's Board of Directors member and President of Health Committee Ibtihajal Ahmadani has stressed the importance attached to the health sector in Qatar, noting that the State allocated QR22.7bn for the sector, representing 11% of the total expenditure, in its budget for 2019. This came during her speech delivered at the opening of The International Conference of Aesthetic Dentistry, Laser and Dental Implants iLED 2019 on Friday. Besides, the major projects to improve healthcare services included expansions of Hamad Medical Corporation facilities, national laboratories as well as the establishment of new health centers in the country, she pointed out. Ahmadani also stressed the role played by the chamber in developing the healthcare sector in the country, noting that it sought to enhance cooperation with concerned bodies to discuss issues related to the sector and remove all obstacles facing its development. (Qatar Tribune)

International

- **IIF: Global debt to top record $255tn by year's end –** Global debt is on course to end 2019 at a record high of more than $255tn, the Institute of International Finance (IIF) estimated on Friday – nearly $32,500 for each of the 7.7bn people on planet. The amount, which is also more than three times the world's annual economic output, has been driven by a $7.5tn surge in the first half of the year that shows no signs of slowing. Around 60% of that jump came from the US and China. Government debt alone is set to top $70tn this year, as will overall debt (government, corporate and financial sector) of emerging-market countries. "With few signs of slowdown in the pace of debt accumulation, we estimate that global debt will surpass $255tn this year," the IIF stated in a report. Across sectors, government debt saw the biggest rise in the first half of the year, increasing by 1.5 percentage points, followed by non-financial companies, with a 1 percentage point rise. Moreover, with state-owned companies now accounting for over half of non-financial corporate debt in emerging markets, sovereign-related borrowing has been the single most important driver of global debt over the past decade. (Reuters)
- **IEA sees calm global oil market in 2020 as new supplies soar –** Global oil markets are likely to remain calm next year as soaring production outside OPEC and high inventories keep consumers comfortably supplied, the International Energy Agency (IEA) stated. Supplies outside OPEC – driven by the US, Brazil, Norway and Guyana – will increase by 2.3mn barrels a day in

2020, almost twice the expansion in world oil demand, the agency stated in its monthly report. The growth estimate is about 100,000 barrels a day higher than last month. Oil prices have remained steady near $60 a barrel in London for several months. US sanctions on Iran's exports and political unrest in Venezuela and Iraq have also had limited impact. (Gulf-Times.com)

- **QNB Group: Global interest rates to be lower for longer to support growth –** The global economy is sailing into headwinds, the most obvious of which is the trade war between the US and China, the QNB Group has stated in its latest economy commentary. This has in turn forced central banks across the world to ease monetary policy to support economic growth, it stated. Highlighting the scale of monetary stimulus supporting the global economy, the report stated, "In September the European Central Bank (ECB) cut the deposit rate to -0.5%. The ECB also announced the start of asset purchases of 20bn Euro a month, which they said would run for as long as necessary." In October, it added, the Federal Open Market Committee reduced the target range for the federal funds rate to 1.5-1.75%, the third cut this year. The Bank of England (BoE) has kept interest stable since mid-2018 as the UK economy suffers through the persistent uncertainty related to Brexit, the report stated. The market-implied path for policy rates of these three central banks has fallen substantially over the past year. Markets now expect a modest further easing of policy during 2020, but seem to accept central bank's reluctance to make larger cuts. Easing by major central banks has helped to provide space for a number of central banks in emerging markets and developing economies to also lower policy rates, the report said, adding, for example, Brazil, Chile, India, Indonesia, Mexico, Peru, the Philippines, Russia, South Africa, Thailand, and Turkey have all cut policy rates during 2019. (Qatar Tribune)
- **Growth in global oil demand to slow from 2025, says IEA –** Growth in global oil demand is expected to slow from 2025 as fuel efficiency improves and the use of electric vehicles increases, but consumption is unlikely to peak in the next two decades, the International Energy Agency (IEA) has stated. The Paris-based IEA, which advises Western governments on energy policy, said in its annual World Energy Outlook for the period to 2040 that demand growth would continue to increase even though there would be a marked slowdown in the 2030s. The agency's central scenario - which incorporates existing energy policies and announced targets - is for demand for oil to rise by around 1mn barrels per day (bpd) on average every year to 2025, from 97mn bpd in 2018. Demand is then seen increasing by 0.1mn bpd a year on average during the 2030s to reach 106mn bpd in 2040. "There is a material slowdown after 2025, but this does not lead to a definitive peak in oil use," the IEA stated, citing increased demand from trucks and the shipping, aviation and petrochemical sectors. (Gulf-Times.com)
- **US retail sales rise modestly; factory output tumbles –** The US retail sales rebounded moderately in October although consumers did cut back on purchases of big-ticket household items like furniture and discretionary spending, which could temper expectations for a strong holiday shopping season. Retail sales gained 0.3% last month. But the increase in sales, which reversed September's unrevised 0.3% drop, reflected higher motor vehicle and gasoline prices. Economists polled by Reuters had forecasted retail sales climbing 0.2% in October after falling in September for first time in seven months. Auto manufacturers reported a drop in unit sales in October. Compared to October last year, retail sales advanced 3.1%. The manufacturing downturn deepened in October, with the Fed reporting that output at factories tumbled 0.6%, the most since May 2018, after dropping 0.5% in September. Excluding auto production, manufacturing output slipped 0.1% last month. Even with trade tensions between Washington and Beijing easing, there is no sign that business confidence and manufacturing will rebound anytime soon. (Reuters)
- **US producer prices increases by the most in six months in October –** The US producer prices increased by the most in six months in October, lifted by gains in the costs of goods and services, further bolstering the Federal Reserve's stance that it will probably not cut interest rates again in the near term. The producer price index for final demand rose 0.4% last month, the biggest increase since April, after falling 0.3% in September. In the 12 months through October, the PPI climbed 1.1%, the smallest increase since October 2016, after advancing 1.4% in the 12 months through September. Annual producer inflation retreated as last year's hefty gain dropped out of the calculation. Economists polled by Reuters had forecasted the PPI would rise 0.3% in October and climb 0.9% on a YoY basis. Excluding the volatile food, energy and trade services components, and producer prices edged up 0.1% after being unchanged in September. The so-called core PPI increased 1.5% in the 12 months through October after gaining 1.7% in the 12 months through September. Annual core PPI also slowed last month as last October's increase dropped out of the calculation. (Reuters)
- **Eurozone's economy continues steady growth in third quarter –** The Eurozone's economy continued to grow at a modest pace in the July-September period as expected, data from the EU statistics office showed, as Germany narrowly escaped a technical recession and other big economies expanded. The European Union's statistics office Eurostat stated gross domestic product in the 19 countries sharing the euro increased 0.2% QoQ in the third quarter for a 1.2% YoY gain. The quarterly expansion was in line with a Eurostat preliminary flash estimate earlier this month and market expectations, although the previous YoY figure was 1.1%. Germany, the Eurozone's biggest economy, grew 0.1% in the third quarter after a -0.2% contraction in the previous three months, so avoiding a technical recession. France, the second biggest economy grew by 0.3% in the third quarter against the previous three months and the third biggest Italy expanded 0.1%. Spain and the Netherlands, the fourth and fifth biggest economies of the bloc, each grew by 0.4%. (Reuters)
- **China's October home prices rise 0.5% from previous month –** China's new home prices rose 0.5% in October MoM, in line with September's growth, and marking the 54th straight month of gains, Reuters calculated from official National Bureau of Statistics (NBS) data. On an annual basis, average new home prices in China's 70 major cities rose 7.8% in October, down from 8.4% in September, and the slowest YoY pace since August last year. A cooling economy and curbs on speculative

buying have dented overall demand. Beijing has stepped up scrutiny of developers' financing channels, and some local governments have also raised the bar for purchases, to quell speculation. (Reuters)

- **India's October trade deficit narrows to $11.01bn –** India's trade deficit narrowed to $11.01bn in October from $18.0bn a year ago, the trade ministry stated, helped by lower oil imports. Oil imports fell 31.74% to $9.63bn in October from $14.11bn in the year-ago period. Merchandise exports fell 1.11% to $26.38bn in October compared with a year earlier, while imports were down 16.31% at $37.39bn, the data showed. (Reuters)

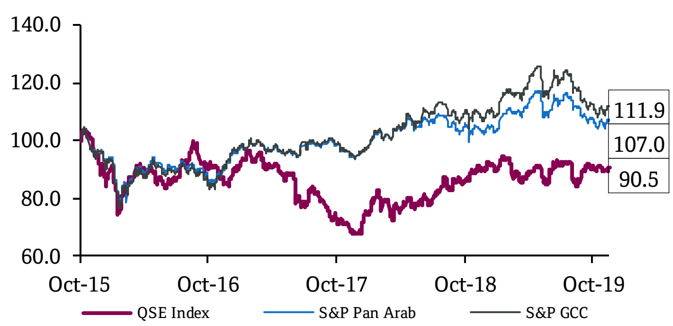
Regional

- **IEA: OPEC+ faces 'major challenge' from competitors' surging output –** The OPEC and its allies face stiffening competition in 2020, the International Energy Agency (IEA) stated, adding urgency to the oil producer group's policy meeting next month. "The OPEC+ countries face a major challenge in 2020 as demand for their crude is expected to fall sharply," the Paris-based agency stated. The IEA estimated non-OPEC supply growth would surge to 2.3mn bpd next year compared to 1.8mn bpd in 2019, citing production from the US, Brazil, Norway and Guyana. "The hefty supply cushion that is likely to build up during the first half of next year will offer cold comfort to OPEC+ ministers gathering in Vienna at the start of next month," it added. While US supply rose by 145,000 bpd in October, the IEA stated, a slowdown in activity that started earlier this year looks set to continue as companies prioritize capital discipline. Demand for crude oil from OPEC in 2020 will be 28.9mn bpd, the IEA forecast, 1mn bpd below the exporter club's current production. The recovery by OPEC's de facto leader Saudi Arabia from attacks on the country's oil infrastructure contributed 1.4mn bpd to the global oil supply increase in October of 1.5mn bpd. "With plans underway for the Aramco IPO and the persistent need for revenues to fund the government budget, Riyadh has every incentive to keep oil prices supported," the IEA stated. (Reuters)
- **S&P: Saudi Aramco IPO could strengthen government finances, support economy –** Saudi Aramco's forthcoming listing on the local stock market could help strengthen the government's net asset position, with the proceeds potentially raising the Kingdom's longer-term economic growth, S&P stated. "The bulk of the funds raised will go to the government or the Public Investment Fund (PIF), potentially adding to the sovereign's already strong fiscal net asset position of 72.7% of GDP," S&P stated. "Productively deployed, we believe the assets could also help maintain growth potential through our three-year ratings horizon." S&P rates Saudi Arabia as 'A-'/'A-2' with a 'Stable' outlook. The agency stated that the ratings were constrained by high geopolitical risks, sizable fiscal deficits and the limited transparency of the Kingdom's institutional framework and the reporting of government assets. (Reuters)
- **S&P open to foreign ownership rule exception for Saudi Aramco in index –** S&P Dow Jones Indices (SPDJI) stated that it has ruled that Saudi Aramco, given its expected market capitalization and liquidity, can be fast-track added to SPDJI's Global Benchmark Indices. Fast-track criteria include market capitalization of at least $2bn and practical availability to foreign investors of at least 10% of shares. Though Saudi Aramco's shares likely will not meet the threshold, SPDJI will make an exception to the foreign availability rule as long as all other index criteria are met. (Bloomberg)
- **MSCI, S&P Dow Jones, FTSE Russell could fast-track Saudi Aramco into indices –** MSCI, the world's biggest index provider, will follow in the footsteps of S&P Dow Jones and FTSE Russell, which told clients this week that they could fast-track Saudi Aramco's inclusion into their indexes as soon as December. Typically, providers of indices which are tracked or used as a benchmark by investment funds would add newly listed companies during their rebalancing reviews, conducted quarterly or semi-annually, depending on the index. While a large part of the offer is set to be sold to retail investors, when the company is added to the global indexes and what proportion of them it will account for will influence demand for the shares from overseas money managers, particularly now that Saudi Arabia has been classified as an 'emerging market'. MSCI, whose indexes are used by funds with trillions of Dollars in assets globally, said that if Saudi Aramco starts trading on or before December 12, it would add it to the MSCI Equity Indexes from December 17. "However, if the IPO listing date is after December 12, 2019, MSCI would postpone the implementation until after January 5, 2020," it said in a note to clients on Friday night. It added that it would do so to avoid lower liquidity during the Christmas period, when trading thins. (Reuters)
- **SoftBank's second vision fund starts life a lot smaller –** SoftBank Group Corp. has quietly completed an initial money-raising push for its second technology fund, at a fraction of its targeted $108bn. The Japanese company has raised roughly $2bn for the second Vision Fund so it can start backing startups, according to sources. This stage of the fund-raising process is known as a first close, and SoftBank will continue gathering commitments. SoftBank stated in July that its second Vision Fund would be even larger than the first, which broke records in 2017 by raising almost $100bn. This time around, SoftBank has stated that it is taking more control, committing $38bn of its own capital and replacing Saudi Arabia, which was the largest investor in the first fund. So far, it is unclear whether there are any outside investors in the second fund. The original Vision Fund was announced in October 2016, however, took another seven months for its first major closing with $93bn in commitments. Saudi Arabia's Public Investment Fund (PIF) and Abu Dhabi's Mubadala Investment Co., which contributed $45bn and $15bn, respectively, to the first fund, are reconsidering how much to put into the new fund, Bloomberg News previously reported. Talks with Saudi Arabia are still ongoing, sources said. Mubadala recently told Bloomberg News it had yet to decide on whether it would invest. SoftBank has stated the second fund is also expected to collect money from Apple Inc., Microsoft Corp., Foxconn Technology Group and the sovereign wealth fund of Kazakhstan. (Bloomberg)
- **Saudi Sakaka solar project to be launched before end of year –** Saudi Arabia's Al Jouf region will launch its first renewable power project before the end of the year, according to the state news agency. The 300mw Sakaka solar photovoltaic IPP project is estimated to generate enough clean energy to power 45,000 households in the Al Jouf region while offsetting over 500,000 tons of carbon dioxide a year, ACWA Power Chairman,

Mohammad Abunayyan told the agency. The project is said to be the first renewable energy project being built under King Salman's renewable energy initiative. (Reuters)

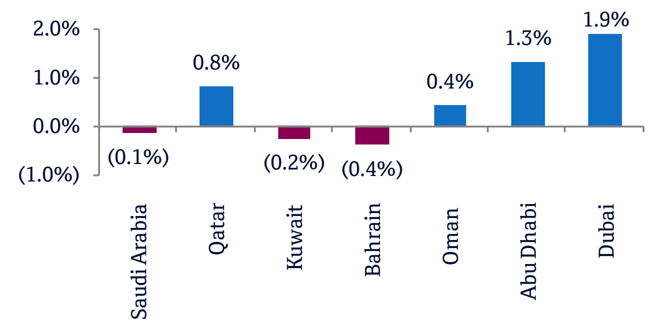
- **Egypt and UAE to set up $20bn joint investment platform –** Egypt and the UAE are setting up a $20bn joint strategic platform to invest in a range of sectors and assets, the Presidency said. The deal comes as President, Abdel-Fattah El-Sisi is in the UAE for meeting with officials and marks the latest boost the Arab world's most populous nation has received from the oil-rich Gulf. The investment platform will be run through Egypt's newly established sovereign wealth fund and Abu Dhabi Development Holding Co. (Bloomberg)
- **UAB post net loss of AED98.7mn in 3Q2019 –** United Arab Bank (UAB) recorded net loss of AED98.7mn in 3Q2019 as compared to net profit of AED24.3mn in 3Q2018. Total interest income and income from Islamic financial products fell 2.2% YoY to AED231.6mn in 3Q2019. Total operating income fell 16.6% YoY to AED133.3mn in 3Q2019. Loss per share came in at AED0.05 in 3Q2019 as compared to earnings per share of AED0.01 in 3Q2018. Total assets stood at AED19.7bn at the end of September 30, 2019 as compared to AED20.5bn at the end of December 31, 2018. Loans and advances and Islamic financial receivables stood at AED12.5bn (-1.9% YTD), while customers' deposits and Islamic customer deposits stood at AED12.8bn (-9.2% YTD) at the end of September 30, 2019. (ADX)
- **Dubai Islamic Bank set to raise $750mn in 5-year Sukuk –** Dubai Islamic Bank, the largest Islamic bank in the UAE, is set to raise $750mn via a 5-year Sukuk, or Islamic bonds, a document showed. The transaction received orders of around $2bn, including $433mn from the banks working on the deal, according to the document. The Sukuk offer investors 140 basis points over mid swaps, according to the document. (Reuters)
- **SHUAA Capital CEO is calling bottom of UAE property slump –** SHUAA Capital, the investment bank formed from a reverse merger with Abu Dhabi Financial Group, is betting that the real estate slump in the UAE is drawing to an end. The property market is "bottoming out," which is being aided by early signs of an uptick in economic growth, Chief Executive Officer, Jassim Alseddiqi said. While the combined entity is mostly invested in UK real estate, the CEO is unconcerned by the exposure of lenders to local developers, as "banks are more solid now." His comments come after a 27% drop in property prices across the UAE since 2014 and an annual economic expansion rate of below 2%. The merger of the two lenders comes amid a wave of consolidation in the Middle East as banks seek ways to improve competitiveness and boost capital to cope with slower growth. (Bloomberg)
- **ADNOC looking at potential China refining and chemicals projects –** Abu Dhabi National Oil Company (ADNOC) is looking to invest in refining and petrochemicals projects in China, ADNOC's Executive Director for downstream, Abdulaziz Al Hajri said. ADNOC is in discussions with Chinese firms about potential projects for investment in both Abu Dhabi and in China. ADNOC and partners including Saudi Aramco and Indian companies are still working on joint-venture refinery project in India. (Bloomberg)
- **Dana Gas CEO: Bids on Egypt asset sale to come in mid-November –** Dana Gas may not sell Egypt assets if offers are not high enough, Chief Executive Officer, Patrick Allman-Ward said. The company plans to drill in Egypt's south El Basant in 4Q2019. South Abu El Naga in Egypt will start producing and tie in with pipeline network in 4Q2019. (Bloomberg)
- **Oman's Salam Air closing in on short-haul jet deal with Airbus –** Omani budget carrier Salam Air is close to placing an order for two Airbus A321neo jets as it pushes ahead with expansion plans, according to sources. The deal for the long-range A321LR planes, worth more than $250mn at list prices, could be signed at the Dubai Airshow next week, sources said. A spokesman for Salam Air, founded in 2017 and based in the Omani capital Muscat, said a plane purchase is "under process but has not yet been finalized." Salam Air plans to increase its fleet of seven Airbus A320 jets to 11 planes, eventually reaching 20 over the next five years, Chief Executive Officer, Mohamed Ahmed said, adding that buying more aircraft from the European manufacturer would make sense. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,468.30	(0.2)	0.6	14.5
Silver/Ounce	16.96	(0.4)	1.0	9.5
Crude Oil (Brent)/Barrel (FM Future)	63.30	1.6	1.3	17.7
Crude Oil (WTI)/Barrel (FM Future)	57.72	1.7	0.8	27.1
Natural Gas (Henry Hub)/MMBtu	2.70	0.7	(5.9)	(15.3)
LPG Propane (Arab Gulf)/Ton	54.25	0.9	4.6	(14.6)
LPG Butane (Arab Gulf)/Ton	72.75	(3.3)	6.2	3.9
Euro	1.11	0.3	0.3	(3.6)
Yen	108.80	0.4	(0.4)	(0.8)
GBP	1.29	0.1	1.0	1.1
CHF	1.01	(0.2)	0.8	(0.8)
AUD	0.68	0.5	(0.7)	(3.3)
USD Index	98.00	(0.2)	(0.4)	1.9
RUB	63.76	(0.3)	(0.1)	(8.5)
BRL	0.24	(0.0)	(0.8)	(7.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,282.80	0.8	0.6	21.2
DJ Industrial	28,004.89	0.8	1.2	20.1
S&P 500	3,120.46	0.8	0.9	24.5
NASDAQ 100	8,540.83	0.7	0.8	28.7
STOXX 600	406.04	0.7	0.5	16.1
DAX	13,241.75	0.8	0.4	21.2
FTSE 100	7,302.94	0.4	0.3	9.9
CAC 40	5,939.27	1.0	1.2	21.2
Nikkei	23,303.32	0.3	(0.0)	18.2
MSCI EM	1,048.79	0.6	(1.5)	8.6
SHANGHAI SE Composite	2,891.34	(0.5)	(2.6)	13.8
HANG SENG	26,326.66	0.0	(4.8)	1.9
BSE SENSEX	40,356.69	0.7	(0.4)	8.9
Bovespa	106,556.90	0.0	(2.0)	12.0
RTS	1,449.42	0.9	(1.3)	35.6

Source: Bloomberg (*$ adjusted returns)

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