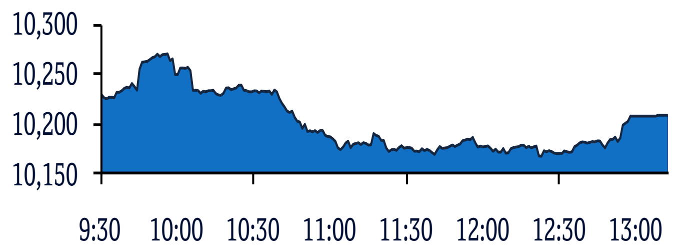
Daily Market Report

Wednesday, 18 November 2020

QSE Intra-Day Movement



Market Indicators	17 Nov 20	16 Nov 20	%Chg.
Value Traded (QR mn)	495.6	563.9	(12.1)
Exch. Market Cap. (QR mn)	589,488.1	593,772.1	(0.7)
Volume (mn)	203.4	233.3	(12.8)
Number of Transactions	10,539	11,785	(10.6)
Companies Traded	45	46	(2.2)
Market Breadth	13:27	16:28	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,630.95	(0.2)	(0.0)	2.3	17.3
All Share Index	3,153.05	(0.5)	(0.3)	1.7	18.0
Banks	4,262.11	(0.7)	(0.6)	1.0	15.1
Industrials	2,948.16	(0.2)	(1.0)	0.6	26.3
Transportation	3,093.95	0.8	3.1	21.1	14.1
Real Estate	1,842.82	(1.1)	(2.2)	17.7	16.3
Insurance	2,421.13	0.0	4.1	(11.5)	32.9
Telecoms	922.48	(0.6)	(1.6)	3.1	13.7
Consumer	8,287.27	(0.2)	0.8	(4.2)	24.5
Al Rayan Islamic Index	4,146.22	(0.2)	(0.4)	4.9	18.9

Qatar Commentary

The QE Index declined 0.2% to close at 10,211.3. Losses were led by the Real Estate and Banks & Financial Services indices, falling 1.1% and 0.7%, respectively. Top losers were Qatar First Bank and Qatari German Company for Medical Devices, falling 4.0% and 3.6%, respectively. Among the top gainers, Qatar Gas Transport Company Limited and The Commercial Bank were up 1.2% each.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.5% to close at 8,572.7. Gains were led by the Software & Serv. and Consumer Durables & Apparel indices, rising 4.8% and 1.8%, respectively. Saudi Paper Manufacturing and Saudi Ind. Dev. were up 9.9% each.

Dubai: The DFM Index gained 0.8% to close at 2,317.3. The Real Estate & Construction index rose 2.2%, while the Telecommunication index gained 0.9%. DAMAC Properties Dubai Co. rose 5.7%, while Dubai Islamic Ins. was up 4.6%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 4,960.1. The Real Estate index rose 2.7%, while the Consumer Staples index gained 0.8%. Abu Dhabi National Co. for Building Mat. rose 4.8%, while Arkan Building Mat. was up 4.3%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 5,469.0. The Industrials index rose 1.2%, while the Utilities index gained 0.6%. Alrai Media Group Company rose 7.5%, while Al Mal Investment Company was up 6.1%.

Oman: The MSM 30 Index fell 0.1% to close at 3,641.0. Losses were led by the Services and Industrial indices, falling 0.6% and 0.2%, respectively. National Gas Company and Oman United Insurance were down 2.5% each, respectively.

Bahrain: The BHB Index gained 0.1% to close at 1,447.4. The Industrial index rose 2.4%, while the other indices ended flat or in red. Aluminium Bahrain rose 2.5%, while Ithmaar Holding was up 1.5%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Petrochemical	Saudi Arabia	30.30	6.1	1,412.1	27.6
Saudi Industrial Inv.	Saudi Arabia	24.44	3.1	3,954.1	1.8
Saudi Arabian Mining Co.	Saudi Arabia	41.60	3.0	3,332.2	(6.3)
Aldar Properties	Abu Dhabi	2.80	2.9	71,018.4	29.6
Saudi Kayan Petrochem.	Saudi Arabia	11.08	2.8	25,723.2	(0.2)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Electricity Co.	Saudi Arabia	20.30	(3.6)	13,139.9	0.4
Mouwasat Medical Serv.	Saudi Arabia	123.60	(3.3)	193.0	40.5
Ezdan Holding Group	Qatar	1.56	(2.5)	19,529.1	153.7
HSBC Bank Oman	Oman	0.09	(2.1)	550.0	(23.1)
QNB Group	Qatar	18.55	(1.9)	2,881.5	(9.9)

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 Gas Transport Company Ltd.	3.13	1.2	26,501.0	31.0
The Commercial Bank	4.46	1.2	4,398.6	(5.1)
Qatar Islamic Bank	16.64	1.0	2,242.9	8.5
Salam International Inv. Ltd.	0.61	1.0	18,306.6	18.0
Gulf Warehousing Company	5.04	0.7	5,037.6	(8.1)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.67	(4.0)	11,578.3	103.7
Qatari German Co for Med. Dev.	1.79	(3.6)	3,157.4	208.1
Alijarah Holding	1.19	(3.3)	6,953.9	68.9
Doha Insurance Group	1.29	(3.0)	2,715.7	7.5
Ezdan Holding Group	1.56	(2.5)	19,529.1	153.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	3.13	1.2	26,501.0	31.0
Investment Holding Group	0.58	(0.3)	23,816.9	2.5
Ezdan Holding Group	1.56	(2.5)	19,529.1	153.7
Mazaya Qatar Real Estate Dev.	1.31	(1.3)	18,356.8	82.6
Salam International Inv. Ltd.	0.61	1.0	18,306.6	18.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Gas Transport Co. Ltd.	3.13	1.2	82,497.5	31.0
QNB Group	18.55	(1.9)	53,684.7	(9.9)
Qatar Islamic Bank	16.64	1.0	36,945.9	8.5
Ezdan Holding Group	1.56	(2.5)	30,589.9	153.7
Gulf Warehousing Company	5.04	0.7	25,410.9	(8.1)

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*	10,211.33	(0.2)	(0.0)	5.4	(2.1)	134.08	159,456.5	17.3	1.5	3.9
Dubai	2,317.31	0.8	2.4	5.9	(16.2)	95.00	88,610.1	10.8	0.8	4.2
Abu Dhabi	4,960.13	0.2	2.1	6.4	(2.3)	341.08	194,302.0	19.2	1.4	4.9
Saudi Arabia	8,572.73	0.5	1.6	8.4	2.2	3,770.04	2,441,589.7	32.3	2.0	2.4
Kuwait	5,468.99	0.5	(0.8)	0.5	(12.9)	157.63	99,688.1	35.9	1.3	3.6
Oman	3,641.03	(0.1)	0.4	2.3	(8.5)	7.23	16,489.5	10.9	0.7	6.8
Bahrain	1,447.35	0.1	(0.1)	1.4	(10.1)	3.46	22,076.9	14.1	1.0	4.6

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

Qatar Market Commentary

- The QE Index declined 0.2% to close at 10,211.3. The Real Estate and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and Arab shareholders despite buying support from Qatari and Foreign shareholders.
- Qatar First Bank and Qatari German Company for Medical Devices were the top losers, falling 4.0% and 3.6%, respectively. Among the top gainers, Qatar Gas Transport Company Limited and The Commercial Bank were up 1.2% each.
- Volume of shares traded on Tuesday fell by 12.8% to 203.4mn from 233.3mn on Monday. Further, as compared to the 30-day moving average of 261.0mn, volume for the day was 22.1% lower. Qatar Gas Transport Company Limited and Investment Holding Group were the most active stocks, contributing 13.0% and 11.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	38.77%	42.25%	(17,251,657.9)
Qatari Institutions	19.35%	15.71%	18,066,487.6
Qatari	**58.12%**	**57.96%**	**814,829.7**
GCC Individuals	0.69%	1.26%	(2,855,640.9)
GCC Institutions	1.95%	1.74%	1,069,081.8
GCC	**2.64%**	**3.00%**	**(1,786,559.1)**
Arab Individuals	10.62%	12.39%	(8,773,697.5)
Arab	**10.62%**	**12.39%**	**(8,773,697.5)**
Foreigners Individuals	3.18%	4.01%	(4,093,002.0)
Foreigners Institutions	25.44%	22.65%	13,838,428.8
Foreigners	**28.62%**	**26.65%**	**9,745,426.9**

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/17	US	Federal Reserve	Industrial Production MoM	Oct	1.1%	1.0%	-0.4%

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

News

Qatar

- **QNB named Best Private Bank in the Middle East and Qatar by Global Finance –** QNB Group, the largest financial institution in the Middle East and Africa, recently received the “Best Private Bank in The Middle East 2021” and “Best Private Bank in Qatar 2021” awards from Global Finance. QNB won the two prestigious awards based on its continuous efforts to provide an enhanced banking experience as well as providing a unique range of products and innovative services tailor-made to its customers. QNB’s private banking services provide dedicated private bankers available 24/7 to ensure easier, faster and more efficient daily management of its customers’ multi-currency accounts, deposits, loans as well as their investment opportunities. (Press Release)
- **Nakilat completes second phase of fleet management transition from Shell –** Qatar Gas Transport Company Limited (Nakilat) has completed the second phase of its fleet management transition from Shell International Trading and Shipping Company (Shell), with a total of seven liquefied natural gas (LNG) carriers transitioned to its in-house technical and operational management. On October 27 2020, the Q-Max LNG carrier ‘Lijmiliya’ was the seventh and final vessel to transition from Shell to Nakilat Shipping Qatar (NSQL) in this second phase transition, bringing the fleet size fully managed by NSQL to 26 vessels, comprising 22 LNG and four liquefied petroleum gas or LPG carriers. Nakilat has been working closely with its long-term partner Shell over the past several years, carrying out comprehensive preparations and planning to ensure the safe and seamless transition of management of these essential assets for Qatar’s gas supply chain. These vessels play a vital role in supporting the global energy supply as well as contributing to Qatar’s aspirations for economic diversification and growth, in alignment with Qatar National Vision 2030. (Gulf-Times.com)
- **MCCS appoints Michael Deeter as CEO –** Mannai Corporation (MCCS) has announced the appointment of Michael Deeter as the corporation’s CEO for Qatar Operations. Deeter has over 30 years’ experience with world-renowned global organizations, having held senior management positions with industry leaders such as Microsoft, Nike, Walgreens Boots Alliance, and most recently Levi Strauss & Co. In finance leadership roles for these organizations, he was responsible for growing and developing businesses across broad geographies within Europe, the Middle East, and Africa. (Gulf-Times.com)
- **FIFA Club World Cup to be held in Qatar in February 2021 –** The FIFA Club World Cup 2020 will take place in Qatar from February 1-11 next year, the Supreme Committee for Delivery & Legacy said. It will be the second time Qatar has played host to the world’s continental club champions after successfully staging the 2019 version of the tournament, which was won by Liverpool FC. The upcoming FIFA Club World Cup was due to take place in December 2020 – but was delayed due to the COVID-19 pandemic. The number of COVID-19 cases remains low in Qatar and it is hoped local fans will be able to attend February’s

tournament. Ticketing details will be announced in due course. (Gulf-Times.com)

- **First batch of COVID-19 vaccine to arrive in Qatar by year-end –** Qatar is expected to receive the first batch of COVID-19 vaccine by the end of this year, a senior health official has said. Dr Hamad Al Rumaihi, Director of Health Protection and Communicable Disease Control at the Public Health Department said Qatar has signed deals with both Pfizer and Moderna to procure their COVID-19 vaccines. "As per the agreement signed with Pfizer, Qatar will have priority in obtaining its vaccine. The Pfizer candidate by the end of 2020 and the Moderna's in the first half of 2021," Dr Al Rumaihi, who is also co-chair of the National Epidemic Preparation Committee, told Al-Rayyan TV. (Qatar Tribune)
- **QCB: Qatari banks post strong growth in deposits –** Doha's commercial banks' witnessed strong double-digit YoY growth, especially in the current and call deposits of the domestic private and public sectors in September this year, according to the Qatar Central Bank (QCB). The total customer deposits of the commercial banks otherwise rose about 6% YoY to QR879.88bn, constituting about 54% of the commercial banks' liabilities at the end of September 2020. The domestic deposits of the commercial banks grew about 4% YoY to QR659.16bn, which is 75% of the total deposits; and overseas deposits rose faster by about 12% to QR220.72bn at the end of September 30, 2020. Of the QR659.16bn domestic deposits of the commercial banks, those of the services stood at QR242.46bn, or 37% of the total domestic deposits, followed by personal QR213.19bn (31%), government QR83.6bn (13%), industry QR34.44bn (5%), trading QR28.47bn (4%), contractors QR12.06bn and realty QR5.49bn and others QR39.45bn. The commercial banks' domestic personal deposits expanded more than 12% with those of non-Qatari individuals soaring 21% to QR44.91bn and those of Qataris by 10% to QR168.28bn in September 2020. The commercial banks' domestic private sector deposits grew more than 11% to QR375.27bn, which constituted 57% of the total domestic deposits; public sector deposits by less than 1% to QR266.22bn (40%) and those of non-banking finance institutions (NBFIs) by 35% to QR17.67bn (3%). The commercial banks' overseas private sector deposits expanded more than 10% to QR176.78bn, which constituted 80% of total foreign deposits, and those of NBFIs by more than 59% to QR30.13bn (14%); whereas those of the public sector fell about 23% to QR13.69bn (6%) in September 2020. Within the domestic private sector, the commercial banks' current and call deposits soared more than 11% to 122.2bn, or 33% of the total domestic private sector deposits, and savings and time deposits by more than 3% to QR253.06bn or 67% this September. (Gulf-Times.com)
- **HSBC expects Qatar's economy to rebound from 2021 and grow by 3.3% next year –** HSBC expects Qatar economy to rebound from 2021 and grow by 3.3% next year. HSBC Qatar's CEO, Abdul Hakeem Mostafawi said, "Qatar's long-term fundamentals remain strong following the decisive policy response from the government to the immediate economic impact of COVID-19. It has been supportive and forward looking, in line with the economic development and diversification agenda that had been accelerating prior to COVID-19." He was speaking as part of the HSBC's Global Economic Outlook virtual roadshow in Qatar Tuesday, with some 124 of HSBC's clients attending the online event. Simon Williams, HSBC's chief economist (Central & Eastern Europe, Middle East and Africa - CEEMEA) said, "We see Qatar growth rebounding to around 3.5% next year and, critically, look for further acceleration in 2022. The run-up to the 2022 FIFA World Cup should also anchor demand growth, as final-phase investment work is complete and the tournament itself is set to give a major lift to the export-orientated services sector." (Gulf-Times.com)

International

- **US business inventories increase further in September –** US business inventories increased slightly more than expected in September, likely as wholesalers and businesses stocked up for the holiday season, which could help to support economic growth in the fourth quarter. Business inventories rose 0.7% in September after gaining 0.3% in August, the Commerce Department said on Tuesday. Inventories are a key component of GDP. Economists polled by Reuters had forecast business stocks to advance 0.6% in September. Retail inventories surged 1.7% in September instead of 1.6% as estimated in an advance report published last month. That followed a 0.5% increase in August. Motor vehicle inventories accelerated 3.1%, rather than 3.2% as previously reported. Retail inventories excluding autos, which go into the calculation of GDP, increased 1.1% instead of 0.9% as estimated last month. Inventories contributed to a historic 33.1% annualized rate of growth in GDP in the third quarter. That followed a 31.4% rate of contraction in the second quarter, the deepest since the government started keeping records in 1947. Inventories had been a drag on GDP for five straight quarters. Wholesale inventories rose 0.4% in September. Stocks at manufacturers were unchanged. Business sales increased 0.6% in September after rising 0.9% in August. At September's sales pace, it would take 1.32 months for businesses to clear shelves, unchanged from August. (Reuters)
- **US import prices unexpectedly fall in October –** US import prices unexpectedly fell in October as the cost of petroleum products and a range of other goods declined, suggesting inflation could remain muted for a while. The Labor Department said on Tuesday import prices dipped 0.1% last month. Data for September was revised down to show import prices gaining 0.2% instead of rising 0.3% as previously reported. Economists polled by Reuters had forecast import prices, which exclude tariffs, advancing 0.2% in October. In the 12 months through October, import prices fell 1.0% after declining 1.4% in September. Petroleum prices fell 1.0% last month. Excluding petroleum, import prices were unchanged following a 0.6% advance in September. The weakness in import prices came on the heels of data last week showing a steady increase in producer prices in October and slowing consumer inflation. Imported food prices edged up 0.1% last month. The cost of goods imported from China were unchanged for the second consecutive month. Last month, prices for imported capital goods were unchanged. The cost of imported motor vehicles fell 0.1%. Prices for consumer goods excluding autos dropped 0.2%. The report also showed export prices increased 0.2% in October, lifted by higher agricultural export prices. Prices for nonagricultural exports were unchanged. Export prices rose 0.6% in September. They

dropped 1.6% on a year-on-year basis in October after decreasing 1.8% in September. (Reuters)

- **US retail sales lose speed as pandemic, lack of fiscal stimulus weigh –** US retail sales increased less than expected in October and could slow further, restrained by spiraling new COVID-19 infections and declining household income as millions of unemployed Americans lose government financial support. While other data on Tuesday showed production at factories accelerating last month, output remained well below its pre-pandemic level and the uncontrolled coronavirus outbreak could disrupt production. The public health crisis and frail economy are major challenges confronting President-elect Joe Biden when he takes over from President Donald Trump in January. Biden on Monday urged a divided Congress to come together and pass another pandemic relief package. That is unlikely to happen before he is sworn in on January 20, putting pressure on the Federal Reserve to pump more money into the economy, which plunged into recession in February. Fed Chair Jerome Powell said on Tuesday that the recovery was slowing, adding the economy would continue to need support from both fiscal and monetary policy. Retail sales rose 0.3% last month, the smallest gain since the recovery started in May, after increasing 1.6% in September, the Commerce Department said. They account for the goods component of consumer spending, with services such as healthcare and hotel accommodation making up the other portion. (Reuters)
- **Britain to ban new petrol cars and vans by 2030 on road to net zero emissions –** Britain will move up a ban on new petrol and diesel cars and vans to 2030 and is eyeing 250,000 new jobs as part of a green industrial revolution, Prime Minister Boris Johnson said as he tries to meet Britain's net zero emissions climate target. Johnson is seeking to show his government is on track to deliver manifesto promises after a tumultuous few days in which he was forced to self-isolate after coming into contact with someone with COVID-19, and his most senior adviser, arch Brexiteer Dominic Cummings, was ousted. Britain last year became the first G7 country to set in law a net zero emission target by 2050, which will require wholesale changes in the ways Britons travel, consume energy and eat. In total the plan would mobilize 12bn Pounds of government money, with as much as three times that amount coming from the private sector, and create and support 250,000 highly skilled green jobs by 2030, Johnson said. The new date for a ban on new petrol and diesel cars is five years earlier than a pledge of 2035 made by Johnson in February. The sale of hybrid cars and vans would be banned from 2035 under the new plan. An extra 200mn Pounds would create industrial clusters mustering technology to capture, store and use carbon dioxide emissions by the mid-2020s. Another two hubs are projected by 2030, taking the total investment in the technology to 1bn Pounds. (Reuters)
- **Eurozone economy likely already in double-dip recession –** The Eurozone is on track for its first double-dip recession in nearly a decade, according to a Reuters poll of economists which points to a more muted recovery next year despite expectations for 500bn Euros (£447bn) of additional monetary stimulus. As most of Europe grapples with a resurgence in coronavirus cases, forecasters who last month predicted the recovery would continue now expect the euro zone economy to shrink 2.5% this quarter after expanding a record 12.6% in 3Q2020. That is a dramatic turnaround from expectations of 3.1% quarterly growth as recently as July, and compares with 2.1% predicted in last month's poll. With new lockdowns and widespread restrictions accompanying the second wave of infections, over 80% of respondents, or 44 of 55, said a double-dip recession was now underway. (Reuters)
- **Nikkei: Japan mulling plan to spend $115bn in five years on disaster-proof infrastructure –** Japan's government and ruling coalition are considering a plan to spend a combined 12tn Yen ($115bn) in five years from fiscal 2021 for disaster-proof infrastructure, the Nikkei newspaper reported. The size would mean Japan will spend roughly the same amount on disaster-proof measures annually as under the current three-year plan, which sets aside a combined 7tn Yen (£51bn) and expires in March. The plan, expected to be decided by the cabinet in December, will be funded by a third extra budget for the current fiscal year ending in March, as well as annual budgets in the next five years, the paper said. The expected size of funds is smaller than initial requests by ruling coalition lawmakers for 15tn Yen in spending, likely nodding to concern that appropriating a huge sum spanning several years could lead to wasteful spending, the Nikkei said. Japan is prone to earthquakes and has recently seen an increase in flooding caused by heavy rain and typhoons, prompting calls for big spending on disaster relief and infrastructure. The spending package is also aimed at supporting the economy hit by the coronavirus pandemic and an end to a construction boom ahead of next year's Tokyo Olympic Games. (Reuters)
- **Kuroda says BOJ's bank aid scheme won't affect yield curve control –** The Bank of Japan's new relief scheme for regional lenders will not affect monetary policy, its governor Haruhiko Kuroda said on Wednesday, rebuffing the view the scheme could make it tougher for the central bank to achieve its interest rate targets. In a bid to bolster the health of Japan's ailing regional banks, the BOJ last week unveiled a scheme under which it will pay 0.1% interest on deposits held by lenders that cut costs, boost profits or consolidate. Some analysts have said the 0.1% interest paid to applicable lenders could push up money market rates and erode the BOJ's control over short-term interest rates. Under a policy dubbed yield curve control, the BOJ sets its short-term rate target at -0.1% and that for 10-year government bond yields at around 0%. Kuroda repeated the BOJ will maintain its massive stimulus program for the time being, as the economy continues to suffer the hit from the coronavirus pandemic. "The economy likely hit bottom around April-June and is expected to continue improving as a trend. That will help price growth turn positive and gradually accelerate toward our 2% inflation target," he said. (Reuters)
- **Japan's long run of falling exports slows as auto demand perks up –** Japan's exports extended declines in October but at the slowest pace in almost two years, helped by improvement in Chinese- and US-demand for cars and other items as the world's third-largest economy emerged from its worst postwar slump. The trade data is likely to encourage policymakers who are counting on external demand to shift Japan's recovery away from government stimulus back to private sector activity, although a coronavirus resurgence has clouded the outlook.

Ministry of Finance (MOF) data out Wednesday showed exports fell 0.2% in October from a year earlier, compared with economists' median estimate of a 4.5% decrease in a Reuters poll. It was the smallest decline in Japan's 23 straight months of export contraction and follows a 4.9% fall in the previous month. Capital Economics Japan Economist Tom Learmouth said the boost from improving exports to the broader recovery was likely to be limited. By destination, shipments to the United States rose 2.5%, a second straight month of increase and the biggest since July 2019 led by demand for automobiles and car parts. Exports to China, Japan's largest trading partner, increased 10.2%, driven by chip-making equipment, cars and plastic, while those to Asia as a whole rose 4.4%, the first increase in eight months. Shipments to the European Union fell 2.6% in October. Imports fell 13.3% in the year to October, bigger than the median estimate for a 9.0% decrease but slower than the 17.2% fall in September. That brought a trade surplus of 873bn Yen ($8.38bn), versus the median estimate for a 250.0bn Yen surplus. (Reuters)

- **Premier Li: China will promote economic growth to a 'reasonable' range –** China will promote economic growth to a "reasonable" range while pursuing higher quality development, Premier Li Keqiang was quoted as saying on Tuesday by state radio. Li, who did not give specific growth targets, was also quoted as saying that the government would continue to implement policies to support sectors in difficulties in this time of the coronavirus pandemic. China's factory output rose faster than expected in October and retail sales sped up, as the recovery in the world's second-largest economy from its COVID-19 slump gathered momentum. The government will "make an overall consideration of macro policies for the next phase, and enhance their effectiveness and sustainability", Li said. "Currently, the domestic and international situation remains complex and severe," Li was quoted as saying. Policy sources told Reuters earlier this month that Beijing was close to setting an average annual economic growth target of around 5% for the next five years. China dropped its annual GDP target in 2020 because of the uncertainty caused by COVID-19. (Reuters)
- **Sberbank: Russian economy set to lose $44bn to cyber-crime in 2020 –** The Russian economy is set to lose $44bn to cyber-crime in 2020, according to estimates published on Tuesday by Russian bank Sberbank, with the shift to online during the COVID-19 pandemic posing new challenges. The coronavirus pandemic has exacerbated cybersecurity concerns as more transactions are now made online rather than with cash after lockdown measures and health restrictions reduced footfall in shops across the world. Sberbank, Russia's largest lender with nearly 100mn active clients, said the country's economic damage from cyber-crime may double in 2021. Sberbank, which suffered a leak of customer data in 2019, said it shares its knowledge and experience in fighting cyber crimes with Interpol, SWIFT and other organizations. The number of crimes linked to bank cards in Russia has shot up 500% this year, interior ministry data showed in October. Sberbank has said it has a 100% success rate in repelling cyber-attacks. (Reuters)

Regional

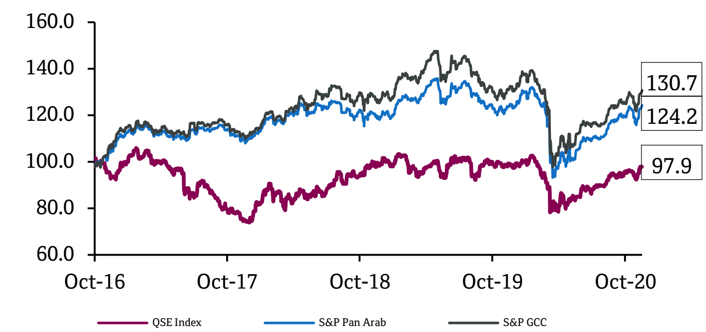
- **Saudi wealth fund cut US stocks by $3bn last quarter, reduced ETFs –** Saudi Arabia's sovereign wealth fund cut its exposure to North American equities by $3bn in the third quarter, offloading some exchange traded funds (ETF) and stocks including Berkshire Hathaway, a regulatory filing showed. The Public Investment Fund (PIF) was holding $7.05bn worth of US equities as of September 30, compared with nearly $10.12bn in the second quarter, the filing showed late on Monday. The fund cut its holdings of ETFs to $1.96bn by September 30, from nearly $4.7bn in the second quarter. In recent months, the sovereign wealth fund had bulked up minority stakes in companies worldwide, including oil companies, taking advantage of market weakness caused by the COVID-19 pandemic. In the previous quarter, it moved part of those investments into real estate, materials and utilities ETFs. In the third quarter, it was holding only the utilities ETF. "In terms of strategy, there has always been a sense that PIF is trying to play catch-up with regional peers, but wants to fast-track the kind of returns that investments by sovereign funds of Abu Dhabi or Kuwait and even Qatar have generated over many years," said Rachna Uppal, director of research at Azure Strategy, a Middle East-focused consultancy PIF declined to comment beyond the regulatory filing. The latest filing showed that PIF sold some stocks, including Berkshire Hathaway, Canadian Natural Resources and Cisco Systems in the third quarter, and bought 13mn shares of Novagold Resources. PIF, which manages $360bn worth of funds, pursues a two-pronged strategy - building an international portfolio of investments and investing locally in projects that will help reduce Saudi Arabia's reliance on oil. (Reuters)
- **Saudi calls on OPEC+ to be flexible as it weighs oil cut extension –** Saudi Arabia called on fellow OPEC+ members on Tuesday to be flexible in responding to oil market needs as it builds the case for a tighter oil production policy in 2021 to tackle weaker demand amid a new wave of the coronavirus pandemic. OPEC+, which groups the OPEC, Russia and others, is considering delaying a plan to boost output by 2mn bpd, or 2% of global demand, in January to support the market. "We as a group do not want to give the markets any excuse to react negatively," Saudi Energy Minister, Prince Abdulaziz bin Salman said at the start of a virtual meeting of an OPEC+ panel, the Joint Ministerial Monitoring Committee (JMMC). Saudi Arabia, the world's biggest oil exporter, has indicated it wants a tighter policy in 2021 to draw down inventories still bulging since demand tumbled this year. But other big producers, such as Iraq, have failed to deliver fully on promised cuts and have signaled they want some leeway to produce more oil next year. "The markets will not be kind to those who do not stick to agreements. This is why we must be prepared to act according to the requirements of the market. I recently said we must be ready to tweak the terms of our agreement if need be," the Saudi Minister said. (Reuters)
- **Saudi Aramco gets $8bn with jumbo five-part bond deal –** Saudi Aramco was set to raise $8bn from a five-part bond deal on Tuesday as the world's largest oil producer seeks cash after low oil prices dented its finances. It received $48.1bn in orders for the debt sale, less than half what it drew for its debut bond sale last year, when it raised $12bn, a document issued by one of the banks leading the deal showed. The move is part of an onslaught on international debt markets by Gulf issuers seeking to plug finances hit by the pandemic and weak oil prices, which has pushed regional issuance past last year's record to surpass $100bn. Aramco, which reported a 44.6% slump in third-quarter

profit, needs the money to pay dividends of $37.5bn for the second half of 2020 and fund its $69.1bn purchase of 70% of Saudi Basic Industries (SABIC). It also raised a loan of $10bn this year, to be paid in instalments until 2028, to back that acquisition. Aramco sold $500mn in three-year bonds at 110 basis points over US Treasuries (UST), $1bn in five-year bonds at 125 bps over UST, $2bn in 10-year notes at 145 bps over UST, $2.25bn in 30-year bonds at 3.3% and $2.25bn in a 50-year tranche at 3.55%, the document showed. "I think the shorter-end is offering a bit more value than the longer-dated bonds to where the existing bonds are trading," Senior Portfolio Manager at Aberdeen Asset Management, Max Wolman said. (Reuters)

- **Saudi SAGO launches platform for importing barley for private sector businesses –** Saudi Arabia's grain organisation (SAGO) said on Tuesday it has launched a unified platform that will provide authorization for private sector businesses to import barley, according to a statement on its website. (Reuters)
- **UAE Energy Minister urges full compliance before any revised OPEC+ deal –** The UAE Energy Minister told a closed OPEC+ panel meeting on Tuesday that all members should deliver on full oil cut commitments before agreeing to changes or extension of the current pact, an OPEC+ source told Reuters. OPEC and its allies are considering a rollover of their existing oil production cuts of 7.7mn bpd by three or six months when they expire in January. (Reuters)
- **Dubai's October consumer prices fall 3.41% YoY and 0.27% MoM –** Dubai Statistics Center published Emirate of Dubai's consumer price indices for October which showed that consumer prices fell 3.41% YoY and 0.27% MoM. (Bloomberg)
- **Fitch affirms Noor's Sukuk issuance program –** Fitch Ratings has affirmed Noor Sukuk Company Limited trust issuance certificate program's long-term rating at 'A'. Its $500mn senior unsecured certificates under the program are also affirmed at 'A'. The rating action follows the substitution of Dubai Islamic Bank (DIB; A/Stable/bb+) for Noor Bank (Noor) in all its capacities under the transaction documents in connection with the outstanding sukuk issuance by Noor Sukuk Company Limited. At the same time, Fitch has affirmed Noor's Long- and Short-Term Issuer Default Ratings (IDRs) and withdrawn these for commercial reasons. The ratings of Noor Sukuk Company Limited's trust issuance certificate program, and that of the underlying Sukuk certificates issued, are aligned with DIB's Long-Term IDR. This is based on the successful consent solicitation, launched on September 17, 2020, requesting the approval by extraordinary resolution at a meeting of sukuk holders to the substitution of DIB for Noor, acting in all its capacities under the transaction documents in connection with the outstanding Sukuk issuance under the program by Noor Sukuk Company Limited. This consent solicitation, leading to the substitution, was completed on October 13, 2020. Fitch has received and reviewed the final documents and confirmed these were in line with the information already received. In January 2020, DIB acquired 99.9% of Noor shares. The acquisition was executed in the form of a share swap, with Noor becoming a fully owned subsidiary of DIB. As part of the transaction, DIB issued 651mn shares to Noor's shareholders in exchange for all of Noor's shares, and both banks retained their equity bases. The government of Dubai (through Investment Corporation of Dubai) directly owns about 26% of DIB's shares following the Noor acquisition. On November 1, 2020, DIB completed the integration. Fitch understands from management that Noor will be dissolved. Following the merger, the ratings of Noor are aligned with DIB's, based on institutional support for Noor as an integral and fully owned subsidiary. Fitch believes this would be the primary form of support in case of need for Noor until it is dissolved. The affirmation of Noor's IDRs and Support Rating reflects our view that DIB would be extremely likely to support its subsidiary, if needed. (Bloomberg)
- **National Bank of Kuwait sells $300mn in Tier 2 bonds –** National Bank of Kuwait sold $300mn in Tier 2 bonds with a 10-year maturity, non-callable for five years, at 2.5% on Tuesday, two sources said. It began marketing the bonds at around 2.875% earlier on Tuesday and received more than $1bn in orders. Citi and NBK Capital arranged the debt sale, the sources said. (Zawya)
- **Burgan Bank in talks to sell holding in Bank of Baghdad –** Kuwaiti lender Burgan Bank is in talks with potential buyers to sell 51.8% holding in Bank of Baghdad, according to a statement. (Bloomberg)
- **Kuwait's Mezzan looks for acquisitions to sustain growth –** Kuwait-based food and beverage firm Mezzan Holding Co.is on the lookout for acquisitions to help sustain double-digit growth, according to its Chief Executive Officer. "We, like everybody else, would be actively on the lookout for the right bolt-on acquisitions," Garry Walsh told Bloomberg TV in an interview. "We're obviously more skewed toward manufacturing -- that has been our main driver over the last few years." Mezzan, one of the largest FMCG manufacturers and distributors in the Gulf, reported a 12% jump in nine-month profit to $34mn. The company also operates in Iraq, Jordan and Afghanistan. "The rate of growth might be a bit slower next year as we see some population drain in the UAE and in Kuwait, and potentially in Qatar and Saudi as well," said Walsh. But Mezzan is well-positioned to return to pre-Covid rates of growth, he said. The CEO also said: Expat exodus from Kuwait "largely irrelevant" for business and the company should still be able to make good progress. While there's been a drop in business in the UAE, "longer term it's very well positioned. So we'd expect to see that come back, particularly as we go into Expo 2020 at the end of next year, and as the vaccine comes out and we start having more travel opportunities." It is seeing good growth in Saudi Arabia and Qatar. (Bloomberg)
- **Oman's crude exports edged higher in October, Ministry says –** Oman exported 0.8% more crude oil in October than it did the previous month, the Ministry of Energy and Minerals said. Sultanate exported 742k bpd to the following buyers which are China (85%), India (11.1%), Japan (2.2%), Tanzania (1.7%). It produced 721k bpd in October, up 0.3% MoM. (Bloomberg)
- **Arab Banking Corp talks for Blom Bank Egypt buy ongoing –** Bank ABC confirmed that it is in preliminary discussions with BLOM Bank (Lebanon) regarding the potential acquisition of BLOM Bank (Egypt). Bank ABC notes that its evaluation of the opportunity is continuing, and discussions are ongoing with BLOM Bank (Lebanon) but that there is no certainty that any transaction will be completed. As noted previously, Bank ABC has a stated intention and strategy to consider inorganic growth

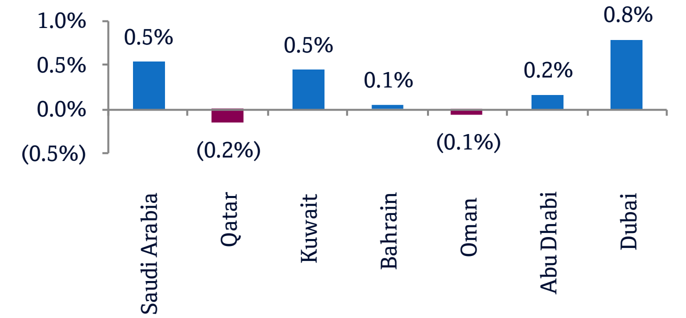
opportunities and routinely evaluates such matters. A further announcement will be made if there is a material development. (Bahrain Bourse)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,880.38	(0.5)	(0.5)	23.9
Silver/Ounce	24.49	(1.1)	(0.7)	37.2
Crude Oil (Brent)/Barrel (FM Future)	43.75	(0.2)	2.3	(33.7)
Crude Oil (WTI)/Barrel (FM Future)	41.43	0.2	3.2	(32.1)
Natural Gas (Henry Hub)/MMBtu	2.55	(2.7)	(10.5)	22.0
LPG Propane (Arab Gulf)/Ton	54.13	(1.6)	(1.6)	31.2
LPG Butane (Arab Gulf)/Ton	69.25	0.0	(4.0)	5.7
Euro	1.19	0.1	0.2	5.8
Yen	104.19	(0.4)	(0.4)	(4.1)
GBP	1.32	0.4	0.4	(0.1)
CHF	1.10	0.1	0.1	6.2
AUD	0.73	(0.3)	0.4	4.0
USD Index	92.42	(0.2)	(0.4)	(4.1)
RUB	76.23	0.1	(1.5)	23.0
BRL	0.19	1.6	2.5	(24.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,558.43	(0.1)	1.2	8.5
DJ Industrial	29,783.35	(0.6)	1.0	4.4
S&P 500	3,609.53	(0.5)	0.7	11.7
NASDAQ 100	11,899.34	(0.2)	0.6	32.6
STOXX 600	388.82	(0.1)	1.3	(1.2)
DAX	13,133.47	0.1	0.7	4.9
FTSE 100	6,365.33	(0.5)	1.2	(15.7)
CAC 40	5,483.00	0.4	2.2	(3.1)
Nikkei	26,014.62	0.7	2.9	14.9
MSCI EM	1,201.43	(0.1)	1.1	7.8
SHANGHAI SE Composite	3,339.90	0.2	1.7	16.3
HANG SENG	26,415.09	0.1	1.0	(5.9)
BSE SENSEX	43,952.71	0.9	1.3	2.0
Bovespa	107,248.60	2.4	5.5	(30.2)
RTS	1,258.46	(0.8)	2.5	(18.8)

Source: Bloomberg (*$ adjusted returns)

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