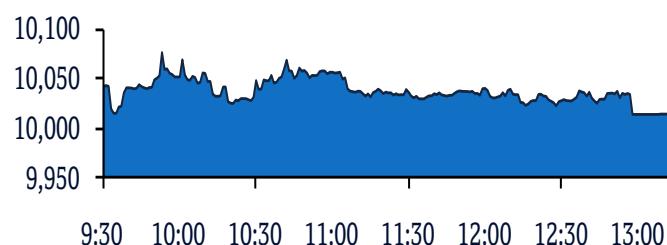


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.2% to close at 10,015.5. Gains were led by the Transportation and Telecoms indices, gaining 1.2% and 0.4%, respectively. Top gainers were Dlala Brokerage & Investment Holding Company and Qatar First Bank, rising 4.0% and 2.1%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 2.1%, while Qatari German Co. for Medical Devices was down 1.8%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.2% to close at 8,533.0. Losses were led by the Consumer Durables and Media & Ent. indices, falling 2.7% and 2.3%, respectively. Al-Jazira RIET Fund declined 9.0%, while Al Sagr Cooperative Ins. was down 4.9%.

**Dubai:** The DFM Index fell 1.3% to close at 2,180.8. The Banks index declined 2.0%, while the Services index fell 1.8%. Almadina for Finance and Investment Company fell 3.5%, while Union Properties was down 3.4%.

**Abu Dhabi:** The ADX General Index fell 0.4% to close at 4,542.6. The Consumer Staples index declined 1.4%, while the Banks index fell 0.9%. Abu Dhabi Commercial Bank declined 2.9%, while Agthia Group was down 1.6%.

**Kuwait:** The Kuwait All Share Index gained 0.4% to close at 5,629.1. The Utilities index rose 1.8%, while the Banks index gained 0.5%. Sanam Real Estate Company rose 16.1%, while Warba Capital Holding Company was up 14.9%.

**Oman:** The MSM 30 Index fell marginally to close at 3,587.0. The Financial index declined 0.2%, while the other indices ended in green. United Finance Company declined 9.6%, while Gulf Investments Services was down 7.7%.

**Bahrain:** The BHB Index fell 0.4% to close at 1,454.6. The Commercial Banks index declined 0.8%, while the other indices ended flat or in green. Ithmaar Holding declined 7.2%, while Al Salam Bank-Bahrain was down 1.4%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co.	2.32	4.0	8,123.0	278.9
Qatar First Bank	1.86	2.1	21,416.6	126.8
Mannai Corporation	3.10	1.6	73.5	0.6
Ezdan Holding Group	2.33	1.4	18,532.4	279.2
Qatar Gas Transport Company Ltd.	2.79	1.4	18,816.7	16.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.86	2.1	21,416.6	126.8
Investment Holding Group	0.61	(1.3)	20,819.9	8.9
Qatar Gas Transport Company Ltd.	2.79	1.4	18,816.7	16.7
Ezdan Holding Group	2.33	1.4	18,532.4	279.2
Qatar Aluminium Manufacturing	1.05	(0.5)	17,480.1	34.4

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,015.52	0.2	0.2	0.3	(3.9)	135.84	161,397.4	16.4	1.5	3.9
Dubai	2,180.81	(1.3)	(0.6)	(4.1)	(21.1)	47.43	83,826.9	9.2	0.8	4.4
Abu Dhabi	4,542.63	(0.4)	(0.3)	0.5	(10.5)	156.42	185,486.9	16.6	1.3	5.4
Saudi Arabia	8,533.00	(0.2)	(0.2)	2.8	1.7	2,725.99	2,436,397.6	30.7	2.1	2.3
Kuwait	5,629.11	0.4	(1.9)	3.4	(10.4)	205.99	102,598.7	30.9	1.4	3.5
Oman	3,586.98	(0.0)	(0.2)	(0.8)	(9.9)	2.54	16,292.7	10.6	0.7	6.9
Bahrain	1,454.61	(0.4)	(1.6)	1.4	(9.7)	2.54	22,196.4	13.5	0.9	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)

Market Indicators	20 Oct 20	19 Oct 20	%Chg.
Value Traded (QR mn)	501.5	435.9	15.0
Exch. Market Cap. (QR mn)	596,663.3	595,641.9	0.2
Volume (mn)	198.6	221.3	(10.3)
Number of Transactions	8,394	8,400	(0.1)
Companies Traded	46	45	2.2
Market Breadth	18:26	16:25	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,254.51	0.2	0.2	0.4	16.4
All Share Index	3,089.39	0.1	(0.1)	(0.3)	17.4
Banks	4,127.73	0.0	(0.1)	(2.2)	14.2
Industrials	2,928.84	0.1	(0.8)	(0.1)	25.4
Transportation	2,884.37	1.2	2.1	12.9	13.0
Real Estate	2,100.46	0.1	1.1	34.2	16.6
Insurance	2,256.15	(0.4)	0.2	(17.5)	32.9
Telecoms	932.73	0.4	(0.3)	4.2	15.7
Consumer	8,054.63	(0.3)	(0.7)	(6.8)	28.1
Al Rayan Islamic Index	4,189.34	0.0	(0.1)	6.0	18.7

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Sahara Int. Petrochemical	Saudi Arabia	17.32	4.2	23,619.8	(3.6)
Saudi Electricity Co.	Saudi Arabia	22.18	4.1	15,141.5	9.7
Jabal Omar Dev. Co.	Saudi Arabia	36.70	3.4	4,399.5	35.2
Savola Group	Saudi Arabia	53.80	2.7	1,301.2	56.6
Mouwasat Medical Serv.	Saudi Arabia	140.00	2.2	176.5	59.1

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	9.73	(3.2)	4,496.5	(25.2)
Abu Dhabi Comm. Bank	Abu Dhabi	5.63	(2.9)	17,484.9	(28.9)
HSBC Bank Oman	Oman	0.09	(2.2)	450.0	(27.3)
Rabigh Refining & Petro.	Saudi Arabia	15.18	(2.2)	3,354.9	(29.9)
Emaar Economic City	Saudi Arabia	10.58	(2.0)	6,632.5	10.8

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.23	(2.1)	0.2	(9.2)
Qatari German Co for Med. Dev.	2.06	(1.8)	3,203.5	254.0
Salam International Inv. Ltd.	0.68	(1.7)	11,680.0	30.8
Alijarah Holding	1.26	(1.6)	4,623.5	79.1
Qatar Oman Investment Co.	0.85	(1.6)	1,807.5	27.2

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.71	(0.2)	64,881.0	(14.0)
The Commercial Bank	4.24	0.5	55,491.4	(9.8)
Qatar Gas Transport Co. Ltd.	2.79	1.4	52,446.3	16.7
Ezdan Holding Group	2.33	1.4	42,990.1	279.2
Qatar First Bank	1.86	2.1	40,065.0	126.8

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 0.2% to close at 10,015.5. The Transportation and Telecoms indices led the gains. The index rose on the back of buying support from Qatari and Foreign shareholders despite selling pressure from GCC and Arab shareholders.
- Dlala Brokerage & Investment Holding Company and Qatar First Bank were the top gainers, rising 4.0% and 2.1%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 2.1%, while Qatari German Company for Medical Devices was down 1.8%.
- Volume of shares traded on Tuesday fell by 10.3% to 198.6mn from 221.3mn on Monday. Further, as compared to the 30-day moving average of 340.5mn, volume for the day was 41.7% lower. Qatar First Bank and Investment Holding Group were the most active stocks, contributing 10.8% and 10.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	36.96%	52.11%	(76,019,783.8)
Qatari Institutions	31.29%	14.73%	83,055,231.8
<b>Qatari</b>	<b>68.25%</b>	<b>66.84%</b>	<b>7,035,448.0</b>
GCC Individuals	0.86%	3.05%	(10,975,786.3)
GCC Institutions	2.46%	0.61%	9,293,960.6
<b>GCC</b>	<b>3.32%</b>	<b>3.65%</b>	<b>(1,681,825.7)</b>
Arab Individuals	7.53%	11.09%	(17,852,042.4)
<b>Arab</b>	<b>7.53%</b>	<b>11.09%</b>	<b>(17,852,042.4)</b>
Foreigners Individuals	1.61%	3.02%	(7,069,857.1)
Foreigners Institutions	19.30%	15.39%	19,568,277.2
<b>Foreigners</b>	<b>20.91%</b>	<b>18.42%</b>	<b>12,498,420.1</b>

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

## Earnings Releases, Global Economic Data and Earnings Calendar

### Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Saudi Kayan Petrochemical Co.	Saudi Arabia	SR	2,105.5	-8.6%	79.7	-60.4%	(28.2)	N/A
Saudi Arabian Fertilizer Co.	Saudi Arabia	SR	902.1	-0.8%	388.0	6.7%	397.5	-4.0%
Yamama Cement Co.	Saudi Arabia	SR	217.5	16.6%	81.1	33.4%	77.7	42.0%

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

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10/20	Germany	German Federal Statistical Office	PPI MoM	Sep	0.4%	-0.1%	0.0%
10/20	Germany	German Federal Statistical Office	PPI YoY	Sep	-1.0%	-1.4%	-1.2%

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
WDAM	Widam Food Company	21-Oct-20	0	Due
QNNS	Qatar Navigation (Milaha)	21-Oct-20	0	Due
QAMC	Qatar Aluminum Manufacturing Company	22-Oct-20	1	Due
KCBK	Al Khalij Commercial Bank	22-Oct-20	1	Due
QGMD	Qatari German Company for Medical Devices	22-Oct-20	1	Due
CBQK	The Commercial Bank	25-Oct-20	4	Due
QCFS	Qatar Cinema & Film Distribution Company	25-Oct-20	4	Due
MCCS	Mannai Corporation	26-Oct-20	5	Due
VFQS	Vodafone Qatar	26-Oct-20	5	Due
QIHK	Qatar International Islamic Bank	26-Oct-20	5	Due
DBIS	Dlala Brokerage & Investment Holding Company	26-Oct-20	5	Due
BLDN	Baladna	26-Oct-20	5	Due
BRES	Barwa Real Estate Company	27-Oct-20	6	Due
QGRI	Qatar General Insurance & Reinsurance Company	27-Oct-20	6	Due
IGRD	Investment Holding Group	27-Oct-20	6	Due
QIMD	Qatar Industrial Manufacturing Company	27-Oct-20	6	Due
IQCD	Industries Qatar	27-Oct-20	6	Due
QISI	Qatar Islamic Insurance Group	27-Oct-20	6	Due
DHBK	Doha Bank	27-Oct-20	6	Due
MRDS	Mazaya Qatar Real Estate Development	28-Oct-20	7	Due
QOIS	Qatar Oman Investment Company	28-Oct-20	7	Due

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-20	7	Due
SIIS	Salam International Investment Limited	28-Oct-20	7	Due
DOHI	Doha Insurance Group	28-Oct-20	7	Due
QFBQ	Qatar First Bank	28-Oct-20	7	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	7	Due
ORDS	Ooredoo	28-Oct-20	7	Due
UDCD	United Development Company	28-Oct-20	7	Due
AHCS	Aamal Company	28-Oct-20	7	Due
GISS	Gulf International Services	29-Oct-20	8	Due
NLCS	Aljarah Holding	29-Oct-20	8	Due
ZHCD	Zad Holding Company	29-Oct-20	8	Due
AKHI	Al Khaleej Takaful Insurance Company	29-Oct-20	8	Due

Source: QSE

## News

### Qatar

- QIBK successfully closed a \$750mn 5-year Sukuk** – Qatar Islamic Bank. (QIBK), rated A1/A-/A (all stable) by Moody's/Standard & Poor's/Fitch, successfully closed a \$750mn 5-year Sukuk with a profit rate of 1.95% per annum, which is equivalent to a credit spread of 155bps over the 5-year Mid Swap Rate. The transaction was executed under QIBK's \$4bn Trust Certificate Issuance Program which listed on Euronext Dublin. The profit rate achieved is the lowest ever paid by QIBK on their fixed rate Sukuk issuances. This is QIBK's second public issuance in 2020, having issued the first ever Formosa Sukuk earlier this year. (QSE)
- ABQK's bottom line rises 11.4% YoY and 80.9% QoQ in 3Q2020, above our estimate** – Ahli Bank's (ABQK) net profit rose 11.4% YoY (+80.9% QoQ) to QR206.3mn in 3Q2020, above our estimate of QR172.6mn (variation of +19.6%). Net Interest Income increased 23.1% YoY and 17.9% QoQ in 3Q2020 to QR255.4mn. The company's Total Operating Income came in at QR319.2mn in 3Q2020, which represents an increase of 8.4% YoY (+12.8% QoQ). EPS amounted to QR0.085 in 3Q2020 as compared to QR0.076 in 3Q2019 (2Q2020: QR0.047). The bank's Total Assets stood at QR48.3bn at the end of September 30, 2020, up 14.9% YoY (+10.4% QoQ). Loans and Advances to Customers were QR34.8bn, registering a rise of 17.1% YoY (+9.0% QoQ) at the end of September 30, 2020. Customer Deposits rose 10.0% YoY and 10.3% QoQ to reach QR27.5bn at the end of September 30, 2020. In 9M2020, ABQK recorded net profit of QR500.8mn as compared to QR544.5mn for the same period of the previous year. EPS amounted to QR0.206 in 9M2020, as compared to QR0.224 for the same period of the previous year. ABQK' Chairman and Managing Director, Sheikh Faisal bin AbdulAziz bin Jassem Al-Thani said, "ABQK continues with its conservative policy for loan loss provisioning by increasing the net provisions charge to QR142.6mn as at end of September 2020 from QR52.2mn for the same period in 2019. The additional provisions were taken as a precautionary measure to meet the COVID-19 pandemic and economic challenges. The bank continues to enjoy favorable ratings from the top international credit rating agencies." ABQK's CEO, Hassan Ahmed AlEfrangi said, "The bank delivered another stable result with all key performance indicators showing positive trends. The bank successfully completed the fourth bond issuance for \$500mn under its \$2bn EMTN Programme in

the international debt capital markets. This as a continued vote of confidence from international investors, in both Qatar and ABQK. ABQK managed to get a competitive coupon rate of 1.875% with an order book that was oversubscribed nearly 3.2 times and a healthy geographical spilt of international investors. The non-MENA investors took 90% of the allocations." (QNB FS Research, QSE, Gulf-Times.com)

- GWCS' bottom line rises 3.4% YoY and 3.7% QoQ in 3Q2020, above our estimate** – Gulf Warehousing Company's (GWCS) net profit rose 3.4% YoY (+3.7% QoQ) to QR61.4mn in 3Q2020, above our estimate of QR54.5mn (variation of +12.7%). The company's Revenue came in at QR327.4mn in 3Q2020, which represents an increase of 3.7% YoY (+8.3% QoQ). EPS remained flat YoY and QoQ at QR0.10 in 3Q2020. In 9M2020, GWCS recorded net profit of QR171.1mn as compared to QR181.9mn for the same period of the previous year. EPS amounted to QR0.29 in 9M2020 versus QR0.31 in 9M2019. GWCS' Chairman, Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al-Thani said, "Q3 financial results reflect the resilience and agility that have forged the basis for GWCS over the years as we continue to pursue our long-term plans, including mega projects under development and logistics support to one of the world's largest sporting event FIFA World Cup Qatar 2022. GWCS has built robust hard and soft infrastructure, ensuring long-term growth and best possible returns to our shareholders." GWCS Group's CEO, Ranjeev Menon said, "We will build on our collective experience and network throughout the world to deliver unrivalled logistics services and supply chain solutions for the FIFA World Cup 2022, while highlighting the world-class logistics infrastructure that Qatar offers. During September 2020, GWCS has been announced as the first 'Regional Supporter and Official Logistics Provider' for the FIFA World Cup Qatar 2022. As such, GWCS will be the key operational supplier of logistics solutions for the FIFA World Cup Qatar 2022. The FIFA World Cup Qatar 2022 will take place from November 21 to December 18 in eight stadiums around Qatar." (QNB FS Research, QSE, Gulf-Times.com)
- MCGS' bottom line rises 91.7% YoY and 103.8% QoQ in 3Q2020, above our estimate** – Medicare Group's (MCGS) net profit rose 91.7% YoY (+103.8% QoQ) to QR19.4mn in 3Q2020, above our estimate of QR9.4mn. In 9M2020, MCGS posted net profit of QR49.6mn as compared to QR44.0mn in 9M2019. EPS amounted

to QR0.18 in 9M2020 as compared to QR0.16 in 9M2019. (QNB FS Research, QSE)

- **QNCD's net profit declines 57.3% YoY and 9.7% QoQ in 3Q2020** – Qatar National Cement Company's (QNCD) net profit declined 57.3% YoY (-9.7% QoQ) to QR12.5mn in 3Q2020. The company's Sales came in at QR143.9mn in 3Q2020, which represents a decrease of 10.7% YoY. However, on QoQ basis Sales rose 15.6%. In 9M2020, QNCD's net profit stood at QR80.8mn as compared to QR129.4mn in 9M2019. EPS amounted to QR0.124 in 9M2020 as compared to QR0.198 in 9M2019. (QSE)
- **Al Rayan Qatar ETF discloses its condensed financial statements for 9M2020** – Al Rayan Qatar ETF disclosed its condensed financial statement for the nine-month period ended September 30, 2020. The statements showed that the net asset value as of September 30, 2020 amounted to QR524,717,456 representing QR2.3248 per unit. (QSE)
- **QEWS appoints new CEO** – Qatar Electricity & Water Company (QEWS) announced the appointment of Mohammed bin Nasser Al-Hajri as CEO with effect from January 1, 2021. (QSE)

#### **International**

- **US single-family homebuilding, permits surge to more than 13-year high** – US single-family homebuilding raced to a more than 13-year high in September, cementing the housing market's status as the star of the economic recovery amid record-low mortgage rates and a migration to the suburbs and low-density areas in search of more room for home offices and schooling. The report from the Commerce Department also showed building permits and housing completions scaling levels last seen in 2007. That could help to ease an acute shortage of homes for sale, which has fueled house price inflation. The data reinforced expectations that the economy rebounded sharply in the third quarter after suffering its deepest contraction in at least 73 years in the second quarter. But the recovery from the COVID-19 recession has entered a period of uncertainty, with fiscal stimulus depleted. Single-family homebuilding, the largest share of the housing market, jumped 8.5% to a seasonally adjusted annual rate of 1.108mn units last month, the highest level since June 2007. That offset a 16.3% decline in starts for the volatile multi-family segment to a pace of 307,000 units. Overall, housing starts increased 1.9% to a rate of 1.415mn units last month. Groundbreaking activity rose in the West, South and Northeast, but fell in the Midwest. Homebuilding advanced 11.1% YoY, with single-family starts surging 22.3%. Further gains in single-family home construction are likely, with building permits shooting up 7.8% to a rate of 1.119mn units last month, the highest level since March 2007. (Reuters)
- **UK says trade talks with US are intensifying** – Britain and the US are intensifying trade talks, trade minister Liz Truss said on Tuesday, announcing the start of a fifth round of negotiations focused on goods tariffs. Britain has put a trade deal with the US at the top of its post-Brexit wish list, having cited the freedom to strike bilateral deals as one of the main benefits of leaving the European Union. "We're intensifying negotiations so we are in a good position to move forward after the (US) election," Truss said on Twitter. "We want a deal that delivers for all parts of (Britain) and is forward-leaning in modern areas like tech & services." Despite a stream of positive rhetoric about the prospects of a deal, no target date for an agreement has been set and Truss has had to rebut opposition criticism that a deal would mean lowering food standards and allowing US firms access to the British health system. Asked to quantify the intensification of talks, Britain's Department for International Trade said there would be 40 negotiating sessions over the next two weeks, compared to 29 in the previous round. "During this negotiating round, there will be a focus on negotiating tariffs on goods, exploring where each side is willing to move beyond their initial offers, which were exchanged in the previous negotiation round," a government spokeswoman said. "Our scoping assessment indicates that UK businesses could face savings totaling 493mn Pounds (\$637mn) from liberalizing tariffs as part of an ambitious US deal." (Reuters)
- **UK's Johnson: No more trade talks unless EU changes position** – There will be no more trade talks with the European Union unless the bloc fundamentally changes its stance on the discussions, British Prime Minister Boris Johnson told his Greek counterpart in a call. "He reaffirmed that the EU have effectively ended those negotiations by stating they did not want to change their negotiating position," Johnson's spokesman said following the call with Prime Minister Kyriakos Mitsotakis. "Should the EU fundamentally change their position, then the UK would be willing to talk on that new basis." The two leaders also spoke about the recent Turkish Cypriot presidential election, which was won by Ersin Tatar who favors separate administrations on the Mediterranean island, the spokesman said. "The prime minister was clear that a settlement in Cyprus was in everyone's interest," the spokesman said. (Reuters)
- **Rightmove: UK's housing market booms through October** – A surge in Britain's housing market pushed up asking prices for homes this month by the most in more than four years, with buyers ready to pay a premium for larger properties after their lockdown experience this year, a survey showed on Monday. Property website Rightmove said asking prices were 5.5% higher than in October last year. The average asking price now stands at a record 323,530 Pounds. In October alone, asking prices rose by 1.1% from September. "Previous records are tumbling in this extraordinary market, and there are still some legs left in the upwards march of property prices," Tim Bannister, Rightmove's director of property data, said. Rightmove said it expected the annual growth rate for asking prices to peak at around 7% at the end of the year. Other surveys of the housing market have painted a similar picture, with demand driven by pent-up demand following the coronavirus lockdown and a temporary cut to property taxes, as well as the hunt for bigger properties. The outlook for the housing market in 2021 looks tougher, with unemployment likely to rise sharply in the final months of this year amid a resurgence of the coronavirus pandemic and an easing of government support measures for businesses. (Reuters)
- **Spain's constitutionally enshrined fiscal pledge falls victim to pandemic** – Spain's parliament on Tuesday gave the green light to the government to exceptionally suspend fiscal straitjacket rules in order to help the economy cope with the coronavirus pandemic. The minority government's proposal to suspend the commitment to any deficit targets for two years and allow

Spain to spend and borrow at will was passed by 208-1 votes with 138 abstentions following recent recommendations from the International Monetary Fund aimed at reviving the economy. The regulations on deficit and debt ceilings were built into the constitution in 2011 during the Eurozone debt crisis. IMF Chief Kristalina Georgieva warned last week that halting spending aimed at containing the pandemic and its economic impact could have serious consequences for the global economy. “The suspension of the fiscal rules does not imply a suspension of fiscal responsibility,” Budget Minister Maria Jesus Montero told parliament before the vote, assuring that when circumstances allow it, Spain would reimpose the rules. (Reuters)

- **BOJ to cut growth, inflation forecasts as pandemic pain persists** – Japan’s central bank is expected to cut its growth and price forecasts for the current fiscal year at next week’s rate review, sources familiar with its thinking said, as the coronavirus pandemic weighs on the economic recovery. But any such downgrade is unlikely to trigger an immediate expansion of monetary stimulus, with the Bank of Japan (BOJ) expected to maintain its assumption that the world’s third-largest economy will post a moderate pick-up, the sources said. “It’s somewhat weaker than three months ago,” one of the sources said of this fiscal year’s growth projections, a view echoed by two other sources. The main reason for the downward revision in growth is the bigger-than-expected economic slump in April-June and soft consumption during the summer, the source said. “Risks are skewed to the downside,” a second source said, adding that weak service-sector spending and prospects of deeper cuts in capital expenditure cloud the outlook. In the most recent projection made in July, the BOJ expects the economy to contract 4.7% in the current fiscal year ending March 2021. That is less pessimistic than a 6.0% fall projected in this month’s Reuters poll. The BOJ’s July forecasts were compiled before the release of data that showed Japan’s economy shrank an annualized 28.1% in April-June, its worst postwar slump. (Reuters)
- **China's new home prices grow at slowest rate since 2016 on tighter rules** – New home prices in China grew at their slowest pace in over 4-1/2 years as tightening measures in some big cities helped cool the property market despite a broader economic recovery. New home prices in China also grew at a slightly slower monthly pace in September, official data showed on Tuesday, while the number of cities reporting monthly price increases for new homes fell. A recovery in China’s property market has provided much-needed support to an economy hard-hit by the coronavirus earlier this year. But policymakers have rolled out new restrictions in recent months on concerns of a potential market bubble. “The broad tightening of housing policies since July has had an impact on home prices data,” said Zhang Dawei, a Beijing-based analyst with property agency Centaline. Average new home prices in 70 major cities rose 0.4% in September from a month earlier, compared with a 0.6% increase in August, according to Reuters calculations based on data released by the National Bureau of Statistics. On an annual basis, home prices rose 4.6% in September, the slowest pace since February 2016, and versus a 4.8% expansion in August. More than 20 cities have imposed new rules since July to prevent sharp price rises, while regulators have

introduced stringent rules to contain property developers’ debt levels. In September, many developers moved to cut prices to attract buyers ahead of the eight-day National Day holiday. (Reuters)

### Regional

- **Russia may support global cuts rollover beyond 2020 if oil markets worsen** – Russia may support keeping cuts in global oil output unchanged after 2020, when they are due to be eased, if world markets worsen due to sluggish demand and a surge in new coronavirus cases, two industry sources told Reuters. The OPEC and other producers led by Russia, a group known as OPEC+, is scheduled to relax output cuts from January 1. However, Moscow, in need of cash for its virus-hit economy, may agree to keep them at current levels if oil markets worsen and if such proposals are put forward, two industry sources said. Russian President, Vladimir Putin and Saudi Arabia’s Crown Prince, Mohammed bin Salman held two telephone calls last week, an unusual frequency of contact between them, as the OPEC+ ministerial summit set for December 1 is fast approaching. Kremlin spokesman, Dmitry Peskov said regular contact was necessary as the markets were volatile. Russian Energy Minister, Alexander Novak said last week that OPEC+ will start easing output curbs as planned despite a global spike in coronavirus cases. (Reuters)
- **Russia's Novak says premature to talk about OPEC+ plans beyond 2020** – Russia’s Energy Minister, Alexander Novak said on Tuesday it was too early to discuss the future of global oil production curbs beyond December, less than a week after saying plans to reduce the output restrictions should proceed. OPEC and allies including Russia, known as OPEC+, agreed in April they would gradually ease production cuts - introduced to support prices after a plunge in demand caused by the COVID-19 pandemic - with one phase of the easing set to begin on January 1. However, a second wave of infections has put a question mark over this timetable. “It is too early to talk about the future of the OPEC+ deal beyond December,” he said. “We need to understand” how the situation develops in the coming month before taking any decision, he added. The ministry was replying to a request for comment on whether Russia might support keeping production cuts unchanged after 2020, as some industry sources had suggested. Only last week, Novak said the OPEC and its allies would ease output curbs as planned, despite a global spike in COVID-19 cases. OPEC+ is next due to meet on November 30-December 1. (Reuters)
- **Saudi grocery giant BinDawood to start trading shares on Tadawul** – Saudi Arabian grocery retailer BinDawood Holding will start trading its shares on the Saudi Stock Exchange (Tadawul) on Wednesday. The company, with a share capital of more than SR1.14bn, will be listed on the main market under the symbol 4161 and ISIN Code SA 154HG210H6, with a 10% daily price fluctuation limit per share, Tadawul said on Tuesday. Saudi’s third-largest supermarket retailer is offering 22.86mn shares representing 20% of the share capital through a public offering at an offer price of SR96 per share, according to a company prospectus. BinDawood is the latest company in the Kingdom to capitalize on high investor appetite for shares. (Zawya)

- Israeli pipeline company signs deal to bring UAE oil to Europe** – Israeli pipeline company EAPC said on Tuesday it had signed a preliminary deal to help transport oil from the UAE to Europe via a pipeline that connects the Red Sea city of Eilat and the Mediterranean port of Ashkelon. If finalized, the deal will be one of the most significant partnerships to emerge so far since Israel and the UAE normalized relations. State-owned EAPC said it signed a binding memorandum of understanding with MED-RED Land Bridge, a company with Israeli and Emirati owners, in Abu Dhabi on Monday during a ceremony with visiting US Treasury Secretary, Steve Mnuchin. Along with UAE oil, the partners hope to use their “land bridge”, which saves time, fuel and costs versus crossing the Suez Canal, to transport oil back and forth between other countries. It could provide quicker access for consumers in Asia to oil produced in the Mediterranean and Black Sea regions. “MED-RED is in advanced negotiations with major players in the West and in the East for long-term service agreements,” EAPC said. It did not disclose financial details but said the arrangement “is likely to increase the transferred quantities by tens of millions of tons per year.” The UAE exports the vast majority of its crude oil to Asia. A source familiar with the deal said that, if finalised, it could be worth \$700mn-\$800mn over several years and that supplies could start at the beginning of 2021. EAPC, or Europe Asia Pipeline Co, operates its eponymous pipeline and deals in oil storage and the export and import of distillates. MED-RED is owned by Petromal, a unit of Abu Dhabi-based National Holding, Israeli firm AF Entrepreneurship, and Lubber Line, an international group that focuses on infrastructure and energy. “There is no doubt that this agreement is of high importance to the Israeli market, both economically and strategically, with joint investments extending a decade into the future,” said EAPC Chairman, Erez Halfon. Under the agreement EAPC will manage storing and transmitting the oil. (Reuters)
- EMIRATES's net profit falls 68.9% YoY to AED1,556.1mn in 3Q2020** – Emirates NBD Bank (EMIRATES) recorded net profit of AED1,556.1mn in 3Q2020, registering decrease of 68.9% YoY. Net interest income fell 2.8% YoY to AED3,780.5mn in 3Q2020. Total operating income fell 6.1% YoY to AED5,648.4mn in 3Q2020. Total assets stood at AED692.1bn at the end of September 30, 2020 as compared to AED683.3bn at the end of December 31, 2019. Loans and receivables stood at AED386.3bn (+0.4% YTD), while customers' deposits stood at AED377.1bn (-2.3% YTD) at the end of September 30, 2020. EPS came in at AED0.22 in 3Q2020 as compared to AED0.45 in 3Q2019. Emirates NBD posted a 69% slump in quarterly profit, as bad debt charges rose due to the COVID-19 crisis, while earnings suffered in comparison with last year, when they were swelled by an asset sale. Recent economic data suggests there has been some recovery in global economic activity, the bank said, but cautioned activity remains well below its level at the beginning of 2020. Analysts had expected a net profit of AED1.76bn. The lender's third-quarter net profit was the lowest recorded since December 2014, according to Refinitiv data. Emirates NBD said impairment allowances increased 41% to AED2.15bn by the end of September, from a year-ago period. “The impact of the pandemic has not yet manifested itself on credit quality, however the bank is preparing for it by building provision reserves and cutting costs,” EFG Hermes' banking Analyst, Shabbir Malik said in a note. Loan growth was sluggish, mainly due to weakness in Emirates NBD's Turkish unit Denizbank, Malik said. Emirates NBD's research team has forecast a 5.5% contraction in the UAE's economy this year, as both oil and non-oil sectors are affected by the COVID-19 pandemic. (DFM, Reuters)
- DIB's net profit falls 19.5% YoY to AED1,004.9mn in 3Q2020** – Dubai Islamic Bank (DIB) recorded net profit of AED1,004.9mn in 3Q2020, registering decrease of 19.5% YoY. Net operating income before impairment charges fell 3.6% YoY to AED1,548.4mn in 3Q2020. Total income fell 6.1% YoY to AED3,067.7mn in 3Q2020. Total assets stood at AED299.3bn at the end of September 30, 2020 as compared to AED231.8bn at the end of December 31, 2019. Islamic financing and investing assets (net) stood at AED197.4bn (+30.8% YTD), while customers' deposits stood at AED214.6bn (+30.5% YTD) at the end of September 30, 2020. EPS came in at AED0.11 in 3Q2020 as compared to AED0.16 in 3Q2019. (Company Press Release)
- EIB's reports net loss of AED323.1mn in 3Q2020** – Emirates Islamic Bank (EIB) recorded net loss of AED323.1mn in 3Q2020. Net income from financing and investment products fell 13.6% YoY to AED410.0mn in 3Q2020. Total operating income fell 39.4% YoY to AED433.5mn in 3Q2020. Total assets stood at AED70.1bn at the end of September 30, 2020 as compared to AED64.8bn at the end of December 31, 2019. Financing receivables stood at AED41.0bn (+9.4% YTD), while customers' deposits stood at AED45.9bn (+1.2% YTD) at the end of September 30, 2020. Loss per share stood at AED0.059 in 3Q2020 as compared to EPS of AED0.049 in 3Q2019. (DFM)
- Dubai's Union Properties restructuring debt to weather slump** – Union Properties is restructuring debt and trimming costs to weather a slump in Dubai's real estate market. “We are focusing on restructuring our balance sheet, and all our efforts will be directed to reduce our accumulated losses in the past,” Vice Chairman, Fathi Ben Grira said. The company restructured AED946mn of debt in August. Chronic oversupply has battered property values and rents over the past six years in Dubai. Measures to curb the spread of the coronavirus aggravated that decline, and demand is expected to drop further as jobs are lost and expatriates forced to move out. Still, Union Properties returned to a profit in the third quarter and has plans to develop a new mixed-use project in Dubai. Ben Grira said on Tuesday that the company was not materially impacted by the coronavirus. “We had to cut costs like everyone but the situation forced us to go faster,” he said, adding that the bulk of redundancies were now complete. (Bloomberg)
- Ethihad Airways plans transition Islamic bonds** – Etihad Airways, wholly owned by the Abu Dhabi government, is planning to sell US dollar-denominated ‘transition’ Sukuk, or Islamic bonds, a document issued by one of the banks leading the deal showed. Proceeds of so-called transition bonds are used by companies to gradually switch to more environmentally sustainable operations. Etihad has hired HSBC and Standard Chartered as joint global coordinators and “joint sustainability structuring agents” for the planned deal. Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank and Mashreq Bank will also be involved in the transaction. The planned Sukuk, which will be issued

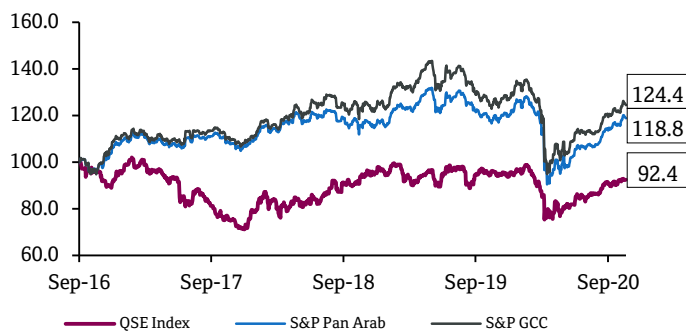
depending on market conditions, will have a five-year maturity and are part of a \$3bn Sukuk program expected to be rated 'A' by Fitch. A series of fixed income investor calls ahead of the deal will begin on October 22, the document said. One source familiar with the deal said the transaction is likely to be at least \$1bn in size. The airline has also invited holders of its outstanding \$1.5bn Sukuk due in 2021 to tender those notes for purchase by Etihad for cash, the document said. (Reuters)

- **FAB shareholders approve transfer of legacy FGB banking license to ADQ** – First Abu Dhabi Bank (FAB), the UAE's largest bank and one of the world's largest and safest financial institutions, has received shareholder approval to transfer its legacy FGB banking license to ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy, empowering the creation of ADQ's new digital bank. This follows the conclusion of a General Assembly Meeting today at FAB's headquarters in Abu Dhabi. Under the terms of the agreement, FAB will transfer ownership of its legacy FGB banking license to ADQ in exchange for 10% of the new entity's share capital, and preferential access to another 10% of the shares in the event of an Initial Public Offering (IPO). ADQ is set to establish the new digital bank with an initial capital of approximately AED2bn. The two Abu Dhabi-headquartered organizations have a shared vision to enable the UAE government's long-term digital ambitions. The license transfer supports FAB's digital strategy to explore new business models and foster new opportunities to innovate and unlock the transformative power of technology and data to deliver the most secure, convenient and relevant financial services. (ADX)
- **NBS's net profit falls 18.2% YoY to AED102.2mn in 3Q2020** – Sharjah Islamic Bank (NBS) recorded net profit of AED102.2mn in 3Q2020, registering decrease of 18.2% YoY. Total Income fell 3.6% YoY to AED450.5mn in 3Q2020. Net operating income before provisions and distribution to depositors fell 1.1% YoY to AED316.3mn in 3Q2020. Total assets stood at AED53.3bn at the end of September 30, 2020 as compared to AED46.4bn at the end of December 31, 2019. Investment in Islamic financing stood at AED29.5bn (+17.5% YTD), while customers' deposits stood at AED32.6bn (+19.4% YTD) at the end of September 30, 2020. EPS came in at AED0.03 in 3Q2020 as compared to AED0.04 in 3Q2019. (ADX)
- **Kuwait sells KD240mn 91-day bills; bid-cover at 11.3x** – Kuwait sold KD240mn of 91-day bills due on January 19, 2021. Investors offered to buy 11.3 times the amount of securities sold. The bills have a yield of 1.25% and settled on October 20, 2020. (Bloomberg)
- **Oman's bond market return to test credibility of reform path** – Oman's return to the international bond market this week will be a test of its ability to convince investors that long-awaited fiscal reforms have started to put it on a sustainable financial footing. The oil-producing Gulf state, rated below investment grade by all the major credit agencies, announced on Monday plans to issue bonds with maturities of three, seven and 12 years, in what would be its first global debt sale this year. Sultan Haitham, who became Oman's ruler in January, has made shaking up state finances one of his priorities. But investors would like to see more concrete steps being taken

and, after a further sovereign downgrade last week, may require the new bonds to offer a significant premium over the country's existing debt. "The new Sultan has done some good things – rationalizing the number of ministries, the implementation of VAT, plans to generate additional tax revenues, and they still have sovereign assets," Head of emerging markets credit strategy at Legal & General Investment Management, Raza Agha said. "There is positive momentum but it will take time for that credibility to build." According to a bond prospectus, Oman has begun talks with some Gulf countries for financial support. "I don't think this will actually be taken into consideration by investors unless there is a tangible announcement from Gulf countries with a tangible support package," Executive fixed income director at Arqaam Capital, Zeina Rizk said. Oman will likely price the new three-year bonds in the high 4% area, the seven-year tranche in the high 6% and the 12-year in the mid-to-high 7% area, implying a premium of at least 50 basis points (bps) over its existing curve, she said. Two other investors, who did not wish to be named, said the paper could carry a 25-bps premium over existing secondary trading levels. Sources have previously told Reuters Oman would target over \$3bn with the new deal. "If they take \$3bn-3.5bn, you will have a market indigestion for Oman, and I'm sure people will ask to be compensated for this risk," Rizk said. (Reuters)

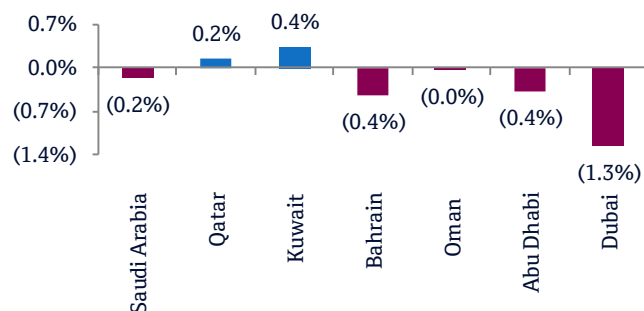
- **Ithmaar Bank's holding in Faisal Islamic Bank stands at 14.03%** – Faisal Islamic Bank of Egypt said that the Central Bank of Egypt (CBE) approved the acquisition of the shares of Faysal Investment Bank of Bahrain by Ithmaar Bank. With this transaction, Ithmaar Bank's holding in Faisal Islamic Bank of Egypt reaches 14.03%, the lender said in a statement to the Egyptian Exchange (EGX) on Monday. During the first nine months of 2020, the bank logged standalone net profits of EGP1.3bn, down from EGP2.05bn in the prior-year period. (Zawya)
- **Bahrain sells BHD70mn 91-day bills at yield of 2.23%** – Bahrain sold BHD70mn of 91-day bills due on January 20, 2021. The bills were sold at a price of 99.44, have a yield of 2.23% and will settle on October 21, 2020. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,906.95	0.2	0.4	25.7
Silver/Ounce	24.64	1.0	2.0	38.0
Crude Oil (Brent)/Barrel (FM Future)	43.16	1.3	0.5	(34.6)
Crude Oil (WTI)/Barrel (FM Future)	41.46	1.5	1.4	(32.1)
Natural Gas (Henry Hub)/MMBtu	2.57	11.7	19.0	23.0
LPG Propane (Arab Gulf)/Ton	53.63	0.9	0.7	30.0
LPG Butane (Arab Gulf)/Ton	63.00	1.2	0.8	(3.8)
Euro	1.18	0.5	0.9	5.4
Yen	105.50	0.1	0.1	(2.9)
GBP	1.29	0.0	0.3	(2.3)
CHF	1.10	0.3	0.9	6.7
AUD	0.70	(0.4)	(0.5)	0.4
USD Index	93.07	(0.4)	(0.7)	(3.4)
RUB	77.36	(0.4)	(0.7)	24.8
BRL	0.18	0.1	0.7	(28.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,422.71	0.2	(0.7)	2.7
DJ Industrial	28,308.79	0.4	(1.0)	(0.8)
S&P 500	3,443.12	0.5	(1.2)	6.6
NASDAQ 100	11,516.49	0.3	(1.3)	28.4
STOXX 600	365.51	0.0	0.4	(7.4)
DAX	12,736.95	(0.5)	(0.4)	1.4
FTSE 100	5,889.22	(0.2)	(0.4)	(23.8)
CAC 40	4,929.28	0.1	0.8	(13.2)
Nikkei	23,567.04	(0.6)	0.5	2.8
MSCI EM	1,133.94	0.6	0.9	1.7
SHANGHAI SE Composite	3,328.10	0.6	0.1	13.8
HANG SENG	24,569.54	0.1	0.8	(12.4)
BSE SENSEX	40,544.37	0.1	1.4	(4.7)
Bovespa	100,539.80	2.1	3.5	(37.3)
RTS	1,140.69	0.5	0.7	(26.4)

Source: Bloomberg (\*\$ adjusted returns)

## Contacts

### Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

### Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

[shahan.keushgerian@qnbfs.com.qa](mailto:shahan.keushgerian@qnbfs.com.qa)

### QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

### Zaid al-Nafoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

[zaid.alnafoosi@qnbfs.com.qa](mailto:zaid.alnafoosi@qnbfs.com.qa)

**Disclaimer and Copyright Notice:** This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

**COPYRIGHT:** No part of this document may be reproduced without the explicit written permission of QNBFS.