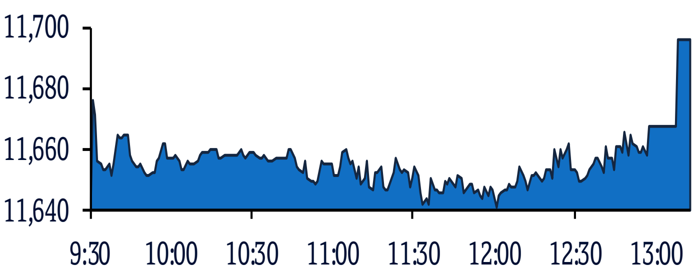
Daily Market Report

Sunday, 26 December 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.1% to close at 11,696.5. Gains were led by the Telecoms and Insurance indices, gaining 0.7% and 0.5%, respectively. Top gainers were Qatar Islamic Insurance Company and Qatar First Bank, rising 2.3% and 1.4%, respectively. Among the top losers, Ahli Bank fell 8.5%, while Qatar Cinema & Film Distribution was down 6.2%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.6% to close at 11,271.5. Gains were led by the Media & Entertainment and Banks indices, rising 3.9% and 1.0%, respectively. Etihad Atheeb Telecommunication and Saudi Arabian Amiantit Co. were up 6.1% each.

Dubai: The DFM Index gained 0.6% to close at 3,144.5. The Consumer Staples and Discretionary index rose 3.8%, while the Banks index gained 1.5%. Emirates Refreshments Co. rose 6.6%, while Emirates NBD was up 3.4%.

Abu Dhabi: The ADX General Index gained 0.4% to close at 8,431.4. The Telecommunication index rose 1.2% while Consumer Staples index rose 0.7%. Dana Gas rose 3.0%, while Abu Dhabi National Insurance was up 1.4%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 7,041.1. The Basic Materials index rose 1.4%, while the Banks index gained 0.2%. Ajwan Gulf Real Estate Co. rose 25.5%, while Al Arabi Group Holding Co. was up 10.1%.

Oman: The MSM 30 Index gained 0.4% to close at 4,124.9. Gains were led by the Services and Industrial indices, rising 1.0% and 0.7%, respectively. Al Maha Petroleum Products Marketing Co. rose 5.2%, while Al Omaniya Financial Services was up 3.4%.

Bahrain: The BHB Index gained 0.1% to close at 1,779.5. The Communications Services index rose 0.5%, while the Financials index gained 0.1%. Al Salam Bank rose 2.0%, while BBK was up 1.0%.

Market Indicators	23 Dec 21	22 Dec 21	%Chg.
Value Traded (QR mn)	351.4	257.1	36.7
Exch. Market Cap. (QR mn)	668,796.9	669,072.9	(0.0)
Volume (mn)	121.2	87.2	39.0
Number of Transactions	8,477	7,277	16.5
Companies Traded	47	43	9.3
Market Breadth	17:27	15:25	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	23,153.86	0.1	0.1	15.4	16.3
All Share Index	3,698.87	0.2	0.2	15.6	162.3
Banks	4,981.66	0.3	0.4	17.3	15.4
Industrials	4,038.20	(0.1)	0.4	30.4	16.7
Transportation	3,560.92	0.3	0.5	8.0	17.7
Real Estate	1,800.79	(0.7)	(2.1)	(6.6)	15.5
Insurance	2,631.98	0.5	(0.2)	9.9	15.7
Telecoms	1,034.71	0.7	0.1	2.4	N/A
Consumer	7,987.03	0.4	(0.8)	(1.9)	21.3
Al Rayan Islamic Index	4,763.32	(0.1)	(0.7)	11.6	18.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	13.55	3.4	2,948.3	31.6
Qurain Petrochemical Ind.	Kuwait	0.36	2.9	2,180.3	5.0
Saudi Arabian Fertilizer	Saudi Arabia	178.80	2.6	578.9	121.8
Banque Saudi Fransi	Saudi Arabia	47.00	2.3	644.6	48.7
Mouwasat Medical Serv.	Saudi Arabia	174.40	2.1	41.9	26.4

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ezdan Holding Group	Qatar	1.38	(2.4)	4,223.2	(22.3)
Knowledge Economic City	Saudi Arabia	16.52	(1.7)	638.5	39.1
Emaar Economic City	Saudi Arabia	11.48	(1.4)	1,485.0	24.6
Ominvest	Oman	0.31	(1.3)	38.4	(9.5)
Co. for Cooperative Ins.	Saudi Arabia	76.10	(1.0)	70.0	(4.5)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Islamic Insurance Company	7.99	2.3	57.0	15.7
Qatar First Bank	1.78	1.4	375.5	3.3
Zad Holding Company	15.97	1.4	0.5	17.8
Gulf International Services	1.69	1.1	16,723.4	(1.6)
Qatar Aluminum Manufacturing	1.84	1.0	7,633.0	90.1

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ahli Bank	3.65	(8.5)	8.0	5.9
Qatar Cinema & Film Distribution	3.52	(6.2)	1.2	(11.8)
Inma Holding	3.98	(3.6)	1,033.6	(22.2)
Qatari German Co for Med. Dev.	3.25	(2.8)	1,045.2	45.3
Al Khaleej Takaful Insurance Co.	3.62	(2.7)	118.4	90.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.81	(1.8)	20,992.1	25.0
Gulf International Services	1.69	1.1	16,723.4	(1.6)
Mazaya Qatar Real Estate Dev.	0.94	(1.6)	10,995.6	(25.6)
Alijarah Holding	0.92	(2.4)	7,839.7	(26.3)
Qatar Aluminum Manufacturing	1.84	1.0	7,633.0	90.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.19	0.8	54,388.8	13.2
The Commercial Bank	6.70	0.0	36,166.8	52.2
Gulf International Services	1.69	1.1	27,885.9	(1.6)
Qatar Islamic Bank	18.23	(0.3)	23,595.1	6.5
Masraf Al Rayan	4.87	(0.2)	17,738.7	7.5

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*	11,696.47	0.1	0.1	2.7	12.1	95.82	182,314.0	16.3	1.7	2.5
Dubai	3,144.53	0.6	(3.9)	2.3	26.2	41.12	110,535.5	20.7	1.1	2.5
Abu Dhabi	8,431.36	0.4	(4.8)	(1.3)	67.1	409.56	405,248.4	23.1	2.5	2.7
Saudi Arabia	11,271.46	0.6	(0.4)	4.7	29.7	1,264.63	2,656,938.9	24.8	2.4	2.4
Kuwait	7,041.06	0.1	0.9	3.7	27.0	171.74	135,818.2	21.0	1.6	2.0
Oman	4,124.94	0.4	2.3	3.1	12.7	4.44	19,102.4	11.8	0.8	3.8
Bahrain	1,779.51	0.1	(0.2)	2.9	19.4	2.36	28,570.6	9.9	0.9	3.5

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

Qatar Market Commentary

- The QE Index rose 0.1% to close at 11,696.5. The Telecoms and Insurance indices led the gains. The index rose on the back of buying support from GCC and foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Qatar Islamic Insurance Company and Qatar First Bank were the top gainers, rising 2.3% and 1.4%, respectively. Among the top losers, Ahli Bank fell 8.5%, while Qatar Cinema & Film Distribution was down 6.2%.
- Volume of shares traded on Thursday rose by 39.0% to 121.2mn from 87.2mn on Wednesday. However, as compared to the 30-day moving average of 123.0mn, volume for the day was 1.5% lower. Salam International Inv. Ltd. and Gulf International Services were the most active stocks, contributing 17.3% and 13.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	26.93%	38.06%	(39,101,829.2)
Qatari Institutions	18.76%	26.45%	(26,994,646.7)
Qatari	**45.70%**	**64.51%**	**(66,096,475.9)**
GCC Individuals	0.63%	0.38%	894,923.1
GCC Institutions	4.97%	2.70%	8,002,423.5
GCC	**5.60%**	**3.07%**	**8,897,346.6**
Arab Individuals	9.10%	9.83%	(2,575,210.8)
Arab Institutions	0.00%	0.00%	–
Arab	**9.10%**	**9.83%**	**(2,575,210.8)**
Foreigners Individuals	3.15%	1.96%	4,202,875.6
Foreigners Institutions	36.45%	20.64%	55,571,464.5
Foreigners	**39.60%**	**22.59%**	**59,774,340.1**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12-23	US	Department of Labor	Initial Jobless Claims	18-Dec	205k	205k	205k
12-23	US	Department of Labor	Continuing Claims	11-Dec	1,859k	1,835k	1,867k
12-23	US	Bureau of Economic Analysis	Personal Income	Nov	0.40%	0.40%	0.50%
12-23	US	Bureau of Economic Analysis	Personal Spending	Nov	0.60%	0.60%	1.40%
12-23	US	Bureau of Economic Analysis	PCE Deflator MoM	Nov	0.60%	0.60%	0.70%
12-23	US	Bureau of Economic Analysis	PCE Deflator YoY	Nov	5.70%	5.70%	5.10%
12-23	Germany	German Federal Statistical Office	Import Price Index MoM	Nov	3.00%	1.00%	3.80%
12-23	Germany	German Federal Statistical Office	Import Price Index YoY	Nov	24.70%	22.30%	21.70%
12-23	Japan	Economic and Social Research I	Leading Index CI	Oct	101.5	--	102.1
12-23	Japan	Economic and Social Research I	Coincident Index	Oct	89.8	--	89.9
12-24	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Nov	0.60%	0.50%	0.10%
12-24	Japan	Bank of Japan	PPI Services YoY	Nov	1.10%	1.00%	1.00%

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 4Q2021 results	No. of days remaining	Status
ABQK	Ahli Bank	13-Jan-22	18	Due

Source: QSE

News

Qatar

- **Fitch Ratings: Qatar's assets offset government-related entity debt; higher oil prices, pandemic recovery lower GCC's GRE debt/GDP –** Qatar's assets offset government-related entity (GRE) debt, Fitch Ratings said and noted partial recovery from the Covid-19 pandemic and higher oil prices are lowering GRE debt as a share of GDP across the GCC in 2021. But in most countries, Fitch Ratings said GRE debt levels remain higher than before the pandemic. The upward trend in GRE debt/GDP that has been in evidence since 2014 could resume as GREs help to drive national economic agendas, aiming at job creation, diversification and the energy transition, Fitch Ratings said. Increased focus on privatization and asset sales could mitigate this trend over time, it said. Aggregate GCC non-bank GRE debt hit 37% of GDP in 2020 (an increase of 7pp over 2019), driven in part by declines in nominal GDP on lower oil prices and Covid-19-induced recessions. The ratio is 32% in relation to forecast 2021 GDP. Aggregate debt of GCC government-related banks (wholesale or interbank funding, excluding customer deposits) rose to 24% of GDP in 2020. However, potential contingent liabilities from banks are larger, with sector assets reaching above 300% in Qatar, for example. All GCC countries have a record of supporting their GREs, either on an ongoing basis or in periods of distress. The likelihood of future assistance is high given past experience, combined with the continuing importance of GREs to national economic growth strategies and, frequently, their status as national champions. Across much of the GCC, large sovereign net foreign assets and low net debt limit the credit impact of large or growing contingent liabilities, Fitch Ratings said. The high standalone credit quality of some GREs, in particular most of the national oil companies in the region, is also a mitigating factor. Nevertheless, many GCC sovereign ratings rely on exceptional balance-sheet strengths to outweigh structural weaknesses, including undiversified economies and political risk. Fitch said it does not usually include GRE debt in government debt, unless it is guaranteed and likely to materialize onto a government's balance sheet. Contingent liabilities could crystallize if a government assumes the obligations of a GRE, or if it needs to make transfers that widen its fiscal deficit. Other contingent liabilities not covered in this report include liabilities arising from pension funds or public-private partnerships (e.g. power purchase agreements). (Gulf-Times.com)
- **QIGD to hold its EGM on January 02 due to lack of quorum –** Due to lack of quorum for the second Extraordinary General Assembly Meeting (EGM), Qatari Investors Group (QIGD) will hold its third EGM, which will be held physically and virtually on January 02, 2022 at 4:30 pm at the company's headquarters in Lusail area. (Gulf-Times.com)
- **Nakilat forms ESG Task-Force –** With Environment, Social, and Governance (ESG) becoming more important globally, corporates are embedding ESG in their decision-making. Companies in Qatar are also swiftly adopting best practices in the field of ESG. Qatar Gas Transport Company (QGTS, Nakilat) has recently published its Environmental, Social, and Governance Report 2020, which provides a snapshot of the company's ESG progress in the last year. Nakilat has established an ESG Committee composed of Nakilat's executives, of which provides regular updates to the Board of Directors, who holds overall accountability of all ESG-related matters across the Group and this committee is supported by a newly formed ESG Task-Force composed of senior professionals. "The committee is supported by a newly formed ESG Task-Force composed of senior professionals who represent each ESG Pillar (Environment, Social, and Governance) and are responsible for the day-to-day management of Nakilat's ESG corporate reporting activities," noted Environmental, Social, and Governance (ESG) Report 2020. (Peninsula Qatar)
- **ORDS launches innovative Mosaic Tower –** Ooredoo Qatar (ORDS), the pioneer of high-speed mobile Internet, has launched the Mosaic Tower, bringing together modern design, architecture, and engineering innovation. Located close to the Lusail Expressway between Onaiza Park and West Bay Beach, this is the first Mosaic Tower of the Ooredoo network. It combines technology with aesthetics by making significant changes to the appearance of the traditional antenna tower. This includes 24 color changing options that will generate a pleasing night-time glow. On the technical side, the tower can incorporate equipment from two separate 5G operators. (Peninsula Qatar)
- **QatarEnergy commits to playing key role in global energy transition –** 2021 had seen many milestones in the country's energy industry including the transformation of Qatar Petroleum into QatarEnergy, which will continue to deliver cleaner energy that the world needs and play its role in finding better solutions in the ongoing energy transition. During the new logo and brand identity launch in Doha in October, HE the Minister of State for Energy Affairs Saad bin Sherida Al-Kaabi had said: "Becoming QatarEnergy reflects our understanding of the global changes and our response to the need to protect our planet and its environment. Not only will our LNG projects bring additional cleaner energy to customers across the globe, but we will continue our heightened commitment to our central role in the global energy transition." Indeed, Qatar's flagship energy company has had a historic evolution that saw Qatar Petroleum Company (QPC) getting transformed into Qatar General Petroleum Corporation (QGPC), then becoming Qatar Petroleum (QP), some 20 years ago, and QatarEnergy (QE) in October this year. Undoubtedly, natural gas is Qatar's core business and the country is conducting that in the most professional and responsible way. Natural gas is also part of the solution in the ongoing energy transition and that it will be a requirement for sustaining the development of the world for at least a few decades. Therefore, QatarEnergy is moving full steam ahead to develop the North field by building state-of-the-art LNG trains that would take the country's leadership position further with a production capacity of 126mn tons per year by 2027. The transformation also signals a new strategy that focuses on energy efficiency and environmentally-friendly technology such as capturing and storing carbon dioxide. QatarEnergy is utilizing "sophisticated carbon sequestration methods" to capture and sequester 9mn tons of carbon dioxide a year by the end of the decade, HE Al-Kaabi said at the event. "We are making sure that we protect our environment by keeping our carbon footprint at a minimum. This is why we are utilizing sophisticated carbon sequestration methods," Al-Kaabi noted. To support its LNG expansion and as part of its historic shipbuilding program to meet its future LNG carrier requirements, QatarEnergy last month placed the first batch of LNG shipbuilding orders with Korean shipyards consisting of four vessels from Daewoo Shipbuilding & Marine Engineering (DSME) and two vessels from Samsung Heavy Industries (SHI). QatarEnergy's LNG carrier fleet program is the largest of its kind in the LNG industry and is designed to meet the shipping requirements of QatarEnergy's LNG expansion projects, as well as replacing part of Qatar's existing LNG fleet. (Gulf-Times.com)
- **ExxonMobil, Qatar Energy kick off Cyprus appraisal drilling –** ExxonMobil and Qatar Energy have spudded the Glaucus-2

appraisal well at Block 10 off the coast of Cyprus, the Cypriot energy ministry reported on December 22. The well is being drilled by the Stena Forth rig, and will target the 2019 Glaucus gas discovery. Glaucus' size is estimated at 5-8 trillion ft3 of in-place gas resources. The discovery well was drilled to a depth of 4,200 meters below the sea level, in waters 2,063 meters deep. ExxonMobil and Qatar Energy had planned to spud the appraisal well earlier, but postponed plans last year in response to the coronavirus pandemic. Earlier this month the pair also secured drilling rights to the offshore Block 5 off Cyprus, adjacent to Block 10. The start of drilling at Block 10 drew the ire of the de-facto state of North Cyprus, recognized only by Turkey, which lays claim to any energy resources discovered off its coast. North Cyprus' foreign ministry warned that "necessary measures will be taken against this initiative, which is a violation of not only the rights of the Turkish Cypriot people, but also the continental shelf of the Republic of Turkey." "It is not possible to stand idly by and watch the deliberate efforts of the Greek Cypriot side to escalate the tension in the Eastern Mediterranean region," the ministry continued. (Bloomberg)

- **Robust recovery ahead for hospitality sector in 2022 –** The hospitality sector of Qatar is set to witness strong recovery next year helped by initiatives taken by the government and line-up of global and local events. Sports events, stay-cation demand, cruise business, travelers from GCC countries, exhibitions, food festivals and other such events will drive the growth of hospitality sector. “As 2022 is set to be a remarkable year in Qatar, we do foresee a strong recovery in the market. First quarter will be driven by sports events and exhibitions i.e. Doha Jewelry & Watches Exhibition, Doha Book Fair, Katara Arabian Horse Festival, Al Shaqab, Moto GP, Dimdex, Milipol, Tennis, Golf tournaments and other events,” Aurelio Giraudo, Cluster General Manager at Banyan Tree Doha at La Cigale Mushaireb & La Cigale Hotel Managed by Accor, told The Peninsula. “In the second quarter, if things remain normal, then we will have Ramadan Tents being back to the hotels to celebrate Eid. Quarter 3 and Quarter 4 will be driven by a FIFA project base business which will be in the closing stages of completion and FIFA World Cup Qatar 2022 which we are all have been waiting for,” he said. (Peninsula Qatar)
- **OIL TENDER: Qatar Offers 50k tons light Naphtha for January 27-28 –** Qatar Petroleum for the Sale of Petroleum Products offered about 50k tons of light naphtha for loading January 27-28 from Ras Laffan, according to tender documents seen by Bloomberg. Bids are due by December 23. (Bloomberg)
- **Qatar Rail announces Lusail Tram preview service from January 1 –** Qatar Railways Company (Qatar Rail) will launch its first phase of the preview service of the Lusail Tram on January 1, 2022. The first phase includes the preview service of six stations on the Orange line, which are Marina, Marina Promenade, Yacht Club, Esplanade, Energy City South, and Legtaifiya. Legtaifiya station connects Lusail Tram to the Doha Metro network. Once the full Tram network opens, it will connect various government offices, residential towers, leisure and sports facilities, avenues, marinas, and other major attractions across Lusail City. Lusail Tram is both eco and user-friendly, providing a greener, more efficient option than cars. Trams accommodate up to 209 customers in both Standard and Family Class (once Covid-19 restrictions are lifted). (Gulf-Times.com)
- **Kahramaa adds 64MG water to reservoirs in 3Q –** To meet the demand of water for household use and development purpose, Qatar General Electricity and Water Corporation (Kahramaa) added 64 million gallons of water to Water Security Mega Reservoirs in the third quarter (3Q) of this year. To enhance electricity and water supply networks, the utility distributor, Kahramaa, also completed 28 projects and awarded 23 tenders in 2021.“Kahramaa’s Water Net-works Directorate commissioned additional 64mn gallons of water (4.5%) of Mega Reservoir capacity and 38.2km of pipelines ranging from 100mm to 1600mm in the 3rd quarter of 2021, fulfilling its responsibility to promote water security of Qatar,” Kahramaa has tweeted. (Peninsula Qatar)
- **Mowasalat stresses preparedness for FIFA World Cup 2022 –** Mowasalat (Karwa) has said it shuttled more than 1.4mn passengers in more than 190,000 bus service hours, at a 'record' 4,000 buses per day across all of its services for the FIFA Arab Cup 2021, including public transport and all other services provided in Qatar. This came as proof of the capabilities for future mega events in Qatar, the company said in a statement Saturday and underlined its preparedness for 2022, when Qatar hosts the FIFA World Cup. (Gulf-Times.com)

International

- **World economy to top $100tn in 2022 for first time –** The world’s economic output will exceed $100tn for the first time next year and it will take China a little longer than previously thought to overtake the US as the No.1 economy, a report showed on Sunday. British consultancy Cebr predicted China will become the world’s top economy in dollar terms in 2030, two years later than forecast in last year’s World Economic League Table report. India looks set to overtake France next year and then Britain in 2023 to regain its place as the world’s sixth biggest economy, Cebr said. “The important issue for the 2020s is how the world economies cope with inflation, which has now reached 6.8% in the US,” said Cebr Deputy Chairman Douglas McWilliams. “We hope that a relatively modest adjustment to the tiller will bring the non-transitory elements under control. If not, then the world will need to brace itself for a recession in 2023 or 2024.” The report showed Germany was on track to overtake Japan in terms of economic output in 2033. Russia could become a Top 10 economy by 2036 and Indonesia looks on track for ninth place in 2034. (Reuters)
- **Global oil's comeback year presages more strength in 2022 –** Global oil demand roared back in 2021 as the world began to recover from the coronavirus pandemic, and overall world consumption potentially could hit a new record in 2022 - despite efforts to bring down fossil fuel consumption to mitigate climate change. Gasoline and diesel use surged this year as consumers resumed travel and business activity picked up. For 2022, crude consumption is expected to reach 99.53mn barrels per day (bpd), up from 96.2mn bpd this year, according to the International Energy Agency. That would be a hair short of 2019's daily consumption of 99.55mn barrels. That will put pressure on both OPEC and the US shale industry to meet demand - after a year when major producers were surprised by the rebound in activity that overwhelmed supply and led to tight inventories worldwide. Numerous OPEC nations have struggled to add to output, while the US shale industry has to deal with investor demands to hold the line on spending. After beginning the year at $52 a barrel, Brent crude rose as high as about $86 per barrel before tailing off at the end of the year. Forecasters say prices could resume their upward path in 2022 unless supply increases by more than expected. Bank of America researchers estimate Brent will average $85 a barrel in 2022, due to low inventories and a lack of spare capacity. (Reuters)
- **US economy shows strength heading into COVID-19 winter wave –** The number of Americans filing new claims for unemployment benefits held below pre-pandemic levels last week as the labor market tightens, while consumer spending increased solidly, putting the economy on track for a strong finish to 2021. The economy's stamina demonstrated in Thursday's data, which also showed new home sales racing to a seven-month high and manufacturing still buoyant in November,

came as the nation was battling a resurgence in COVID-19 infections, driven by the Delta strain and the highly transmissible Omicron variant. That could hurt economic activity in the first quarter. "The economy was running on all cylinders in the fourth quarter," said Diane Swonk, Chief economist at Grant Thornton in Chicago. "The bad news is that much of the weakness associated with the spread of the Omicron variant is still ahead of us. Some of the weakness could show up in data for December, but the bulk of the weakness will show up as canceled events, travel and less spending on services in January." Initial claims for state unemployment benefits were unchanged at a seasonally adjusted 205,000 for the week ended December 18, the Labor Department said. Early this month, claims dropped to 188,000, the lowest level since 1969. Last week's claims were in line with economists' expectations. Claims have declined from a record high of 6.149mn in early April of 2020. Applications typically increase during the cold weather months, but an acute shortage of workers has disrupted that seasonal pattern, resulting in lower seasonally adjusted claims numbers in recent weeks. "Looking past that noise, however, we expect claims to remain around 200,000 as layoffs remain low amid tight labor market conditions," said Nancy Vanden Houten, lead US economist at Oxford Economics in New York. "The spread of the Omicron variant may lend an upside risk to that forecast, but for now, it appears as though businesses are striving to remain open." The claims data covered the period during which the government surveyed businesses for the nonfarm payrolls portion of December's employment report. Claims dropped between the November and December survey periods, suggesting a pickup in job growth this month. Labor shortages, however, remain a challenge. There are hopeful signs that unemployed Americans are starting to rejoin the workforce, but soaring coronavirus infections could be an obstacle. The number of people continuing to receive benefits after an initial week of aid fell 8,000 to 1.859mn in the week ended December 11. That was the lowest level for the so-called continuing claims since mid-March of 2020. About 2.138mn people were receiving unemployment checks under all programs in early December, down 320,452 from the end of November. (Reuters)

- **France, Italy urge more leeway for investment in EU fiscal reform –** France and Italy called on Thursday for the European Union's fiscal rules to allow more leeway for investments that would help the 27-nation bloc become greener and more self-sufficient in a post-pandemic world. EU budget rules safeguard the value of the euro by setting limits on government deficits and debt. Since they were set up, they have grown increasingly complex and the EU is now thinking how to change them to better fit new economic realities. The main challenges are how to cut government debt that has surged during the COVID-19 pandemic without stifling growth, and how to provide incentives for massive investment needed to fight climate change and to make supply lines more secure after global lockdowns exposed their fragility. "There is no doubt that we must bring down our levels of indebtedness," Italian Prime Minister Mario Draghi and French President Emmanuel Macron said in a joint article in the Financial Times. "But we cannot expect to do this through higher taxes or unsustainable cuts in social spending, nor can we choke off growth through unviable fiscal adjustment," they said. The two leaders wrote that their strategy was instead to curb recurrent public spending through "sensible" structural reforms and that EU fiscal rules should not prevent them from making necessary investments. EU fiscal rules do not give any special treatment to investment now, and France and Spain proposed in September to exempt "green" investment, and possibly also money spent on digitalizing the economy, from EU deficit calculations. Some northern EU countries disagree, worried it will be hard to define what constitutes an investment to fight climate change. France has also said the EU should better secure its economic sovereignty by moving production of some key items to Europe, as COVID-19 lockdowns showed disruptions in supplies from China - where much of Europe's pharmaceuticals and chips come from - can be devastating. (Reuters)
- **Japan consumer prices rise at fastest pace in nearly 2 years on fuel costs –** Japan's November consumer inflation marked the biggest year-on-year rise in nearly two years on surging fuel costs, a sign that the fallout from global commodity price gains is broadening. The increase, however, is unlikely to prompt the Bank of Japan (BOJ) to withdraw monetary stimulus any time soon, with inflation still distant from the central bank's 2% target, analysts say. The data released on Friday highlights the fresh challenge policymakers face in preventing rising costs of living from hurting already weak household spending and Japan's fragile economic recovery. BOJ Governor Haruhiko Kuroda said on Thursday a weak yen could be inflicting bigger pain on households than before by pushing up prices of imported goods. "Faced with price hikes for a range of daily necessities, consumers may become even more cautious in boosting spending," said Yasunari Ueno, chief market economist at Mizuho Securities. Japan's core consumer price index (CPI), which excludes volatile fresh food but includes oil costs, rose 0.5% in November from a year earlier, government data showed, exceeding a median market forecast for a 0.4% gain. It was the biggest increase since February 2020 and followed a 0.1% rise in October. The gain was driven by a 15.6% surge in energy costs. Food costs also rose 1.4%, indicating households were facing higher grocery costs even when wage growth remains slow. Core consumer inflation is already above 1% when stripping away the impact of this year's cuts in cellphone charges, which knock off 1.5% point off the index, analysts say. "We expect underlying inflation to accelerate to a peak of around +1.0% next year as goods inflation rises further and the drag from mobile phone tariff cuts drops out of the annual comparison," said Tom Learmouth, Japan economist at Capital Economics. Japan has not been immune to global commodity inflation, with wholesale prices rising a record 9.0% in November from a year earlier. But core consumer inflation has hovered around zero, as firms remain cautious about passing on costs to consumers on concerns that households may hold back on spending. (Reuters)
- **Xinhua: China's top real estate regulator vows to tackle property delivery risks –** China's top real estate regulator vowed to resolutely tackle risks stemming from overdue delivery of residential properties by some top developers in a bid to maintain social stability, the official Xinhua News Agency reported on Saturday. Wang Menghui, head of the Ministry of Housing and Urban-Rural Development, also told Xinhua that China will keep its real estate policies consistent and stable, while strengthening coordination in areas including finance, and land and market supervision. Chinese developers suffered liquidity stress this year as Beijing stepped up its deleverage campaign against the bloated sector, triggering defaults at heavily-indebted players such as China Evergrande Group. Although Chinese regulators have marginally eased funding restrictions to avoid a hand-landing of the sector, Wang ruled out policy reversal. China will not use the property sector as a tool to stimulate the economy for short-term growth and will continue to crack down on speculative investment, Xinhua reported, citing Wang. Instead, China will set up a mechanism to foster long-term development of the real estate industry, while maintaining stability in market expectations, as well as land and property prices. Wang said the fundamentals of China's real

estate market have not changed, with home-buying demand remaining robust from the still-rapid pace of urbanization, and the need for better living standards fueled by the coronavirus epidemic. Earlier on Saturday, China's central bank said it will safeguard the legal rights of home buyers and better satisfy their reasonable living needs, vowing to promote healthy development of the country's real estate market. (Reuters)

- **China central bank says it will promote healthy development of property market –** China's central bank said on Saturday it will safeguard the legal rights of home buyers and better satisfy their reasonable living needs, vowing to promote healthy development of the country's real estate market. The statement from the People's Bank of China (PBOC), made following its fourth-quarter monetary policy committee meeting, is the latest sign that Chinese regulators are marginally easing curbs on the property sector to prevent a hard-landing. Echoing China's annual Central Economic Work Conference held in early December, the PBOC said it will prioritize economic stability, amid an increasingly severe external environment and the unrelenting global pandemic. The PBOC said it will keep its monetary policy flexible and appropriate, and liquidity reasonably ample. It will strengthen support to the real economy, with a bias toward small companies. The central bank reiterated that it will deepen reforms of the forex market and increase the flexibility of the yuan's exchange rate while guiding companies and financial institutions to be "risk neutral". (Reuters)

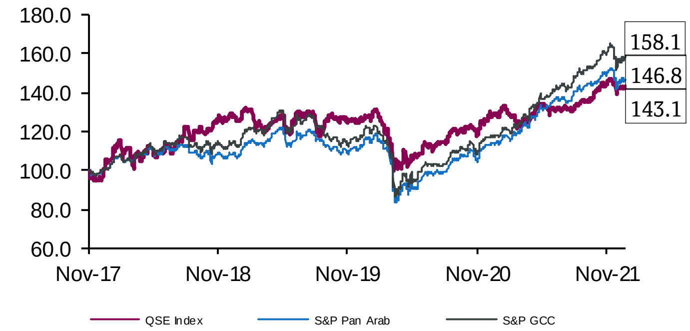
Regional

- **Global oil's comeback year presages more strength in 2022 –** Global oil demand roared back in 2021 as the world began to recover from the coronavirus pandemic, and overall world consumption potentially could hit a new record in 2022 — despite efforts to bring down fossil fuel consumption to mitigate climate change. Gasoline and diesel use surged this year as consumers resumed travel and business activity picked up. For 2022, crude consumption is expected to reach 99.53mn bpd, up from 96.2mn bpd this year, according to the International Energy Agency. That would be a hair short of 2019's daily consumption of 99.55mn barrels. That will put pressure on both OPEC and the US shale industry to meet demand after a year when major producers were surprised by the rebound in activity that overwhelmed supply and led to tight inventories worldwide. (Gulf-times.com)
- **Fitch: Debt levels of government-related entities in GCC remain elevated –** Government-related entity (GRE) debt as a share of GDP has declined across the GCC in 2021, due to higher oil prices and incipient recovery from the pandemic. However, in most of the GCC states, GRE debt levels remain higher than before the pandemic, according to a report by Fitch Ratings. "The upward trend in GRE debt/GDP that has been in evidence since 2014 could resume as GREs help to drive national economic agendas, aiming at job creation, diversification and the energy transition," the report said. However, increased focus on privatization and asset sales could mitigate this trend over time, Fitch noted. (Zawya)
- **Oil prices ease, focus shifts to next OPEC+ move –** Brent crude futures snapped a three-day rally on Friday in light trading before the Christmas holidays, but the benchmark ended the week higher, with the market focusing on next steps by OPEC+ and the impact of the Omicron variant. Brent crude futures settled 71 cents lower at $76.14 a barrel at the early close of 1300 GMT, rising by about 3% on the week. US markets are closed on Friday for the Christmas holiday. (Zawya)
- **Saudi ACWA Power secures $800mn refinancing facility for subsidiary –** Saudi Arabia's utility developer ACWA Power has secured a refinancing facility equivalent to $800mn, denominated in US dollars and Saudi riyals. The proceeds will be utilized by its subsidiary, Rabigh Arabian Water & Electricity Co. (RAWEC), for various financial commitments, including the prepayment of its existing senior debt facility, financing expenses and for general corporate purposes including distribution of dividends, ACWA Power said in a bourse filing on Tadawul on Thursday. The financing was raised from local banks and has a tenor of 8.5 years maturing in 2030. (Zawya)
- **Saudi British Bank sells stake in Wataniya Insurance for SR80mn –** Saudi British Bank (SABB) has sold its entire stake in Wataniya Insurance Co. to Private Wealth Investment Holding Co. for SR80mn. The agreement was signed on December 22, 2021. The sale comprises four million ordinary shares, representing 20% of Wataniya's share capital, the bank said in a bourse filing on Thursday. The proceeds of the transaction will be used by the bank for general corporate purposes and does not involve any special conditions, SABB said. (Zawya)
- **Saudi national debt office completes SR125bn borrowing plan for 2021 –** Saudi Arabia's National Debt Management Center said it completed its 2021 borrowing plan exceeding SR125bn, according to a statement. The Kingdom's Finance Minister and chairman of the NDMC, Mohammed bin Abdullah Al-Jadaan, announced that 60.5% of the debt raised in 2021 was from local sources. The remaining 39.5% was made up of international borrowing. This was in line with the approved borrowing plan of the year. Additionally, a number of financing channels were utilized such as government alternative funding and early repurchase of local government issuances, a statement on the debt authority's website said. (Zawya)
- **IHS Markit adds Saudi bonds to iBoxx index, Tadawul says –** Saudi exchange operator Tadawul said in a tweet on Wednesday that IHS Markit had included the Saudi government Sukuk market in its iBoxx global government bond index. Saudi Capital Market Authority said in a statement that the inclusion will help the sukuk and debt instruments market indices to be followed by international investors. CMA expected that a further 27 government debt instruments listed on Tadawul will join the index starting from Jan. 31, 2022, making up around 0.19% of iBoxx's weight. (Zawya)
- **Saudi's CMA approves Etihad Atheeb Telecom capital reduction –** The Saudi Capital Market Authority has approved Etihad Atheeb Telecommunication Co.'s request to cut its capital, a statement on the authority's website said. The company, also known as GO, is a fixed-line operator in the Kingdom and provides voice and broadband services. This will reduce the company's capital to SR90mn from SR228.5mn. The number of shares will to about 9mn, from 22.8mn. (Zawya)
- **PIF's $40bn investment plan to boost growth of startups in Saudi Arabia –** Saudi Arabia continues to focus on efforts to spur the growth of startups in the Kingdom to help boost the national economy, as is evident from the recently announced Saudi budget 2022. According to Saudi Finance Minister Mohammed Al-Jadaan, the MENA region's largest economy is expected to post a surplus of SR27bn in 2023 and SR42bn in 2024. Added to this, the nation's sovereign wealth fund, the Public Investment Fund announced plans to invest $40bn locally in 2022. (Zawya)
- **Saudi National Bank Launches Kingdom's first framework for sustainable financing –** Saudi National Bank, or SNB, launched on Dec. 23 a framework for sustainable financing, a first for the Kingdom's banking sector, CNBC Arabia reported. SNB's framework will enhance lending to organizations that apply ethical practices, while preserving the environment, empowering individuals and societies, and promoting principles

of ethical governance, it said. S&P Global Ratings advised SNB on how to align its framework with the guidelines of the International Capital Market Association (ICMA). HSBC, a leading global bank, also advised SNB on its framework. (Zawya)

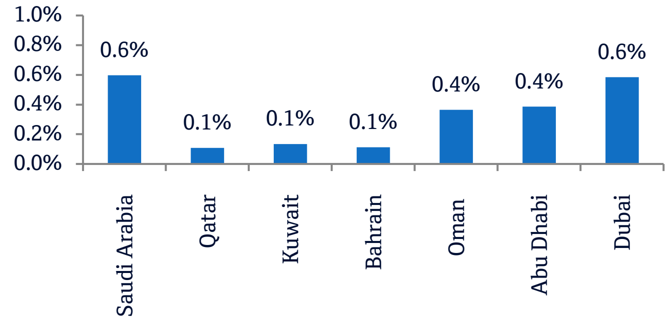
- **Report: UAE is the Middle East's most globalized country –** The UAE is among the Middle East's most globalized country as it stood out for its strong or rising connectedness over the past two decades, according to the DHL Global Connectedness Index. The DHL Global Connectedness Index, compiled by DHL and the NYU Stern School of Business, measures globalization based on international trade, capital, information, and people flows. "Looking at the Middle East, the UAE's pre-eminent position as the most globalized nation in the region is an outcome of economic development strategies that aggressively pursued growth via globalization, strongly supported by the private sector and public," said Amadou Diallo, CEO, DHL Global Forwarding Middle East & Africa. (Zawya)
- **Etihad airways to divest some support service businesses to ADQ –** Etihad Airways will divest some businesses to Abu Dhabi sovereign wealth fund ADQ's new integrated aviation support services company; terms of the deal were not disclosed. Businesses included in transaction are Etihad Engineering, Airport Services Cargo, Airport Services Ground, Aviation Training, Secure Logistics and Technical Training. In addition, Etihad Airport Services Catering will combine with Abu Dhabi National Exhibition Company's catering business and Etihad Holidays with join ADNEC's tourism promotion business. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,817.32	0.5	1.1	(4.3)
Silver/Ounce	23.02	0.6	2.9	(12.8)
Crude Oil (Brent)/Barrel (FM Future)	76.14	(0.9)	3.6	47.0
Crude Oil (WTI)/Barrel (FM Future)	73.79	0.0	4.1	52.1
Natural Gas (Henry Hub)/MMBtu	3.55	0.0	(3.5)	48.5
LPG Propane (Arab Gulf)/Ton	107.00	0.0	4.3	42.2
LPG Butane (Arab Gulf)/Ton	131.50	0.0	0.7	75.3
Euro	1.13	(0.1)	0.7	(7.3)
Yen	114.38	(0.0)	0.7	10.8
GBP	1.34	(0.2)	1.1	(2.1)
CHF	1.09	(0.1)	0.5	(3.7)
AUD	0.72	(0.3)	1.3	(6.1)
USD Index	96.02	0.0	(0.6)	6.8
RUB	73.66	0.5	(0.7)	(1.0)
BRL	0.18	0.0	0.3	(8.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,206.85	0.0	2.1	19.2
DJ Industrial#	35,950.56	-	1.7	17.5
S&P 500#	4,725.79	-	2.3	25.8
NASDAQ 100#	15,653.37	-	3.2	21.5
STOXX 600	482.51	(0.3)	2.3	11.9
DAX#	15,756.31	-	2.1	6.0
FTSE 100	7,372.10	(0.2)	2.4	12.0
CAC 40	7,086.58	(0.5)	2.7	18.2
Nikkei	28,782.59	0.0	0.2	(5.3)
MSCI EM	1,220.55	0.1	0.3	(5.5)
SHANGHAI SE Composite	3,618.05	(0.7)	(0.3)	6.8
HANG SENG	23,223.76	0.2	0.2	(15.2)
BSE SENSEX	57,124.31	(0.4)	1.4	16.4
Bovespa#	104,891.30	-	(2.1)	(19.7)
RTS	1,584.15	(0.2)	0.1	14.2

Source: Bloomberg (*$ adjusted returns, #Market was closed as on December 24, 2021)

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