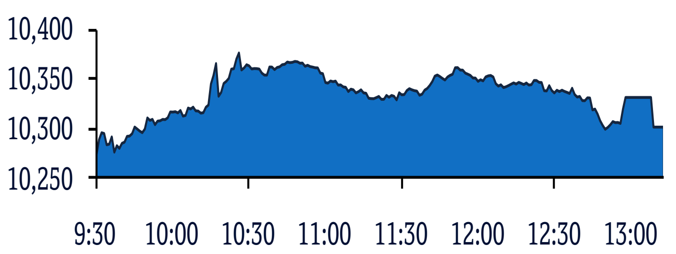
Daily Market Report

Thursday, 26 November 2020

QSE Intra-Day Movement



Market Indicators	25 Nov 20	24 Nov 20	%Chg.
Value Traded (QR mn)	505.7	590.2	(14.3)
Exch. Market Cap. (QR mn)	592,579.2	591,732.0	0.1
Volume (mn)	200.0	314.0	(36.3)
Number of Transactions	11,253	13,047	(13.8)
Companies Traded	47	46	2.2
Market Breadth	24:19	22:23	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,808.88	0.4	1.9	3.3	17.5
All Share Index	3,168.23	0.3	1.8	2.2	18.1
Banks	4,239.12	0.2	1.3	0.4	15.0
Industrials	3,052.92	1.7	4.8	4.1	27.3
Transportation	3,216.11	(2.8)	2.1	25.8	14.7
Real Estate	1,849.98	(0.1)	3.0	18.2	16.3
Insurance	2,405.61	(1.7)	(2.1)	(12.0)	N.A.
Telecoms	933.43	0.5	1.1	4.3	13.9
Consumer	8,157.37	0.8	0.1	(5.7)	24.1
Al Rayan Islamic Index	4,194.79	0.9	2.3	6.2	19.2

Qatar Commentary

The QE Index rose 0.4% to close at 10,303.9. Gains were led by the Industrials and Consumer Goods & Services indices, gaining 1.7% and 0.8%, respectively. Top gainers were Qatar Cinema & Film Distribution Co. and Al Meera Consumer Goods Co., rising 7.0% and 2.4%, respectively. Among the top losers, Qatar General Insurance & Reins. Co. fell 7.1%, while Qatar Gas Transport Co. Ltd. was down 5.4%.

GCC Commentary

Saudi Arabia: The TASI Index rose 0.6% to close at 8,688.8. Gains were led by the Utilities and Diversified Financials indices, rising 3.0% and 2.6%, respectively. Abdullah Saad Mohammed AboMoati for Bookstores Company rose 10.0%, while Saudi Re for Cooperative Reinsurance Company was up 9.9%.

Dubai: The DFM Index gained 0.6% to close at 2,413.2. The Consumer Staples and Discretionary index rose 3.1%, while the Telecommunication index gained 1.2%. Ithmaar Holding rose 14.8%, while Aan Digital Services Holding Co. was up 12.3%.

Abu Dhabi: The ADX index rose 0.8% to close at 4,989.1. The Insurance index gained 5.3%, while the Real Estate index rose 3.9%. Abu Dhabi National Insurance Company gained 14.9%, while Bank of Sharjah was up 11.7%.

Kuwait: The Kuwait All Share Index declined 0.2% to close at 5,560.4. The Telecommunications fell 0.7%, while the Utilities index declined 0.6%. Credit Rating & Collection fell 13.2%, while Gulf Cement Company was down 6.3%.

Oman: Market was closed on November 25, 2020.

Bahrain: The BHB Index gained 0.1% to close at 1,461.9. The Insurance index rose 0.4%, while the Service index gained 0.2%. Ithmaar Holding rose 8.7%, while Nass Corporation was up 7.7%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Aldar Properties	Abu Dhabi	3.07	4.1	41,762.8	42.1
Saudi Electricity Co.	Saudi Arabia	21.04	3.2	8,819.1	4.1
Saudi British Bank	Saudi Arabia	26.90	2.9	1,054.0	(22.5)
Industries Qatar	Qatar	10.65	2.4	2,988.5	3.6
Riyad Bank	Saudi Arabia	20.36	2.3	2,116.9	(15.2)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Gas Transport Co.	Qatar	3.23	(5.4)	41,324.9	35.1
Ezdan Holding Group	Qatar	1.60	(2.3)	19,807.6	160.7
Jabal Omar Development	Saudi Arabia	33.30	(1.5)	1,680.6	22.7
Bank Albilad	Saudi Arabia	27.25	(1.4)	1,889.4	1.3
Agility	Kuwait	0.66	(1.0)	7,349.5	(7.2)

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 Cinema & Film Distribution	4.10	7.0	2.0	86.4
Al Meera Consumer Goods Co.	21.22	2.4	567.6	38.7
Industries Qatar	10.65	2.4	2,988.5	3.6
Qatar Aluminium Manufacturing	0.95	1.9	18,188.8	21.0
Gulf International Services	1.59	1.8	10,765.0	(7.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.21	(7.1)	28.2	(10.2)
Qatar Gas Transport Co. Ltd.	3.23	(5.4)	41,324.9	35.1
Mazaya Real Estate Development	1.20	(2.4)	9,625.7	67.0
Ezdan Holding Group	1.60	(2.3)	19,807.6	160.7
Qatari German Co for Med. Dev.	1.80	(2.0)	4,156.6	209.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	3.23	(5.4)	41,324.9	35.1
Investment Holding Group	0.59	0.0	21,161.8	3.9
Ezdan Holding Group	1.60	(2.3)	19,807.6	160.7
Qatar Aluminium Manufacturing	0.95	1.9	18,188.8	21.0
Salam International Inv. Ltd.	0.62	(0.8)	14,123.5	20.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Gas Transport Co. Ltd.	3.23	(5.4)	137,962.8	35.1
QNB Group	18.13	(0.2)	43,085.3	(11.9)
Ezdan Holding Group	1.60	(2.3)	32,692.8	160.7
Industries Qatar	10.65	2.4	32,043.2	3.6
Qatar Islamic Bank	17.00	0.6	18,884.1	10.9

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,303.89	0.4	1.9	6.3	(1.2)	136.54	159,617.1	17.5	1.5	3.8
Dubai	2,413.20	0.6	4.2	10.3	(12.7)	119.95	91,423.6	11.3	0.8	4.0
Abu Dhabi	4,989.13	0.8	1.5	7.1	(1.7)	119.33	196,432.8	19.3	1.4	4.9
Saudi Arabia	8,688.76	0.6	1.3	9.9	3.6	3,737.62	2,460,870.7	32.8	2.1	2.4
Kuwait	5,560.43	(0.2)	0.6	2.2	13.2	260.48	101,378.5	36.7	1.4	3.5
Oman#	3,623.83	(0.1)	(0.1)	1.9	(9.0)	10.70	16,442.5	10.8	0.7	6.8
Bahrain	1,461.91	0.1	0.7	2.4	(9.2)	3.58	22,304.4	14.2	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, #Data as of November 24, 2020)

Qatar Market Commentary

- The QE Index rose 0.4% to close at 10,303.9. The Industrials and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Qatar Cinema & Film Distribution Company and Al Meera Consumer Goods Company were the top gainers, rising 7.0% and 2.4%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 7.1%, while Qatar Gas Transport Company Limited was down 5.4%.
- Volume of shares traded on Wednesday fell by 36.3% to 200.0mn from 314.0mn on Tuesday. Further, as compared to the 30-day moving average of 234.3mn, volume for the day was 14.7% lower. Qatar Gas Transport Company Limited and Investment Holding Group were the most active stocks, contributing 20.7% and 10.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	42.97%	50.91%	(40,146,388.7)
Qatari Institutions	16.57%	14.17%	12,120,245.0
Qatari	**59.54%**	**65.08%**	**(28,026,143.7)**
GCC Individuals	0.98%	1.30%	(1,591,712.4)
GCC Institutions	1.70%	1.53%	825,644.1
GCC	**2.68%**	**2.83%**	**(766,068.4)**
Arab Individuals	12.09%	13.48%	(7,026,359.6)
Arab Institutions	0.00%	0.01%	(37,225.8)
Arab	**12.09%**	**13.49%**	**(7,063,585.4)**
Foreigners Individuals	4.01%	4.21%	(1,023,023.6)
Foreigners Institutions	21.68%	14.39%	36,878,821.0
Foreigners	**25.69%**	**18.60%**	**35,855,797.4**

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Qatar Islamic Bank	Moody's	Qatar	LT-DR	A1	A1	–	Stable	–
Saudi Electricity Co.	Moody's	Saudi Arabia	LTR/LT-CIR/FC-CIR	–/A2/A2	A1/A1/A1	↑	Negative	–

Source: News reports, Bloomberg (*LT – Long Term, LTR – Long Term Rating, FC – Foreign Currency, DR – Deposit Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/25	US	Mortgage Bankers Association	MBA Mortgage Applications	20-Nov	3.9%	–	-0.3%
11/25	US	Department of Labor	Initial Jobless Claims	21-Nov	778k	730k	748k
11/25	US	Department of Labor	Continuing Claims	14-Nov	6,071k	6,000k	6,370k

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

News

Qatar

- **WDAM: Agreement with Government of Qatar for subsidizing will not be renewed –** Widam Food Company (WDAM) announced that the agreement between the Government of Qatar and WDAM for subsidizing Australian fresh and chilled meat, which commenced on December 29, 2015 and ending on December 31, 2020 will not be renewed. (QSE)
- **Cabinet approves draft budget for fiscal 2021 –** The Cabinet has given its approval to the draft State budget for the 2021 fiscal year, Qatar News Agency (QNA) reported. The budget is based on a number of principles, which include maintaining Qatar's credit rating and continuing to allocate financial resources to complete strategic projects in line with Qatar National Vision 2030, especially those related to the 2022 FIFA World Cup as well as health and education, according to QNA. The Cabinet, according to the QNA report, approved the "draft State budget for the fiscal year 2021 and a draft law approving the budget". It also referred all the "main sections and sectors of the budget and the draft law to the Shura Council". The draft budget has been prepared based on the following principles (1) Adopting the principle of medium-term planning for the general budget and setting financial ceilings for the years 2021-2023 after reviewing the projects and programs of all sectors. (2) All ministries and government agencies are required to set financial ceilings for the medium term, 2021-2023, and direct them to arrange their priorities, including programs and projects included in the Second National Development Strategy of 2018-2022, according to the allocated budgets and specific financial ceilings. (3) Continuing to allocate financial resources to complete the implementation of strategic projects in accordance with Qatar National Vision 2030, especially those related to hosting the 2022 FIFA World Cup and the health and education sectors. (4) Allocating the necessary financial resources to develop new citizens' land and infrastructure for existing areas. (5) Supporting business environment development initiatives to enhance the role of the private sector and its participation in various economic activities. (6) Working to maintain the credit rating of the State. (Gulf-Times.com
- **S&P affirms QNB Group and Qatar Islamic Bank's ratings –** Following a recent review, S&P Global Ratings (S&P) is keeping Qatar's banking sector in Banking Industry Country Risk Assessment (BICRA) group '5'. S&P said, "At the same time, we are revising our assessment of industry risk to '6' from '5' and maintaining our assessment of economic risk at '5'. The economic and industry risk trends are now both stable." S&P added, "In addition, we are affirming our ratings on QNB Group (QNBK; A/A-1) and Qatar Islamic Bank (QIBK; A-/A-2). The outlooks on the two banks remain 'Stable'." (Bloomberg)
- **Moody's reconfirms long-term deposit rating of QIBK at 'A1' with a 'Stable' outlook –** Global credit rating agency Moody's has reconfirmed the long-term deposit rating of Qatar Islamic Bank (QIBK) at 'A1', with a 'Stable' outlook. QIBK remains Qatar's second largest bank and the largest Islamic bank in the country, with a market share of around 10.5% of Qatar's banking system assets, and a consolidated asset base of QR170bn, Moody's said in a report. The lender's assigned rating reflects the strong asset quality, good profitability, adequate capital buffers and limited market-funding reliance, it said, adding that QIBK's 'Stable' outlook also takes into account the stable outlook on the Qatari government's bond rating of 'Aa3'. QIBK has reported strong profitability which has been broadly stable in the 1.4-1.7% return on tangible assets, supported by the strong growth of the bank, which itself reflects the increasing penetration of Shari'ah compliant assets in Qatar. (Gulf-Times.com, QSE)
- **QFC unveils new policy for licensing law firms in Qatar –** The Qatar Financial Centre (QFC), a leading onshore financial and business center in the region, has unveiled a new policy statement on providing legal services in the QFC for prospective applicants. The new policy, which comes into force immediately, sets out the conditions to prospective applicants intending to provide legal services in or from the QFC ensuring that these firms have a positive economic impact on Qatar. Under the new guidance, international law firms may be licensed in the QFC if they meet conditions like the firm is ranked by Legal 500, chambers and partners, or by a similar reputable ranking acceptable to the QFC Authority. The firm is to conduct most of its operations from Qatar and at least 51% of the QFC entity's income can be attributed to activities undertaken by the QFC entity in Qatar. The firm will have no less than three full-time lawyers on the ground whose individual salaries meet a minimum of QR15,000 each. The firm will occupy an office with a minimum of 8 square meters per person. (Qatar Tribune, Gulf-Times.com)
- **Qatar Airways Cargo appoints Wexco as its GSA in Australia –** Qatar Airways Cargo appointed Wexco, part of ECS Group, as its general sales agent (GSA) in Australia. Through the new agreement, Qatar Airways and ECS Group are extending their strategic partnership which today covers 20 countries worldwide. The partnership will leverage Qatar Airways' strong presence in Australia, promoting destinations to the Middle-East, Europe, the Americas and Africa to the Australian exporters. Qatar Airways serves five major Australian cities – Melbourne, Perth, Sydney, Brisbane and Adelaide – and operates 30 passenger flights and freighters every week. (Qatar Tribune)

International

- **Rising US weekly jobless claims, COVID-19 cases point to slowing economic recovery –** The number of Americans filing first-time claims for jobless benefits increased further last week, suggesting that an explosion in new COVID-19 infections and business restrictions were boosting layoffs and undermining the labor market recovery. Still, the economy got off to a solid start in the fourth quarter, with consumer spending and business investment in equipment topping analysts' expectations in October. Businesses also reported a sharp rebound in profits in the third quarter. That was, however, insufficient to lift the heavy cloud over the economy. Personal income dropped last month and could decline further with about 13.6mn Americans due to lose government-funded unemployment benefits a day after Christmas. The benefits, part of a more than $3tn government coronavirus relief package which has largely expired, contributed to record economic growth in the third quarter. Another package is expected only after President-elect Joe Biden is sworn in on January 20. President Donald Trump is heavily focused on contesting his electoral loss to Biden. Minutes of the Federal Reserve's November 4-5 meeting showed officials discussed how the US central bank's asset purchases could be adjusted to provide additional support to the economy. (Reuters)

- **US consumer spending rises; income falls in October –** US consumer spending increased solidly in October, but the momentum is likely to slow as surging COVID-19 infections and the loss of a weekly unemployment subsidy for millions of Americans weigh on income. Consumer spending, which accounts for more than two thirds of US economic activity, rose 0.5% last month after increasing 1.2% in September. Personal income fell 0.7%, reversing a 0.7% gain in September. Economists polled by Reuters had forecast consumer spending rising 0.4% and income unchanged in October. (Reuters)
- **US core capital goods orders beat expectations in October –** New orders for key US-made capital goods increased more than expected in October, but momentum is slowing in line with expectations for slower economic growth in the fourth quarter. Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, rose 0.7% last month. These so-called core capital goods orders surged 1.9% in September. Economists polled by Reuters had forecast core capital goods orders increasing 0.5%. Core capital goods orders rose 0.2% YoY in October. Orders last month were supported by demand for electrical equipment, appliances and components, computers and electronic products, primary metals and fabricated metal products. But orders for machinery fell. Shipments of core capital goods jumped 2.3% last month. Core capital goods shipments are used to calculate equipment spending in the government's gross domestic product measurement. They rose 0.7% in September. Business investment on equipment rebounded strongly in the third quarter after five straight quarterly declines. Economists expect slower economic growth after a historic pace of expansion in the third quarter. (Reuters)
- **UK borrowing to hit peacetime high as economy faces COVID-19 emergency –** Britain will borrow almost 400bn Pounds this year to pay for the massive coronavirus hit to its economy, finance minister Rishi Sunak said on Wednesday, as he took his first steps to offset the country's highest budget deficit outside wartime. The world's sixth-biggest economy is now set to shrink by 11.3% in 2020 - the most since "The Great Frost" of 1709 - before recovering by less than half of that in 2021, Sunak told parliament as he announced a one-year spending plan. "Our health emergency is not yet over. And our economic emergency has only just begun," he said, promising more money for health, infrastructure, defense and to fight unemployment. Britain's budget watchdog estimated borrowing would be 394bn Pounds ($526bn) in the 2020/21 financial year that began in April, slightly more than it predicted in August. At 19% of GDP, the deficit will be almost double its level after the global financial crisis which took nearly a decade of unpopular spending squeezes to work down. Sunak announced cuts to foreign aid spending and a freeze on pay for many public sector workers. But with many public services still stretched, Sunak is expected to look more at tax rises to make up the shortfall. "We have a responsibility, once the economy recovers, to return to a sustainable fiscal position," he said. Britain was hammered harder by the coronavirus pandemic than most other rich economies as it underwent a long lockdown. (Reuters)
- **Sunak: UK pauses public sector pay hikes, except for health workers –** Britain's government will pause pay rises for public sector workers except those in the health service and on lower incomes, finance minister Rishi Sunak said on Wednesday, describing the measure as a way to target those "who need it most". Sunak said he had to address the "disparity" between public and private sector wages in a move opposition parties said penalized the very people who have been on the frontline of Britain's fight against the COVID-19 pandemic. The Fire Brigades union called the measure "a cold, hard slap in the face". Sunak told parliament: "In such a difficult context for the private sector – especially for people working in sectors like retail, hospitality, or leisure - I cannot justify a significant, across-the-board pay increase for all public sector workers." "Instead, we are targeting our resources at those who need it most … What this means … is that while the government is making the difficult decision to control public sector pay, the majority of public sector workers will see their pay increase next year. And we want to do more for the lowest paid." (Reuters)
- **UK spent 849mn Pounds on COVID dining subsidy –** Britain's government spent almost twice as much as expected on encouraging people to eat in restaurants, cafes and pubs during what proved to be a temporary lull in COVID-19 cases in August. Official figures released on Wednesday ahead of new spending plans from finance minister Rishi Sunak showed his Eat Out to Help Out scheme cost 849mn Pounds ($1.13bn), much more than an initial government estimate of 500mn Pounds. The program paid up to half the cost of more than 160mn meals during August to boost one of the sectors hardest hit by the first coronavirus lockdown. Critics have said it increased the risk of COVID-19 infections, which began to rise steeply again in September and ultimately led to a second round of lockdowns across Britain. The financial cost is small in the context of more than 200bn Pounds of government spending related to COVID-19 this year which looks set to drive the budget deficit up to 20% of annual economic output, a level not seen since World War Two. The most expensive single program, the Job Retention Scheme, has cost 43.0bn Pounds up to November 15, and supported 8.9mn jobs at its peak. (Reuters)
- **UK will not phase out RPI inflation measure before 2030 –** Britain will not bring the Retail Prices Index (RPI) measure of inflation in line with the typically lower Consumer Prices Index before 2030. British government statisticians recommended last year that the government immediately bring RPI in line with the CPIH measure of inflation - a version of CPI which includes extra estimates of housing costs. The finance ministry rejected a sudden change last year, but said it would consult on whether to phase in a change at some point between 2025 and 2030. On Wednesday, finance minister Rishi Sunak announced he would not approve the change before 2030. "The Chancellor has announced that while he sees the statistical arguments of

UKSA's (UK Statistics Authority) intended approach to reform, in order to minimize the impact of reform on the holders of index-linked gilts, he will be unable to offer his consent to the implementation of such a proposal before the maturity of the final specific index-linked gilt in 2030," the government said in a statement. British statisticians have discouraged the use of RPI since 2013, saying it typically overstates inflation, but it remains widely used to calculate interest payments on index-linked bonds and student loans, as well as annual increases in some pensions, rail fares and other commercial contracts. (Reuters)

- **Reuters poll: Indian economy to escape recession early next year on vaccine hopes –** India's economy is expected to recover early next year from recession, but at a modest pace, according to a majority of economists in a Reuters poll who said their upgraded growth predictions were based on the progress of COVID-19 vaccines. The recent vaccine news has boosted Indian stocks to repeated record highs and fueled hopes of a pick-up in economic activity. That, coupled with festive-led demand, has lifted optimism amongst economists over the past month. Nearly two-thirds of respondents, 26 of 40, to an additional question said their growth views - which have been raised from a month ago - were based on that vaccine progress. The November 18-25 poll of nearly 50 economists showed the economy would contract in the July-Sept and October-December quarters by 8.8% and 3%, respectively, but less than the -10.4% and -5% predicted last month. The median expectation for the July-Sept quarter was an upgrade for the first time since polling began for the period in April 2019. While the economy was expected to return to growth, expanding 0.5% in the Jan-March quarter and come out of recession, the consensus of -8.7% for the current fiscal year would still mark the first full year of contraction in four decades. The economy was then forecast to expand 9% and 5.8% in the next fiscal year and 2022/23, respectively, but it was not expected to return to pre-COVID-19 levels any time soon. (Reuters)
- **Brazil current account gap smallest since February 2018, portfolio inflows surge –** Brazil's balance of payments position with the rest of the world improved in October, figures showed on Wednesday, as a $1.5bn current account surplus helped shrink the 12-month accumulated deficit to its smallest in two and a half years. Investors poured money into local stocks and bonds too, with net inflows of $5.3bn into domestic markets the highest since January 2019, according to central bank data. October's surplus was more than the $1.3bn forecast in a Reuters poll of economists. As the central bank chart below shows, the overall deficit in the preceding 12 months of 1% of GDP was the smallest since February 2018. Goods exports fell 8.6% in October from the same month last year to $18bn, the central bank said, while imports fell 26.3% to $13.1bn, giving a trade surplus of $4.9bn. This year, exports have fallen 7.8% and imports have slumped 15.1%. The services deficit shrank by 55.2% from a year earlier to $1.6bn and the primary income deficit shrank by 70.6% to $1.9bn, the central bank said. The current account deficit in the first 10 months of the year stood at $7.6bn. Foreign direct investment totaled $1.8bn in October, sharply down from $8.2bn a year ago, the central bank said, adding it forecasts FDI of $1bn in November. (Reuters)

Regional

- **OPEC+ leaning towards oil cut extension, despite rally –** OPEC and allies including Russia are leaning towards delaying next year's planned increase in oil output to support the market during the second wave of COVID-19 and rising Libyan output, despite a rise in prices, three sources close to OPEC+ said. OPEC+ was due to raise output by 2mn bpd in January - about 2% of global consumption - as it moves to ease this year's record supply cuts. With demand weakening, OPEC+ has been considering delaying the increase. Russia is likely to agree on a rollover of current output for the first quarter if needed, a source familiar with the issue said, and would prefer to decide later on extending for the second quarter. "It looks like the extension is needed," the source said, citing "possible price drops and demand uncertainties" amid the second wave of the virus. Oil has rallied in the past week, rising to its highest since March near $49 a barrel on hopes that coronavirus vaccines will lead to higher demand. This hasn't changed OPEC+ thinking around the extension, delegates said. (Reuters)
- **IATA: Deep losses for Middle East carriers to continue in 2021 –** Airlines in the Middle East will see an improvement in business next year after a difficult period in 2020, but they will continue to burn through cash, with estimated losses in the industry expected to reach $3.3bn, according to the International Air Transport Association (IATA). The projected losses in 2021 will be nearly half this year's revenue drop of $7.1bn, which is still a "worrisome" picture for a region that is largely dependent on revenues from the tourism and air transport sectors, which both contribute $13bn to the GDP and support 3.4mn jobs, IATA Regional Vice President for Africa and the Middle East, Muhammad Ali Albakri said. "The forecast for 2021 is not that much better, but it is better than 2020. However, it's still in the negative territory in terms of passenger traffic and revenues," Albakri said in a media briefing on Wednesday. According to Albakri, the current landscape in the Middle East's air travel industry is worrisome. He noted that prior to the crisis, airlines in the region were witnessing double-digit growth, while aviation hubs served a record number of destinations, with city pairs accounting for 1,060 as of April 2019. (Zawya)
- **Saudi Central Bank Governor says measures to stem COVID-19 impact could be extended –** Saudi Arabia's central bank Governor said on Wednesday payment deferral measures in place to stem the impact of the coronavirus pandemic on the economy could be extended through the first quarter of next year. Speaking to state-owned Al Arabiya, Ahmed Al-Kholifey also said there was no plan to introduce new liquidity measures. "I do not think there is a need, but rather the opposite, liquidity is abundant," he said, when asked if additional stimulus is needed. (Reuters)
- **Saudi Central Bank membership to be modified –** The Saudi Central Bank will change some of its members, its Governor told state TV channel Ekhbariya, after it was announced the bank's name would change from the Saudi Arabian Monetary Authority to Saudi Central Bank. The governor, Ahmed Al-Kholifey, said there would be no interference in the operations of the central bank, Ekhbariya said. (Reuters)
- **Saudi Central Bank imposes penalties on 30 financial firms –** Saudi Central Bank imposes penalties on 30 financial

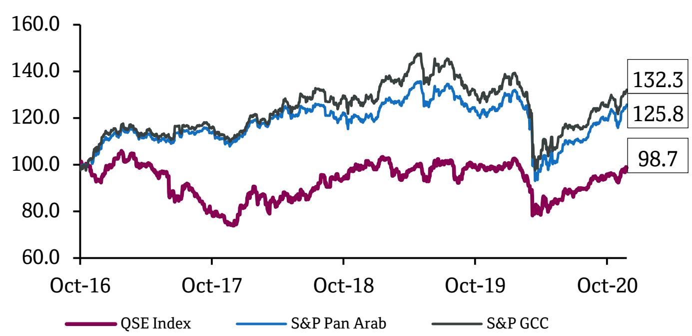
institutions for violating the principles of "responsible financing for individuals." It has directed them to take corrective measures; it did not provide a monetary value to the fines Financial institutions are: Al Rajhi Bank, National Commercial Bank, Saudi British Bank, Riyad Bank, Al Jazira Bank, Albilad Bank, Samba Financial Group, Alinma Bank, Gulf International Bank, Emirates NBD Branch, Al Yusr Leasing & Finance Co., Matajer Finance, Financial Leasing Co., Maalem Finance Co., Finance Agencies Co., National Finance Co., Ejarah Finance Co., Nayifat Finance Co., Abdul Latif Jameel United Finance Co., Saudi Home Finance Co., Al-Jabr Finance Co., United Financial Services Co., Deutsche Gulf Finance Co., Bidaya Home Finance Co., Saudi Finance Co., Tamweel Al-Oula Co., Al-Amthal Finance Co., Al-Tayseer Arabia Co., American Express Saudi Arabia, and Imkan Finance Co. (Bloomberg)

- **SABIC said to weigh IPO of specialty chemicals business –** Saudi Basic Industries Corp. (SABIC) is considering an initial public offering of its multibillion-dollar specialty chemicals unit, sources said. SABIC is speaking with advisers as it weighs a potential listing of the business as early as 2021. Specialty chemicals, which Sabic recently carved out as a separate unit, generate about $2bn of annual revenue, the people said. Deliberations are at an early stage, and there is no certainty they will lead to a transaction. While SABIC has not decided on a venue for the potential share sale, a local listing would help Saudi Arabia deepen its stock market at a time when the country has been opening up more to foreign investors. Any deal could also help Sabic raise funds after the company said in May it is suspending new capital expenditure to protect its balance sheet. (Bloomberg)
- **Moody's upgrades Saudi Electricity's ratings to A1 on increased government support –** Moody's Investors Service ("Moody's") has upgraded the ratings of Saudi Electricity Company (SEC) to A1 from A2 on account of increased government support. The outlook on all ratings is negative, in line with the Government of Saudi Arabia (A1 negative). The upgrade to A1 reflects Moody's revised assumption of government support to "Very High" from "High" under the methodology for Government-Related Issuers (GRI). This assumption leads to the alignment of SEC's issuer rating with Saudi Arabia's sovereign rating. The action is underpinned by a proposed new regulatory framework set to be implemented on 1 January 2021. The new framework will offer a more transparent and predictable compensation mechanism for SEC than is currently the case. In addition, the refinancing of unpaid payables and soft loans in a $44.8bn shareholder instrument (SHI) represents further evidence of government support. The latter leads to a cleaner capital structure given the perpetual nature of the SHI and its subordination to senior debtholders. SEC's Baseline Credit Assessment (BCA) is unchanged at baa1 because it was already positioned to reflect on-going support from the government in the form of soft loans and the provision of feedstock as well as tariff subsidies for the local population. While remaining subsidized, the new regulatory framework will reduce the need for on-going financial support from the government to SEC. The new regulatory framework will lead to more stable and predictable cash flows for most of the company's operations. The framework will allow SEC to recover its operational costs and earn a fair rate of return of 6.0% on its investments under a regulated asset base model with control periods of three years. However, Moody's recognizes the need for an operating track record under the new regulatory framework, especially when it comes to the timeliness of payments. (Bloomberg)
- **China's crude oil imports from Russia down 4%, Saudi down 30% as buying frenzy cools –** Russia and Saudi Arabia remained the top two crude oil suppliers to China in October, although arrivals from both countries plummeted from September levels as Chinese refiners put a brake on crude purchases. The two countries, which have been boosting crude exports to the economic powerhouse, are in a tight race to become China's top supplier in 2020. Inflows from Russia, including pipeline oil, last month reached 6.64mn tons, equivalent to 1.56mn bpd, data from the General Administration of Customs showed on Wednesday. That compared with 1.82mn bpd in September and 1.64mn bpd in October last year. Saudi Arabia supplied 5.94mn tons, or 1.4mn bpd, down 29% from the same period a year earlier. (Reuters)
- **Saudi exports drop in September, with oil revenue down 39% –** Saudi Arabia's exports fell by nearly a third in September from a year ago, driven largely by a slump in oil demand. Total revenue from exports was SR53.3bn compared with SR77.3bn for the same month last year, according to a statement from the General Authority for Statistics. Oil exports slumped 38.7% to about SR35bn. Non-oil exports declined 9.3% compared to a year ago to about SR18bn, after having risen in August. (Bloomberg)
- **UAE's ADGM to sign MOU with Israel's securities authority on fintech –** Abu Dhabi's financial center, Abu Dhabi Global Market (ADGM), will sign a memorandum of understanding (MoU) with Israel Securities Authority and Israel's biggest lender, Bank Hapoalim, to support financial technology, ADGM Chairman, Ahmed Ali Al-Sayegh said on Wednesday. After the UAE and Israel agreed to normalize relations in August, the two countries have signed a host of accords to boost economic and business ties. Last month, the two countries signed an agreement that would give incentives and protection to investors who make investments in each other's countries. Governor of the Central Bank of the UAE, Abdulhamid Saeed Alahmadi said at the same conference the central bank will issue a series of regulations over the coming months on fintech. These would cover areas such as licensing and supervisory requirements for the stored value facility used for payment of goods or services, large-value payment system regulation and retail payment system regulation. The Central Bank is also looking at a common regulatory framework for fintech solution providers and an evaluation of the distribution and use of digital currency, he said. (Reuters)
- **Dubai raises $1.5bn from private bond placement –** Dubai's government raised $1.5bn this week by reopening existing debt instruments, data compiled by Bloomberg showed. Emirates NBD Capital, a unit of Dubai's biggest bank, was the sole manager of the transactions on November 23 and 24, according to the data. The transactions include $150mn and $100mn from reopening a September facility of $1bn, $300mn and $200mn from reopening a January 2013 facility of $500mn, $300mn and $200mn from reopening a September Islamic facility of $1bn, $150mn and $100mn from reopening an April 2014 facility of

$750mn. The yield on Dubai's bond due 2050 was at 4.17%, compared with a high of 4.39% in September. (Bloomberg)

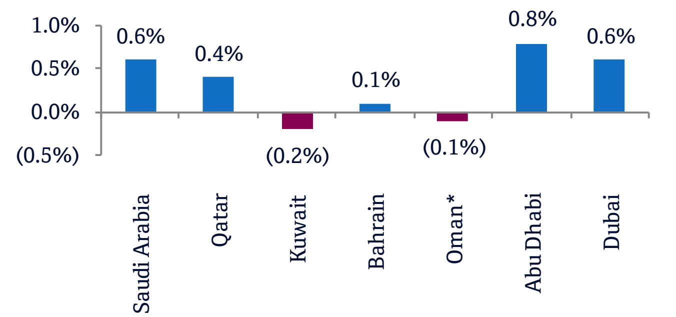
- **Abu Dhabi's Mubadala seeks Israeli partners on technology investment –** Abu Dhabi state investor Mubadala plans to identify potential fund partners in Israel and find high-growth technology firms in which to co-invest, as the UAE and Israel seek to boost commercial ties after normalizing relations. "There will be interesting opportunities with joint funds or joint ventures, but we are still early on in evaluating this," the Head of Mubadala's Ventures unit, Ibrahim Ajami told a financial technology conference in Abu Dhabi on Wednesday. He said Mubadala - which manages over $230bn in assets - has co-invested with Israeli investors in the US and Europe, but closer ties between the UAE and Israel open up a significant opportunity for investments. "We are always excited about Silicon Valley. But we are also looking at Europe, we're looking at the Middle East, we're looking at India and we would like to be very active in China," Ajami said. Since the UAE and Israel agreed to normalize relations in August, the two countries have signed a host of accords to boost economic and business ties. Bank Leumi, Israel's second-biggest bank, this week brought a delegation of executives to Dubai from industries ranging from real estate to energy and technology. (Reuters)
- **Dana Gas gets record gas deliveries from Iraq Kurdistan Plant –** Production of sales gas from Pearl Petroleum's Khor Mor Gas Plant in the Iraqi Kurdistan Region reached a record level of 418MM scf/d on November 18, Dana Gas said. Dana Gas owns 35% of Pearl Petroleum. Dana Gas registered a 6% YoY increase in production during 3Q2020 to 32,400 boepd. (Bloomberg)
- **Kuwait starts 264k bpd crude unit at Mina Abdullah Refinery –** A new crude distillation unit began operating at Kuwait's Mina Abdullah refinery as part of a "Clean Fuels" upgrading and expansion, officials said at a commissioning ceremony. New unit is largest CDU in Kuwait, with capacity of 264k bpd; will help boost country's total refining capacity to 1.6mn bpd: Kuwait National Petroleum Co.'s, refinery's Deputy CEO, Wadha Ahmed Al-Khateeb said. (Bloomberg)
- **Zain starts rebuilding war-ravaged South Sudan tower business –** Zain South Sudan, a unit of Kuwait-based mobile telecommunications company, is rebuilding its business in the East African country after six years of civil war that destroyed almost half its towers, Chief Executive Officer, Magdi Taha said. "Zain has 350 towers and 150 were destroyed by the war and currently are being restored" in Upper Nile, Wau, Aweil, Unity state and Eastern Equatoria. Company invested $11mn last year "and next year we will be investing about the same." Zain "to expand and strengthen its 3G network in the country before upgrading to 4G." (Bloomberg)
- **Bahrain sells BHD35mn 182-day bills; bid-cover at 1.41x –** Bahrain sold BHD35mn of 182-day bills due on May 30, 2021. Investors offered to buy 1.41 times the amount of securities sold. The bills were sold at a price of 98.714, have a yield of 2.58% and will settle on November 29, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of November 24, 2020)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,810.49	(0.0)	(3.2)	19.3
Silver/Ounce	23.40	0.2	(3.2)	31.1
Crude Oil (Brent)/Barrel (FM Future)	48.99	1.2	9.0	(40.4)
Crude Oil (WTI)/Barrel (FM Future)	45.99	1.3	9.1	(34.5)
Natural Gas (Henry Hub)/MMBtu#	2.23	0.0	1.8	6.7
LPG Propane (Arab Gulf)/Ton	55.50	3.3	8.0	34.5
LPG Butane (Arab Gulf)/Ton	64.50	1.6	16.7	(2.8)
Euro	1.19	0.2	0.5	6.3
Yen	104.46	0.0	0.6	(3.8)
GBP	1.34	0.2	0.8	0.9
CHF	1.10	0.3	0.3	6.5
AUD	0.74	0.0	0.9	4.9
USD Index	91.99	(0.3)	(0.4)	(4.6)
RUB	75.55	0.1	(0.9)	21.9
BRL	0.19	0.9	1.0	(24.5)

Source: Bloomberg (#Market was closed on November 25, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,589.67	0.1	2.0	9.8
DJ Industrial	29,872.47	(0.6)	2.1	4.7
S&P 500	3,629.65	(0.2)	2.0	12.3
NASDAQ 100	12,094.40	0.5	2.0	34.8
STOXX 600	392.09	(0.1)	0.6	(5.7)
DAX	13,289.80	(0.0)	1.2	0.3
FTSE 100	6,391.09	(0.6)	0.6	(15.3)
CAC 40	5,571.29	0.2	1.4	(6.8)
Nikkei	26,296.86	0.5	3.0	11.2
MSCI EM	1,218.29	(0.6)	0.7	9.3
SHANGHAI SE Composite	3,362.33	(1.2)	(0.5)	10.2
HANG SENG	26,669.75	0.3	0.8	(5.4)
BSE SENSEX	43,828.10	(1.6)	(0.1)	6.2
Bovespa	110,132.50	0.3	3.9	(4.8)
RTS	1,301.83	1.1	3.1	(16.0)

Source: Bloomberg (*$ adjusted returns)

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